

# BUDGET NARRATIVE

## WATER RESOURCES DEPARTMENT 2017-2019 GOVERNOR'S RECOMMENDED BUDGET

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# BUDGET NARRATIVE

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## CERTIFICATION

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the accuracy of all numerical information has been verified.

Oregon Water Resources Department

\_\_\_\_\_  
**AGENCY NAME**

725 Summer St. NE Suite A, Salem, OR 97301

\_\_\_\_\_  
**AGENCY ADDRESS**

  
\_\_\_\_\_  
**SIGNATURE**

Director

\_\_\_\_\_  
**TITLE**

Notice: Requests of agencies headed by a board or commission must be approved by official action of those bodies and signed by the board or commission chairperson.

The requests of other agencies must be approved and signed by the agency director or administrator.

Agency Request

Governor's Budget

Legislatively Adopted

# BUDGET NARRATIVE

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# BUDGET NARRATIVE

Summary listing of Legislative Actions

<b>Legislative Action</b>	<b>Related to</b>	<b>Biennium</b>
HB 5042	Primary Agency Budget	2015-17 Regular Session
HB 5005	General Obligation Bonds	2015-17 Regular Session
HB 5507	End of Session – Omnibus Adjustments	2015-17 Regular Session
HB 4113	Drought Task Force	2016 Regular Session
SB 5701	Emergency Board- February (Salary Pot)	2016 Regular Session

# BUDGET NARRATIVE

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Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session

## BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 5042 A

CARRIER: Sen. Hansell

### Joint Committee On Ways and Means

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**Action:** Do Pass The A-Eng Bill.

**Action Date:** 06/12/15

#### **Vote:**

##### **Senate**

**Yeas:** 11 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Winters

**Nays:** 1 - Whitsett

##### **House**

**Yeas:** 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Williamson

**Nays:** 1 - Whitsett

**Prepared By:** Cathleen Connolly, Department of Administrative Services

**Reviewed By:** Matt Stayner, Legislative Fiscal Office

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**Agency:** Water Resources Department

**Bicennium:** 2015-17

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# BUDGET NARRATIVE

## **Budget Summary\***

	<b>2013-15 Legislatively Approved Budget<sup>(1)</sup></b>	<b>2015-17 Current Service Level</b>	<b>2015-17 Committee Recommendation</b>	<b>Committee Change from 2013-15 Leg. Approved</b>	
				<b>\$ Change</b>	<b>% Change</b>
General Fund	\$ 27,284,614	\$ 28,396,203	\$ 29,821,168	\$ 2,536,554	9.3%
Lottery Funds Debt Service	\$ 574,025	\$ 3,404,416	\$ 2,511,482	\$ 1,937,457	337.5%
Other Funds Limited	\$ 31,605,960	\$ 20,690,296	\$ 20,797,927	\$ (10,808,033)	-34.2%
Other Funds Debt Service	\$ 3,130,777	\$ -	\$ -	\$ (3,130,777)	-100.0%
Federal Funds Limited	\$ 1,275,264	\$ 1,302,403	\$ 1,302,403	\$ 27,139	2.1%
Total	\$ 63,870,640	\$ 53,793,318	\$ 54,432,980	\$ (9,437,660)	-14.8%

## **Position Summary**

Authorized Positions	157	157	164	7
Full-time Equivalent (FTE) positions	154.55	154.83	162.58	8.03

<sup>(1)</sup> Includes adjustments through December 2014

\* Excludes Capital Construction expenditures

## **Revenue Summary**

The Water Resources Department receives General Fund, Lottery Funds, Other Funds and Federal Funds. General Fund provides the largest portion, 52.5 percent of the 2015-17 projected available revenues. The Lottery Funds is directed entirely to debt service and is 4.4 percent of available revenues. Federal Funds constitute 2.3 percent of available revenues and is generally received through the Federal Emergency Management Agency and the Bureau of Reclamation.

Other Funds is the second largest revenue component at 40.7 percent of the 2015-17 projected available revenues and is derived from fees, contracts for work and bond proceeds which fund various phases of water resource projects. The agency projects \$8,085,138 Power and Water Fees in the 2015-17 biennium. Total Power and Water Fee revenues are derived 36.7 percent from Hydroelectric fees related to processing and monitoring hydroelectric projects; 29.2 percent from Water Rights and Dam Safety fees associated with the review and inspection of new and existing projects; 18.4 percent from Well Start Card fees associated with the construction and inspection of new wells; 12.4 percent from Exempt Use Wells used to monitor groundwater supplies; 2.3 percent from Geotechnical Holes fees; and 1.0 percent from Well Construction fees.

## **Summary of Natural Resources Subcommittee Action**

The Water Resources Department administers laws governing surface and groundwater resources. The goal is to balance use of the state's water among current and future generations of Oregonians. The Department processes transfers of water rights, permits, certificates, and water rights

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# BUDGET NARRATIVE

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applications, administers hydroelectric relicensing, inspects construction and maintenance of wells and dams, provides technical information and analysis on surface water and groundwater availability, adjudicates pre-1909 and federal reserved water rights, and negotiates Native American reserved water rights.

The Subcommittee approved a total funds budget of \$54,432,980, including \$29,821,168 General Fund, and 162.58 FTE. The total funds budget is 14.8 percent smaller than the 2013-2015 Legislatively Approved Budget and a 1.2 percent increase from the 2015-2017 current service level. The increase from the current service level reflects investments in additional staff to address expanded grant opportunities, water right processing backlogs, and water management and monitoring in the Klamath Basin. The budget also invests in a chief groundwater technology scientist to work on groundwater data and a professional engineer and two natural resource planning coordinators to support the Integrated Water Resources Supply Development Initiative.

## Administrative Services Division - 010-01

This program provides fiscal, human resource, and business support services for daily operation of the Department. In addition, the division provides management oversight for the Water Development Loan Fund and contract assistance to the Oregon Watershed Enhancement Board. The Subcommittee approved a total funds budget of \$17,358,680 and 11.50 FTE.

The Subcommittee recommended Package 106: SB 1069 Grant Program Enhancement. This package expands the administrative capacity of the Water Conservation, Reuse and Storage Grant program that was established in 2008 by Senate Bill 1069. It appropriates \$139,318 General Fund and provides for a limited duration increase in the number of months for an existing position of 0.75 FTE. The grant funding within this program is primarily for feasibility studies, but under some circumstances direct costs of projects can be funded. Grants under the program are capped at a maximum of \$500,000 and must be matched by the grant recipient on a dollar-for-dollar basis. The program has base budget grant funding of \$750,000 General Fund. Grant program administration in the base budget includes a single position comprising 0.25 FTE. The Department requested one-time additional funding of \$750,000 using lottery bond proceeds. That funding and the additional Other Funds expenditure limitation required will be contemplated in a separate bill.

To accommodate the additional funding available should lottery bond proceeds be made available for this purpose, the Department requested that the position used for grant administration be increased from 0.25 FTE to 1.00 FTE using General Fund. This package provides the funding for and extends the existing position from 0.25 FTE to 1.00 FTE during the 2015-17 biennium only. It is the intention of the Legislature however, that the additional General Fund appropriation and position authority created by this package be removed by subsequent legislation should the additional bond funding not be made available to the agency for this purpose.

The Subcommittee recommended Package 811: Updated Base Debt Service Adjustment. This package reduces Lottery Funds revenues and Lottery Funds debt service by \$892,934 to reflect anticipated actual principal and interest expenses related to lottery bond financed projects.

## Field Services Division - 010-03

This program processes water rights transfer and permit amendment applications, provides planning assistance, inspects the construction and maintenance of wells and dams, and provides technical information on surface water and groundwater availability. The Subcommittee approved a total funds budget of \$12,398,883 and 56.00 FTE.

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The Subcommittee recommended Package 104: Klamath Basin Hydrotech to Assist with Water Management. This package adds \$191,822 in General Fund and one permanent Natural Resource Specialist 2 position (1.00 FTE) to manage the twelve existing stream gages and an additional thirteen to fifteen gages required for the management of senior water rights in the Klamath Basin. The increase in monitoring is a result of the 2013 completion of the administrative phase of the Adjudication. Many additional water rights have been recognized as senior and enforceable, which means that water users in the basin who have not been regulated in the past may be subject to water use restrictions. Water users watch stream flows closely, and rely on the Department's information in order to manage their water more efficiently. Collecting streamflow and groundwater data to support water management decisions is anticipated to lessen conflict and legal challenges.

The Subcommittee recommended Package 105: Place-Based IWRS Planning. This package provides \$206,664 General Fund for one limited duration position (1.00 FTE) for the initial implementation and pilot of place-based integrated water resources strategies. The developed strategies will serve as a blueprint for meeting both instream and out-of-stream needs, taking into account water quantity, water quality, and ecosystems. Meeting water needs should be considered within the context of specific watersheds, accounting for the hydrological, geological, biological, climatic, socio-economic, cultural, legal and political conditions of a community.

During the 2015-17 biennium, the Department plans to partner with up to three communities to test the guidelines and further develop a place-based, integrated water resources strategy. Feedback from these pilots will allow the state to adjust and improve its place-based guidelines for communities to use in the future.

Senate Bill 266, companion legislation to this package, creates a grant program in the agency for the issuance of place-based integrated water resource strategy development, but does not establish funding. The agency has requested \$750,000 in lottery bond proceeds for this purpose in a separate bill. It is the intention of the Legislature that the additional General Fund appropriation and position authority established by Package 105 be removed by subsequent legislation should the additional bond funding not be made available to the agency for this purpose.

## Technical Services Division - 010-04

This program includes hydrologic analysis, groundwater investigations and management, hydrographics, dam safety, geographic information systems, data entry, information systems management, well construction, and investigations and compliance. The Subcommittee approved a total funds budget of \$13,772,913 and 46.54 FTE.

The Subcommittee recommended Package 103: Groundwater – Data Management. This package adds \$107,629 General Fund, \$107,631 Other Funds (Water Rights Operating Fund) and includes one permanent Natural Resource Specialist 5 position (1.00 FTE) who will serve as the Chief Groundwater Technology Scientist. The new position will be responsible for establishing procedures and methods to capture and process data using rigorous scientific standards, including a major overhaul of data organization and formatting, and will serve as the liaison between the Groundwater Section and other sections within the Department that collect and archive groundwater-related data, and other state and federal agencies. The position will evaluate groundwater data sets and create more efficient processes for capturing, formatting, sharing, analyzing and archiving data.

# BUDGET NARRATIVE

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## Water Rights Service - 010-06

This program evaluates and acts upon applications for new in-stream and out-of-stream water rights. It also administers water right certification, adjudication, hydroelectric relicensing, water right policy development, and permit extension evaluation. The adjudication section is responsible for ruling on pre-1909 and federal reserved water rights, and for negotiation of Native American reserved water rights. The Subcommittee approved a total funds budget of \$7,549,142 and 38.54 FTE.

The Subcommittee recommended Package 101: Klamath Transaction and Water Right Backlog Reduction. This package provides \$164,133 General Fund for one additional limited duration Natural Resource Specialist position (1.00 FTE) to reduce water right backlog issues and enhance service to customers in the Klamath Basin. The position is responsible for reviewing claims of beneficial use and issuing certificates, as well as responding to unanticipated water rights related processing needs.

## Director's Office - 010-07

This program includes strategic planning and support for the Water Resources Commission, alternative dispute resolution, contested case hearings, administrative rule coordination, legislative coordination, and citizen response and information services. The Subcommittee approved a total funds budget of \$3,158,911 and 9.00 FTE.

The Subcommittee recommended Package 115: Integrated Water Resources Supply Development. This package is a substantial new investment to implement the Integrated Water Resources Supply Development strategy. The package appropriates \$615,399 General Fund and establishes three permanent positions (3.00 FTE) including a water supply engineer and two planning coordinators (Natural Resource Specialist 4). Should additional funding be made available for agency grant programs, it is acknowledged that the agency will have the flexibility to use one of the planning coordinator positions for grant management activities.

Funding programs are available to support water resource development projects. Project proponents can apply for funding through the agency's Water Conservation and Reuse Grant Program to help evaluate the feasibility and viability of the project. Once the project has been reviewed, funding for developing and implementing the project is available through the Water Supply Development grant and loan program established in 2013. This package provides staff for outreach and consulting with individuals and local governments as well as coordinating financing opportunities. The package allows the Water Resource Department to provide technical, permitting and engineering expertise to actively assist individuals, farmers, cities, counties, tribes, nongovernmental entities, and communities in developing water resources projects.

## Water Development Loan Fund - 020-00

This program finances irrigation, drainage projects, community water supply projects, fish protection projects, watershed enhancement projects, and safe drinking water projects. The Subcommittee approved a total funds budget of \$244,451 and 1.00 FTE, funding this program at the current service level.

## **Summary of Performance Measure Action**

See attached Legislatively Adopted 2015-17 Key Performance Measures form.



# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5042-A

Water Resources Department  
Cathleen Connolly - 503-307-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 27,284,614	\$ 574,025	\$ 34,736,737	\$ -	\$ 1,275,264	\$ -	\$ 63,870,640	157	154.55
2015-17 Current Service Level (CSL)*	\$ 28,396,203	\$ 3,404,416	\$ 20,690,296	\$ -	\$ 1,302,403	\$ -	\$ 53,793,318	157	154.83
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 010-01 - Administrative Services</b>									
Package 106: SB 1069 Grant Program Enhancement									
Personal Services	\$ 129,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,433	0	0.75
Services and Supplies	\$ 9,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,885		
Package 811: Updated Base Debt Service Adjustment									
Debt Service	\$ -	\$ (892,934)	\$ -	\$ -	\$ -	\$ -	\$ (892,934)		
<b>SCR 010-03 - Field Services</b>									
<b>Water Management</b>									
Personal Services	\$ 137,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,501	1	1.00
Services and Supplies	\$ 46,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,821		
Capital Outlay	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500		
Package 105: Place-Based IWRS Planning									
Personal Services	\$ 172,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,577	1	1.00
Services and Supplies	\$ 34,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,087		
<b>SCR 010-04 - Technical Services</b>									
<b>Package 103: Groundwater-Data Management</b>									
Personal Services	\$ 93,487	\$ -	\$ 93,489	\$ -	\$ -	\$ -	\$ 186,976	1	1.00
Services and Supplies	\$ 14,142	\$ -	\$ 14,142	\$ -	\$ -	\$ -	\$ 28,284		
<b>SCR 010-06 - Water Right Services</b>									
<b>Package 101: Klamath Transactions and Water Right Backlog Reduction</b>									
Personal Services	\$ 153,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,913	1	1.00
Services and Supplies	\$ 10,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,220		

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# BUDGET NARRATIVE

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCR 010-07 - Director's Office</b>									
Package 115: Integrated Water Resources Supply Development									
Personal Services	\$ 538,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538,499	3	3.00
Services and Supplies	\$ 76,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,900		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 1,424,965</b>	<b>\$ (892,934)</b>	<b>\$ 107,631</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 639,662</b>	<b>7</b>	<b>7.75</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 29,821,168</b>	<b>\$ 2,511,482</b>	<b>\$ 20,797,927</b>	<b>\$ -</b>	<b>\$ 1,302,403</b>	<b>\$ -</b>	<b>\$ 54,432,980</b>	<b>164</b>	<b>162.58</b>
% Change from 2013-15 Leg Approved Budget	9.3%	337.5%	-40.1%	0.0%	2.1%	0.0%	-14.8%		
% Change from 2015-17 Current Service Level	5.0%	-26.2%	0.5%	0.0%	0.0%	0.0%	1.2%		

\*Excludes Capital Construction Expenditures

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# BUDGET NARRATIVE

## Legislatively Approved 2015-2017 Key Performance Measures

### Agency: WATER RESOURCES DEPARTMENT

Mission: To serve the public by practicing and promoting responsible water management.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - FLOW RESTORATION - Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs.		Approved KPM	24.00	24.00	24.00
2 - PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated.		Approved KPM	0.75	0.80	0.80
3 - MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations.		Approved KPM	96.00	98.00	98.00
4 - STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations.		Approved KPM	7.00	6.50	6.50
5 - ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources.		Approved KPM	5.00	7.00	7.00
6 - EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet.		Approved KPM	93.00	90.00	90.00
7 - EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's Internet site.		Approved KPM	2.39	2.25	2.25
8 - NUMBER OF SIGNIFICANT DIVERSIONS WITH MEASUREMENT DEVICES INSTALLED - To fully implement the Water Resources Commission's 2000 Water Measurement Strategy		Approved KPM	819.00	1,125.00	1,200.00
9 - PROMOTE EFFICIENCY IN WATER MANAGEMENT AND CONSERVATION PLAN REVIEWS - Percent of water management and conservation plans that received a preliminary review within 90 days of plan submittal.		Approved KPM	100.00	95.00	95.00

Print Date: 6/9/2015

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# BUDGET NARRATIVE

**Agency: WATER RESOURCES DEPARTMENT**

Mission: To serve the public by practicing and promoting responsible water management.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
10 - PROMOTE EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING - Percent of water right applications that receive an initial review within 45 days of application filing.		Approved KPM	20.39	55.00	55.00
11 - PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Percent of transfer final orders issued within 120 days of application filing.		Approved KPM	37.00	30.00	30.00
12 - PROMOTE EFFICIENCY IN FIELD STAFF REGULATORY ACTIVITIES - Number of places where water is legally taken out of stream and used (points of diversion) per FTE of field staff.		Approved KPM	2,504.00	2,400.00	2,400.00
13 - INCREASE WATER USE REPORTING		Approved KPM	70.00	78.00	78.00
14 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	86.00	85.00	85.00
14 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	81.00	85.00	85.00
14 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	88.00	85.00	85.00
14 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	90.00	85.00	85.00
14 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	83.00	85.00	85.00

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**Agency: WATER RESOURCES DEPARTMENT**

Mission: To serve the public by practicing and promoting responsible water management.

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2016</b>	<b>Target 2017</b>
14 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	65.00	85.00	85.00

**LFO Recommendation:**

Approve 2015-2017 Key Performance Measures and targets as proposed.

**Sub-Committee Action:**

The Joint Ways and Means Subcommittee on Natural Resources approved the 2015-2017 Key Performance Measures and targets as recommended by LFO.

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# BUDGET NARRATIVE

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Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session

MEASURE: HB 5005 A

**BUDGET REPORT AND MEASURE SUMMARY**

CARRIER: Sen. Girod

**Joint Committee On Ways and Means**

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**Action:** Do Pass The A-Eng Bill.

**Action Date:** 07/03/15

**Vote:**

**Senate**

**Yeas:** 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

**House**

**Yeas:** 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whitsett, Williamson

**Exc:** 1 - Whisnant

**Prepared By:** Jean Gabriel, Department of Administrative Services

**Reviewed By:** Daron Hill, Legislative Fiscal Office

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**Agencies:** Various

**Bicennium:** 2015-17

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# BUDGET NARRATIVE

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## **Summary of Capital Construction Subcommittee Action**

House Bill 5005 limits the maximum amount of bonds and third party financing agreements state agencies may issue and the amount of revenue state agencies may raise from such issuance. The proceeds from the issuance of bonds are included as revenues in agency budgets. This bill also allocates the federal tax-exempt private activity bond volume cap allowed under the Internal Revenue Code of 1986, as amended, to certain state agencies and the Private Activity Bond Committee established in ORS 286A.615.

The Subcommittee reviewed amendments to House Bill 5005 for the following purposes:

- 1) The Subcommittee approved a Higher Education Coordinating Commission (HECC) Article XI-G general obligation bond authorization of \$145,781,600 which approves seven new projects for public universities and reauthorizes eight projects approved during previous legislative sessions for community colleges capital construction financing, including a change in the specified project for Mt. Hood Community College. Projects are described later in this report.
- 2) The Subcommittee approved a reauthorization Article XI-G general obligation bonds for the Oregon Health and Science University (OHSU) Cancer Institute project approved during the 2014 Legislative Session. The authorization in the 2013-15 biennium was for a combination of Article XI-G bonds and lottery revenue bonds. However, the amount of Article XI-G bonds reauthorized for 2015-17 was increased to \$200,035,000 which includes \$198,000,000 in project costs and \$2,035,000 in bond issuance costs, with no lottery revenue bonds authorized for the project. The project involves expansion of the OHSU Knight Cancer Institute including construction of research, clinical, and other related facilities. The bond proceeds will be used to construct a research building on the Schnitzer Campus which will include wet laboratory facilities, bio-computing space, and research support facilities; and for additional floors in the Center for Health and Healing II (CHH II) building already planned for construction for clinical trial space. OHSU will match the Article XI-G bonds with donated funds.
- 3) The Subcommittee approved an Oregon Business Development Department Article XI-M (Seismic Rehabilitation of Public Education Buildings) general obligation bond authority of \$176,870,000 and authority for Article XI-N (Seismic Rehabilitation of Emergency Services Buildings) general obligation bonds of \$30,440,000.
- 4) The Subcommittee provided to the Oregon Department of Education Article XI-P general obligation bond authority of \$126,210,000, which includes \$125,000,000 in net proceeds and \$1,210,000 in bond issuance costs, to fund grants to school districts for capital costs including construction, improvement, remodel, maintenance or repair of facilities, and acquisition of equipment.
- 5) The Subcommittee approved Article XI-Q general obligation bond authority of \$369,640,000 for capital projects owned or operated by the state. A table listing all projects comprising the Article XI-Q authorization is included later in this report.
- 6) The Subcommittee provided to the Oregon Department of Transportation Article XI, Section 7 general obligation bond authority of \$35,475,000 to fund various highway improvement projects throughout the state.

# BUDGET NARRATIVE

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- 7) The Subcommittee approved a \$100,000,000 authorization to the Department of Veterans' Affairs for issuance of Article XI-A general obligation bonds.
- 8) The Subcommittee approved Higher Education Coordinating Commission Article XI-F (1) general obligation bond authorization of \$70,985,000 to provide bond financing for Public Universities' (Portland State University and Oregon State University) self-supporting capital construction projects including \$53,680,000 for one new project, as well as reauthorization of two projects approved during previous legislative sessions. Projects are described later in this report.
- 9) The Subcommittee approved a \$10,000,000 authorization to the Department of Environmental Quality for issuance of Article XI-H general obligation bonds.
- 10) The Subcommittee approved a \$30,520,000 authorization to the Water Resources Department for issuance of Article XI-I (1) general obligation bonds to fund loans for water development projects.
- 11) The Subcommittee approved a Housing and Community Services Department Article XI-I (2) general obligation bond authority of \$25,000,000. In addition, the Subcommittee approved Housing and Community Services Department direct revenue bond authority of \$300,000,000 and pass-through revenue bond authority of \$250,000,000.
- 12) The Subcommittee approved the State Department of Energy's Article XI-J general obligation bond authority of \$25,000,000 and approved its direct revenue bond authority of \$20,000,000.
- 13) The Subcommittee approved Department of Administrative Services Lottery Revenue Bond limit of \$201,795,000. A complete list of lottery revenue bond projects can be found in House Bill 5030.
- 14) The Subcommittee approved an authorization of \$393,160,000 in Department of Transportation Highway User Tax revenue bonds for eligible construction projects.
- 15) The Subcommittee approved an Oregon Business Development Department direct revenue bond authority of \$30,000,000 and pass-through revenue bond authority of \$200,000,000 for Industrial Development bonds and \$10,000,000 for the Beginning and Expanding Farmer Loan Program.
- 16) The Subcommittee approved an Oregon Facilities Authority pass-through revenue bond authority of \$950,000,000.



# BUDGET NARRATIVE

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Detail of projects authorized for the Higher Education Coordinating Commission through bond financing is included below.

## **Higher Education Coordinating Commission**

### **HECC - Public Universities**

The Subcommittee approved 12 new bond-funded projects for public universities at a total cost of \$298,440,000. Two additional projects approved in the 2013-15 biennium were reauthorized at \$17,305,000. The projects are included in the budget for HECC.

### **All Public Universities**

The Subcommittee approved the following project for the seven public universities that formerly comprised the Oregon University System (OUS) and adopted a budget note:

- Capital renewal, code compliance, and safety: approved \$65,770,000 Article XI-Q bonds to maintain facilities and keep the deferred maintenance backlogs from growing. These projects do not involve acquisition of buildings, structures, or land. The approved amount includes \$65,000,000 for project costs and \$770,000 for issuance costs. HECC initially will allocate funds to the individual universities based on square footage in education and general services facilities, following past OUS practice. Debt service on the Article XI-Q bonds will be paid with General Fund.

### **Budget Note:**

The Higher Education Coordinating Commission, in collaboration with the seven public universities and the Department of Administrative Services, shall submit a report by December 31, 2015 to the Legislative Fiscal Office that identifies whether and how revisions in statute and/or administrative rules are needed to better enable universities to use capital repair and renewal funds to implement disability access improvements.

### **Eastern Oregon University**

The Subcommittee approved the following project:

- Hunt Hall Demolition and Site Renovation: approved \$3,040,000 Article XI-Q bonds to demolish an existing building that has exceeded its useful life. The project also involves upgrades to parking, campus roadways and pathways, compliance with Americans with Disabilities Act accessibility requirements, upgrades to campus communication network distribution, and restoration of historic campus features. The approved amount includes \$2,985,000 for project costs and \$55,000 for cost of issuing the bonds. Debt service on the bonds will be paid with General Fund.

# BUDGET NARRATIVE

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## Oregon Institute of Technology

The Subcommittee approved the following project:

- Center for Excellence in Engineering and Technology, Phase One: approved \$785,000 Article XI-G bonds and \$10,395,000 Article XI-Q bonds for construction of a laboratory and classroom building adjacent to Cornett Hall. The approved amount includes \$10,920,000 for project costs and \$260,000 for costs of issuing the bonds. The university will use funds from campus auxiliaries and a legal settlement for the constitutionally required fifty percent match against the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.

## Oregon State University

The Subcommittee approved the following three projects for a total of \$62,380,000.

- Forest Science Complex: approved \$30,140,000 Article XI-G bonds for renovation of Peavey Hall Classroom Building and construction of a new research facility to house an applied research center in wood products engineering and manufacturing. The approved amount includes \$29,702,970 for project costs and \$437,030 for costs of issuing the bonds. The university will use gift funds for the constitutionally required fifty percent match against the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.
- Marine Studies Campus, Phase One: approved \$25,155,000 Article XI-G bonds to construct a research, classroom, and academic building at the Hatfield Marine Science Center in Newport. The facility constitutes the first phase in an effort to expand the university's marine studies academic and research programs. The approved amount includes \$24,752,475 for project costs and \$402,525 for costs of issuing the bonds. The university will use gift funds for the constitutionally required fifty percent match against the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.
- Modular Data Center: reauthorized \$7,085,000 Article XI-F (1) bonds originally authorized as Article XI-Q bonds in the 2013-15 Legislatively Approved Budget to create small data centers throughout the campus intended to support research, instructional, and administrative activities. The approved amount includes \$7,000,000 for project costs and \$85,000 for costs of issuing the bonds. Debt service on the Article XI-F (1) bonds will be paid by loan repayments made by the university to HECC, which are expected to be supported through the university's tuition revenue.

## Portland State University

The Subcommittee approved the following three projects for a total of \$124,780,000.

- Neuberger Hall Deferred Maintenance and Renovation: approved \$10,220,000 Article XI-G bonds and \$50,660,000 Article XI-Q bonds to completely renovate and upgrade an academic and administration facility built in the 1960s. The approved amount includes \$60,000,000 for project costs and \$880,000 for costs of issuing the bonds. The university will use gift funds and other funds for the constitutionally required fifty percent match against the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.
- Broadway Housing Purchase: approved \$53,680,000 Article XI-F (1) bonds to purchase a ten story housing facility currently owned by the PSU Foundation. The building was constructed in 2003 by a limited liability corporation under contract with the university and financed by

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# BUDGET NARRATIVE

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City of Portland economic development revenue bonds. Issuance of State of Oregon general obligation bonds will allow the university to purchase the building from its foundation at a lower interest rate than the foundation is paying on the city bonds. The approved amount includes \$53,000,000 for project costs and \$680,000 for costs of issuing the bonds. Debt service on the Article XI-F (1) bonds will be paid by loan repayments made by the university to HECC, which are expected to be supported through the university's housing and dining fees, retail space rent receipts, and university general fund revenues.

- **University Center Land Purchase:** reauthorized \$10,220,000 Article XI-F (1) bonds originally authorized in the 2013-15 Legislatively Approved Budget for purchase of land under the university-owned University Center building. The approved amount includes \$10,000,000 for project costs and \$220,000 for costs of issuing the bonds. Debt service on the Article XI-F (1) bonds will be paid by loan repayments made by the university to HECC, which are expected to be supported through the university's savings from lease payments that will no longer be incurred.

## Southern Oregon University

The Subcommittee approved the following project:

- **Britt Hall Renovation:** approved \$4,785,000 Article XI-Q bonds for renovation and seismic upgrades to an administration, classroom, and student services building. The approved amount includes \$4,717,500 for project costs and \$67,500 for costs of issuing the bonds. Debt service on the bonds will be paid with General Fund.

## University of Oregon

The Subcommittee approved the following three projects for a total of \$37,795,000.

- **Klamath Hall Renovation:** approved \$6,325,000 Article XI-G bonds and \$6,075,000 Article XI-Q bonds to renovate one floor and add an additional floor to an academic and research building to accommodate increased enrollment in chemistry and other sciences. The approved amount includes \$12,250,000 for project costs and \$150,000 for costs of issuing the bonds. The university will use institutional funds for the constitutionally required fifty percent match against the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.
- **College and Careers Building:** approved \$17,275,000 Article XI-G bonds for construction of a new office and classroom building that will house the College of Arts and Sciences and the Career Center. The approved amount includes \$17,000,000 for project costs and \$275,000 for costs of issuing the bonds. The university will use gift funds, grants, and other funds for the constitutionally required fifty percent match against the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.
- **Chapman Hall Renovation:** approved \$2,550,000 Article XI-G bonds and \$5,570,000 Article XI-Q bonds to remodel and seismically upgrade Chapman Hall, which houses the university's Honors College. The approved amount includes \$8,000,000 for project costs and \$120,000 for costs of issuing the bonds. The university will use gift funds, grants, and other funds for the constitutionally required fifty percent match against the Article XI-G bonds. Debt service on the bonds will be paid with General Fund.

# BUDGET NARRATIVE

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## Western Oregon University

The Subcommittee approved the following project:

- **Natural Sciences Building Renovation:** approved \$6,015,000 Article XI-Q bonds to renovate and seismically upgrade the Natural Sciences Building for use by the physical and natural sciences programs following the relocation of chemistry, anatomy, and physiology programs to another building. The approved amount includes \$5,940,000 for project costs and \$75,000 for costs of issuing the bonds. Debt service on the bonds will be paid with General Fund.

## HECC - Community Colleges

The Subcommittee approved one new community college bond-funded project at a cost of \$1,710,000 and reauthorized eight projects originally approved in the 2013-15 biennium at a total cost of \$53,331,600. Expenditure limitation for these projects is included in the budget for HECC. Amounts approved for projects funded with Article XI-G bonds include project and bond issuance costs.

- **Linn-Benton Community College Alternative Fuels Center:** approved \$1,710,000 lottery-backed bonds for construction of a training and research center focused on transition to a more efficient, lower-cost, and cleaner transportation system. The approved amount includes \$1,500,000 for project costs and \$210,000 for issuance and other costs. Debt service will be paid with Lottery Funds.
- **Blue Mountain Community College Animal Science Education Center:** reauthorized \$3,331,350 in Article XI-G bonds to construct new facilities for animal science and agriculture programs. The project includes classrooms and office buildings, indoor and outdoor arenas, a hay barn, horse pens, and mare motels, tack storage lockers, and round pens. Match for the Article XI-G bonds will come from a district bond levy approved in May 2015. The approved amount includes project and bond issuance costs.
- **Columbia Gorge Community College Advanced Technology Center, Phase Two:** reauthorized \$7,320,000 in Article XI-G bonds for construction of a facility on the Hood River campus to support science, technology, engineering, and mathematics programs. Match for the Article XI-G bonds will come from fundraising and proceeds of a possible 2016 district bond levy. The approved amount includes project and bond issuance costs.
- **Klamath Community College Student Success and Career-Technical Center:** reauthorized \$7,850,000 Article XI-G bonds for construction of a new facility housing a research library and computer labs, a testing center, tutoring and advising areas, and space for GED, Adult Basic Education, and English as a Second Language programs. The project will also expand the Career Technical Education center for auto and diesel mechanics and construction management programs. When originally approved, match for the Article XI-G bonds was anticipated to come from a combination of college reserve funds, foundation and federal grants, and district general obligation bonds. Currently the college is working with its partners to raise funds. The approved amount includes project and bond issuance costs.
- **Mt. Hood Community College Technology Innovation Center:** reauthorized \$8,000,000 in Article XI-G bonds to replace an aging Industrial Technology facility with space for applied technologies, including automotive, machine tool, and emerging technologies and classroom space. At the request of the college, this project replaces the College Student Services Enhancement project approved in 2013. The college plans a local bond levy in 2016 to provide match for the Article XI-G bonds. The approved amount includes project and bond issuance costs.

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# BUDGET NARRATIVE

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- **Rogue Community College Health and Science Center:** reauthorized \$8,000,000 Article XI-G bonds to increase space for health science programs by constructing new facilities or buying and remodeling existing ones. As reauthorized, the project also allows the college to acquire land for the facility. Match for the Article XI-G bonds is expected to come from partnership contributions, grants, and capital campaign contributions. The approved amount includes project and bond issuance costs.
- **Southwestern Oregon Community College Health and Science Technology Building:** reauthorized \$8,000,000 Article XI-G bonds for construction of a new facility with laboratory, classroom, and auxiliary space for expansion of allied health and science programs. The facility will support increased use of technology and distance education in health and science programs. Match for the Article XI-G bonds is expected to come from private grants and donations and, if necessary, revenues from a district bond levy. The approved amount includes project and bond issuance costs.
- **Treasure Valley Community College Workforce Vocational Center:** reauthorized \$2,830,250 Article XI-G bonds for construction of a new facility to expand space for welding training and to house Natural Resource, Renewable Energy, Wild Land Fire, Construction Trades, and Waste Water Management programs. Match for the Article XI-G bonds is expected to come from fund raising or proceeds from district bonds or a district bond levy. The approved amount includes project and bond issuance costs.
- **Umpqua Community College Industrial Technology Building:** reauthorized \$8,000,000 Article XI-G bonds to construct a new facility on campus for automotive, manufacturing, construction, and welding technology programs. The college had planned to match the Article XI-G bonds with proceeds from a district bond levy which was defeated by the voters in May 2013. Alternatives for generating the match from grants, donations, and other sources are being explored. A 2016 bond levy is under consideration. The approved amount includes project and bond issuance costs.

# BUDGET NARRATIVE

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## **Article XI-Q Authority**

<u>Department of Human Services</u>	
Adult Abuse Data and Report Writing System	\$ <u>3,355,000</u>
<u>Department of Administrative Services</u>	
Capital Investments/Acquisitions	\$ <u>17,275,000</u>
<u>Department of Justice</u>	
Child Support Enforcement System	\$ <u>15,415,000</u>
<u>Department of Revenue</u>	
Core Tax Revenue Systems Replacement	\$ 19,375,000
Property Valuation System	1,960,000
Subtotal	\$ <u>21,335,000</u>
<u>Oregon Judicial Department</u>	
E-Court System	\$ 14,755,000
Multnomah County Courthouse	17,675,000
Jefferson County Courthouse	2,550,000
Tillamook County Courthouse	8,005,000
Subtotal	\$ <u>42,985,000</u>
<u>Oregon Military Department</u>	
Youth Challenge	\$ 5,045,000
Military Headquarters Facility	6,785,000
Subtotal	\$ <u>11,830,000</u>
<u>Department of Corrections</u>	
Deferred Maintenance for Facilities	\$ <u>14,475,000</u>

# BUDGET NARRATIVE

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## Article XI-Q Authority (continued)

### Oregon Youth Authority

Rogue Valley Facility Improvements	\$ 10,100,000
MacLaren Facility Improvements	31,460,000
Oak Creek Facility Improvements	2,145,000
CCTV Cameras	1,190,000
North Coast	625,000
Eastern Oregon	1,540,000
Tillamook	1,225,000
Camp River Bend	790,000
Camp Florence	765,000
Hillcrest	235,000

Subtotal \$ 50,075,000

### Higher Education Coordinating Commission

All - Capital Repair, Renewal & Accessibility	\$ 65,770,000
EOU - Hunt Hall Demolition & Site Restoration	3,040,000
OIT - Center for Excellence in Engineering & Tech	10,395,000
PSU - Neuberger Hall Deferred Maintenance & Renovation	50,660,000
SOU - Britt Hall Renovation	4,785,000
UO - Chapman Hall Renovation	5,570,000
UO - Klamath Hall Renovation	6,075,000
WOU - Natural Sciences Building Renovation	6,015,000

Subtotal \$ 152,310,000

### Oregon Housing and Community Services

Affordable Housing	\$ 40,585,000
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TOTAL \$ 369,640,000

# BUDGET NARRATIVE

## House Bill 5005, SECTIONS 1 - 3.

<u>Program Designation</u>	<u>2013-15 Legislatively Approved</u>	<u>2015-17 Governor's Budget</u>	<u>2015-17 Committee Recommendations</u>	<u>Changes from Governor's Budget</u>
<b><u>GENERAL OBLIGATION BONDS</u></b>				
<b>General Fund Obligations</b>				
Higher Education Coordinating Comm. - PU (Art. XI-G)	\$ 117,711,000	\$ 117,375,000	\$ 92,450,000	\$ (24,925,000)
Higher Education Coordinating Comm. - CC (Art. XI-G)	\$ 123,451,600	\$ 79,321,600	\$ 53,331,600	\$ (25,990,000)
Oregon Health and Science University (Art. XI-G)	\$ 161,490,000	\$ 199,770,000	\$ 200,035,000	\$ 265,000
Oregon Business Development Dept. (Art. XI-M)	\$ 15,000,000	\$ 70,000,000	\$ 176,870,000	\$ 106,870,000
Oregon Business Development Dept. (Art. XI-N)	\$ 15,000,000	\$ 30,000,000	\$ 30,440,000	\$ 440,000
Oregon Department of Education (Art. XI-P)	\$ 0	\$ 0	\$ 126,210,000	\$ 126,210,000
Department of Administrative Services (Art. XI-Q)	\$ 459,618,100	\$ 506,690,000	\$ 369,640,000	\$ (137,050,000)
Oregon Department of Transportation (Art. XI, Sec. 7)	\$ 453,725,000	\$ 0	\$ 35,475,000	\$ 35,475,000
<b>Dedicated Fund Obligations</b>				
Department of Veterans' Affairs (Art. XI-A)	\$ 60,000,000	\$ 100,000,000	\$ 100,000,000	\$ 0
Higher Education Coordinating Comm. (Art. XI-F(1))	\$ 390,977,500	\$ 67,900,000	\$ 70,985,000	\$ 3,085,000
Dept of Environmental Quality (Art. XI-II)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0
Water Resources Department (Art. XI-I(1))	\$ 10,235,000	\$ 30,520,000	\$ 30,520,000	\$ 0
Housing and Community Services Dept (Art. XI-I(2))	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 0
Department of Energy (Art. XI-J)	\$ 60,000,000	\$ 100,000,000	\$ 25,000,000	\$ (75,000,000)
<b>Total General Obligation Bonds</b>	<b>\$ 1,902,208,200</b>	<b>\$ 1,336,576,600</b>	<b>\$ 1,345,956,600</b>	<b>\$ 9,380,000</b>
<b><u>REVENUE BONDS</u></b>				
<b>Direct Revenue Bonds</b>				
Housing and Community Services Department	\$ 150,000,000	\$ 300,000,000	\$ 300,000,000	\$ 0
Department of Transportation				0
Infrastructure Fund	\$ 20,400,000	\$ 0	\$ 0	\$ 0
Highway User Tax	\$ 846,690,000	\$ 393,160,000	\$ 393,160,000	\$ 0
Toll-Backed Revenue Bonds	\$ 663,000,000	\$ 0	\$ 0	\$ 0
Oregon Business Development Department	\$ 35,000,000	\$ 30,000,000	\$ 30,000,000	\$ 0
Department of Energy	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 0
Oregon University System (former)	\$ 50,000,000	\$ 0	\$ 0	\$ 0
Department of Administrative Services				0
Lottery Revenue Bonds	\$ 219,717,715	\$ 219,290,000	\$ 201,795,000	\$ (17,495,000)
<b>Total Direct Revenue Bonds</b>	<b>\$ 2,004,807,715</b>	<b>\$ 962,450,000</b>	<b>\$ 944,955,000</b>	<b>\$ (17,495,000)</b>



# BUDGET NARRATIVE

<u>Program Designation</u>	<u>2013-15 Legislatively Approved</u>	<u>2015-17 Governor's Budget</u>	<u>2015-17 Committee Recommendations</u>	<u>Changes from Governor's Budget</u>
<b>Pass Through Revenue Bonds</b>				
Oregon Business Development Department				
Industrial Development Bonds	\$ 165,000,000	\$ 200,000,000	\$ 200,000,000	\$ 0
Beginning and Expanding Farmer Loan Program	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 0
Oregon Facilities Authority	\$ 950,000,000	\$ 950,000,000	\$ 950,000,000	\$ 0
Housing and Community Services Department	\$ 150,000,000	\$ 250,000,000	\$ 250,000,000	\$ 0
<b>Total Pass Through Revenue Bonds</b>	<b>\$ 1,275,000,000</b>	<b>\$ 1,410,000,000</b>	<b>\$ 1,410,000,000</b>	<b>\$ 0</b>
<b>Total Revenue Bonds</b>	<b>\$ 3,279,807,715</b>	<b>\$ 2,372,450,000</b>	<b>\$ 2,354,955,000</b>	<b>\$ (17,495,000)</b>

## OTHER FINANCING AGREEMENTS

Department of Administrative Services	\$ <u>55,600,000</u>	\$ <u>40,000,000</u>	\$ <u>40,000,000</u>	\$ <u>0</u>
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## **House Bill 5005, SECTION 4.**

### **Private Activity Bond Allocation for 2016 and 2017 Calendar Years.**

Allocation For:	2013-15 Legislatively Approved Budget		Subcommittee Recommendation	
	2014 Calendar Year	2015 Calendar Year	2016 Calendar Year	2017 Calendar Year
Oregon Business Development Department:				
Industrial Development Bonds	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000
Beginning and Expanding Farmer Loan Program	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000
Housing & Community Services Department	\$125,000,000	\$125,000,000	\$125,000,000	\$125,000,000
State Department of Energy	\$ 10,000,000	\$ 10,000,000	\$ 5,000,000	\$ 5,000,000
Private Activity Bond Committee	\$195,438,535	\$195,438,535	\$222,023,900	\$222,023,900
<b>Totals</b>	<b>\$370,438,535</b>	<b>\$370,438,535</b>	<b>\$397,023,900</b>	<b>\$397,023,900</b>

# BUDGET NARRATIVE

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Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session

MEASURE: SB 5507 A

## BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Buckley

### Joint Committee On Ways and Means

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Action: Do Pass.

Action Date: 07/03/15

Vote:

#### House

Yeas: 11 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whitsett, Williamson

Exc: 1 - Whisnant

#### Senate

Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

Prepared By: Linda Ames and Linda Gilbert, Legislative Fiscal Office

Reviewed By: Ken Rocco, Legislative Fiscal Office

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Agency: Emergency Board

Biennium: 2015-17

Agencies: Various

Biennium: 2013-15

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# BUDGET NARRATIVE

<b><u>Budget Summary*</u></b>	<b><u>2013-15 Legislatively Approved Budget</u></b>	<b><u>2015-17 Legislatively Adopted Budget</u></b>	<b><u>2015-17 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Emergency Board</u></b>				
General Fund - General Purpose	-	-	\$ 30,000,000	\$ 30,000,000
General Fund - Special Purpose Appropriations				
State employee compensation changes	-	-	\$ 120,000,000	\$ 120,000,000
Compensation changes for non-state employees	-	-	\$ 10,700,000	\$ 10,700,000
Oregon Health Authority/Department of Human Services caseload or other costs	-	-	\$ 40,000,000	\$ 40,000,000
Education - early learning through post-secondary	-	-	\$ 3,000,000	\$ 3,000,000
Department of Administrative Services - Enterprise Technology rate adjustment costs	-	-	\$ 6,500,000	\$ 6,500,000
Department of Justice - Defense of Criminal Convictions	-	-	\$ 2,000,000	\$ 2,000,000
Department of Human Services for provider audits	-	-	\$ 100,000	\$ 100,000
<b><u>Various Agencies - Omnibus Adjustments</u></b>				
General Fund	-	-	\$ (27,929,624)	\$ (27,929,624)
General Fund Debt Service	-	-	\$ (2,018,162)	\$ (2,018,162)
Lottery Funds	-	-	\$ (725,589)	\$ (725,589)
Other Funds	-	-	\$ (28,658,678)	\$ (28,658,678)
Federal Funds	-	-	\$ (11,062,641)	\$ (11,062,641)
<b><u>ADMINISTRATION PROGRAM AREA</u></b>				
<b><u>Department of Administrative Services</u></b>				
General Fund	-	-	\$ 2,540,000	\$ 2,540,000
Other Funds	-	-	\$ 16,800,847	\$ 16,800,847
Other Funds Nonlimited	-	-	\$ 145,875,000	\$ 145,875,000

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# BUDGET NARRATIVE

<b><u>Budget Summary*</u></b>	<b><u>2013-15 Legislatively Approved Budget</u></b>	<b><u>2015-17 Legislatively Adopted Budget</u></b>	<b><u>2015-17 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Office of the Governor</u></b>				
General Fund	-	-	\$ 500,000	\$ 500,000
Lottery Funds	-	-	\$ 1,332,517	\$ 1,332,517
<b><u>Public Employees Retirement System</u></b>				
Other Funds	-	-	\$ 509,960	\$ 509,960
<b><u>Department of Revenue</u></b>				
General Fund	-	-	\$ 3,935,414	\$ 3,935,414
General Fund Debt Service	-	-	\$ 3,756,256	\$ 3,756,256
Other Funds	-	-	\$ 28,264,440	\$ 28,264,440
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>				
<b><u>Oregon Business Development Department</u></b>				
General Fund Debt Service	-	-	\$ 4,089,357	\$ 4,089,357
Lottery Funds	-	-	\$ 1,500,000	\$ 1,500,000
Other Funds	-	-	\$ 227,178,216	\$ 227,178,216
Other Funds Nonlimited	-	-	\$ 25,000,000	\$ 25,000,000
<b><u>Housing and Community Services Department</u></b>				
Other Funds	-	-	\$ 33,444,789	\$ 33,444,789
<b><u>Department of Veterans' Affairs</u></b>				
General Fund	-	-	\$ 500,000	\$ 500,000
<b><u>EDUCATION PROGRAM AREA</u></b>				
<b><u>Department of Education</u></b>				
General Fund	-	-	\$ 56,490,543	\$ 56,490,543
Lottery Funds	-	-	\$ 66,009,457	\$ 66,009,457
Other Funds	-	-	\$ 126,210,000	\$ 126,210,000

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# BUDGET NARRATIVE

<b><u>Budget Summary*</u></b>	<b><u>2013-15 Legislatively Approved Budget</u></b>	<b><u>2015-17 Legislatively Adopted Budget</u></b>	<b><u>2015-17 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Higher Education Coordinating Commission</u></b>				
General Fund	-	-	\$ 5,062,300	\$ 5,062,300
Other Funds	-	-	\$ 6,019,882	\$ 6,019,882
Other Funds Nonlimited	-	-	\$ 50,648,642	\$ 50,648,642
<b><u>Oregon Health &amp; Science University</u></b>				
General Fund Debt Service	-	-	\$ 8,522,485	\$ 8,522,485
Other Funds Debt Service	-	-	\$ 38,648,268	\$ 38,648,268
Other Funds	-	-	\$ 200,076,038	\$ 200,076,038
<b><u>HUMAN SERVICES PROGRAM AREA</u></b>				
<b><u>Department of Human Services</u></b>				
General Fund	-	-	\$ 5,437,494	\$ 5,437,494
General Fund Debt Service	-	-	\$ 839,543	\$ 839,543
Other Funds	-	-	\$ 3,355,000	\$ 3,355,000
Federal Funds	-	-	\$ 160,000	\$ 160,000
<b><u>Oregon Health Authority</u></b>				
General Fund	-	-	\$ 11,060,000	\$ 11,060,000
Other Funds	-	-	\$ 137,152	\$ 137,152
<b><u>Long Term Care Ombudsman</u></b>				
General Fund	-	-	\$ 100,000	\$ 100,000
<b><u>JUDICIAL BRANCH</u></b>				
<b><u>Judicial Department</u></b>				
General Fund	-	-	\$ 700,000	\$ 700,000
Other Funds	-	-	\$ 40,255,000	\$ 40,255,000

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# BUDGET NARRATIVE

<b><u>Budget Summary*</u></b>	<b><u>2013-15 Legislatively Approved Budget</u></b>	<b><u>2015-17 Legislatively Adopted Budget</u></b>	<b><u>2015-17 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>NATURAL RESOURCES PROGRAM AREA</u></b>				
<b><u>Department of Agriculture</u></b>				
General Fund	-	-	\$ 55,000	\$ 55,000
Other Funds	-	-	\$ 1,992,496	\$ 1,992,496
<b><u>Department of Environmental Quality</u></b>				
General Fund	-	-	\$ 280,000	\$ 280,000
Other Funds	-	-	\$ 110,092	\$ 110,092
<b><u>Department of Fish and Wildlife</u></b>				
General Fund	-	-	\$ 525,000	\$ 525,000
<b><u>Oregon Department of Forestry</u></b>				
General Fund	-	-	\$ 809,377	\$ 809,377
<b><u>Department of Land Conservation and Development</u></b>				
General Fund	-	-	\$ 494,000	\$ 494,000
<b><u>Department of State Lands</u></b>				
Federal Funds	-	-	\$ 161,488	\$ 161,488
<b><u>Parks and Recreation Department</u></b>				
Lottery Funds	-	-	\$ 2,190,640	\$ 2,190,640
Lottery Funds Debt Service	-	-	\$ (912,494)	\$ (912,494)
Other Funds	-	-	\$ 11,815,544	\$ 11,815,544
Federal Funds	-	-	\$ (899,575)	\$ (899,575)
<b><u>Water Resources Department</u></b>				
Other Funds	-	-	\$ 51,960,889	\$ 51,960,889
Other Funds Debt Service	-	-	\$ 1,201,865	\$ 1,201,865

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# BUDGET NARRATIVE

<b><u>Budget Summary*</u></b>	<b><u>2013-15 Legislatively Approved Budget</u></b>	<b><u>2015-17 Legislatively Adopted Budget</u></b>	<b><u>2015-17 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Oregon Watershed Enhancement Board</u></b>				
Federal Funds	-	-	\$ 200,000	\$ 200,000
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>				
<b><u>Department of Corrections</u></b>				
Other Funds	-	-	\$ 254,568	\$ 254,568
<b><u>Criminal Justice Commission</u></b>				
General Fund	-	-	\$ 5,000,000	\$ 5,000,000
<b><u>Department of Justice</u></b>				
General Fund	-	-	\$ 240,550	\$ 240,550
General Fund Debt Service	-	-	\$ 2,407,587	\$ 2,407,587
Other Funds	-	-	\$ 15,415,000	\$ 15,415,000
Federal Funds	-	-	\$ 29,997,991	\$ 29,997,991
<b><u>Military Department</u></b>				
General Fund	-	-	\$ 339,563	\$ 339,563
General Fund Debt Service	-	-	\$ 434,833	\$ 434,833
Other Funds	-	-	\$ 153,000	\$ 153,000
Federal Funds	-	-	\$ 358,253	\$ 358,253
<b><u>Department of State Police</u></b>				
Lottery Funds	-	-	\$ 278,788	\$ 278,788
Other Funds	-	-	\$ 1,072,470	\$ 1,072,470
Federal Funds	-	-	\$ 1,163	\$ 1,163

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# BUDGET NARRATIVE

## Budget Summary\*

### Oregon Youth Authority

	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
General Fund Debt Service	-	-	\$ 3,115,428	\$ 3,115,428
Other Funds	-	-	\$ 1,055,565	\$ 1,055,565
Federal Funds Debt Service Nonlimited	-	-	\$ 1	\$ 1

### TRANSPORTATION PROGRAM AREA

#### Department of Transportation

General Fund	-	-	\$ 130,000	\$ 130,000
Other Funds Debt Service	-	-	\$ 1,354,734	\$ 1,354,734
Other Funds	-	-	\$ 55,000,000	\$ 55,000,000

### 2015-17 Budget Summary

<b>General Fund Total</b>			<b>\$ 299,716,944</b>	<b>\$ 299,716,944</b>
<b>Lottery Funds Total</b>			<b>\$ 69,673,319</b>	<b>\$ 69,673,319</b>
<b>Other Funds Limited Total</b>			<b>\$ 833,627,137</b>	<b>\$ 833,627,137</b>
<b>Other Funds Nonlimited Total</b>			<b>\$ 221,523,642</b>	<b>\$ 221,523,642</b>
<b>Federal Funds Limited Total</b>			<b>\$ 18,916,679</b>	<b>\$ 18,916,679</b>
<b>Federal Funds Nonlimited Total</b>			<b>\$ 1</b>	<b>\$ 1</b>

\* Excludes Capital Construction

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# BUDGET NARRATIVE

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## 2013-15 Supplemental Appropriations

	2013-15 Legislatively Approved Budget	2013-15 Committee Recommendation	Committee Change
<u>Oregon Health Authority</u>			
Other Funds	-	\$ 45,000,000	\$ 45,000,000
<u>Department of Land Conservation and Development</u>			
General Fund	-	\$ (194,000)	\$ (194,000)

# BUDGET NARRATIVE

<b><u>2015-17 Position Summary</u></b>	<b><u>2013-15 Legislatively Approved Budget</u></b>	<b><u>2015-17 Legislatively Adopted Budget</u></b>	<b><u>2015-17 Committee Recommendation</u></b>	<b><u>Committee Change</u></b>
<b><u>Department of Administrative Services</u></b>				
Authorized Positions	-	-	8	8
Full-Time Equivalent (FTE) positions	-	-	3.47	3.47
<b><u>Office of the Governor</u></b>				
Authorized Positions	-	-	6	6
Full-Time Equivalent (FTE) positions	-	-	5.92	5.92
<b><u>Department of Revenue</u></b>				
Authorized Positions	-	-	34	34
Full-Time Equivalent (FTE) positions	-	-	33.92	33.92
<b><u>Oregon Health Authority</u></b>				
Authorized Positions	-	-	3	3
Full-Time Equivalent (FTE) positions	-	-	2.50	2.50
<b><u>Department of Agriculture</u></b>				
Authorized Positions	-	-	6	6
Full-Time Equivalent (FTE) positions	-	-	5.76	5.76
<b><u>Department of Environmental Quality</u></b>				
Authorized Positions	-	-	2	2
Full-Time Equivalent (FTE) positions	-	-	1.25	1.25
<b><u>Oregon Department of Forestry</u></b>				
Authorized Positions	-	-	1	1
Full-Time Equivalent (FTE) positions	-	-	0.50	0.50

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# BUDGET NARRATIVE

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<b><u>2015-17 Position Summary</u></b>	<b>2013-15 Legislatively Approved Budget</b>	<b>2015-17 Legislatively Adopted Budget</b>	<b>2015-17 Committee Recommendation</b>	<b>Committee Change</b>
<b><u>Department of Land Conservation and Development</u></b>				
Authorized Positions	-	-	1	1
Full-Time Equivalent (FTE) positions	-	-	1.00	1.00
<b><u>Department of Justice</u></b>				
Authorized Positions	-	-	22	22
Full-Time Equivalent (FTE) positions	-	-	21.13	21.13
<b><u>Oregon Military Department</u></b>				
Authorized Positions	-	-	3	3
Full-Time Equivalent (FTE) positions	-	-	3.00	3.00
<b><u>Oregon State Police</u></b>				
Authorized Positions	-	-	-	-
Full-Time Equivalent (FTE) positions	-	-	(0.50)	(0.50)

## **Summary of Revenue Changes**

The General Fund appropriations made in the bill are within resources available as projected in the May 2015 economic and revenue forecast by the Department of Administrative Services, Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in Senate Bill 501, plus other actions to reduce state agency expenditures.

## **Summary of Capital Construction Subcommittee Action**

Senate Bill 5507 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budgets and position authority as described below.

# BUDGET NARRATIVE

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## Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$30 million General Fund to the Emergency Board for general purposes.

Senate Bill 5507 makes seven special purpose appropriations to the Emergency Board, totaling \$182.3 million General Fund:

- \$120 million General Fund for state employee compensation changes.
- \$40 million General Fund for the Oregon Health Authority or the Department of Human Services for caseload costs or other budget challenges that the agencies are unable to mitigate. Known potential challenges include costs associated with federal fair labor standards act rule changes affecting home care and personal support workers; these are estimated to be around \$17 million but will depend in part on pending litigation and programmatic changes. Another unknown element is the full impact of second fiscal year costs for nursing facility rates that may fluctuate based on bed reduction targets; \$4.9 million of rate inflation was originally set aside as part of the Governor's budget to stimulate a discussion on aligning nursing facility cost increases with Oregon Health Plan inflation rates.
- \$10.7 million General Fund for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees. Allocations related to child care, adult foster care, homecare, and personal support workers are anticipated.
- \$6.5 million General Fund for Department of Administrative Services to be allocated, if necessary, to fund changes in Department of Administrative Services Enterprise Technology Services (ETS) rates and assessments. A budget note in SB 5502, the budget bill for the Department of Administrative Services, required the State Chief Information Officer to recommend during the 2016 Regular Session a new funding formula for ETS that refocuses charges to state agencies on fees for service and deemphasizes the use of assessments, which fund all positions regardless of reductions in services delivered, demonstrate how reductions in services purchased by state agencies would be reflected in reductions in operating expenses, and include price list adjustments needed for implementation of a new revenue formula at the start of second year of the biennium.
- \$3 million General Fund for Education, early learning through post-secondary.
- \$2 million General Fund for Department of Justice, Defense of Criminal Convictions caseload costs.
- \$100,000 General Fund for Department of Human Services (DHS), to be used – if warranted – for completing provider audits, compliance work, or reporting activities. These potential actions are specifically tied to a budget note providing direction regarding wage increases for direct care workers serving people with intellectual and developmental disabilities. The budget note is included in the DHS section of this budget report.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2016, any remaining funds become available to the Emergency Board for general purposes.

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# BUDGET NARRATIVE

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## Adjustments to Approved 2015-17 Budgets

### **OMNIBUS ADJUSTMENTS**

Omnibus adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, Audits Division assessments, Attorney General rates, and debt service. Total savings are \$30.1 million General Fund, \$0.7 million Lottery Funds, \$28.5 million Other Funds, and \$11.1 million Federal Funds.

### **ADMINISTRATION**

#### Department of Administrative Services

The Subcommittee approved a one-time \$951,393 Other Funds expenditure limitation increase and establishment of six limited-duration positions (1.71 FTE) for the Chief Human Resources Office to review the Human Resource Information System project (HRIS). The positions will review and update the preparations in the current project for business processes realignment that will be necessary with the adoption and deployment of any new HR IT system, review and update existing IT modernization plans, and study and improve conversion planning for implementation of HRIS. The Department will report initial findings of this review to the appropriate subcommittees of the Joint Committee on Ways and Means during the 2016 legislative session.

The Subcommittee also approved a \$293,314 Other Funds expenditure limitation increase and the addition of two positions for Shared Financial Services to accommodate service provision for the Department of Geology and Mineral Industries, which will now have financial functions carried out by DAS.

The Subcommittee also approved continuing to give nonlimited authority to DAS to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. Disbursement of future bond sales will be done by the Higher Education Coordinating Commission (HECC), but during the 2013-15 biennium, the Department of Administrative Services (DAS) was given initial authority to disburse these proceeds. As the bond project duties related to issuance of Article XI-F and XI-G general obligation bonds transition from DAS to HECC per House Bill 3199, both agencies were given nonlimited authority to disburse proceeds of bonds issued during 2013-15. The total amount of undisbursed proceeds as of June 30, 2015 from 2013-15 bond sales is \$196,523,642. The initial estimate of the amount of 2013-15 proceeds DAS will disburse in 2015-17 per agreements with public universities is \$145,875,000, with HECC assumed to disburse \$50,648,642. These amounts will likely change once the timing of final transition from DAS to HECC is known.

Senate Bill 5507 includes one-time General Fund appropriations to the Department of Administrative Services for the following purposes:

- \$1,100,000 for disbursement to the National Urban Housing and Economic Community Development Corporation (NUHECDC) for implementation of an affordable homes, skills training, and jobs for unemployed prior-offenders, at-risk youth, and veterans. NUHECDC is directed to provide written status reports to the Department of Administrative Services and the Legislative Fiscal Officer each quarter during the 2015-17 biennium to document progress in meeting the program's objectives of providing affordable housing for low to

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# BUDGET NARRATIVE

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moderate income Oregonians; skill training for prior-offenders, at-risk youth, and veterans; and job placement for those with barriers to quality employment.

- \$850,000 for disbursement to the Pine Valley Fire District for a new location and facility to house the Fire Department in the City of Halfway, Oregon.
- \$100,000 for disbursement to the City of Medford to pay for the completion of a feasibility study on development of a conference center in the Medford area. This project could grow beyond a simple conference center and, if feasible, could include sports and recreation components.
- \$90,000 for disbursement to the City of Gold Hill for engineering work needed to construct the Gold Hill Whitewater Park at Ti'lomikh Falls on the Rogue River. The Whitewater Park is being built into the new Gold Hills Parks Master Plan. The goal of the project is to turn Gold Hill into a whitewater destination. The engineering of the whitewater project will be completed in 2015. Permitting and fundraising for construction is expected to take two years. Construction of the whitewater features is expected to take two months. The goal is to finish the park before the 2016 Olympics and to have a local paddler trained at the site competing in the 2020 Olympics.

The Subcommittee added \$15,556,140 Other Funds expenditure limitation for one-time cost of issuance and special payments associated with the disbursement of proceeds from Lottery Bond sales; projects are detailed below and approved in House Bill 5030. Cost of issuance for these projects totals \$456,140. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the Spring of 2017. Total debt service on all the projects described below is estimated at a total of \$2,919,215 Lottery Funds for the 2017-19 biennium.

- \$750,000 Other Funds for disbursement to Concordia University for the construction of the Faubion prekindergarten through grade eight school.
- \$1,250,000 Other Funds for disbursement to the Elgin Health District for a rural health care clinic.
- \$1,000,000 Other Funds for disbursement to Open Meadow for the construction of a new facility for the Open School in Portland.
- \$1,000,000 Other Funds for disbursement to the Boys and Girls Clubs of Portland Metropolitan Area for a new Boys and Girls Club in Rockwood.
- \$500,000 Other Funds for disbursement to the City of Grants Pass for the Riverside Park renovation project.
- \$1,000,000 Other Funds for disbursement to the Mountain West Career Technical Institute for the Career Technical Education Center in Salem.
- \$2,000,000 Other Funds for disbursement to Wheeler County for the construction of an underground fiber optic telecommunication line from Condon to Fossil.
- \$1,500,000 Other Funds for disbursement to the Port of Umatilla for facilities development at the Eastern Oregon Trade and Event Center in Hermiston.
- \$3,000,000 Other Funds for disbursement to Trillium Family Services for improving and expanding the Children's Farm Home near Corvallis which houses the Secure Adolescent Inpatient Program.
- \$1,600,000 Other Funds for disbursement to the Port of Morrow for development of an Early Childhood Development Center at the workforce training center at the Port of Morrow.

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# BUDGET NARRATIVE

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- \$1,500,000 Other Funds for disbursement to the City of Tigard for the Hunziker Development Project.

Senate Bill 5507 includes a one-time \$400,000 General Fund appropriation to the Department of Administrative Services for a community-based organization, the YWCA of Greater Portland, to administer the Family Preservation Program (FPP) at Coffee Creek Correctional Facility. The FPP works with the Department of Corrections (DOC) to serve the best interests of the children of incarcerated parents by increasing therapeutic visitation between children and parents. The YWCA of Greater Portland is expected to provide facilitated case management including:

- Participation of a qualified mental health professional with training and experience with persons who have experienced trauma,
- Parenting skills training, including information on child development and attachment,
- Intensive communication between parents and the guardian or caregiver of the child,
- Facilitation of transportation of program participants to and from the prison,
- Facilitation of lodging to program participants when determined to be appropriate.
- Referrals to home visiting services and attorney services,
- Assistance in navigating state agency processes and nonprofit resources, and
- Reporting to the Legislature on measurable outcomes related to the welfare of the participating children and recidivism of participating incarcerated parents.

While the YWCA of Greater Portland will implement the program, DOC also has a role in the program's success. A budget note is included in the DOC section of this report to clarify the DOC role in administering the Family Preservation Program.

## Office of the Governor

The Office of the Governor is increased by \$1,332,517 Lottery Funds for the establishment of five regional solutions coordinator (PEM/F) positions (4.92 FTE). Three of these positions were in the Office of the Governor on a limited-duration basis during the 2013-15 biennium. The other two positions were in the Oregon Business Development Department on a limited-duration basis during the 2013-15 biennium.

The Office of the Governor is increased by \$500,000 General Fund for federal programs coordination. The increase includes one PEM/G position (1.00 FTE) for the program, as well as any needed services and supplies. This function had previously been housed in the Oregon Business Development Department.

## Public Employees Retirement System

The Subcommittee increased the Other Funds expenditure limitation by \$509,960 for the estimated fiscal impacts of House Bill 3495 (\$284,960) and Senate Bill 370 (\$225,000).

The Department of Administrative Services is expected to unschedule \$509,960 of expenditure limitation that may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer and the Legislative Fiscal Office and after a more detailed evaluation of the information technology implementation plans for these two measures.

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# BUDGET NARRATIVE

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## Department of Revenue

The Subcommittee approved funding for the second of a four phase project to replace most of the agency's core information technology systems (Core Systems Replacement project). The second phase includes: personal income, transit, self-employment, Senior Property Deferral, and estate and trust tax programs. The scheduled implementation date for this phase is December 1, 2015.

The Subcommittee approved \$25,929,440 of Other Funds expenditure limitation and the establishment of 33 permanent full-time positions (33.00 FTE), which is to be mostly financed with Article XI-Q bonds approved in House Bill 5005 (\$19 million). Project revenues also include an estimated \$6.9 million in bond proceeds that were authorized and issued during the 2013-15 biennium, but remained unexpended.

The Other Funds budget includes: personal services of \$7 million; \$532,500 for facility costs; \$12.6 million for vendor contract payments; \$1.3 million for an independent quality assurance; \$592,900 for project management costs; \$532,500 for change leadership; \$279,000 for hardware and software; and \$3 million for a contingency reserve.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the Core Systems Replacement (CSR) project are established as permanent full-time positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the Core System Replacement program (i.e., CSR summary cross reference) and may not be transferred to any other program or used for any other purpose other than the development to the Core System Replacement project; and (c) the positions may not be included in any permanent finance plan action.

The Subcommittee approved \$3,935,414 General Fund for the agency's payments to the Department of Administrative Services for State Data Center charges related to phase-I of the project (\$1.3 million), vendor contract maintenance costs to support the ongoing maintenance of the vendor product after installation (\$2.4 million), and non-bondable expenditures related to phase-II of the project (\$240,000).

The Subcommittee approved \$3,684,413 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

Other Funds expenditure limitation of \$375,000 is included for the cost of issuance of the bonds.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the Core Systems Replacement project:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Report back to the Joint Interim Committee on Ways and Means on project status in the Fall of 2015 (on readiness to proceed with the CSR Project's Rollout 2 in December 2015), and to the Joint Committee on Ways and Means during the 2016 legislative session.



# BUDGET NARRATIVE

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- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, project status, and QA reporting activities throughout the life of the Core Systems Replacement Project, to include information on the new Fraud Analytics and Detection project planning and execution activities funded by package 151.

The Subcommittee also approved funding for the implementation of the Property Valuation System project, which is a commercial-off-the-shelf solution for an integrated appraisal application.

The Subcommittee approved \$1,880,000 of Other Funds expenditure limitation for project costs and the establishment of one permanent full-time position (0.92 FTE), which is to be financed with Article XI-Q bonds approved in House Bill 5005. This includes personal services of \$175,260; \$56,704 for capital outlay; \$1.5 million for vendor contract payments; and \$150,000 for an independent quality assurance.

Other Funds expenditure limitation of \$80,000 is included for the cost of issuance of the bonds.

The Subcommittee approved \$71,843 in General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

The Department of Administrative Services is expected to unschedule \$1.5 million of Other Funds expenditure limitation that may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer, Department of Administrative Services – Chief Financial Office, and the Legislative Fiscal Office.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the Property Valuation project:

- Continue to work closely with and regularly report project status to the OSCIO and LFO throughout the lifecycle of the proposed DOR Property Valuation System (PVS) project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the Business Case and foundational project management documents as required.
- Work with OSCIO to acquire Independent Quality Management Services as required to conduct an initial risk assessment, perform quality control reviews on the Business Case and foundational project management documents as appropriate, and perform ongoing, independent quality management services as directed by the OSCIO.
- Submit the updated Business Case, project management documents, initial risk assessment, and QC reviews to the OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to interim legislative committees as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, project status, and closeout reporting activities throughout the life of the DOR PVS project.

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# BUDGET NARRATIVE

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## Secretary of State

The Subcommittee approved omnibus budget adjustments that include a \$1,149,279 total reduction in state agency assessments and billings for the Audits Division. Secretary of State revenues after this reduction remain sufficient to fully support the legislatively adopted budget for the Division and the Secretary of State.

## Treasurer of State

The Subcommittee adopted the following budget note related to the intermediate term pool investment program, with the expectation that the State Treasurer also report on what education and training can be provided local governments on the benefits and risks associated with investing in the intermediate term pool. The Subcommittee also expressed an interest in being provided a comprehensive list of state agencies that should be considered candidates for making investments in the existing state intermediate term investment pool:

### **Budget Note:**

The State Treasurer is requested to report to the interim Joint Committee on Ways and Means during Legislative Days in November 2015 on local and tribal government investment opportunities in the intermediate term pool or other intermediate term pooled investment options offered by the State Treasurer.

The report is to define how, and when, the program will be implemented; how investments will be made, overseen, and administered; the status of development of administrative rules; and how the program compares to the existing state intermediate term investment pool.

The cost of administering the program is to be detailed, including both State Treasury and third party costs, and the basis on which local and tribal governments will be charged.

The agency is to identify the potential level of participation, both immediate and over the long-term, as well as the level of potential investment. The agency is to report on the number of pending and signed investment agreements. The agency is to identify how it will accommodate future demand for program growth as well as any short-term program capacity or resource constraints issues.

## **CONSUMER AND BUSINESS SERVICES**

### Public Utility Commission

House Bill 2599 (2015) relates to termination of electric or natural gas service. It requires utilities that provide electricity or natural gas service to prepare reports on processes the utilities use to not terminate for non-payment utility service to homes during very hot or very cold weather. To ensure legislative review of these reports, the Subcommittee approved the following budget note:

### **Budget Note:**

The Public Utility Commission is directed to collect reports from the governing boards of all independent utilities in the state on each utility's program to ensure health and safety of vulnerable Oregonians during possible utility shutoffs that might take place during extreme weather situations. The Public Utility Commission will present a summary of the reports to the appropriate committees during the 2016 legislative session.

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# BUDGET NARRATIVE

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## ECONOMIC AND COMMUNITY DEVELOPMENT

### Oregon Business Development Department

The Subcommittee increased Oregon Business Development Department expenditures by \$257,767,573, including \$4,089,357 General Fund, \$1,500,000 Lottery Funds, \$227,178,216 Other Funds, and \$25,000,000 Nonlimited Other Funds.

Lottery Funds increases include \$1 million to supplement funding for the Regional Accelerator Innovation Network, and \$500,000 for transfer to the Oregon Growth Fund managed by the Oregon Growth Board. The additional funds for the Regional Accelerator Innovation Network bring total Lottery Funds support for the Network to \$2 million. Lottery Funds expenditures approved in this bill for the two programs are approved on a one-biennium basis and will be phased out in the development of the agency's 2017-19 biennium current service level budget.

Other Funds budget adjustments were approved for bond-funded programs approved in Senate Bill 5005 and House Bill 5030. The Other Funds expenditure limitation increases approved include:

- \$175 million of net Article XI-M general obligation bond Other Funds proceeds for seismic rehabilitation grants for schools. The proceeds are projected to finance approximately 115 school seismic rehabilitation projects during the 2015-17 biennium, and represent a more than eleven-fold increase over the \$15 million level of school seismic rehabilitation grant funding provided in the 2013-15 biennium. The Subcommittee also added \$4,089,357 General Fund to pay debt service on the bonds. The debt service funds are projected to allow the State Treasurer to issue \$50 million of net bond proceeds in the Spring of 2016, and the remaining \$125 million of bond proceeds in Spring of 2017. Debt service costs for the school seismic bonds are expected to total \$28.7 million General Fund, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$1,870,000 Other Funds for the costs of issuing the Article XI-M bonds. These costs are paid from the gross proceeds of the bond sale. The agency may need to add staff to manage grant award activity associated with the Spring 2017 bond sale.
- \$30 million of net Article XI-N general obligation bond Other Funds proceeds for seismic rehabilitation grants for emergency services facilities. The proceeds are projected to finance approximately 50 emergency services facility seismic rehabilitation projects during the 2015-17 biennium, and represent a doubling of the \$15 million level of emergency services facility seismic rehabilitation grant funding provided in the 2013-15 biennium. The bonds will be issued in the Spring of 2017. Debt service costs for the emergency services facility seismic bonds are expected to total \$4.9 million General Fund, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$440,000 Other Funds for the costs of issuing the Article XI-N bonds. These costs are paid from the gross proceeds of the bond sale.
- \$18 million of net Lottery bond Other Funds proceeds for deposit to the Special Public Works Fund, a revolving loan fund. The \$18 million total includes \$5 million specifically dedicated to finance levee inspection and repair projects as authorized by Senate Bill 306. The remaining \$13 million of bond proceeds may be applied to any eligible Special Public Works Fund projects. The funding designated for levees is projected to support approximately 17 levee projects, and the undesignated funding is projected to support an additional 11 projects. Because the bonds will be issued in the Spring of 2017, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total \$3.8 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$323,147 Other Funds for the costs of issuing the Lottery bonds. These

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costs are paid from the gross proceeds of the bond sale. The \$18 million of bond proceed expenditures were added to the agency budget as Nonlimited Other Funds, and as such, are not included in the expenditure limitation increases included in the bill.

- \$7 million of net Lottery bond Other Funds proceeds for deposit to the Brownfields Redevelopment Fund, a revolving loan fund. The funding is projected to support approximately 27 brownfields redevelopment projects. Because the bonds will be issued in the Spring of 2017, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total \$1.5 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$129,239 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The \$7 million of bond proceed expenditures were added to the agency budget as Nonlimited Other Funds, and as such, are not included in the expenditure limitation increases included in the bill.
- \$13 million of net Lottery bond Other Funds proceeds for Regional Solutions capital construction priority projects identified by Regional Solutions Advisory Committees. The funding is projected to support approximately 28 capital construction projects in ten of the state's eleven Regional Solutions regions. The projects are funded with a combination of \$995,000 of Lottery bond proceeds remaining from the Spring 2015 bond sale and \$12,005,000 of new bond proceeds from Lottery bonds that will be issued in the Spring of 2017. Because most of the funding will become available late in the biennium, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total \$2.6 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$243,677 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The Subcommittee approved \$13 million of support to fund projects on the identified Regional Solutions project list that total more than \$14 million in costs. The project list is posted on the Oregon Legislative Information System website with the Capital Construction Subcommittee July 3, 2015 meeting materials. The agency is directed to best apply the available funding toward the project list identified costs, taking into consideration other possible funding sources available for individual projects. If the agency determines that funds would be better utilized to support other projects not on the identified project list, it must obtain legislative approval to do so before the lottery bonds are issued. The agency is also expected to work with the Governor's Office to allow the agency to review proposed Regional Solutions projects to ensure they meet certain criteria, including: supporting job growth and retention, obtaining leverage from other sources, possessing a clear business plan for sustainability without additional state funding, meeting regional priorities recommended by a Regional Solutions Advisory Committee, and, if bond proceeds are requested as the funding source, qualifying as a capital construction project.
- \$4.5 million of net Lottery bond Other Funds proceeds for cultural capital construction projects. The funding is specifically dedicated as follows: \$2 million for the Oregon Shakespeare Festival, \$1.5 million for the Portland Japanese Garden, \$600,000 for Oregon Public Broadcasting, and \$400,000 for the Aurora Colony Museum. The bonds will be issued the Spring of 2017. Debt service costs for the Lottery bonds are expected to total approximately \$956,000 Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$68,184 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The \$4,568,184 of bond proceeds and costs of issuance expenditures were added to the agency's Arts and Cultural Trust Other Funds expenditure limitation.

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- \$1,562,157 of net Lottery bond Other Funds proceeds for repairs and upgrades to the Port of Brookings Harbor dock. The bonds will be issued in the Spring of 2017. Debt service costs for the Lottery bonds are expected to total approximately \$300,000 Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$41,812 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The \$1,603,969 of bond proceeds and costs of issuance expenditures were added to the agency's Infrastructure Finance Authority Other Funds expenditure limitation.

## Housing and Community Services Department

Other Funds expenditure limitation is increased by \$10 million for additional payments anticipated due to the passage of House Bill 3257, which extended until 2018 the period under which an additional \$5 million annually could be collected from residential electricity consumers for low income bill payment assistance. The funds are collected from utilities, transferred to the Housing and Community Services Department, and distributed to eligible Oregonians by local Community Action agencies under contract.

Other Funds expenditure limitation for the Housing and Community Services Department is increased by \$585,000, attributable to cost of issuance for \$40 million in Article XI-Q bonds issued for affordable housing development. The housing to be developed with the bonds will be targeted to low income individuals and families, pursuant to the provisions of House Bill 2198. That bill directs the Department to distribute the resources available based on criteria including geography, market data, need, and other factors, and directs the Department to develop the housing with the advice of the State Housing Council and to work with stakeholders to achieve objectives that include reducing project costs and reaching underserved communities. It is assumed that the investment will result in an estimated 1,600 units of new affordable housing developed. Expenditure limitation for a period of six years for the project amount (\$40 million) is located in House Bill 5006.

Other Funds expenditure limitation in the amount of \$2,551,972 is included to enable the Housing and Community Services Department to expend proceeds from Lottery bonds for preservation of affordable housing with expiring federal subsidies. Of this amount, \$2.5 million is attributable to project costs, and \$51,972 is related to cost of issuance.

Eligible projects for which these funds can be expended are defined as the following:

- Privately owned multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the USDA Rural Development or the US Department of Housing and Urban Development;
- Existing manufactured housing communities to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; or
- Public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization, and which will secure ongoing rental subsidies.

Other Funds expenditure limitation in the amount of \$20,307,817 is included to enable the Housing and Community Services Department to expend proceeds from Lottery bonds for the purpose of financing construction of housing for individuals with mental illness or addiction disorders. Of this amount, \$20 million is attributable to project costs, and \$307,817 is related to cost of issuance. This limitation applies to the 2015-17 biennium only, as the project is not anticipated to be recurring. To the extent that proceeds are not fully expended for mental health

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housing in 2015-17, the 2017-19 agency request budget should include a request that limitation for remaining proceeds be carried forward into the 2017-19 biennium. The Housing and Community Services Department will develop a process similar to but separate from its existing “Notice of Funds Availability” that is currently used to identify partners and financing for affordable housing projects. The Oregon Health Authority will work with the Housing and Community Services Department (HCSD) throughout the process of utilizing the \$20 million of bonding proceeds for the development of housing for individuals with mental illness or addictions disorders. The Oregon Health Authority will continue to work with their partners, including the National Alliance on Mental Illness (NAMI) and the Oregon Residential Provider Association (ORPA), as well as other stakeholders, to set up a workgroup that will be responsible for providing recommendations on project priorities to HCSD.

## Department of Veterans’ Affairs

Additional one-time General Fund in the amount of \$500,000 is appropriated to the Oregon Department of Veterans’ Affairs for support for County Veterans’ Service Officers. This is in addition to the \$246,046 General Fund investment above the 2015-17 current service level that was included in the Department’s budget bill, Senate Bill 5539. With this increase, the amount of General Fund directed to County Veterans’ Service Officers for the 2015-17 biennium will total \$4.7 million, \$4.2 million of which is intended to be ongoing in future biennia.

## **EDUCATION**

### Department of Education

The Subcommittee approved a net increase of \$51,990,543 General Fund and \$66,009,457 million Lottery Funds for the State School Fund. The increase reflects three separate actions:

- An increase of \$105,782,400 General Fund represents the increase due to the “trigger” included in the State School Fund bill (House Bill 5017) which directed to the State School Fund 40 percent of any General Fund increase in the 2015-17 revenue estimates between the March 2015 and the May 2015 forecasts;
- An additional \$12,217,600 General Fund is made available for the State School Fund beyond the amount resulting from the “trigger”; and
- A decrease of \$66,009,457 General Fund and a corresponding \$66,009,457 Lottery Funds increase is recommended to balance the use of available Lottery Funds across the entire state budget.

The Legislature assumes the State Land Board will increase the distribution from the Common School Fund from the current four percent to a five percent distribution which results in an estimated increase of \$27,544,741 of revenue available to districts through the school funding formula. If the State Land Board takes this action, there will be an equivalent of just over \$7.4 billion in combined General Fund, Lottery Funds, and these additional Common School Funds resources for the 2015-17 biennium.

House Bill 5017, the State School Fund bill, split the amount available to be distributed from the State School Fund between the two school years on an even basis or \$3,629,130,346 in each school year. The Subcommittee approved placing all of the additional State School Fund resources made available in this bill to be distributed in 2016-17, the second school year of the biennium. This results in a split between the two school years of 49.2 percent for 2015-16 and 50.8 percent for 2016-17.

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The Subcommittee approved a one-time \$3,300,000 General Fund increase in the appropriation for the Department of Education's nutrition programs relating to the Farm to School program under ORS 336.431. This increase is over and above the current \$1,219,189 General Fund appropriation included in the Department of Education's budget bill (House Bill 5016) for this program. It is anticipated that grants under this program will be changed by language in Senate Bill 501 that is intended to increase participation in the program by school districts. The Department of Education may use up to two percent of the total funding for the Farm to School program under ORS 336.431 for the administration of the program. Of the remaining amount, the Department is instructed to allocate approximately 80% of the remaining funding for the noncompetitive grants and approximately 20% of the remaining funding for competitive grants.

The Subcommittee increased the funding for Relief Nurseries in the Early Learning Division by a one-time \$700,000 General Fund appropriation. This brings the total amount of state funding for Relief Nurseries to \$8,300,000 General Fund.

The Subcommittee approved a one-time increase of \$500,000 General Fund for the new leadership program designed to recruit and train "district turnaround leaders" to assist schools and districts to increase their overall achievement measures. This increase and the amount included in the budget bill for the Oregon Department of Education (House Bill 5016) brings the total amount of funding for this program to \$2,000,000 General Fund.

The Subcommittee approved the establishment of an Other Funds expenditure limitation of \$126,210,000 for the proceeds of Title XI-P general obligation bonds, which are for grants to assist school districts with their capital costs of facilities. The grant, funded with bond proceeds, provided to each district must be matched by the district to finance capital costs for projects that have received voter approval for locally issued bonds. State bond proceeds may not be used for operating costs of the district. The bonding bill (House Bill 5005) includes the authorization for issuing \$125,000,000 of Title XI-P bonds. Costs of issuance are estimated at \$1,210,000 Other Funds.

**Budget Note:**

The Department of Education is instructed to use \$500,000 General Fund from the Early Intervention/Early Childhood Special Education (EI/ECSE) budget to support two to four communities in developing pathways from screening to services to make it easier for families to receive services that screening identifies. Use of this funding is aligned with best practices for how EI/ECSE programs should address the needs of children and their families who do not meet the legal requirements for eligibility and connect them to other services and supports. The Early Learning Council shall report on the progress and outcomes of this work to the appropriate legislative committee and include any recommendations for the 2017 legislative session.

**Budget Note:**

Given the expanded Healthy Families Oregon home visiting funding added to the Early Learning Division's budget, the Early Learning Division and the Oregon Health Authority are instructed to:

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- Develop a set of outcome metrics connected to evidence of impact for consideration by the Early Learning Council and the Oregon Health Policy Board that any home based service that receives state dollars must meet in order to continue to receive state funds, effective July 1, 2016;
- Develop a plan and timeline for integrating the state's professional development system for early learning providers with the emerging professional development system for home visitors; and
- Develop a common program agnostic screening tool to identify potential parent/child risk factors and intake form for families who are eligible for home visiting services and require implementation by state funded home visiting programs by July 1, 2016.

The Early Learning Division and the Oregon Health Authority shall report on progress to the appropriate legislative committee.

**Budget Note:**

The Department of Education is instructed to survey school districts on the financial effects of the: (1) adaptation of new instructional hour minimums, (2) mandated full scheduling of 92 percent of students, and (3) projections for programs and personnel possibly eliminated in order to comply with these mandates at current budget levels. The Department is to report back to the Joint Committee on Ways and Means by February 1, 2016.

**Higher Education Coordinating Commission**

The Subcommittee approved a one-time \$1,500,000 General Fund appropriation to fund academic counselors at community colleges during the second academic year of the biennium. Community Colleges currently have limited academic counseling services in place. With the potential of more students as a result of the tuition waiver grant program established in Senate Bill 81, there is concern that those limited resources will be stretched even further. Prior to the distribution of these funds, the Higher Education Coordinating Commission is to report to the Joint Committee on Ways and Means during the 2016 legislative session or to the Emergency Board what factors or variables will determine the distribution of these funds.

The Subcommittee approved the establishment of a \$1,542,827 Other Fund expenditure limitation for a grant to the Linn Benton Community College for the construction and capital expenditures for the Advanced Transportation Technology Center. This Center is established to advance statewide transportation energy policy as well as to provide education and training of students at the Community College. The project is to include an automotive technician training center with an alternative fuel area, a heavy transportation/diesel training center, an innovation center, and an anaerobic digester for renewable gas production. The Other Funds expenditure limitation increase represents the \$1,500,000 state share of the project cost and \$42,827 for the cost of issuing the bonds. Both of these items are funded through the sale of Lottery bonds.

The Subcommittee approved \$2,500,000 General Fund for the College of Forestry at Oregon State University to operate a center for the manufacturing and design of advanced wood products in cooperation with the University of Oregon. The \$2.5 million represents a partial biennium of expenses, and as such, state support for the center rolls up to \$3,400,000 in the 2017-19 biennium. The Subcommittee also approved \$300,000 General Fund on a one-time basis for use by Eastern Oregon University for costs associated with starting a collegiate wrestling program.



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The Subcommittee approved a one-time \$350,000 General Fund appropriation to the Higher Education Coordinating Commission (HECC) for a grant to the College Inside program. This is a program designed to allow incarcerated students obtain a two-year college degree that is transferable to a four-year university.

The Subcommittee approved a one-time \$350,000 General Fund appropriation to Higher Education Coordinating Commission (HECC) for a grant to the College Possible organization. This program provides mentoring, coaching, and other assistance to low income students to encourage them to go to college and help them apply for college and financial aid.

The Subcommittee approved a \$62,300 General Fund appropriation for use by Oregon Solutions at Portland State University to pay the expenses of the Task Force on the Willamette Falls Navigation Canal and Locks as they conduct the work directed in SB 131.

The Subcommittee clarified that of the \$151,390,838 General Fund increase approved for the Public University Support Fund program area in House Bill 5024. \$41,095,238 was for continuation of the tuition buy down funding provided to public universities in House Bill 5101 (2013 Special Session).

The Subcommittee approved a \$4,477,055 increase in the Other Funds expenditure limitation for payment of the costs of issuing Article XI-F general obligation bonds, Article XI-G general obligation bonds, and Article XI-Q general obligation bonds on the behalf of community colleges and public universities.

The Subcommittee also approved giving the Higher Education Coordinating Commission (HECC) nonlimited authority to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. Disbursement of future bond sales will be done by HECC, but during the 2013-15 biennium the Department of Administrative Services (DAS) was given initial authority to disburse these proceeds. As the bond project duties related to issuance of Article XI-F and XI-G general obligation bonds transition from DAS to HECC per House Bill 3199, both agencies were given nonlimited authority to disburse proceeds of bonds issued during 2013-15. The total amount of undisbursed proceeds as of June 30, 2015 from 2013-15 bond sales is \$196,523,642. The initial estimate of the amount of 2013-15 proceeds HECC will disburse per agreements with public universities in 2015-17 is \$50,648,642, with DAS disbursing \$145,875,000. These amounts will likely change once the timing of final transition from DAS to HECC is known.

## Oregon Health & Science University

The Subcommittee approved the establishment of a \$200,035,000 Other Funds expenditure limitation for DAS to disburse Article XI-G bond proceeds to the Oregon Health and Science University (OHSU) to fund Knight Cancer Institute capital construction costs. In addition, the Subcommittee approved an \$8,522,485 General Fund appropriation to pay debt service on XI-G bonds issued during the 2015-17 biennium for the Knight Cancer Institute project.

House Bill 3199 (2015) provided that the Department of Administrative Services (DAS) would continue to make debt service payments on behalf of OHSU on legacy debt issuance, including \$30,909,888 debt service paid with Tobacco Master Settlement Agreement (TMSA) funds. To accommodate this requirement, the Subcommittee approved providing DAS with \$38,689,306 Other Funds expenditure limitation to make debt

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service payments. Revenue for making \$7,779,418 debt service payments on non-TMSA supported Article XI-F bond debt will be provided by OHSU.

## **HUMAN SERVICES**

### Department of Human Services

To support two pilot projects in the Child Welfare program, the Subcommittee approved \$800,000 General Fund and increased Federal Funds expenditure limitation by \$160,000; funding is approved on a one-time basis with future program support or integration dependent on resources and pilot outcomes. The following budget note, which lays out the goals and expectations for the pilot projects, was also approved:

#### **Budget Note:**

The Department of Human Services is directed to work with community-based organizations to develop and implement two pilot programs, one serving a rural part of the state and the other one serving an urban area, to improve the quality and effectiveness of foster care for children and wards who have been placed in the Department's legal custody for care, placement, and supervision. The programs shall target youth who have experienced multiple foster care placements and who are at significant risk of suffering lifelong emotional, behavior, developmental, and physical consequences due to disrupted and unsuccessful placements in the foster care system. The following services for foster parents shall be included in the programs: trauma-informed, culturally appropriate care training; behavioral supports; ongoing child development and parent training; 24-hour, daily on-call caregiver support; respite care; tutoring; and assistance with locating immediate and extended healthy, biological family members.

Each pilot program will have an advisory group that includes at least one individual who has experienced multiple placements in the foster care system and at least one foster parent. The legislative expectation is that at least \$800,000 of the total funding for the pilots will be provided directly to community-based organizations to deliver program services. On or before May 1, 2017, the Department shall report to the legislative committees having authority over the subject areas of child welfare and juvenile dependency regarding the status of the pilot programs and, to the extent possible, placement outcomes for children and wards who participated in the pilot program and children and wards not receiving pilot program supports. The Department will also provide an update on the pilot projects as part of its budget presentation during the 2017 legislative session.

To provide and test targeted community college career pathway training opportunities for Temporary Assistance for Needy Families and Employment Related Day Care clients, the Subcommittee approved \$500,000 General Fund for a one-time pilot project in Jackson and Josephine counties. Eligible clients will be in enrolled training programs that match up with in-demand, high wage job openings, such as in the healthcare or information technology areas. Clients will receive a scholarship/stipend to help augment Pell grants, with average awards expected to be about \$2,000 per client; about 150 clients are estimated to participate in the program over the biennium. The pilot project is a joint effort between the Rogue Workforce Partnership, the Oregon Employment Department, and the Department of Human Services.

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The Subcommittee approved \$350,000 General Fund to provide transitional (one-time) funding for the Home Care Commission's private pay registry. This program, which enables private payers to buy home care services through the home care registry, was authorized by House Bill 1542 (2014) and is expected to be fee supported once fully up and running in January 2016.

The Subcommittee approved \$1,800,000 General Fund to restore a reduction made in the primary budget bill for the Department (House Bill 5026). The funding will provide ongoing support for options counseling provided through the Aging and Disability Resource Connection (ADRC). The program helps people identify their long term care needs and preferences, understand the service options available to them, and make decisions about their care.

The Subcommittee approved \$400,000 General Fund, on a one-time basis, to increase support funding for the Oregon Hunger Response Fund (Oregon Food Bank); between funding in both the DHS and the Housing and Community Services Department budgets, a total of \$3.2 million General Fund is now appropriated in the 2015-17 biennium to help the fund fight hunger.

The Subcommittee approved \$150,000 General Fund to provide ongoing support for the Hunger Task Force, which is charged with advocating for hungry persons, and contributing to the implementation and operation of activities and programs designed to alleviate or eradicate hunger in Oregon. House Bill 2442 (2015) designates the Department of Human Services as the entity in administering the state policy on hunger and also requires the agency to support and staff the task force, based upon the availability of legislatively approved funding for such purposes.

To cover Phase II development and implementation of a streamlined and integrated Statewide Adult Abuse and Report Writing System, the Subcommittee approved \$2,277,037 General Fund and \$3,355,000 Other Funds expenditure limitation (\$5.6 million total funds). Phase I planning funding was approved by the Emergency Board in May 2014, based upon demonstrated need for a stable, integrated adult abuse data and report writing system to deal with Oregon's growth in an aging population, an annual increase of 5-8% in abuse referrals, and an increased need for services across all demographics. The Other Funds portion of the project will be financed with Article XI-Q bonds; the General Fund amount includes \$839,543 to cover debt service payments in the second year of the biennium.

The Department will continue its work on the project according to direction from the Joint Ways and Means Subcommittee on Information Technology, which recommended incremental and conditional project approval. Required actions under that guidance include, but are not limited to, working closely with and regularly reporting project status to the Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO), while following the joint OSCIO/LFO Stage Gate Review Process. A detailed list of next steps and requirements was transmitted to the agency. The Department of Administrative Services is expected to unschedule the General Fund and Other Funds expenditure limitation for the project pending finalization of a controlled funding release plan that is tied to planning needs and the completion of certain stage gate requirements. Funding may be rescheduled with the joint approval of the OSCIO, the Chief Financial Office, and LFO.

House Bill 5026 included a rate increase for providers serving people with Intellectual and Developmental Disabilities (IDD). To ensure clarity of legislative direction regarding implementation of the rate increase, the Subcommittee adopted the following budget note:

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**Budget Note:**

It is the intent of the Legislature that \$26.7 million total funds in provider rate increases approved in House Bill 5026 (budget bill for the Department of Human Services) result in wage increases for direct care staff serving people with intellectual and developmental disabilities (IDD). The legislative expectation is that compensation (wages and/or benefits) for direct care staff in programs serving people with IDD should be increased by at least 4% during the 2015-17 biennium.

During the 2016 legislative session, an informational hearing will be scheduled for IDD community providers to present the actions they have taken or plan to take to meet budget note requirements. On a parallel track and prior to seeking an allocation from the special purpose appropriation, the Department of Human Services will compile information on any complaints received regarding wage increases and consult with legal counsel and contract staff to determine the best, yet most cost-effective, approach to address potential provider non-compliance. The Department will also report to the Joint Committee on Ways and Means during the 2017 legislative session on activity related to and progress made under this budget note.

For the same program, the Subcommittee approved the budget note set out below on exploring a provider assessment component to help fund IDD programs. Along with the required reporting, and depending on assessment's content or results, the Department may also work with the appropriate interim policy committee on potential statutory changes.

**Budget Note:**

The Department of Human Services shall work with the intellectual and developmental disabilities (IDD) provider community and appropriate state and federal agencies to assess the feasibility, potential benefits, and potential drawbacks of a provider assessment, or transient lodging tax, on the provider organizations serving adults with IDD, with the goal of maximizing federal matching funds for IDD services and addressing the direct care workforce shortage. The Department shall report the results of its assessment to the Legislature by December 1, 2015.

**Oregon Health Authority**

Senate Bill 5507 approves \$10,000,000 one-time General Fund resources to provide grants to safety net providers, through the Safety Net Capacity Grant Program. This program will provide grants to community health centers, including Federally Qualified Health Centers and Rural Health Centers, as well as School-Based Health Centers, with the goal of providing services for children not eligible for any current state program. The agency will need to develop an application process for these competitive grants; develop a process to award the grants, including amounts to fund education and outreach to the target population; develop a process for clinics to report services rendered; provide reporting to the Legislature and stakeholders; and include a stakeholder engagement process to advise the program development and implementation. The agency expects to fund two full-time positions out of this total funding, in order to implement the program as described.

Because of the continuing transition of the Oregon Health Plan caseload, the Subcommittee recognized the increased risk of caseload forecast changes. A special purpose appropriation of \$40 million is made to the Emergency Board for caseload costs or other budget challenges in either the Oregon Health Authority (OHA) or Department of Human Services. The Subcommittee included two budget notes related to the Oregon Health Plan:

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**Budget Note:**

The Oregon Health Authority shall engage in a rural hospital stakeholder process to gather input on potential transformation strategies to ensure that Oregon's small and rural hospitals continue to be sustainable in the future. Potential transformation strategies could include grant or bridge funding, transformation pilot programs, or incentive programs to assure funding stability for hospitals and access to health care services for rural Oregonians. Based on the work with stakeholders, OHA will develop a set of recommendations.

OHA shall report to the Joint Committee on Ways and Means Committee during the 2016 legislative session on any hospital assessment revenues received for the 2013-15 biennium and available for use in 2015-17. The revenue may include assumed hospital assessment revenue in the OHA 2015-17 budget or any additional hospital assessment revenue not included in the OHA budget, that could potentially be used to fund one or more of the strategies recommended, but not to exceed \$10 million. The agency should include in that report any information on federal matching resources that may be available for those strategies.

**Budget Note:**

The Oregon Health Authority is directed to prepare a report in collaboration with the Employment Department stating the number of Oregonians enrolled in the Oregon Health Plan while employed at least 260 hours in any calendar quarter by a company with 25 or more employees. This report should be presented to the interim Joint Committee on Ways and Means, Subcommittee on Human Services no later than January 2016.

The Subcommittee approved a one-time appropriation of \$160,000 General Fund for OHA to contract with the Dental Lifeline Network, or other qualified organization, for development and operation of a Donated Dental Services program to benefit needy, disabled, aged, and medically compromised individuals. The program will establish a network of volunteer dentists, including dental specialists, to donate dental services to eligible individuals, establish a system to refer eligible individuals to appropriate volunteers, and develop and implement a public awareness campaign to educate individuals about the availability of the program. The program will report to OHA at least annually the number of people served, procedures during the year, procedures completed, and the financial value of the services completed. The funding is part of a commitment to spending on senior programs that originated in the 2013 special session.

The Subcommittee approved \$200,000 General Fund for providing fresh Oregon-grown fruits, vegetables, and cut herbs from farmers' markets and roadside stands to eligible low-income seniors under the Senior Farm Direct Nutrition Program. Another \$100,000 General Fund was added for the same purpose for eligible individuals through the Women, Infants and Children Program. Both these program enhancements are one-time.

General Fund was increased by \$600,000 for school-based health centers. This funding will provide state grants of \$300,000 to three new school-based health centers that recently completed their planning processes. It will also allow the agency to provide \$300,000 of funding to existing school-based health centers to bring all centers closer to parity in state funding.

Other Funds expenditure limitation is increased by \$137,152 to increase the staffing level for the Pesticide Analytical Response Center by one half-time position (0.50 FTE). Funding for the position will come as a special payment from the Department of Agriculture supported by an increase in pesticide product registration fees.

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The Subcommittee directed the Oregon Health Authority to collaborate with the Department of Consumer and Business Services and the University of Oregon, in the following budget note:

**Budget Note:**

The Oregon Health Authority, in collaboration with the Department of Consumer and Business Services, shall work with the University of Oregon on the vaccination program for meningitis. The Department of Consumer and Business Services shall ensure timely insurance coverage is covering appropriate costs for those with insurance. The Oregon Health Authority shall, within existing emergency preparedness funds, work with the University of Oregon on funding appropriate costs. The Oregon Health Authority and the University of Oregon shall report to the appropriate legislative committee the final cost of the program including any additional funding needs by December 2015 and any recommendations to ensure effective and efficient response to any future events.

Lottery bond proceeds of \$20 million were approved for the development of housing for individuals with mental illness or addiction disorders, through the Housing and Community Services Department (HCSD). OHA will work with HCSD throughout the process used to identify partners and financing for projects. OHA will continue to work with their partners, including the National Alliance on Mental Illness and the Oregon Residential Provider Association, as well as other stakeholders, to set up a workgroup that will be responsible for providing recommendations on project priorities to HCSD.

Lottery bond proceeds of \$3 million were approved to fund a portion of the costs to build a new sixteen-bed facility for the Secure Adolescent Inpatient Program, run by Trillium Family Services. These funds will be distributed through the Department of Administrative Services. This project will replace old, obsolete facilities at the Children's Farm Home campus near Corvallis. This program serves adolescents at the highest level of mental health acuity in the state, including children on the Oregon Health Plan, and those referred through the Oregon Youth Authority and the Juvenile Psychiatric Security Review Board.

The following budget note was included related to the Addictions and Mental Health programs:

**Budget Note:**

The Oregon Health Authority shall conduct a minimum of five community meetings in a variety of geographic locations across the state. The goal of the community meetings is to capture, understand, and report to the Legislature on the experience of children, adolescents, and adults experiencing mental illness and their ability to access timely and appropriate medical, mental health and human services to support their success in the community. The meetings shall not be restricted to publicly financed services or individuals eligible for public benefits. The focus will be on the entirety of the Oregon mental health system, both public and private. Issues to be considered should include but not be limited to:

- Access to child and adolescent services
- Boarding in hospital emergency rooms
- Access to housing, addiction, and recovery services
- Family support services
- Waiting periods for services

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- Workforce capacity
- Affordability for non-covered individuals to access mental health services
- Coordination between behavioral health and physical health services

The Oregon Health Authority shall consult and coordinate with stakeholders to plan and conduct the community meetings. The Oregon Health Authority is expected to report progress and findings to the appropriate legislative committees and the 2016 Legislature.

The Subcommittee included the following direction in regards to fee-for-service (both Medicaid and non-Medicaid) rate increases to addiction treatment providers:

**Budget Note:**

The Oregon Health Authority will use \$3.5 million of the \$6 million included in the new investments for A&D services included in the OHA 2015-17 budget to increase rates to addiction treatment providers. OHA will report the final rate increases to the interim Joint Committee on Ways and Means by November 2015.

**Long Term Care Ombudsman**

The Subcommittee added \$100,000 General Fund on a one-time basis to provide interim support for the agency as it continues to ramp up new programs, including advocacy for residents of independent living sections of Continuing Care Retirement Communities as required under Senate Bill 307 (2015). The agency has also been undergoing a leadership transition and is facing challenges in volunteer recruitment; the additional funding will allow the Long Term Care Ombudsman to contract or to make a short-term hire for program development expertise to focus on these needs over the first year of the biennium.

## **JUDICIAL BRANCH**

**Oregon Judicial Department**

The Subcommittee increased Judicial Department expenditures by \$40,955,000, including \$700,000 General Fund, and \$40,255,000 Other Funds.

The Subcommittee appropriated \$100,000 General Fund to increase funding for the Oregon Law Commission. This action raises total General Fund support for the Oregon Law Commission in the 2015-17 biennium budget to \$331,319, a 45.3 percent increase over the 2013-15 biennium funding level. The Subcommittee also added a one-time General Fund appropriation of \$600,000, for support of the Oregon State Bar Legal Services Program (a.k.a., Legal Aid). The General Fund appropriation will supplement the \$11,900,000 of Other Funds support for Legal Aid provided in Senate Bill 5514, and is approximately a 5 percent increase over the base funding level.

The Subcommittee approved Other Funds expenditure limitation increases for county courthouse capital construction projects funded through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). The legislatively adopted budget includes \$27,775,000 of Article XI-Q bond proceeds authorized in House Bill 5005 for the courthouse capital construction projections funded through the OCCCIF. The approved

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bond proceeds include \$17.4 million for the Multnomah County Central Courthouse project, \$2.5 million for the Jefferson County Courthouse project, and \$7,875,000 for the Tillamook County Courthouse project.

The Legislature previously authorized Article XI-Q bonds for the Multnomah County and Jefferson County projects in the 2013-15 biennium budget. The Subcommittee increased the OCCCIF Other Funds expenditure limitation by \$39.8 million to allow expenditures of up to \$19.9 million of bond proceeds and of up to \$19.9 million of required county matching funds for these two projects. The Subcommittee did not approve Other Funds expenditure limitation for the Tillamook County Courthouse project. The Judicial Department will report to the Joint Committee on Ways and Means or to the Emergency Board on the Tillamook County Courthouse project, and request Other Funds expenditure limitation for the project, prior to distributing any money from the OCCCIF for the Tillamook County Courthouse project.

The Subcommittee also increased the Judicial Department operations Other Funds expenditure limitation for operations by \$455,000, for the cost of issuance of Article XI-Q bonds for OCCCIF projects.

## NATURAL RESOURCES

### Department of Agriculture

The Subcommittee approved a \$25,000 General Fund increase to the Predator Control program, bringing the program total to \$447,718 General Fund, as well as, a \$30,000 General Fund increase to the Wolf Compensation and Grant Assistance program, bringing the program total to \$233,000 General Fund.

The Subcommittee also approved a \$1,747,018 Other Funds expenditure limitation increase to support enhancements to the Pesticides program. The enhancements include the addition of 6 positions (5.26 FTE) to the program. The positions will be made up of four pesticide investigators (NRS 3), one customer service representative (NRS 3), and one case reviewer (NRS 4). The additional investigative staff is needed to manage existing caseload requirements. Other enhancements include laboratory testing and sampling of pesticides, as well as, modification of the existing investigation and case management database. An additional \$108,326 Other Funds was approved to increase the ODA staffing level for the Pesticide Analytical Response Center (PARC) by 0.50 FTE. ODA also increased the existing transfer made to the Oregon Health Authority (OHA) by \$137,152 Other Funds to increase the ODA paid OHA staffing level for the Pesticide Analytical Response Center by 0.50 FTE. Revenue to support these various Other Funds increases will come from increases in pesticide product registration fees approved in House Bill 3459.

### Department of Environmental Quality

The Subcommittee approved \$280,000 General Fund for a Portland Harbor Statewide Coordination policy position. According to the Governor's requested budget, this is a senior-level policy position that will be housed in DEQ, but will report to the Governor's natural resources policy advisor. This Operations and Policy Analyst 4 position will be phased in on January 1, 2016 (0.75 FTE). In addition, \$110,092 Other Funds expenditure limitation and one half-time NRS 3 position (0.50 FTE) was approved for implementation of the residential asbestos inspection program established by Senate Bill 705, which passed earlier this session.

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## Department of Fish and Wildlife

The Subcommittee approved allowing the Oregon Department of Fish and Wildlife to retain \$5,000 General Fund savings from Department of Administrative Services' assessment reductions that will be used to pay for the study in Senate Bill 779. This study is to determine whether ORS 497.006 should be amended to allow additional members of the uniformed services to be considered resident persons for the purpose of purchasing licenses, tags, and permits issued by the State Fish and Wildlife Commission.

The Subcommittee approved a one-time General Fund appropriation of \$500,000 to improve and protect sage grouse habitat through actions, such as juniper removal, that improve the resilience of sagebrush habitat to wildfire.

The Subcommittee also approved a \$25,000 General Fund increase in state support for the Predator Control program, bringing the state support total to \$453,365 General Fund.

## Department of Forestry

The Subcommittee approved a one-time appropriation of \$809,377 General Fund to the Fire Protection Division of the Oregon Department of Forestry (ODF) for sage grouse habitat protection and improvement. This amount is in addition to amounts contained in the agency's budget bill for the same purposes. The appropriation includes \$109,377 for a limited-duration, half-time (0.50 FTE) Natural Resource Specialist 1 position and associated services and supplies to provide administrative support and technical training to rangeland protection associations. The appropriation also includes \$700,000 for grants to support rangeland wildfire threat reductions. The grant funding is for eligible services, supplies, and equipment expenditures of rangeland fire protection associations and counties in addressing rangeland wildfire management and suppression on unprotected or under-protected lands. The funding is to be implemented consistent with wildfire-related provisions of Oregon's plan for addressing the conservation of the greater sage grouse and rural community vitality. Oregon will provide the funding to the Oregon Watershed Enhancement Board, which will oversee the grant program in conjunction with other ODF grant programs.

## Department of Land Conservation and Development

The Subcommittee approved the reduction of the General Fund appropriation made to the Department of Land Conservation and Development for the Southern Oregon Regional Pilot Program (SORPP) in the agency's 2013-15 budget (SB 5530, 2013) in the amount of \$194,000 and the re-establishment of that amount as a one-time General Fund appropriation in the 2015-17 biennium. The funding is a portion of the amount established by policy option package 107 in the agency's 2013-15 budget for the purpose of carrying out Executive Order 12-07 that the agency will not expend during the 2013-2015 biennium and that the grant recipient counties have requested to be moved forward to the 2015-17 biennium to allow additional time for the grant-funded work to be completed.

The Subcommittee approved the appropriation of \$300,000 General Fund to establish a SageCon Coordinator, a limited duration Natural Resource Specialist 5 position, to lead staff participating in the SageCon Governance and Implementation Teams. The position will work closely with and take direction primarily from the Governor's Office to provide overall leadership and direction for state agencies working with public and private stakeholder interests in the energy, agricultural, and conservation sectors.

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## Department of State Lands

Senate Bill 5507 increases the Federal Funds expenditure limitation in anticipation of an Environmental Protection Agency (EPA) wetlands grant in an amount up to \$133,000. The Department expects notification on the grant in October 2015. The Department of Administrative Services (DAS) is expected to unschedule the limitation until such time as State Lands notifies DAS and the Legislative Fiscal Office that the funds are awarded. There is an additional federal limitation increase for EPA grant carryforward in the amount of \$28,488.

## Parks and Recreation Department

Several adjustments are made in the Parks and Recreation Department (OPRD) budget to reflect the June 2015 Parks and Natural Resources (Measure 76) Lottery Funds forecast, an increase of \$3 million over the March 2015 forecast. The distribution is \$300,000 for property acquisition, \$500,000 for facilities maintenance, \$58,314 for direct services, and \$362,326 to satisfy the constitutionally directed 12% to local governments. The remainder of the increase is applied to the ending balance. There is also an increase in Other Funds of \$98,740 in direct services to keep funding and ending balances in proportion with approximate percentages of lottery and other funds expenditures.

A \$970,000 fund shift from Federal Funds to Lottery Funds reimburses OPRD for using M76 Lottery Funds to secure acquisition of the Beltz Farm in 2014-15. A subsequent federal grant frees up the lottery dollars for carry-forward expenditure limitation in park development. The State Historic Preservation Office is provided an increase in Federal Funds expenditure limitation of \$70,425. The limitation will be used to pass through two federal Maritime Heritage grants that local entities have been awarded.

The 2015-17 OPRD budget included \$912,494 non-Measure 76 lottery funds to provide debt service on the Willamette Falls bonding in the 2013-15 budget. The debt service is eliminated as it is not needed; the \$5 million bond request has been satisfied with cash instead.

Other Funds expenditure limitation is increased by \$11,716,805 for three lottery bond-funded purposes. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is \$2.2 million non-Measure 76 Lottery Funds.

The Portland Parks and Recreation Department is to receive \$1,500,000 lottery bond proceeds passed through the Parks and Recreation Department for the Renew Forest Park project. The cost of issuance for this project is \$42,071 Other Funds.

The Main Street Revitalization Grant program is funded with \$2,500,000 lottery bond proceeds. OPRD will design, develop, administer, account for, and monitor the new grant program, beginning late in the 2015-17 biennium. Because new positions will be needed to manage the grants, OPRD will need to request funding for them during the 2016 legislative session. The cost of issuance for this bond sale is \$51,972 Other Funds.

Lottery bond proceeds in the amount of \$7,500,000 will be applied to the Willamette Falls Riverwalk project in Oregon City. The cost of issuance is \$122,761 Other Funds.

## Water Resources Department

The Subcommittee approved the establishment of Other Funds expenditure limitation for the Water Resources Department for the expenditure of lottery bond proceeds as follows:

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- \$2,000,000 one-time Other Funds expenditure limitation for the purpose of making grants and paying the cost of direct services for the qualifying costs of planning studies performed to evaluate the feasibility of developing a water conservation, reuse, or storage project, as described in ORS 541.566, and \$47,477 one-time Other Funds expenditure limitation for the payment of bond issuance costs from Lottery bond proceeds from the Water Conservation, Reuse, and Storage Investment Fund established under ORS 541.576. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$418,891.
- \$750,000 one-time Other Funds expenditure limitation for the expenditure of Lottery bond proceeds for facilitation of the preparation of place-based integrated water resources strategies as described by Section 2(2) of Senate Bill 266 (2015) from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$156,831.
- \$11,000,000 one-time Other Funds expenditure limitation for the purpose of making grants or entering into contracts to facilitate water supply projects in the Umatilla Basin and for the payment of professional services such as third-party contract administration and quality control contracts related to the projects from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$2.3 million.
- \$1,000,000 one-time Other Funds expenditure limitation for the purpose of making one or more grants to individuals or entities to repair, replace, or remediate water wells in the Mosier Creek area from the from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$190,071.
- \$280,433 one-time Other Funds expenditure limitation for the payment of bond issuance costs for the three items above from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The cost of debt service for the 2017-19 biennium is estimated to be \$2.3 million.
- \$6,362,979 one-time Other Funds expenditure limitation for the purpose of carrying out sections 1 to 15 of Chapter 784, Oregon Laws 2013 and the payment of bond issuance costs from the Water Supply Development Fund established under ORS 541.656. Of the total, \$112,979 is for bond issuance costs.

The Subcommittee approved the establishment of \$30,000,000 one-time Other Funds expenditure limitation for the expenditure of general obligation bond proceeds from bonds issued under of Article XI-I (1) for the purposes provided in ORS 541.700 to 541.855 and for the payment of bond issuance costs from the Water Development Loan Fund.

The Subcommittee approved the establishment of Other Funds expenditure limitation in the amount of \$520,000 for bond issuance costs and \$1,201,865 for debt service payments associated with the issuance of bonds issued under of Article XI-I (1) for the purposes provided in ORS 541.700 to 541.855 from the Water Development Loan Administration and Bond Sinking Fund established under ORS 541.830.

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## Oregon Watershed Enhancement Board

The Subcommittee approved a \$200,000 Federal Funds expenditure limitation increase to the Grants program from Pacific Coastal Salmon Recovery Fund (PCSRF) monies to increase the amount of PCSRF funding transferred to the Oregon Department of Fish and Wildlife (ODFW) to a total of \$9,511,859, which is the amount anticipated to be transferred by the Oregon Watershed Enhancement Board to ODFW in Senate Bill 5511, the budget bill for the Oregon Department of Fish and Wildlife. Miscommunication during development of the two agencies' request budgets prevented confirmation of matching amounts.

The Subcommittee also directed the Oregon Watershed Enhancement Board to increase the total amount of Lottery Funds from the Watershed Conservation Grant Fund made for weed grants by \$500,000, on a one-time basis. These additional Grant funds are to be used to improve sage grouse habitat through landowner actions to inventory, treat, and reduce plant invasive species threats to sage grouse habitat and rural economic values and restore native plant habitat. OWEB is directed to work with the Department of Agriculture, local weed boards, and other local delivery mechanisms in getting this additional \$500,000 on the ground improving sage grouse habitat in the shortest time possible.

## **PUBLIC SAFETY**

### Department of Corrections

Article XI-Q bonding in the amount of \$14.2 million is included in House Bill 5005 and capital construction expenditure limitation is approved in House Bill 5006. The bonding covers continued work at the Department's backlog of deferred maintenance. Specifically the funding addresses 25 priority 1, statewide projects. The bonds will be issued in 2017, with debt service beginning in the 2017-19 biennium at \$3.7 million General Fund. This bill includes Other Funds expenditure limitation for cost of issuance in the amount of \$254,568.

Senate Bill 5507 includes a one-time \$400,000 General Fund appropriation to the Department of Administrative Services for a community-based organization, the YWCA of Greater Portland, to administer the Family Preservation Program (FPP) at Coffee Creek Correctional Facility. The program description is in the Department of Administrative Services section of this report.

While the YWCA of Greater Portland will implement the program, the DOC also has a role in the program's success. The following budget note is intended to clarify the DOC role in administering the FPP:

#### **Budget Note:**

The Department of Corrections is directed to work with the YWCA to serve the best interests of the children of incarcerated parents by facilitating enriched visitation, parenting education, and family support. Cooperation will include:

- DOC staff assisting in the referral of high-risk offenders to the program and conferring with the Department of Human Services about referral of possible high-risk children,
- Providing adequate program space for twice-monthly therapeutic, face-to-face parent and child visiting sessions for a minimum of three hours per session,
- Facilitating parent-teacher conferences and parent-caregiver communication and visitation, and
- Providing appropriate outcome data to the YWCA.

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## Criminal Justice Commission

The 2015-17 budget for the Criminal Justice Commission is increased by \$5,000,000 General Fund to enhance the \$35 million General Fund provided for Justice Reinvestment Initiative grants in the agency's budget bill, Senate Bill 5506. This appropriation brings the total available for the program in 2015-17 to \$40 million.

## Department of Justice

The Department of Justice generates the majority of its Other Funds revenue from charges to state agencies for legal services. The 2013-15 biennium Attorney General rate was \$159 per hour and generated an estimated \$139.1 million. The 2015-17 Attorney General rate for the legislatively adopted budget is \$175 and is estimated to generate \$153.3 million. This is a \$14.2 million increase (10.2 percent). The change to the Legal Services rate in agency budgets is addressed as part of this measure.

The Subcommittee approved funding for the second "execution phase" (design, construction, testing, and implementation) of the agency's child support information technology replacement project (Child Support Enforcement Automated System, or CSEAS). While the project is still in the latter stages of the initial planning phase, the agency plans to move into the execution phase of the project during the 2015-17 biennium. Application system source code, database design documentation, system documentation, and other necessary artifacts from California, Michigan, and New Jersey will be acquired to facilitate the development of the new system. The project will also begin requirements validation and conduct Joint Application and Joint Technical Design sessions prior to the designing of the new system. The project will then work on the system design and construction of the new system, including data conversion and migration planning, and eventually application testing and implementation.

However, because the agency has not completed all required planning phase activities and documentation, and because it has not received Stage Gate #3 Office of the State Chief Information Officer endorsement of its foundational project management documentation (including a readiness and ability assessment), the execution phase of the project cannot actually begin until the agency first satisfactorily completes all remaining planning phase activities, including the completion of all the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the CSEAS project (see below). Until these funding conditions are met, almost all "execution phase" funding will remain unscheduled (see below direction that funds be unscheduled).

The Subcommittee approved \$15,209,670 of Other Funds expenditure limitation for project costs, which is to be financed with Article XI-Q bonds approved in House Bill 5005. The Subcommittee also approved \$29,997,991 Federal Funds expenditure limitation and the establishment of 22 permanent full-time positions (21.13 FTE). This includes personal services of \$3.6 million and services and supplies of \$41.8 million. The amount for services and supplies includes \$35.3 million total funds of contractor payments for: project management, including organization change management services; implementation; independent quality assurance; and independent verification and validation.

Project revenues also include an estimated \$2.9 million in bond proceeds that were authorized and issued during the 2013-15 biennium but remained unexpended. Associated Other Funds expenditure limitation, which was not part of the agency's request, may be requested at a future date.

The Department of Administrative Services is expected to unschedule \$10.7 million of Other Funds expenditure limitation and \$20.8 million Federal Funds expenditure limitation that may be scheduled based upon the joint approval of the Office of the State Chief Information Officer and

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the Legislative Fiscal Office. The agency is to submit a report on its compliance, as part of a request to schedule funds, with the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the CSEAS project (see below) as well as submit a rebaselined budget for the project.

The Department of Administrative Services is requested to establish a new Summary Cross Reference in the Oregon Budget Information Tracking System for the Child Support Enforcement Automated System program in order to segregate all project costs from the Child Support Division and other Division's operating costs.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent full-time positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any other purpose other than the development to the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

Other Funds expenditure limitation of \$205,330 is included for the cost of issuance of the bonds.

The Subcommittee appropriated \$2,407,587 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendation for the CSEAS project:

- Work with the Office of the State Chief Information Officer (OSCIO) and LFO to finalize a corresponding incremental funding release plan that is based upon completing all remaining foundational documentation deficiencies and stage gate 2 and 3 requirements.
- Regularly report project status to the OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Utilize a qualified project manager with experience in planning and managing programs and projects of this type, scope, and magnitude.
- Work with the OSCIO to obtain independent quality management services. The contractor shall conduct an initial risk assessment and respond to DOJ feedback, perform quality control reviews on the key CSEAS Project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate, and perform ongoing, independent quality management services as directed by the OSCIO.
- Provide both OSCIO and LFO with copies of all QA vendor deliverables.
- Submit the updated detailed business case, all project management documents, initial risk assessment, and quality control reviews to the OSCIO and LFO for stage gate review.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate 3 to validate readiness and ability to proceed to the execution phase of the project.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the CSEAS Project. Legislative approval to proceed with the

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CSEAS Project will be dependent upon OSCIO and LFO concurrence that DOJ is both ready and able to initiate project execution activities.

The Subcommittee established a \$2 million General Fund special purpose appropriation to the Emergency Board for the Defense of Criminal Convictions as a contingency for potential caseload increases.

The Subcommittee also appropriated \$240,550 General Fund to support the Oregon Crime Victims Law Center. This will bring total funding for the program to \$367,800 for the biennium, including \$77,250 General Fund of existing General Fund and \$50,000 Other Funds from the renewal of a state grant.

## Oregon Military Department

Senate Bill 5507 includes \$89,563 General Fund and \$358,253 Federal Funds expenditure limitation for three permanent full-time federal operations and maintenance (FOMA) positions (3.00 FTE). These are 3 of 8 positions eliminated from the Portland Air National Guard (PANG) base in 2009 budget cuts, which brought the FOMA workforce to 18, of 26 National Guard authorized positions. In 2013 the Legislature restored the 8 positions as Limited Duration (LD). This funding restores 3 of the LD positions as permanent. The National Guard pays 80% of the cost, General Fund covers the rest. The restored positions will maintain liquid jet fuel receiving, storage, and distribution for all 21 F-15's at PANG; maintain pesticide and herbicide certifications to keep grassy areas in compliance with Port of Portland mandated wildlife standards, which are meant to deter birds from the airfield; and maintain HVAC systems for climate control of critical communications equipment, as well as base fire alarm systems.

Also included is \$250,000 one-time General Fund for the Oregon Military Museum for creation of exhibits and other capital expenditures directly related to the establishment and maintenance of the museum.

Two projects are approved for Article XI-Q bonding (House Bill 5005) and capital construction expenditure limitation (House Bill 5006). The first project is a new Joint Forces Headquarters facility to be located in Salem. Two-thirds of the total bonds will be sold in 2016 and the remainder in 2017. Debt Service in 2015-17 is approved in this bill at \$434,833 General Fund. Second is expansion of the Oregon Youth Challenge Armory in Bend. Those bonds will be issued in 2017, with debt service beginning in the 2017-19 biennium. Cost of issuance is \$153,000 for the two projects; expenditure limitation is included in this bill. Debt service for the two projects in 2017-19 is \$2.3 million General Fund.

## Department of State Police

The Subcommittee increased the Other Funds expenditure limitation in the Fish and Wildlife Enforcement Division by \$993,640 for capital equipment replacements costs. Expenditure limitation is increased by \$78,830 Other Funds in the Administrative, Agency Support, Criminal Justice Information systems, and Office of the State Fire Marshal Other Funds limitation to pay for costs associated with reclassifying fourteen positions in the Firearms Background Check program to better address complexity and volume of firearm background checks.

Measure 76 Lottery Funds for Fish and Wildlife Enforcement are increased by \$278,788 for fish and wildlife enforcement. Fish and Wildlife troopers are reduced by (0.50) FTE due to the phase-in of one position approved for patrolling the Columbia River late in the 2015-17 biennium.

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The Subcommittee approved nine position reclassifications in the Forensic Services division and one position reclassification in the Administrative Services division. These position reclassifications will better address workload issues associated with evidence handling and chain of custody in the laboratories, will properly align workload and responsibilities in the Administrative Services division, and do not require additional expenditure limitation to accomplish.

Federal Funds expenditure limitation is increased by \$1,163 in the administrative services, agency support, criminal justice information services, and the office of the State Fire Marshal to balance expenditures to federal grant revenues.

## Oregon Youth Authority

Article XI-Q bond issuance totaling \$49 million for the 10-Year Strategic Facilities Plan is approved in House Bill 5005. House Bill 5006 authorizes Other Funds capital construction expenditure limitation in the same amount. \$33 million of the bonds will be sold in 2016 and the rest in 2017. General Fund Debt Service in 2015-17 is \$3,115,428, approved in this bill. Other Funds expenditure limitation in the amount of \$1,055,565 for cost of issuance expense is also included in this bill. Debt Service in 2017-19 will be \$8.6 million.

A \$1 placeholder for Federal Funds Debt Service Nonlimited is added; it was not included in the agency's budget report. The dollar acts as a base in the event the state needed to issue taxable bonds. If such bonds were issued, the federal Build America Bonds program could offset part of the additional associated interest costs.

## **TRANSPORTATION**

### Department of Aviation

The Subcommittee approved the move of 0.20 FTE from the Operations program to the Search and Rescue program in the Department of Aviation. This shift aligns staff and resources in the Search and Rescue program. Other Funds expenditure limitation is reduced by \$22,537 in the Operations Division and is increased in the Search and Rescue Division in the same amount.

### Department of Transportation

The Subcommittee approved the increase of \$130,000 General Fund for the Oregon Department of Transportation's Seniors and People with Disabilities Transportation Program; the funding is part of a commitment to spending on senior programs that originated in the 2013 special session. This program distributes funds to counties, transit districts, and tribes that provide transportation services for older adults and people with disabilities.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Transportation Program Development section of \$45,000,000 in lottery bond proceeds for ConnectOregon VI. In addition, the limitation is increased by \$653,540 for cost of issuance expenses. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2015-17 is \$8,317,100 Lottery Funds.



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Other Funds expenditure limitation is increased in the Rail Division by \$10,000,000 for lottery bond proceeds for the Coos Bay Rail line. In addition, the limitation is increased by \$226,194 for cost of issuance expenses. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is \$1,865,288 Lottery Funds.

The Subcommittee approved an Other Funds expenditure limitation of \$475,000 for cost of issuance of \$35,000,000 in General Obligation bonds for seven highway safety improvement projects. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is \$5,135,799 General Fund.

The measure gives approval to the agency to move four positions (4.00 FTE) from the Information Services Branch to the Procurement Branch within ODOT's Central Services Division to align purchasing functions agency-wide.

## **Adjustments to 2013-15 Budgets**

### Oregon Health Authority

Other Funds expenditure limitation for the Public Employees' Benefit Board for the 2013-15 biennium was increased by \$45 million. This will allow the agency to pay premiums and claims costs for the rest of the biennium.

### Department of Land Conservation and Development

The Subcommittee approved the reduction of the General Fund appropriation made to the Department of Land Conservation and Development for the Southern Oregon Regional Pilot Program (SORPP) in the agency's 2013-15 budget (Senate Bill 5530, 2013) in the amount of \$194,000 and the re-establishment of that amount as a one-time General Fund appropriation in the 2015-17 budget. The funding is a portion of the amount established by policy option package 107 in the agency's 2013-15 budget for the purpose of carrying out Executive Order 12-07 that the agency will not expend during the 2013-15 biennium and that the grant recipient counties have requested to be moved forward to the 2015-17 biennium to allow additional time for the grant-funded work to be completed.

### Commission on Judicial Fitness and Disability

The Subcommittee transferred \$5,000 of General Fund from administration to extraordinary expenses in the 2013-15 biennium budget, to fund costs directly associated with the investigation of complaints and the prosecution of cases.

# BUDGET NARRATIVE

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78th Oregon Legislative Assembly - 2016 Regular Session

## BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 4113 B

CARRIER: Sen. Roblan

### Joint Committee On Ways and Means

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Action: Do Pass The B-Eng Bill

Action Date: 02/23/16

#### Vote:

##### Senate

Yeas: 10 - Bates, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen

Exc: 2 - Whitsett, Winters

##### House

Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

Prepared By: Cathleen Connolly, Department of Administrative Services

Reviewed By: Matt Stayner, Legislative Fiscal Office

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Agency: Water Resources Department

Biennium: 2015-17

HB 4113 B

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# BUDGET NARRATIVE

## Budget Summary\*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
General Fund	\$ 0	\$ 25,000	\$ 25,000	100.0%
Total	\$ 0	\$ 25,000	\$ 25,000	100.0%

## Position Summary

Authorized Positions	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00

\*Excludes Capital Construction expenditures

## Revenue Summary

House Bill 4113 appropriates \$25,000 General Fund to the Water Resources Department for the expenses of the Task Force on Drought Emergency Response. This is one-time funding.

## Summary of Natural Resource Subcommittee Action

House Bill 4113 establishes the Task Force on Drought Emergency Responses. The task force will have 11 to 15 members who are charged with researching and evaluating potential tools and data to prepare for and respond to drought emergencies. The bill also directs the task force to submit a report to a Legislative interim committee related to natural resources no later than November 1, 2016, and provide a copy to the Water Resources Commission. The report is to include recommendations for improvements in information sharing that will enable the public, water users, and recreational in-stream users to understand drought conditions and to assist in efforts to mitigate or adapt to drought.

House Bill 4113 directs the Water Resources Department to staff the task force, and to reimburse members for the actual and necessary travel and other expenses incurred. The bill appropriates \$25,000 General Fund to the department to address the expenses of the task force members and to defer a portion of the estimated additional costs of staff support to the task force.

HB 4113 B

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# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 4113-B

Water Resources Department  
Cathleen Connolly -- 503-373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
<b>SCR 010-07: Director's Office</b>									
Personal Services	\$ 16,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,272	0	0.00
Services and Supplies	\$ 8,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,728		
<b>TOTAL SUBCOMMITTEE RECOMMENDATION</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>0</b>	<b>0.00</b>

HB 4113 B

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# BUDGET NARRATIVE

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78th Oregon Legislative Assembly - 2016 Regular Session

## BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 4113 B

CARRIER: Sen. Roblan

### Joint Committee On Ways and Means

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**Action:** Do Pass The B-Eng Bill.

**Action Date:** 02/23/16

#### **Vote:**

##### **Senate**

Yeas: 10 - Bates, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen

Exc: 2 - Whitsett, Winters

##### **House**

Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

**Prepared By:** Cathleen Connolly, Department of Administrative Services

**Reviewed By:** Matt Stayner, Legislative Fiscal Office

**Agency:** Water Resources Department

**Biennium:** 2015-17

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HB 4113 B

1 of 3

# BUDGET NARRATIVE

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## Budget Summary\*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
General Fund	\$ 0	\$ 25,000	\$ 25,000	100.0%
Total	\$ 0	\$ 25,000	\$ 25,000	100.0%

## Position Summary

Authorized Positions	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00

\*Excludes Capital Construction expenditures

## Revenue Summary

House Bill 4113 appropriates \$25,000 General Fund to the Water Resources Department for the expenses of the Task Force on Drought Emergency Response. This is one-time funding.

## Summary of Natural Resource Subcommittee Action

House Bill 4113 establishes the Task Force on Drought Emergency Responses. The task force will have 11 to 15 members who are charged with researching and evaluating potential tools and data to prepare for and respond to drought emergencies. The bill also directs the task force to submit a report to a Legislative interim committee related to natural resources no later than November 1, 2016, and provide a copy to the Water Resources Commission. The report is to include recommendations for improvements in information sharing that will enable the public, water users, and recreational in-stream users to understand drought conditions and to assist in efforts to mitigate or adapt to drought.

House Bill 4113 directs the Water Resources Department to staff the task force, and to reimburse members for the actual and necessary travel and other expenses incurred. The bill appropriates \$25,000 General Fund to the department to address the expenses of the task force members and to defer a portion of the estimated additional costs of staff support to the task force.

HB 4113 B

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# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 4113-B

Water Resources Department  
Cathleen Connolly -- 503-373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
SCR 010-07: Director's Office									
Personal Services	\$ 16,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,272	0	0.00
Services and Supplies	\$ 8,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,728		
<b>TOTAL SUBCOMMITTEE RECOMMENDATION</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>0</b>	<b>0.00</b>

HB 4113 B

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# BUDGET NARRATIVE

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78th Oregon Legislative Assembly - 2016 Regular Session

MEASURE: SB 5701 A

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Buckley

**Joint Committee On Ways and Means**

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**Action:** Do Pass The A-Eng Bill.

**Action Date:** 02/25/16

**Vote:**

**House**

**Yeas:** 11 - Buckley, Gomberg, Huffman, Komp, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

**Exc:** 1 - McLane

**Senate**

**Yeas:** 7 - Bates, Devlin, Johnson, Monroe, Roblan, Shields, Steiner Hayward

**Nays:** 4 - Girod, Hansell, Thomsen, Whitsett

**Exc:** 1 - Winters

**Prepared By:** Linda Ames and Theresa McHugh, Legislative Fiscal Office

**Reviewed By:** Daron Hill, Legislative Fiscal Office

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Emergency Board; Various Agencies

Biennium: 2015-17



# BUDGET NARRATIVE

## Budget Summary\*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<b><u>Emergency Board</u></b>				
General Fund - General Purpose	\$ 30,000,000	\$ 32,000,000	\$ 2,000,000	6.7%
General Fund - Special Purpose Appropriations				
State Agencies for state employee compensation	\$ 120,000,000	\$ -	\$ (120,000,000)	-100.0%
State Agencies for non-state worker compensation	\$ 10,700,000	\$ 700,147	\$ (9,999,853)	-93.5%
State Agencies for education issues	\$ 3,000,000	\$ 1,626,121	\$ (1,373,879)	-45.8%
Dept. of Education - mixed delivery preschool program	\$ 17,540,357	\$ -	\$ (17,540,357)	-100.0%
HECC - college readiness program implementation	\$ 6,865,921	\$ -	\$ (6,865,921)	-100.0%
Dept. of Forestry - fire protection expenses	\$ 6,000,000	\$ 3,945,177	\$ (2,054,823)	-34.2%
Dept. of Revenue - Property Tax Division	\$ 1,836,836	\$ -	\$ (1,836,836)	-100.0%
Dept. of Corrections - Deer Ridge operations expenses	\$ -	\$ 3,000,000	\$ 3,000,000	100.0%
Dept. of Corrections - expenses related to mentally ill	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
Malheur Nat'l Wildlife Refuge expense reimbursement	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
<b><u>ADMINISTRATION PROGRAM AREA</u></b>				
<b><u>Department of Administrative Services</u></b>				
General Fund	\$ 12,468,238	\$ 16,073,778	\$ 3,605,540	28.9%
Other Funds	\$ 898,482,207	\$ 911,637,817	\$ 13,155,610	1.5%
<b><u>Advocacy Commissions Office</u></b>				
General Fund	\$ 602,262	\$ 626,557	\$ 24,295	4.0%
<b><u>Employment Relations Board</u></b>				
General Fund	\$ 2,393,033	\$ 2,460,956	\$ 67,923	2.8%
Other Funds	\$ 2,014,991	\$ 2,066,561	\$ 51,570	2.6%
<b><u>Oregon Government Ethics Commission</u></b>				
Other Funds	\$ 2,720,429	\$ 2,789,379	\$ 68,950	2.5%
<b><u>Office of the Governor</u></b>				
General Fund	\$ 12,448,211	\$ 12,773,672	\$ 325,461	2.6%
Lottery Funds	\$ 4,058,418	\$ 4,209,051	\$ 150,633	3.7%
Other Funds	\$ 3,152,058	\$ 3,249,297	\$ 97,239	3.1%

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# BUDGET NARRATIVE

<b>Budget Summary*</b>	<b>2015-17 Legislatively Approved Budget</b>		<b>2016 Committee Recommendation</b>		<b>Committee Change from 2015-17 Leg. Approved</b>		
					<b>\$ Change</b>	<b>% Change</b>	
<b><u>Oregon Liquor Control Commission</u></b>							
Other Funds	\$	178,713,603	\$	181,706,250	\$	2,992,647	1.7%
<b><u>Public Employees Retirement System</u></b>							
Other Funds	\$	95,161,904	\$	107,769,491	\$	12,607,587	13.2%
<b><u>Racing Commission</u></b>							
Other Funds	\$	6,193,966	\$	6,276,229	\$	82,263	1.3%
<b><u>Department of Revenue</u></b>							
General Fund	\$	186,702,371	\$	193,187,720	\$	6,485,349	3.5%
Other Funds	\$	130,931,438	\$	134,486,949	\$	3,555,511	2.7%
<b><u>Secretary of State</u></b>							
General Fund	\$	9,422,659	\$	9,949,390	\$	526,731	5.6%
Other Funds	\$	54,607,321	\$	56,279,809	\$	1,672,488	3.1%
Federal Funds	\$	6,242,689	\$	6,277,676	\$	34,987	0.6%
<b><u>State Library</u></b>							
General Fund	\$	3,536,497	\$	3,626,974	\$	90,477	2.6%
Other Funds	\$	6,227,861	\$	6,440,443	\$	212,582	3.4%
Federal Funds	\$	5,061,853	\$	5,121,642	\$	59,789	1.2%
<b><u>State Treasurer</u></b>							
General Fund	\$	1,658,284	\$	1,687,988	\$	29,704	1.8%
Other Funds	\$	61,114,368	\$	62,170,171	\$	1,055,803	1.7%
<b><u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u></b>							
<b><u>State Board of Accountancy</u></b>							
Other Funds	\$	2,454,268	\$	2,506,638	\$	52,370	2.1%

SB 5701 A

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# BUDGET NARRATIVE

<b>Budget Summary*</b>	<b>2015-17 Legislatively Approved Budget</b>	<b>2016 Committee Recommendation</b>	<b>Committee Change from 2015-17 Leg. Approved</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b><u>Chiropractic Examiners Board</u></b>				
Other Funds	\$ 1,889,260	\$ 1,931,737	\$ 42,477	2.2%
<b><u>Consumer and Business Services</u></b>				
Other Funds	\$ 243,170,782	\$ 246,301,771	\$ 3,130,989	1.3%
Federal Funds	\$ 16,431,616	\$ 17,320,682	\$ 889,066	5.4%
<b><u>Construction Contractors Board</u></b>				
Other Funds	\$ 14,659,027	\$ 15,051,664	\$ 392,637	2.7%
<b><u>Board of Dentistry</u></b>				
Other Funds	\$ 2,985,971	\$ 3,043,804	\$ 57,833	1.9%
<b><u>Health Related Licensing Boards</u></b>				
Other Funds	\$ 5,707,058	\$ 5,876,450	\$ 169,392	3.0%
<b><u>Bureau of Labor and Industries</u></b>				
General Fund	\$ 12,563,620	\$ 12,892,771	\$ 329,151	2.6%
Other Funds	\$ 10,831,529	\$ 11,296,258	\$ 464,729	4.3%
Federal Funds	\$ 1,476,462	\$ 1,539,652	\$ 63,190	4.3%
<b><u>Licensed Professional Counselors and Therapists. Board of</u></b>				
Other Funds	\$ 1,505,938	\$ 1,540,904	\$ 34,966	2.3%
<b><u>Licensed Social Workers, Board of</u></b>				
Other Funds	\$ 1,471,646	\$ 1,500,640	\$ 28,994	2.0%
<b><u>Board of Medical Examiners</u></b>				
Other Funds	\$ 11,269,353	\$ 11,605,454	\$ 336,101	3.0%
<b><u>Board of Nursing</u></b>				
Other Funds	\$ 15,265,753	\$ 15,573,363	\$ 307,610	2.0%

SB 5701 A

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# BUDGET NARRATIVE

<b>Budget Summary*</b>	<b>2015-17 Legislatively Approved Budget</b>	<b>2016 Committee Recommendation</b>	<b>Committee Change from 2015-17 Leg. Approved</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b><u>Board of Pharmacy</u></b>				
Other Funds	\$ 6,856,245	\$ 7,057,070	\$ 200,825	2.9%
<b><u>Psychologist Examiners Board</u></b>				
Other Funds	\$ 1,284,790	\$ 1,323,155	\$ 38,365	3.0%
<b><u>Public Utility Commission</u></b>				
Other Funds	\$ 44,128,339	\$ 45,429,873	\$ 1,301,534	2.9%
Federal Funds	\$ 698,049	\$ 726,238	\$ 28,189	4.0%
<b><u>Real Estate Agency</u></b>				
Other Funds	\$ 6,897,314	\$ 7,159,101	\$ 261,787	3.8%
<b><u>Tax Practitioners Board</u></b>				
Other Funds	\$ 1,235,571	\$ 1,260,908	\$ 25,337	2.1%
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>				
<b><u>Oregon Business Development Department</u></b>				
General Fund	\$ 16,845,486	\$ 15,565,790	\$ (1,279,696)	-7.6%
Lottery Funds	\$ 111,789,423	\$ 113,289,994	\$ 1,500,571	1.3%
Other Funds	\$ 293,644,535	\$ 295,973,576	\$ 2,329,041	0.8%
Other Funds Nonlimited	\$ 225,972,465	\$ 231,792,465	\$ 5,820,000	2.6%
Federal Funds	\$ 39,967,883	\$ 40,101,139	\$ 133,256	0.3%
<b><u>Employment Department</u></b>				
General Fund	\$ 6,112,818	\$ 6,133,655	\$ 20,837	0.3%
Other Funds	\$ 141,800,701	\$ 146,138,599	\$ 4,337,898	3.1%
Federal Funds	\$ 157,985,169	\$ 162,716,380	\$ 4,731,211	3.0%
<b><u>Housing and Community Services Department</u></b>				
General Fund	\$ 15,679,188	\$ 28,421,768	\$ 12,742,580	81.3%
Other Funds	\$ 212,088,734	\$ 223,456,192	\$ 11,367,458	5.4%
Federal Funds	\$ 119,926,854	\$ 120,114,238	\$ 187,384	0.2%

SB 5701 A

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# BUDGET NARRATIVE

<b>Budget Summary*</b>	<b>2015-17 Legislatively Approved Budget</b>	<b>2016 Committee Recommendation</b>	<b>Committee Change from 2015-17 Leg. Approved</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b><u>Department of Veterans' Affairs</u></b>				
General Fund	\$ 12,748,351	\$ 13,002,777	\$ 254,426	2.0%
Other Funds	\$ 83,768,166	\$ 84,275,562	\$ 507,396	0.6%
Federal Funds	\$ 2,805,304	\$ 3,305,303	\$ 499,999	17.8%
<b><u>EDUCATION PROGRAM AREA</u></b>				
<b><u>Department of Education</u></b>				
General Fund	\$ 544,682,780	\$ 577,542,813	\$ 32,860,033	6.0%
Other Funds	\$ 273,993,743	\$ 277,228,514	\$ 3,234,771	1.2%
Federal Funds	\$ 1,026,393,576	\$ 1,038,273,634	\$ 11,880,058	1.2%
<b><u>State School Fund</u></b>				
General Fund	\$ 6,964,849,484	\$ 6,925,296,093	\$ (39,553,391)	-0.6%
Lottery Funds	\$ 408,150,516	\$ 447,703,907	\$ 39,553,391	9.7%
<b><u>Higher Education Coordinating Commission</u></b>				
General Fund	\$ 32,035,777	\$ 34,981,675	\$ 2,945,898	9.2%
Other Funds	\$ 30,509,613	\$ 31,541,490	\$ 1,031,877	3.4%
Federal Funds	\$ 111,680,983	\$ 111,923,269	\$ 242,286	0.2%
<b><u>State Support for Community Colleges</u></b>				
General Fund	\$ 589,305,847	\$ 596,555,847	\$ 7,250,000	1.2%
<b><u>State Support for Public Universities</u></b>				
General Fund	\$ 941,746,515	\$ 944,646,515	\$ 2,900,000	0.3%
<b><u>Chief Education Office</u></b>				
General Fund	\$ 6,239,594	\$ 12,857,142	\$ 6,617,548	106.1%
<b><u>Teacher Standards and Practices</u></b>				
Other Funds	\$ 6,155,894	\$ 6,511,902	\$ 356,008	5.8%

SB 5701 A

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# BUDGET NARRATIVE

Budget Summary*	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<b><u>HUMAN SERVICES PROGRAM AREA</u></b>				
<b><u>Commission for the Blind</u></b>				
General Fund	\$ 2,892,992	\$ 3,691,540	\$ 798,548	27.6%
Other Funds	\$ 992,094	\$ 1,183,539	\$ 191,445	19.3%
Federal Funds	\$ 12,319,703	\$ 15,827,037	\$ 3,507,334	28.5%
<b><u>Oregon Health Authority</u></b>				
General Fund	\$ 2,120,607,875	\$ 2,139,964,413	\$ 19,356,538	0.9%
Lottery Funds	\$ 11,292,544	\$ 11,348,753	\$ 56,209	0.5%
Other Funds	\$ 5,683,377,776	\$ 5,782,295,632	\$ 98,917,856	1.7%
Federal Funds	\$ 11,400,938,911	\$ 12,389,291,524	\$ 988,352,613	8.7%
<b><u>Department of Human Services</u></b>				
General Fund	\$ 2,700,922,689	\$ 2,765,044,703	\$ 64,122,014	2.4%
Other Funds	\$ 500,033,526	\$ 532,329,349	\$ 32,295,823	6.5%
Federal Funds	\$ 4,488,244,260	\$ 4,802,435,818	\$ 314,191,558	7.0%
<b><u>Long Term Care Ombudsman</u></b>				
General Fund	\$ 6,172,203	\$ 6,303,638	\$ 131,435	2.1%
Other Funds	\$ 719,522	\$ 737,480	\$ 17,958	2.5%
<b><u>Psychiatric Security Review Board</u></b>				
General Fund	\$ 2,604,005	\$ 2,688,017	\$ 84,012	3.2%
<b><u>JUDICIAL BRANCH</u></b>				
<b><u>Judicial Department</u></b>				
General Fund	\$ 424,653,443	\$ 433,042,702	\$ 8,389,259	2.0%
Other Funds	\$ 138,932,144	\$ 147,988,947	\$ 9,056,803	6.5%
Federal Funds	\$ 1,598,284	\$ 1,606,769	\$ 8,485	0.5%
<b><u>Commission on Judicial Fitness and Disability</u></b>				
General Fund	\$ 230,040	\$ 405,777	\$ 175,737	76.4%

SB 5701 A

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# BUDGET NARRATIVE

<b>Budget Summary*</b>	<b>2015-17 Legislatively Approved Budget</b>	<b>2016 Committee Recommendation</b>	<b>Committee Change from 2015-17 Leg. Approved</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b><u>Public Defense Services Commission</u></b>				
General Fund	\$ 275,010,417	\$ 275,454,479	\$ 444,062	0.2%
Other Funds	\$ 3,833,764	\$ 3,846,904	\$ 13,140	0.3%
<b><u>LEGISLATIVE BRANCH</u></b>				
<b><u>Legislative Administration Committee</u></b>				
General Fund	\$ 34,865,791	\$ 37,515,179	\$ 2,649,388	7.6%
Other Funds	\$ 2,225,416	\$ 5,435,025	\$ 3,209,609	144.2%
<b><u>Legislative Assembly</u></b>				
General Fund	\$ 39,090,875	\$ 38,146,349	\$ (944,526)	-2.4%
Other Funds	\$ 225,352	\$ 223,530	\$ (1,822)	-0.8%
<b><u>Legislative Commission on Indian Services</u></b>				
General Fund	\$ 401,349	\$ 410,168	\$ 8,819	2.2%
<b><u>Legislative Counsel</u></b>				
General Fund	\$ 10,841,717	\$ 10,646,638	\$ (195,079)	-1.8%
Other Funds	\$ 1,515,091	\$ 1,552,105	\$ 37,014	2.4%
<b><u>Legislative Fiscal Office</u></b>				
General Fund	\$ 4,324,440	\$ 4,315,993	\$ (8,447)	-0.2%
Other Funds	\$ 3,443,858	\$ 3,530,895	\$ 87,037	2.5%
<b><u>Legislative Revenue Office</u></b>				
General Fund	\$ 2,414,923	\$ 2,496,087	\$ 81,164	3.4%
<b><u>NATURAL RESOURCES PROGRAM AREA</u></b>				
<b><u>State Department of Agriculture</u></b>				
General Fund	\$ 23,396,301	\$ 24,613,559	\$ 1,217,258	5.2%
Lottery Funds	\$ 6,289,958	\$ 6,491,591	\$ 201,633	3.2%
Other Funds	\$ 60,578,804	\$ 62,478,730	\$ 1,899,926	3.1%
Federal Funds	\$ 15,563,845	\$ 17,630,167	\$ 2,066,322	13.3%

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# BUDGET NARRATIVE

Budget Summary*	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<b><u>Columbia River Gorge Commission</u></b>				
General Fund	\$ 903,983	\$ 915,291	\$ 11,308	1.3%
Other Funds	\$ 5,000	\$ -	\$ (5,000)	-100.0%
<b><u>State Department of Energy</u></b>				
Other Funds	\$ 34,288,279	\$ 35,076,986	\$ 788,707	2.3%
Federal Funds	\$ 3,128,423	\$ 3,187,299	\$ 58,876	1.9%
<b><u>Department of Environmental Quality</u></b>				
General Fund	\$ 33,948,448	\$ 37,732,047	\$ 3,783,599	11.1%
Lottery Funds	\$ 3,945,160	\$ 4,084,177	\$ 139,017	3.5%
Other Funds	\$ 149,103,999	\$ 152,995,169	\$ 3,891,170	2.6%
Federal Funds	\$ 28,970,775	\$ 29,567,515	\$ 596,740	2.1%
<b><u>State Department of Fish and Wildlife</u></b>				
General Fund	\$ 30,081,289	\$ 31,046,604	\$ 965,315	3.2%
Lottery Funds	\$ 4,752,746	\$ 4,917,581	\$ 164,835	3.5%
Other Funds	\$ 174,604,641	\$ 178,016,434	\$ 3,411,793	2.0%
Federal Funds	\$ 138,976,588	\$ 142,316,627	\$ 3,340,039	2.4%
<b><u>Department of Forestry</u></b>				
General Fund	\$ 63,414,691	\$ 88,388,302	\$ 24,973,611	39.4%
Lottery Funds	\$ 7,481,960	\$ 7,554,096	\$ 72,136	1.0%
Other Funds	\$ 224,734,577	\$ 286,598,792	\$ 61,864,215	27.5%
Federal Funds	\$ 34,758,694	\$ 35,063,741	\$ 305,047	0.9%
<b><u>Department of Geology and Mineral Industries</u></b>				
General Fund	\$ 4,138,836	\$ 4,246,695	\$ 107,859	2.6%
Other Funds	\$ 6,092,210	\$ 6,207,283	\$ 115,073	1.9%
Federal Funds	\$ 5,356,535	\$ 5,465,149	\$ 108,614	2.0%

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# BUDGET NARRATIVE

<b>Budget Summary*</b>	<b>2015-17 Legislatively Approved Budget</b>	<b>2016 Committee Recommendation</b>	<b>Committee Change from 2015-17 Leg. Approved</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b><u>Department of Land Conservation and Development</u></b>				
General Fund	\$ 13,152,774	\$ 13,483,719	\$ 330,945	2.5%
Other Funds	\$ 484,999	\$ 725,419	\$ 240,420	49.6%
Federal Funds	\$ 6,254,991	\$ 6,392,432	\$ 137,441	2.2%
<b><u>Land Use Board of Appeals</u></b>				
General Fund	\$ 1,772,887	\$ 1,817,836	\$ 44,949	2.5%
<b><u>Oregon Marine Board</u></b>				
Other Funds	\$ 26,181,068	\$ 26,498,709	\$ 317,641	1.2%
Federal Funds	\$ 7,464,524	\$ 7,467,774	\$ 3,250	0.0%
<b><u>Department of Parks and Recreation</u></b>				
Lottery Funds	\$ 81,406,896	\$ 82,917,301	\$ 1,510,405	1.9%
Other Funds	\$ 108,236,201	\$ 110,367,264	\$ 2,131,063	2.0%
Federal Funds	\$ 12,306,810	\$ 12,345,047	\$ 38,237	0.3%
<b><u>Department of State Lands</u></b>				
General Fund	\$ 328,228	\$ 346,082	\$ 17,854	5.4%
Other Funds	\$ 35,792,955	\$ 36,617,973	\$ 825,018	2.3%
Federal Funds	\$ 1,795,917	\$ 2,067,484	\$ 271,567	15.1%
<b><u>Water Resources Department</u></b>				
General Fund	\$ 29,622,753	\$ 31,160,564	\$ 1,537,811	5.2%
Other Funds	\$ 73,945,808	\$ 74,253,832	\$ 308,024	0.4%
Federal Funds	\$ 1,302,403	\$ 1,312,338	\$ 9,935	0.8%
<b><u>Watershed Enhancement Board</u></b>				
Lottery Funds	\$ 62,250,303	\$ 62,482,687	\$ 232,384	0.4%
Other Funds	\$ 3,545,968	\$ 3,553,093	\$ 7,125	0.2%
Federal Funds	\$ 37,179,454	\$ 37,274,113	\$ 94,659	0.3%

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# BUDGET NARRATIVE

Budget Summary*	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>				
<b><u>Department of Corrections</u></b>				
General Fund	\$ 1,555,904,536	\$ 1,593,133,894	\$ 37,229,358	2.4%
Other Funds	\$ 53,232,352	\$ 55,776,993	\$ 2,544,641	4.8%
<b><u>Oregon Criminal Justice Commission</u></b>				
General Fund	\$ 55,035,612	\$ 55,130,454	\$ 94,842	0.2%
Other Funds	\$ 494,015	\$ 864,015	\$ 370,000	74.9%
Federal Funds	\$ 7,304,929	\$ 6,937,604	\$ (367,325)	-5.0%
<b><u>District Attorneys and their Deputies</u></b>				
General Fund	\$ 11,610,450	\$ 11,868,624	\$ 258,174	2.2%
<b><u>Department of Justice</u></b>				
General Fund	\$ 76,083,264	\$ 78,841,305	\$ 2,758,041	3.6%
Other Funds	\$ 284,955,845	\$ 295,519,057	\$ 10,563,212	3.7%
Federal Funds	\$ 142,401,423	\$ 157,871,008	\$ 15,469,585	10.9%
<b><u>Oregon Military Department</u></b>				
General Fund	\$ 25,019,969	\$ 25,350,514	\$ 330,545	1.3%
Other Funds	\$ 110,312,549	\$ 113,312,859	\$ 3,000,310	2.7%
Federal Funds	\$ 278,357,971	\$ 280,784,232	\$ 2,426,261	0.9%
<b><u>Oregon Board of Parole</u></b>				
General Fund	\$ 7,807,978	\$ 8,040,916	\$ 232,938	3.0%
<b><u>Oregon State Police</u></b>				
General Fund	\$ 271,442,947	\$ 279,647,826	\$ 8,204,879	3.0%
Lottery Funds	\$ 7,841,010	\$ 8,010,065	\$ 169,055	2.2%
Other Funds	\$ 100,483,764	\$ 109,285,417	\$ 8,801,653	8.8%
Federal Funds	\$ 9,760,242	\$ 9,780,941	\$ 20,699	0.2%
<b><u>Department of Public Safety Standards and Training</u></b>				
Other Funds	\$ 37,238,170	\$ 42,092,883	\$ 4,854,713	13.0%
Federal Funds	\$ 4,148,299	\$ 6,666,167	\$ 2,517,868	60.7%

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# BUDGET NARRATIVE

## Budget Summary\*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<b><u>Oregon Youth Authority</u></b>				
General Fund	\$ 291,989,720	\$ 298,387,030	\$ 6,397,310	2.2%
Other Funds	\$ 63,325,954	\$ 63,399,605	\$ 73,651	0.1%
Federal Funds	\$ 36,097,766	\$ 36,316,493	\$ 218,727	0.6%

## TRANSPORTATION PROGRAM AREA

### Department of Aviation

Other Funds	\$ 11,979,625	\$ 12,370,913	\$ 391,288	3.3%
Federal Funds	\$ 8,504,014	\$ 8,514,798	\$ 10,784	0.1%

### Department of Transportation

General Fund	\$ 27,827,995	\$ 22,585,257	\$ (5,242,738)	-18.8%
Other Funds	\$ 3,275,943,658	\$ 3,313,477,220	\$ 37,533,562	1.1%
Federal Funds	\$ 110,110,886	\$ 110,175,491	\$ 64,605	0.1%

## 2015-17 Budget Summary

<b>General Fund Total</b>	\$ 17,716,499,549	\$ 17,780,417,528	\$ 63,917,979	0.4%
<b>Lottery Funds Total</b>	\$ 709,258,934	\$ 753,009,203	\$ 43,750,269	6.2%
<b>Other Funds Total</b>	\$ 14,023,753,360	\$ 14,377,069,073	\$ 353,315,713	2.5%
<b>Other Funds Nonlimited Total</b>	\$ 225,972,465	\$ 231,792,465	\$ 5,820,000	2.6%
<b>Federal Funds Total</b>	\$ 18,281,516,085	\$ 19,633,717,421	\$ 1,352,201,336	7.4%

\* Excludes Capital Construction

# BUDGET NARRATIVE

Position Summary	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
<b>ADMINISTRATION PROGRAM AREA</b>				
<b><u>Department of Administrative Services</u></b>				
Authorized Positions	827	841	14	1.7%
Full-time Equivalent (FTE) positions	813.17	826.40	13.23	1.6%
<b><u>Oregon Liquor Control Commission</u></b>				
Authorized Positions	261	268	7	2.7%
Full-time Equivalent (FTE) positions	251.16	255.33	4.17	1.7%
<b><u>Department of Revenue</u></b>				
Authorized Positions	1,082	1,087	5	0.5%
Full-time Equivalent (FTE) positions	1,012.41	1,020.68	8.27	0.8%
<b><u>Secretary of State</u></b>				
Authorized Positions	212	213	1	0.5%
Full-time Equivalent (FTE) positions	210.71	210.96	0.25	0.1%
<b>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</b>				
<b><u>Consumer and Business Services</u></b>				
Authorized Positions	962	960	(2)	-0.2%
Full-time Equivalent (FTE) positions	952.57	952.76	0.19	0.0%
<b><u>Public Utility Commission</u></b>				
Authorized Positions	128	129	1	0.8%
Full-time Equivalent (FTE) positions	125.97	126.60	0.63	0.5%
<b>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</b>				
<b><u>Oregon Business Development Department</u></b>				
Authorized Positions	137	139	2	1.5%
Full-time Equivalent (FTE) positions	134.74	135.74	1.00	0.7%

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# BUDGET NARRATIVE

Position Summary	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
<b>EDUCATION PROGRAM AREA</b>				
<b><u>Chief Education Office</u></b>				
Authorized Positions	17	20	3	17.6%
Full-time Equivalent (FTE) positions	14.64	18.25	3.61	24.7%
<b><u>Department of Education</u></b>				
Authorized Positions	552	555	3	0.5%
Full-time Equivalent (FTE) positions	519.01	520.90	1.89	0.4%
<b>HUMAN SERVICES PROGRAM AREA</b>				
<b><u>Oregon Health Authority</u></b>				
Authorized Positions	4,428	4,449	21	0.5%
Full-time Equivalent (FTE) positions	4,361.01	4,383.89	22.88	0.5%
<b><u>Department of Human Services</u></b>				
Authorized Positions	8,038	8,054	16	0.2%
Full-time Equivalent (FTE) positions	7,897.81	7,905.04	7.23	0.1%
<b>NATURAL RESOURCES PROGRAM AREA</b>				
<b><u>Department of Environmental Quality</u></b>				
Authorized Positions	739	752	13	1.8%
Full-time Equivalent (FTE) positions	722.57	730.15	7.58	1.0%
<b><u>Department of Fish and Wildlife</u></b>				
Authorized Positions	1,474	1,474	-	0.0%
Full-time Equivalent (FTE) positions	1,198.26	1,199.26	1.00	0.1%
<b><u>Department of Forestry</u></b>				
Authorized Positions	1,197	1,201	4	0.3%
Full-time Equivalent (FTE) positions	875.54	878.04	2.50	0.3%

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# BUDGET NARRATIVE

Position Summary	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
<b><u>Department of Land Conservation and Development</u></b>				
Authorized Positions	57	58	1	1.8%
Full-time Equivalent (FTE) positions	55.90	56.57	0.67	1.2%
<b><u>Water Resources Department</u></b>				
Authorized Positions	164	165	1	0.6%
Full-time Equivalent (FTE) positions	162.58	163.25	0.67	0.4%
<b>PUBLIC SAFETY PROGRAM AREA</b>				
<b><u>Department of Corrections</u></b>				
Authorized Positions	4,523	4,534	11	0.2%
Full-time Equivalent (FTE) positions	4,479.62	4,487.41	7.79	0.2%
<b><u>Department of Justice</u></b>				
Authorized Positions	1,305	1,324	19	1.5%
Full-time Equivalent (FTE) positions	1,291.70	1,298.27	6.57	0.5%
<b><u>Oregon State Police</u></b>				
Authorized Positions	1,287	1,299	12	0.9%
Full-time Equivalent (FTE) positions	1,255.24	1,261.87	6.63	0.5%
<b><u>Department of Public Safety Standards and Training</u></b>				
Authorized Positions	28	43	15	53.6%
Full-time Equivalent (FTE) positions	26.00	35.74	9.74	37.5%

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# BUDGET NARRATIVE

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## **Summary of Revenue Changes**

The General Fund appropriations made in the bill are within resources available as projected in the February 2016 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis.

## **Summary of Capital Construction Subcommittee Action**

Senate Bill 5701 is the omnibus budget reconciliation bill for the 2016 legislative session, implementing the statewide rebalance plan that addresses changes in projected revenues and expenditures since the close of the 2015 session. The Subcommittee approved Senate Bill 5701 with amendments to reflect budget adjustments as described below.

## **Statewide Adjustments**

### **EMPLOYEE COMPENSATION DISTRIBUTION**

The Subcommittee approved allocation of \$120 million General Fund to state agencies for employee compensation. The General Fund appropriation is expected to cover about 93% of the statewide estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements. Total compensation adjustments include \$120 million General Fund, \$3.2 million Lottery Funds, \$111.7 million Other Funds, and \$55.9 million Federal Funds. Lottery Funds, Other Funds, and Federal Funds expenditure limitations are calculated at fully-funded amounts.

### **OTHER STATEWIDE ADJUSTMENTS**

Other statewide adjustments include adjustments for Pension Obligation Bond (POB) payments and fully funding the General Fund need of employee compensation for small agencies. POB adjustments generated a net savings of \$4.3 million Total Funds, including General Fund savings of \$487,281. A portion of the savings was used to fully fund the General Fund collective bargaining agreement costs (\$243,932) of small agencies.

Section 116 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

## **Emergency Board**

As part of the 2015-17 biennium statewide rebalance plan, Senate Bill 5701 adjusts the Emergency Board's general purpose and special purpose appropriations as described as follows:

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- Increases the General Purpose Emergency Fund by \$2,000,000 for general governmental purposes, increasing the total amount available to the Emergency Board for the remainder of the 2015-17 interim to \$32,000,000.
- Eliminates a special purpose appropriation for state agencies of \$120 million, and makes corresponding General Fund appropriations to various state agencies for state employee compensation changes.
- Reduces the special purpose appropriation for state agencies of \$10.7 million, with General Fund appropriations of \$10.0 million to the Department of Human Services (\$9,502,291) and the Oregon Health Authority (\$497,562) for compensation changes driven by collective bargaining for workers who are not state employees.
- Reduces the \$3,000,000 special purpose appropriation for education by \$1,373,879 and uses these funds as part of the \$1,900,000 General Fund appropriation to the Higher Education Coordinating Commission to help fund 2015-17 compensation agreements for classified staff at Portland State University, Eastern Oregon University, Southern Oregon University, Western Oregon University, and the Oregon Institute of Technology. Details on how much each university receives is found under the Higher Education Coordinating Commission section of this budget report.
- Eliminates the \$17,540,357 General Fund special purpose appropriation to the Emergency Board for the mixed delivery preschool program established in House Bill 3380 (2015), with a corresponding appropriation to the Oregon Department of Education for the same purpose.
- Eliminates a \$6,865,921 special purpose appropriation for college readiness and appropriates most of these resources to the Oregon Department of Education, Chief Education Office, and the Higher Education Coordinating Commission for transitional services and supports, between secondary and post-secondary education.
- Reduces the special purpose appropriation of \$6 million for fire costs, and appropriates \$2,054,823 to the Department of Forestry for that purpose.
- Eliminates the \$1.8 million special purpose appropriation for the Department of Revenue and appropriates \$1,360,125 to the Property Tax Division of the Department of Revenue, primarily due to cover a revenue shortfall in the County Assessment Function Funding Assistance Account.
- Establishes a \$3,000,000 special purpose appropriation to be allocated to the Department of Corrections for operations support. The Department may request funds to finance continued activation of minimum security beds at the Deer Ridge Correctional Institution.
- Establishes a \$2,000,000 special purpose appropriation to be allocated to the Department of Corrections. The Department may request funds to finance continued activities and positions associated with improvements to housing and treatment for the seriously mentally ill.
- Establishes a special purpose appropriation for the Emergency Board of \$2,000,000 to be allocated to state and local governments that incurred costs not reimbursed by the federal government related to the armed occupation of the Malheur National Wildlife Refuge. The Department of Administrative Services and the Legislative Fiscal Office are directed to work with state and local government units to identify and validate reimbursable costs related to the incident.



# BUDGET NARRATIVE

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## Adjustments to 2015-17 Agency Budgets

### ADMINISTRATION

#### Department of Administrative Services

The Subcommittee approved a technical adjustment to move Other Funds expenditure limitation, intended to pay for treasury fees that had been spread to programs in the 2015-17 legislatively adopted budget, back into the Other Funds expenditure limitation established in Senate Bill 5502 for Treasury Fees. These adjustments net to a zero overall change in the total Other Funds budget approved for the Department of Administrative Services (DAS).

The Subcommittee approved a number of budget adjustments related to a multi-part reorganization of DAS and the Oregon State Chief Information Officer (OSCIO) information technology (IT) related functions. A budget note required DAS to report on proposed changes to operations and rates for Enterprise Technology Services (ETS), which includes the state data center. During the 2015 session, the Legislature also passed House Bill 3099, which transferred substantial authority and responsibility surrounding statewide IT operations and policies from the DAS Director to the OSCIO. To implement House Bill 3099, the OSCIO has proposed significant changes in organizational structures. Under this reorganization there will be five sections: ETS; Enterprise Security Office; Office of Strategic IT Governance; Enterprise Shared Services; and the DAS Chief Information Office (CIO), which will be responsible for meeting DAS's IT needs, such as help desk support. While the DAS CIO will remain under the authority of the OSCIO, it will report to the DAS Deputy Chief Operating Officer. In addition, three administrative positions that did budget work in ETS were transferred to DAS Business Services and seven other ETS administrative positions were moved to the CIO.

The budget adjustments required to implement the IT reorganization and new OSCIO responsibilities, as well as to address the ETS budget note, affected a number of DAS program areas. These net adjustments by program area include: ETS decreased Other Funds by \$39,863,385 and 70 positions (64.00 FTE); CIO increased Other Funds by \$29,841,240 and 37 positions (34.06 FTE); Chief Operating Office increased Other Funds by \$12,171,544 and 38 positions (37.58 FTE); DAS Business Services increased Other Funds by \$644,351 and 3 positions (3.00 FTE); and Enterprise Goods and Services increased Other Funds by \$474,682 and 4 positions (2.32 FTE).

As part of the IT reorganization, a new structure was proposed for IT procurement and vendor management with dual responsibility between Enterprise Goods and Services and OSCIO. This new structure was reviewed by the Joint Committee on Ways and Means as well as the Joint Legislative Committee on Information Management and Technology (JLCIMT). The JLCIMT recommended conditional, temporary approval of the request for the remainder of the biennium. Specifically, the JLCIMT recommended that DAS and OSCIO:

1. Conduct an assessment to identify and evaluate the alternative State IT procurement-related organizational/operating models in use by other states across the nation. The assessment report should provide the raw findings and include, but not be limited to, the roles, responsibilities, accountability, staffing levels, and costs associated with:
  - (a) The most predominant organizational/operating models in use across the nation as compared to the shared IT vendor management program proposed within this request, and

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- (b) A full transfer of state IT procurement duties, functions, and powers from DAS and the DAS Director to the State Chief Information Officer.
2. Submit the assessment report and a status report on IT vendor management program progress to date to the Legislative Fiscal Office in November 2016.
3. Jointly present the assessment report and status report on IT vendor management program progress to the JLCIMT and the Emergency Board during the December 2016 Legislative Days.

The Subcommittee approved six new positions associated with the new IT vendor management arrangement as limited duration to ensure the new arrangement was temporary and that DAS/OSCIO would need to return to the Legislature for funding for the 2017-19 biennium.

Other Funds expenditure limitation established in Senate Bill 55 (2015) was reduced by \$196,206 and the three positions established by the bill were reduced by a combined 0.99 FTE due to delays in implementing the legislation. None of the three positions will be hired until after the 2016 legislative session.

The Subcommittee also added two limited duration positions to implement House Bill 4135 to accomplish the coordination requirements and manage the production of electronic records as directed by the bill. An Information Systems Specialist 8 position (0.63 FTE) was added to provide the initial outreach, education, and coordination of the new policies with state agencies. An Operations and Policy Analyst 2 (0.63 FTE) was added to handle the query writing and production of records for DAS and to assist agencies in the querying and production of their records. The positions are added as limited duration to allow DAS to assess appropriate work load and classification. Positions needed to manage ongoing work will be proposed as part of the Governor's Budget for 2017-19. The Subcommittee determined that DAS can pay for the two positions in 2015-17 with existing Other Funds expenditure limitation and revenue.

The Subcommittee also approved one-time General Fund appropriations to DAS for the following purposes:

- \$1,000,000 for disbursement to the Holly Theater in Medford for the Holly Theater Restoration Project.
- \$650,000 for disbursement to the Salem Area Mass Transit District to provide free bus passes to state employees working in the Capitol Mall area and to operate an Airport Road Express Shuttle between the State Motor Pool and the Capitol Mall.
- \$500,000 for disbursement to Clackamas County for repairs at the Willamette Falls Locks and Canal.
- \$500,000 for disbursement to the City of Cornelius to help build the multi-use Cornelius Place project which includes a library, low income senior housing, and a YMCA.
- \$300,000 for disbursement to Verde for the Cully Park project in Northeast Portland's Cully neighborhood.
- \$250,000 for disbursement to Worksystems Inc. to recapitalize a tuition loan program first funded in 2011 for loans to students participating in commercial driver license training. These loans are not part of a state program and funding is provided only to establish the private program. This is the second one-time General Fund appropriation made for this purpose; the same entity received a one-time grant of \$400,000 for this purpose in 2011.
- \$200,000 for disbursement to Douglas County to partially reimburse public safety costs associated with the October 1, 2015 incident at Umpqua Community College.

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- \$200,000 for disbursement to Portland Playhouse for renovation and restoration of Portland Playhouse's theater in Portland's King neighborhood.

The Subcommittee added \$3,059,680 Other Funds expenditure limitation for one-time costs of issuance and special payments associated with the disbursement of proceeds from the sale of \$3,000,000 in lottery bonds for the City of Warrenton to rebuild a dock used by Pacific Seafood at the site of a seafood processing facility that burned down in June 2013. The processing facility was built in 1941 and acquired, along with the dock, by Pacific Seafood in 1983. The lottery bonds are approved in House Bill 5201. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the spring of 2017. Debt service for 2017-19 is estimated at \$675,152 Lottery Funds. The Subcommittee also increased Other Funds expenditure limitation by \$55,000 to pay the cost of issuing \$2,500,000 Article XI-Q bonds for repairs and improvements at the Oregon State Fair.

Other Funds limitation was increased by \$453,681 to allow planning for the Human Resources Information System (HRIS) replacement project to continue through May 2016. DAS is to bring any request for additional funding needed to complete stage gate 3 planning through the end of the current biennium to the May 2016 meeting of the Emergency Board. In addition, DAS shall bring a plan to adjust rates and assessment charges for the second year of the biennium to fund both the HRIS planning project and new positions established as a part of the IT reorganization operationalized in Senate Bill 5701. A \$6,500,000 General Fund special purpose appropriation to the Emergency Board for this purpose may be allocated to pay General Fund increases associated with assessment and rate increases.

## **Oregon Liquor Control Commission**

The Subcommittee approved an Other Funds expenditure limitation in the amount of \$1,117,762 for the Oregon Liquor Control Commission to implement the provisions of House Bill 4014, Senate Bill 1511, and Senate Bill 1598. Three permanent regulatory specialist positions and four permanent administrative specialist positions are anticipated to be needed due to an increase in the assumed number of licensees as medical marijuana producers are authorized to transfer excess marijuana to recreational retail outlets, and to cover costs associated with the additional number of people working in the marijuana industry that will be required to have work permits and training. Services and supplies expenditures include \$350,000 for updates to the agency's "What's Legal" public information platform and associated outreach. Of the total amount, \$350,665 Other Funds expenditure limitation is for costs associated with Senate Bill 1598; if that bill is not enacted, this expenditure limitation is to be unscheduled by the Department of Administrative Services Chief Financial Office.

A technical adjustment was approved to convert four limited duration liquor regulatory specialists approved as part of House Bill 5047 to permanent status. This adjustment will have no effect on expenditure limitation in the 2015-17 biennium.

## **Public Employees Retirement System**

The Subcommittee increased expenditure limitation for the Financial and Administrative Services Division by \$100,000 Other Funds for a shortfall in the Secretary of State audit charges assessment budget. In addition, increased expenditure limitation in the amount of \$6,601,170 Other Funds was approved for the Financial and Administrative Services Division for the Office of the State Chief Information Officer Enterprise Technology Services assessment.

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The Subcommittee approved a one-time increase in Other Funds expenditure limitation of \$1,255,601 for the Public Employees Retirement System (PERS) Individual Account Program (IAP) information technology project. In addition, the Department of Administrative Services is to schedule all currently unscheduled Other Funds expenditure limitation for the project. The project is to move the administration of the IAP from a third-party administrator to the agency. A re-baselining of the project shows that initial project development costs have increased from \$2.9 million to \$6.1 million. The agency anticipates requesting an estimated \$1.9 million during the 2017-19 biennium to complete project development. The Joint Legislative Committee on Information Management and Technology (JLCIMT) recommendations were also approved.

A one-time increase in Other Funds expenditure limitation of \$1,659,976 was approved for information technology enhancements to the jClarety retirement system. JLCIMT recommendations were also approved. The Subcommittee directed the Department of Administrative Services to un-schedule the entire \$1.7 million until the conditions set forth by JLCIMT are satisfied.

## **Department of Revenue**

The Subcommittee reduced the expenditure limitation for the Core Systems Replacement project by \$500,000 Other Funds (recreational marijuana tax proceeds) to account for contract savings for the recreational marijuana module. The original development cost was estimated at \$1 million in House Bill 5047 (2015).

Other Funds expenditure limitation for the Property Tax Division was reduced by \$500,000 because the limitation is in excess of the operational needs of the program and is without an underlying revenue source.

The Subcommittee approved a \$373,841 General Fund reduction and a reduction of 2.60 FTE for the Senior Citizens' and Disabled Citizens' Property Tax Deferral program. This technical adjustment will have no impact on the program, which is statutorily funded with Other Funds (Senior and Disabled Property Tax Deferral account). This is part of an effort to better align the agency's budget with actual program funding.

The General Fund appropriation for the Property Tax Division was increased by \$1.4 million in personal services and FTE on existing positions was increased by 7.20. This appropriation is to backfill Other Funds revenue shortfalls in the County Assessment Function Funding Assistance Account, but only for Department of Revenue Valuation Section (\$1.1 million), and for a reduction in county contract mapping services (\$240,986). A \$1.8 million reduction in Other Funds expenditure limitation was previously included in the agency's legislatively adopted budget. The 2017-19 biennial cost is estimated to be \$1.9 million General Fund.

The Subcommittee approved an increase of \$2,052,807 in Other Funds expenditure limitation (recreational marijuana tax) and the establishment of four permanent full-time Accounting Technician 2 positions (2.92 FTE) and one limited duration Principal Executive Manager B position (0.75 FTE) for the recreational marijuana program. In addition, an Economist 3 position, approved as part of House Bill 5047 (2015), is moved from permanent full-time to limited duration. Personal services costs total \$481,063, with \$653,792 in services and supplies and \$917,952 in capital outlay. Of the \$2.1 million expenditure limitation, \$633,920 is one-time limitation for program start-up and facility construction costs. The 2017-19 biennial cost is estimated to be \$1.4 million Other Funds. This request is for the processing of cash payments related to the recreational marijuana program; however, the Subcommittee's expectation is that this is to be done in an integrated fashion with the agency's current banking, Electronic Funds Transfer, and miscellaneous cash receipting of non-recreational marijuana taxes.

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The Subcommittee approved an increase in Other Funds expenditure limitation of \$874,747 for the Core Systems Replacement project. It was estimated that there were \$6.9 million in bond proceeds for the project carried forward from the 2013-15 biennium; however, that figure was only recently revised to \$7,804,187. The Department of Administrative Services is directed to unschedule the entire \$874,747 pending the review and approval of the need for the expenditure limitation by the Legislative Fiscal Office.

## **Secretary of State**

The Subcommittee established a \$347,900 General Fund appropriation and one limited-duration position (0.25 FTE) to replace the Oregon Elections System for Tracking and Reporting (ORESTAR) Election Night Reporting module. The agency will use the funds to acquire a commercially-available off-the-shelf (COTS) product to replace an existing ORESTAR Election Night Reporting module that was developed in-house. The replacement system will offer expanded capabilities, including tabulation of local election vote counts and graphical and map-based display capabilities. A temporary project manager position was approved. The new system is expected to be fully operational in time for the 2016 General Election. The appropriation is approved on a one-time basis and will be phased out in the agency's 2017-19 biennium budget.

## **State Treasurer**

The Subcommittee reduced Other Funds expenditure limitation for the Debt Management Division by \$500,000 for a Rockefeller Foundation grant that the agency no longer receives.

## **CONSUMER AND BUSINESS SERVICES**

### **Department of Consumer and Business Services**

The Subcommittee approved an increase in the Other Funds limitation for the reclassification of positions in three divisions. The individual changes impacted ten positions. The adjustments included increased Other Funds expenditure limitation of \$32,660 in the Building Codes Division, \$30,878 in the Workers' Compensation Division, and \$108,488 in the Insurance Division, for a total of \$172,026. The additional expenditure limitation allows the agency to make position adjustments as approved by the Office of the Chief Human Resources Officer at the Department of Administrative Services without compromising the maintenance of the agency's ratio of supervisory to non-supervisory positions, as required under House Bill 4131 (2012).

The Subcommittee approved an increase in the Other Funds expenditure limitation of \$379,219 for the establishment of four new positions (2.52 FTE) in the Building Codes Division. These positions include a Plans Examiner 2 position to be housed in Salem and three Inspector positions (Mechanical, Plumbing, and Electrical) to be housed at the Eastern Region Office located in Pendleton. The positions will address ongoing workload increases of the Building Codes Division as the economy continues to recover.

A net decrease in Other Funds expenditure limitation of \$321,655 was made as a result of position adjustments in the Marketplace and Shared Services Divisions related to the operation of the Health Insurance Marketplace. Thirteen limited duration Program Analyst 2 positions were eliminated (-7.52 FTE) and six permanent, full-time positions (4.02 FTE) were established (one Outreach and Education Manager and five Program Analyst 2 positions). These changes result in a reduction of seven positions and \$558,617 Other Funds expenditure limitation in the

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Marketplace Division. This reduction was partially offset by an increase in Other Funds expenditure limitation of \$236,962 in the Shared Services Division to cover the costs of converting one part-time, limited duration Operations and Policy Analyst 4 position to a full-time, permanent position (0.50 FTE) and to add an additional Procurement and Contract Specialist 3 position (0.67 FTE).

The Subcommittee approved a \$6.4 million reduction in Other Funds expenditure limitation in order to reconcile the budget of the Health Insurance Marketplace with actual and anticipated expenditures of the program, which have been significantly different than what was anticipated in the legislatively adopted budget. The changes include reductions in anticipated expenditures due to pre-payment of contracts prior to the transfer of the insurance marketplace from Cover Oregon to the Department of Consumer and Business Services (DCBS), changes in information technology contracts, lower than anticipated personal services costs, and a reduction in anticipated payments for tax reporting errors. These reductions are partially offset by increases in legal fees and new information technology contracts.

A \$1,732,528 Other Funds expenditure limitation increase was approved for additional marketing and outreach activities of the Oregon Health Insurance Marketplace. This additional expenditure limitation will be unscheduled until DCBS completes its review and analysis of the 2016 open enrollment year campaign and its plan for the 2017 open enrollment year campaign. The legislatively adopted budget included a budget note instructing the agency to complete a plan and report on each of the publicity and publication campaigns either upcoming or implemented for the Health Insurance Marketplace Program. DCBS submitted a publicity and publication plan and report to the Interim Joint Committee on Ways and Means in January 2015; however, that plan and report did not contain detailed information for the 2017 open enrollment year campaign since the agency had not yet completed its review of the 2016 plan. The additional funding, once rescheduled, will allow the agency to maintain the same level of expenditures during the 2017 open enrollment year as in 2016.

Discussions also took place regarding pharmacy benefit managers. The Subcommittee approved the following budget note.

**Budget Note:**

The purpose of this budget note is to clarify the Department of Consumer and Business Services' (DCBS) authority to regulate pharmacy benefit managers (PBMs). DCBS is directed to convene a workgroup to develop recommendations for rulemaking regarding PBM compliance. Based on those recommendations, the agency will draft rules regarding PBM compliance and report to the appropriate legislative policy committees by November 1, 2016. The report should include the draft rules, as well as any statutory changes or clarifications necessary to fully implement the draft rules, including fee recommendations for administration of the program.

Draft rules must include, but are not limited to:

- Notification system that includes a method for informing PBMs of new regulations, and for informing PBMs of complaints, investigations, and possible sanctions
- Investigation procedures
- Fees, fines, and resolution process that includes:
  - Overall schedule of fees and fines
  - Provisions for warnings before fines, based on circumstances

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- Possible escalation of fine for multiple occurrences including combining multiple occurrences into a single complaint or enforcement action, or multiple claims related to a single reason or cause
- Setting a maximum annual per PBM fine
- Exceptions based on type of violation or other criteria
- A reasonable time to re-enter compliance
- Other provisions consistent with DCBS' existing enforcement authority and procedures

## **Bureau of Labor and Industries**

Technical adjustments are included to reflect the budget recommended to the Joint Committee on Ways and Means by the Transportation and Economic Development Subcommittee during the 2015 regular session. Multiple amendments to Senate Bill 5517 were considered during the legislative review process, and the amendment that was submitted to and adopted by the Joint Committee on Ways and Means did not properly reflect the budget recommended by the Subcommittee. The adjustments reduce the General Fund appropriation to the agency by \$113,604, increase Other Funds expenditure limitation by \$206,871, and increase Federal Funds expenditure limitation by \$2,696, for a total funds adjustment of \$95,963.

## **Oregon Public Utility Commission**

The Subcommittee increased the agency's Other Funds expenditure limitation by \$170,226 and authorized one permanent position (0.63 FTE) to increase analytic capacity to address additional agency responsibilities resulting from legislative changes to the Renewable Portfolio Standard made during the 2016 Legislative session.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### **Oregon Business Development Department**

The Subcommittee reduced the General Fund appropriation for debt service by \$1,328,407, and established a \$1,330,500 Other Funds expenditure limitation for general obligation bond debt service. Debt service for general obligation bonds is paid by the General Fund; however, the agency will substitute \$1,330,500 of Article XI-M and Article XI-N bond proceeds, and interest earned on those proceeds, to pay debt service, in lieu of General Fund. The proceeds are from bonds originally issued for the Seismic Rehabilitation Grant program in 2010, 2011, and 2012. These proceeds were not used for seismic projects and will instead be used to offset debt service costs in the current biennium.

The Subcommittee increased Lottery Funds support by \$1.5 million. This includes an increase for employee compensation changes and \$960,514 Lottery Funds, approved on a one-time basis, for new or expanded programs. The Subcommittee increased Lottery Funds support for the Oregon Wave Energy Trust by \$200,000, bringing current-biennium support to \$450,000 Lottery Funds. Lottery Funds were increased by \$400,000 to reapprove funding for replacement of the Port of Port Orford Cannery Building for one more biennium. Funding for this project was initially approved in the 2013-15 biennium. The Subcommittee also approved \$100,000 of Lottery Funds to conduct a Willamette Valley Intermodal Hub Feasibility Study, to evaluate the viability of a strategic intermodal hub to optimize container shipment of Oregon agricultural products.

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Lottery Funds totaling \$260,514 and two positions (1.00 FTE) were approved to address administrative costs associated with the expansion of grant activity in the Seismic Rehabilitation Grant Program. The Department will need to fill the newly-established positions for three years beginning July 1, 2016, and will include a policy option package in its 2017-19 biennium budget request to convert the two approved positions from permanent to limited-duration status. The Department is also instructed to report to the Legislative Fiscal Office, following each sale of Article XI-M or Article XI-N general obligation bonds, on the projects and dollar amounts of project grants financed by the bond sale, as well as on the amount of bond proceeds budgeted for agency administrative costs.

The Subcommittee established a \$1 Other Funds expenditure limitation for the American Manufacturing Innovation District, and increased Other Funds by \$54,868 for cost of issuance of lottery revenue bonds for this project. The American Manufacturing Innovation District is a collaborative effort between government, industry, and academic institutions to invest in manufacturing infrastructure to promote advanced manufacturing. A total of \$2.5 million of lottery revenue bond proceeds are authorized for this project in House Bill 5202, which also authorizes \$5 million of Article XI-G bond proceeds for distribution to Portland Community College (PCC) in support of this project. The Subcommittee limited expenditure of bond proceeds to \$1, pending a joint presentation with PCC of a business plan for developing the District. Debt service costs for the lottery revenue bonds authorized for this project are projected to total approximately \$535,000 Lottery Funds per biennium, beginning in the 2017-19 biennium. Because the bonds will not be issued until spring 2017, there will be no debt service payments due in the current biennium.

The Subcommittee also approved a technical correction to the budget for the State Small Business Credit Initiative (SSBCI) program. This correction increases Other Funds expenditure limitations in the Business, Innovation and Trade Division by \$388,773, and reduces the Division's Federal Funds expenditure limitations by the same amount. The SSBCI is funded from a federal grant the agency secured in 2011 that provided Federal Funds for revolving loan programs. It was noted when the grant was received that administrative costs for the program would transition to Other Funds over time, as the grant money was loaned out and the loan repayments were re-categorized as Other Funds. The Subcommittee added this anticipated fund shift, which had not been included in the agency's budget, to the bill.

Federal Funds expenditure limitation was increased for the Business, Innovation and Trade Division by \$450,000 for expenditure of funds received under the Year 4 State Trade and Export Promotion grant program. This increase more than offsets the \$388,773 Federal Funds expenditure limitation decrease for SSBCI and results in a net increase of \$61,227 for the Business, Innovation and Trade Division Federal Funds expenditure limitation.

Finally, the Subcommittee approved a budget adjustment to increase Nonlimited Other Funds expenditures by \$5,820,000. This adjustment reflects a greater level of loan repayments than originally anticipated in the budget. Loan repayments are not limited in the agency budget. The adjusted level of Nonlimited Other Funds in the Infrastructure Finance Authority will include approximately \$24.2 million of loan repayments.

## **Employment Department**

A technical adjustment is included for the Employment Department to more accurately reflect the amount expected to be utilized by the agency from \$85 million in modernization funds appropriated to the agency through the federal Social Security Act. Close of session budget reconciliation adjustments resulted in more dollars being available from the Supplemental Employment Department Administrative Fund for

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Department operating expenditures. This adjustment does not change the overall amount of the agency's recommended budget, merely the source from which the Department can make expenditures. As such, the appropriation of modernization funds made to the Department is decreased by \$17 million; sufficient Other Funds expenditure limitation exists to enable the Department to make equivalent expenditures from a combination of Supplemental Employment Department Administrative Funds and the Special Administrative Fund.

## **Housing and Community Services Department**

The Subcommittee approved an increase in General Fund of \$2,727,660 for counseling services associated with the Oregon Foreclosure Avoidance Program. The 2015-17 legislatively adopted budget included \$1.4 million General Fund, which was estimated to be sufficient through February 2016. The Housing and Community Services Department was directed to report back to the Legislature on program utilization, foreclosure rates, and actual monthly expenditures to counseling agencies. The additional General Fund is included for program expenditures for the remainder of the 2015-17 biennium, as follows: \$2.36 million for counseling services provided on a fee-for-service basis as indicated via contract with the Housing and Community Services Department; \$233,333 for legal aid services for counseling clients with particularly complicated circumstances; and \$127,480 for agency program administration, with the understanding that the Department of Administrative Services will unschedule \$275,000 of the amount. Funding for the program is not anticipated to be ongoing, although the agency may request funding for consideration during the 2017-19 budget process.

Also included is a one-time General Fund appropriation in the amount of \$10 million to the Housing and Community Services Department to be utilized as follows: \$8 million is for homelessness assistance and prevention services through the Emergency Housing Assistance (EHA) program and \$2 million is to the State Housing Assistance program (SHAP) for operational support for emergency shelters and supportive services to shelter residents. Funding for the EHA program is spent as Other Funds by the Department, and is reflected in an additional \$8 million in Other Funds expenditure limitation.

Other Funds expenditure limitation in the amount of \$2,554,868 is included to enable the Housing and Community Services Department to expend proceeds from the sale of lottery bonds for preservation of affordable housing with expiring federal subsidies. Of this amount, \$2.5 million is attributable to project costs and \$54,868 is related to cost of issuance. Eligible projects for which these funds can be expended are defined as the following:

- Privately owned multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the U.S. Department of Agriculture Rural Development or the U.S. Department of Housing and Urban Development;
- Existing manufactured housing communities to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; or
- Public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization and which will secure ongoing rental subsidies.

## **Oregon Department of Veterans' Affairs**

The Subcommittee approved an increase in Federal Funds expenditure limitation of \$499,999. The Oregon Department of Veterans' Affairs (ODVA) received a 2015 grant from the U.S. Department of Veteran's Affairs in the amount of \$500,000 for transportation of Oregon veterans in highly rural areas to medical appointments. Awards of \$50,000 per county will be used to preserve and maintain transportation programs established with the 2014 federal grant award. The counties receiving funds are Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman,

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Wallowa, and Wheeler. ODVA acts as the applicant and grantee on behalf of the counties, and will pass through funds and monitor compliance with grant requirements. The grant is for a period of one year and requires no matching funds or additional positions for administration. A placeholder amount of \$1 in Federal Funds expenditure limitation was included in the legislatively adopted budget for the agency.

## EDUCATION

### State School Fund

The Subcommittee approved a decrease of \$39,553,391 General Fund and an increase of \$39,553,391 Lottery Funds for the State School Fund. These changes reflect the balance of available General Fund and Lottery Funds for the overall state budget and maintains the amount of \$7,376 million total funds for the State School Fund for the 2015-17 biennium.

### Department of Education

The Subcommittee approved changes in the Federal Funds expenditure limitations for agency operations for federal grants received by Department of Education as described below:

- An increase of \$7,130,223 for a three-year federal grant from the U.S. Department of Education's Office of Innovation and Improvement. The purpose of the grant is to increase the number of high-quality charter schools by providing assistance to potential charter schools for planning, program design, and initial operations. Funds will also be used to share best practices among all charter schools and sponsoring districts. One limited duration position (0.63 FTE) was approved relating to the grant.
- An increase of \$1,160,860 for three separate child nutrition grants from the U.S. Department of Agriculture. The three grants were the Professional Standards Training grant (\$138,915), the Team Nutrition grant (\$203,563), and the Tier 2 Direct Certification Improvement grant (\$818,382). A limited duration position (0.63 FTE) was approved for the Tier 2 Direct Certification Improvement grant.

The Subcommittee approved an increase of \$515,200 Other Funds expenditure limitation to cover costs of an increase in the number of students participating in the Hospital Program. The agency is required to provide and pay for the costs of educational services for children, through age 21, who are expected to be hospitalized for an extended period of time. This increase will be funded through an increased distribution from the State School Fund. Also approved was a transfer of \$51,458 General Fund from the breakfast and summer food programs under Grant-in-Aid to agency Operations for the administration of the Farm-to-School program. A one-time increase in the Other Funds expenditure limitation of \$2,030,515 for the Oregon School for the Deaf was approved for deferred maintenance, including replacement of the School's Heating Ventilation Air Conditioning, or HVAC, system. The source of funds for this includes moneys set aside from the sale of the School for the Blind property, income from the rental of school facilities, and the anticipated sale of a vacant parcel of school property. The Department of Administrative Services is instructed to unschedule this increase until the final cost of the project is determined and the sale of the vacant property is completed.

To ensure that debt service payments on education-related Lottery Bonds are funded from the proper sources, the Subcommittee approved changes to the amount of Lottery Fund resources allocated to the Department of Education. House Bill 5016, the 2015 appropriation bill for the agency, allocated the entire \$1,434,927 required for debt service payments from the Oregon Education Fund. The actual allocation is \$593,395 from the Oregon Education Fund and the remaining \$841,532 is from the Administrative Services Economic Development Fund.

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The Subcommittee approved an increase of \$3,130,000 General Fund for the Oregon Department of Education's agency operations to fully fund the Assessment and Accountability unit. The 2015-17 budget for this unit was inadvertently underfunded by \$3,771,938 General Fund and needs these funds to meet its responsibilities and commitments. This budget gap is resolved by transferring \$930,000 General Fund from the Grant-in-Aid budget in unallocated resources and an increase of \$2,200,000 in new General Fund resources. The remaining \$641,938 is to be found by the agency in savings in its existing agency operations budget, including holding positions vacant in the unit. There is also a transfer of \$2,000,000 in excess Federal Funds expenditure limitation from the Grant-in-Aid budget to Operations, and an additional increase of \$1,971,397 in Federal Funds expenditure limitation to match the amount of federal funding available for this function.

General Fund increases for existing programs were approved as described below:

- Funding for the Oregon Pre-Kindergarten program was increased by \$5.3 million, bringing the total General Fund resources for this program to \$145.3 million.
- Funding for the Early Intervention and Early Childhood Special Education programs was increased by \$5,393,340 General Fund. This increase reflects, in part, the growth in these two programs at a rate greater than estimated at the end of the 2015 session. Total General Fund resources for these programs, including this increase, is \$155.8 million.
- The Relief Nurseries program was increased by \$300,000 General Fund, bringing the total General Fund available for the 2015-17 biennium to \$8.6 million. This additional funding and the \$700,000 General Fund appropriated by chapter 837, section 109, Oregon Laws 2015 should be considered permanent for the purposes of developing the 2017-19 budget.

One-time General Fund appropriations were approved by the Subcommittee for new programs and grants as described below:

- \$260,000 General Fund for a grant to the Burnt River School District for the Burnt River Integrated Agriculture/Science Research Ranch program. This program provides educational opportunities to students from outside the district, including from the Portland area, and provides a number of educational services outside of the core curriculum common to all high school students, including natural resource studies, agricultural experience, water quality monitoring, animal husbandry, sustainable rangeland science, forest restoration, and organic food production.
- \$400,000 General Fund for grants to organizations which provide training and assistance relating to culturally relevant educational practices authorized as eligible services under the Network for Quality Teaching and Learning under House Bill 4033. Grants of equal value are to be provided to two organizations: (1) Center for Culturally Responsive Practices and (2) Teaching with Purpose.
- \$95,000 General Fund appropriation for a grant to the World of Speed organization for the High School Automotive Career Technical Education program. The organization partners with Clackamas Community College and area high schools to provide automotive related career technical education (CTE). Other high schools have expressed interest and the \$95,000 would be used to match other contributions to the program, assisting with cost of transporting students to the facility for classes, and other program costs.

The Subcommittee eliminated the \$17,540,357 General Fund special purpose appropriation to the Emergency Board for the mixed delivery preschool program established in House Bill 3380 (2015) and directly appropriated the same amount to the Oregon Department of Education for

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the same purpose. The intent is for this funding to be distributed to four to six Early Learning Hubs that demonstrate that the Hub and the providers in their service area are prepared to implement the mixed delivery preschool model beginning in September 2016. In developing the 2017-19 current service level budget for this program, only the full two-year costs of this appropriation should be factored into the calculation. Any further expansion to add new Early Learning Hubs should be a separate policy decision made by the Legislature during the 2017 session. In addition to the annual report to the Legislature required in House Bill 3380 (2015), the agency is instructed to report to the Emergency Board prior to June 1, 2016 on which Early Learning Hubs were selected, the number of preschool providers estimated to be delivering the program, the estimated number of children that will be served under the program, and an update on the various cost components of the program.

One permanent Research Analyst 3 position (0.63 FTE) was approved to manage and analyze information collected through the Class Roster data from school districts under House Bill 2644 (2013). The agency will identify the funding from existing resources for the 2015-17 biennium.

## **Higher Education Coordinating Commission**

The Subcommittee approved a one-time \$1,800,000 General Fund appropriation to the Higher Education Coordinating Commission (HECC) for a grant to Umpqua Community College (UCC) to address the issues resulting from the shooting incident on the UCC campus on October 1, 2015. The funding may be used for: (1) staff, including security staff; (2) upgrading security communications equipment, door locks, and campus lighting; (3) upgrading the campus's network fiber system to accommodate the new communications equipment; and (4) other costs related to the October 1st incident. HECC is to report back to the Legislature as part of its budget presentation to the Joint Committee on Ways and Means in 2017 on how these resources were expended. Also approved was a one-time \$4,250,000 General Fund appropriation to HECC for a grant to UCC for the construction or renovation of a replacement for Snyder Hall where the shooting incident took place. The College is currently not using the classroom space in the building and is relying on temporary structures to replace some of the space.

The Subcommittee recognized the Community Colleges' needs regarding campus and student security and safety issues which were illustrated, in part, by the shooting incident at UCC. The Governor has appointed a workgroup to recommend actions and investments for security and safety at Community College and other Post-Secondary institutions. Based on the recommendations of the workgroup and the Community Colleges, the Legislature will address this issue during the 2017 session.

An \$804,506 increase in Other Funds expenditure limitation was approved by the Subcommittee for payment of the costs of issuing General Obligation bonds on behalf of community colleges and public universities. This increase represents the estimated amount required if all of the bonds authorized for the 2015-17 budget cycle are issued by the end of the current biennium.

The Subcommittee also approved three one-time General Fund appropriations to HECC to be allocated to Oregon State University. The first appropriation is \$800,000 for the Northwest National Marine Renewable Energy Center to serve as match for federal funds for the Pacific Marine Energy Center South Energy Test Site. The federal government has made an initial \$5 million available to fund a competitive grant to further develop a wave energy test facility, with the expectation that a 25% local match will be provided. HECC is only to release the funds if Oregon State University is awarded the grant. The second appropriation is \$100,000 for endophyte research which is to be matched by private dollars. These funds are to be used only for endophyte research in support of Oregon's fiber and straw export industry. A report to the Legislative Fiscal Office on how the funds were used in support of endophyte research and what was made possible by this additional influx of funds should be made by December 31, 2016. The third is \$100,000 for the purpose of establishing an endowed scholarship fund through the Oregon State

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University Foundation. The scholarship must be used to support students engaged in research associated with Amyotrophic Lateral Sclerosis (ALS).

The Subcommittee approved a one-time General Fund appropriation of \$1,900,000 for the four technical and regional universities, along with Portland State University, to help fund new compensation agreements for classified staff. HECC is directed to distribute the following amounts to the following universities: Portland State University - \$400,000; Eastern Oregon University - \$251,559; Southern Oregon University - \$468,591; Western Oregon University - \$485,646; and Oregon Institute of Technology - \$294,204.

**Budget Note:**

The Subcommittee recognizes that the Current Service Level (CSL) is intended to estimate the cost of legislatively approved programs in the upcoming biennium. In 2009, the Joint Committee on Way and Means approved the adoption of a CSL model for the Community College Support Fund (CCSF) to reflect health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.

DAS and LFO will provide the estimated cost to implement the Community College Support Fund CSL model for Public University state support to the Emergency Board, through the Legislative Fiscal Office, by July 1, 2016.

**Chief Education Office**

The Chief Education Officer, in cooperation with other education agencies, has completed the steps necessary to receive Stage Gate 3 approval to move forward on the development of the Statewide Longitudinal Data System (SLDS). This means the project staff have completed the required project management documents with approval from the State's Chief Information Officer. As a result, the Subcommittee approved \$5,505,280 General Fund for the project development and staff for this biennium. Based on the project's schedule, this will leave one quarter's worth of development costs for 2017-19. Ongoing costs for the Data System, starting in 2017-19, are estimated to be roughly \$3.0 million per biennium, including staff for the operation, data integration, and maintenance, as well as the network-related costs due to the Department of Administrative Services (DAS). Also approved were 3 new permanent positions (1.75 FTE) and an additional 1.86 FTE to continue three existing limited duration positions for the remainder of the biennium. Two of these three limited duration positions, the Project Director and Systems Integration positions, are made permanent. DAS is instructed to unschedule \$495,000 of this appropriation, which represents the project contingency funds. The agency can make a request to DAS and the Legislative Fiscal Office to reschedule these contingency funds if need arises before the end of the biennium. The Chief Education Office is instructed to report to the Emergency Board prior to October 1, 2016 on the project's progress and expenditures.

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## **Teacher Standards and Practices Commission**

Senate Bill 78 (2015) appropriated \$200,000 General Fund to the Teacher Standards and Practices Commission to be transferred to the Teacher Education Program Accreditation Account. This funding was intended to support grants for teacher education programs that incur costs associated with national teacher accreditation. According to current accounting practices, the agency needs to expend the \$200,000 as “Other Funds,” requiring an Other Funds expenditure limitation increase of \$200,000 so these grants may be awarded.

## **Various Agencies**

The Subcommittee approved the transfer of \$2.0 million General Fund from the Oregon Department of Education (ODE) to the Higher Education Coordinating Commission (HECC). These funds had been part of a larger investment in Career and Technical Education (CTE) and Science Technology Engineering and Mathematics (STEM) programs appropriated to ODE in House Bill 5016 (2015). One component of this CTE and STEM investment was a program related to post-secondary success to provide start-up funding and support services for the recruitment, retention, and attainment of underserved students in post-secondary programs related to high-demand fields including, but not limited to, health sciences, computer science, engineering, high tech manufacturing, precision agriculture, and advanced food processing. This program is more appropriately administered by HECC.

The Subcommittee approved one-time increases in the General Fund appropriations for the Chief Education Office, HECC, and ODE for student transitional services and supports between secondary and post-secondary education. This distribution reflects, in part, the product of a workgroup organized by HECC to recommend what services should be funded by a \$6,865,921 General Fund special purpose appropriation made in Senate Bill 418 (2015). This bill eliminates the special purpose appropriation and uses some of these resources to fund transitional services under House Bill 4076. Additionally, a total of \$4,025,000 is appropriated for transitional services and supports between secondary and post-secondary education as outlined below.

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	<b>General Fund Appropriation</b>
<b>Chief Education Office</b>	
Summer summit for high school and post-secondary staff including counselors and financial aid staff	\$ 300,000
Local collaboration between high school counselors and post-secondary advisors	\$ 700,000
<b>Higher Education Coordinating Commission (HECC)</b>	
Community College support for improved Developmental Education models	\$ 600,000
Community College support for development and alignment of Career Pathways	\$ 600,000
Expansion of eMentoring for Oregon Promise students	\$ 120,000
Statewide expansion of FAFSA Plus	\$ 105,000
Subscription of Signal Vine connecting with students via two-way texting	\$ 100,000
Evaluation and tracking implementation of transitional supports and services in this bill	\$ 50,000
<b>Oregon Department of Education</b>	
License for College and Career Readiness counselor training modules	\$ 50,000
Expansion of AVID or similar program for high schools	\$ 1,400,000
<b>Total</b>	<b>\$ 4,025,000</b>

## HUMAN SERVICES

### **Oregon Commission for the Blind**

The Subcommittee approved one-time increases of \$680,109 General Fund, \$199,049 Other Funds, and \$3,248,343 Federal Funds to purchase vending machine equipment for the agency's Business Enterprise Program. The Department of Administrative Services is expected to unschedule these amounts, which may only be rescheduled based upon the successful request of federal allotment funds from the U.S. Department of Education.

### **Oregon Health Authority**

Senate Bill 5701 adjusts the Oregon Health Authority (OHA) budget for updated pricing of program caseloads, costs, and revenues to "rebalance" the budget. This information was presented at the January 2016 meeting of the Interim Joint Committee on Ways and Means. The agency's rebalance plan resulted in an overall General Fund shortfall of \$37.6 million. This net position included budget problems of \$129.7 million General Fund related to increases in caseload and other program costs. Savings of \$67.1 million General Fund resulted from a change in the federal match rate, as well as from additional revenues from a number of sources. In addition, the agency is planning to implement management actions to decrease costs by \$25 million General Fund. These include an acceleration of the redetermination process next year, a delay in fee-for-service rate adjustments, and enhanced savings from program integrity efforts, including fraud detection.

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The rebalance plan increases Federal Funds expenditure limitation by almost \$1 billion, mostly related to the increased caseload forecast. There are also a number of technical adjustments included in the rebalance. While these normally net to zero for the agency as a whole, in this case there is a transfer of 14 positions from the Department of Human Services to OHA.

As discussed during the 2015 legislative session, the agency has implemented an agency restructure as a part of this rebalance. The new structure is designed to promote health care transformation, including integration of physical, behavioral, and dental health. This structure better reflects the new work of coordinated care organizations, as well as public health programs aligned with system transformation. Most significantly, the old Medical Assistance Programs (MAP) and Addictions and Mental Health (AMH) are eliminated in the restructure, with MAP and community mental health and addictions programs moving to the new Health Systems Division (HSD). The Oregon State Hospital (OSH) will now be its own budget structure.

As a part of the agency restructure, a thorough review of positions was conducted. Partly historical, dating back a number of years, and partly as a result of the implementation of health care transformation and the Affordable Care Act when many staff were brought on to perform time-sensitive tasks, the agency found itself with many staff but without appropriate position authority. In addition, as health care transformation moved forward, the agency needed fewer positions in some areas but more and/or different kinds of positions in other areas. The true-up included in the rebalance resolves issues of permanent staff not having position authority, as well as limited duration staff that had been used for on-going functions and priorities now becoming permanent positions. Overall, the changes are budget neutral and result in a reduction of two positions and an increase of 9.52 FTE.

The agency continues to face a number of budget risks that were not explicitly included in the rebalance plan. These include changes to caseloads, prescription drug costs, increased Aid and Assist population in the Oregon State Hospital, and costs of pending litigation. The special purpose appropriation of \$40 million that was established during the 2015 legislative session for OHA or the Department of Human Services will remain in place to address caseload costs or other budget challenges that the agencies are unable to mitigate.

The Subcommittee approved the agency's rebalance plan, with one notable exception. Costs of \$17 million General Fund related to the Medicaid Oregon eligibility (ONE) system were not funded at this time. These are costs to maintain the old eligibility system for litigation purposes after the contract with Oracle expires in March 2016. In addition to rebalance adjustments, the Subcommittee approved \$25 million of additional hospital assessment revenue that is remaining from the program ending September 30, 2015, which will be used in the budget in place of General Fund.

Overall, the adjustments made in Senate Bill 5701 result in an increase in the agency's total funds budget of \$1.1 billion, a reduction of General Fund of \$1.5 million, and an increase of 21 positions (22.88FTE). These numbers do not include budget changes related to employee compensation cost changes, which total \$20.8 million General Fund and \$37.8 million total funds, and are also included as part of Senate Bill 5701.

A more detailed description by program area follows.



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## Health Systems Division

The budget adjustments in Senate Bill 5701 reflect a net \$8.3 million decrease in General Fund in the Health Systems Division (HSD), with a \$75.4 million increase in Other Funds expenditure limitation and a \$964.7 million increase in Federal Funds expenditure limitation.

The rebalance plan for HSD approved by the Subcommittee includes increased caseload costs of \$84.4 million General Fund. Caseload forecasts are up primarily because redeterminations have been delayed several times over the past year. With the recent implementation of the new ONE eligibility system, the agency anticipates catching up on redeterminations over the next year. While the caseload forecasts have attempted to build in the timing of these redeterminations, forecast risks will remain higher than usual until the data has settled down over an extended period of time and there is good historical information on which to base the forecasts. Other costs include \$10.7 million General Fund for an increase in the Medicare Part D clawback required by the Centers for Medicare and Medicaid Services (CMS). Medicare Part B premiums have also increased, resulting in a General Fund need of \$7.2 million. Oregon pays these premiums for clients that are eligible for both Medicare and Medicaid. Eight additional Federally Qualified Health Centers (FQHCs) are moving to the alternative payment methodology, resulting in a one-time cost of \$3.1 million General Fund.

The rebalance plan includes a General Fund need of \$20.9 million General Fund for the new ONE eligibility system. Additional refinement of operational and maintenance costs for the system have resulted in a need for \$3.9 million General Fund above what is currently budgeted. The remaining \$17 million represents the costs to maintain the old eligibility system for litigation purposes after the contract with Oracle expires in March 2016. The Subcommittee did not approve that \$17 million General Fund in the final budget.

The rebalance plan includes a total of \$63.4 million General Fund savings in HSD. This includes a \$10.2 million savings resulting from an increase in the federal match rate for Oregon, and \$11.8 million freed up by an increase in the tobacco tax revenue forecast for the biennium. In addition, \$25 million of Other Funds are left over from 2013-15 and can be used to replace General Fund for the current biennium. Settlements and drug rebate revenues are coming in about \$15 million above budget and will replace General Fund as well. Finally, caseloads related to forensics patients living in the community went down slightly for a savings of \$1.4 million.

The rebalance plan includes management actions to decrease costs by \$25 million General Fund, all in HSD. These include an acceleration of the redetermination process next year, a delay in fee-for-service rate adjustments, and enhanced savings from program integrity efforts, including fraud detection. Finally, the rebalance includes an additional \$964.7 million in Federal Funds expenditure limitation, primarily because of the increased caseload. An addition of \$40.4 million Other Funds expenditure limitation results from the additional revenues discussed above.

In addition to rebalance adjustments, the Subcommittee adjustments include the addition of \$35 million of additional hospital assessment revenue that remains from the assessment program that ended September 30, 2015. Of the total, \$25 million will be used to replace General Fund in the 2015-17 budget, while the remaining \$10 million Other Funds has been approved for one-time investments in rural hospital transformation and sustainability as outlined below. These recommendations were brought forward by a workgroup required by a Senate Bill 5507 (2015) budget note.

For investment in rural health provider workforce capacity, it is expected that at least \$1.5 million Other Funds will be used to support the work of Oregon's Graduate Medical Education Consortium.

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Investments in small and rural hospital transformation strategies include: establish transitional post-acute care programs (cost of \$4 to \$7 million over three years), establish virtual clinics in communities with acute primary care shortages (cost of up to \$1.1 million), and provide education for rural providers on population health (cost of \$100,000). Costs associated with each option available to rural hospitals will depend on the number of hospitals that pursue each option. Rural hospitals have the flexibility to select one or more options depending on local needs. The funding for hospital programs will be distributed through OHA, to the Oregon Association of Hospitals Research and Education Foundation, which will collaborate with OHA to identify related baseline and outcome data on each project and report that data to OHA as well as provide the funding to implement each of the projects available to rural hospitals.

The following budget note was approved by the Subcommittee.

**Budget Note:**

The Oregon Health Authority shall identify and track related outcomes on each project that is implemented as a result of the \$10 million investment in rural hospital transformation and sustainability, shall provide regular updates to the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office, and shall report back to the Joint Committee on Ways and Means during the 2017 legislative session on the implementation and status of the projects, outcomes to date, costs to date, as well as recommended policies which will improve population health outcomes in rural Oregon.

The Subcommittee included \$2 million General Fund for the Medicaid Primary Care Loan Repayment Program. This program was funded in the 2013-15 biennium, but not in the current biennium. The budget also includes \$0.5 million General Fund for negotiated compensation cost changes for non-state employees. As discussed above, most of the special purpose appropriation of \$10.7 million, which had been set aside for this purpose, was distributed to OHA and the Department of Human Services.

The Subcommittee included \$900,000 of one-time General Fund for planning and start-up costs related to providing medical assistance for additional children in Oregon. The following budget note was approved.

**Budget Note:**

The Oregon Health Authority is directed to develop a plan and recommendations for extending medical assistance to children not eligible under ORS 414.231(3) including: eligibility criteria, coverage options, enrollment estimates, issues of equity and inclusion, integration with other programs, outreach, administrative and staffing changes, phasing options, and cost estimates. In developing the recommendations, the agency is expected to engage stakeholders and legislators, and utilize information on experiences in other states. The agency will report back to the appropriate committees during the 2017 legislative session on their plan and recommendations.

**Oregon State Hospital**

The rebalance plan approved by the Subcommittee for the Oregon State Hospital (OSH) includes \$2.7 million General Fund to finish the implementation of the Avatar system, the electronic health record system at the hospital. Much of the Avatar system has been completed and adopted into the normal workflow processes. This includes the Clinician Work state, Lab Management, and Food and Nutrition Services.

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However, the Medication Management and the Billing modules have not yet been fully implemented and adopted into the workflow processes. Implementation of the medication management module will allow the use of automated dispensing of medication, as well as electronic medication administration records. A recent Secretary of State audit noted the importance of finishing this work, both from an efficiency and patient safety perspective. The Billing module will assist in more accurate and timely reimbursement requests to Medicare, Medicaid, and third party insurance providers. The agency has contracted with a company to assist with the final adoption and implementation of these parts of the system.

The rebalance plan also includes the transfer of \$10 million General Fund from OSH to Statewide Assessments and Enterprise-wide Costs (SAEC). This funding was put in the OSH budget to be used for cost allocation purposes once the agency had done a thorough review of cost allocation issues within OSH and agreed with CMS on a new cost allocation plan. Once cost allocation is actually implemented, the funding will need to be in SAEC.

Although the agency believed it was too early to bring forward as a formal request, there is risk to the Oregon State Hospital budget. The Aid and Assist population at the hospital continues to grow and may ultimately result in the need to open an additional ward. The agency is in the process of implementing several investments that are expected to ease the pressure from this population, and so at this point is not requesting any funding. OSH is also closely monitoring the use of overtime, particularly as it relates to staff use of the federal Family and Medical Leave Act, and may eventually request additional positions to deal with these issues.

## Public Health

The Subcommittee approved an Other Funds expenditure limitation of \$4.0 million and two permanent positions (1.00 FTE) for a youth marijuana-use prevention pilot project as required in House Bill 4014. The one-time funding for this program will be transferred from the Oregon Liquor Control Commission Account, to be repaid out of marijuana tax revenues. This evidence-based pilot project will serve as a basis for establishing a statewide program during the 2017-19 biennium. The distribution of marijuana taxes during the 2017-19 biennium may be adequate to fund the statewide program, but if not, the agency will need to request additional funding to operate an ongoing program.

The agency anticipates establishing a new fee for medical marijuana processors, and increasing the fee on growers, effective April 1, 2016. These fees are necessary to pay for the increased costs to the program with the changes that resulted during the 2015 session. The increased expenditure limitation was included in the agency's 2015-17 legislatively adopted budget.

The agency anticipates a fiscal impact from House Bill 4014 and Senate Bill 1511, which make changes to both the medical marijuana and recreational marijuana systems. In addition to the pilot project discussed above, House Bill 4014 requires the agency to issue receipts to medical marijuana registry applicants on the same day that they are received. This is expected to require additional staff. Senate Bill 1511 allows producers, processors, and distributors that currently are limited to medical marijuana only to choose to operate in both the medical and recreational markets. In that case, both the licensing revenue and the regulatory functions related to those entities will move to the Oregon Liquor Control Commission (OLCC). In the short run, this will create additional workload for program staff in Public Health, as paperwork is completed to allow the entities to shift. In the long run, OHA estimates up to a \$5.6 million loss of revenue during the 2015-17 biennium, as producers, processors, and dispensaries opt to be licensed and registered by OLCC. While the agency would also experience some cost reductions as less regulatory work would be required, it is likely that the revenue reduction would occur sooner than the costs can be reduced. The overall effects cannot be estimated accurately at this time.

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The agency expects to include the necessary adjustments to expenditure limitation, as well as adjustments to numbers and classifications of positions needed, in the rebalance they will submit during the fall of 2016. In their rebalance report, the agency will also report on the estimated revenue loss and its program impact. A number of on-going core public health programs are funded with fee revenue generated through the medical marijuana program. If revenues are inadequate to fund these programs, General Fund could be required to continue these programs, or the programs would need to be reduced or discontinued. These programs include state support for local public health departments, the Safe Drinking Water Program, Emergency Medical Services, and others.

One full-time position (0.38 FTE) was approved for the Prescription Drug Monitoring Program for workload associated with House Bill 4124.

## Central and Shared Services/Statewide Assessments and Enterprise-Wide Costs

The rebalance plan approved by the Subcommittee for the administrative units of the agency includes \$0.6 million General Fund for mass transit costs and treasury fees that were not included in the original budget. In the future, these need to be incorporated in the budget build process.

Debt service is also included within these budget units. The Oregon State Hospital Replacement Project is expected to close out with a surplus of \$3.7 million in bond proceeds. This surplus will be used to pay down debt service and free up General Fund. Another \$0.4 million Other Funds expenditure limitation has been identified by the Department of Administrative Services as available to pay debt service on these bonds, also freeing up General Fund.

## Department of Human Services

The 2015-17 budget for the Department of Human Services (DHS) is built around nine budget structures and five appropriations. The budget structures reflect five direct program areas: Self Sufficiency (SS); Child Welfare (CW); Vocational Rehabilitation (VR); Aging and People with Disabilities (APD); Intellectual and Developmental Disabilities (IDD); and four program support functions: Program Design Services (PDS), Central Services (CS), Shared Services (Shared), and State Assessments and Enterprise-wide Costs (SAEC).

The majority of the DHS budget adjustments approved by the Subcommittee are driven by actions needed to rebalance the agency's budget. At the January 2016 meeting of the Interim Joint Committee on Ways and Means, the agency presented a rebalance report indicating a significant funding need – \$71.7 million General Fund – to sustain programs for the remainder of the biennium. This projection incorporates a number of issues affecting the agency's budget, including caseload changes, increases in cost per case, and other program changes or issues arising since the 2015 legislative session.

The biggest drivers of the budget deficit are caseload costs in the APD and IDD programs, some of which are compounded by collective bargaining actions and federal regulations. While these issues were identified as budget risks during the 2015 session and handled either directly in the budget or through special purpose appropriations, some costs were not adequately estimated. In addition to costs, the DHS rebalance calculation does factor in caseload savings in Temporary Assistance for Needy Families (TANF) and from federal match rate changes. The approved rebalance plan addresses part of the budget gap by directly adding \$37.4 million General Fund to the budget; however, this leaves about \$34.9 million General Fund associated with APD and IDD caseload costs unfunded (as of the current projection; the unfunded amount may change as expenditures are recorded and projections evolve).

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The special purpose appropriation of \$40 million that was established during the 2015 legislative session for DHS or OHA has been left untouched and continues to be available for the Emergency Board to allocate to help cover caseload costs or other budget challenges that the agencies are unable to mitigate. However, if demand ends up being greater than the amount of funding set aside, other legislative action may be required early in the 2017 session. DHS will continue to closely monitor caseload counts and costs in all programs, while continuing to develop long term solutions to ensure budget sustainability.

Regarding sustainability, the budget report for House Bill 5026 (2015), contained a budget note directing the agency to report, during the 2016 legislative session, on ways to ensure program sustainability specifically for the APD and IDD programs. This direction was in response to concerns about budget growth and increases in both caseload volume and costs. The agency engaged an external consultant to support the development of independent and unbiased options for program sustainability. The final report, produced by the Lewin Group, was received on February 10, 2016, and identifies potential strategies for “bending the cost curve” in these programs. Suggestions primarily revolve around changing eligibility, modifying services, and increasing participant cost-share. Input from stakeholders was included in the report; while they acknowledge that projected program costs are unsustainable, there are varying perspectives on how best to deal with costs.

Legislative members expressed frustration with the report, as it had a limited amount of modeling, was unable to capture all potential budget drivers, and did not result in a list of succinct options for potential action. Both the Lewin Group and DHS indicated this was primarily due to time and data constraints. A group of legislators, primarily from the policy and budget committees overseeing human services issues, is committed to working with the agency and stakeholders to develop policy and program change options discrete enough to be fully vetted and priced for potential budget action in the 2017 legislative session. DHS has also identified some areas where it can start to make some changes, mostly around best practices for assessing client needs and validating that the most appropriate services/service levels are being authorized. To formalize these efforts, the Subcommittee adopted the following budget note:

**Budget Note:**

- 1) The Department of Human Services is directed to take steps to provide policy and budget options for decision making that will be required during the 2017 legislative session to ensure future sustainability of the APD and IDD programs. Steps include further refinement, analysis, and pricing of viable options or ideas brought forth by the agency, stakeholders, and other interested parties; the focus should be on ways to control caseload growth and utilization. The agency will reach out to legislators, stakeholders, and partners to assist in this effort. In developing sustainability proposals, the Department shall prioritize options that minimize impacts on consumers and providers. The Department will also formally report, at a minimum, to the Emergency Board during Legislative Days in May and December 2016 on progress made under both parts of this budget note. The agency may also be requested to report to interim legislative policy committees on human services.
- 2) In addition to the work described above, the Department is also directed to take immediate actions that may help contain costs without changing the current service system structure and that do not require statutory changes. The agency’s action plan includes:
  - Review and correct, if needed, the relationship between assessment tools and program eligibility criteria;
  - Take action to more efficiently align service authorization with people’s needs, also consider appropriate limits;

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- Work to limit use of overtime in service plans; but the agency should take into account workforce shortage areas, the needs of consumers, and changes to current consumer provider relationships;
- Continue discussions with CMS to prevent the conversion of natural support to paid support, with consideration for parental responsibility; and
- Further restrict the live-in program to prohibit live-in service plans when the individual lives in their family's home or the family lives with the individual and is served by that relative (they would still be served in the hourly program).

Overall, the adjustments made in Senate Bill 5701 increase agency's budget by just under \$350.0 million total funds; comprised of \$36,651,673 General Fund, \$27,557,059 Other Funds expenditure limitation, and \$285,760,479 Federal Funds expenditure limitation. The associated staffing changes result in a net increase of 16 positions (7.23 FTE). These numbers do not include budget changes related to statewide employee compensation, which total \$27.5 million General Fund (\$60.6 million total funds), and are also included as a part of Senate Bill 5701.

In addition to caseload cost underfunding and caseload forecast/cost volatility, there are other budget risks. These include costs associated with the approved settlement agreement for the *Lane v. Brown* lawsuit (reduce number of clients in sheltered workshops) and other legal expenses; federal changes to funding streams, program requirements, and possible sequestration; and impacts of economic changes, such as a recession.

A more detailed description of each program area's budget adjustments follows. For context regarding caseload changes, the 2015-17 legislatively adopted budget was based on the spring 2015 caseload forecast; the rebalance adjustments in Senate Bill 5701 factor in caseload and cost changes tied to the fall 2015 forecast, published in January 2016.

## Self Sufficiency

The budget adjustments approved by the Subcommittee for the Self Sufficiency (SS) program reflect a decrease of \$36.7 million General Fund (and total funds) and 1 position (no FTE change).

The fall 2015 forecast projects the 2015-17 overall Supplemental Nutrition Assistance Program (SNAP) caseload to be 5.3% lower than earlier estimates. Embedded in the net decrease is a decrease in the number of SS households receiving SNAP, while the number of Aging and People with Disabilities households receiving SNAP continues to grow. Caseloads in the TANF cash assistance programs are down 11.6% from the spring numbers, at a biennial average of 24,787 families. Overall caseload savings of \$37.0 million General Fund are included in the agency's rebalance calculation and used to offset costs in other programs.

While the 2015-17 budget included significant investments in, and changes to, the Employment Related Day Care (ERDC) program, the agency estimates an additional \$709,327 General Fund is needed to fully cover costs of collective bargaining for day care providers. This amount includes \$600,000 for AFSCME child care providers that was not part of the agency's original rebalance request. The costs are covered with an allocation from the \$10.7 million General Fund special purpose appropriation for collective bargaining costs for workers who are not state employees.

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Technical adjustments and transfers account for a decrease of \$0.5 million total funds for this program, most of which aligns the budget between SS and support functions. This action is consistent with past budgeting practices which have made these budget changes as part of the first rebalance after the budget was approved; similar adjustments are approved in other programs. Two part-time positions are also combined into one full-time position to better meet program needs.

The Subcommittee approved \$130,000 General Fund, on a one-time basis, for distribution to the Oregon Food Bank. Through purchase of a refrigerated truck, the funding will support expansion of the Fresh Alliance initiative. This food recovery program picks up donations of perishable food (nearing end of shelf life) from grocery stores and then makes that food available to hunger-relief agencies.

## Child Welfare

For Child Welfare (CW), the Subcommittee approved a decrease of \$0.5 million General Fund, an increase of \$0.3 million Other Funds expenditure limitation, an increase of \$1.8 million Federal Funds expenditure limitation, and a decrease of 1 position (no FTE change).

Forecasts for individual caseloads within CW have fluctuated slightly between the spring and fall forecasts, with associated budget changes primarily due to an increase in cost per case. A net increase of \$1.9 million General Fund and \$4.4 million total funds is identified as being needed to fund caseloads, most of which is attributed to the Well Being program. The rebalance does include savings from a change in the Federal Medical Assistance Percentage (FMAP), decreasing the need for General Fund. Based on the latest federal estimates, the 2015-17 biennial average FMAP rate will increase from 64.21% to 64.37%, which reduces the state contribution and draws down additional federal dollars. This change will also affect other agency programs.

The agency's rebalance proposal included the establishment of a budget mechanism (\$19.5 million Other Funds expenditure limitation) to fully convert the General Fund budget for the Supporting, Preserving and Reunifying Families (SPRF) program into Other Funds. To avoid overstating the overall budget for this program, the approved rebalance plan does not include this adjustment. If, closer to the end of the 2015-17 biennium, DHS estimates it will underspend its General Fund budget for SPRF, the agency can request the legislature to approve paying those excess dollars into the SPRF fund (converted into Other Funds).

Technical adjustments and transfers are approved for this program, which generally align the budget between CW and support functions. A position action is included to combine two part-time positions into one full-time position to better meet program needs.

## Vocational Rehabilitation

The budget approved by the Subcommittee for Vocational Rehabilitation (VR) reflects increases of \$3.3 million General Fund, \$8.5 million Federal Funds expenditure limitation, and 8 positions (9.89 FTE).

The fall 2015 forecast projects the 2015-17 VR caseload to be about 1% lower than the spring estimate. Any potential savings associated with fewer clients is masked by higher than projected costs per case, which have grown by 16.3% from the spring 2015 forecast. Higher costs continue to be driven by an increase in the number of clients with cognitive and psychosocial disabilities who have complex needs that are more challenging to meet.

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To maintain the program and cover these costs without activating the Order of Selection (priority wait list), the program estimates needing about \$7.5 million General Fund, since base federal dollars are capped. However, the rebalance plan uses \$8.5 million in one-time federal allotment dollars to cover these costs for the 2015-17 biennium; these resources would need to be backfilled with General Fund in the 2017-19 budget to sustain program services. Another \$1.0 million of the one-time monies would cover costs associated with implementation of the federal Workforce Innovation and Opportunities Act (WIOA).

Technical adjustments and transfers account for an increase of \$3.3 million total funds and 11 positions (9.92 FTE); the dollars and the positions are associated with moving work tied to the Governor's Executive Order 15-01 and the Employment First policy package from Intellectual and Developmental Disabilities to VR. This position increase is partially offset by other actions converting part-time positions to full-time.

## Aging and People with Disabilities

For the Aging and People with Disabilities (APD) program, the Subcommittee approved budget increases of \$33.5 million General Fund, \$17.2 million Other Funds expenditure limitation, and \$119.3 million Federal Funds expenditure limitation; no position changes were needed. The increases cover all but about \$8.7 million General Fund (plus corresponding Federal Funds expenditure limitation) of the agency's current projected budget shortfall associated with caseload costs. As noted previously, it is expected that most of these costs can be addressed via an allocation from the special purpose appropriation to the Emergency Board.

Caseloads in long-term care facilities are slightly above the level funded in the legislatively adopted budget. In-home and community-based facilities' caseloads are essentially flat, while nursing facilities' caseloads are 3.2% higher. Since nursing care is more expensive, that increase is driving a need for \$7.0 million General Fund and \$23.0 million total funds. A portion of these costs are offset by net savings in nursing facility rates of \$1.8 million General Fund (\$6.0 million total funds). Rates are anticipated to be lower in the second year of the biennium based on projected bed reduction targets; rates were pegged to those targets under House Bill 2216 (2013).

A key budget driver related to APD caseloads are costs per case associated with in-home care. Labor agreements and actions required by federal regulations are increasing hourly costs, while higher acuity and need levels are influencing service levels (hours per client). For some program services, cost per case has grown by as much as 15% over the spring forecast estimate. The approved rebalance plan covers \$13.8 million General Fund for overtime pay for home care workers that is being driven by federal labor regulations. Due to wage increases for these same workers, \$3,351,396 General Fund is added and is supported by an allocation from the \$10.7 million General Fund special purpose appropriation for compensation changes driven by collective bargaining for workers who are not state employees. In the approved rebalance plan, savings in community-based care are used to offset some of the in-home need.

Collective bargaining (rate increases) for adult foster care is behind an increase of \$1,241,568 General Fund (\$4.2 million total funds); this increase is also covered by an allocation from the special purpose appropriation for non-state worker collective bargaining. After allocations made in both the DHS and OHA budgets as part of Senate Bill 5701, there is \$700,147 remaining in that special purpose appropriation. It is anticipated that DHS and OHA will request this funding once outstanding bargaining issues are resolved; actual costs may vary based on outcomes.

APD's rebalance plan also includes \$4.0 million General Fund in savings due to the FMAP change noted previously, and another \$5.0 million General Fund savings tied to accessing more federal dollars for newly eligible clients.

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To meet federal program requirements, the agency needs \$16.6 million Other Funds expenditure limitation for waived case management services. The approved limitation will help separately track program expenditures and receive the allowed higher match rate.

An expenditure limitation of \$7.0 million Federal Funds is included in the plan to reflect expenditures allowed under OHA's Designated State Health Program (DSHP) waiver associated with Oregon Project Independence.

Technical adjustments and transfers account for a net decrease of \$2.3 million total funds.

## Intellectual and Developmental Disabilities

The rebalance changes approved by the Subcommittee for the Intellectual and Developmental Disabilities (IDD) program are increases of \$33.2 million General Fund and \$112.3 million Federal Funds expenditure limitation; positions were reduced by 11 (9.92 FTE). The increases cover all but about \$26.2 million General Fund (plus corresponding Federal Funds expenditure limitation) of the agency's current projected budget shortfall associated with caseload costs. As noted previously, it is expected that most of these costs can be addressed via an allocation from the special purpose appropriation to the Emergency Board.

Both caseloads and cost per case in IDD programs are expected to be higher than the previous forecast, driving an overall increase of \$64.6 million General Fund (\$210.3 million total funds). Caseload counts, particularly for children, are well over the spring 2015 forecast. This continues to be directly related to the K Plan, as under that state plan option services must be provided to all eligible applicants. Costs per case also continue to grow as they are driven by assessed client needs and no longer subject to any monetary caps.

The approved rebalance plan includes \$3.0 million General Fund to restore a reduction action taken during 2015-17 budget development. This amount was offered up by the agency as a reduction during session, but was attributed to the wrong program; if left in place the cut eliminates staff supporting children's programs. Participation rate changes for brokerage case management are driving an increase of \$2.1 million General Fund; the Department has a plan to improve participation rates going forward through provider training.

Labor agreements and federal rule changes also drive costs for IDD. Collective bargaining (rate increases) for adult foster care drives an increase of \$2,066,520 General Fund (\$7.0 million total funds). This change is covered by an allocation from the special purpose appropriation for non-state worker collective bargaining. Another allocation from the same source of \$2,133,480 General Fund (\$7.0 million total funds) is also approved to pay bargained wage increases for personal support workers. To address overtime rules also affecting personal support workers, \$3.2 million General Fund is added; this is part of a \$17 million General Fund need (APD and IDD combined) for this issue identified during the 2015 legislative session.

Some savings are available to help partially offset costs. In some parts of the program, Medicaid participation rates have improved and are projected to reduce General Fund spending by \$5.6 million. The change in the FMAP rate is anticipated to save \$4.6 million General Fund.

Technical adjustments and transfers reduce the IDD budget by \$4.6 million General Fund (\$6.2 million total funds) and 11 positions (9.92 FTE), most of which is moving the VR portion of the additional Employment First resources approved for 2015-17 from IDD to VR.

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## Program Design Services

In Program Design Services (PDS), the Subcommittee approved a decrease of \$0.2 million General Fund, an increase of \$7.6 million Other Funds expenditure limitation, an increase of \$40.9 million Federal Funds expenditure limitation, and an increase of 32 positions (13.70 FTE). These adjustments include some small technical adjustments, but the changes mostly consist of budget increases needed to cover the next phase of the agency's Integrated Eligibility (IE) information technology project.

In House Bill 5026 (2015), DHS received \$750,000 General Fund (\$7.5 million total funds) for planning to improve eligibility determination systems for non-MAGI (Modified Adjusted Gross Income) Medicaid programs. These programs primarily serve clients in the APD and IDD programs. However, after planning work and a changing information technology landscape due to implementation of OHA's OregonONEligibility (ONE) system, the project approved by the Subcommittee will enhance ONE to support eligibility determinations for the non-MAGI Medicaid programs, plus the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC) programs.

The additional project funding in Senate Bill 5701 is \$47.9 million total funds. When coupled with the previously authorized planning money, the overall 2015-17 project budget represents about 43% of the overall estimated project cost of \$130 million total funds. Based on current federal match estimates, about 85% of project costs will be covered by federal dollars. In House Bill 5202, the Joint Ways and Means Subcommittee on Capital Construction approved \$7.5 million in proceeds from Article XI-Q Bonds to cover the state share of the project for the current biennium. DHS estimates that the project will take 33 months to execute, with completion targeted for the end of 2018. The 2017-19 state share of the project is estimated at about \$15 million and includes debt service on the 2015-17 bonds. The staffing component of the project is 35 limited duration positions (15.83 FTE), primarily consisting of project managers and operations/policy analysts. These resources would supplement permanent employees (information technology, fiscal, policy, management) that are located in both DHS and OHA; some of these resources had been previously approved for work on other system improvement initiatives and the ONE project.

Both the Joint Committee on Ways and Means Subcommittee on Human Services and the Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the project. The JLCIMT recommended incremental, conditional approval of the request and set out several action items, in its recommendation to the Joint Committee on Ways and Means, which were adopted. The Subcommittee approved the project with the understanding that the funding will be unscheduled until the Legislative Fiscal Office and the Chief Financial Office of the Department of Administrative Services approve rescheduling; agency compliance with the JLCIMT recommendations will be key to making expenditure limitation available. Depending on project progress and timing, the Department may be asked to report during the interim to the Emergency Board and/or JLCIMT.

## Central Services

The budget adjustments, associated with technical change and transfers, included in Senate Bill 5701 for Central Services, are net decreases of \$0.3 million total funds and one position (1.00 FTE).

## Shared Services

The Subcommittee approved a net decrease of \$0.8 Other Funds expenditure limitation and 10 positions (5.44 FTE) for Shared Services. Included in this adjustment is the transfer of 11 positions (7.37 FTE) from the Provider Audit Unit within the Office of Payment Accuracy and Recovery

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into OHA Central Services. This change is consistent with guidance from the federal Centers for Medicare and Medicaid Services regarding this unit's responsibility for auditing Medicaid providers.

## Statewide Assessments and Enterprise-wide Costs

The budget adjustments approved by the Subcommittee include technical adjustments and transfers accounting for an increase of \$5.6 million General Fund (\$9.1 million total funds), primarily to align the assessment budget with 2015-17 policy package changes in program budget structures. There is also an adjustment to align with positions being moved to OHA from DHS Shared Services.

The approved rebalance plan includes \$118,318 General Fund (\$277,566 total funds) to cover Treasury fees. Due to an oversight during 2015-17 budget development, this line item, which is driven by the cost of banking services, was not adequately funded in the base budget. Also accounted for is an adjustment to capture and spend lease revenue, which reduces the need for both General and Federal Funds resources. To match up with the APD budget, \$2.5 million Other Funds expenditure limitation is added to support the budget mechanism for recording waived case management expenditures.

The agency's 2015-17 budget includes \$839,543 General Fund for debt service associated with the Central Abuse Management (formerly known as the Statewide Adult Abuse Data and Report-Writing System) and assumes a bond sale early in the biennium. Current project timing indicates the sale will not need to occur until spring 2017. Based on that timeframe, the debt service is eliminated because it is not needed; this savings amount is not included as a resource within the DHS rebalance plan.

## **JUDICIAL BRANCH**

### Commission on Judicial Fitness and Disability

The Subcommittee increased the General Fund appropriation for extraordinary expenses by \$172,000, equivalent to a 74.8% increase over the level of General Fund in the Commission's 2015-17 legislatively adopted budget. The funds were appropriated to pay the Commission's costs incurred from the investigation and prosecution of two charges of judicial misconduct. The action increases the General Fund appropriation for extraordinary expenses to \$189,753. The revised funding level covers the costs-to-date identified by the Commission, and provides an additional amount of approximately \$20,000 for projected Commission costs associated with the Supreme Court review of the cases. The agency will need to request additional funding later in the biennium, if the costs of completing the two current cases exceed projection, or if the Commission approves any additional cases for formal investigation. If the full appropriation is not needed, any remaining funds will be available to cover extraordinary expenses in the 2017-19 biennium. The General Fund increase was approved on a one-time basis and will be phased out in the development of the agency's 2017-19 budget.

### Judicial Department

The Subcommittee approved increases in total Judicial Department expenditures of \$17,454,547. The expenditure changes include a General Fund increase of \$8,389,259. Budget adjustments include employee compensation adjustments plus the specific items identified below.

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The Subcommittee increased the General Fund appropriation for judicial compensation by \$630,000 for the 2015-17 biennium cost of providing a \$5,000 per year salary increase to all statutory judges, beginning on January 1, 2017. The salary increase is enacted by Senate Bill 1597, the 2016 session program change bill. The fiscal impact of the salary increase will increase to \$2,520,000 General Fund beginning with the 2017-19 biennium, when it will be in effect for the full biennium.

A \$200,000 General Fund increase was approved for the Oregon State Bar Legal Assistance Program (Legal Aid) for legal assistance in housing-related issues. As is the practice with unrestricted General Fund appropriations for Legal Aid, this supplemental funding is approved on a one-time basis and will be phased out in the development of the 2017-19 budget. The General Fund appropriation increases combined total 2015-17 biennium state support for Legal Aid, from both Other Funds (court filing fees) and General Fund sources, to \$12,700,000.

The Subcommittee increased the Other Funds expenditure limitation for the State Court Technology Fund (SCTF) by \$5,330,000 for costs of maintaining and supporting state court electronic systems and providing electronic service and filing services. The expenditure limitation increase largely reflects a higher rate of electronic filing of court documents than was anticipated when the Chief Justice's recommended budget was developed. The Department uses SCTF moneys to pay electronic filing charges and does not charge participating parties who file the documents. The SCTF is projected, following this authorization and the mid-biennium transfer of legacy technology fee revenues to the SCTF as required by Senate Bill 1597, to have a 2015-17 biennium ending balance exceeding \$860,000. SCTF resources are not, however, projected to cover costs in subsequent biennia without action to either increase SCTF revenues or reduce ongoing operating costs.

A \$2,800,000 Other Funds expenditure limitation increase was approved for the planning and design of a new Lane County Courthouse facility through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). This expenditure limitation amount allows for expenditures of up to \$1.4 million of Article XI-Q bond proceeds and of up to \$1.4 million of required county matching funds for the Lane County Courthouse project. Project bonds are authorized in House Bill 5202. The approved bond authority is in addition to the bond proceeds that were previously authorized for the 2015-17 biennium: \$17.4 million for the Multnomah County Central Courthouse project, \$2.5 million for the Jefferson County Courthouse project, and \$7,875,000 for the Tillamook County Courthouse project. Debt service costs for the Article XI-Q bonds authorized for the Lane County Courthouse project are projected to total approximately \$233,000 General Fund per biennium, beginning in the 2017-19 biennium. Because the bonds will not be issued until the spring of 2017, there will not be debt service payments due in the current biennium.

The approval of Article XI-Q bonds for planning and design of the Lane County Courthouse does not create or imply any commitment to provide state funds for the construction of the facility. The Subcommittee also increased the Judicial Department operations Other Funds expenditure limitation by \$45,000 for the cost of issuance of Article XI-Q bonds for planning and design of the Lane County Courthouse facility.

The Subcommittee approved the following budget note concerning courthouse funding through the Oregon Courthouse Capital Construction and Improvement Fund:



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## **Budget Note:**

The Chief Justice or his designee is requested to present a report to the Emergency Board, no later than December 2016, with a priority ranking and the projected costs of courthouse capital construction projects for which he may, within the next twelve years, request state funding support from the Oregon Courthouse Capital Construction and Improvement Fund. The report shall include recommendations for stabilizing biennial funding request amounts over the ten-year period beginning with the 2019-21 biennium.

## **Public Defense Services Commission**

The Subcommittee increased the General Fund appropriation for the Contract and Business Services Division by \$18,834. The appropriation funds payment of a Secretary of State service charge that was omitted from the agency budget in error.

## **LEGISLATIVE BRANCH**

The Subcommittee approved a net-zero General Fund rebalance. The adjustments include reductions to agency budgets to account for higher than anticipated reversions from the 2013-15 biennium, a \$180,000 increase for chamber improvements, and an increase of \$6.7 million in Legislative Administration for facilities projects. Unused bond proceeds of \$2.4 million are used to pay debt service in lieu of General Fund. The facilities projects will be the beginning of a \$50 million Capitol project that will make improvements to the mechanical, electrical, and plumbing systems; address security and life safety issues; and increase accessibility for people with disabilities. It is expected to take three years for all of the improvements to be completed. House Bill 5202 includes \$30 million in Article XI-Q bonds to continue the project into the 2017-19 biennium. The expenditure limitation for those bond proceeds are included in House Bill 5203, which is the bill for all capital construction limitations. The Subcommittee approved an Other Funds expenditure limitation of \$460,000 for the cost of issuance for the bonds. There is no debt service in the current biennium.

The Subcommittee also approved two new Other Funds expenditure limitations related to the Oregon Capitol Foundation. The Foundation is now a separate entity from the Legislative Administration Committee. The limitations include \$300,000 for the History Gateway and \$25,000 for expenses related to operations for the Foundation.

## **NATURAL RESOURCES**

### **Department of Agriculture**

The Subcommittee established a Federal Funds expenditure limitation of \$175,000 in the Administrative and Support Services program area to accommodate the awarding of a federal grant to be used for wolf depredation compensation claims, and for nonlethal preventative techniques.

The Subcommittee also increased Federal Funds expenditure limitation by \$1,700,000 and made a one-time \$539,338 General Fund appropriation as state match to pay for eradication efforts related to the Asian Gypsy Moth, a non-native invasive species, which was found in northwest Portland. The majority of the eradication project would occur during May and June of this year. On January 14, 2016, the U.S. Department of

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Agriculture (USDA) notified the Department that \$1.7 million in federal funding would be made available for the eradication project. In the past, USDA has provided only 50% of eradication funding.

The Subcommittee also acknowledged that the Department anticipates increasing the wholesale seed dealer license from \$500 to \$750 in May 2016, and increasing the veterinary product registration fee from \$75 to \$100 in June 2016. The Other Funds revenues from these increases will be used, in part, to fund program compensation increases.

## **Columbia River Gorge Commission**

The Subcommittee increased the General Fund appropriation made to the Columbia River Gorge Commission by \$11,308 to match the amount provided to the Commission by the State of Washington for the 2015-17 biennium for operational costs. Included in the \$11,308 increase is \$6,000 for costs related to a once every five year audit; this amount is considered to be one-time and is not to be included in the base budget for 2017-19 budget development. The Subcommittee also eliminated the Commission's \$5,000 Other Funds expenditure limitation provided in the adopted Oregon budget since any non-General Fund revenues received by the Commission are expended through the Washington budget.

## **Department of Environmental Quality**

The Subcommittee approved a one-time \$100,000 General Fund appropriation for sampling, testing, and monitoring Harmful Algae Blooms. Of the total, \$30,000 will be used to purchase testing equipment so that samples do not need to be sent out of state for processing.

The Subcommittee also approved \$230,000 General Fund, on a one-time basis, to provide information for the 2017 legislative session on how a market-based carbon reduction system would work in Oregon. The money would be used to hire a full-time limited duration Operations and Policy Analyst 4 position (0.58 FTE). In addition, \$50,000 is to cover costs for an economic consultant to assist with research data and analysis. The DEQ work is to include:

- (1) Identify the type, scope, and design of the greenhouse gas emissions cap necessary to link with other jurisdictions and meet the state's greenhouse gas emissions reduction goals.
- (2) Assess how a market-based program would interact with existing programs, such as the Renewable Portfolio Standard, the Clean Power Plan, and the Clean Fuels program, and achieve the state's greenhouse gas emissions reduction goals.
- (3) Study and evaluate how existing market-based programs in other jurisdictions control leakage and how those methods might be adapted to align with Oregon's economy and business sectors.
- (4) Study and evaluate how existing market-based programs address potential impacts and benefits to disadvantaged populations and rural communities and how those methods might be adopted to Oregon.

The Subcommittee approved a \$2,500,000 General Fund appropriation to expand the Department's current Oregon Air Toxics Program. This will allow the immediate focus of increased air toxics monitoring efforts on cadmium, arsenic, and chromium hotspots in Portland, as well as, expand air toxics monitoring across the state. In addition, the increased funding will allow DEQ to develop a risk-based approach to air permitting for industrial sources through rulemaking. Over time this will allow DEQ to modify existing air permits to be risk-based. The air toxics monitoring funded through this appropriation uses moss collection and analysis to map pollution levels in Portland communities and develop maps of hot spots. This funding will allow the Department to purchase and set up two additional full air toxics monitoring stations that can be directed at areas with high levels of air toxics that are identified. A Natural Resources Specialist 3 position, three Natural Resources Specialist 2 positions, a

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Chemist 2 position, and a Chemist 3 position are added as permanent positions for the monitoring and analysis work. DEQ will also use the funding to develop, through rulemaking, an Oregon specific air toxics program that ensures industrial hot spots are sufficiently controlled. During this process, discussions with local governments about their potential roles and involvement, either formally or informally, may occur. To work on this part of the program, six permanent positions were added (Principal Executive Manager E, Program Analyst 3, Natural Resources Specialist 4, Natural Resources Specialist 3, Operations and Policy Analyst 1, and Public Affairs Specialist 2). In all, 12 permanent positions (7.00 FTE) were added, with total Personal Services costs of \$1,266,789, Services and Supplies costs, including Professional Services, of \$883,211 and \$350,000 in Capital Outlay for monitoring equipment. This program is estimated to have a 2017-19 roll-up cost of \$3,626,239 General Fund.

## **Department of Fish and Wildlife**

The Subcommittee approved a one-time increase of \$180,000 Other Funds expenditure limitation to continue two limited-duration Natural Resource Specialist 2 positions authorized for one year in Senate Bill 5544 (2015). These two positions work with landowners to improve and protect sage grouse habitat.

## **Department of Forestry**

The Subcommittee approved an increase of \$23,115,122 in the General Fund appropriation made to the Department of Forestry, Fire Protection Division for the payment of emergency firefighting costs associated with the 2015 forest fire season. This amount is dedicated to the following specific uses:

- Unbudgeted emergency fire costs (\$19,558,783)
- Fire protection district deductibles (\$677,886)
- Training provided to Oregon National Guard troops (\$500,000)
- Oregon State Treasury loan interest (\$323,630)
- Severity resources (\$2,054,823)

The portion of the General Fund appropriation to the Department of Forestry included above for severity resources is offset by a reduction of the same amount in the special purpose appropriation that had been established for this purpose. In addition, Other Funds expenditure limitation is increased by \$56,334,408, which includes \$55,172,387 for unbudgeted emergency fire costs and \$1,162,021 for fire protection district deductibles.

The Subcommittee approved a decrease in the General Fund appropriation of \$238,581 and a decrease in the Other Funds expenditure limitation of \$726,392 made to the Oregon Department of Forestry for the payment of debt service. These amounts were originally included in the agency's budget for the payment of debt service obligations on bonds that were anticipated to be issued at the end of the 2013-15 biennium, but were not. This is a technical adjustment to remove the excess General Fund and Other Funds expenditure limitation from the agency's budget. An increase of \$45,000 Other Funds expenditure limitation was approved for the payment of bond issuance costs related to Article XI-Q General Obligation bonds to replace an equipment warehouse for the East Lane Fire Protection District.

The Subcommittee approved a General Fund appropriation of \$704,286 and an increase in the Other Funds limitation of \$813,594 for the implementation of a procurement and payment system replacement. The new system is intended to be an end-to-end solution for the agency, replacing its current ad-hoc system of manual and semi-automated information systems and processes. The funding includes the establishment of

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four, 15-month, limited-duration positions (Project Manager 3, Information Systems Specialist 6, Accountant 1, and Procurement and Contract Specialist 3). The Subcommittee approved the project with the understanding that the funding will be unscheduled until the Legislative Fiscal Office (LFO) and the Chief Financial Office of the Department of Administrative Services approve rescheduling and that the agency comply with recommendations made by the Joint Legislative Committee on Information Management Technology (JLCIMT).

Recommendations include direction that the agency proceeds through the standard Stage Gate 3 process, including updated business case and other foundational documents. The agency will ensure that the independent quality management services contractor conducts an updated risk assessment and perform quality control reviews on the documents noted above. The agency will report back to JLCIMT or Emergency Board on project status in September 2016.

## **Department of Land Conservation and Development**

The Subcommittee approved an increase in the Other Funds expenditure limitation of \$216,000 to allow the agency to expend sub-grant funding received from the Oregon Office of Emergency Management made available through the Federal Emergency Management Agency. These funds will be used to aid in the development of local pre-disaster mitigation plans of local governments, including the cities of Albany, Medford, and Beaverton, Tillamook County, and cities within Tillamook County. A portion of this amount will be used to establish a limited duration Planner 2 position for 16 months (0.67 FTE).

## **Department of State Lands**

In the fall of 2015, sump pumps and the associated drainage pipe failed at the Department of State Lands' headquarters building in Salem. The Department made emergency, stop-gap repairs. The Subcommittee approved a one-time \$85,919 increase to the Capital Improvement Other Funds expenditure limitation for the repairs to date. Additional permanent repairs will be needed next summer; the Department will seek another expenditure limitation increase at an Emergency Board meeting.

The Department was awarded a U.S. Environmental Protection Agency grant for Wetland Program Development in the amount of \$347,502. During the 2015 legislative session, \$133,000 in one-time Federal Funds expenditure limitation was approved and unscheduled for this grant, pending retroactive approval to apply for the grant. This amount was intended to provide sufficient expenditure limitation for work through March, 2016. The Subcommittee approved the additional \$214,502 in one-time Federal Funds expenditure limitation to enable the Department to complete the work.

A reduction in Attorney General charges to reflect reduced rates in the legislatively adopted budget was inadvertently made to the Capital Improvement limitation and should have been made to the Common School Fund limitation. Other Funds expenditure limitation is decreased by \$176,890 for the Common School Fund and an increase of the same amount is made to Capital Improvements.

## **Water Resources Department**

The Subcommittee approved an increase in General Fund of \$705,288 to facilitate a groundwater study for the greater Harney Valley in coordination with the U.S. Geological Survey. The funding will support the establishment of a permanent Natural Resource Specialist position (\$130,288), one-time funding of \$400,000 for the drilling and construction of ten observation wells for data collection, and one-time funding of \$175,000 for the cost-sharing provisions of the groundwater study.

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## **Oregon Watershed Enhancement Board**

The Subcommittee increased the Measure 76 Lottery Funds expenditure limitation for operations by \$40,123 to pay the costs of reclassifying the Administrative Manager position from an Administrative Specialist 2 to a Principal Executive Manager A and reclassifying the Capacity Coordinator from an Operations Policy Analyst 3 to an Operations Policy Analyst 4. The reclassifications are due to increased duties that resulted from an agency reorganization. These reclassifications were reviewed and supported by Department of Administrative Services Human Resources. In addition, Measure 76 Lottery Funds expenditure limitation was increased by \$17,329 to correct an error that omitted capital mall security assessments in the legislatively adopted budget for 2015-17.

## **PUBLIC SAFETY**

### **Department of Corrections**

The October, 2015 male prison population forecast was as much as 200 beds higher than the April 2015 forecast, which was the basis for the 2015-17 budget. In response to the higher forecast, the Subcommittee approved \$2,558,694 General Fund and 6 new correctional officer positions (4.46 FTE) to shift the 787 Deer Ridge Correctional Institution minimum security inmates to the medium security facility, which will be operated as minimum housing. Of this amount, \$1,821,701 is a one-time expense. As the additional recently-forecasted inmates enter the system, there will be other housing units within the facility available to accommodate them. The additional costs for 200 more beds for the rest of the biennium is about \$6.9 million.

A special purpose appropriation to the Emergency Board in the amount of \$3 million can fund part of the remaining need. There will be two more forecasts before the end of the biennium, April and October 2016. Whatever unfunded amount remains can be considered as part of the Department's agency-wide budget rebalance that typically occurs during the long legislative session as part of the current biennium final statewide budget reconciliation.

In response to an investigation of housing and treatment conditions for seriously mentally ill inmates by the federal protection and advocacy entity, Disability Rights Oregon, the Department requested \$8.2 million General Fund for architectural and staffing changes. The Subcommittee approved \$3,139,557 General Fund for construction and staffing that will provide the identified inmates more out-of-cell time and increased mental health therapy and counseling. The direct appropriation includes \$1,031,676 for permanent staff, including 4 registered nurses and a project manager (3.33 FTE); reclassification of a corporal to a sergeant; and associated services and supplies. The remaining \$2,107,881 General Fund is for one-time construction expenses for a modular building for treatment and office space on the Oregon State Penitentiary grounds and for changes inside the mental health unit of the penitentiary.

In addition, a special purpose appropriation to the Emergency Board in the amount of \$2 million will be available for the Department to request as they need additional staff. Any unfunded balance can be considered as part of the Department's agency-wide budget rebalance that typically occurs during the long legislative session as part of the current biennium final statewide budget reconciliation.

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The Subcommittee approved redirecting unused Junction City Correctional Institution bond funding and unneeded cost of issuance funds for various Department of Corrections bond sales to Other Funds debt service. The total Other Funds limitation is \$2,094,636.

Pilot project General Fund that was intended to be one-time is phased out from the Offender Management and Rehabilitation unit within the Department. The reduction is \$1,009,135.

## **Criminal Justice Commission**

The Criminal Justice Commission was awarded \$370,000 in one-time grant funding from the U.S. Department of Justice, Office of Justice Programs and Bureau of Justice Assistance for technical assistance financing in support of Oregon's Justice Reinvestment implementation. The funds were made available to Oregon by a pass-through agreement with the Vera Institute of Justice, a private nonprofit research center for justice policy and practice. The funding was included in the agency's 2015-17 Federal Funds expenditure limitation, but because the Vera Institute is not a federal agency, the funding should have been included as Other Funds expenditure limitation. This technical adjustment increases Other Funds and decreases Federal Funds expenditure limitations by \$370,000.

## **Oregon Department of Justice**

The Subcommittee approved an increase of \$254,493 Other Funds expenditure limitation for the Department of Justice (DOJ) Criminal Justice Division and the authorization of two limited duration positions (1.08 FTE) for the Fusion Center. Funding for the positions would come from two separate federal grants received by the Oregon Military Department Office of Emergency Management (State Homeland Security Program for \$121,334 and the Urban Area Security Initiative for \$133,159). The grants are one-time in nature and require no state matching funds.

The Subcommittee approved an increase of \$129,405 Other Funds expenditure limitation for the DOJ Criminal Justice Division and the authorization of one limited duration position (0.25 FTE) for a traffic safety resource prosecutor with an emphasis on marijuana. The position is funded for six months beginning in April of 2016. The source of the grant is the U.S. Department of Transportation National Highway Traffic Safety Administration received by the Oregon Department of Transportation.

The Subcommittee approved an increase of \$184,714 Other Funds expenditure limitation for the DOJ General Counsel Division and the authorization of one permanent full-time position (0.63 FTE) for a marijuana civil legal services attorney. The revenue source to support the attorney is the legal services rate billed to state agencies. The 2017-19 biennial cost of the position is \$316,891.

An increase of \$12,613,368 Federal Funds expenditure limitation for the DOJ Crime Victims Services Division, as well as the authorization of two limited duration positions (1.42 FTE) for an increase in Victim of Crime Act (VOCA) assistance funding was approved. The grant increase will add one-time funding to existing direct service/non-profit providers, district attorney prosecutor-based victim assistance programs, child assessment centers, and other system investments. These are formula grants that require no state matching funds; however, a federal requirement does require sub-grantees to provide 20% matching funds. According to the Department, for this request, no additional state funds will be required to help sub-grantees meet their matching funds requirement.

The Subcommittee approved \$676,971 General Fund for the establishment of an elder abuse program in the Criminal Justice Division. The program will be staffed by one permanent full-time Senior Assistant Attorney General (Elder Abuse Resource Prosecutor) (0.63 FTE) and two

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Criminal Investigator positions (1.25 FTE). The positions will assist local law enforcement with elder abuse cases, as well as provide statewide outreach and training. Personal services costs for the positions total \$457,573 and services and supplies costs total \$219,398. The 2017-19 biennial cost of the program is estimated to be \$1.2 million General Fund.

A change in the preliminary schedule for the DOJ Child Support Division's Child Support Enforcement Automated System (CSEAS) information technology project, which was completed after the close of the 2015 session, has increased the total cost of ownership and impacted the project's 2015-17 legislatively adopted budget, resulting in a shortfall of bonding authority, expenditure limitation(s), and cash liquidity.

The original feasibility study for the CSEAS project estimated total development costs at \$92.7 million and recurring costs after development of \$23.6 million for a total cost of ownership (TCO) of \$116.3 million (through fiscal year 2026). The rebaselined TCO is now estimated at \$122.7 million, which includes \$12 million in ongoing operations and maintenance costs. The Subcommittee approved \$3,086,760 of Other Funds expenditure limitation for project costs, which is to be financed with Article XI-Q bonds approved in House Bill 5202, and the establishment of 10 permanent part-time positions (1.31 FTE). Four reclassifications of existing permanent full-time positions was also approved.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent fulltime positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any other purpose than the development of the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

The Subcommittee appropriated \$1,161,194 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5202. Other Funds expenditure limitation of \$123,240 is included for the cost of issuance of the bonds. The Subcommittee approved \$34,683 General Fund for repayment of interest costs for a short-term Treasury loan. The Department of Administrative Services was directed to unschedule \$3,086,760 Other Funds expenditure limitation (Article XI-Q bond project proceeds) and to schedule \$3,632,932 Other Funds and \$6,864,723 Federal Funds for the second quarter of calendar year 2016.

In absence of a comprehensive, integrated, and rebaselined master schedule, which is necessary to determine the project budget, and final Stage Gate 3 approval, the Subcommittee recommended a conservative, controlled release funding approach for the project. The recommendation provides full project funding through June 30, 2016, at which point the agency will need to request additional expenditure limitation from the Emergency Board. This recommendation will allow the agency to initially proceed to Stage Gate 3; however, the project should not operate for an extended period of time until "Stage Gate 3" review is officially completed and full endorsement granted. The Subcommittee adopted the Joint Legislative Committee on Information Management and Technology recommendations for the project.

The Subcommittee also approved the following budget note:

**Budget Note:**

The Department of Justice is to report at each meeting of the Emergency Board and the Interim Joint Committee on Information Management and Technology at each interim meeting with detailed project status reports (performance against plan) on the Child Support Enforcement Automated System (CSEAS). As part of the agency's report for the Emergency Board meeting in May of 2016, the agency is

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to: (a) justify why an advisory steering committee is an appropriate form of governance; (b) provide a detailed cost-benefit analysis of the decision to use a private vendor vs. Department of Administrative Services State Data Center; (c) provide a justification for the indirect agency administrative charges to the CSEAS project, which may need to be repurposed and used for a general project contingency fund; and (d) report on improvements to quality assurance and agency status reporting.

## **Oregon Military Department**

The Other Funds expenditure limitation for the Community Support program was increased, on a one-time basis, by \$2,442,000 for the reimbursement of firefighting expenditures incurred during the 2015 fire season.

The 2015-17 legislatively adopted budget inadvertently made a General Fund reduction to services and supplies that should have been applied to personal services. The reduction is \$57,929 within the Administration division. Moving it to the right budget category will enable the agency to correctly build the 2017-19 budget.

The Subcommittee approved \$80,000 Other Funds expenditure limitation for the purpose of paying cost of issuance expenses associated with Article XI-Q bond authority approved for rehabilitating facilities at the Umatilla Depot site to prepare it for use as a Regional Training Center. The Umatilla site will replace the facility currently used on the Western Oregon University campus.

## **Department of Public Safety Standards and Training**

The Subcommittee approved an increase in Other Funds expenditure limitation of \$959,000 and the addition of three limited-duration positions (1.74 FTE) to support programs and activities in the Department of Public Safety Standards and Training's (DPSSST) Center for Policing Excellence, funded by an Edward Byrne Memorial Justice Assistance Grant through the Criminal Justice Commission.

The agency's Federal Funds expenditure limitation was increased by \$2,497,563. This net-zero technical correction changes a revenue-only transfer between DPSSST and the Department of Justice to a pass-through expenditure, a budgetary change required in order to ensure full reimbursement of costs related to the federal High Intensity Drug Trafficking Area program operated by the state Department of Justice.

The Subcommittee increased the agency's Other Funds expenditure limitation by \$2,790,195, and authorized twelve permanent positions (8.00 FTE) to add four basic police and two basic corrections classes to the agency's training calendar to meet demand during the 2015-17 biennium.

## **Oregon State Police**

The Subcommittee increased the agency's General Fund appropriation by \$1,320,216 and increased its Other Funds expenditure limitation by \$6,911,613 for Federal Emergency Management Agency-reimbursable expenses incurred during numerous mobilizations coordinated by the State Fire Marshal during the 2015 fire season in Oregon.

The Subcommittee increased the agency's General Fund appropriation by \$1,000,000 and authorized 12 positions (6.63 FTE) to increase staff capacity and reduce wait times and backlogs in the Firearm Instant Check System program.

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## TRANSPORTATION

### Department of Aviation

The Subcommittee approved an increase of \$265,000 in Other Funds expenditure limitation for the Operations Division to purchase grant management software to implement and manage the agency's grant-making program established by House Bill 2075 (2015).

### Department of Transportation

The Subcommittee increased the agency's Other Funds expenditure limitation by \$6,231,467 to fund road repairs and clean-up expenses at seventeen sites across the state where wildfires damaged and forced the closure of roadways during the 2015 fire season. Other Funds expenditure limitation was increased in the Local Government program by \$2,000,000 toward reconstruction of the Juntura Cut-Off Road in Harney County, and by \$51,804 for cost of issuing the Lottery Bonds to finance the project.

A net-zero technical adjustment of \$1,354,734 was approved to move cost of issuance expenditure limitation for debt associated with highway safety improvements, the Coos Bay Rail Link, and ConnectOregon VI into the correct program budgets. A second net-zero technical adjustment of \$138,433 was approved to move legislatively-approved state government service charge reductions into the correct program budgets for the 2015-17 biennium.

The Subcommittee reduced the General Fund appropriation for debt service to the Department of Transportation by \$5,194,781. A bond sale anticipated for May, 2015 was postponed until May, 2016, reducing the debt service required in the 2015-17 biennium. General Fund was also reduced by \$47,835 to reflect the completion of the Driver and Motor Vehicles' veteran information sharing project with the Department of Veterans' Affairs.

# BUDGET NARRATIVE

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# BUDGET NARRATIVE

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## AGENCY SUMMARY

### HISTORY

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Because the availability of water has been integral to Oregon's development, the Water Resources Department and water laws have roots tracing back to Oregon's early history. Before 1909, water claims were staked like mining claims and recorded in the county courthouse. Many claims were not recorded, however, and disputes regularly arose over rights to water.

In 1909, the Legislative Assembly adopted the State Water Code. Under the Code, all water belongs to the public for use by the people for beneficial purposes. With a few exceptions, farms, business owners, cities, and other users must obtain a state permit or water right to use water from any source, including streams, groundwater, and lakes. The State Engineer's Office was responsible for issuing water right permits.

Oregon's Water Code is built upon the doctrine of "Prior Appropriation," meaning the first person to obtain a water right on a stream will be the last person to be denied water in times of low stream flow. The doctrine offered settlers the assurance that a water right, once granted, would remain with the land and that new rights would not be exercised at the expense of existing rights.

In 1955, the Legislative Assembly adopted the Groundwater Act, authorized the establishment of minimum perennial streamflows, and created the State Water Resources Board to serve as Oregon's water policy and planning department. The State Engineer was appointed to the Board; however, the Board maintained its own administrative and planning staff.

In 1975, the Legislative Assembly created the Water Policy Review Board and merged the State Engineer's Office and the State Water Resources Board to create the Water Resources Department. Policy responsibilities were transferred to the Water Policy Review Board. In 1985, the Water Policy Review Board was renamed the Water Resources Commission. In 1987, the Legislative Assembly passed the Instream Water Rights Act, recognizing instream public beneficial uses such as for fish and wildlife, recreation, and pollution abatement.

As directed by the Legislature in House Bill 3369 (2009), the Water Resources Commission adopted the state's first Integrated Water Resources Strategy (IWRS). The IWRS serves as a blueprint to help Oregon meet its instream and out-of-stream water needs and is updated every five years.

# BUDGET NARRATIVE

## WHERE WE ARE TODAY

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The Water Resources Commission, a seven-member citizen board, oversees Department activities. The Commission is responsible for setting Department policy, consistent with state law. Commission members are appointed by the Governor for four-year terms, subject to confirmation by the Oregon Senate. The Department's Director is also appointed by the Governor for a four-year term, subject to confirmation by the Oregon Senate.

The mission of the Water Resources Commission and Department is to serve the public by practicing and promoting responsible water management. The Commission has co-equal goals of directly addressing Oregon's water supply needs and also restoring and protecting streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life. The Commission and Department recognize the need to engage in long-term strategic thinking, while simultaneously addressing very pressing water needs in some of Oregon's communities.

Today, the Department is focused on its core functions of providing timely decisions on water right-related applications and transactions, as well as distributing water in the field in accordance with the water rights of record. These two key functions are supported by the Department's science and data collection efforts to better understand the surface and groundwater resources.

In addition to these responsibilities, as the resource has become fully appropriated and the state is faced with increasing challenges associated with a changing climate and population growth, helping to meet Oregon's current and future instream and out-of-stream water needs has become an important focus of the Department in recent years. This is reflected by the funding programs that have been authorized by the Legislature to support place-based planning, feasibility studies, and water project implementation grants and loans. Options for understanding our water resources, our future needs, the coming pressures, and the opportunities to address water challenges are outlined in the IWRS. The Department is currently focused on implementation of the recommended actions in the IWRS.

Policy and funding recommendations in the Department's 2017-2019 Agency Request Budget build on the State's 2012 Integrated Water Resources Strategy IWRS and prior implementation efforts. In accordance with IWRS, the Agency Request Budget includes investments in key areas to advance our understanding of groundwater and surface water resources and meet our water resources needs to support healthy communities, ecosystems and economies. The largest investments are to provide financial assistance to individuals and communities to aid in the development of water resources to meet instream and out-of-stream needs. Other investments focus on maintaining and strengthening the Department's key functions to better serve Oregonians by distributing water to protect existing water right holders, improving data used in critical water permitting and management decisions, protecting public safety, and assisting communities in addressing complex water issues.



# BUDGET NARRATIVE

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## PROGRAMS

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Department staff members are organized into five divisions: Administrative Services, Field Services, Technical Services, Water Rights Services, and the Director's Office. Department headquarters and its Northwest Regional office are located in Salem. The Department also has four other regional offices and 16 smaller field offices throughout Oregon.

The Department's programs are focused on protecting existing water rights, enforcing Oregon's water laws, processing water right applications and transactions, ensuring the safety of dams, protecting groundwater through well construction standards, facilitating voluntary streamflow restoration, increasing understanding of demands on the state's water resources, providing accurate and accessible ground and surface water resources data, licensing hydroelectric facilities, and facilitating solutions to water supply challenges. The Department's programs are outlined in more-depth in the chapters for each Division.

# BUDGET NARRATIVE

## WATERMASTER REGIONS AND DISTRICTS, DECEMBER 2012

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		<u>Districts</u>		
Western Region -	<b>MIKE McCORD</b> , Region Manager 725 Summer Street NE Suite A Salem, Oregon 97301 503-986-0893	1	Nikki Hendricks	Tillamook
		2	Mike Mattick	Eugene
		16	Joel Plahn	Salem
		18	Jake Constans	Hillsboro
		20	Amy Kim	Oregon City
Southwest Region -	<b>LARRY MENTEER</b> , Region Manager 10 S Oakdale, Room 309A Medford, Oregon 97501 541-774-6880	19	Greg Wacker	Coquille
		14	Kathy Smith	Grants Pass
		15	Susan Douthit	Roseburg
		13	Shavon Haynes (Acting)	Medford
South Central Region -	<b>KYLE GORMAN</b> , Region Manager 231 SW Scalehouse Loop, Ste 103 Bend, Oregon 97702 541-306-6885	11	Jeremy Giffin	Bend
		12	Brian Mayer	Lakeview
		17	Tyler Martin	Klamath Falls
North Central Region -	<b>MICHAEL LADD</b> , Region Manager 116 SE Dorian Pendleton, Oregon 97801 541-278-5456	3	Bob Wood	The Dalles
		4	Eric Julsrud	Canyon City
		5	Greg Silbernagel	Pendleton
		21	Ken Thiemann	Condon
East Region -	<b>JASON SPRIET</b> , Region Manager Baker County Courthouse 1995 Third Street Baker City, Oregon 97814 541-523-8224 x224	6	Shad Hattan	LaGrande
		8	Rick Lusk	Baker City
		9	Ron Jacobs	Vale
		10	JR Johnson	Burns
		7	David Bates	Enterprise

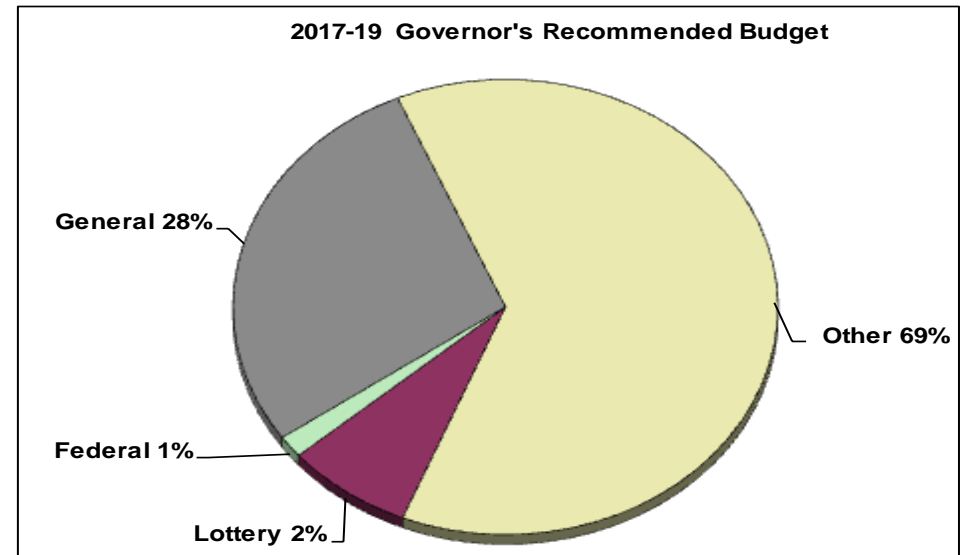
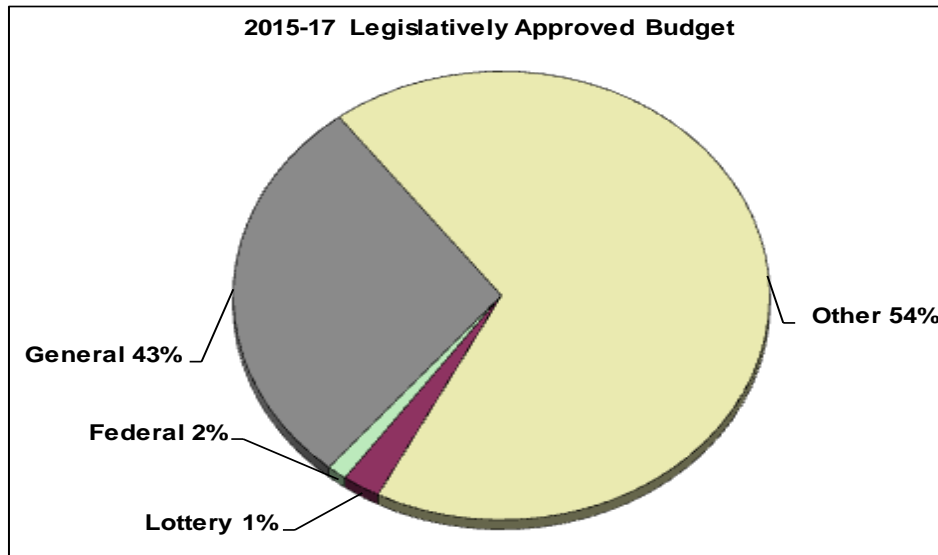
# BUDGET NARRATIVE



# BUDGET NARRATIVE

## BUDGET SUMMARY GRAPHICS

	2015-17 Legislatively Approved Budget (In Millions)						2017-19 Governor's Recommended Budget (In Millions)					
	General	Other	Lottery	Federal	Total	FTE	General	Other	Lottery	Federal	Total	FTE
Administrative Services	4,568,712	31,672,461	2,511,482	-	38,752,655	11.50	4,361,048	59,855,354	8,549,414	-	72,765,816	12.50
Field Services	10,619,300	1,970,799	-	171,554	12,761,653	56.00	11,735,033	2,628,550	391,888	616,052	15,371,523	65.70
Technical Services	9,051,846	4,600,074	-	1,140,784	14,792,704	47.21	9,954,693	5,009,365	-	1,255,643	16,219,701	53.04
Water Rights & Adj	3,748,327	4,032,825	-	-	7,781,152	38.54	3,675,148	4,292,168	-	-	7,967,316	38.42
Director's Office	3,197,379	11,357	-	-	3,208,736	9.00	3,766,147	5,826	-	-	3,771,973	12.88
Water Dev Loan Prog	-	31,966,316	-	-	31,966,316	1.00	-	2,480,290	-	-	2,480,290	1.00
Capital Outlay Ttl	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>31,185,564</b>	<b>74,253,832</b>	<b>2,511,482</b>	<b>1,312,338</b>	<b>109,263,216</b>	<b>163.25</b>	<b>33,492,069</b>	<b>74,271,553</b>	<b>8,941,302</b>	<b>1,871,695</b>	<b>118,576,619</b>	<b>183.54</b>



	2015-17 Legislatively Approved Budget (In Millions)					
	General	Other	Lottery	Federal	Total	FTE
Administrative Services	4.6	31.7	2.5	-	38.8	11.50
Field Services	10.6	2.0	-	0.2	12.8	56.00
Technical Services	9.1	4.6	-	1.1	14.8	47.21
Water Rights & Adj	3.7	4.0	-	-	7.8	38.54
Director's Office	3.2	0.0	-	-	3.2	9.00
Water Dev Loan Prog	-	32.0	-	-	32.0	1.00
Capital Outlay	-	-	-	-	-	0.00
<b>Total</b>	<b>31.2</b>	<b>74.3</b>	<b>2.5</b>	<b>1.3</b>	<b>109.3</b>	<b>163.25</b>

	2017-19 Governor's Recommended Budget (In Millions)					
	General	Other	Lottery	Federal	Total	FTE
Administrative Services	4.4	59.9	8.5	-	72.8	12.50
Field Services	11.7	2.6	0.4	0.6	15.4	65.70
Technical Services	10.0	5.0	-	1.3	16.2	53.04
Water Rights & Adj	3.7	4.3	-	-	8.0	38.42
Director's Office	3.8	0.0	-	-	3.8	12.88
Water Dev Loan Prog	-	2.5	-	-	2.5	1.00
Capital Outlay	-	-	-	-	-	-
<b>Total</b>	<b>33.5</b>	<b>74.3</b>	<b>8.9</b>	<b>1.9</b>	<b>118.6</b>	<b>183.54</b>

2017-19 Governor's Recommended Budget

# BUDGET NARRATIVE

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## MISSION STATEMENT & STATUTORY AUTHORITY

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**Statutory Authority** - ORS Chapters 536, 537, 538, 539, 540, 541, 542, 543, 543A, 549, and 555, and Oregon Administrative Rules Chapter 690.

**Mission Statement** - The mission of the Water Resources Commission and Department is to serve the public by practicing and promoting responsible long-term water management through two key goals:

- To directly address Oregon's water supply needs.
- To restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

# BUDGET NARRATIVE

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## AGENCY STRATEGIC PLANS

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### OREGON'S WATER STRATEGY FOR THE FUTURE

The Integrated Water Resources Strategy (IWRS) is a blueprint to help the State of Oregon better understand and meet its instream and out-of-stream needs, taking into account water quantity, water quality, and ecosystems. The IWRS has four primary objectives. Each is followed by a set of recommended actions designed to meet these objectives.

#### **Objective 1: Understand Water Resources Today**

Oregon needs to fill the knowledge gap – gathering, processing and sharing water resources information, so that the State can better characterize its water resources to sustain Oregon's economy and jobs, as well as a healthy environment.

To address this objective, the IWRS recommends the following actions:

- Conduct additional groundwater investigations
- Improve water resource data collection and monitoring
- Coordinate inter-agency data collection, processing, and use in decision-making

The Department measures the following indicators to track progress:

- Percent change from 2001 in the number of WRD-operated or assisted gaging stations (KPM #4)
- % of water management-related databases collected by WRD that are available to the public on the internet (KPM #6)
- Number of times water management-related data were accessed through WRD's internet site (KMP #7)
- Percent of groundwater right applications that receive an initial review within 45 days of application filing (embedded in KPM #10)
- Percent of groundwater transfer final orders issued within 120 days of application filing (embedded in KPM #11)
- Number of groundwater basins for which the Department has completed groundwater studies
- Length of time the Department retains hydrotechs and the length of time it takes to recruit replacements
- Percent change from 2001 in the number of WRD-operated monitoring wells
- Maintain or increase the number of streamflow measurements taken each year

#### **Objective 2: Understand Instream and Out-of-Stream Needs**

Oregon needs a better grasp of current and future needs – both instream and out-of-stream. Without a better characterization of current water use and future water quantity, water quality, and ecosystem needs, the state cannot adequately plan to meet these needs into the future.



# BUDGET NARRATIVE

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To address this objective, the IWRS recommends the following actions:

- Update long-term water demand forecasts
- Improve water-use measurement and reporting
- Determine pre-1909 water right claims
- Update water right records contact information
- Partner with ODFW to determine flows needed (quality and quantity) to support instream needs
- Determine needs of groundwater dependent ecosystems

The Department measures the following indicators to track progress:

- Determination of basins for future adjudication
- Continued capitalization of the Department's measurement device cost-share fund
- Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs (KPM #1)
- Percent of water users with an annual water-use reporting requirement that have submitted their reports to the Department (KPM #13)
- Number of Significant Diversions with Measurement Devices Installed (KPM #8)
- Amount of water put instream from transfers, leases, and allocation of conserved water

## **Objective 3: Understand the Coming Pressures That Affect Our Needs and Supplies**

Oregon must anticipate and model some of the most powerful changes that may affect both water resources and water needs into the future. Such changes include climate change, population growth and shifts, economic development, changes in land use, infrastructure needs, the water-energy nexus, and the need for water-related education.

To address this objective, the IWRS recommends the following actions:

- Encourage water right holders to take advantage of existing infrastructure to develop hydroelectric power
- Promote strategies that increase/integrate energy and water savings
- Support continued basin-scale climate change research efforts
- Assist with climate change adaptation and resiliency strategies
- Improve integration of water information into land use planning (&vice versa)
- Update state agency coordination plans
- Advocate for the development and upgrading of water and wastewater infrastructure
- Encourage regional (sub-basin) approaches to water and wastewater systems

# BUDGET NARRATIVE

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- Support implementation of Oregon’s K-12 Environmental Literacy Plan
- Provide education and training for Oregon’s next generation of water experts
- Promote community education and training opportunities
- Identify ongoing water-related research needs

The Department measures the following indicators to track progress:

- Development of next steps to implement these recommended actions
- Development of tracking measures to determine progress

## **Objective 4: Meet Oregon’s Instream and Out-of-Stream Needs**

Oregon needs to integrate and coordinate both the long-term planning and day-to-day management of Oregon’s water resources among local, state, federal, and tribal governments, as well as with other state partners. Key actions here include state-level and place-based planning, water resource management and development, protection of public health and ecological health, and stable funding.

To address this objective, the IWRS recommends the following actions:

- Undertake place-based, integrated water resources strategies
- Help coordinate implementation of existing natural resource plans
- Partner with federal agencies, tribes, and neighboring states in long-term water resources management
- Increase water-use efficiency and water conservation
- Improve access to built storage
- Encourage additional water reuse projects
- Develop a water supply development program
- Develop additional instream protections
- Implement and update Oregon’s IWRS
- Advocate for funding water resource management at the state level
- Assist communities with funding feasibility studies for water conservation, storage & re-use projects

The Department measures the following indicators to track progress:

- Number of enforcement actions handled by the Department
- Number of regulatory actions taken on behalf of instream water rights (KPM #2)
- Percent of total regulatory actions that found water right holders in compliance with water rights and regulations (KPM #3)



## BUDGET NARRATIVE

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- Number of water supply projects that receive assistance from Department's water supply team
- Number of grants or loans provided for water planning, feasibility studies, and implementation/construction
- Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs (KPM #1)
- Amount of water put instream from transfers, leases, and allocation of conserved water
- Completion of pilot(s) for place-based integrated water resources planning

## AGENCY PROCESS IMPROVEMENT EFFORTS

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Measuring performance is an important tool for managing both daily and long-term performance and identifying areas in need of process improvements. Performance measures and indicators, as well as recommended actions in the Integrated Water Resources Strategy (IWRS) are also important in strategic planning and developing policy option packages. As we track progress in indicators and advancing items in the IWRS, we continue to look for ways to expedite and streamline our activities.

At the program level, both key performance measures and other internal performance indicators help managers adjust processes and priorities to prevent bottlenecks and to strategically focus resources. Performance measures and indicators are used at the individual staff level to focus workloads. For example, watermaster staff concentrate on increasing measurement at significant points of diversion during the fall and winter in order to advance the Department's goal to better understand our Water Resources, as measured by the associated KPM. Similarly, the Water Rights Services Division runs monthly reports to track water rights processing activities, so that accomplishments as well as potential problem areas can be highlighted early and workload priorities shifted as necessary. During the past few years, the Department has continued to develop new automated tools to aid staff in a manner that increases efficiency.

Since submittal of the 2015-2017 Agency Request Budget, the Department has focused its process improvements in the following areas:

1. Beginning in September of 2015, Department staff gathered a group of prominent water law attorneys to explore potential improvements to make our water rights processes more efficient. The group suggested that the Department adjust our rules for processing new water right applications to allow for settlement discussions to take place after a protest is filed. Current rules provide for a contested case hearing or issuance of a final order, even though protests are generally settled 90 percent of the time.
2. Staff are working to redesign and integrate groundwater data into a centralized database. This effort will allow internal staff and the general public to better access groundwater-related data through web-based tools. Staff will be better able to maintain and link groundwater data to other centralized data sets and exchange data with partners.
3. The Department is working to begin accepting online credit card payments for Exempt Use Well Fees, Geotechnical Hole Fees, and Dam Safety Fees in order to make payments easier for customers and to reduce the amount of bills going to collections. While this has been of interest to customers, this increased level of customer service does come at the cost of higher Visa fees and increased staff time required to balance the credit card transactions.

## BUDGET NARRATIVE

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4. Backlogs in the Water Rights Service Division have been greatly reduced or eliminated in recent years, and the section continues to seek ways to make processes more efficient and timely. Staff are currently working with our Information Technology Staff to update our document generator from WordPerfect to Microsoft Word. This new version is expected to be easier and more efficient to use, reducing the time it takes to produce major documents such as Proposed Final Orders on water rights applications.
5. Over the past two years, the Department has been in discussion with five other state agencies to build a partnership to utilize human resource (HR) and payroll staff more effectively. As a result, several agencies have entered into a shared services agreement. In April, the payroll functions were transitioned into a centralized work team to improve efficiency, while regular work sessions were established among HR and payroll staff to deepen the knowledge base, establish best practices, and provide backup for staff on leave.

The efforts described above demonstrate the Department's commitment to continuous process improvements, driven by performance indicators that assist the Department in identifying areas in need of targeted resources. Department staff will continue to identify opportunities to improve performance, increase efficiencies, and better serve customers through continued tracking of performance indicators, tracking of progress in implementing recommended actions in the Integrated Water Resources Strategy, meeting with other agencies to identify best practices, and feedback provided by staff, customers, and stakeholders. The Key Performance Measurement Report outlines current and future actions that will be undertaken to continue to improve performance in areas measured by the Key Performance Measures.

# BUDGET NARRATIVE

## 2017-2019 SHORT-TERM PLAN

### ADMINISTRATIVE SERVICES DIVISION & WATER DEVELOPMENT LOAN FUND

Customers	Funding Source	Expends	Positions / FTE	Case/ Work Load
Cities; Counties; Consultants; Federal Agencies; State Agencies; Oregon Tribes; Public Interest Organizations; Property Buyers/Sellers; General Public; Irrigation Districts; Internal WRD staff	General Fund Other Funds Lottery Funds	\$4.4 M \$62.3 M \$8.5 M	13 / 11.75	Transactions processed in Fiscal, Human Resource and Support Services
<p>The Administrative Services Division provides business and administrative services to the Department in support of the Department’s mission. Division responsibilities include budget preparation and execution, administration of human resource services, accounting and internal control, payroll and benefits, contracting, facilities management, risk management, employee development, reception and mail-room support services, transportation, telecommunication coordination and loan servicing. The division is divided into the Water Development Loan Program and four sections:</p> <ul style="list-style-type: none"> <li>• Fiscal Services;</li> <li>• Human Resources;</li> <li>• Business Services; and</li> <li>• Grants &amp; Loans.</li> </ul>				

# BUDGET NARRATIVE

## FIELD SERVICES DIVISION

Customers	Funding Source	Expends	Positions / FTE	Case/ Work Load
Cities; Counties; Consultants; Federal Agencies; State Agencies; Oregon Tribes; Watershed Councils; Well Owners; Water Right holders; Water Right applicants; Realtors; Property Buyers/Sellers; General Public; Irrigation Districts; Conservation Groups	General Fund Other Funds Federal Funds Lottery Funds	\$11.7 M \$2.6 M \$0.6 M \$0.4 M	64 / 63.40	Enforcement, Water right distribution and management
<p>The Field Services Division carries out the Department’s mission by enforcing the state’s water laws and implementing the Water Resources Commission’s policies in the field. Staff regulate water uses based upon the water rights of record; inspect the construction and maintenance of wells for the protection of the groundwater resource; inspect the construction and maintenance of dams for the protection of the public safety and environment; collect hydrologic data, which is made available for use by staff and the public for planning purposes; and assist landowners with understanding and implementing water measurement. The Division also works with numerous watershed planning groups and local land use jurisdictions by providing technical information on surface water and groundwater. Programs include:</p> <ul style="list-style-type: none"> <li>• Regulation/Distribution</li> <li>• Well Construction Inspection</li> <li>• Dam Safety Inspection</li> <li>• Collection of Hydrologic Data (Surface Water &amp; Groundwater)</li> <li>• Customer Service in Field offices</li> <li>• Work with/advise local planning entities on water issues</li> </ul>				

# BUDGET NARRATIVE

## TECHNICAL SERVICES DIVISION

Customers	Funding Source	Expends	Positions / FTE	Case/ Work Load
Cities; Counties; Conservation Groups; Consultants; Federal Agencies; General Public; Internal WRD Staff; Public Interest Organizations; Realtors; Special Districts; State Agencies; Oregon Tribes; Water Right holders; Water Right applicants; Watershed Councils; Well Constructors; Well Owners	General Fund Other Funds Federal Funds	\$10.0 M \$5.0 M \$1.3 M	51 / 50.15	Dam Inspections, Groundwater studies, Hydrologic processing, Information Services, Mapping/GIS, Well Construction / Compliance.
<p>The Technical Services Division supports long-term water management by providing data and technical analysis. Division staff are responsible for providing data and technical analysis to interested parties, as well as providing technical expertise in water distribution, enforcement and litigation. Programs include:</p> <ul style="list-style-type: none"> <li>• Aquifer Storage and Recovery / Artificial Recharge</li> <li>• Dam safety;</li> <li>• Emergency Preparedness (drought and flood projections / preparedness)</li> <li>• Geographic information systems (GIS) / mapping;</li> <li>• Groundwater investigations and management;</li> <li>• Hydrographics – Surface water data</li> <li>• Information systems management;</li> <li>• Surface water hydrologic analysis / water availability;</li> <li>• Well construction, compliance and enforcement;</li> <li>• Well driller licensing / continuing education</li> <li>• Water use measurement and reporting.</li> </ul>				

# BUDGET NARRATIVE

## WATER RIGHTS SERVICES DIVISION

<b>Customers</b>	<b>Funding Source</b>	<b>Expends</b>	<b>Positions / FTE</b>	<b>Case/ Work Load</b>
Cities; Counties; Consultants; Federal Agencies; Oregon Tribes; State Agencies; Watershed Councils; Well Constructors; Well Owners; Water Right holders; Water Right Applicants; Realtors; Public Interest Organizations; Property Buyers/Sellers; General Public; Irrigation Districts; Water and Power Utilities	General Fund Other Funds	\$3.7 M \$4.3 M	37 / 36.42	Water Right Application, Transfer, Extension, Water Management & Conservation Plan, Allocations of Conserved Water Processing; Certificate Issuance; Adjudication Processing; Hydroelectric Licensing; Protest Program
<p>Under Oregon law, almost all water users, including agricultural enterprises, cities, state and federal agencies, must apply for and receive a water right before initiating water use. The Water Right Services Division is responsible for evaluation of both instream and out-of-stream water right applications, water right changes, and issuance of new water right permits and certificates. The Division distributes weekly public notice of applications and responds to public inquiries. The Division receives and evaluates citizen and interest group comments and protests concerning water use applications. The Division administers the following water right-related programs and processes:</p> <ul style="list-style-type: none"> <li>• Extensions of time</li> <li>• Hydroelectric licensing</li> <li>• Limited (short-term) license applications</li> <li>• Protests</li> <li>• Instream Lease applications</li> <li>• Review Water Conservation and Management Plans</li> <li>• Customer service and record management</li> <li>• Water right certification</li> <li>• Drought-related use permits</li> <li>• Water Right Transfer</li> <li>• Allocations of Conserved Water</li> <li>• Adjudication of water right claims based on water use that pre-dates the 1909 Water Code, federal reserved rights, and tribal rights</li> </ul>				

# BUDGET NARRATIVE

## DIRECTOR'S OFFICE

Customers	Funding Source	Expends	Positions / FTE	Case/ Work Load
Cities; Counties; Consultants; Federal Agencies; State Agencies; Watershed Councils; Tribes; Public Interest Organizations; Legislators and Congressional Offices; General Public; Irrigation Districts and Special Districts; Conservation Groups	General Fund Other Funds	\$3.8 M	10 / 10.00	Commission meetings & actions, Contested Case hearings, Rules, Citizen Response, IWRS, Oregon Plan, Legislation, Public Records, Communications, Water Resources Development, Complex water issues.
<p>The Director's Office oversees policy-related functions affecting the entire Department and supports activities of the Water Resources Commission. In this role, the Director's Office ensures internal controls are in place to help improve performance in key program areas. The Director's Office centralizes responsibility for a number of major functions that serve the entire Department, including:</p> <ul style="list-style-type: none"> <li>• Updating and implementing the Integrated Water Resources Strategy;</li> <li>• Policy oversight of all Department contested case hearings and litigation;</li> <li>• Intergovernmental coordination &amp; representation in state/tribal negotiations;</li> <li>• Drafting, implementing &amp; coordinating agency policies, rules, and legislation;</li> <li>• Citizen response and public information services;</li> <li>• Direct support of Water Resources Commission activities;</li> <li>• Oversight of Department work groups and task forces, sustainability initiatives, and process improvement;</li> <li>• Principal contact with members of the Legislature, stakeholder groups, other state agencies, local and federal entities, as well as the public;</li> <li>• Oversee and lead water resources development efforts to meet instream and out-of-stream needs, including efforts related to place-based planning, feasibility grants, and water project grants and loans; and</li> <li>• Participation in the resolution of complex water issues.</li> </ul>				

# BUDGET NARRATIVE

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## ENVIRONMENTAL FACTORS

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Numerous environmental factors—both positive and negative—affect the Department’s ability to achieve the desired results of the agency’s plans. The Department credits its highly-skilled staff and strong working relationships with other agencies and stakeholders for the Department’s achievements. Additionally, the Department’s field staff have the technical expertise, training, and relationships with water users necessary to assist with voluntary efforts to restore streamflows. Department staff consistently facilitate water supply solutions by reducing processing backlogs, assisting with development of water management and conservation plans, and cooperatively implementing the state’s Integrated Water Resources Strategy.

On the other hand, budget constraints limit the Department’s ability to study, measure and analyze the state’s water resources. Staff resources limit the Department’s ability to protect existing water rights through regulation, to provide water resource data to the public, and to process requests for water right changes to meet new and changing water demands.

## AGENCY INITIATIVES – 2017-2019

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Oregon's Integrated Water Resources Strategy (IWRS) provides a framework for understanding and meeting Oregon's current and future instream and out-of-stream water needs. Key IWRS recommended actions focus on creating additional capacity within the Department’s existing programs to improve water management and decision-making, while also providing resources to meet future instream and out-of-stream water needs. Continued implementation of the IWRS is essential for securing Oregonian’s water future in order to support resilient economies, ecosystems, and communities.

### Helping Meet Current and Future Water Needs and Finding Solutions to Complex Water Issues

- Package 104 – Helping Communities Plan for Water Needs through Place-Based Planning (IWRS # 9a, 13a)
- Package 109 – Grants to Evaluate the Feasibility of Potential Water Projects (IWRS # 13c)
- Package 110 – Grants and Loans to Implement Water Projects (IWRS # 10e)
- Package 112 – Resolution of Complex Water Issues (IWRS # 9c)
- Package 113 – Klamath Basin Funding (IWRS # 9c)
- Package 106 – Web Information Coordinator to Increase Public Awareness and Information Sharing (IWRS # 8c)

### Supporting Water Resources Management and Permitting Decisions to Protect Existing Users and Consider the Needs of New Uses

- Package 70 – Water Rights Transactions Fee Schedule Revenue Reduction Package
- Package 100 – Water Rights Transactions Fee Schedule Increase and Add-Back Package (IWRS #13b )
- Package 101 – Understanding our Water Resources: Basin Study Team (IWRS #1a/1b)



## BUDGET NARRATIVE

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- Package 105 – Responsible Water Management and Distribution (IWRS #1b and 13b)
- Package 107 – Umatilla Field Presence
- Package 108 – Supporting Key Water Resources Data Functions and Tools (IWRS #1b/1c)
- Package 111 – Water Right Special Projects and Klamath Transactions (IWRS #13b)

### Protecting Public Safety

- Package 102 – Protecting the Public and Water Supplies: Dam Safety, Earthquakes, Fires and Floods (IWRS #7a)
- Package 103 – Protecting Groundwater Resources through Well Construction (IWRS #12a)

## CRITERIA FOR 2017-2019 BUDGET DEVELOPMENT

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The Department developed its 2017-2019 budget proposal based on the budget and legislative concept instructions provided by the Department of Administrative Services, detailing the content and format of agency budgets. The proposal is based on the Department’s mission to serve the public by practicing and promoting responsible long-term water management. This budget proposal identifies the resources necessary to carry out the Department’s co-equal goals of stewardship and supply. In addition, it focuses on implementing the statewide Integrated Water Resources Strategy and continuing to carry out the Department’s core functions.

The Department relied on the objectives, critical issues, and recommended actions identified in the state’s Integrated Water Resources Strategy (IWRS), as well as input received from staff, stakeholders, and the Water Resources Commission. As a result, the Agency Request Budget includes investments in key areas to advance our understanding of groundwater and surface water resources and meet our water resources needs to support healthy communities, ecosystems and economies. This includes proposals to continue to provide financial assistance to individuals and communities to aid in the development of water resources to meet instream and out-of-stream needs, while also focusing on maintaining and strengthening the Department’s key functions to better serve Oregonians through water distribution to protect existing water right holders, improving data used in critical water permitting and management decisions, protecting public safety, and assisting communities in addressing complex water issues.

## MAJOR INFORMATION TECHNOLOGY PROJECTS \$500,000+

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“Not Applicable”

## INFORMATION TECHNOLOGY PROJECTS \$150,000+

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“Not Applicable”

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Water Resources Dept  
Water Resources Dept  
2017-19 Biennium

Governor's Budget  
Cross Reference Number: 69000-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2015-17 Leg Adopted Budget	164	162.58	107,382,446	29,622,753	2,511,482	73,945,808	1,302,403	-	-
2015-17 Emergency Boards	1	0.67	1,880,770	1,562,811	-	308,024	9,935	-	-
<b>2015-17 Leg Approved Budget</b>	<b>165</b>	<b>163.25</b>	<b>109,263,216</b>	<b>31,185,564</b>	<b>2,511,482</b>	<b>74,253,832</b>	<b>1,312,338</b>	<b>-</b>	<b>-</b>
<b>2017-19 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(2)	(1.91)	1,985,761	1,438,644	-	537,103	10,014	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			4,799,787	-	3,521,362	1,278,425	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
<b>Subtotal 2017-19 Base Budget</b>	<b>163</b>	<b>161.34</b>	<b>116,048,764</b>	<b>32,624,208</b>	<b>6,032,844</b>	<b>76,069,360</b>	<b>1,322,352</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease			154,677	112,484	-	42,193	-	-	-
Non-PICS Personal Service Increase/(Decrease)			151,468	110,269	-	40,294	905	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>306,145</b>	<b>222,753</b>	<b>-</b>	<b>82,487</b>	<b>905</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In			-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs		(0.75)	(35,878,732)	(767,343)	-	(35,111,389)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>(0.75)</b>	<b>(35,878,732)</b>	<b>(767,343)</b>	<b>-</b>	<b>(35,111,389)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)			611,317	462,215	-	149,102	-	-	-
State Gov't & Services Charges Increase/(Decrease)			438,504	390,789	-	47,715	-	-	-

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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Water Resources Dept  
Water Resources Dept  
2017-19 Biennium

Governor's Budget  
Cross Reference Number: 69000-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	1,049,821	853,004	-	196,817	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2017-19 Current Service Level</b>	<b>163</b>	<b>160.59</b>	<b>81,525,998</b>	<b>32,932,622</b>	<b>6,032,844</b>	<b>41,237,275</b>	<b>1,323,257</b>	-	-

# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Water Resources Dept  
Water Resources Dept  
2017-19 Biennium

Governor's Budget  
Cross Reference Number: 69000-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2017-19 Current Service Level</b>	<b>163</b>	<b>160.59</b>	<b>81,525,998</b>	<b>32,932,622</b>	<b>6,032,844</b>	<b>41,237,275</b>	<b>1,323,257</b>	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	(2.50)	(375,025)	-	-	(375,025)	-	-	-
<b>Modified 2017-19 Current Service Level</b>	<b>163</b>	<b>158.09</b>	<b>81,150,973</b>	<b>32,932,622</b>	<b>6,032,844</b>	<b>40,862,250</b>	<b>1,323,257</b>	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	(5)	(4.67)	(1,913,301)	(2,305,294)	391,888	95	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(220,320)	(168,054)	-	(44,427)	(7,839)	-	-
092 - Statewide AG Adjustment	-	-	(59,726)	(57,410)	-	(2,316)	-	-	-
100 - Water Rights Fee Increase and Add-Back Package	-	2.50	375,025	-	-	375,025	-	-	-
101 - Understanding our Water Resources: Groundwater Basin St	5	4.40	1,825,042	1,825,042	-	-	-	-	-
102 - Protecting the Public and Water Supplies	1	1.00	245,222	-	-	122,612	122,610	-	-
103 - Protecting Groundwater Resources: Well Construction	-	-	39,640	-	-	39,640	-	-	-
104 - Helping Communities Plan for Water Needs through Place-E	1	1.00	203,870	203,870	-	-	-	-	-
105 - Responsible Water Management and Distribution	5	4.40	1,061,283	1,061,283	-	-	-	-	-
106 - Web Information Coordinator for Information Sharing	-	-	-	-	-	-	-	-	-
107 - Umatilla Field Presence	5	5.00	867,344	-	-	433,677	433,667	-	-
108 - Supporting Key Water Resources Data Functions and Tools	-	-	-	-	-	-	-	-	-
109 - Grants to Evaluate the Feasibility of Potential Water Projects	-	-	2,051,567	-	-	2,051,567	-	-	-
110 - Grants and Loans to Implement Water Projects	-	-	32,950,000	-	2,516,570	30,433,430	-	-	-

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BDV104 - Biennial Budget Summary  
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# BUDGET NARRATIVE

## Summary of 2017-19 Biennium Budget

Water Resources Dept  
Water Resources Dept  
2017-19 Biennium

Governor's Budget  
Cross Reference Number: 69000-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
111 - Water Right Special Projects and Klamath Transactions	-	-	-	-	-	-	-	-	-
112 - Resolution of Complex Water Issues - Placeholder	-	-	-	-	-	-	-	-	-
113 - Klamath Basin Funding	-	-	-	-	-	-	-	-	-
114 - Attorney General Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>12</b>	<b>13.63</b>	<b>37,425,646</b>	<b>559,447</b>	<b>2,908,458</b>	<b>33,409,303</b>	<b>548,438</b>	-	-
<b>Total 2017-19 Governor's Budget</b>	<b>175</b>	<b>171.72</b>	<b>118,576,619</b>	<b>33,492,069</b>	<b>8,941,302</b>	<b>74,271,553</b>	<b>1,871,695</b>	-	-
Percentage Change From 2015-17 Leg Approved Budget	6.06%	5.19%	8.52%	7.40%	256.02%	0.02%	42.62%	-	-
Percentage Change From 2017-19 Current Service Level	7.36%	8.93%	45.45%	1.70%	48.21%	80.11%	41.45%	-	-

# BUDGET NARRATIVE

## PROGRAM PRIORITIZATION FOR 2017-19

Agency Name:	Water Resources Department																		
2017-19 Biennium	Agency Number: 69000																		
Agency-Wide																			
1	2	4	5	8	9	10	12	14	15	16	17	18	19	20	21	22			
Priority (ranked with highest priority first)	Program or Activity Initials	Program Unit/Activity Description			GF	LF	OF / LF / FF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Pkgs in ARB		
Agcy	Prgm/ Div																		
1	FSD	Water Distribution – field investigations, surveys, distribution of water according to rights of record, and protection of senior water rights, both instream and out-of-stream. Staff = watermasters, region managers and other field staff in regional and field offices.			8,856,166	-	393,940	-	\$ 9,250,106	37	36.42	N		S	536, 537, 538, 540, 542		Pkg 105, 107		
2	WRSD	Water Right Transfers – processing requests for changes (i.e., leases, allocations of conserved water or transfers). Transfers can include a change in place of use, type of use, or point of diversion. Both regular and expedited processes are available. Staff = transfer staff, field water right techs			1,200,816	-	1,137,629	-	\$ 2,338,445	11	11.00	N		S	496, 537, 540, 541, 542		Pkg 070, 100		
3	TSD	Hydrologic Data Development and Analysis – measuring the physical water resources of the state, including streamflow (surface water), water levels in wells (groundwater), and reservoir elevations, (storage). Analysis includes development of groundwater studies, groundwater-surface water interaction, surface water analysis, and water availability models. Staff = hydrographers, hydrotechs, hydrologists, and hydrogeologists			6,285,327	-	3,412,455	1,323,257	\$ 11,021,039	30	30.00	N		S	536, 537, 540, 541, 542		Pkg 101, 108		
4	TSD	Public Safety in Water-Related Infrastructure – dam safety and well construction programs, start card program, development of well construction standards, well driller licensing, general enforcement. Well protections include prevention of waste, contamination, and loss of artesian pressure. Staff = dam safety inspectors, well inspectors, and enforcement staff			570,167	-	2,205,972	-	\$ 2,776,139	13	13.00	N		S	536, 537, 540		Pkg 102, 103		
5	ASD	Water Resource Conservation, Development and Solutions – Programs to assist in addressing instream and out-of-stream needs now and into the future through place based planning, conservation and efficiency, built storage, and water re-use. Staff = State Engineer, Allocation of Conserved Water, WMCP, Oregon Plan for Salmon and Watershed (Oregon Plan), and Water Development program staff.			4,124,651	-	750,265	-	\$ 4,874,916	14	13.25	N		S			Pkg 109, 110, 112, 113		
6	WRSD	Water Right Permitting – water right records and research, processing of new water right applications, permit extensions, certificates, and limited licenses. Both regular and expedited processes are available. Staff = permit & certificate writers, and protest coordinators.			1,463,912	-	2,513,079	-	\$ 3,976,991	20	20.00	N		S	536, 537, 538, 540		Pkg 070, 100, 111		
7	DO	Director's Office – Policy and legal oversight, public records requests, public information / media, tribal and intergovernmental relations, staffing the Water Resources Commission, coordinating with the Oregon Legislature, rule-making, public hearings, special projects.			2,464,578	-	6,297	-	\$ 2,470,875	6	6.00	N		S	182, 183, 184, 536, 538, 540, 541, 542		Pkg 106, 114		
8	DO	IWRS – Integrated Water Resources Strategy implementation and updates. Staff = IWRS Coordinator			335,410	-	-	-	\$ 335,410	1	1.00	N		S					
9	TSD	Water-Use Reporting – Reporting water diverted and used. Public entities and those with permit conditions are subject to public reporting requirements.			242,015	-	-	-	\$ 242,015	1	1.00	N		S					
10	WRSD	Adjudication – confirming water right claims, with the goal of legally protecting these rights in the field. Staff = adjudications staff			749,816	-	-	-	\$ 749,816	2	2.00	N		S	537, 539				
11	WRSD	Hydroelectric Program – Coordinating agency for project re-authorization and FERC licensing, review of non-FERC applications.			-	-	621,908	-	\$ 621,908	3	2.42	N		C	536, 537, 541, 543, Art XI-D	Operation of Hydroelectric Power Plants			
NR	ASD	Fiscal – Accounting, Budgeting, Human Resources, Support Services, Contracts, Facilities, front counter assistance. Includes fixed S&S costs.			3,868,175	-	877,591	-	\$ 4,745,766	11	10.50	N		C	541, Art XI-(1)	Financing of loans for water development projects			
NR	TSD	Information Systems – System administration (information technology, application developers, webmaster, risk management and firewalls, and business continuity), including water right information management and Geographic Information Systems (GIS) mapping.			2,771,589	-	787,849	-	\$ 3,559,438	14	14.00	N		S					
NR	ASD	Debt Service			-	6,032,844	2,480,290	-	\$ 8,513,134	0	0.00	N		D					
				<b>32,932,622</b>	<b>6,032,844</b>	<b>15,187,275</b>	<b>1,323,257</b>	<b>\$ 55,475,998</b>	<b>163</b>	<b>160.59</b>									

# BUDGET NARRATIVE

10% REDUCTION OPTIONS (ORS 291.216)			
ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
<b>STRIKEOUT IS A REDUCTION IN GRB</b>			
<b>1. Feasibility Study Grants</b>	0 FTE	\$350,000 — GF ● — GRB removes \$805,438	This would result in a reduction in feasibility study grants from \$805,438 a biennium to \$455,438. Local communities often find it difficult to secure feasibility study funding as part of their project development. Such studies help determine the environmental, engineering, economic, and social implications of proposed water supply projects. The Department received \$1.5 million in requests during the 2013-15 biennium, reducing the funding to \$455,438 would severely impact the ability of the grant program to meet the need for these studies.
<b>2. Cost Share</b>	0 FTE	\$50,000 — GF	Water use measurement is critical to successful management of the resource. . The cost to install weirs, flumes, meters, or other appropriate measurement devices can be significant, up to several thousand dollars for water users with multiple diversions. Many of the water users have refused to comply citing the expense of installation. This fund provides for a cost share on the expense of purchasing and installing measurement these devices. This reduction would decrease the funds available from \$107,223 to \$57,223 and result in fewer measurement devices being installed.
<b>3. Observation Wells</b>	0 FTE	\$200,000 — GF	Competition for groundwater increases every year. Accurate well location, impacts from climatic, seasonal, and groundwater development, and water level data are measured at state observation wells throughout the state and are critical to help assess Oregon's groundwater resources. These wells contribute to Oregon's long term record of groundwater data. This action would reduce the funding available for the maintenance and establishment of monitoring wells from \$486,791 to \$286,791.
<b>4. Groundwater Studies</b>	0 FTE	\$187,500 — GF	This would reduce funding from \$409,744 a biennium to \$222,244 a biennium for continued scientific study of Oregon's groundwater resources, including the quantity and location of groundwater, its relationship to surface water, and how much is available for use. At one time the Department's budget for this activity was \$1.2 million, and the state used these funds to leverage Federal dollars in a one to one cost share.
<b>5. Gaging Stations</b>	0 FTE	\$120,000 — GF	The Water Resources Department operates more than 200 stream and reservoir gages throughout the state, maintaining a 100 year record for many of them. This network of stream gages is important in both the management of Oregon's surface water and groundwater resources. It is used by a variety of organizations for making daily decisions, protecting and monitoring instream flows, forecasting floods, designing infrastructure such as bridges and culverts, planning for recreational activities, understanding how much water is available for new uses, and tracking long term trends such as climate change and drought. This action reduces funding for the installation of new gaging stations and maintenance of existing stations from \$256,346 to \$136,346.

# BUDGET NARRATIVE

10% REDUCTION OPTIONS (ORS 291.216)			
ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
<b>STRIKEOUT IS A REDUCTION IN GRB</b>			
<b>6. Regional Customer Service and Office Support</b>	.42 FTE	\$32,918 — GF	This would eliminate a regional support staff resulting in a dramatic slowing of the Department's ability to provide timely customer service. This position assists the public on the phone and as office walk ins, and many times is the only staff in the office during the summer months when other staff are in the field responding to water use regulation. The Department's ability to respond to requests in a timely manner will be severely curtailed.
<b>7. Regional Customer Service and Office Support</b>	1 FTE	\$139,780 — GF	This would eliminate a regional support staff resulting in a dramatic slowing of the Department's ability to provide timely customer service. Potential land sales could also be hampered by the lack of response from the Department, related to water rights issues and water well information. This position assists the public on the phone and with office walk ins, and many times is the only staff in the office during the summer months when other staff are in the field responding to water use regulation. This will lead to reduced hours that the office will be open to the public during the busy summer regulation season, when people need a lot of assistance. The Department's ability to respond to requests in a timely manner will be severely curtailed.
<b>8. Oregon Plan for Salmon and Watersheds Activities</b>	1 FTE	\$195,944 — GF	This would eliminate the agency's participation in Oregon Plan activities including being a member of the OWEB application review team. These activities include processing fish friendly water right transfers, mapping water rights, and collecting streamflow data in support of Oregon Plan efforts. This position is responsible for data base management of the Significant Diversion Inventory which tracks progress on installation of measuring devices, and coordinates progress and prepares reports on Pacific Coast Salmon Restoration Fund activities. Two similar positions removed in 2009. These are the last two positions for this activity.
<b>9. Oregon Plan for Salmon and Watersheds Activities</b>	1 FTE	\$195,944 — GF	This would eliminate the agency's participation in Oregon Plan activities including being a member of the OWEB application review team. These activities include processing fish friendly water right transfers, mapping water rights, and collecting streamflow data in support of Oregon Plan efforts. This position is responsible for data base management of the Significant Diversion Inventory which tracks progress on installation of measuring devices, and coordinates progress and prepares reports on Pacific Coast Salmon Restoration Fund activities. Two similar positions removed in 2009. These are the last two positions for this activity.
<b>10. Water Right Extension Processor — Adjudication</b>	1 FTE	\$150,014 GF	Elimination of this position jeopardizes the Department's ability to begin new adjudication proceedings in unadjudicated basins. Once begun, proceedings will be significantly delayed by having fewer staff to support the adjudication activity. This position also provides support to the Department of Justice who will be working on the Klamath Adjudication as it makes its way through the Klamath County Circuit Court over the next several years. Not being able to support the DOJ activity will result in the DOJ having to do their own research and drafting which is less efficient and more expensive.



# BUDGET NARRATIVE

10% REDUCTION OPTIONS (ORS 291.216)			
ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
<b>STRIKEOUT IS A REDUCTION IN GRB</b>			
<b>11. Water Right Application Processor</b>	1 FTE	\$150,014-OF	Without funding for an ISWR processor, these applications would be processed by the existing staff, resulting in a slow-down, and resulting negative economic impact, to those applicants who are waiting for their applications to be processed. Currently, applicants submit about 200 water right applications in a given year. The number of ISWR applications that might be filed in the 2013-15 biennium are unknown. The position also assists with the processing of pending instream water right protests and the processing of other, non-instream, water right applications. The elimination of this position would have a negative impact on the processing of water right applications.
<b>12. Well Inspector</b>	1 FTE	\$150,014-OF	Elimination of this position jeopardizes the Department's ability to protect Oregon's groundwater resources. This position provides onsite inspection of well construction for the prevention of well contamination, waste of groundwater and loss of artesian pressure. This position works closely with the well drilling community and the public in providing the technical information necessary to meet Oregon Well Construction Standards. • Eliminating this position would significantly reduce the Department's ability to protect Oregon's groundwater resources in the south central region of the state; which includes Deschutes, Klamath and Lake counties.
<b>13. Well Inspector</b>	1 FTE	\$144,936-OF	Elimination of this position jeopardizes the Department's ability to protect Oregon's groundwater resources. This position provides onsite inspection of well construction for the prevention of well contamination, waste of groundwater and loss of artesian pressure. This position works closely with the well drilling community and the public in providing the technical information necessary to meet Oregon Well Construction Standards. • Eliminating this position would significantly reduce the Department's ability to protect Oregon's groundwater resources in the northwest region of the state; which includes Lane, Linn, Benton, Marion, Clackamas, Multnomah, Lincoln, Polk, Yamhill, Tillamook, Clatsop, Washington and Columbia counties.
<b>14. Division Support</b>	0.75 FTE <del>0.25 FTE</del>	\$114,596 - OF <del>\$35,418 - GF</del>	The AS2 is solely responsible for the implementation of several programs. This includes administering the yearly dam safety fee and providing customer service to owners of all low, significant, and high hazard dams in Oregon. As the lead staff responsible for website maintenance, this position fixes broken links and posts information on-line. This position is also the only one amongst 45 TSD staff members authorized to arrange travel and order office supplies. This AS2 provides administrative support to the Division administrator, five TSD managers, and the entire Division.

# BUDGET NARRATIVE

10% REDUCTION OPTIONS (ORS 291.216)			
ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
<b>STRIKEOUT IS A REDUCTION IN GRB</b>			
<b>15. Water Right Certificate Processing Support</b>	1 FTE	\$104,136-OF	This would eliminate the position that supports water right processing activities in the Water Right Services Division. These duties include preparing files for new water right and transfer applications, scanning submitted materials into the Department's public access database, obtaining files for senior staff work and the general support of division activities. • The Department would spread these duties amongst other support and technical staff in the work unit, causing inefficiencies in the certificate section and other water right related work areas. If and when the current slowdown of new water right applications and transfer filings ends, this position will be needed to keep up with higher activity levels.
<del><b>16. Division Executive Support</b></del>	<del>1 FTE</del>	<del>\$164,862 -GF</del>	<del>The Director's Office is responsible for implementing the policies established by the Commission and providing guidance, leadership and accountability to the entire agency. This position provides administrative support to members of the Director's Office and the Department's management team, ensuring that important projects receive administrative assistance and coordination from the Director's Office. Elimination of this position reduces the administrative capacity of the Director's Office to address day to day and longer term programmatic issues of importance.</del>
<b>17. Water Development Grant Coordinator</b>	1 FTE	\$212,135-GF	This position is responsible for the day-to-day coordination of the Water Development Grant and Loan program. This program provides funding for water resources projects, such as conservation, reuse, and storage projects, to meet instream and out-of-stream water needs to benefit agriculture, cities, industry, and fisheries. This position is the point of contact for applicants, conducting pre-application meetings and representing the program. This position also reviews grant applications with an inter-agency review team to score and evaluate the proposals, review and evaluate public comments on proposals, and develop and present funding recommendations to the Water Resources Commission. Elimination of this position would significantly impact the Department's ability to coordinate with applicants and sister agencies to ensure that the most qualified proposals are funded. It would also hamper the Department's ability to manage and track existing grants that have been awarded.
<b>18. Water Rights Data Tech 1</b>	1 FTE	\$126,333 - GF	Data Tech 1 - This position is primarily focused around updating and fixing errors with legacy water right data. Losing this position will drastically compromise the section's ability to proactively fix errors in WRIS data. This will have a negative impact on the agency's ability to use WRIS data for regulation and interference research.
<b>19. Hydrogeologist</b>	1 FTE	\$150,014-GF	Competition for groundwater increases every year, in every part of the state. This position is one of two recently approved by the Oregon Legislature to analyze groundwater systems, respond to reports of interference among users, provide for the long-term sustainable use of groundwater, assess the opportunity for new uses, and collect and enter information into a central data base that can be accessed through the Department web site. Elimination of this position would increase the Department's backlog in terms of data collection and sharing, and permit review and processing.

# BUDGET NARRATIVE

10% REDUCTION OPTIONS (ORS 291.216)			
ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
<b>STRIKEOUT IS A REDUCTION IN GRB</b>			
<b>20. Regional Transfer Application Processor</b>	1 FTE	\$167,945-GF	This eliminates one of two field-based transfer application processors. These positions provide field assistance to water right holders looking to make changes to their water rights including a change of place of use or point of diversion. Work transferred to the Salem staff would eliminate this field assistance and result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is approximately one year on average.
<b>21. Regional Transfer Application Processor</b>	1 FTE	\$195,944-OF	This eliminates one of two field-based transfer application processors. These positions provide field assistance to water right holders looking to make changes to their water rights including a change of place of use or point of diversion. Work transferred to the Salem staff would eliminate this field assistance and result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is approximately one year on average.
<b>22. Water Right Application Processor</b>	1 FTE	\$174,295-OF	This would eliminate one water right application processor, significantly slowing review times, which impairs the Department's ability to meet statutory timeframes, slowing economic activity associated with new water withdrawals. The process is designed by law to take eight months for each application, and we are not meeting this timeframe in most instances. Such a staffing reduction could literally add months to the process.
<b>23. Water Right Certificate Processing Support</b>	1 FTE	\$126,333-OF	This would eliminate the position that supports the certificate issuance activity. Water Rights Certificates are the final step in the process of obtaining a water right. A certificate is necessary before a water right holder can transfer a water right on a temporary or permanent basis. The Department has approximately 2,100 claims of beneficial use pending; these claims are awaiting final certification. The Department receives approximately 200 claims each year and can process about 600 per year with existing staff. As a result, the Department has a backlog of approximately 5 years in its certificate program. A certificate generally increases the property value because it confirms that a water right exists. The Department would spread these duties amongst other support and technical staff in the work unit, causing inefficiencies in the certificate section and other water right related work areas.
<b>24. Microcomputer and Network Support (Eastern Oregon)</b>	1 FTE	\$209,357-GF	This position is responsible for computer support for the east side of the state and management of satellite-based safety equipment for field staff (personnel tracking devices). This would eliminate the only computer and technology support for the Department's North Central, South Central and Eastern Oregon field offices, technical support for more than 40 staff members. Elimination of this position would significantly reduce the staff's ability to use computers, conduct regular computer training, and keep software systems operational for internal and public use. This will have a resulting negative effect on the staff members' ability to complete their work. Elimination of this position would impair the Department's field safety program developed to protect staff working with hostile people or in remote locations outside of cell phone communication.

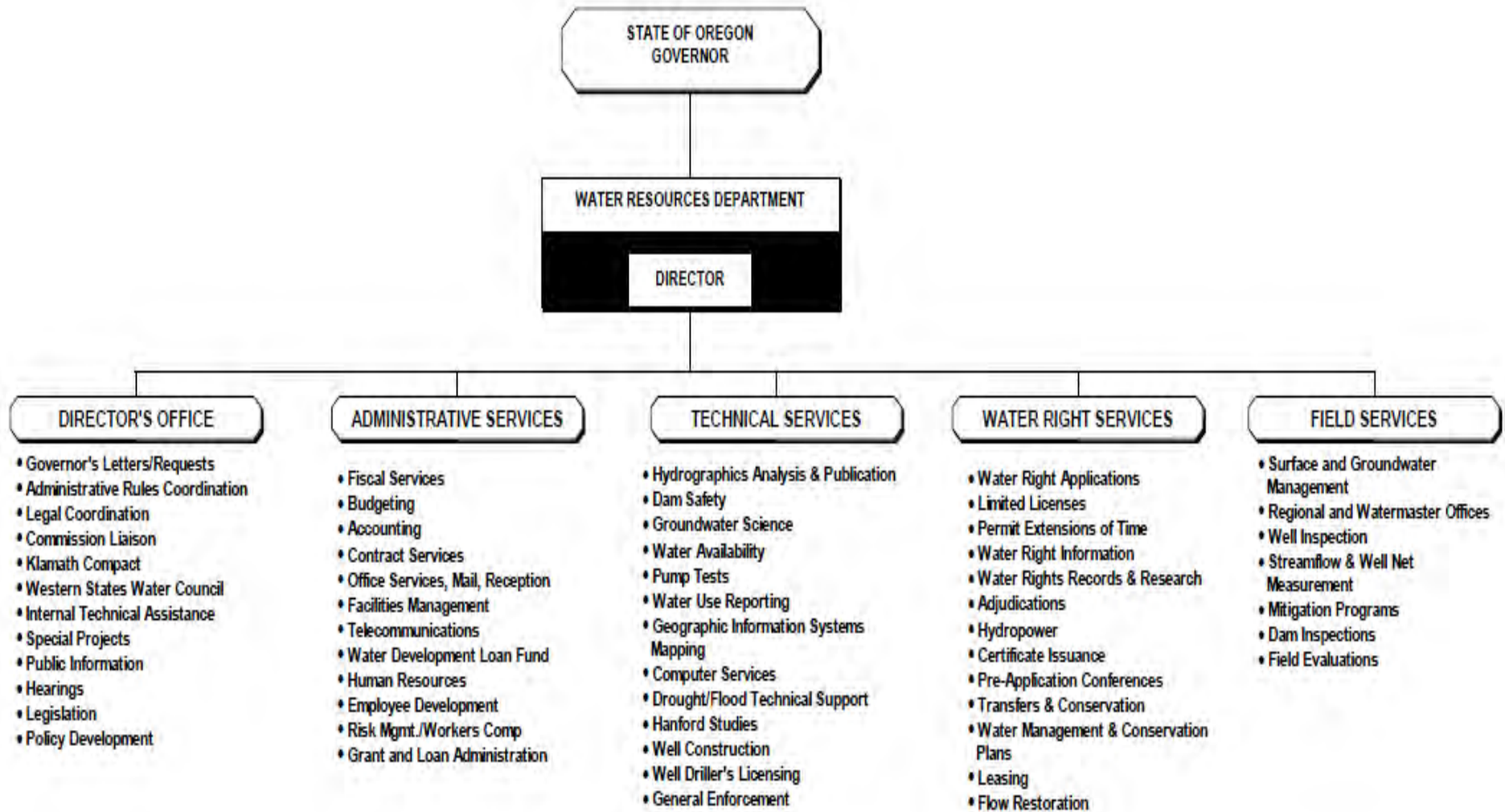
# BUDGET NARRATIVE

10% REDUCTION OPTIONS (ORS 291.216)			
ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT / FUND TYPE	RANK AND JUSTIFICATION
<b>STRIKEOUT IS A REDUCTION IN GRB</b>			
<b>25. Professional Engineer 1</b>	1 FTE	\$246,389-GF	This PE1 position is the only permanent engineering support available to the State's Water Resources Engineer and Dam Safety Program (the other position in this program is limited duration). Loss of this PE1 would mean the State Engineer has no ability to transfer institutional knowledge about the state of Oregon dams, information about their hazard ratings, safety conditions, or follow-up actions. This engineering position is currently the only one in the agency with the ability to perform hydraulic modeling of dams and reservoirs, necessary for analysis of source water, reservoir operations, holding capacity, and releases.
<b>26. Business Applications Developer</b>	1 FTE	\$189,540 - GF	ISS5 - Loss of the ISS5 programmer position will reduce our ability to implement and automate new applications (such as field address research for regulation notifications, groundwater data migration and integration, water use reporting improvements, and other applications.) Lack of this developer would cause line staff to develop their own caches of data which are not integrated, are duplicative efforts, and are not visible to the public or other staff. Application maintenance and updates may be delayed or impede new projects. When we last had a reduction in budget, we found that developments and improvements in technology became doubly important.
<b>27. Water Right Measurement Analyst</b>	1 FTE	\$220,948 - GF	Water-use reporting NRS3 – The Agency will not be able to provide adequate customer service or to ensure compliance from those entities with reporting requirements. Consequently, reporting compliance that is now over 75 percent is very likely to return to levels seen in the past (26 percent), when this position has been eliminated.
<b>28. Water Right Application Processor</b>	0.5 FTE	\$75,007 - OF	This would eliminate one water right application processor, significantly slowing review times, which impairs the Department's ability to meet statutory timeframes, slowing economic activity associated with new water withdrawals. • The process is designed by law to take eight months for each application, and we are not meeting this timeframe in most instances. Such a staffing reduction could literally add months to the process.
<b>Totals</b>		\$3,345,041 GF  \$1,235,275 OF	

\*\*\* Governor's Budget also reduces \$27,466 GF from Water Rights Services Division Services and Supplies.

# BUDGET NARRATIVE

## 2017-19 ORGANIZATION CHART



# BUDGET NARRATIVE

## Water Resources Dept

Agency Number: 69000

Agencywide Program Unit Summary  
2017-19 Biennium

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
010-01-00-00000	<b>Administrative Services</b>						
	General Fund	4,017,872	4,520,713	4,568,712	7,398,755	4,361,048	-
	Lottery Funds	571,605	2,511,482	2,511,482	6,032,844	8,549,414	-
	Other Funds	2,981,803	31,660,963	31,672,461	1,060,918	59,855,354	-
	All Funds	7,571,280	38,693,158	38,752,655	14,492,517	72,765,816	-
010-03-00-00000	<b>Field Services</b>						
	General Fund	9,488,863	10,306,519	10,619,300	12,713,905	11,735,033	-
	Lottery Funds	-	-	-	-	391,888	-
	Other Funds	1,241,467	1,923,289	1,970,799	2,300,726	2,628,550	-
	Federal Funds	69,834	161,619	171,554	616,140	616,052	-
	All Funds	10,800,164	12,391,427	12,761,653	15,630,771	15,371,523	-
010-04-00-00000	<b>Technical Services</b>						
	General Fund	7,588,095	8,081,678	9,051,846	11,166,181	9,954,693	-
	Other Funds	2,600,659	4,491,391	4,600,074	5,029,658	5,009,365	-
	Federal Funds	571,348	1,140,784	1,140,784	1,263,394	1,255,643	-
	All Funds	10,760,102	13,713,853	14,792,704	17,459,233	16,219,701	-
010-06-00-00000	<b>Water Rights and Adjudications</b>						
	General Fund	3,438,480	3,619,912	3,748,327	4,064,322	3,675,148	-
	Other Funds	2,850,435	3,898,269	4,032,825	4,301,204	4,292,168	-
	All Funds	6,288,915	7,518,181	7,781,152	8,365,526	7,967,316	-

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Agencywide Program Unit Summary - BPR010



# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

Agencywide Program Unit Summary  
2017-19 Biennium

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
010-07-00-00000	<b>Director's Office</b>						
	General Fund	2,669,081	3,093,931	3,197,379	9,411,284	3,766,147	-
	Other Funds	241,506	5,580	11,357	96,850	5,826	-
	All Funds	2,910,587	3,099,511	3,208,736	9,508,134	3,771,973	-
020-00-00-00000	<b>Water Development Loan Program</b>						
	Other Funds	81,102	31,966,316	31,966,316	35,697,638	2,480,290	-
<b>TOTAL AGENCY</b>							
	General Fund	27,202,391	29,622,753	31,185,564	44,754,447	33,492,069	-
	Lottery Funds	571,605	2,511,482	2,511,482	6,032,844	8,941,302	-
	Other Funds	9,996,972	73,945,808	74,253,832	48,486,994	74,271,553	-
	Federal Funds	641,182	1,302,403	1,312,338	1,879,534	1,871,695	-
	All Funds	38,412,150	107,382,446	109,263,216	101,153,819	118,576,619	-

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# BUDGET NARRATIVE

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# BUDGET NARRATIVE

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## REVENUES

### REVENUE DISCUSSION

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#### SOURCES

The Department receives funding from four primary funding sources: the General Fund; Other Funds; Lottery Funds and Federal Funds. The General Fund provides the largest portion of that funding. The Other Funds component comes from fee revenue and various contracts for work performed. Lottery Funds are transferred in from the Department of Administrative Services to pay Debt Service obligations, and Federal Funds are generally received through FEMA, Bureau of Reclamation (BOR) and other federal agencies.

#### GENERAL LIMITATIONS

Specific limitations on the use of revenue are determined by contract or statute.

Well Start Card fees are limited to costs associated with the construction and inspection of new wells and a limited amount of related administrative expenses. Statute prescribes spending percentages as follows: administrative costs – not more than 5%; technical costs - not more than 20%; and field costs – not less than 75%.

Hydroelectric fees are used to finance the related processing and monitoring of hydroelectric projects. Funds are disbursed through interagency transfer to the Department of Fish and Wildlife (60% in 2015-17) and the Department of Environmental Quality (26% in 2015-17). The remaining funds are used for the Water Resources Department portion of the operation of the Hydroelectric Program.

Water Right fees are collected and used to support the activities associated with the processing and administration of water rights.

Exempt Use Well fees are collected and used for the purposes of evaluating groundwater supplies, conducting groundwater studies, carrying out groundwater monitoring, and processing groundwater data.

Geotechnical Hole fees are collected and used for activities related to geotechnical duties, functions and powers of the Department.

All fees, charges, payments and interest received by the Water Development Loan Program are dedicated to that program.

# BUDGET NARRATIVE

## BASIS OF ESTIMATES

Estimates for other funds are based on projected activity in each of the fee areas. In addition to fee revenue, an estimate is made with regard to potential funding opportunities that could be available to the Department from other agencies and public entities. All estimates are developed and applied against current law.

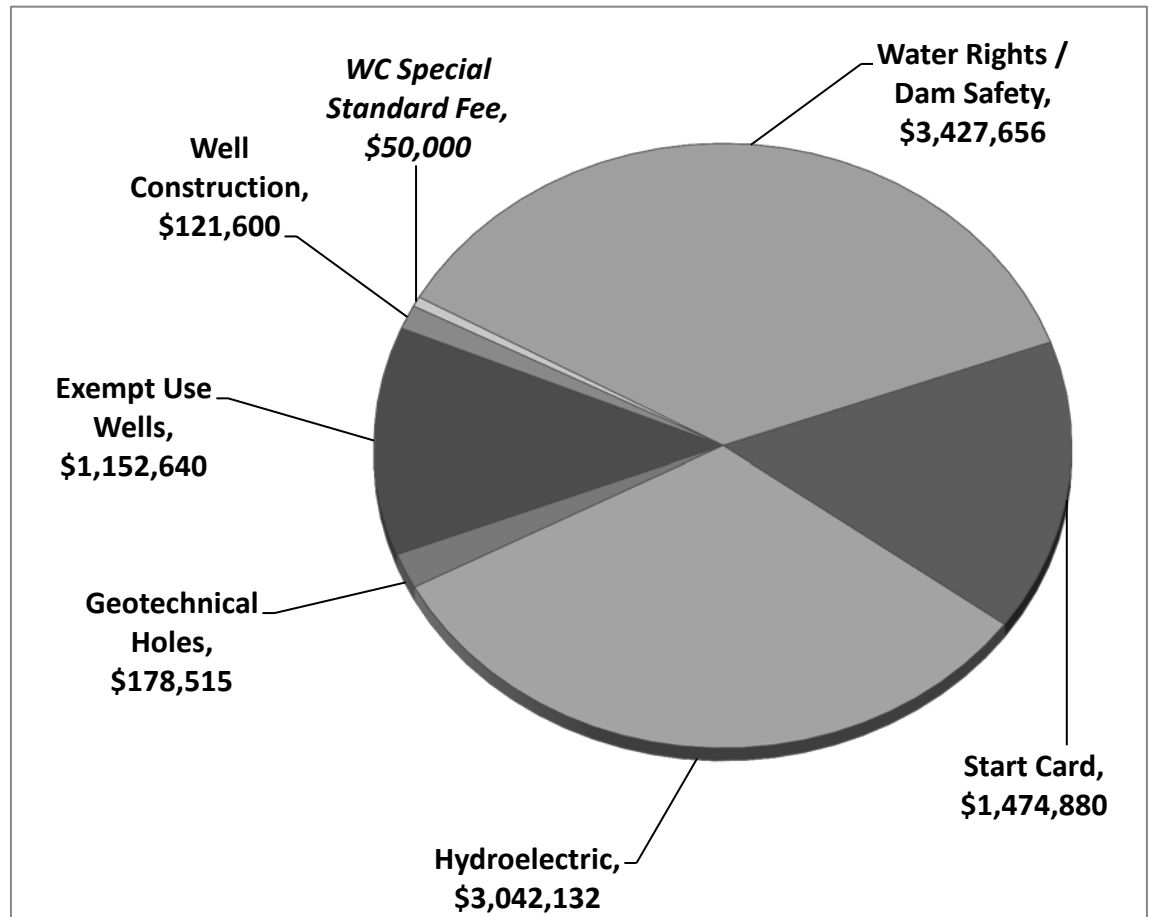
## FEE DETAIL

Fees compose a portion of the Department's revenue. The chart to the right details those fees that are included in the revenue category: Power and Water Fees. \$9,447,423 is forecast for 2017-19.

## NEW REVENUE SOURCES OR INCREASES

The Department's has legislative concepts and budget packages that propose to increase fees and establish new fees as outlined below:

1. Fee Schedule Increase and Add-Back Package- In 2013, the Legislature set a fee schedule for water rights transactions and dam safety fees, which reverts back to 2009 levels in July of 2017. In addition, the Department of Administrative Services estimates that the costs of doing business will increase by approximately 15.88 percent averaged over the next two biennia. The Department's fee schedule is typically set for four years. The Department is proposing to increase these existing fees by approximately 15.88 percent above the current fee level. [See budget packages 70 and 100].
2. Landowner Permit Application Fee Increase - Property owners are allowed to construct their own wells by submitting an application, bond, and design plan to the Department for approval along with a \$25 fee. These requests require a thorough Department review, a pre-construction consultation and site visit, on-site inspector supervision during casing seal placement, a final well inspection when all work is completed, and assistance with any required forms or reports. Increasing the fee for Landowner Permit Applications from \$25 to \$500 to better capture costs associated with the processing of the application. [See budget package 103].



## BUDGET NARRATIVE

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3. Well Construction Special Standard Fee (New Fee) - When well constructors need a variance to the well construction standards to install, alter, or abandon a well, they must request a special standard. Reviewing, researching, and processing special standard requests can involve time-consuming, technical procedures that can take days or weeks to complete. This would establish a fee to assist with the costs of processing these requests. The fee would be \$100 for a request involving one well, and \$200 for a request involving two or more wells. [See budget package 103].

The 2017-19 Governor's Recommended Budget includes these new fee proposals.

# BUDGET NARRATIVE

## Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2009-11 Estimated	2017-19		
						Agency Request	Governor's Budget	Legislatively Adopted
Non-Business Lic and Fees	OF	0210	1,000	-	-	-	-	
Power and Water Fees	OF	0245	8,190,588	8,085,138	-	9,447,423	9,447,423	
Charges for Services	OF	0410	1,963,635	2,203,870	-	1,680,102	1,680,102	
Admin and Service Charges	OF	0415	-	-	-	-	-	
Fines and Forfeitures	OF	0505	6,051	-	-	-	-	
Dedicated Fund Obligation Bond	OF	0560	-	30,520,000	-	30,433,430	-	
Lottery Bonds	OF	0565	8,761,164	21,440,889	-	-	32,484,997	
Revenue Bonds	OF	0570	2,296,497	-	-	-	-	
Interest Income	OF	0605	74,087	200	-	2,103	2,103	
Sales Income	OF	0705	332	-	-	-	-	
Loan Repayments	OF	0925	47,586	1,201,865	-	4,996,860	2,480,290	
Other Revenues	OF/FF	0975	7,967	2,635,000	-	3,240,486	3,507,836	
Federal Funds	FF	0995	670,370	1,302,403	-	1,879,534	1,871,695	
<b>Total Revenue</b>			<b>22,019,277</b>	<b>67,389,365</b>	-	<b>51,679,938</b>	<b>51,474,446</b>	-
Transfer In - Intrafund	OF	1010	1,988,873	1,471,811	-	1,909,701	1,909,701	
Transfer from General Fund	OF	1060	100,000	-	-	-	-	
Transfer In - Lottery	LF	1040	-	-	-	-	-	
Transfer in from Admin Serv	OF/LF	1107	572,362	2,508,367	-	6,032,844	8,546,234	
Transfer In from State Lands	OF	1141	-	-	-	157,999	67,444	
Transfer from Watershed Enhance Bd	OF/LF	1691	128,000	144,640	-	158,670	550,558	
Transfer Out - Intrafund	OF	2010	(1,984,735)	(1,471,811)	-	(1,909,701)	(1,909,701)	
Transfer to General Fund	OF	2060	(6,832)	-	-	-	-	
Tsfr to Environmental Quality	OF	2340	(582,330)	(764,806)	-	(681,921)	(681,921)	
Tsfr to Parks and Rec	OF	2634	(765,833)	-	-	-	-	
Tsfr To Fish and Wildlife	OF	2635	(1,765,884)	(1,787,635)	-	(1,847,549)	(1,847,549)	
<b>Total Transfers</b>			<b>(2,316,379)</b>	<b>100,566</b>	-	<b>3,820,043</b>	<b>6,634,766</b>	-
<b>Net Revenue</b>			<b>19,702,898</b>	<b>67,489,931</b>	-	<b>55,499,981</b>	<b>58,109,212</b>	-

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
2017-19 Biennium

Agency Number: 69000

Cross Reference Number: 69000-000-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Lottery Funds</b>						
Interest Income	1,567	-	-	-	-	-
Transfer In - Intrafund	32,351	-	-	-	-	-
Tsfr From Administrative Svcs	572,362	2,508,367	2,508,367	6,032,844	8,546,234	-
Tsfr From Watershed Enhance Bd	-	-	-	-	391,888	-
Transfer Out - Intrafund	(32,351)	-	-	-	-	-
<b>Total Lottery Funds</b>	<b>\$573,929</b>	<b>\$2,508,367</b>	<b>\$2,508,367</b>	<b>\$6,032,844</b>	<b>\$8,938,122</b>	<b>-</b>
<b>Other Funds</b>						
Non-business Lic. and Fees	1,000	-	-	-	-	-
Power and Water Fees	8,190,588	8,085,138	8,085,138	9,447,423	9,447,423	-
Charges for Services	1,958,768	2,203,870	2,203,870	1,680,102	1,680,102	-
Fines and Forfeitures	6,051	-	-	-	-	-
Rents and Royalties	4,867	-	-	-	-	-
Dedicated Fund Oblig Bonds	-	30,520,000	30,520,000	30,433,430	-	-
Lottery Bonds	8,761,164	21,440,889	21,440,889	-	32,484,997	-
Interest Income	72,506	200	200	2,103	2,103	-
Sales Income	332	-	-	-	-	-
Loan Repayments	47,586	1,201,865	1,201,865	4,996,860	2,480,290	-
Other Revenues	7,967	2,635,000	2,652,275	3,240,486	3,507,836	-
Transfer In - Intrafund	1,928,961	1,471,811	1,471,811	1,909,701	1,909,701	-
Transfer from General Fund	100,000	-	-	-	-	-
Tsfr From Lands, Dept of State	-	-	-	157,999	67,444	-
Tsfr From Watershed Enhance Bd	128,000	144,640	144,640	158,670	158,670	-
Transfer Out - Intrafund	(1,925,287)	(1,471,811)	(1,471,811)	(1,909,701)	(1,909,701)	-
Transfer to General Fund	(6,832)	-	-	-	-	-

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# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
2017-19 Biennium

Agency Number: 69000

Cross Reference Number: 69000-000-00-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Tsfr To Administrative Svcs	(765,833)	-	-	-	-	-
Tsfr To Environmental Quality	(582,330)	(764,806)	(764,806)	(681,921)	(681,921)	-
Tsfr To Fish/Wildlife, Dept of	(1,765,884)	(1,787,635)	(1,787,635)	(1,847,549)	(1,847,549)	-
<b>Total Other Funds</b>	<b>\$16,161,624</b>	<b>\$63,679,161</b>	<b>\$63,696,436</b>	<b>\$47,587,603</b>	<b>\$47,299,395</b>	-
<b>Federal Funds</b>						
Federal Funds	674,508	1,302,403	1,312,338	1,879,534	1,871,695	-
Transfer In - Intrafund	463	-	-	-	-	-
Transfer Out - Intrafund	(4,138)	-	-	-	-	-
<b>Total Federal Funds</b>	<b>\$670,833</b>	<b>\$1,302,403</b>	<b>\$1,312,338</b>	<b>\$1,879,534</b>	<b>\$1,871,695</b>	-
<b>Nonlimited Other Funds</b>						
Refunding Bonds	2,296,497	-	-	-	-	-
Interest Income	14	-	-	-	-	-
Transfer In - Intrafund	27,098	-	-	-	-	-
Transfer Out - Intrafund	(27,097)	-	-	-	-	-
<b>Total Nonlimited Other Funds</b>	<b>\$2,296,512</b>	-	-	-	-	-

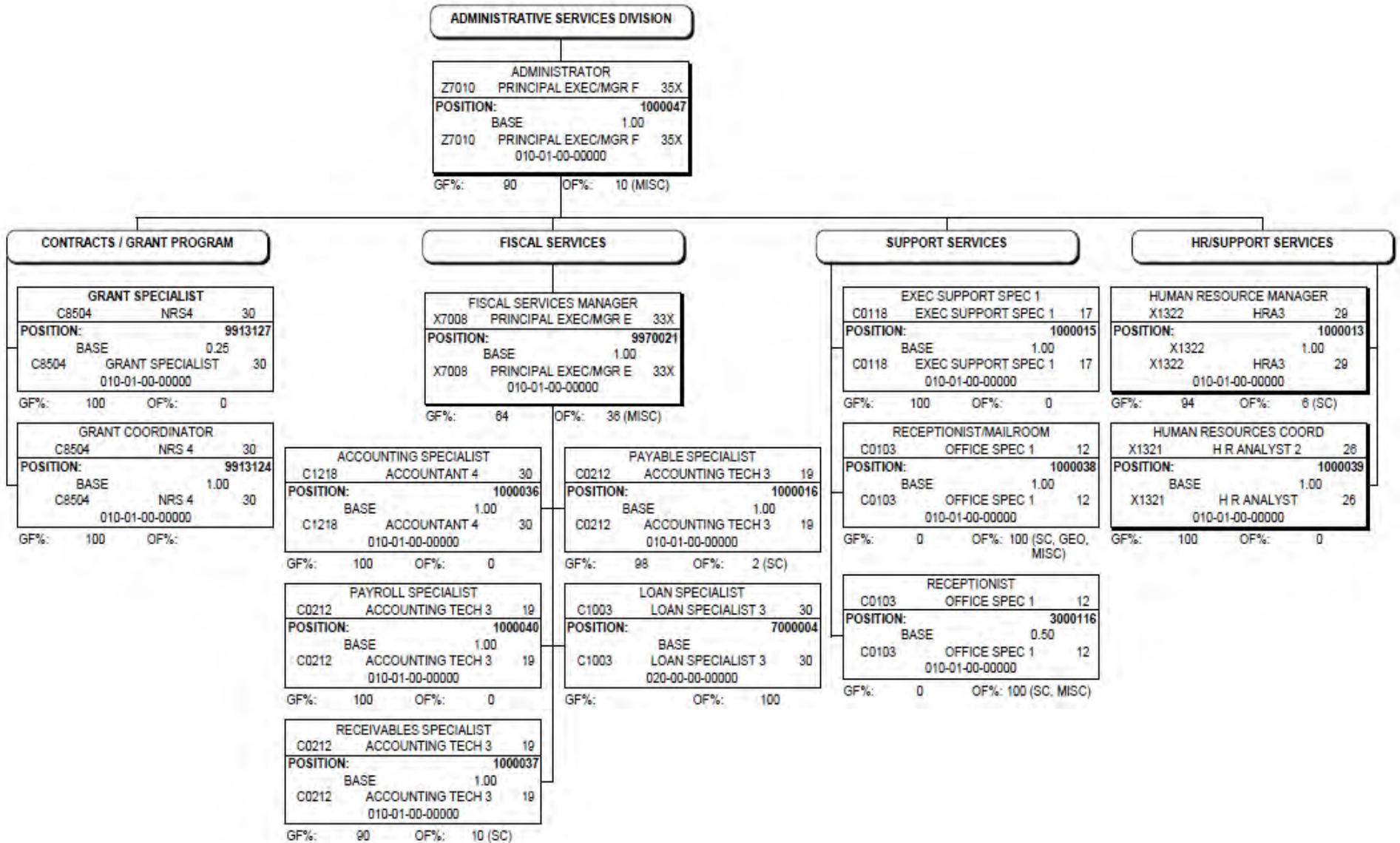
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# BUDGET NARRATIVE

## ADMINISTRATIVE SERVICES



# BUDGET NARRATIVE

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## ADMINISTRATIVE SERVICES

The Administrative Services Division provides business and administrative services to the Department in support of the agency's mission. Division responsibilities include budget preparation and execution, human resource services, accounting and internal control, payroll and benefits, contracting, facilities management, risk management, training, reception and mail-room support services, transportation coordination, and telecommunication administration. The Division is divided into four sections: Water Resources Development Grants and Loan, Human Resources, Fiscal Services, and Business Services.

Program Contact: Lisa Snyder  
(503) 986-0921

## PROGRAM FUNDING REQUEST

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Water Resources proposes an additional \$2.1 million General Fund and \$33 million Other Funds and Lottery Funds primary for grants and loans to help communities evaluate the feasibility of water projects and implement water supply projects, as well as provide assistance to solutions to water challenges in the Klamath Basin.

The Administrative Services Division has 13 staff providing a variety of administrative functions with a General Fund budget during the 2015-2017 biennium at \$4.6 million. In addition, the Division has a budget of \$34.2 million in Other Funds and Lottery Bond Funds, which are primarily for grants and loans for feasibility studies and water resources development projects.

## PROGRAM DESCRIPTION

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### HUMAN RESOURCES

The Human Resources Section provides hiring, training, safety, and other human resources services to promote integrity, diversity, and respect. A professional, empowered workforce is vital for the Department to achieve its goals and provide quality services. The Section's customers include everyone from the general public to managers and front-line employees in field offices located throughout Oregon. The Section strives to ensure that all aspects of human resources services are handled timely, accurately, and courteously.

The Section's responsibilities include the maintenance of the official personnel files, including inserting and removing documents as necessary under law. The Section generates reports on affirmative action, risk management and workers compensation. The Section also maintains and posts the required legal notices in all Water Resources Department offices located throughout Oregon.



## **BUDGET NARRATIVE**

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The Human Resources Section is responsible for updating the Department's affirmative action plan, which values and embraces diversity. The affirmative action goals set by the Department are monitored by this Section as recruitments and training are considered.

The Section is also responsible for providing Department managers with human resources advice. In addition to providing guidance to management, the Section counsels staff regarding career opportunities. The Section also carries out Department-wide progressive discipline as necessary.

Risk Management activities are also coordinated in this Section. The Section works with SAIF on workers compensation claims, provides ergonomic assessments, and coordinates telecommuting and return-to-work programs.

The Human Resources Section provides many of the above-referenced services to the Oregon Watershed Enhancement Board (OWEB) under a contractual agreement.

## **FISCAL SERVICES**

The Fiscal Services Section's primary responsibility is accounting, including accounts payable, accounts receivable, and general ledger. The Section establishes and monitors internal controls related to safeguarding State and Department assets and is responsible for the development and preparation of the Department's Statewide Financial Report (SFR), which is combined with other agencies' SFRs to complete the Comprehensive Annual Financial Report for the State. The Section has been continuously recognized as a "Gold Star" contributor to the SFR since 1993.

Other responsibilities of the Fiscal Service Section include payroll and benefits coordination, contract administration, and budget tracking. Payroll and benefits are coordinated for Department staff, including open enrollment. The Section's contract administration functions ensure that the Department complies with statewide contracting rules and policy.

The Section's budget tracking responsibilities include filing allotment reports with DAS. Other Section responsibilities include travel coordination, key card access, telecommunication management, and facilities administration for the agency.

The Fiscal Services Section also provides many of the above-mentioned services for the Oregon Watershed Enhancement Board (OWEB). The Section supports OWEB with general fiscal counsel, providing guidance on accounting and fiscal policy matters. The Section maintains accounts payable, accounts receivable, general accounting, and SFR and SWARM reporting for OWEB. Additionally, the Section processes OWEB's payroll, maintains benefits coordination, and enters the allotment.

Biennially, the Section creates, inputs, and reconciles in excess of 100,000 accounting entries, which include over 30,000 accounts payable entries, 65,000 payroll entries, and 8,000 accounts receivable or receipt entries. The Section maintains files and controls for 300 contracts and agreements, including reimbursement authority contracts and agreements.

# BUDGET NARRATIVE

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## BUSINESS SERVICES

The Business Services Section is responsible for the Department's biennial budget and the coordination of general agency support.

Duties include the preparation and execution of the Biennial Budget including monthly revenue and expenditure monitoring, contract monitoring, and management of the allotment.

Support Services staff provide mail processing, production copying, reception service and inventory control. They are an important part of the Department's internal control system to safeguard the assets received through the mail. During a typical year, the Support Services staff process approximately 50,000 pieces of mail and over 9,000 receipts. These staff also provide reception services, assisting walk-in customers as well as directing callers through the central phone system to the appropriate technical staff.

## WATER RESOURCES DEVELOPMENT PROGRAM

Identifying water supply options to meet both instream and out-of-stream water needs is essential for healthy economies, communities and ecosystems. The Water Resources Development Program staff are an inter-divisional team housed in three Divisions that are focused on providing technical and financial assistance to help communities meet their instream and out-of-stream water needs. These efforts include financial and technical support for communities to engage in place-based planning to understand water needs and identify potential solutions, grants for feasibility studies to assess the viability of implementing a project idea, and finally grants and loans to actually implement projects. The Administrative Services Division includes Water Resources Development Program Staff that are focused on grant and loan administration.

*Feasibility Study Grants.* Local communities often find it difficult to secure funding for feasibility studies to determine if a project is viable and will help meet a water need. These studies help evaluate the environmental, engineering, economic, and social implications of proposed water projects. In 2008, the Oregon Legislature established Water Conservation, Reuse and Storage Feasibility Study Grants to cover up to 50% of the cost of such studies for water conservation, reuse, and storage projects. The Department has awarded approximately \$4.8 million in feasibility study grants since 2008.

*Water Project Grants and Loans.* SB 839 (2013) established a Water Supply Development Account and the Water Project Grants and Loans funding opportunity to invest in water projects with economic, environmental, and social/cultural benefits. This funding opportunity furthers Oregon's Integrated Water Resources Strategy by helping implement projects that meet current and future water supply needs. The Department awarded approximately \$8.9 million in grants for water projects in its inaugural funding cycle in 2016.

## PROGRAM JUSTIFICATION

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The Administrative Services Division provides the foundational support for other agency staff in accomplishing the mission and goals of the Department, as well as implementing the State's Integrated Water Resources Strategy. The administrative functions of this program area support

## **BUDGET NARRATIVE**

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timely and efficient payment for services and supplies and accurate payroll processing, as well as customer service support for technical staff. This section is also essential to administering grant and loan programs to help Oregonians meet their water resources needs.

## **PROGRAM PERFORMANCE**

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The Administrative Services Division is responsible for providing the Department's business and administrative services, including accounting, payroll, contracting, facilities management and mailroom support services.

## **SHARED SERVICES**

In October of 2014, discussions around a Human Resources and Payroll shared services model began between the Department, the Oregon Watershed Enhancement Board, Department of State Lands, Oregon Housing and Community Services, Oregon Department of Energy, and Department of Land Conservation and Development. The concept was promoted and supported by the State's Enterprise Leadership Team and its Improving Government Steering Team, with a goal of establishing projects for administrative savings and efficiencies.

A team made up of Human Resource and Payroll staff representing each agency met over the course of 10 months to develop concepts and a course of direction for this proposed project. As a result, it was recommended to transition the payroll functions into a centralized work team (ultimately to be located in the Department's Administrative Services Division), while maintaining the human resource presence in each agency. The overall vision for this structure was to build a quality partnership between the agencies to utilize the human resource (HR) and payroll staff effectively and efficiently in a collaborative manner to support the agencies. The objectives included: improving efficiency and effectiveness in the work HR performs, broadening the knowledge base to respond to changing human resource and payroll laws, establishing best practices, and providing backup for HR and payroll staff on leave. To date, the project serves 450 FTE in four different agencies employing 2.0 Payroll Specialists.

# BUDGET NARRATIVE

## TIMELY PAYMENT

The Division is required to pay invoices in a timely manner. These invoices are for supplies, licenses and data, services, inter-agency contracts, and more. State agencies have 45 days to pay an invoice prior to the assessment of interest for late payment. As shown in the table, a sampling of more than 4,000 invoices paid during each annual period since 2007, shows that the Department exceeds the target, paying 100 percent of invoices in less than 15 days in recent years.

<b>Payment Timeliness</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
5 days	74%	66%	72%	75%	91%	83%	91%	89%	95%
5-10 days	17%	17%	16%	14%	4%	12%	8%	10%	5%
10-15 days	3%	10%	7%	10%	4%	4%	1%	1%	0%
15-20 days	2%	2%	2%	1%	2%	1%	0%	0%	0%
20-30 days	2%	4%	3%	0%	0%	1%	0%	0%	0%
30-45 days	1%	0%	1%	0%	0%	0%	0%	0%	0%
> 45 days	0%	0%	0%	0%	0%	0%	0%	0%	0%
% within 30 days	99%	100%	99%	100%	100%	100%	100%	100%	100%
% within 15 days	95%	94%	94%	99%	98%	98%	100%	100%	100%

## ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The Water Conservation, Reuse and Storage Grant Program is governed by ORS 541.561. The Water Supply Development Account is authorized by ORS 541.651.

## FUNDING STREAMS

General Fund is the primary funding source that is used to provide administrative services to the Department. Funding for the Water Conservation, Reuse and Storage Grant Program has come from General Fund and Lottery Bonds in the past. For the 2017-2019 biennium, a combination of General Fund and Lottery Bonds are proposed. In addition, Lottery Bonds are proposed for the Water Project Grants and Loans.

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	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2015-17 Legislatively Adopted Budget	4,520,713	31,660,963	2,511,482	-	38,693,158
2015-17 Emergency Boards	47,999	11,498	-	-	59,497
2015-17 Legislatively Approved Budget	4,568,712	31,672,461	2,511,482	-	38,752,655
2017-19 Base Budget	4,957,287	31,677,966	6,032,844	-	42,668,097
2017-19 Current Service Level	5,250,889	27,110,918	6,032,844	-	38,394,651
Total Packages	(889,841)	32,744,436	2,516,570	-	34,371,165
2017-19 Governor's Recommended Budget	4,361,048	59,855,354	8,549,414	-	72,765,816

# BUDGET NARRATIVE

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## ADMINISTRATIVE SERVICES DIVISION ESSENTIAL AND STATEWIDE PACKAGES

### 010 – Vacancy Factor and Non-PICS Personal Services

This package contains adjustments to the base budget as directed in the 2017-19 Budget Instructions. These changes include changes to the Vacancy Savings Factor, the non-PICS generated Personal Services inflation adjustments and the Pension Obligation Bonds calculations supplied to Agencies by the Department of Administrative Services Chief Financial Office.

### 020 – Costs of Phased In/Phased Out Programs and One Time Costs

This package removes funding that was intended as one time funding from the 2015-17 biennium.

### 030 – Inflation and Price List Adjustments

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2017-2019 Budget Instructions. General inflation was calculated using a factor of 3.7% while a rate of 4.1% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2017-19 price lists.

### 090 – Analyst Adjustments

This package includes adjustments and reductions taken in the Governor's Recommended Budget.

### 091 – Statewide Adjustment DAS Charges

This package includes reductions to State Government Services Charges to account for reductions made to the Department of Administrative Services (DAS) in the Governor's Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Gross Reference Name: Administrative Services  
Gross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	26,572	-	-	-	-	-	26,572
Transfer In - Intrafund	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$26,572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$26,572</b>
<b>Personal Services</b>							
Temporary Appointments	-	-	-	-	-	-	-
Overtime Payments	-	-	-	-	-	-	-
Shift Differential	-	-	-	-	-	-	-
All Other Differential	77	-	-	-	-	-	77
Public Employees' Retire Cont	15	-	-	-	-	-	15
Pension Obligation Bond	16,766	-	286	-	-	-	17,052
Social Security Taxes	6	-	-	-	-	-	6
Unemployment Assessments	45	-	-	-	-	-	45
Mass Transit Tax	1,455	-	46	-	-	-	1,501
Vacancy Savings	8,208	-	1,700	-	-	-	9,908
<b>Total Personal Services</b>	<b>\$26,572</b>	<b>-</b>	<b>\$2,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$28,604</b>
<b>Total Expenditures</b>							
Total Expenditures	26,572	-	2,032	-	-	-	28,604
<b>Total Expenditures</b>	<b>\$26,572</b>	<b>-</b>	<b>\$2,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$28,604</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Administrative Services  
 Cross Reference Number: 69000-010-01-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	(2,032)	-	-	-	(2,032)
<b>Total Ending Balance</b>	-	-	<b>(\$2,032)</b>	-	-	-	<b>(\$2,032)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 022 - Phase-out Pgm & One-time Costs

Gross Reference Name: Administrative Services  
Gross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(167,343)	-	-	-	-	-	(167,343)
Lottery Bonds	-	-	(9,200,500)	-	-	-	(9,200,500)
<b>Total Revenues</b>	<b>(\$167,343)</b>	<b>-</b>	<b>(\$9,200,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$9,367,843)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	(110,988)	-	-	-	-	-	(110,988)
Public Employees' Retire Cont	(14,528)	-	-	-	-	-	(14,528)
Social Security Taxes	(8,491)	-	-	-	-	-	(8,491)
Flexible Benefits	(33,336)	-	-	-	-	-	(33,336)
<b>Total Personal Services</b>	<b>(\$167,343)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$167,343)</b>
<b>Services &amp; Supplies</b>							
Other Services and Supplies	-	-	(440,889)	-	-	-	(440,889)
<b>Total Services &amp; Supplies</b>	<b>-</b>	<b>-</b>	<b>(\$440,889)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$440,889)</b>
<b>Special Payments</b>							
Other Special Payments	-	-	(4,150,500)	-	-	-	(4,150,500)
<b>Total Special Payments</b>	<b>-</b>	<b>-</b>	<b>(\$4,150,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,150,500)</b>
<b>Total Expenditures</b>							
Total Expenditures	(167,343)	-	(4,591,389)	-	-	-	(4,758,732)
<b>Total Expenditures</b>	<b>(\$167,343)</b>	<b>-</b>	<b>(\$4,591,389)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,758,732)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 022 - Phase-out Pgm & One-time Costs

Gross Reference Name: Administrative Services  
Gross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(167,343)	-	-	-	-	-	(167,343)
Lottery Bonds	-	-	(9,200,500)	-	-	-	(9,200,500)
<b>Total Revenues</b>	<b>(\$167,343)</b>	<b>-</b>	<b>(\$9,200,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$9,367,843)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	(110,988)	-	-	-	-	-	(110,988)
Public Employees' Retire Cont	(14,528)	-	-	-	-	-	(14,528)
Social Security Taxes	(8,491)	-	-	-	-	-	(8,491)
Flexible Benefits	(33,336)	-	-	-	-	-	(33,336)
<b>Total Personal Services</b>	<b>(\$167,343)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$167,343)</b>
<b>Services &amp; Supplies</b>							
Other Services and Supplies	-	-	(440,889)	-	-	-	(440,889)
<b>Total Services &amp; Supplies</b>	<b>-</b>	<b>-</b>	<b>(\$440,889)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$440,889)</b>
<b>Special Payments</b>							
Other Special Payments	-	-	(4,150,500)	-	-	-	(4,150,500)
<b>Total Special Payments</b>	<b>-</b>	<b>-</b>	<b>(\$4,150,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,150,500)</b>
<b>Total Expenditures</b>							
Total Expenditures	(167,343)	-	(4,591,389)	-	-	-	(4,758,732)
<b>Total Expenditures</b>	<b>(\$167,343)</b>	<b>-</b>	<b>(\$4,591,389)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,758,732)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 022 - Phase-out Pgm & One-time Costs

Gross Reference Name: Administrative Services  
Gross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	(4,609,111)	-	-	-	(4,609,111)
<b>Total Ending Balance</b>	-	-	<b>(\$4,609,111)</b>	-	-	-	<b>(\$4,609,111)</b>
<b>Total FTE</b>							
Total FTE							(0.75)
<b>Total FTE</b>	-	-	-	-	-	-	<b>(0.75)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Administrative Services  
Cross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	412,798	-	-	-	-	-	412,798
<b>Total Revenues</b>	<b>\$412,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$412,798</b>
<b>Services &amp; Supplies</b>							
Instate Travel	343	-	-	-	-	-	343
Out of State Travel	11	-	-	-	-	-	11
Employee Training	206	-	85	-	-	-	291
Office Expenses	4,844	-	3,542	-	-	-	8,386
Telecommunications	1,219	-	91	-	-	-	1,310
State Gov. Service Charges	291,069	-	720	-	-	-	291,789
Data Processing	33	-	91	-	-	-	124
Publicity and Publications	4	-	-	-	-	-	4
Professional Services	-	-	4	-	-	-	4
Attorney General	-	-	-	-	-	-	-
Dues and Subscriptions	4	-	-	-	-	-	4
Facilities Rental and Taxes	85,253	-	6,747	-	-	-	92,000
Facilities Maintenance	7	-	-	-	-	-	7
Other Services and Supplies	1,026	-	10,978	-	-	-	12,004
Expendable Prop 250 - 5000	22	-	-	-	-	-	22
IT Expendable Property	130	-	-	-	-	-	130
<b>Total Services &amp; Supplies</b>	<b>\$384,171</b>	<b>-</b>	<b>\$22,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$406,429</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Administrative Services  
Cross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Office Furniture and Fixtures	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Payments</b>							
Dist to Other Gov Unit	-	-	-	-	-	-	-
Other Special Payments	28,627	-	-	-	-	-	28,627
<b>Total Special Payments</b>	<b>\$28,627</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$28,627</b>
<b>Total Expenditures</b>							
Total Expenditures	412,798	-	22,258	-	-	-	435,056
<b>Total Expenditures</b>	<b>\$412,798</b>	<b>-</b>	<b>\$22,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$435,056</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(22,258)	-	-	-	(22,258)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$22,258)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$22,258)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Administrative Services  
Cross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	21,575	-	-	-	-	-	21,575
<b>Total Revenues</b>	<b>\$21,575</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$21,575</b>
<b>Services &amp; Supplies</b>							
Instate Travel	532	-	51	-	-	-	583
Telecommunications	5,186	-	-	-	-	-	5,186
State Gov. Service Charges	-	-	-	-	-	-	-
Other Services and Supplies	12,762	-	-	-	-	-	12,762
<b>Total Services &amp; Supplies</b>	<b>\$18,480</b>	<b>-</b>	<b>\$51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$18,531</b>
<b>Capital Outlay</b>							
Office Furniture and Fixtures	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Payments</b>							
Other Special Payments	3,095	-	-	-	-	-	3,095
<b>Total Special Payments</b>	<b>\$3,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$3,095</b>
<b>Total Expenditures</b>							
Total Expenditures	21,575	-	51	-	-	-	21,626
<b>Total Expenditures</b>	<b>\$21,575</b>	<b>-</b>	<b>\$51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$21,626</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Administrative Services  
Cross Reference Number: 69000-010-01-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	(51)	-	-	-	(51)
<b>Total Ending Balance</b>	-	-	<b>(\$51)</b>	-	-	-	<b>(\$51)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Administrative Services  
Cross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Special Payments</b>							
Other Special Payments	(805,438)	-	-	-	-	-	(805,438)
<b>Total Special Payments</b>	<b>(\$805,438)</b>	-	-	-	-	-	<b>(\$805,438)</b>
<b>Total Expenditures</b>							
Total Expenditures	(805,438)	-	267,348	-	-	-	(538,090)
<b>Total Expenditures</b>	<b>(\$805,438)</b>	-	<b>\$267,348</b>	-	-	-	<b>(\$538,090)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	-
<b>Total FTE</b>	-	-	-	-	-	-	-

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Legislatively Adopted  
Essential and Policy Package Fiscal Impact Summary - BPR013



# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDPPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:69000 DEPT OF WATER RESOURCES  
 SUMMARY XREF:010-01-00 Administrative Services

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM  
 PACKAGE: 090 - Analyst Adjustments

2017-19  
 PICS SYSTEM: BUDGET PREPARATION  
 PAGE  
 PROD FILE

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
7000004	OAS C1003 AP	LOAN SPECIALIST 3	1	1.00	24.00	09	7,462.00		179,088			179,088
									70,605			70,605
TOTAL PICS SALARY									179,088			179,088
TOTAL PICS OPE									70,605			70,605
TOTAL PICS PERSONAL SERVICES =			1	1.00	24.00				249,693			249,693

\*Package 090 moved position, FTE and funds from DCR 020-00-00000 (WDLP) however only the funds were credited to DCR 010-01-00000 (Administrative Services) not the position or FTE.

# BUDGET NARRATIVE

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## **Pkg 106 – Web Information Coordinator to Increase Public Awareness and Information Sharing**

See Package 106 in the Directors Office

### **Revenue Source:**

Other Funds (Transfer in Intrafund)	\$67,444
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This package as requested in the Agency Request Budget is included in the Governor's Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 106 - Web Information Coordinator for Information Sharing

Cross Reference Name: Administrative Services  
 Cross Reference Number: 69000-010-01-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	67,444	-	-	-	67,444
<b>Total Revenues</b>	-	-	<b>\$67,444</b>	-	-	-	<b>\$67,444</b>
<b>Ending Balance</b>							
Ending Balance	-	-	67,444	-	-	-	67,444
<b>Total Ending Balance</b>	-	-	<b>\$67,444</b>	-	-	-	<b>\$67,444</b>

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### Pkg 109 – Grants to Evaluate the Feasibility of Potential Water Projects

# BUDGET NARRATIVE

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**Purpose:** While water demand is increasing for both instream and out-of-stream needs, Oregon is facing increasingly scarce water supplies. To adequately meet Oregon's diverse water demands now and into the future, Oregonians must use their water wisely and efficiently. That means looking more closely at innovative water conservation and reuse projects and environmentally sound storage projects. The costs of the numerous feasibility studies and environmental analyses that must be conducted before a project can even begin can add up to hundreds of thousands of dollars, presenting a considerable and often insurmountable barrier to projects moving forward. To meet this challenge, the Oregon Legislature in 2008 established the Water Conservation, Reuse and Storage Grant program (SB 1069), which provides grants for feasibility study work. There continues to be a strong demand for these grants, and it is expected that this demand will increase as the State focuses on providing a secure water future for both instream and out-of-stream needs.

The Water Conservation, Reuse, and Storage Grant program has been consistently funded over the past several biennium; however, proportionate staffing resources to manage the program has been a challenge, with only 0.25 FTE (permanent) currently authorized. In 2015, the legislature authorized an additional .75 FTE Limited Duration. Having this program fully funded has allowed for the Department to increase and improve outreach efforts to potential applicants, as well as begin to assess and make improvements. The Department would like to conduct a more in-depth review of the program in the future, but will not have the capacity to do this without continued funding of a full-time staff position.

This request implements the 2012 Integrated Water Resources Strategy's Recommended Action 13c, which identifies the need to provide communities with funding to help evaluate the feasibility of water conservation, storage, and reuse projects. Meeting instream and out-of-stream water needs through water conservation, reuse and storage projects is critical to the economy of Oregon, and for healthy watersheds, fish and wildlife, and recreation.

**How Achieved:** There is currently over \$800,000 General Fund in the Department's base budget for grant awards in the Water Conservation, Reuse and Storage Grant program. Two million dollars in General Fund is requested, which would make \$2.8 million available for grants. In addition, this request would increase the FTE for grants administration from .25 FTE to 1 FTE using General Fund. This would extend an existing limited duration position that is necessary for proper oversight of the program.

**Quantifying Results:** This competitive grant program requires a dollar-for-dollar match, allowing state funds to be leveraged and ensuring that only serious applicants apply. In addition to awarding and managing the grants, continued funding of 1 FTE for this program would allow for further work to be conducted in evaluating and improving the program, as well as conducting outreach to potential applicants across Oregon.

# BUDGET NARRATIVE

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**Staffing Impact:**

9917125	OA C8503 AA	Nat Res Spec 3	Grant Specialist	PF	-0.75 FTE
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**Revenue Source:**

General Fund

\$2,147,866

The Governor's Recommended Budget includes \$2,051,567 in Lottery Bonds for grants to assess the feasibility of developing water conservation, reuse or storage projects.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 109 - Grants to Evaluate the Feasibility of Potential Water Projects

Cross Reference Name: Administrative Services  
Cross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
Lottery Bonds	-	-	2,051,567	-	-	-	2,051,567
<b>Total Revenues</b>	-	-	<b>\$2,051,567</b>	-	-	-	<b>\$2,051,567</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Other Services and Supplies	-	-	51,567	-	-	-	51,567
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	<b>\$51,567</b>	-	-	-	<b>\$51,567</b>
<b>Special Payments</b>							
Other Special Payments	-	-	2,000,000	-	-	-	2,000,000
<b>Total Special Payments</b>	-	-	<b>\$2,000,000</b>	-	-	-	<b>\$2,000,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,051,567	-	-	-	2,051,567
<b>Total Expenditures</b>	-	-	<b>\$2,051,567</b>	-	-	-	<b>\$2,051,567</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 109 - Grants to Evaluate the Feasibility of Potential Water Projects

Gross Reference Name: Administrative Services  
 Gross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE							-
<b>Total FTE</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

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## Pkg 110 – Grants and Loans to Implement Water Projects

**Purpose:** Most of the surface water resources in Oregon are fully allocated during the summer months, requiring individuals and communities seeking new supplies to turn to other tools such as water conservation, reuse, storage, and other mechanisms to meet instream and out-of-stream needs. Challenges in meeting current and future demands are exacerbated by a changing climate, which will alter snowpack, temperatures, and the hydrology of many streams throughout Oregon. This will affect the availability and quality of water, as well as increase the incidence of droughts.

To meet Oregon’s current and future water needs, the state will need to partner with individuals and communities to implement water resources projects. This package proposes funding to implement water projects, utilizing the Water Supply Development Account (SB 839 – 2013) to provide loans and grants for water resources development projects that have economic, environmental and community benefits. Previously, the Legislature authorized funding in lottery revenue bonds of \$8 million for projects and 2.25? million for studies (bonds issued in spring of 2015), as well as \$6.25 million that will be issued in the spring of 2017. To date, demand has far exceeded the amount of funding available. Per the statute, funding decisions are to occur once annually. For the 2016 application cycle alone, 37 funding requests were received seeking nearly \$51 million. The Commission awarded funding to the top nine projects, totaling \$8,891,118, leaving \$5,108,882 for the 2017 funding cycle. The Department anticipates that requests will far exceed the amount available for the 2017 cycle.

Recapitalization of the grant and loan fund is necessary to continue to advance the state’s ability to assist with the development of water resources projects to provide access to new water supplies for instream and out-of-stream uses in Oregon. Investing in water resources projects furthers a number of recommended actions in the Integrated Water Resources Strategy aimed at: authorizing and funding a water supply development program (#10e); improving access to built storage (#10b); improving water use efficiency and water conservation (#10a); encouraging water reuse (#10c); and determining and protecting flows needed to support instream needs (#3a and #11b).

**How Achieved:** This request would recapitalize the Water Supply Development Account with \$30 million in order to support water project that provide economic, environmental, and social benefits to meet Oregon’s instream and out-of-stream water needs.

**Quantifying Results:** The long-term goal is to increase the quantity of water available to meet instream and out-of-stream needs as a result of funded projects. The development of new water supplies will further economic growth and healthy ecosystems by providing water to meet the needs of agriculture, fish and wildlife, industries, recreation, and municipalities.

**Staffing Impact:** No Staffing Proposed.

**Revenue Source:**

Water Project Grants and Loans - \$30 million Lottery Bonds (Other Funds), Cost of Issuance and Debt Service \$2,950,000 Other Funds.



# BUDGET NARRATIVE

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This package as requested in the Agency Request Budget is included in the Governor’s Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 110 - Grants and Loans to Implement Water Projects

Gross Reference Name: Administrative Services  
Gross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Lottery Bonds	-	-	30,433,430	-	-	-	30,433,430
Tsfr From Administrative Svcs	-	2,516,570	-	-	-	-	2,516,570
<b>Total Revenues</b>	-	<b>\$2,516,570</b>	<b>\$30,433,430</b>	-	-	-	<b>\$32,950,000</b>
<b>Services &amp; Supplies</b>							
Other Services and Supplies	-	-	433,430	-	-	-	433,430
<b>Total Services &amp; Supplies</b>	-	-	<b>\$433,430</b>	-	-	-	<b>\$433,430</b>
<b>Special Payments</b>							
Loans Made - Other	-	-	-	-	-	-	-
Other Special Payments	-	-	30,000,000	-	-	-	30,000,000
<b>Total Special Payments</b>	-	-	<b>\$30,000,000</b>	-	-	-	<b>\$30,000,000</b>
<b>Debt Service</b>							
Principal - Bonds	-	1,210,000	-	-	-	-	1,210,000
Interest - Bonds	-	1,306,570	-	-	-	-	1,306,570
<b>Total Debt Service</b>	-	<b>\$2,516,570</b>	-	-	-	-	<b>\$2,516,570</b>
<b>Total Expenditures</b>							
Total Expenditures	-	2,516,570	30,433,430	-	-	-	32,950,000
<b>Total Expenditures</b>	-	<b>\$2,516,570</b>	<b>\$30,433,430</b>	-	-	-	<b>\$32,950,000</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 110 - Grants and Loans to Implement Water Projects

Gross Reference Name: Administrative Services  
 Gross Reference Number: 69000-010-01-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2009-11 Estimated	2017-19		
						Agency Request	Governor's Budget	Legislatively Adopted
Non-Business Lic and Fees	OF	0210	-	-	-	-	-	
Power and Water Fees	OF	0245	-	-	-	-	-	
Charges for Services	OF	0410	5,033	160,000	-	123,336	123,336	
Admin and Service Charges	OF	0415	-	-	-	-	-	
Fines and Forfeitures	OF	0505	6,051	-	-	-	-	
Dedicated Fund Obligation Bond	OF	0560	-	-	-	-	-	
Lottery Bonds	OF	0565	8,761,164	21,440,889	-	-	32,484,997	
Revenue Bonds	OF	0570	2,296,497	-	-	-	-	
Interest Income	OF	0605	33,928	-	-	-	-	
Sales Income	OF	0705	332	-	-	-	-	
Loan Repayments	OF	0925	-	-	-	-	-	
Other Revenues	OF/FF	0975	-	385,000	-	440,026	707,374	
Federal Funds	FF	0995	-	-	-	-	-	
<b>Total Revenue</b>			<b>11,103,005</b>	<b>21,985,889</b>	-	<b>563,362</b>	<b>33,315,707</b>	-
Transfer In - Intrafund	OF	1010	271,950	104,986	-	210,181	210,181	
Transfer from General Fund	OF	1060	-	-	-	-	-	
Transfer In - Lottery	LF	1040	-	-	-	-	-	
Transfer in from Admin Serv	OF/LF	1107	572,362	2,508,367	-	6,032,844	8,546,234	
Transfer In from State Lands	OF	1141	-	-	-	-	-	
Transfer from Watershed Enhance Bd	OF/LF	1691	128,000	144,640	-	158,670	158,670	
Transfer Out - Intrafund	OF	2010	(147,837)	(31,034)	-	(254,732)	(254,732)	
Transfer to General Fund	OF	2060	(6,832)	-	-	-	-	
Tsfr to Environmental Quality	OF	2340	-	-	-	-	-	
Tsfr to Parks and Rec	OF	2634	(765,833)	-	-	-	-	
Tsfr To Fish and Wildlife	OF	2635	-	-	-	-	-	
<b>Total Transfers</b>			<b>51,810</b>	<b>2,726,959</b>	-	<b>6,146,963</b>	<b>8,660,353</b>	-
<b>Net Revenue</b>			<b>11,154,815</b>	<b>24,712,848</b>	-	<b>6,710,325</b>	<b>41,976,060</b>	-

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
2017-19 Biennium

Agency Number: 69000  
Cross Reference Number: 69000-010-01-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Lottery Funds</b>						
Interest Income	1,587	-	-	-	-	-
Transfer In - Intrafund	32,351	-	-	-	-	-
Tsfr From Administrative Svcs	572,362	2,508,367	2,508,367	6,032,844	8,546,234	-
Transfer Out - Intrafund	(32,351)	-	-	-	-	-
<b>Total Lottery Funds</b>	<b>\$573,929</b>	<b>\$2,508,367</b>	<b>\$2,508,367</b>	<b>\$6,032,844</b>	<b>\$8,546,234</b>	<b>-</b>
<b>Other Funds</b>						
Charges for Services	5,033	160,000	160,000	123,336	123,336	-
Fines and Forfeitures	6,051	-	-	-	-	-
Lottery Bonds	8,761,164	21,440,889	21,440,889	-	32,484,997	-
Interest Income	32,347	-	-	-	-	-
Sales Income	332	-	-	-	-	-
Other Revenues	-	385,000	396,498	440,026	707,374	-
Transfer In - Intrafund	212,501	104,986	104,986	210,181	210,181	-
Tsfr From Watershed Enhance Bd	128,000	144,640	144,640	158,670	158,670	-
Transfer Out - Intrafund	(88,389)	(31,034)	(31,034)	(254,732)	(254,732)	-
Transfer to General Fund	(6,832)	-	-	-	-	-
Tsfr To Administrative Svcs	(785,833)	-	-	-	-	-
<b>Total Other Funds</b>	<b>\$8,284,374</b>	<b>\$22,204,481</b>	<b>\$22,215,979</b>	<b>\$677,481</b>	<b>\$33,429,826</b>	<b>-</b>
<b>Nonlimited Other Funds</b>						
Refunding Bonds	2,296,497	-	-	-	-	-
Interest Income	14	-	-	-	-	-
Transfer In - Intrafund	27,098	-	-	-	-	-
Transfer Out - Intrafund	(27,097)	-	-	-	-	-
<b>Total Nonlimited Other Funds</b>	<b>\$2,296,512</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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Detail of LF, OF, and FF Revenues - BPR012

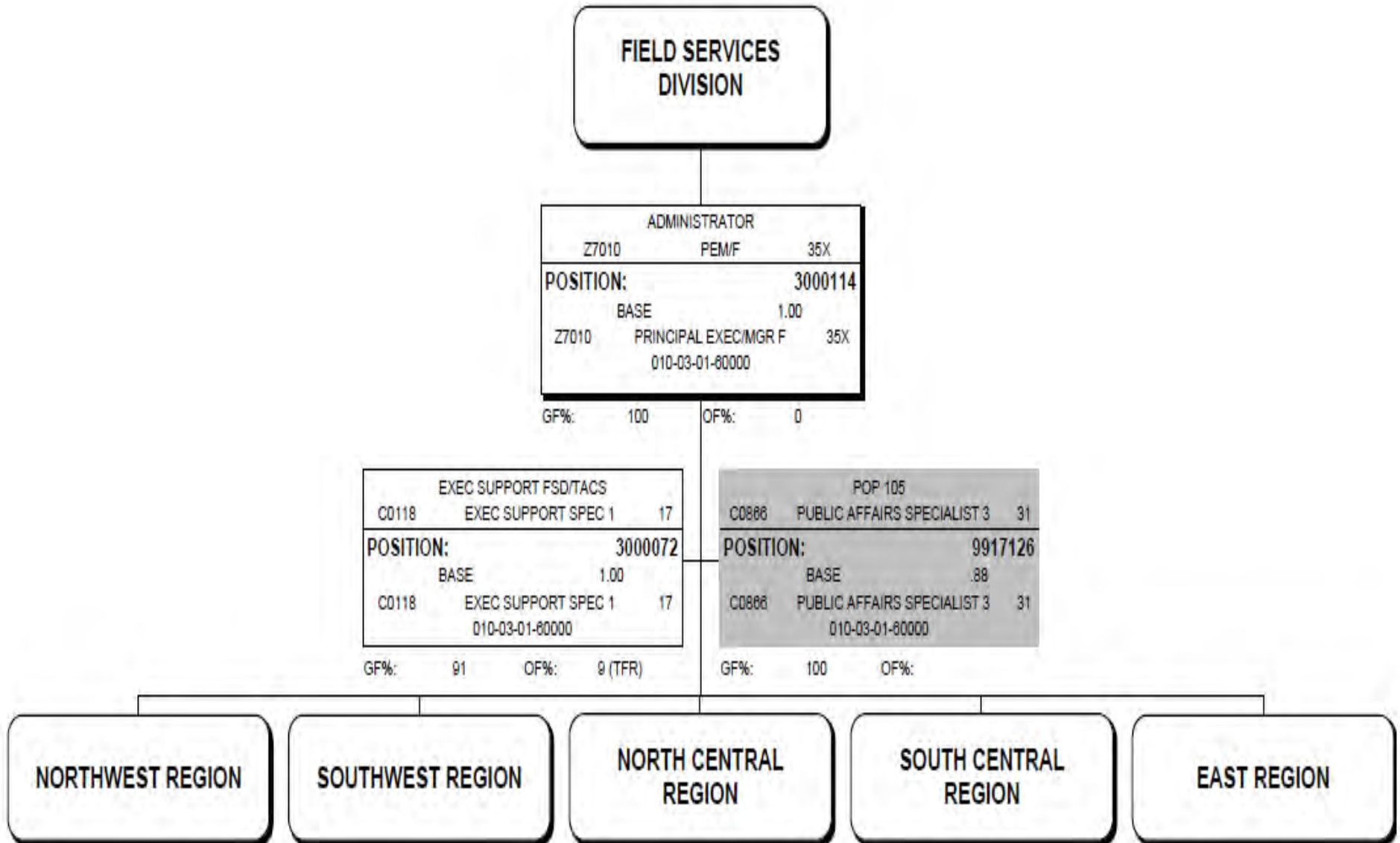
# BUDGET NARRATIVE

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# BUDGET NARRATIVE

## FIELD SERVICES



# BUDGET NARRATIVE

## NORTHWEST REGION

### NORTHWEST REGION

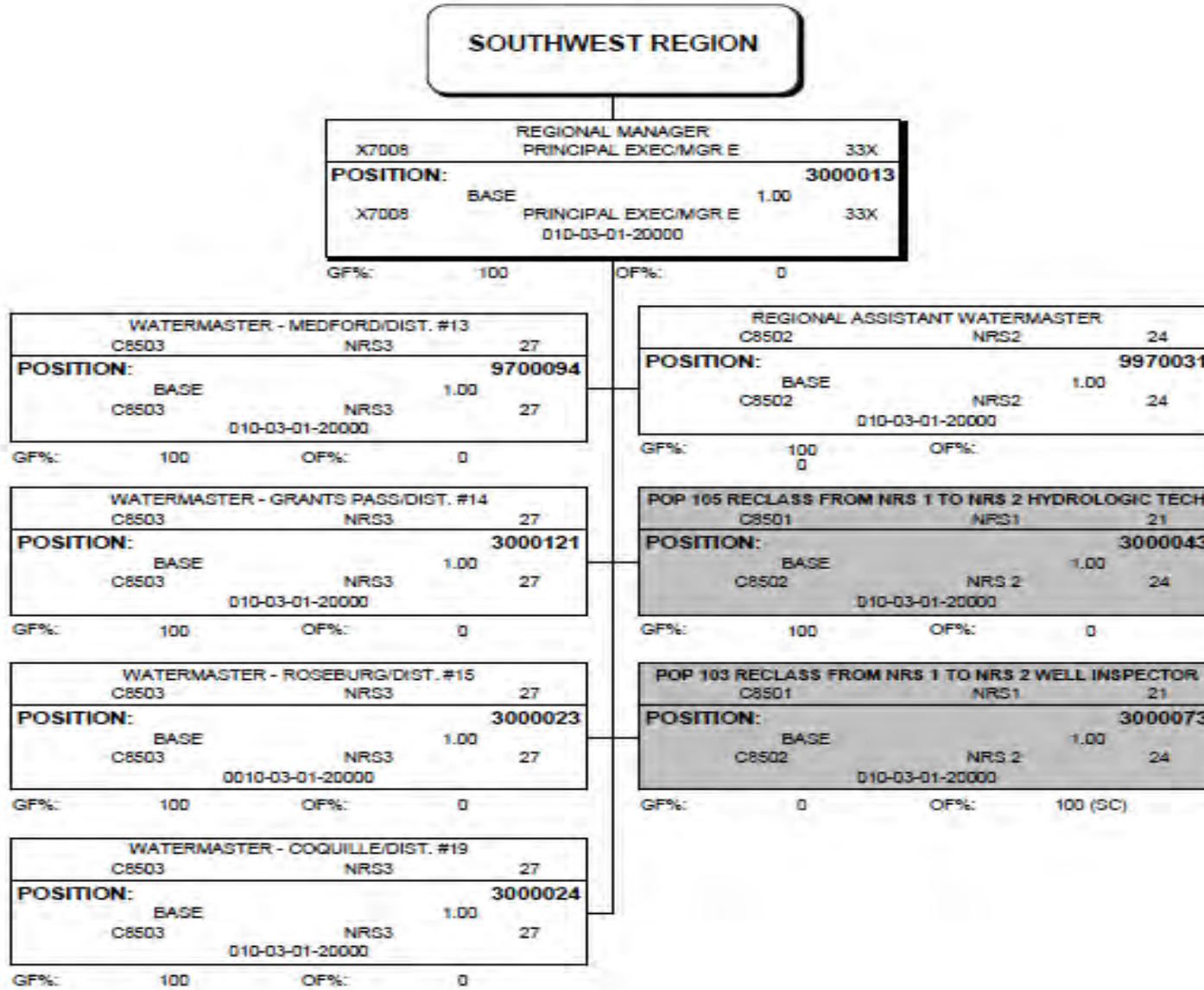
REGIONAL MANAGER			
X7008	PRINCIPAL EXEC/MGR E		33X
<b>POSITION:</b>			<b>4000018</b>
	BASE	1.00	
X7008	PRINCIPAL EXEC/MGR E		33X
	010-03-01-10000		
GF%:	100	OF%:	0

<table border="1"> <tr> <td colspan="4">WATERMASTER- TILLAMOOK/DIST #1</td> </tr> <tr> <td>C8503</td> <td>NRS3</td> <td></td> <td>27</td> </tr> <tr> <td colspan="3"><b>POSITION:</b></td> <td><b>3000011</b></td> </tr> <tr> <td></td> <td>BASE</td> <td>1.00</td> <td></td> </tr> <tr> <td>C8503</td> <td>NRS3</td> <td></td> <td>27</td> </tr> <tr> <td></td> <td>010-03-01-10000</td> <td></td> <td></td> </tr> <tr> <td>GF%:</td> <td>100</td> <td>OF%:</td> <td>0</td> </tr> </table>	WATERMASTER- TILLAMOOK/DIST #1				C8503	NRS3		27	<b>POSITION:</b>			<b>3000011</b>		BASE	1.00		C8503	NRS3		27		010-03-01-10000			GF%:	100	OF%:	0	<table border="1"> <tr> <td colspan="4">WATERMASTER - EUGENE/DIST. #2</td> </tr> <tr> <td>C8503</td> <td>NRS3</td> <td></td> <td>27</td> </tr> <tr> <td colspan="3"><b>POSITION:</b></td> <td><b>3000015</b></td> </tr> <tr> <td></td> <td>BASE</td> <td>1.00</td> <td></td> </tr> <tr> <td>C8503</td> <td>NRS3</td> <td></td> <td>27</td> </tr> <tr> <td></td> <td>010-03-01-10000</td> <td></td> <td></td> </tr> <tr> <td>GF%:</td> <td>100</td> <td>OF%:</td> <td>0</td> </tr> </table>	WATERMASTER - EUGENE/DIST. #2				C8503	NRS3		27	<b>POSITION:</b>			<b>3000015</b>		BASE	1.00		C8503	NRS3		27		010-03-01-10000			GF%:	100	OF%:	0	<table border="1"> <tr> <td colspan="4">WATERMASTER - SALEM/DIST. #16</td> </tr> <tr> <td>C8503</td> <td>NRS3</td> <td></td> <td>27</td> </tr> <tr> <td colspan="3"><b>POSITION:</b></td> <td><b>9900100</b></td> </tr> <tr> <td></td> <td>BASE</td> <td>1.00</td> <td></td> </tr> <tr> <td>C8503</td> <td>NRS3</td> <td></td> <td>27</td> </tr> <tr> <td></td> <td>010-03-01-10000</td> <td></td> <td></td> </tr> <tr> <td>GF%:</td> <td>100</td> <td>OF%:</td> <td>0</td> </tr> </table>	WATERMASTER - SALEM/DIST. #16				C8503	NRS3		27	<b>POSITION:</b>			<b>9900100</b>		BASE	1.00		C8503	NRS3		27		010-03-01-10000			GF%:	100	OF%:	0
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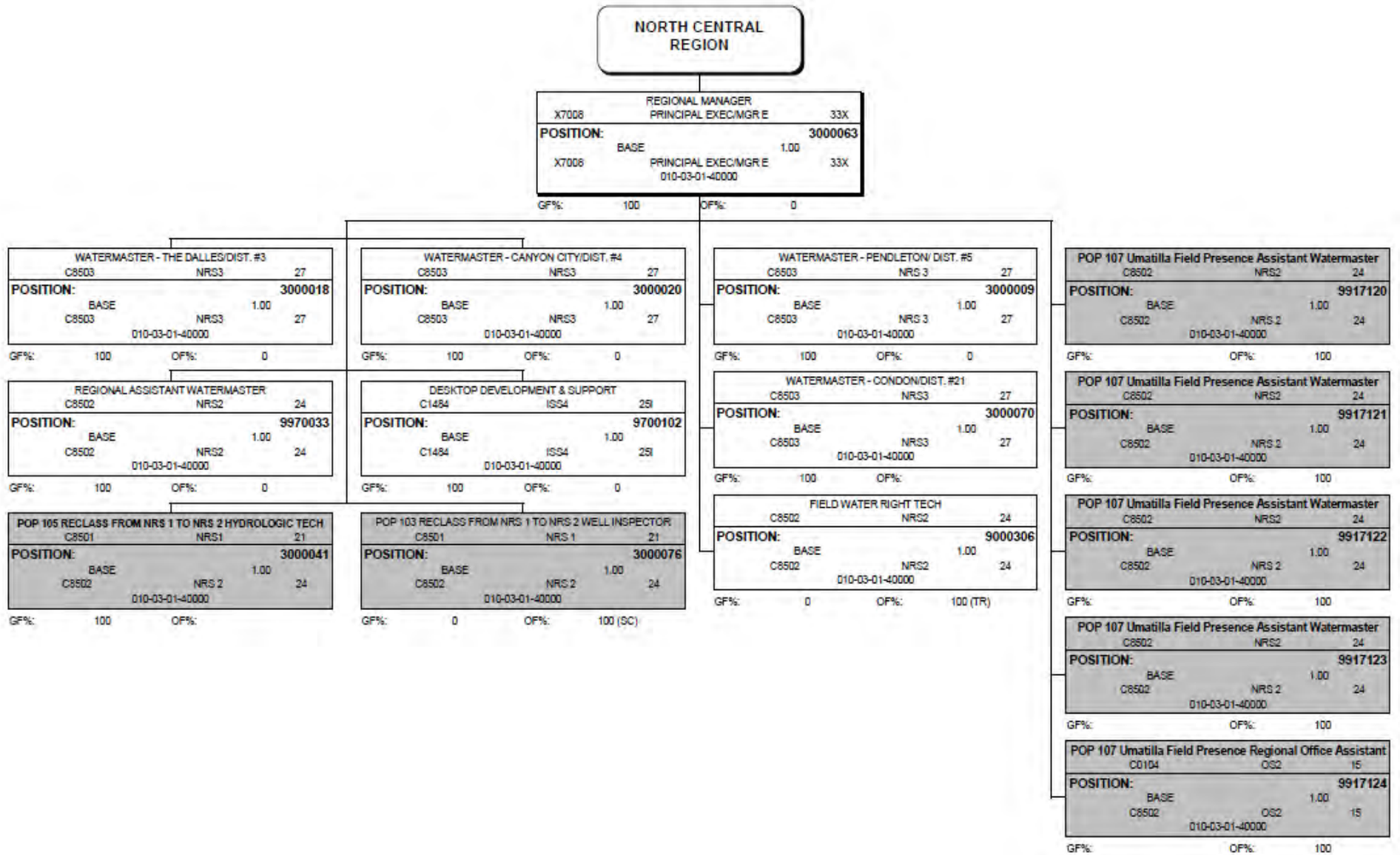
# BUDGET NARRATIVE

## SOUTHWEST REGION



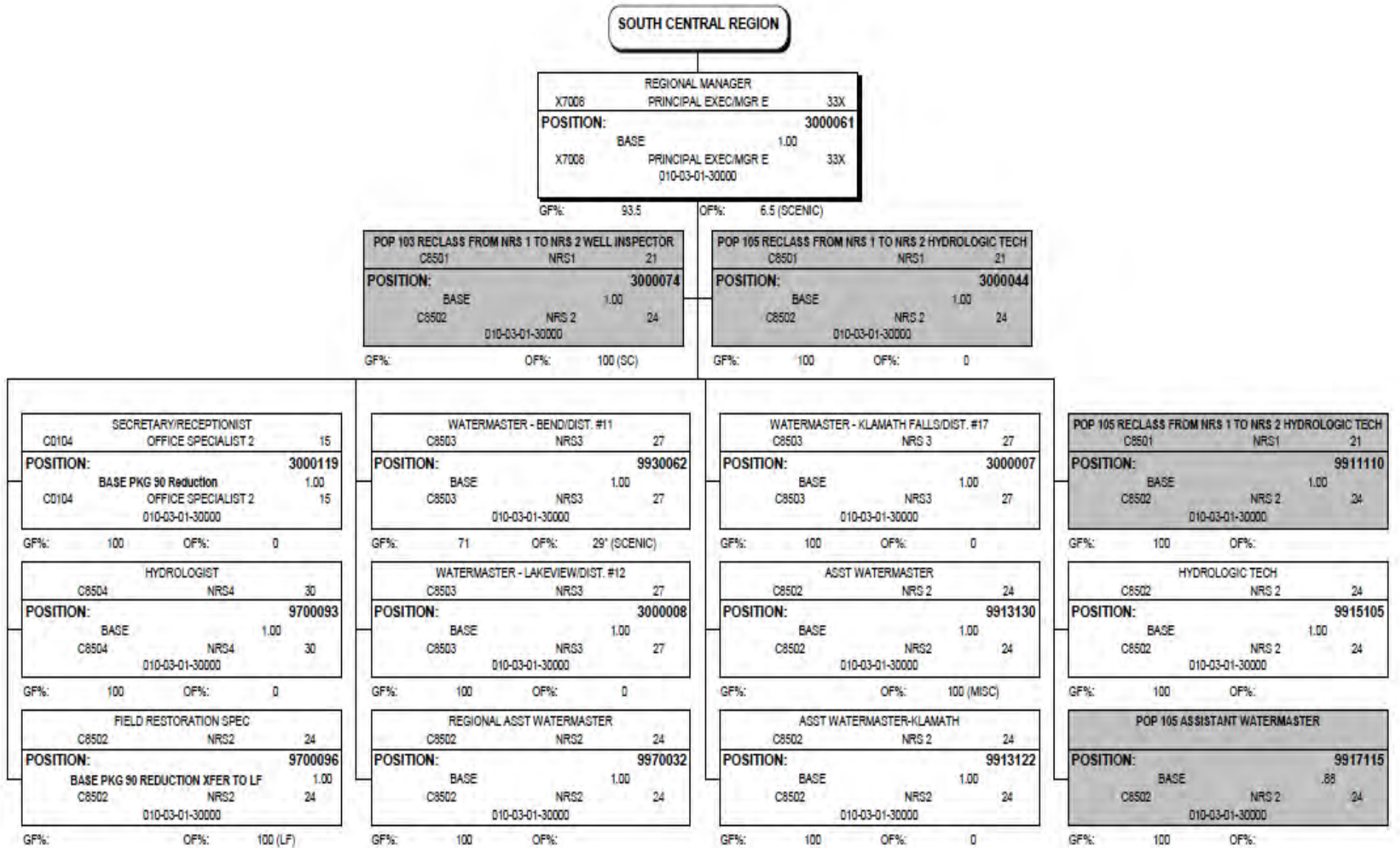
# BUDGET NARRATIVE

## NORTH CENTRAL REGION



# BUDGET NARRATIVE

## SOUTH CENTRAL REGION





# BUDGET NARRATIVE

## EAST REGION

### EAST REGION

X7008	REGIONAL MANAGER PRINCIPAL EXEC/MGR E	33X
<b>POSITION:</b>		<b>3000062</b>
BASE	1.00	
X7008	PRINCIPAL EXEC/MGR E 010-03-01-50000	33X

GF%: 100 OF%: 0

C3138	WATERMASTER - BURNS/DIST. #10 NRS3	30
<b>POSITION:</b>		<b>3000006</b>
BASE	1.00	
C3138	NRS3 010-03-01-50000	30

GF%: 100 OF%: 0

C8502	REGIONAL ASSISTANT WATERMASTER NRS2	24
<b>POSITION:</b>		<b>9970034</b>
BASE	1.00	
C8502	NRS2 010-03-01-50000	24

GF%: 100 OF%: 0

C8502	WATER RESTORATION SPEC NRS2	24
<b>POSITION:</b>		<b>9700099</b>
BASE PKG 90 REDUCTION XFER TO LF	1.00	
C8502	NRS2 010-03-01-50000	24

GF%: OF%: 100 (LF)

C8502	HYDROLOGIC TECH 2 NRS2	24
<b>POSITION:</b>		<b>9913108</b>
BASE	1.00	
C8502	NRS2 010-03-01-50000	24

GF%: 13 OF%: 87 (FF)

C8503	WATERMASTER - ENTERPRISE/DIST. #7 NRS3	27
<b>POSITION:</b>		<b>9913121</b>
BASE	1.00	
C8503	NRS3 010-03-01-50000	27

GF%: 100 OF%: 0

C8501	POP 103 RECLASS FROM NRS 1 TO NRS 2 WELL INSPECTOR NRS 1	21
<b>POSITION:</b>		<b>9000302</b>
BASE-FUND SHIFT TO GF	1.00	
C8502	NRS 2 010-03-01-50000	24

GF%: OF%: 100 (SC)

C8501	POP 105 RECLASS FROM NRS 1 TO NRS 2 HYDROLOGIC TECH NRS1	21
<b>POSITION:</b>		<b>3000042</b>
BASE	1.00	
C8502	NRS 2 010-03-01-50000	24

GF%: 100 OF%: 0

C8502	FIELD WATER RIGHT TECH NRS2	24
<b>POSITION:</b>		<b>9000307</b>
BASE	1.00	
C8502	NRS2 010-03-01-50000	24

GF%: 100 OF%: 0

C0104	REGION OFFICE SUPPORT OS 2	15
<b>POSITION:</b>		<b>3000067</b>
BASE PKG 90 REDUCTION	.42	
C0104	OFFICE SPECIALIST 2 010-03-01-50000	15

GF%: 100 OF%:

X7004	ASST REGIONAL MANAGER/WATERMASTER - BAKER CITY/DIST. #8 PRINCIPAL EXEC/MGR C	28X
<b>POSITION:</b>		<b>4000014</b>
BASE	1.00	
X7004	PRINCIPAL EXEC/MGR C 010-03-01-50000	28X

GF%: 100 OF%: 0

C8503	WATERMASTER - LA GRANDE/DIST. #6 NRS3	27
<b>POSITION:</b>		<b>3000012</b>
BASE	1.00	
C8503	NRS3 010-03-01-50000	27

GF%: 100 OF%: 0

C8503	WATERMASTER - VALE/DIST. #9 NRS3	27
<b>POSITION:</b>		<b>3000010</b>
BASE	1.00	
C8503	NRS3 010-03-01-50000	27

GF%: 100 OF%: 0

C8502	POP 105 ASSISTANT WATERMASTER NRS 2	24
<b>POSITION:</b>		<b>9917114</b>
BASE	.88	
C8502	NRS 2 010-03-01-50000	24

GF%: 100 OF%:

# BUDGET NARRATIVE

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## FIELD SERVICES

The Field Services Division is responsible for the on-the-ground management of Oregon's water laws, distributing and managing water in the field and working with water users to enforce the system of prior appropriation. The Division also collects data and provides input on water right transactions.

Program Contact: Ivan Gall  
503-986-0847

## PROGRAM FUNDING REQUEST

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Water Resources proposes to use an additional \$1.4 million General Fund and \$.6 million Other and Federal Funds to ensure and enhance the agencies field office to continue to provide responsible water management and distribution.

The Field Services Division has 56 budgeted positions in five regions across Oregon and has a current service level budget of \$13.7 million, consisting of \$11.3 million General Fund and \$2.4 in Other and Federal Funds.

## PROGRAM DESCRIPTION

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The Field Services Division carries out the agency's mission by enforcing the state's water laws and implementing the Water Resources Commission policies in the field. Staff regulate water uses based upon the water rights of record; assist water users in developing long-term water supply and conservation plans; inspect the construction and maintenance of wells for the protection of the groundwater resource; inspect the construction and maintenance of dams for the protection of the public safety and environment; and collect surface water and groundwater data that are made available for use by staff, scientists, other agencies, and the public for planning purposes. The Division also works with numerous watershed planning groups and local land-use jurisdictions, providing technical information on surface water and groundwater. Staff also regularly interface with the public and water users, providing information on water law, water rights, and well construction.

The Department has grouped its 21 watermaster districts into five regions for efficient management of field personnel. Region managers, watermasters, field technicians, and locally-funded assistants carry out the field activities of the Department.

In terms of surface water management activities, field staff operate more than 250 streamflow recording stations. In 2015 they conducted 2,891 streamflow measurements. The Field Services Division works closely with the Technical Services Division, which provides most of the data online in a real-time format. The data are an invaluable resource to Department staff working to protect existing water rights and are used by

## BUDGET NARRATIVE

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numerous entities involved in economic development and streamflow restoration activities. In 2015, in conjunction with the Technical Services Division, field staff also made over 188 dam safety inspections, checking dams for indications of instability and water movement in order to protect downstream landowners.

In 2015, groundwater management activities of Department staff included over 1,296 well inspections of new wells and more than 2,550 groundwater measurements in wells. Well inspections ensure the protection of the groundwater resource from waste and contamination. Water level data is an integral part of groundwater management and permit decision-making. It is also used extensively by consultants, developers, realtors, and the general public.

Management of Oregon's water relies, in part, on local entities funding staff in addition to State-funded staff. These locally funded staff are assigned to watermaster and regional offices. Counties provide much of the budget for the locally-funded positions. State law has recognized the role of counties in supporting water management since 1909. Under current statutes, counties may support assistant watermasters, who work under the supervision of the Department. These county-funded positions create additional field capacity to serve water management needs within specific counties. As of 2015, the number of locally funded assistant watermasters and office assistants had declined from a total of 37 in the 1980's to 17 statewide. Over this period, the loss of county funded positions has not been directly replaced with new state-funded positions, resulting in a net loss of field capacity. The number of locally-funded staff continues to be a challenge as counties face reduced revenues.

## PROGRAM JUSTIFICATION

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Water is essential for economic activities in the state. Irrigated agriculture contributes to a large portion of the total value of Oregon's harvested crops, generating several billion in farm gate value. These farms, vineyards, orchards, nurseries, and ranches contribute significantly to county economies as well, providing jobs, related goods and services, and a tax base critical to county budgets. Agriculture, cities, and industry, depend upon proper distribution of water.

The Field Services Division, with watermasters and water management staff across Oregon, contribute to Oregon having a diverse and dynamic economy that provides jobs for Oregonians, while also supporting healthy environments through the monitoring and protection of instream water rights. Furthermore, the Field Services Division staff also support implementation of the Integrated Water Resources Strategy key recommended actions, often serving as the liaison in the field and working with Salem staff to help us better understand our water resources and demands; this in turn allows the Department to make better decisions about the management of water in the state and understand the needs on the ground.

In addition to measuring and distributing water for out-of-stream uses, the Field Services Division is also responsible for monitoring 1,858 instream water rights located throughout Oregon. These instream rights provide ecological benefits to fish and wildlife, and are also important to the recreation industry and individuals throughout Oregon. Many of the Division's regulatory actions are performed to protect instream rights.

## BUDGET NARRATIVE

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The ability to partner with the community and work on the ground is one area that sets Oregon apart from other states who have written policies, but no capacity to implement or enforce them out in the field. The state's ability to identify and correct problems locally is directly dependent on the number of skilled personnel in the field, the technical training they receive, the equipment (measurement, communications, and transportation) available to them, and their ability to educate and inform customers.

Field personnel collect data and protect public and environmental health through inspections, education and outreach, and enforcement actions. They are well positioned to work with federal and local water managers, watershed councils, local planners, county commissions, and other entities in the community with responsibility for water. These individuals are also on the front lines of public education and they have a breadth and depth of policy, technical, and legal knowledge in their disciplines.

## PROGRAM PERFORMANCE

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The Field Services Division addresses a broad range of water supply protections. The table displays two of Field Services Division's responsibilities: Regulatory Actions and Well Inspections.

<b>Year</b>	<b>Regulatory Actions</b>	<b>Well Inspections</b>
2007	11,636	1,169
2008	6,999	1,651
2009	11,493	1,245
2010	10,528	715
2011	8,182	743
2012	11,486	725
2013	17,932	950
2014	16,545	947
2015	20,336	1,296

*Regulatory Actions.* The watermaster corps is the sole provider of water regulation and distribution in Oregon. Regulatory actions are either actions by the watermasters corps that cause a change in water use behavior, or field inspections that determine no change is necessary. This metric gauges the field workload and communication with water right holders and is influenced by weather (wetter years generally require less regulation, such as in 2011), availability of staff to undertake the work, and by external forces such as federal irrigation project management related to Endangered Species Act issues. The data show a sharp increase between 2014 and 2015, due to the severe drought in 2015. This increase in workload to respond to drought was a challenge for field staff, and meant that workloads had to be prioritized accordingly.

# BUDGET NARRATIVE

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*Well Inspections.* Well inspections maintain the integrity and quality of Oregon’s groundwater resources. Proper well construction maintains groundwater quality and quantity, and prevents the loss of artesian pressure. The number of newly constructed wells that are inspected each year is influenced by weather (because drier years result in more wells being drilled) and the economy, which drives new construction. No other entity inspects wells in Oregon. The Department’s goal is to increase the number of inspections.

*Adequate Field Presence Continue to be a Challenge:* The number of personnel in the field has dwindled over the years. Department field staff have historically been supplemented by as many as 37 (1980s) county-funded staff to augment services for water users within specific counties. Counties now support only 17 field-related FTE. This reduction in field presence has been significant, given the large responsibilities involved, the need for more management of the resource as the system becomes fully allocated, and the ever increasing number of water rights and new responsibilities. In southeast Oregon, for example, the District 10 watermaster is responsible for regulating and distributing water across 11,700 square miles of land. In northwest Oregon, the District 16 watermaster is responsible for over 200 dams that need routine inspection and site visits.

There is a strong need to increase and maintain adequate field presence at Water Resources Department. These staff members include watermasters, inspectors, scientists and technicians. Field personnel manage and distribute water; ensure compliance with permit conditions; guard against waste, contamination, and loss of artesian pressure; inspect for hazards; and collect critical data. Strengthening Oregon’s field-based work will require financial investments and a continued partnership with other agencies to carry out our shared responsibilities.

## ENABLING LEGISLATION/PROGRAM AUTHORIZATION

Oregon water law is laid out in Oregon Revised Statutes (ORS), chapters 536 through 541. With ORS 536.220, the legislature recognizes and declares that future growth and development of this state for the increased economic and general welfare of the people are in large part dependent upon a proper utilization and control of the water resources of this state, and such use and control is therefore a matter of greatest concern and highest priority.

ORS 537.110 declares all waters in the state as a public resource; 537.535 – 537.635 authorizes the water-use permitting process to develop those waters; 537.747 – 537.772 authorizes well construction standards and regulation; 540.020 – 540.045 authorizes the appointment of watermasters and regulatory duties to distribute water based upon water rights of record. Most recently, ORS 536.220(3) (a) requires that the Oregon Water Resources Department develop an Integrated Water Resources Strategy to meet Oregon’s instream and out-of-stream water needs.

## FUNDING STREAMS

The Field Services Division is primarily funded using General Fund dollars, a reflection of the long-term history of the program and the many diverse interest groups benefitting from water management and water right services. Start Card fees, authorized under ORS 537.762, are received



# BUDGET NARRATIVE

when new wells are constructed, and support Oregon's well inspection program. Federal funds support approximately 4 percent of the Field Services Division operations.

	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2015-17 Legislatively Adopted Budget	10,306,519	1,923,289	-	161,619	12,391,427
2015-17 Emergency Boards	312,781	47,510	-	9,935	370,226
2015-17 Legislatively Approved Budget	10,619,300	1,970,799	-	171,554	12,761,653
2017-19 Base Budget	11,091,988	2,101,168	-	181,568	13,374,724
2017-19 Current Service Level	11,315,859	2,164,172	-	182,473	13,662,504
Total Packages	419,174	464,378	391,888	433,579	1,709,019
2017-19 Governor's Recommended Budget	11,735,033	2,628,550	391,888	616,052	15,371,523

# BUDGET NARRATIVE

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## FIELD SERVICES DIVISION ESSENTIAL AND STATEWIDE PACKAGES

### 010 – Vacancy Factor and Non-PICS Personal Services

This package contains adjustments to the base budget as directed in the 2017-19 Budget Instructions. These changes include changes to the Vacancy Savings Factor, the non-PICS generated Personal Services inflation adjustments and the Pension Obligation Bonds calculations supplied to Agencies by the Department of Administrative Services Chief Financial Office.

### 020 – Costs of Phased In/Phased Out Programs and One Time Costs

This package removes funding that was intended as one time funding from the 2015-17 biennium.

### 030 – Inflation and Price List Adjustments

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2017-2019 Budget Instructions. General inflation was calculated using a factor of 3.7% while a rate of 4.1% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2017-19 price lists.

### 090 – Analyst Adjustments

This package includes adjustments and reductions taken in the Governor's Recommended Budget.

### 091 – Statewide Adjustment DAS Charges

This package includes reductions to State Government Services Charges to account for reductions made to the Department of Administrative Services (DAS) in the Governor's Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	82,176	-	-	-	-	-	82,176
Federal Funds	-	-	-	905	-	-	905
<b>Total Revenues</b>	<b>\$82,176</b>	<b>-</b>	<b>-</b>	<b>\$905</b>	<b>-</b>	<b>-</b>	<b>\$83,081</b>
<b>Personal Services</b>							
Temporary Appointments	-	-	-	-	-	-	-
Overtime Payments	-	-	-	-	-	-	-
Shift Differential	-	-	-	-	-	-	-
All Other Differential	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Pension Obligation Bond	32,250	-	7,851	905	-	-	41,006
Social Security Taxes	-	-	-	-	-	-	-
Unemployment Assessments	100	-	-	-	-	-	100
Mass Transit Tax	3,471	-	181	-	-	-	3,652
Vacancy Savings	46,355	-	7,430	-	-	-	53,785
<b>Total Personal Services</b>	<b>\$82,176</b>	<b>-</b>	<b>\$15,462</b>	<b>\$905</b>	<b>-</b>	<b>-</b>	<b>\$98,543</b>
<b>Total Expenditures</b>							
Total Expenditures	82,176	-	15,462	905	-	-	98,543
<b>Total Expenditures</b>	<b>\$82,176</b>	<b>-</b>	<b>\$15,462</b>	<b>\$905</b>	<b>-</b>	<b>-</b>	<b>\$98,543</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Field Services  
 Cross Reference Number: 69000-010-03-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	(15,462)	-	-	-	(15,462)
<b>Total Ending Balance</b>	-	-	<b>(\$15,462)</b>	-	-	-	<b>(\$15,462)</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	93,618	-	-	-	-	-	93,618
Federal Funds	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$93,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$93,618</b>
<b>Services &amp; Supplies</b>							
Instate Travel	16,726	-	8,139	-	-	-	24,865
Out of State Travel	116	-	-	-	-	-	116
Employee Training	789	-	304	-	-	-	1,093
Office Expenses	3,082	-	660	-	-	-	3,742
Telecommunications	3,627	-	648	-	-	-	4,275
State Gov. Service Charges	42,950	-	6,937	-	-	-	49,887
Data Processing	4	-	-	-	-	-	4
Publicity and Publications	309	-	74	-	-	-	383
Professional Services	10,588	-	36	-	-	-	10,624
Employee Recruitment and Develop	141	-	111	-	-	-	252
Dues and Subscriptions	55	-	18	-	-	-	73
Facilities Rental and Taxes	10,904	-	888	-	-	-	11,792
Fuels and Utilities	-	-	-	-	-	-	-
Facilities Maintenance	584	-	193	-	-	-	777
Other Services and Supplies	1,157	-	6,210	-	-	-	7,367
Expendable Prop 250 - 5000	1,321	-	859	-	-	-	2,180
IT Expendable Property	987	-	670	-	-	-	1,657
<b>Total Services &amp; Supplies</b>	<b>\$93,340</b>	<b>-</b>	<b>\$25,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$119,087</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Technical Equipment	-	-	-	-	-	-	-
Other Capital Outlay	278	-	526	-	-	-	804
<b>Total Capital Outlay</b>	<b>\$278</b>	<b>-</b>	<b>\$526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$804</b>
<b>Special Payments</b>							
Intra-Agency Gen Fund Transfer	-	-	-	-	-	-	-
Other Special Payments	-	-	5,495	-	-	-	5,495
<b>Total Special Payments</b>	<b>-</b>	<b>-</b>	<b>\$5,495</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$5,495</b>
<b>Total Expenditures</b>							
Total Expenditures	93,618	-	31,768	-	-	-	125,386
<b>Total Expenditures</b>	<b>\$93,618</b>	<b>-</b>	<b>\$31,768</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$125,386</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(31,768)	-	-	-	(31,768)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$31,768)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$31,768)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	48,077	-	-	-	-	-	48,077
Federal Funds	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$48,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$48,077</b>
<b>Services &amp; Supplies</b>							
Instate Travel	46,761	-	15,180	-	-	-	61,941
Out of State Travel	-	-	-	-	-	-	-
Telecommunications	1,316	-	-	-	-	-	1,316
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	<b>\$48,077</b>	<b>-</b>	<b>\$15,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$63,257</b>
<b>Special Payments</b>							
Other Special Payments	-	-	594	-	-	-	594
<b>Total Special Payments</b>	<b>-</b>	<b>-</b>	<b>\$594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$594</b>
<b>Total Expenditures</b>							
Total Expenditures	48,077	-	15,774	-	-	-	63,851
<b>Total Expenditures</b>	<b>\$48,077</b>	<b>-</b>	<b>\$15,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$63,851</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(15,774)	-	-	-	(15,774)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$15,774)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$15,774)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(614,586)	-	-	-	-	-	(614,586)
Tsfr From Watershed Enhance Bd	-	391,888	-	-	-	-	391,888
<b>Total Revenues</b>	<b>(\$614,586)</b>	<b>\$391,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$222,698)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	(384,352)	269,136	-	-	-	-	(115,216)
Empl. Rel. Bd. Assessments	(228)	114	-	-	-	-	(114)
Public Employees' Retire Cont	(50,311)	35,230	-	-	-	-	(15,081)
Social Security Taxes	(29,404)	20,590	-	-	-	-	(8,814)
Worker's Comp Assess. (WCD)	(276)	138	-	-	-	-	(138)
Flexible Benefits	(100,008)	66,672	-	-	-	-	(33,336)
Reconciliation Adjustment	(7)	8	-	-	-	-	1
<b>Total Personal Services</b>	<b>(\$564,586)</b>	<b>\$391,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$172,698)</b>
<b>Services &amp; Supplies</b>							
Professional Services	(29,356)	-	-	-	-	-	(29,356)
Other Services and Supplies	(20,644)	-	-	-	-	-	(20,644)
<b>Total Services &amp; Supplies</b>	<b>(\$50,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$50,000)</b>
<b>Total Expenditures</b>							
Total Expenditures	(614,586)	391,888	-	-	-	-	(222,698)
<b>Total Expenditures</b>	<b>(\$614,586)</b>	<b>\$391,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$222,698)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							(2)
<b>Total Positions</b>	-	-	-	-	-	-	(2)
<b>Total FTE</b>							
Total FTE							(1.42)
<b>Total FTE</b>	-	-	-	-	-	-	(1.42)

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REPORT: PACKAGE FISCAL IMPACT REPORT												2017-19		PROD FILE	
AGENCY:69000 DEPT OF WATER RESOURCES												PICS SYSTEM: BUDGET PREPARATION			
SUMMARY XREF:010-03-00 Field Services										PACKAGE: 090 - Analyst Adjustments					
POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE			
3000067	OAS C0104 AE	OFFICE SPECIALIST 2	1-	.42-	10.00-	02	2,716.00	27,160- 5,759-				27,160- 5,759-			
3000119	OAS C0104 AP	OFFICE SPECIALIST 2	1-	1.00-	24.00-	09	3,669.00	88,056- 51,724-				88,056- 51,724-			
9700096	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1-	1.00-	24.00-	09	5,607.00	134,568- 61,372-				134,568- 61,372-			
9700096	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	09	5,607.00				134,568 61,372	134,568 61,372			
9700099	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1-	1.00-	24.00-	09	5,607.00	134,568- 61,372-				134,568- 61,372-			
9700099	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	09	5,607.00				134,568 61,372	134,568 61,372			
TOTAL PICS SALARY								384,352-			269,136	115,216-			
TOTAL PICS OPE								180,227-			122,744	57,483-			
TOTAL PICS PERSONAL SERVICES =			2-	1.42-	34.00-			564,579-			391,880	172,699-			

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(27,523)	-	-	-	-	-	(27,523)
Federal Funds	-	-	-	(88)	-	-	(88)
<b>Total Revenues</b>	<b>(\$27,523)</b>	<b>-</b>	<b>-</b>	<b>(\$88)</b>	<b>-</b>	<b>-</b>	<b>(\$27,611)</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	(758)	-	-	-	(758)
Office Expenses	-	-	(805)	-	-	-	(805)
Telecommunications	(21,555)	-	(1,627)	-	-	-	(23,182)
State Gov. Service Charges	(5,968)	-	(946)	-	-	-	(6,914)
Other Services and Supplies	-	-	(4,803)	(88)	-	-	(4,891)
<b>Total Services &amp; Supplies</b>	<b>(\$27,523)</b>	<b>-</b>	<b>(\$8,939)</b>	<b>(\$88)</b>	<b>-</b>	<b>-</b>	<b>(\$36,550)</b>
<b>Total Expenditures</b>							
Total Expenditures	(27,523)	-	(8,939)	(88)	-	-	(36,550)
<b>Total Expenditures</b>	<b>(\$27,523)</b>	<b>-</b>	<b>(\$8,939)</b>	<b>(\$88)</b>	<b>-</b>	<b>-</b>	<b>(\$36,550)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	8,939	-	-	-	8,939
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>\$8,939</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$8,939</b>

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# BUDGET NARRATIVE

## Pkg 103 – Protecting Groundwater Resources through Well Construction

**Purpose:** Misconstructed, poorly maintained, and improperly abandoned water supply wells pose a serious threat to Oregon’s groundwater aquifers. These wells, if left unaddressed, can cause serious water level declines, loss of artesian pressure, contamination of precious drinking water, and public safety hazards. An adequately staffed well inspection and enforcement program is critical to ensuring that wells are constructed, maintained, and abandoned in an appropriate manner. The Department’s Well Inspection Program places well inspectors in the field to work with licensed well drillers and landowners that are constructing their own wells, to ensure that water supply wells are constructed in a manner that protects public health, safety, and the groundwater resource for other users. Well inspectors visit wells during construction to observe drilling procedures and practices and to see that the well meets minimum well construction standards, given the specific geologic and hydrologic conditions encountered.

To be effective, well inspectors must have training in geology and hydrology, and the knowledge to understand and recognize proper well construction practices. Well inspectors interact with the public and the well drilling community on a daily basis and need to be able to make immediate and accurate decisions in the field. Currently, well inspectors are funded from start card fees; however, there are insufficient funds to hire the number of inspectors that the Department is authorized to hire because of revenue shortfalls. The Department has authorization for six well inspectors, but only has resources for four, which could be further reduced by the projected increased costs of doing business. Position responsibilities and Department expectations for well inspectors have changed over the years and it is a challenge for the Department to recruit and retain individuals who can effectively perform the job requirements.

To address these challenges, the Department reviewed its services and fees as follows:

(1) Landowner Permit Application Fee change - Property owners are allowed to construct their own wells by submitting an application, bond, and design plan to the Department for approval along with a \$25 fee. These requests require a thorough Department review, a pre-construction consultation and site visit, on-site inspector supervision during casing seal placement, a final well inspection when all work is completed, and assistance with any required forms or reports. They also require a final follow-up by staff to verify all required work has been completed and paperwork turned in to the Department. The \$25 fee does little to recuperate the costs incurred to provide such oversight and protect the groundwater resource for other users.

(2) Well Construction Special Standard Fee - When well constructors need a variance to the well construction standards to install, alter, or abandon a well, they must request a special standard. These situations occur whenever properties are too small to meet set-back requirements, there is not adequate room for a drilling machine, or there are safety concerns, such as overhead power lines or geologic conditions, that make it impossible to meet minimum well construction standards. Reviewing, researching, and processing special standard requests can involve time-consuming, technical procedures that can take days or weeks to complete. They can require multiple consultations and site visits with well constructors and clients. Requests for special standards, whether they are approved or denied, require staff time to complete a final order and

# BUDGET NARRATIVE

maintain a permanent record of the decision. The Department receives hundreds of these requests each year; which are subsidized by Start Card fees. The number and complexity of these requests continue to increase and has become an increasing burden on the Start Card fund.

**How Achieved:** This package proposes efforts to support the well construction program and to protect groundwater resources by:

- (1) Reclassifying Well Inspectors - Upgrading these positions from NRS1s to NRS2s will enable the Department to recruit and retain individuals with the aptitude and skills necessary to perform the duties of the position. In addition, the Department has identified a need for well inspectors to not only inspect wells, but also review well logs, as this is an effective way to initially identify problems with well construction.
- (2) Moving two well inspectors from start card fees to general fund, with the goal of maintaining or increasing the number of inspections conducted and well logs reviewed to continue to protect the resource for all water users.
- (3) Changing Landowner Permit Application Fees - Increase the fee for Landowner Permit Applications from \$25 to \$500 to better capture costs associated with the processing of the application. The Department typically receives 20 to 40 per year. At about 40 cases per year, annual revenues are estimated at  $40 \times \$500 = \$20,000$ . These fees would support the work of WRD's already-existing well construction program coordinator, freeing up start card funds to pay for well inspectors in the field.
- (4) Creating a Well Construction Special Standard Fee - When well constructors need to request a variance to the well construction standards to install, alter, or abandon a well, they would first consult with the Department, and then file a Special Standard Request along with a fee. The fee would be \$100 for a request involving one well, and \$200 for a request involving two or more wells. At about 250 requests per year, the annual revenues are estimated at  $250 \times \$100 = \$25,000$ . These fees would support the work of WRD's already-existing well construction program coordinator, freeing up start card funds to pay for well inspectors in the field.

**Quantifying Results:** This proposal is consistent with Recommended Action #12a of Oregon's 2012 Integrated Water Resources Strategy, which calls for ensuring the safety of Oregon's drinking water. By ensuring that wells are constructed to minimum well construction standards, the Department is protecting the groundwater resource for all users, including those that rely on the source for drinking water. Together, these proposals would more fairly distribute the cost of inspecting individual wells, reduce the impact on the Start Card fund, improve recruitment and retention of well inspectors, and subsequently allow for more field inspections during the critical well construction process. The goal for the Department is to ensure wells are being constructed correctly and to gain voluntary compliance when well construction issues are discovered. To track progress on this goal, the Department assembles a yearly report on the number of wells constructed, number of well inspections, and well deficiency (i.e., problems with construction) rate. The Department will also begin tracking the number of well logs reviewed and the number of well logs that require follow-up. The goal is to maintain or increase the number of wells inspected, while also increasing the number of well logs reviewed.

## Staffing Impact:

3000073	Reclass to C8502	Nat Res Spec 2	Well Inspector	PF	No FTE
3000074	Reclass to C8502	Nat Res Spec 2	Well Inspector	PF	No FTE
3000075	Reclass to C8502	Nat Res Spec 2	Well Inspector	PF	No FTE

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3000076	Reclass to C8502	Nat Res Spec 2	Well Inspector	PF	No FTE
3000104	Reclass to C8502	Nat Res Spec 2	Well Inspector	PF	No FTE
9000302	Reclass to C8502	Nat Res Spec 2	Well Inspector	PF	No FTE
3000104	<del>Fund Shift</del>	<del>Nat Res Spec 2</del>	<del>Well Inspector</del>	<del>PF</del>	<del>No FTE</del>
9000302	<del>Fund Shift</del>	<del>Nat Res Spec 2</del>	<del>Well Inspector</del>	<del>PF</del>	<del>No FTE</del>

**Revenue Source:**

Other Funds (Start Card Fees):	(\$297,123)
General Fund	\$336,763

The Governor's Recommended Budget reclassifies six well inspectors and adds \$39,640 Other Fund limitation.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 103 - Protecting Groundwater Resources: Well Construction

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
Power and Water Fees	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	32,832	-	-	-	32,832
Public Employees' Retire Cont	-	-	4,297	-	-	-	4,297
Social Security Taxes	-	-	2,511	-	-	-	2,511
<b>Total Personal Services</b>	-	-	<b>\$39,640</b>	-	-	-	<b>\$39,640</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	39,640	-	-	-	39,640
<b>Total Expenditures</b>	-	-	<b>\$39,640</b>	-	-	-	<b>\$39,640</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(39,640)	-	-	-	(39,640)
<b>Total Ending Balance</b>	-	-	<b>(\$39,640)</b>	-	-	-	<b>(\$39,640)</b>

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 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:69000 DEPT OF WATER RESOURCES  
 SUMMARY XREF:010-03-00 Field Services

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 PROD FILE

PACKAGE: 103 - Protecting Groundwater Resource

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
3000073	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	05	4,022.00		96,528- 53,482-			96,528- 53,482-
3000073	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	03	4,217.00		101,208 54,452			101,208 54,452
3000074	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	05	4,022.00		96,528- 53,482-			96,528- 53,482-
3000074	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	03	4,217.00		101,208 54,452			101,208 54,452
3000075	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	03	3,669.00		88,056- 51,724-			88,056- 51,724-
3000075	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	02	4,022.00		96,528 53,482			96,528 53,482
3000076	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	05	4,022.00		96,528- 53,482-			96,528- 53,482-
3000076	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	03	4,217.00		101,208 54,452			101,208 54,452
3000104	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	05	4,022.00		96,528- 53,482-			96,528- 53,482-
3000104	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	03	4,217.00		101,208 54,452			101,208 54,452
9000302	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	09	4,860.00		116,640- 57,653-			116,640- 57,653-
9000302	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	07	5,095.00		122,280 58,823			122,280 58,823
TOTAL PICS SALARY									32,832			32,832
TOTAL PICS OPE									6,808			6,808
TOTAL PICS PERSONAL SERVICES =									.00	.00		39,640

## Pkg 105 – Responsible Water Management and Distribution

2017-19 Governor's Recommended Budget



# BUDGET NARRATIVE

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**Purpose:** Watermaster workloads are increasing statewide due to the increasing number of water rights, wells, population, homes, and the new marijuana industry. County and other funded assistant watermaster and office positions have declined from 37 in 1981 to 17 in recent years, while the number of water rights and the water management and distribution workload has increased in all basins around Oregon. Multiple dry years have intensified competition for water resources. Some of our watermasters are unable to timely meet all of the needs required of them: water right and transfer/lease application reviews, streamflow measurements, gaging station operation and maintenance, observation well measurements, water use measurement, permit compliance checks, complaint response, water right research, well research, and timely regulation and distribution of water for senior water right holders. Each region has its own set of workload challenges that need to be addressed in order to best serve Oregonians. Some workload challenges include: delays in regulation, excessive overtime (leading to accrual of comp time), insufficient visibility of field presence to discourage illegal use, and increased calls and complaints related to water use in the new marijuana industry.

The Department currently has five regional hydrographic technicians (Hydrotechs) at the NRS 1 classification. The Hydrotechs primarily measure stream discharge, monitor instream water rights, and operate and maintain approximately 250 surface water gaging stations installed on streams and rivers across Oregon. Data collected by hydrologic technicians is used to distribute and manage water on a daily basis to protect instream and out-of-stream water rights, forecast floods, plan for recreational activities, determine water availability, and plan for water needs in the future. Hydrotechs also measure groundwater levels in state observation wells. Stream discharge (flow) data are used by multiple agencies and other entities for making daily water management decisions, protecting and monitoring instream flows, flood forecasting, infrastructure design such as bridges and culverts, recreational activity planning (rafting and fishing), water availability analyses for new uses and storage projects, and tracking long-term trends resulting from droughts and climate change. Complexity of gaging station operation and maintenance has increased over the years; ink pens and paper charts have been replaced with sophisticated pressure transducers, acoustic Doppler, or bubbler systems linked to data loggers and satellite telemetry. A recent duty analysis for the Hydrotechs indicates they are functioning at the NRS 2 level.

Historically, there has been one hydrotech for each region in the State. The hydrotech position in the Northwest Region, responsible for maintaining 26 gaging stations, measuring streamflow and providing quality data assurance, was eliminated during a previous budget reduction. In the meantime, the duties have been shared (as staff have time) by Watermasters, Assistant Watermasters, and Hydrographics Section staff out of the Salem office. While this has been a temporary solution, it is not sustainable and the Northwest Region has suffered in its quality control and data collection, and the Hydrographics section has fallen behind in processing surface water data. Surface water gaging stations are routinely serviced every 4-6 weeks, except in the Northwest Region where some stations may go 15 to 20 weeks without operation and maintenance service. This has resulted in a loss of data that cannot be retrieved and a degradation of overall station value to services such as flood forecasting and water management. Overall workloads in the Region have been impacted as a result of this position reduction.

Both assistant watermasters and hydrotechs contribute directly to achieving the goals of the state's 2012 Integrated Water Resources Strategy, specifically, by helping the Department improve our understanding of Oregon's water resources and by directly meeting the state's long-term water needs, both instream and out-of-stream. The state's Strategy recognizes the need to increase and maintain a strong field presence by

# BUDGET NARRATIVE

increasing the number of personnel to carry out the agency’s core functions. These individuals are also on the front lines of public education and have a breadth and depth of policy, technical, and legal knowledge in their disciplines. As water management becomes more complex, it is necessary to have experienced and well-staffed field offices.

**How Achieved:** Five new regional assistant watermasters would provide immediate help to reduce workload pressures in each region and improve customer service. This will help to address delays in timely regulation that were experienced in 2015, relieve staff that have been incurring large amounts of overtime, improve the visibility of the watermaster offices to increase voluntary compliance and reduce illegal use, respond to the influx of calls related to the new marijuana industry, collect data and measurements needed for regulation, and improve our ability to respond to customer calls and requests. Each regional assistant will begin taking on duties and responsibilities that are today solely carried out by the watermaster, due to lack of staffing. The extra time available to the watermaster will allow them to timely conduct water right, transfer, and lease application reviews, streamflow measurements, gaging station operation and maintenance, observation well measurements, water use measurement, permit compliance checks, complaint response, water right research, well research, and most importantly, timely regulation and distribution of water for senior rights.

This package also proposes to re-class the five Hydrotechs from NRS 1 to NRS 2 to align the positions with the required duties, and add one new NRS 2 hydrotech to the Northwest Region. Re-classing the five regional Hydrotechs will align this complex and technical position with the required duties; the alternative for the Department is to remove duties and responsibilities from the staff such that they are only conducting NRS 1 level duties. Given the demand and efficiencies gained to date, this is not a realistic solution. Re-establishing the hydrologic technician will return continuity and quality control to the gaging station program and result in regular surface water measurements in the Northwest Region. Adding one NRS 2 hydrotech for the Northwest Region replaces a position lost several years ago.

**Quantifying Results:** Results of this budget package will be quantified in several ways. First, improvements in KPMs #2 (Protection of Instream Water Rights), KPM #3(Monitor Compliance), KPM #4 (Streamflow Gaging), KPM #8 (Number of Significant Diversions with Measurement Devices Installed), and KPM #12 (Promote Efficiency in Field Staff Regulatory Activities) is expected. Second, improvement in hydrographics data collection and submittal to the Department’s central database are expected, making streamflow data available to staff and stakeholders more rapidly. Third, all three items in this package (5 assistant watermasters, one new hydrotech, re-class five Hydrotechs) directly contribute to implementation of Oregon’s 2012 Integrated Water Resources Strategy. This proposal is consistent with several recommended actions including: improving water resources data collection (#1b); and funding water resources management at the State level (#13B).

**Staffing Impact:**

3000041	Reclass to C8502	Nat Res Spec 2	Hydrologic Technician 2	PF	No FTE
3000042	Reclass to C8502	Nat Res Spec 2	Hydrologic Technician 2	PF	No FTE
3000043	Reclass to C8502	Nat Res Spec 2	Hydrologic Technician 2	PF	No FTE
3000044	Reclass to C8502	Nat Res Spec 2	Hydrologic Technician 2	PF	No FTE
9911110	Reclass to C8502	Nat Res Spec 2	Hydrologic Technician 2	PF	No FTE

# BUDGET NARRATIVE

9917110	OA C8502 AA	Nat Res Spec 2	Hydrologic Technician 2	PF	0.88 FTE
9917111	OA C8502 AA	Nat Res Spec 2	Regional Assistant Watermaster	PF	0.88 FTE
9917112	<del>OA C8502 AA</del>	<del>Nat Res Spec 2</del>	<del>Regional Assistant Watermaster</del>	<del>PF</del>	<del>0.88 FTE</del>
9917113	<del>OA C8502 AA</del>	<del>Nat Res Spec 2</del>	<del>Regional Assistant Watermaster</del>	<del>PF</del>	<del>0.88 FTE</del>
9917114	OA C8502 AA	Nat Res Spec 2	Regional Assistant Watermaster	PF	0.88 FTE
9917115	OA C8502 AA	Nat Res Spec 2	Regional Assistant Watermaster	PF	0.88 FTE
9917126	OAS C0866 AP	Public Affairs Spec 3	Field Conservation Coordinator	PF	0.88 FTE

**Revenue Source**

General Fund:

\$1,061,283

This package is included in the Governor’s Recommended Budget

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 105 - Responsible Water Management and Distribution

Cross Reference Name: Field Services  
 Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	1,061,283	-	-	-	-	-	1,061,283
<b>Total Revenues</b>	<b>\$1,061,283</b>	-	-	-	-	-	<b>\$1,061,283</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	481,731	-	-	-	-	-	481,731
Empl. Rel. Bd. Assessments	285	-	-	-	-	-	285
Public Employees' Retire Cont	63,060	-	-	-	-	-	63,060
Social Security Taxes	36,850	-	-	-	-	-	36,850
Worker's Comp. Assess. (WCD)	345	-	-	-	-	-	345
Flexible Benefits	166,680	-	-	-	-	-	166,680
Reconciliation Adjustment	11,139	-	-	-	-	-	11,139
<b>Total Personal Services</b>	<b>\$760,090</b>	-	-	-	-	-	<b>\$760,090</b>
<b>Services &amp; Supplies</b>							
Instate Travel	78,400	-	-	-	-	-	78,400
Employee Training	12,500	-	-	-	-	-	12,500
Office Expenses	25,000	-	-	-	-	-	25,000
Telecommunications	2,500	-	-	-	-	-	2,500
Attorney General	120,293	-	-	-	-	-	120,293
Employee Recruitment and Develop	2,500	-	-	-	-	-	2,500
Dues and Subscriptions	2,500	-	-	-	-	-	2,500
Other Services and Supplies	5,000	-	-	-	-	-	5,000
Expendable Prop 250 - 5000	32,500	-	-	-	-	-	32,500

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 Essential and Policy Package Fiscal Impact Summary - BPR013

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 105 - Responsible Water Management and Distribution

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
IT Expendable Property	20,000	-	-	-	-	-	20,000
<b>Total Services &amp; Supplies</b>	<b>\$301,193</b>	-	-	-	-	-	<b>\$301,193</b>
<b>Total Expenditures</b>							
Total Expenditures	1,061,283	-	-	-	-	-	1,061,283
<b>Total Expenditures</b>	<b>\$1,061,283</b>	-	-	-	-	-	<b>\$1,061,283</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							5
<b>Total Positions</b>	-	-	-	-	-	-	<b>5</b>
<b>Total FTE</b>							
Total FTE							4.40
<b>Total FTE</b>	-	-	-	-	-	-	<b>4.40</b>

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# BUDGET NARRATIVE

01/12/17 REPORT NO.: PPDFISCAL DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE  
 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:010-03-00 Field Services PACKAGE: 105 - Responsible Water Management a

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
3000041	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	09	4,860.00	116,640-57,653-				116,640-57,653-
3000041	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	07	5,095.00	122,28058,823				122,28058,823
3000042	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	09	4,860.00	116,640-57,653-				116,640-57,653-
3000042	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	07	5,095.00	122,28058,823				122,28058,823
3000043	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	04	3,847.00	92,328-52,611-				92,328-52,611-
3000043	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	02	4,022.00	96,52853,482				96,52853,482
3000044	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	07	4,432.00	106,368-55,523-				106,368-55,523-
3000044	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	05	4,641.00	111,38456,563				111,38456,563
9911110	OAS C8501 AP	NATURAL RESOURCE SPECIALIST 1	1-	1.00-	24.00-	09	4,860.00	116,640-57,653-				116,640-57,653-
9911110	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	07	5,095.00	122,28058,823				122,28058,823
9917110	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	.88	21.00	02	4,022.00	84,46250,979				84,46250,979
9917111	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	.88	21.00	02	4,022.00	84,46250,979				84,46250,979
9917114	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	.88	21.00	02	4,022.00	84,46250,979				84,46250,979
9917115	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	.88	21.00	02	4,022.00	84,46250,979				84,46250,979
9917126	OAS C0866 AP	PUBLIC AFFAIRS SPECIALIST 3	1	.88	21.00	02	5,607.00	117,74757,883				117,74757,883
TOTAL PICS SALARY								481,731				481,731
TOTAL PICS OPE								267,220				267,220
TOTAL PICS PERSONAL SERVICES =								748,951				748,951

## Pkg 107 – Umatilla Field Presence

# BUDGET NARRATIVE

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**Purpose:** Umatilla County currently provides funding and positions for five staff in the Oregon Water Resources Department (OWRD) Pendleton and Milton-Freewater offices. Three of these positions are funded by the County (2 Assistant Watermasters, one administrative assistant). The remaining two positions are Assistant Watermasters funded by a contract between the County and the US Bureau of Reclamation (BOR). The five positions are county personnel who, consistent with state law, work under the direct supervision of OWRD. Umatilla County has signaled its intent to discontinue providing the five county positions as of July 2017, but are willing to continue with financial support. As a result, the Department committed to seek five state positions, based on the understanding that county and federal funds would continue to support these positions. Under this approach, current field staff capacity would be maintained in this area for the 2017-2019 biennium.

The Assistant Watermasters and administrative assistant positions significantly contribute to effective water management in the Umatilla Basin, one of the most administratively complex water distribution systems in the state. There are over 513,000 irrigated acres in the basin, served by 4,900 points of diversion (wells and surface water). There are over 1,200 other points of diversion serving non-irrigation water rights in the basin. Complex water agreements, exchanges, and rotations not seen in other basins in Oregon require significant staff time for proper management and delivery of water to users. Water scarcity and significant development has made Umatilla County groundwater and surface water the most managed and measured in Oregon.

**How Achieved:** OWRD is requesting position authority for five staff; four Assistant Watermasters and one administrative assistant. These positions would be paid for by other funds and federal funds. This would allow the Department to have position authority to accept funding from Umatilla County beginning in July 2017 for two assistant watermasters and one administrative assistant. In addition, it would also allow funding to be provided by BOR under a new contract between OWRD and BOR for two assistant watermasters.

**Quantifying Results:** Transferring these positions from Umatilla County to OWRD will ensure management of water in the Umatilla Basin continues at current service levels. If funding for the positions is not provided by the County or BOR, the positions will not be filled. Some efficiency in staff training will be gained if the positions are directly employed by OWRD.

**Staffing Impact:**

9917120	OA C8502 AA	Nat Res Spec 2	Assistant Watermaster	PF	1.00 FTE
9917121	OA C8502 AA	Nat Res Spec 2	Assistant Watermaster	PF	1.00 FTE
9917122	OA C8502 AA	Nat Res Spec 2	Assistant Watermaster	PF	1.00 FTE
9917123	OA C8502 AA	Nat Res Spec 2	Assistant Watermaster	PF	1.00 FTE
9917124	OA C0104 AA	Office Specialist 2	Regional Office Support	PF	1.00 FTE

**Revenue Source :**

Other Funds:

\$433,677

# BUDGET NARRATIVE

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Federal Funds:

\$433,667

This package as requested in the Agency Request Budget is included in the Governor's Recommended Budget.



# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 107 - Umatilla Field Presence

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Other Revenues	-	-	433,677	-	-	-	433,677
Federal Funds	-	-	-	433,667	-	-	433,667
<b>Total Revenues</b>	-	-	<b>\$433,677</b>	<b>\$433,667</b>	-	-	<b>\$867,344</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	225,648	225,648	-	-	451,296
Empl. Rel. Bd. Assessments	-	-	145	140	-	-	285
Public Employees' Retire Cont	-	-	29,538	29,538	-	-	59,076
Social Security Taxes	-	-	17,261	17,261	-	-	34,522
Worker's Comp. Assess. (WCD)	-	-	175	170	-	-	345
Flexible Benefits	-	-	83,340	83,340	-	-	166,680
<b>Total Personal Services</b>	-	-	<b>\$356,107</b>	<b>\$356,097</b>	-	-	<b>\$712,204</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	32,320	32,320	-	-	64,640
Employee Training	-	-	6,250	6,250	-	-	12,500
Office Expenses	-	-	12,500	12,500	-	-	25,000
Telecommunications	-	-	1,250	1,250	-	-	2,500
Employee Recruitment and Develop	-	-	1,250	1,250	-	-	2,500
Dues and Subscriptions	-	-	1,250	1,250	-	-	2,500
Other Services and Supplies	-	-	2,500	2,500	-	-	5,000
Expendable Prop 250 - 5000	-	-	15,750	15,750	-	-	31,500

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 107 - Umatilla Field Presence

Cross Reference Name: Field Services  
Cross Reference Number: 69000-010-03-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
IT Expendable Property	-	-	4,500	4,500	-	-	9,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$77,570</b>	<b>\$77,570</b>	-	-	<b>\$155,140</b>
<b>Capital Outlay</b>							
Office Furniture and Fixtures	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	433,677	433,667	-	-	867,344
<b>Total Expenditures</b>	-	-	<b>\$433,677</b>	<b>\$433,667</b>	-	-	<b>\$867,344</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	5
<b>Total Positions</b>	-	-	-	-	-	-	<b>5</b>
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	5.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>5.00</b>

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Essential and Policy Package Fiscal Impact Summary - BPR013

# BUDGET NARRATIVE

01/12/17 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:69000 DEPT OF WATER RESOURCES  
 SUMMARY XREF:010-03-00 Field Services

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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PACKAGE: 107 - Umatilla Field Presence

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
9917120	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	02	4,022.00		48,264 26,742	48,264 26,740		96,528 53,482
9917121	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	02	4,022.00		48,264 26,742	48,264 26,740		96,528 53,482
9917122	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	02	4,022.00		48,264 26,742	48,264 26,740		96,528 53,482
9917123	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	02	4,022.00		48,264 26,742	48,264 26,740		96,528 53,482
9917124	OAS C0104 AP	OFFICE SPECIALIST 2	1	1.00	24.00	02	2,716.00		32,592 23,491	32,592 23,489		65,184 46,980
TOTAL PICS SALARY									225,648	225,648		451,296
TOTAL PICS OPE									130,459	130,449		260,908
TOTAL PICS PERSONAL SERVICES =			5	5.00	120.00				356,107	356,097		712,204

# BUDGET NARRATIVE

## Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2009-11 Estimated	2017-19		
						Agency Request	Governor's Budget	Legislatively Adopted
Non-Business Lic and Fees	OF	0210	-	-	-	-	-	
Power and Water Fees	OF	0245	-	-	-	-	-	
Charges for Services	OF	0410	663,614	403,870	-	309,592	309,592	
Admin and Service Charges	OF	0415	-	-	-	-	-	
Fines and Forfeitures	OF	0505	-	-	-	-	-	
Dedicated Fund Obligation Bond	OF	0560	-	-	-	-	-	
Lottery Bonds	OF	0565	-	-	-	-	-	
Revenue Bonds	OF	0570	-	-	-	-	-	
Interest Income	OF	0605	5,938	-	-	-	-	
Sales Income	OF	0705	-	-	-	-	-	
Loan Repayments	OF	0925	-	-	-	-	-	
Other Revenues	OF/FF	0975	-	945,918	-	1,438,936	1,438,936	
Federal Funds	FF	0995	99,485	161,619	-	616,140	616,052	
<b>Total Revenue</b>			<b>769,037</b>	<b>1,511,407</b>	-	<b>2,364,668</b>	<b>2,364,580</b>	-
Transfer In - Intrafund	OF	1010	555,819	904,277	-	1,042,092	1,042,092	
Transfer from General Fund	OF	1060	100,000	-	-	-	-	
Transfer In - Lottery	LF	1040	-	-	-	-	-	
Transfer in from Admin Serv	OF	1107	-	-	-	-	-	
Transfer In from State Lands	OF	1141	-	-	-	-	-	
Transfer from Watershed Enhance Bd	OF	1691	-	-	-	-	391,888	
Transfer Out - Intrafund	OF	2010	(8,629)	-	-	-	-	
Transfer to General Fund	OF	2060	-	-	-	-	-	
Tsfr to Environmental Quality	OF	2340	-	-	-	-	-	
Tsfr to Parks and Rec	OF	2634	-	-	-	-	-	
Tsfr To Fish and Wildlife	OF	2635	-	-	-	-	-	
<b>Total Transfers</b>			<b>647,190</b>	<b>904,277</b>	-	<b>1,042,092</b>	<b>1,433,980</b>	-
<b>Net Revenue</b>			<b>1,416,227</b>	<b>2,415,684</b>	-	<b>3,406,760</b>	<b>3,798,560</b>	-

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
2017-19 Biennium

Agency Number: 69000  
Cross Reference Number: 69000-010-03-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Lottery Funds</b>						
Tsfr From Watershed Enhance Bd	-	-	-	-	391,888	-
<b>Total Lottery Funds</b>	-	-	-	-	<b>\$391,888</b>	-
<b>Other Funds</b>						
Charges for Services	658,747	403,870	403,870	309,592	309,592	-
Rents and Royalties	4,867	-	-	-	-	-
Interest Income	5,938	-	-	-	-	-
Other Revenues	-	945,918	945,918	1,438,936	1,438,936	-
Transfer In - Intrafund	555,819	904,277	904,277	1,042,092	1,042,092	-
Transfer from General Fund	100,000	-	-	-	-	-
Transfer Out - Intrafund	(8,629)	-	-	-	-	-
<b>Total Other Funds</b>	<b>\$1,316,742</b>	<b>\$2,254,065</b>	<b>\$2,254,065</b>	<b>\$2,790,620</b>	<b>\$2,790,620</b>	-
<b>Federal Funds</b>						
Federal Funds	103,623	161,619	171,554	616,140	616,052	-
Transfer Out - Intrafund	(4,138)	-	-	-	-	-
<b>Total Federal Funds</b>	<b>\$99,485</b>	<b>\$161,619</b>	<b>\$171,554</b>	<b>\$616,140</b>	<b>\$616,052</b>	-

\_\_\_\_ Agency Request  
2017-19 Biennium

\_\_\_\_ Governor's Budget  
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\_\_\_\_ Legislatively Adopted  
Detail of LF, OF, and FF Revenues - BPR012

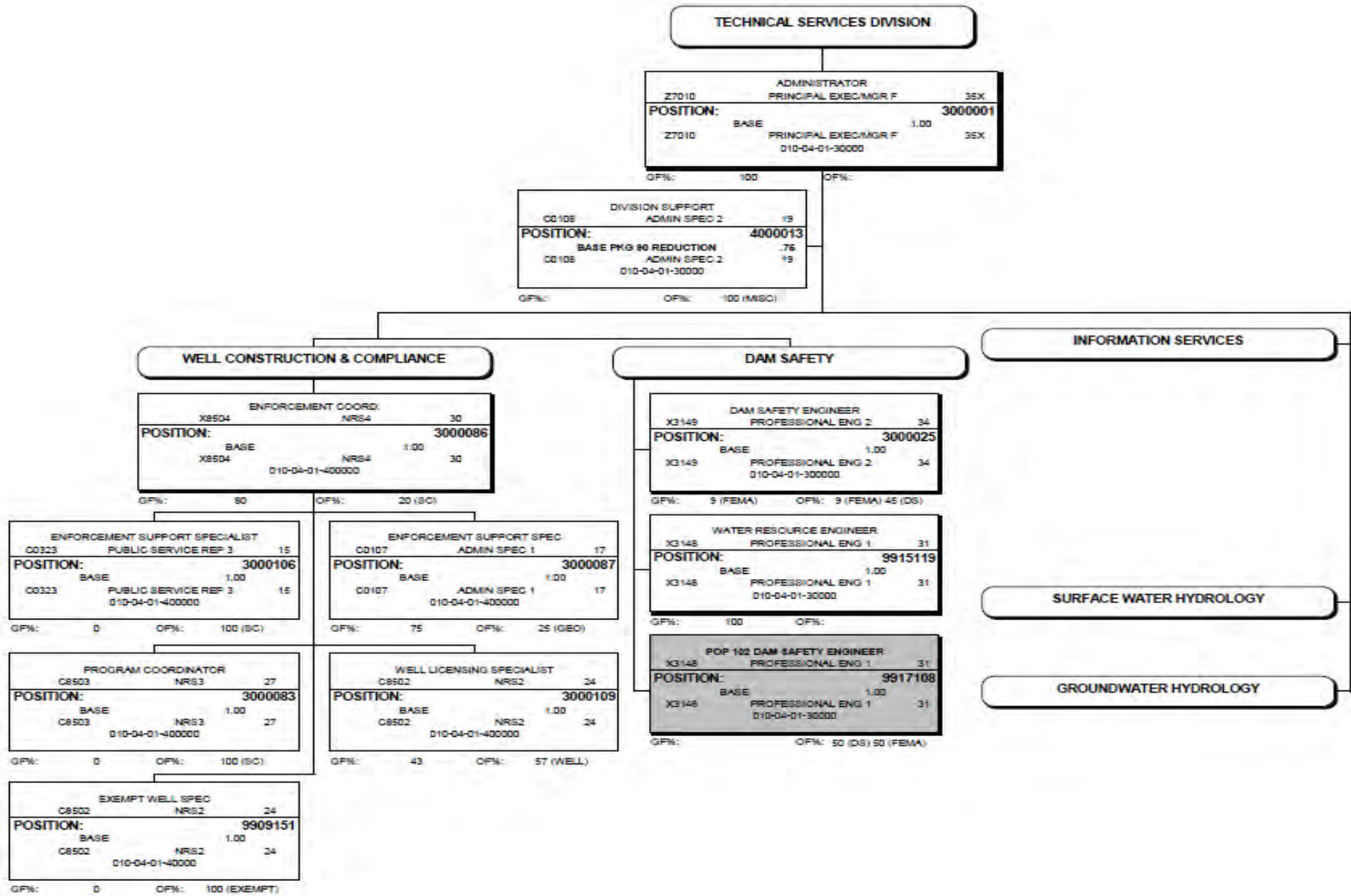
# BUDGET NARRATIVE

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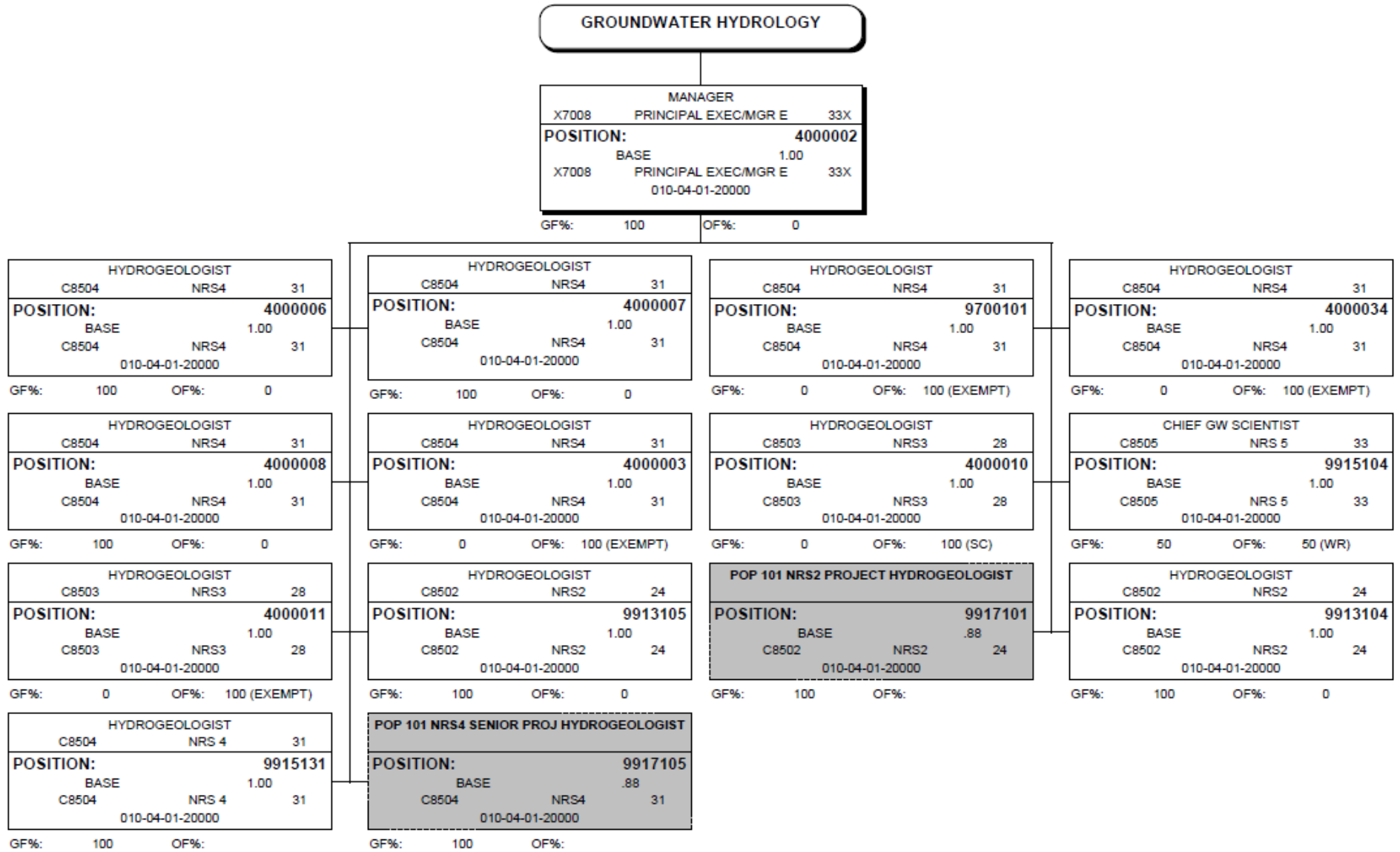
# BUDGET NARRATIVE

## TECHNICAL SERVICES DIVISION



# BUDGET NARRATIVE

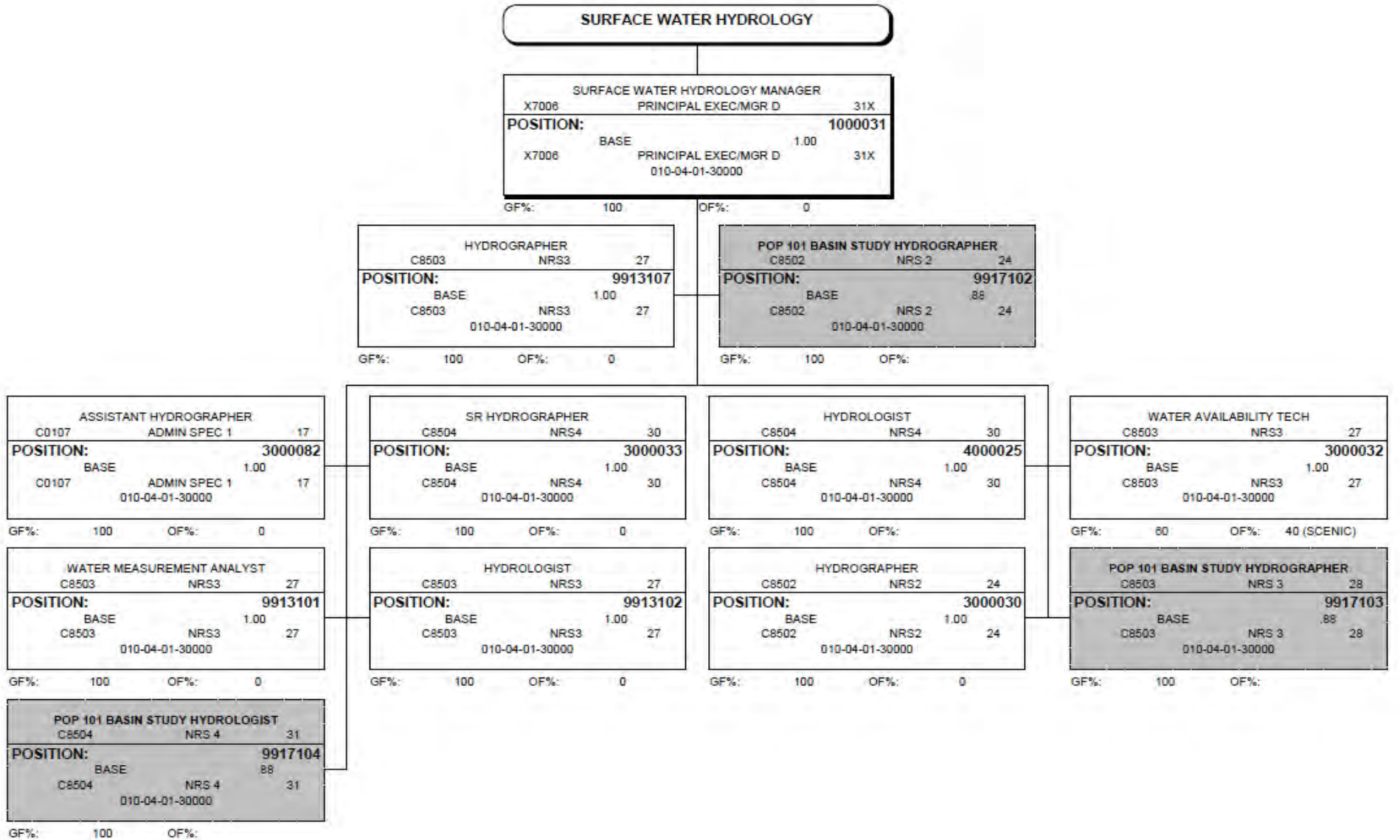
## GROUNDWATER HYDROLOGY SECTION





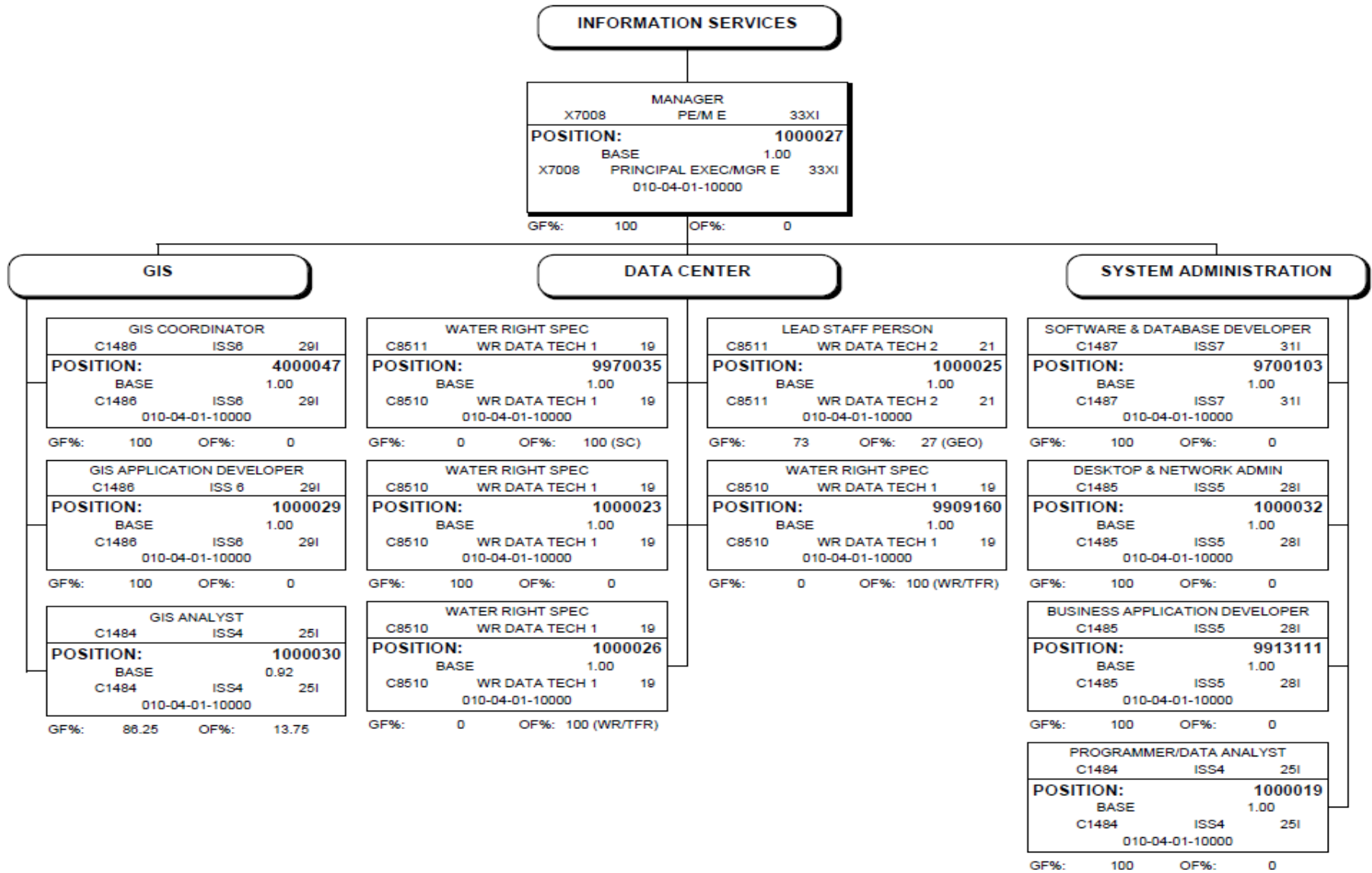
# BUDGET NARRATIVE

## SURFACE WATER HYDROLOGY SECTION



# BUDGET NARRATIVE

## INFORMATION SERVICES



# BUDGET NARRATIVE

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## TECHNICAL SERVICES DIVISION

The Technical Services Division collects and analyzes data to provide the Department with the best available science for water management decisions to support a healthy environment and a strong economy. The Division also protects public health and safety by assessing the condition of dams and overseeing well construction standards to prevent groundwater contamination and waste.

Program Contact: Brenda Bateman  
(503) 986-0879

## PROGRAM FUNDING REQUEST

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Water Resources proposes to use \$2.5 million General Fund and \$.25 million Other and Federal Funds for groundwater studies and other data to better understand and utilize limited water resources; strengthen the Dam Safety Program to protect the public and water supplies; support protection of Oregon's groundwater through well construction practices.

The Technical Services Division supports long-term water management by providing data and technical analysis. During the 2015-2017 biennium Technical Services had 45 budgeted positions (FTE) in five programs: Dam Safety, Well Construction and Compliance, Information Services, Surface Water Hydrology, and Groundwater Hydrology.

## PROGRAM DESCRIPTION

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The Division is administered by the Division Administrator with assistance of an Executive Support Specialist. The Administrator chairs the Drought Readiness Council. Program areas highlighted below include Dam Safety, Well Construction and Compliance, Information Services, Surface Water Hydrology, and Groundwater Hydrology.

### DAM SAFETY

The Dam Safety Program houses the State Engineer. In addition to providing technical oversight of the Dam Safety Program, the State Engineer also provides technical support for the agency's water resources development initiatives. In 2016, the section also hired a water resources development engineer to assist with the agency's initiatives under the Water Resources Development Program, helping individuals and communities address their water resources challenges.

In recent years, other states have suffered significant property and environmental damage as well as loss of life as a result of dam failures. As structures age and additional seismic information becomes available, proper construction and maintenance becomes even more critical. In cooperation with National Inventory of Dams Program (NID), Oregon's Dam Safety Program keeps a current inventory of dams that meet both

## **BUDGET NARRATIVE**

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NID and Oregon criteria. Pursuant to statute, dams that are ten feet or greater in height and also impound 9.2 acre-feet (3,000,000 gallons) or more are subject to the requirements of Oregon's Dam Safety Program.

The Dam Safety Program staff are responsible for inspecting dams, and reviewing the design/specifications of new water storage structures and existing structures undergoing major repair. The Department has lead inspection responsibility for more than 900 dams, and strives to inspect about 230 each year, including the more than 70 dams rated as "high hazard," because of there are people living immediately downstream from the dam. The 2009 Legislature established a fee to help pay for the costs of this program. Staff engineers conduct inspections of existing hydraulic structures that could pose a threat to life and property, and coordinate inspection efforts by field services personnel of other structures.

The State Engineer provides engineering expertise, conducts staff training, coordinates routine dam inspections, determines actions needed on dams in less-than-satisfactory condition, and provides information on the feasibility and safety of potential new storage sites. The Program also hosts a biennial Dam Safety Conference that provides technology transfer and policy-level discussions related to best practices for keeping dams safe and resilient.

### **WATER RESOURCES DEVELOPMENT PROGRAM**

Identifying water supply options to meet both instream and out-of-stream water needs is essential for healthy economies, communities and ecosystems. The Water Resources Development Program staff are an inter-divisional team housed in three Divisions that are focused on providing technical and financial assistance to help communities meet their instream and out-of-stream water needs.

A water resources development engineer was hired in 2016 to help the state and communities identify and evaluate options for new or expanded water storage, water conservation, and other projects that require engineering expertise. As part of the Water Resources Development Program team, the engineer provides critical guidance in the development and evaluation of: feasibility studies, engineering designs, hydrologic analyses, geologic evaluations, as well as construction /implementation. The engineer is also responsible for evaluating grant program proposals, and reviewing feasibility study reports to advise the Department on funding of projects and the viability of such projects from an engineering perspective.

### **WELL CONSTRUCTION AND COMPLIANCE**

The Well Construction and Compliance Section includes a well constructor licensing specialist, a well construction program coordinator , an exempt use well program coordinator, two support specialists, and the section manager.

#### **WELL CONSTRUCTION**

The Well Construction Program protects Oregon's groundwater aquifers from depletion, waste, contamination, and loss of artesian pressure. The program administers minimum well construction standards, well inspections, well constructor continuing education, exempt use well recording, landowner well construction permits, geotechnical hole standards, special standard application reviews, and well constructor licensing. The program works to ensure that well constructors and landowners understand the importance of protecting aquifers using proper construction,

# BUDGET NARRATIVE

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maintenance, and abandonment techniques. In coordination with the Field Division well inspectors, staff members consult with drillers and landowners to ensure compliance with minimum well construction standards. Program staff assists the public in conducting well log research, interpreting well log data, submitting exempt use well maps, and issuing Well ID Tags.

## COMPLIANCE

The Compliance staff provides guidance to field personnel for regulatory matters that could involve formal enforcement action, and serves as the agency lead when formal enforcement action becomes necessary. Although voluntary compliance with Oregon water law is achieved more than 99 percent of the time, there are violations of water law that require formal action. Water use violations generally involve storing water without the benefit of a water right, irrigating land not covered by existing rights, or diverting water illegally without a water right. Well construction violations typically involve construction practices that could lead to contamination, waste, or depletion of groundwater aquifers. The Compliance staff prepares formal enforcement documents, represents the Department in formal hearings or settlement negotiations, and assists in writing administrative rules.

## INFORMATION SERVICES

The Information Services Section provides agency and public access to information necessary for sound water management decisions through application development, data management, and technical support. The section continues to improve and streamline customer interactions through technology. Recent actions included: 1) accepting online public comments and providing email notifications, 2) improving the Water Right Query web page, 3) refining the Water Use Reporting submittal tools, and 4) developing additional streamflow data sharing through advanced web services.

## APPLICATION DEVELOPMENT

Application development staff members streamline the processing of information for both internal (agency) and external customers. The information is displayed through web pages and maps. These applications are necessary to increase efficiency, understand complex data, and support water resource decisions. The application development team has recently updated Water Right data and applications to incorporate the National Hydrography Data standard, enabling internal staff and external customers to analyze water rights with information about their location on the stream network.

## DATA MANAGEMENT

Data management staff build and maintain databases of key information including water rights, well construction records, and hydrologic data. Quick and reliable public access to information allows the Department to better serve the public. Staff add new information when it is received by the Department and research historical paper records to improve database accuracy. The section continues to improve processes and documentation. Additional procedures have been added to ensure data standards are met to facilitate data sharing with external customers.

## TECHNICAL SUPPORT

# BUDGET NARRATIVE

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Technical support staff members ensure that hardware and communication infrastructure is operational and accessible. Reliable servers and computers are necessary for information sharing and improving staff efficiency. Recent improvements in backup services have positioned the Department to effectively recover data in the event of a disaster.

## INFORMATION TECHNOLOGY SECURITY

Information technology staff members take steps to avoid or mitigate risk to agency information assets. Securing information assets from unauthorized access protects the public and the Department. The section has increased efforts to educate staff on security issues.

## SURFACE WATER HYDROLOGY

The Surface Water Hydrology Section includes three programs staffed by nine hydrologists, hydrographers, office support, and the section manager. The Section Manager chairs the State's Water Supply Availability Committee.

## HYDROGRAPHICS

As of mid-2016, the Water Resources Department is operating more than 250 stream and reservoir gages throughout the state, maintaining a 100-year record for many of them. This information is vital for water managers, scientists, planners, and policy makers to make good water management or planning decisions. The Department operates gages to serve two primary purposes: scientific evaluations and water management (for both distribution and regulatory purposes). About 220 of these gages are operated as near real-time, and transmit data once every hour. The Department also posts on its website information from another 250 gages operated by the U.S. Geological Survey.

Hydrographics staff provide surface water data collection oversight and guidance. Primary functions include evaluating the sufficiency of the data collection network, selecting sites and equipment, and processing streamflow, reservoir, and groundwater level data for staff use and public distribution. The section works with staff in the Field Services Division to ensure that the stream gage network equipment is operating properly, and to conduct regular measurements at various water elevations. The staff also provides guidance, training and technical support to field staff on stream flow measurement, as well as the location, installation, and operation of surface water stream gaging stations. In addition, staff verify and enter the data into a central database, review the data, make corrections based on field conditions (such as debris or ice), and finalize the records to meet computation standards established by the USGS.

## SURFACE WATER AVAILABILITY

The Surface Water Availability Program assesses surface water availability in rivers and streams throughout the state in an effort to assess the ability to issue new water rights, while also protecting existing instream and out-of-stream water rights. Basin runoff characteristics and streamflow measurements are analyzed in a manner that allows prediction of flow in streams where gages are not available. Streamflow statistics and water availability are used for water supply and stream restoration planning. Major elements of the program include expanding and refining the streamflow records database, improving estimates of consumptive water use, improving the accuracy of predictive streamflow models, and providing surface water availability analysis for water right applications. In addition to the statewide water availability analysis, other surface

## **BUDGET NARRATIVE**

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water models have been developed that provide flood frequency predictions and water use impact analyses for consideration in mitigation proposals. Section hydrologists also provide technical guidance in tracking mitigation opportunities in the Deschutes Basin to protect scenic waterways. The mitigation program in the Deschutes Basin is designed to allow development of groundwater using mitigation credits to maintain or improve streamflow.

### **WATER USE REPORTING**

All government entities that hold water rights in Oregon, including federal and state agencies, cities, counties, schools, irrigation districts, and other special districts, are required by Oregon Revised Statute (ORS) 537.099 to annually report their water use. Beginning in the early 1990's, some water use permits issued to nongovernmental users include a water measurement and annual reporting requirement; under the authority of ORS 537.211, water right permits may be issued with measurement conditions from the Department. In 2016, reporting of water use was required on approximately 17 percent of all water rights, accounting for about 29 percent of the surface and groundwater that can be diverted statewide. Water-use reporters submit their information to the Department via its website and this information is then made available to the public.

### **GROUNDWATER HYDROLOGY**

The Groundwater Hydrology Section includes 12 staff hydrogeologists and a supervising hydrogeologist. The section focuses on collecting and analyzing information on the groundwater resources of the state. That information is used to formulate plans to manage groundwater within the capacity of the resource. Section activities also include technical support on groundwater permitting and management, reviewing Aquifer Storage and Recovery and Artificial Recharge proposals, conducting groundwater investigations, monitoring and administrative management of critical groundwater areas, and expansion and oversight of the observation well network.

### **TECHNICAL SUPPORT TO THE AGENCY**

Significant staff time is devoted to intra-agency technical support, including reviews of groundwater permit applications and transfers, participation in contested cases, counsel on matters relating to well construction, assisting with the resolution of interference between water wells and surface water, helping to address complaints regarding well-to-well interference, assisting with enforcement matters, reviewing data collected by water users, and technical analysis of proposed groundwater-related legislation and rules.

### **AQUIFER STORAGE & RECOVERY (ASR) AND ARTIFICIAL RECHARGE (AR)**

Groundwater staff review ASR and AR proposals, provide technical assistance, consider the potential for injury to other water users and aquifer water quality, evaluate project data and reports, and issue licenses and permits.

### **GROUNDWATER INVESTIGATIONS**

Groundwater investigations characterize the water budgets of groundwater reservoirs, document the interaction between groundwater and surface water, determine annual recharge, calculate the current demands on the aquifer, and inform management plans to prevent over-drafting the resource. Investigations include assessments of critical groundwater areas, other locations where groundwater levels show decline, and areas

## BUDGET NARRATIVE

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where local geology or anticipated growth suggests the resource may soon begin to show signs of stress. These studies describe the groundwater resource, identify any problems, and suggest management options. State funding of groundwater investigations can usually be leveraged with matching federal funding through the U.S. Geological Survey.

### MANAGEMENT OF GROUNDWATER ADMINISTRATIVE AREAS

There are 22 designated groundwater administrative areas around the state with differing levels of restriction. These include critical groundwater areas, groundwater limited areas, and areas withdrawn from further appropriation. Some areas have time-limited permit restrictions for uses requiring water rights. Other areas are closed to new appropriations or have well construction requirements to protect senior water rights. Staff monitor these areas to ensure that the restrictions adequately protect the groundwater resource and existing users without excessively curtailing water development and use.

The designated critical areas are Butter Creek, Stage Gulch and Ordinance in the Umatilla Basin; The Dalles in the Hood Basin; Cow Valley in the Malheur Basin; and Cooper Mountain-Bull Mountain in the Tualatin Basin. Within these areas, hydrogeologists monitor groundwater levels and water use and, where applicable, determine the annual allocation of groundwater available to senior water right holders.

Department hydrogeologists also provide technical input for mitigation opportunities. The mitigation program in the Deschutes Basin is designed to allow development of groundwater using mitigation credits to maintain or improve streamflow.

### WELL NET

Section staff, in cooperation with the Field Services Division, collects and input water level data from observation wells around the state. This information is used to track the long-term aquifer response to groundwater development and climate change. There are currently more than 378 state observation wells and several hundred miscellaneous and project wells that contribute data regarding ground water levels in Oregon. . The data are quality-control checked and entered on the Department website for access by the public and professionals who use the information to track and understand changing conditions. The Department is actively expanding this network by drilling dedicated observation wells in areas of specific groundwater interest, for example, in basins where the Department is working with the U.S. Geological Survey on cooperative groundwater studies.

## PROGRAM JUSTIFICATION

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The Department's water right processing, water distribution and management, and water resources development activities all rely on the science and information technology provided by the Technical Services Division. As outlined in Oregon's 2012 Integrated Water Resources Strategy, in conjunction with meeting our instream and out-of-stream water needs, we need to (1) understand our groundwater and surface water resources, (2) understand the demands on those resources, and (3) understand the coming pressures. The Technical Services Division carries out these three objectives in order to improve our understanding, as well as the public's, water users', local governments', and others'. As a result, this Division's provides the information necessary to assist with decision-making that supports our economies, communities and environment.

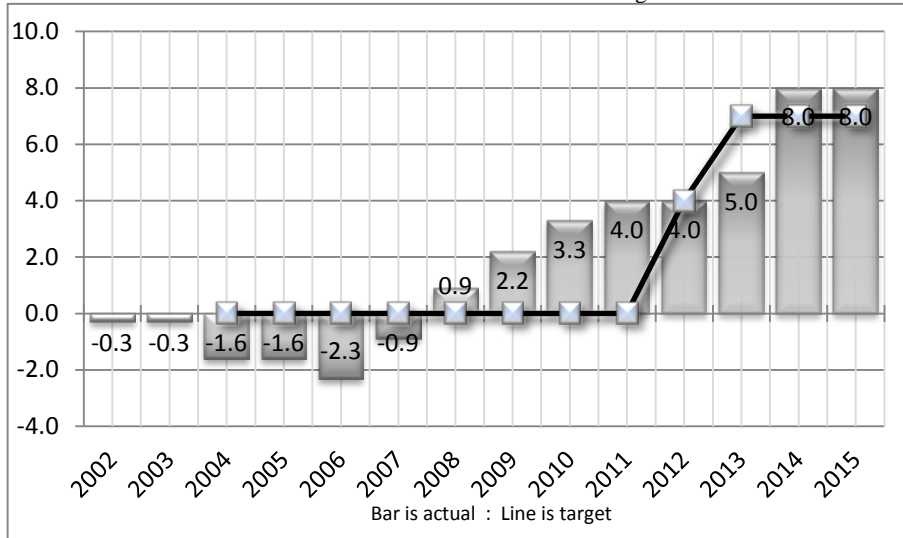


# BUDGET NARRATIVE

## PROGRAM PERFORMANCE

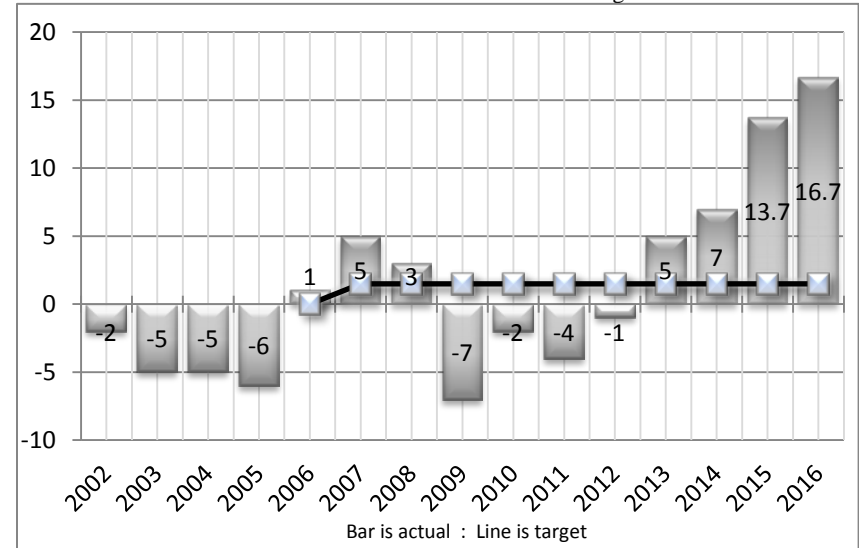
**Percent Change from 2001 in Number of Wells Routinely Monitored to assess Ground Water Resources**

Goal = Increase Positive Percent Change



**Percent Change from 2001 in Number of OWRD - Operated or Assisted Gaging Stations**

Goal = Increase Positive Percent Change



For the 2015 Key Performance Reporting period (July 1 2015 to June 30, 2016), Oregon had 378 wells in the State Well Net, compared to 350 in 2001 or 8 more.

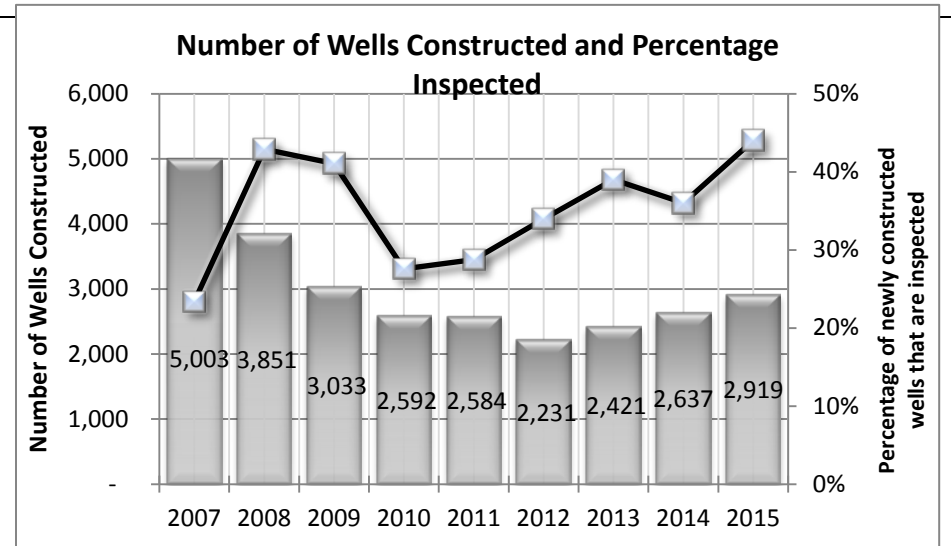
In 2016, Oregon had 258 active streamflow gages, compared to 215 in 2001.

The Division seeks to increase the number of wells routinely monitored, in order to help the state better understand the groundwater resources. Similarly, the state also seeks to increase the number of gaging stations in the state, in order to better understand the surface water resources. The more data the Department is able to collect, process, and analyze, the more-informed the Department is in its decision-making and management of the resource, and its ability to protect existing water rights and distribute water for senior users. With recent investments by the legislature, the Department has succeeded in installing new observation wells and stream gauges.

# BUDGET NARRATIVE

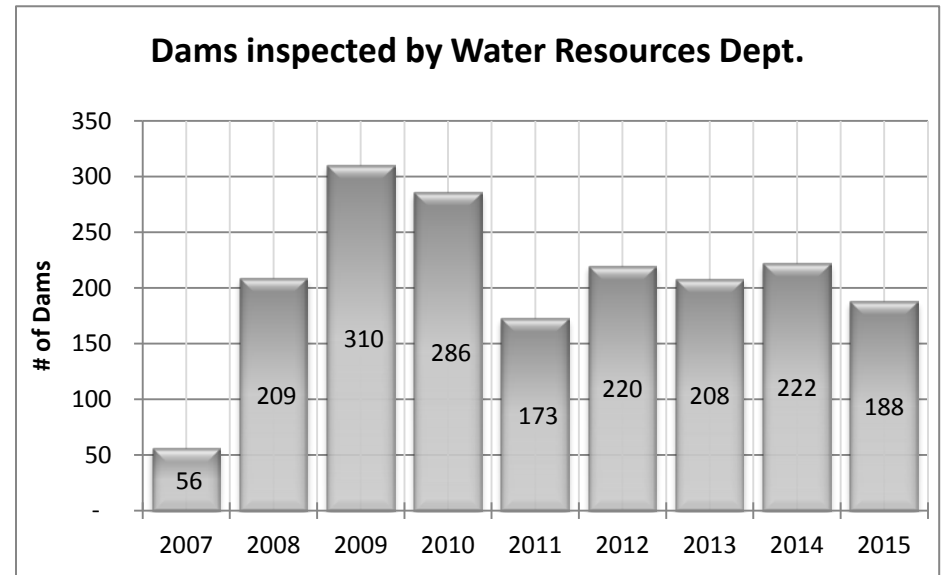
## WELLS CONSTRUCTED AND PERCENTAGE INSPECTED

The Department has a goal of inspecting at least 25 percent of newly constructed wells. Declines in the number of wells constructed during the recession have allowed an increase in the number of inspections. In 2014, the Department inspected 36 percent of new wells, and in 2015, it inspected 44 percent as shown by the line graph. As the number of new wells constructed increases (bar graph), the Department anticipates that the inspection numbers will decrease. However, it is anticipated that the percentage of new wells inspected will stay at, or above, the 25 percent goal.



## DAM SAFETY INSPECTIONS

The Department inspects dams on an ongoing basis. Oregon currently has more than 900 dams statewide for which it has lead inspection responsibilities. Ove 70 dams that have a potentially higher risk of life endangerment or property damage are inspected more frequently than the rest. Each year, the Department inspects about 200 dams in total.



## USEFUL AND ACCESSIBLE INFORMATION

# BUDGET NARRATIVE

The goal is to have useful and accessible information on the Department’s website, as measured by an ever-increasing number of hits against the Department’s website. The website includes information such as well log transactions, hydrographic records, water availability, water rights, and the document vault. More hits are indicative of our ability to meet the needs of the customer. As shown in the graph, in recent years, the Department has consistently experienced more than 2 million hits on its website per year, a good indication that our efforts to provide information and services to our customers online have been successful.

## ENABLING LEGISLATION/PROGRAM AUTHORIZATION

Oregon water law is addressed in Oregon Revised Statutes (ORS), chapters 536 through 541. ORS 537.110 declares all waters in the state as a public resource.

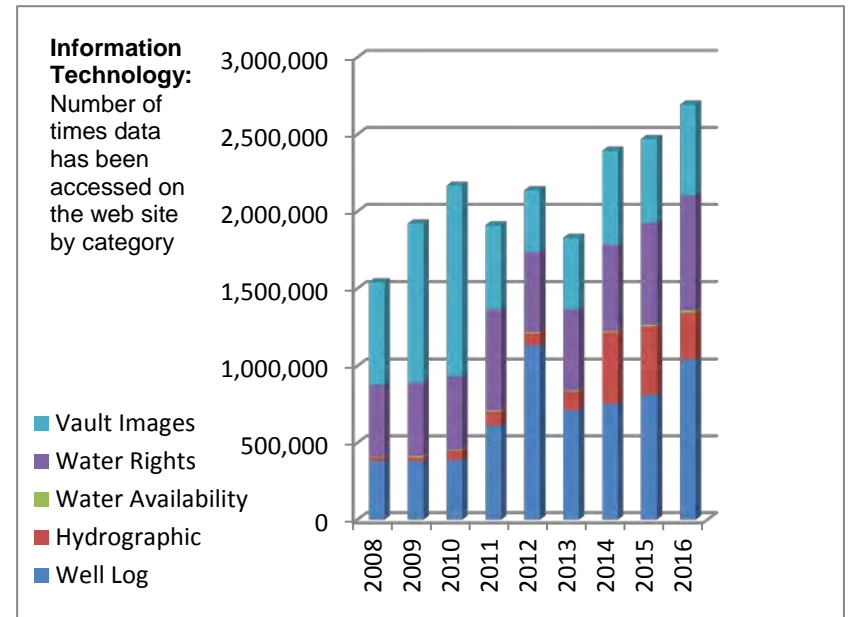
**Dam Safety:** ORS 540.350 through 540.400 identifies certain dams and other water structures as potential threats to life and property and requires review by the Water Resources Department.

**Groundwater Hydrology:** ORS 537.505 through ORS 537.746 provides for the protection of groundwater to ensure a sustainable resource for the state.

**Well Construction and Enforcement:** ORS 537.747 through ORS 537.796 and ORS 537.880 through ORS 537.895 provides requirements for well construction.

**Surface Water Hydrology and Measurement:** ORS 536.440, ORS 537.099, ORS 542.060, ORS 542.750 and ORS 540.435 provides for water users that must measure and report. Directs Department to establish and maintain gaging stations; publish gage records, and analyze surface water.

**Information Technology:** ORS 536.037 and ORS 536.040: Department must keep records and the information must be made available to the public. ORS 291.037 through 291.038 finds information resources are a strategic asset and must be managed accordingly by agencies.



## FUNDING STREAMS

# BUDGET NARRATIVE

The majority of funding for the Technical Services Division comes from the state General Fund. Other Funds include fees for the inspection of newly constructed wells and the mapping of those wells in the Department's online databases. The state's core responsibilities related to water, described in detail throughout this document, require significant investment in order to ensure Oregon's natural resource legacy for future generations and to implement our shared vision into the future.

	GENERAL FUND	Other Funds	Lottery Funds	Federal Funds	Total Funds
2015-17 Legislatively Adopted Budget	8,081,678	4,491,391	-	1,140,784	13,713,853
2015-17 Emergency Boards	970,168	108,683	-	-	1,078,851
2015-17 Legislatively Approved Budget	9,051,846	4,600,074	-	1,140,784	14,792,704
2017-19 Base Budget	9,115,531	4,788,211	-	1,140,784	15,044,526
2017-19 Current Service Level	8,702,235	4,907,046	-	1,140,784	14,750,065
Total Packages	1,252,458	102,319	-	114,859	1,469,636
2017-19 Governor's Recommended Budget	9,954,693	5,009,365	-	1,255,643	16,219,701

# BUDGET NARRATIVE

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## TECHNICAL SERVICES DIVISION ESSENTIAL AND STATEWIDE PACKAGES

### 010 – Vacancy Factor and Non-PICS Personal Services

This package contains adjustments to the base budget as directed in the 2017-19 Budget Instructions. These changes include changes to the Vacancy Savings Factor, the non-PICS generated Personal Services inflation adjustments and the Pension Obligation Bonds calculations supplied to Agencies by the Department of Administrative Services Chief Financial Office.

### 020 – Costs of Phased In/Phased Out Programs and One Time Costs

This package removes funding that was intended as one time funding from the 2015-17 biennium.

### 030 – Inflation and Price List Adjustments

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2017-2019 Budget Instructions. General inflation was calculated using a factor of 3.7% while a rate of 4.1% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2017-19 price lists.

### 090 - Analyst Adjustments

This package includes adjustments and reductions taken in the Governor's Recommended Budget.

### 091 – Statewide Adjustment DAS Charges

This package includes reductions to State Government Services Charges to account for reductions made to the Department of Administrative Services (DAS) in the Governor's Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	57,491	-	-	-	-	-	57,491
<b>Total Revenues</b>	<b>\$57,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$57,491</b>
<b>Personal Services</b>							
Temporary Appointments	263	-	1,441	-	-	-	1,704
Overtime Payments	-	-	-	-	-	-	-
All Other Differential	180	-	-	-	-	-	180
Public Employees' Retire Cont	34	-	-	-	-	-	34
Pension Obligation Bond	21,198	-	12,496	-	-	-	33,694
Social Security Taxes	54	-	110	-	-	-	164
Unemployment Assessments	497	-	122	-	-	-	619
Mass Transit Tax	891	-	376	-	-	-	1,267
Vacancy Savings	34,374	-	12,684	-	-	-	47,058
<b>Total Personal Services</b>	<b>\$57,491</b>	<b>-</b>	<b>\$27,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$84,720</b>
<b>Total Expenditures</b>							
Total Expenditures	57,491	-	27,229	-	-	-	84,720
<b>Total Expenditures</b>	<b>\$57,491</b>	<b>-</b>	<b>\$27,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$84,720</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(27,229)	-	-	-	(27,229)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$27,229)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$27,229)</b>

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Essential and Policy Package Fiscal Impact Summary - BPR013

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Technical Services  
 Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(575,000)	-	-	-	-	-	(575,000)
<b>Total Revenues</b>	<b>(\$575,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$575,000)</b>
<b>Services &amp; Supplies</b>							
Professional Services	(175,000)	-	-	-	-	-	(175,000)
Other Services and Supplies	(400,000)	-	-	-	-	-	(400,000)
<b>Total Services &amp; Supplies</b>	<b>(\$575,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$575,000)</b>
<b>Total Expenditures</b>							
Total Expenditures	(575,000)	-	-	-	-	-	(575,000)
<b>Total Expenditures</b>	<b>(\$575,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$575,000)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	86,092	-	-	-	-	-	86,092
Federal Funds	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$86,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$86,092</b>
<b>Services &amp; Supplies</b>							
Instate Travel	6,986	-	1,975	-	-	-	8,961
Out of State Travel	233	-	3	-	-	-	236
Employee Training	676	-	145	-	-	-	821
Office Expenses	3,490	-	297	-	-	-	3,787
Telecommunications	1,715	-	382	-	-	-	2,097
State Gov. Service Charges	24,875	-	16,998	-	-	-	41,873
Data Processing	2,650	-	1,195	-	-	-	3,845
Publicity and Publications	27	-	33	-	-	-	60
Professional Services	5,294	-	67	-	-	-	5,361
Attorney General	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	20	-	-	-	20
Dues and Subscriptions	61	-	8	-	-	-	69
Facilities Rental and Taxes	-	-	527	-	-	-	527
Facilities Maintenance	191	-	-	-	-	-	191
Other Services and Supplies	32,125	-	34,656	-	-	-	66,781
Expendable Prop 250 - 5000	6,093	-	1,496	-	-	-	7,589
IT Expendable Property	1,676	-	503	-	-	-	2,179
<b>Total Services &amp; Supplies</b>	<b>\$86,092</b>	<b>-</b>	<b>\$58,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$144,397</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Telecommunications Equipment	-	-	-	-	-	-	-
Technical Equipment	-	-	-	-	-	-	-
Data Processing Hardware	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Other Special Payments	-	-	28,576	-	-	-	28,576
<b>Total Special Payments</b>	-	-	<b>\$28,576</b>	-	-	-	<b>\$28,576</b>
<b>Total Expenditures</b>							
Total Expenditures	86,092	-	86,881	-	-	-	172,973
<b>Total Expenditures</b>	<b>\$86,092</b>	-	<b>\$86,881</b>	-	-	-	<b>\$172,973</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(86,881)	-	-	-	(86,881)
<b>Total Ending Balance</b>	-	-	<b>(\$86,881)</b>	-	-	-	<b>(\$86,881)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	18,121	-	-	-	-	-	18,121
Federal Funds	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$18,121</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$18,121</b>
<b>Services &amp; Supplies</b>							
Instate Travel	9,622	-	1,636	-	-	-	11,258
Telecommunications	8,499	-	-	-	-	-	8,499
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	<b>\$18,121</b>	<b>-</b>	<b>\$1,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$19,757</b>
<b>Special Payments</b>							
Other Special Payments	-	-	3,089	-	-	-	3,089
<b>Total Special Payments</b>	<b>-</b>	<b>-</b>	<b>\$3,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$3,089</b>
<b>Total Expenditures</b>							
Total Expenditures	18,121	-	4,725	-	-	-	22,846
<b>Total Expenditures</b>	<b>\$18,121</b>	<b>-</b>	<b>\$4,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$22,846</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(4,725)	-	-	-	(4,725)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$4,725)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$4,725)</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(542,918)	-	-	-	-	-	(542,918)
<b>Total Revenues</b>	<b>(\$542,918)</b>	-	-	-	-	-	<b>(\$542,918)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	(22,790)	-	(1,342)	-	-	-	(24,132)
Empl. Rel. Bd. Assessments	(13)	-	13	-	-	-	-
Public Employees' Retire Cont	(2,983)	-	(176)	-	-	-	(3,159)
Social Security Taxes	(1,743)	-	(103)	-	-	-	(1,846)
Worker's Comp. Assess. (WCD)	(16)	-	16	-	-	-	-
Flexible Benefits	(7,871)	-	7,871	-	-	-	-
Reconciliation Adjustment	(2)	-	(6,279)	-	-	-	(6,281)
<b>Total Personal Services</b>	<b>(\$35,418)</b>	-	-	-	-	-	<b>(\$35,418)</b>
<b>Services &amp; Supplies</b>							
Professional Services	(187,500)	-	-	-	-	-	(187,500)
Other Services and Supplies	(320,000)	-	-	-	-	-	(320,000)
<b>Total Services &amp; Supplies</b>	<b>(\$507,500)</b>	-	-	-	-	-	<b>(\$507,500)</b>
<b>Total Expenditures</b>							
Total Expenditures	(542,918)	-	-	-	-	-	(542,918)
<b>Total Expenditures</b>	<b>(\$542,918)</b>	-	-	-	-	-	<b>(\$542,918)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE							(0.25)
<b>Total FTE</b>	-	-	-	-	-	-	(0.25)

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 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:010-04-00 Technical Services PACKAGE: 090 - Analyst Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
4000013	OAS C0108 AP	ADMINISTRATIVE SPECIALIST 2	1-	1.00-	24.00-	07	4,022.00	22,790- 12,626-	73,738- 40,856-			96,528- 53,482-
4000013	OAS C0108 AP	ADMINISTRATIVE SPECIALIST 2	1	.75	18.00	07	4,022.00		72,396 48,477			72,396 48,477
TOTAL PICS SALARY								22,790-	1,342-			24,132-
TOTAL PICS OPE								12,626-	7,621			5,005-
TOTAL PICS PERSONAL SERVICES =				.25-	6.00-			35,416-	6,279			29,137-

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(29,666)	-	-	-	-	-	(29,666)
Federal Funds	-	-	-	(7,751)	-	-	(7,751)
<b>Total Revenues</b>	<b>(\$29,666)</b>	<b>-</b>	<b>-</b>	<b>(\$7,751)</b>	<b>-</b>	<b>-</b>	<b>(\$37,417)</b>
<b>Services &amp; Supplies</b>							
State Gov. Service Charges	(3,785)	-	(2,951)	-	-	-	(6,736)
Other Services and Supplies	(25,881)	-	(17,342)	(7,751)	-	-	(50,974)
<b>Total Services &amp; Supplies</b>	<b>(\$29,666)</b>	<b>-</b>	<b>(\$20,293)</b>	<b>(\$7,751)</b>	<b>-</b>	<b>-</b>	<b>(\$57,710)</b>
<b>Total Expenditures</b>							
Total Expenditures	(29,666)	-	(20,293)	(7,751)	-	-	(57,710)
<b>Total Expenditures</b>	<b>(\$29,666)</b>	<b>-</b>	<b>(\$20,293)</b>	<b>(\$7,751)</b>	<b>-</b>	<b>-</b>	<b>(\$57,710)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	20,293	-	-	-	20,293
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>\$20,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$20,293</b>

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# BUDGET NARRATIVE

## Pkg 101 – Understanding our Water Resources: Basin Study Team

**Purpose:** In some locations throughout the state, groundwater aquifers are no longer capable of sustaining additional development. Oregon is facing hotter and longer growing seasons, with drought conditions affecting many parts of the state over the past few years. Water managers need better groundwater information to help water users make smart and strategic decisions on how to best utilize limited resources. . The State needs to know more about how much surface water and groundwater we have, if additional allocations can be made, and how the groundwater and surface water interact in each basin. Basin studies can take approximately five to six years to complete and the Department currently has the capacity to conduct only one study at a time. The Department initiated a study in the Greater Harney Valley in 2016 with an expected completion date of 2020. Conducting basin studies are a priority for Oregon, as identified in Recommended Actions 1a and 1b of the Integrated Water Resources Strategy (IWRs).

Recent actions to improve surface water data collection, increase gaging stations, and to analyze surface water hydrology has led to backlogs in processing data collected. These data are necessary inputs to groundwater basin studies; having backlogs in surface water data can slow progress on groundwater studies. Similarly, backlogs have developed in the groundwater section, given the pressures of drought, the number of groundwater applications received, and the increasingly complex nature of groundwater reviews. Without additional resources, the Department is unable to take on any additional tasks, such as new groundwater basin studies. Oregon has a need for additional groundwater investigations to further understand the relationship between groundwater and surface water, and the availability of both, particularly as 60 percent of new water right applications are for the use of groundwater.

**How Achieved:** This package increases the Department’s capacity to conduct two basin studies concurrently (instead of just one), while also addressing some of the workload challenges in the groundwater and surface water sections and improving capacity to collect, process, and validate data, as well as process applications in a more timely manner. Staff and resources included in this package will conduct basin studies to define the overall groundwater budget, including groundwater recharge from surface water, groundwater discharge to surface water, and available water for new allocation. These staff will also leverage the technical expertise developed in each basin to efficiently conduct technical reviews of groundwater right permit and transfer applications. This package includes both groundwater and surface water staff, as understanding the interaction between surface water and groundwater is necessary for developing a basin water budget.

The Department typically evaluates groundwater and surface water resources through cooperative, cost-share science programs with the U.S. Geological Survey (USGS), Oregon Department of Geology and Mineral Industries (DOGAMI), and other scientific partners as applicable. The studies develop a broad understanding of surface and groundwater systems and the results are published in peer-reviewed reports (typically USGS-published reports and DOGAMI-published geologic maps). State funds are leveraged through federal cost-match funds when partnering with these agencies (DOGAMI receives matching federal funds for qualifying geologic mapping work). In addition to the requested increase in staffing, this package requests general fund appropriations each biennium to pay for cost-match programs and study activities.

# BUDGET NARRATIVE

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**Quantifying Results:** This package will allow the Department to conduct two groundwater basin studies approximately every five years, one funded with existing resources, the second with the resources detailed in this package. This information will be used by the Department to manage the State’s increasingly limited groundwater resources, and maximize the consumptive and non-consumptive uses of water in each basin. Basins that are currently a priority for subsequent basin studies include the Umatilla and its Walla Walla sub-basin, as well as the Hood, Powder, and Grande Ronde basins. This package will allow initiation of a study before the current Harney Basin study is completed in 2020. Further, basin studies also support KPM #5, “Assess Groundwater Resources,” and KPMs #10 and #11, “Promote Efficiency in Water Right and Transfer Application Processing.” Finally, this package will help reduce data and application backlogs in both the surface and groundwater sections, as it will provide adequate staff necessary to process these records in the study areas.

**Staffing Impact:**

9917101	C8502 AA	Nat Res Spec 2	Project Hydrogeologist	PF	0.88 FTE
9917102	C8502 AA	Nat Res Spec 2	Basin Study Hydrographer 2	PF	0.88 FTE
9917103	C8503 BA	Nat Res Spec 3	Basin Study Hydrographer 3	PF	0.88 FTE
9917104	C8504 BA	Nat Res Spec 4	Basin Study Hydrologist	PF	0.88 FTE
9917105	C8504 BA	Nat Res Spec 4	Senior Hydrogeologist	PF	0.88 FTE

**Revenue Source:**

General Fund

\$1,825,042

This package as requested in the Agency Request Budget is included in the Governor’s Recommended Budget.



# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept

Pkg: 101 - Understanding our Water Resources: Groundwater Basin Study Team

Cross Reference Name: Technical Services

Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	1,825,042	-	-	-	-	-	1,825,042
<b>Total Revenues</b>	<b>\$1,825,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$1,825,042</b>
<b>Personal Services</b>							
Class/Uncl. Sal. and Per Diem	506,478	-	-	-	-	-	506,478
Empl. Rel. Bd. Assessments	285	-	-	-	-	-	285
Public Employees' Retire Cont	66,298	-	-	-	-	-	66,298
Social Security Taxes	38,746	-	-	-	-	-	38,746
Worker's Comp. Assess. (WCD)	345	-	-	-	-	-	345
Flexible Benefits	166,680	-	-	-	-	-	166,680
<b>Total Personal Services</b>	<b>\$778,832</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$778,832</b>
<b>Services &amp; Supplies</b>							
Instate Travel	41,710	-	-	-	-	-	41,710
Employee Training	12,500	-	-	-	-	-	12,500
Office Expenses	25,000	-	-	-	-	-	25,000
Telecommunications	2,500	-	-	-	-	-	2,500
Professional Services	300,000	-	-	-	-	-	300,000
Employee Recruitment and Develop	2,500	-	-	-	-	-	2,500
Dues and Subscriptions	2,500	-	-	-	-	-	2,500
Other Services and Supplies	605,000	-	-	-	-	-	605,000
Expendable Prop 250 - 5000	34,500	-	-	-	-	-	34,500

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 101 - Understanding our Water Resources: Groundwater Basin Study Team

Cross Reference Name: Technical Services  
 Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
IT Expendable Property	20,000	-	-	-	-	-	20,000
<b>Total Services &amp; Supplies</b>	<b>\$1,046,210</b>	-	-	-	-	-	<b>\$1,046,210</b>
<b>Total Expenditures</b>							
Total Expenditures	1,825,042	-	-	-	-	-	1,825,042
<b>Total Expenditures</b>	<b>\$1,825,042</b>	-	-	-	-	-	<b>\$1,825,042</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							5
<b>Total Positions</b>	-	-	-	-	-	-	<b>5</b>
<b>Total FTE</b>							
Total FTE							4.40
<b>Total FTE</b>	-	-	-	-	-	-	<b>4.40</b>

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REPORT: PACKAGE FISCAL IMPACT REPORT										2017-19			PROD FILE
AGENCY:69000 DEPT OF WATER RESOURCES										PICS SYSTEM: BUDGET PREPARATION			
SUMMARY XREF:010-04-00 Technical Services										PACKAGE: 101 - Understanding our Water Resour			
POSITION	CLASS	COMP	CLASS NAME	POS	FTE	MOS	STEP	RATE	GF	OF	FF	LF	AF
NUMBER				CNT					SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE
9917101	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1	.88	21.00	02	4,022.00	84,462				84,462
									50,979				50,979
9917102	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1	.88	21.00	02	4,022.00	84,462				84,462
									50,979				50,979
9917103	OAS	C8503	BP NATURAL RESOURCE SPECIALIST 3	1	.88	21.00	02	4,860.00	102,060				102,060
									54,630				54,630
9917104	OAS	C8504	BP NATURAL RESOURCE SPECIALIST 4	1	.88	21.00	02	5,607.00	117,747				117,747
									57,883				57,883
9917105	OAS	C8504	BP NATURAL RESOURCE SPECIALIST 4	1	.88	21.00	02	5,607.00	117,747				117,747
									57,883				57,883
TOTAL PICS SALARY									506,478				506,478
TOTAL PICS OPE									272,354				272,354
TOTAL PICS PERSONAL SERVICES =									---	---	---	---	---
				5	4.40	105.00			778,832				778,832

# BUDGET NARRATIVE

## Pkg 102 – Protecting the Public and Water Supplies: Dam Safety, Earthquakes, Fires and Floods

**Purpose:** Dam safety is a core function and responsibility of the Water Resources Department. Dams in Oregon are aging, with the majority more than 50 years old, and some approaching 100 years old. The Department directly regulates more than 900 dams and conducts inspections of these structures to protect public safety and water supplies. As structures age, populations grow, and additional seismic, fire, and flood information becomes available, proper maintenance of dams is critical. There have been recent improvements in the scientific understanding of earthquakes and floods in Oregon, and the increased risks to dams and downstream communities that may occur. There is a need to further evaluate dams for structural integrity, the ability to pass high flood flows, and the ability to withstand earthquakes in order to protect water supplies and public safety. In addition, in light of recent wildfires and the floods that can follow them, the Department recognizes the need to be able to respond to requests for public safety information rapidly and accurately. Traditional water level monitoring equipment is expensive and time consuming to set up and maintain.

**How Achieved:** These actions will provide resources to begin to evaluate the earthquake and flood resilience of Oregon dams and associated structures, as well as help protect the public by providing information on potential floods after extreme events such as fires. This package proposes to accomplish this by:

Adding one permanent dam safety engineer (PE1) to support the dam safety inspection program, as well as to help increase our understanding of the structural integrity of dams by performing more in-depth evaluations. These reviews will include a thorough analysis of the condition of the dams and will help the Department determine which dams may require modifications to safely pass flood flows by assessing the spillway capacity, the extent that high-flood flows can be safely passed, and the inundation zones of dams. This position would be funded by funds from FEMA and the Dam Safety Fee. This position is also integral to ensuring that inspections of dams, particularly high hazard dams, are completed in a timely manner.

Adding one limited duration general fund Geotechnical Specialist to help the State Engineer develop a methodology for conducting in-depth analyses of dams in the Cascadia Subduction Zone to improve the understanding of potential earthquake impacts. This position will conduct an intermediate engineering analysis of high and significant hazard dams, including initial screenings of their seismic stability. These reviews will help the Department better prioritize resources in the future and to identify dams that require a more in-depth seismic analysis.

Improving data management and outreach – one staff member (a Natural Resources Specialist 1) would perform data analysis, data entry, and technical correspondence for both the groundwater program and dam safety program.

Implementing Real-Time Rapid Deployment Monitoring Systems in areas that are flood-prone as a result of drought and wildfires in order to provide water level information and flood warning. Purchase ten (10) rapid deployment units at a cost of \$5,400 per unit for a total of \$54,000.

**Quantifying Results:** These proposed actions will help improve our understanding of the safety of Oregon's dam infrastructure and help prioritize resources and efforts in the future to protect public safety and water supplies. Completing more thorough assessments of high-hazard dams and conducting seismic analyses are the primary outcomes of this package. This will result in a list of dams needing additional studies, as well as those that require repairs. It will also identify which dams do not require further work at this time, helping the State and communities

# BUDGET NARRATIVE

better prioritize resources. These proposals also help implement IWRS Recommendation 7a – Develop and upgrade water and wastewater infrastructure. The program assistant will improve timeliness of data management and technical correspondence. Rapid Deployment Streamflow Monitoring systems will provide flood warnings for residents, communities, and businesses that, given sufficient lead-time, will allow them to take action to reduce flood damages. Flood warning can result in the timely and orderly evacuation of a floodplain, which will reduce risks to evacuees.

**Staffing Impact:**

9917106	OA C0107 AA	Admin Specialist 1	Dam Safety / GW Prog Asst.	PF	0.88 FTE
9917107	OA C3137 AA	Civil Engineer Spec 2	Geotechnical Specialist Engineer	LD	0.88 FTE
9917108	MMN X3148 AA	Professional Engineer 1	Dam Safety Engineer	PF	1.00 FTE

**Revenue Source:**

Other Funds (Dam Safety Fees):	\$122,612
Federal Funds (FEMA):	\$122,610
<b>General Funds:</b>	<b>\$355,144</b>

The Governor’s Recommended Budget includes the Dam Safety Engineer position.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 102 - Protecting the Public and Water Supplies

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
Power and Water Fees	-	-	122,612	-	-	-	122,612
Federal Funds	-	-	-	122,610	-	-	122,610
<b>Total Revenues</b>	-	-	<b>\$122,612</b>	<b>\$122,610</b>	-	-	<b>\$245,222</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	69,240	69,240	-	-	138,480
Empl. Rel. Bd. Assessments	-	-	29	28	-	-	57
Public Employees' Retire Cont	-	-	13,218	13,218	-	-	26,436
Social Security Taxes	-	-	5,297	5,297	-	-	10,594
Worker's Comp. Assess. (WCD)	-	-	35	34	-	-	69
Flexible Benefits	-	-	16,668	16,668	-	-	33,336
<b>Total Personal Services</b>	-	-	<b>\$104,487</b>	<b>\$104,485</b>	-	-	<b>\$208,972</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	8,375	8,375	-	-	16,750
Employee Training	-	-	1,250	1,250	-	-	2,500
Office Expenses	-	-	2,500	2,500	-	-	5,000
Telecommunications	-	-	250	250	-	-	500
Employee Recruitment and Develop	-	-	250	250	-	-	500
Dues and Subscriptions	-	-	250	250	-	-	500
Other Services and Supplies	-	-	500	500	-	-	1,000
Expendable Prop 250 - 5000	-	-	3,250	3,250	-	-	6,500

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 102 - Protecting the Public and Water Supplies

Cross Reference Name: Technical Services  
Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
IT Expendable Property	-	-	1,500	1,500	-	-	3,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$18,125</b>	<b>\$18,125</b>	-	-	<b>\$36,250</b>
<b>Capital Outlay</b>							
Other Capital Outlay	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	122,612	122,610	-	-	245,222
<b>Total Expenditures</b>	-	-	<b>\$122,612</b>	<b>\$122,610</b>	-	-	<b>\$245,222</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	1
<b>Total Positions</b>	-	-	-	-	-	-	<b>1</b>
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	1.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>1.00</b>

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01/12/17 REPORT NO.: PDPFISCAL DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE  
 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:010-04-00 Technical Services PACKAGE: 102 - Protecting the Public and Wate

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
9917108	MMN X3148 AA	PROFESSIONAL ENGINEER 1	1	1.00	24.00	02	5,770.00		69,240	69,240		138,480
									35,247	35,245		70,492
TOTAL PICS SALARY									69,240	69,240		138,480
TOTAL PICS OPE									35,247	35,245		70,492
TOTAL PICS PERSONAL SERVICES =			1	1.00	24.00				104,487	104,485		208,972



# BUDGET NARRATIVE

## Pkg 103 – Protecting Groundwater Resources through Well Construction

**Purpose:** Mis-constructed, poorly maintained, and improperly abandoned water supply wells pose a serious threat to Oregon’s groundwater aquifers. These wells, if left unaddressed, can cause serious water level declines, loss of artesian pressure, contamination of precious drinking water, and public safety hazards. An adequately staffed well inspection and enforcement program is critical to ensuring that wells are constructed, maintained, and abandoned in an appropriate manner. The Department’s Well Inspection Program places well inspectors in the field to work with licensed well drillers and landowners that are constructing their own wells, to ensure that water supply wells are constructed in a manner that protects public health, safety, and the groundwater resource for other users. Well inspectors visit wells during construction to observe drilling procedures and practices and to see that the well meets minimum well construction standards, given the specific geologic and hydrologic conditions encountered.

To be effective, well inspectors must have training in geology and hydrology, and the knowledge to understand and recognize proper well construction practices. Well inspectors interact with the public and the well drilling community on a daily basis and need to be able to make immediate and accurate decisions in the field. Currently, well inspectors are funded from start card fees; however, there are insufficient funds to hire the number of inspectors that the Department is authorized to hire because of revenue shortfalls. The Department has authorization for six well inspectors, but only has resources for four, which could be further reduced by the projected increased costs of doing business. Position responsibilities and Department expectations for well inspectors have changed over the years and it is a challenge for the Department to recruit and retain individuals who can effectively perform the job requirements.

To address these challenges, the Department reviewed its services and fees as follows:

(1) Landowner Permit Application Fee change - Property owners are allowed to construct their own wells by submitting an application, bond, and design plan to the Department for approval along with a \$25 fee. These requests require a thorough Department review, a pre-construction consultation and site visit, on-site inspector supervision during casing seal placement, a final well inspection when all work is completed, and assistance with any required forms or reports. They also require a final follow-up by staff to verify all required work has been completed and paperwork turned in to the Department. The \$25 fee does little to recuperate the costs incurred to provide such oversight and protect the groundwater resource for other users.

(2) Well Construction Special Standard Fee - When well constructors need a variance to the well construction standards to install, alter, or abandon a well, they must request a special standard. These situations occur whenever properties are too small to meet set-back requirements, there is not adequate room for a drilling machine, or there are safety concerns, such as overhead power lines or geologic conditions, that make it impossible to meet minimum well construction standards. Reviewing, researching, and processing special standard requests can involve time-consuming, technical procedures that can take days or weeks to complete. They can require multiple consultations and site visits with well constructors and clients. Requests for special standards, whether they are approved or denied, require staff time to complete a final order and

## BUDGET NARRATIVE

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maintain a permanent record of the decision. The Department receives hundreds of these requests each year; which are subsidized by Start Card fees. The number and complexity of these requests continue to increase and has become an increasing burden on the Start Card fund.

**How Achieved:** This package proposes efforts to support the well construction program and to protect groundwater resources by:

(1) Reclassifying Well Inspectors - Upgrading these positions from NRS1s to NRS2s will enable the Department to recruit and retain individuals with the aptitude and skills necessary to perform the duties of the position. In addition, the Department has identified a need for well inspectors to not only inspect wells, but also review well logs, as this is an effective way to initially identify problems with well construction.

(2) Moving two well inspectors from start card fees to general fund, with the goal of maintaining or increasing the number of inspections conducted and well logs reviewed to continue to protect the resource for all water users.

(3) Changing Landowner Permit Application Fees - Increase the fee for Landowner Permit Applications from \$25 to \$500 to better capture costs associated with the processing of the application. The Department typically receives 20 to 40 per year. At about 40 cases per year, annual revenues are estimated at  $40 \times \$500 = \$20,000$ . These fees would support the work of WRD's already-existing well construction program coordinator, freeing up start card funds to pay for well inspectors in the field.

(4) Creating a Well Construction Special Standard Fee - When well constructors need to request a variance to the well construction standards to install, alter, or abandon a well, they would first consult with the Department, and then file a Special Standard Request along with a fee. The fee would be \$100 for a request involving one well, and \$200 for a request involving two or more wells. At about 250 requests per year, the annual revenues are estimated at  $250 \times \$100 = \$25,000$ . These fees would support the work of WRD's already-existing well construction program coordinator, freeing up start card funds to pay for well inspectors in the field.

**Quantifying Results:** This proposal is consistent with Recommended Action #12a of Oregon's 2012 Integrated Water Resources Strategy, which calls for ensuring the safety of Oregon's drinking water. By ensuring that wells are constructed to minimum well construction standards, the Department is protecting the groundwater resource for all users, including those that rely on the source for drinking water. Together, these proposals would more fairly distribute the cost of inspecting individual wells, reduce the impact on the Start Card fund, improve recruitment and retention of well inspectors, and subsequently allow for more field inspections during the critical well construction process. The goal for the Department is to ensure wells are being constructed correctly and to gain voluntary compliance when well construction issues are discovered. To track progress on this goal, the Department assembles a yearly report on the number of wells constructed, number of well inspections, and well deficiency (i.e., problems with construction) rate. The Department will also begin tracking the number of well logs reviewed and the number of well logs that require follow-up. The goal is to maintain or increase the number of wells inspected, while also increasing the number of well logs reviewed.

**Staffing Impact:**

Staffing impact for this package is represented in Field Services (Well Inspectors).

# BUDGET NARRATIVE

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## Revenue Source:

Other Funds (Landowner Permit Fee):	\$38,000
Other Funds (Special Standard Fee – NEW)	\$50,000

The Governor's Recommended Budget includes the new Special Standard Fee and the increase to the Landowner Permit fee.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept

Pkg: 103 - Protecting Groundwater Resources: Well Construction

Cross Reference Name: Technical Services

Cross Reference Number: 69000-010-04-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Power and Water Fees	-	-	88,000	-	-	-	88,000
<b>Total Revenues</b>	-	-	<b>\$88,000</b>	-	-	-	<b>\$88,000</b>
<b>Ending Balance</b>							
Ending Balance	-	-	88,000	-	-	-	88,000
<b>Total Ending Balance</b>	-	-	<b>\$88,000</b>	-	-	-	<b>\$88,000</b>

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## Pkg 108 – Supporting Key Water Resources Data Functions and Tools

**Purpose:** Information is the cornerstone of the Department’s water resource management decisions as highlighted by recommended actions #1b and 1c of the 2012 Integrated Water Resources Strategy.. The ability to capture research needs, design structures, optimize queries, develop computer applications, enforce access rules, and protect data from loss or corruption is paramount to the Department’s success. Due to budget reductions in 2009, the Department lost its Database Administrator and System Administrator, and these duties were absorbed by the Information Services Manager. Data capabilities provided by this section are important for improving accessibility of information. Given the workload of the Information Services Manager after absorbing two positions, this is increasingly becoming a bottleneck, hindering the timely development of necessary applications for the ever-increasing number of data driven initiatives such as the Integrated Water Resource Strategy, National Ground Water Monitoring Network, Near-Real Time Stream Flow, Water Right Electronic Notification, Drought Response, etc. Examples of ongoing work includes: 1) improvements to the water-use reporting system; (2) improve user notifications by using stream location technology that allows the query of water rights above or below a point on the stream along with tax lot address information; (3) modernize and replace outdated processes and software; (4) make groundwater data collected from basin studies available online for access by the public.

In addition, strong partnerships with the U.S. Geologic Survey (USGS) help the Department collect and process surface water data; these activities provide insight to any trends in streamflow caused by changes in land use, water use, or climate. This information is used by the Department, water users, and the public in their day-to-day decision-making. USGS has a number of co-operative program opportunities that would give Oregon greater access to data, equipment, training, and analysis, which in turn will help the Department provide access to this data and information.

**How Achieved:** This package proposes to improve our ability to collect, capture and access data by:

Adding a full time Database Administrator/Application Developer would dramatically improve the Department’s ability to identify data needs, design appropriate data structures, integrate existing data, enact appropriate access rules, protect and secure Department data, and develop internal and external applications to access that data. Projects would be able to be completed in a much more timely manner and with a better end product.

Reestablishing the Department’s engagement in the Cooperative Water Program with USGS. Providing cost-share for the USGS’ Cooperative programs would give the Department better tools to conduct the hydrologic analysis and make decisions. Examples include additional hydrologic data, studies of specific water-resources problems (e.g., post-fire assessments), updated groundwater recharge studies, and joint agency training on emerging technologies.

**Quantifying Results:** The Database Administrator/Application Developer position will ensure that all new applications have adequate data design to facilitate future reporting needs and reduce the likelihood of costly redesigns; this includes overseeing the upgrade of database software and ensuring a seamless conversion. This position will improve the timeliness of application and database development by working closely with

# BUDGET NARRATIVE

internal and external stakeholders. It will further advance the goals in KPM #6, “Percent of water management related datasets collected by WRD that are available to the public on the internet.” With the addition of this position, the Department expects additional information to be made available online and in a format that is more user friendly, such as Well Log or Water Rights search tools. Likewise, the Department also expects to increase the ability for customers to submit data and payments on-line. This position will ensure that new data initiatives will be integrated with existing data, eliminating duplicate or conflicting information. Finally, this position will ensure that all data, access, and authorization is configured and maintained in a way that allows Department to comply with State Information Security Standards (ORS 182.122).

Entering into a cooperative program with the USGS would result in training, access, and service cost savings as follows:

*Training Cost Savings-* Typically there is a 30 percent reduction for USGS trainings for cooperators, as well as priority access to national training facilities and other USGS programs. Training examples include: state-of-the-art hydroacoustic stream flow measuring (basic, intermediate and index-velocity classes), and safety training for cableway inspection, cableway maintenance, watercraft, and chains.

*Access to shared resources -*The Department would gain access to equipment and services such as underwater construction and boats otherwise not available to the Department.

*Service Cost Savings -* Participation in the Cooperative Water Program provides free access to several services that the Department currently has to fund directly. Examples include: Calibrating Acoustic Doppler Current Profilers - \$2,000/biennium estimated savings; Calibrating hand-held stream flow measuring equipment - \$8,000/biennium estimated savings; Calibrating well measuring tapes - \$1,667/biennium estimated savings; Operating surface water gaging stations at difficult sites - \$19,000/biennium estimated savings.

## Staffing Impact

9917117	OA C1486 IA	Info Systems Spec 6	Info Systems Spec 6	PF	0.88 FTE
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## Revenue Source:

General Fund ————— \$283,760

This package was not included in the Governor’s Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 108 - Supporting Key Water Resources Data Functions and Tools

Cross Reference Name: Technical Services  
 Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 108 - Supporting Key Water Resources Data Functions and Tools

Cross Reference Name: Technical Services  
 Cross Reference Number: 69000-010-04-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							-
Total Positions							-
<b>Total Positions</b>							-
Total FTE							-
Total FTE							-
<b>Total FTE</b>							-

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# BUDGET NARRATIVE

## Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2009-11 Estimated	2017-19		
						Agency Request	Governor's Budget	Legislatively Adopted
Non-Business Lic and Fees	OF	0210	-	-	-	-	-	
Power and Water Fees	OF	0245	2,722,820	2,759,200	-	2,977,635	2,977,635	
Charges for Services	OF	0410	746,815	1,240,000	-	946,690	946,690	
Admin and Service Charges	OF	0415	-	-	-	-	-	
Fines and Forfeitures	OF	0505	-	-	-	-	-	
Dedicated Fund Obligation Bond	OF	0560	-	-	-	-	-	
Lottery Bonds	OF	0565	-	-	-	-	-	
Revenue Bonds	OF	0570	-	-	-	-	-	
Interest Income	OF	0605	4,146	-	-	-	-	
Sales Income	OF	0705	-	-	-	-	-	
Loan Repayments	OF	0925	-	-	-	-	-	
Other Revenues	OF/FF	0975	-	975,000	-	1,022,470	1,022,470	
Federal Funds	FF	0995	570,885	1,140,784	-	1,263,394	1,255,643	
<b>Total Revenue</b>			<b>4,044,666</b>	<b>6,114,984</b>	-	<b>6,210,189</b>	<b>6,202,438</b>	-
Transfer In - Intrafund	OF	1010	942,707	431,514	-	402,696	402,696	
Transfer from General Fund	OF	1060	-	-	-	-	-	
Transfer In - Lottery	LF	1040	-	-	-	-	-	
Transfer in from Admin Serv	OF	1107	-	-	-	-	-	
Transfer In from State Lands	OF	1141	-	-	-	-	-	
Transfer from Watershed Enhance Bd	OF	1691	-	-	-	-	-	
Transfer Out - Intrafund	OF	2010	(1,601,725)	(1,009,263)	-	(1,184,829)	(1,184,829)	
Transfer to General Fund	OF	2060	-	-	-	-	-	
Tsfr to Environmental Quality	OF	2340	-	-	-	-	-	
Tsfr to Parks and Rec	OF	2634	-	-	-	-	-	
Tsfr To Fish and Wildlife	OF	2635	-	-	-	-	-	
<b>Total Transfers</b>			<b>(659,018)</b>	<b>(577,749)</b>	-	<b>(782,133)</b>	<b>(782,133)</b>	-
<b>Net Revenue</b>			<b>3,385,648</b>	<b>5,537,235</b>	-	<b>5,428,056</b>	<b>5,420,305</b>	-

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## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
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Agency Number: 69000

Cross Reference Number: 69000-010-04-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Power and Water Fees	2,722,820	2,759,200	2,759,200	2,977,635	2,977,635	-
Charges for Services	746,815	1,240,000	1,240,000	946,690	946,690	-
Interest Income	4,146	-	-	-	-	-
Other Revenues	-	975,000	975,000	1,022,470	1,022,470	-
Transfer In - Intrafund	942,244	431,514	431,514	402,696	402,696	-
Transfer Out - Intrafund	(1,601,725)	(1,009,263)	(1,009,263)	(1,184,829)	(1,184,829)	-
<b>Total Other Funds</b>	<b>\$2,814,300</b>	<b>\$4,396,451</b>	<b>\$4,396,451</b>	<b>\$4,164,662</b>	<b>\$4,164,662</b>	<b>-</b>
<b>Federal Funds</b>						
Federal Funds	570,885	1,140,784	1,140,784	1,263,394	1,255,643	-
Transfer In - Intrafund	463	-	-	-	-	-
<b>Total Federal Funds</b>	<b>\$571,348</b>	<b>\$1,140,784</b>	<b>\$1,140,784</b>	<b>\$1,263,394</b>	<b>\$1,255,643</b>	<b>-</b>

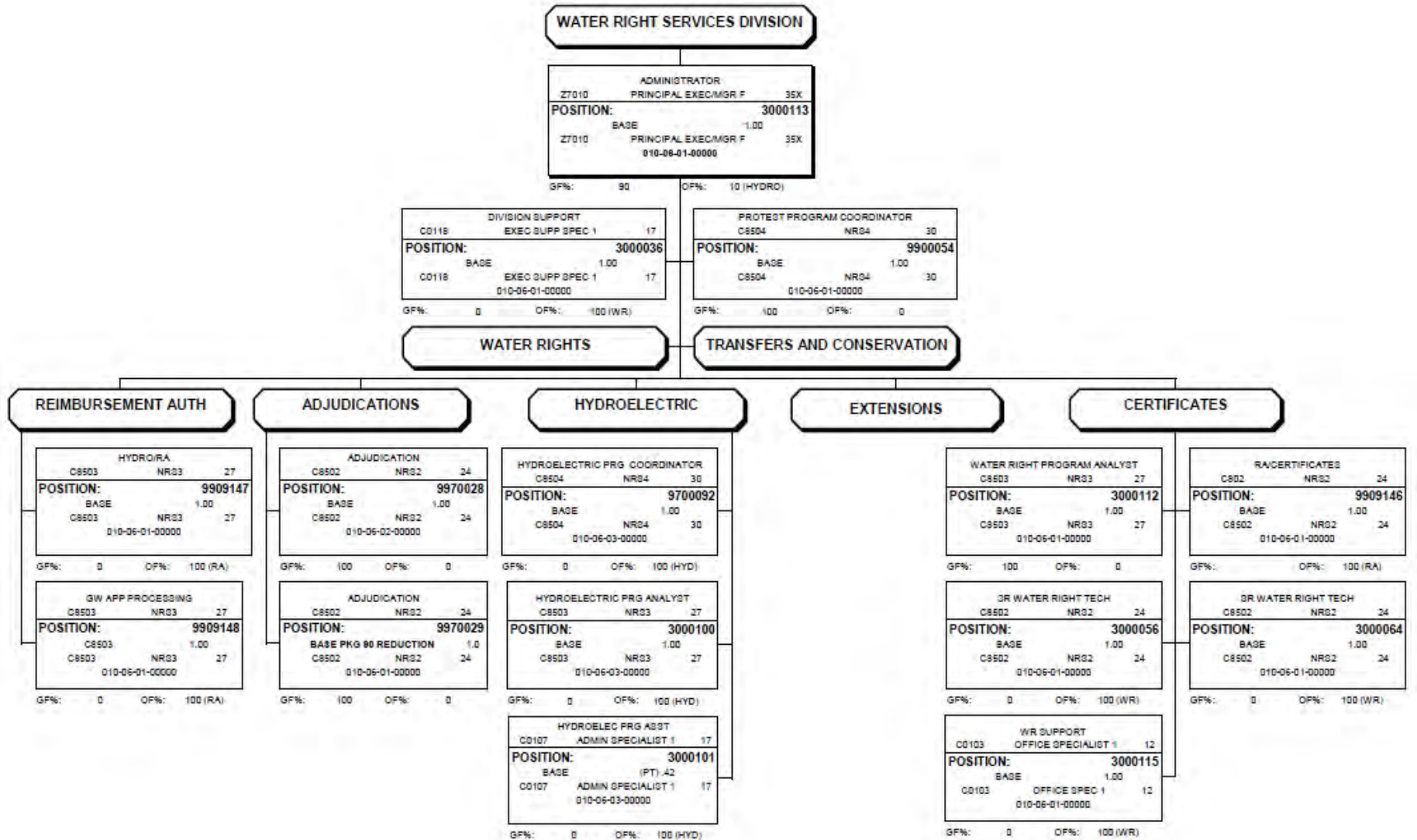
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## WATER RIGHT SERVICES



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## WATER RIGHTS

<b>WATER RIGHTS</b>			
WR PROGRAM MANAGER			
X7008	PRINCIPAL EXEC/MGR E	33X	
<b>POSITION:</b>		3000093	
	BASE	1.00	
X7008	PRINCIPAL EXEC/MGR E	33X	
	010-06-01-00000		
GF%:	75	OF%:	25 (WR)

### SUPPORT

SECRETARY			
C0104	OS2	15	
<b>POSITION:</b>		3000003	
	BASE	1.00	
C0104	OFFICE SPECIALIST 2	15	
	010-06-01-00000		
GF%:	100	OF%:	0

SECRETARY			
C0103	OFFICE SPECIALIST 1	12	
<b>POSITION:</b>		3000088	
	BASE	1.00	
C0103	OFFICE SPECIALIST 1	12	
	010-06-01-00000		
GF%:	0	OF%:	100 (WR)

### WR APPLICATION PROCESSING

WATER RIGHT PROGRAM ANALYST			
C8503	NRS3	27	
<b>POSITION:</b>		3000092	
	BASE	1.00	
C8503	NRS3	27	
	010-06-01-00000		
GF%:	37	OF%:	63 (WR)

WATER RIGHT APP CASEWORKER			
C8502	NRS2	24	
<b>POSITION:</b>		3000117	
	BASE	1.00	
C8502	NRS2	24	
	010-06-01-00000		
GF%:	0	OF%:	100 (WR)

WATER RIGHT APP CASEWORKER			
C8502	NRS2	24	
<b>POSITION:</b>		3000052	
	BASE	1.00	
C8502	NRS2	24	
	010-06-01-00000		
GF%:	0	OF%:	100 (WR)

WATER RIGHT APP CASEWORKER			
C8502	NRS2	24	
<b>POSITION:</b>		3000090	
	BASE	1.00	
C8502	NRS2	24	
	010-06-01-00000		
GF%:	100	OF%:	0

WATER RIGHT APP CASEWORKER			
C8502	NRS2	24	
<b>POSITION:</b>		3000118	
	BASE	1.00	
C8502	NRS2	24	
	010-06-01-00000		
GF%:	0	OF%:	100 (WR)

WR APP ANALYST			
C8503	NRS3	27	
<b>POSITION:</b>		9913103	
	BASE	1.00	
C8503	NRS3	27	
	010-06-01-00000		
GF%:	100	OF%:	

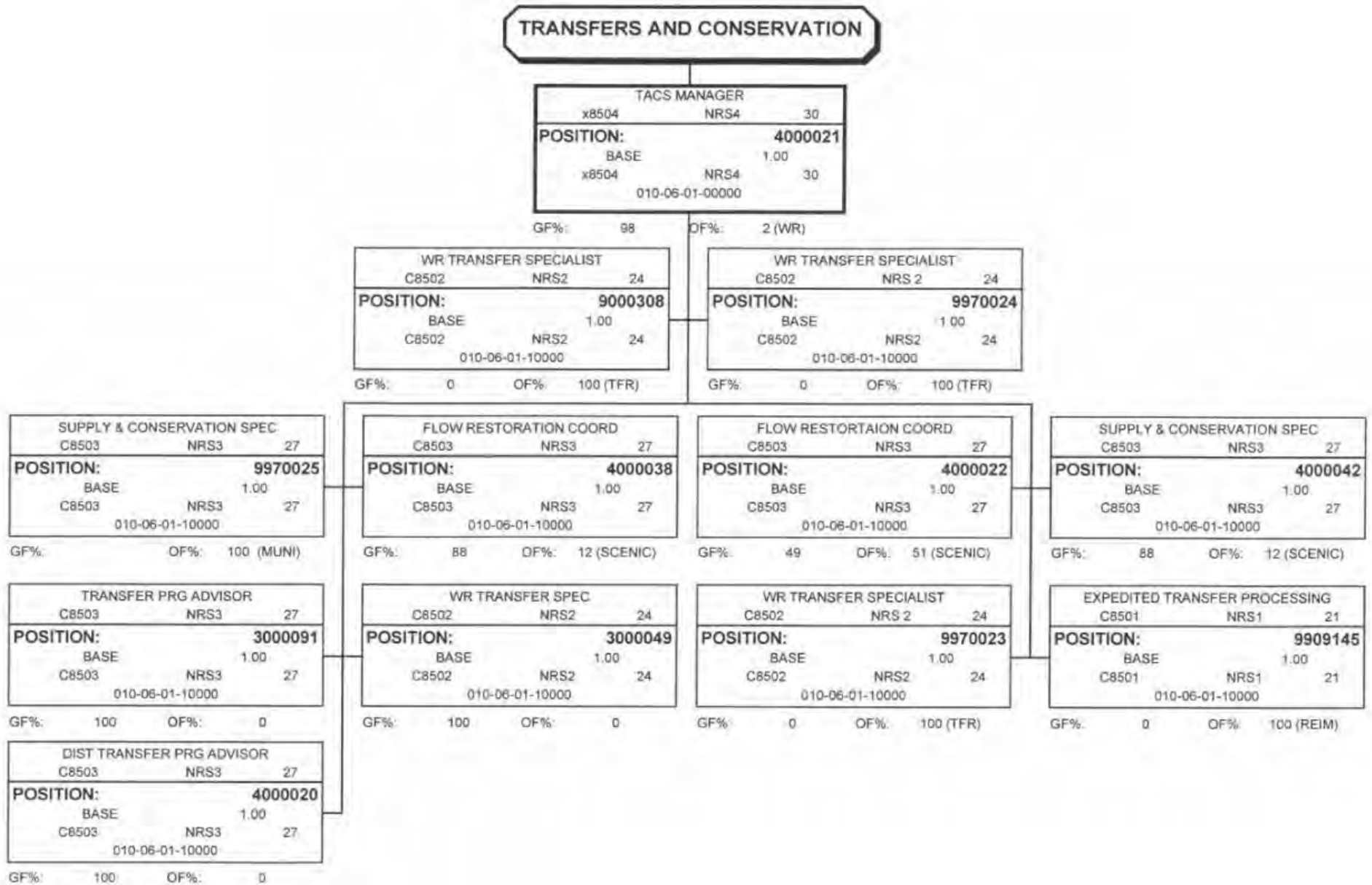
WATER RIGHT APP CASEWORKER			
C8502	NRS2	24	
<b>POSITION:</b>		3000055	
	BASE	1.00	
C8502	NRS2	24	
	010-06-01-00000		
GF%:	0	OF%:	100 (WR)

### CUSTOMER SERVICE

PUBLIC SERVICE REP			
C0324	PUB SERV REP 4	19	
<b>POSITION:</b>		3000059	
	BASE	1.00	
C0324	PUB SERV REP 4	19	
	010-06-01-00000		
GF%:	0	OF%:	100 (WR)

# BUDGET NARRATIVE

## TRANSFERS AND CONSERVATION



## **BUDGET NARRATIVE**

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### **WATER RIGHT SERVICES DIVISION**

The Water Right Services Division supports the allocation of water for instream and out-of-stream purpose, supporting both the economy and a healthy environment by processing all of the water right applications for the state. This includes, but is not limited to, the following application types: new water right permits, water right transfers (changes to existing water rights), requests for extension of time to further develop existing water rights, limited licenses, determinations of pre-law water uses through adjudications, and hydroelectric licensing.

Program Contact:                   Dwight French  
(503) 986-0819

### **PROGRAM FUNDING REQUEST**

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Water Resources proposes to use an additional \$0.2 million General Fund and \$0.38 million Other Fund to sustain current service levels in water rights transactions and dam safety, and address Water Right backlog reductions, Klamath Basin water right transactions, and ensure timely processing of transfers and new water right applications.

During the 2015-17 biennium Water Right Services had 38 budgeted positions in seven programs: Water Rights, Certificates, Extensions, Transfer and Conservation, Protests, Adjudication, and the Hydroelectric Program.

### **PROGRAM DESCRIPTION**

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The Division supports the agency mission by evaluating and acting upon water rights applications. Under Oregon law, almost all water users must apply for and receive a water right before initiating water use. The Water Right Services Division is responsible for the evaluation of both instream and out-of-stream water right applications and the issuance of new water right permits and certificates. In addition, the Division administers the following water right-related programs, including: water right program and policy development; limited water use licenses; drought-related water use permits; customer service and record management; protests; adjudicating water right claims based on water use that pre-dates the 1909 water code, federal reserved rights and tribal rights; hydroelectric permitting; extensions; transfers; permit amendments; instream leasing, allocations of conserved water, and approval of water management and conservation plans.

The Division is also responsible for distributing the weekly public notice of applications and responding to public inquiries. The Division receives and evaluates citizen and interest group comments, as well as protests concerning water use applications.

Water Right Services Division's seven major programs are described in detail below.

### **WATER RIGHTS**

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# BUDGET NARRATIVE

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## WATER RIGHT APPLICATION REVIEW

The focus of the water right permitting program during the 2015-17 Biennium was to maintain the timely processing of water right applications and continue efforts to systematize and automate the process. The Division also continues to focus efforts on the resolution of protests of proposed water rights. While the number of water right applications is expected to remain stable overall, the complexity of application review is increasing as less water is available for appropriation. In addition, more applications are for groundwater, which requires a more complex technical review. For these reasons, the Department expects that the number of protested applications will grow in the future.

## CUSTOMER SERVICE AND RECORD MANAGEMENT

The Water Right Services Division is responsible for walk-in, telephone and e-mail customer service concerning all water right matters at the Salem office. Division staff help provide counter service to the public. Division staff receive approximately 2,500 calls per month concerning water right matters. In addition, Division staff maintain and manage all of the Department's official water right records.

The Division continues to provide a high-level of customer service including an increased amount of pre-application counseling, immediate review of applications for completeness, a maximum one day call-back policy, and improvements to an already customer-friendly environment. A second computer has been added to the customer service area to provide walk-in customers additional opportunities to access Department information and databases. Additionally, the Department has improved its web page to allow the public quick access to Departmental records and other information including powerful and efficient research tools.

## CERTIFICATES

After a permit is issued, the permittee generally has up to five years to develop the right unless an extension of time is applied for and approved. To perfect the right, the permittee must submit a final water-use report with a map of the use as developed. The Division receives these final reports and maps and prepares the certificate describing the use allowed.

Since the 2007-09 biennium, the Division has instituted a number of practices to more efficiently process certificates. These approaches have led to a reduction in the backlog of work in this area; from a high of 6,400 in 2004 to 1,422. It will take the Department approximately 3 years to eliminate the backlog entirely. We have reduced the backlog despite the fact that we have also received nearly 4,700 new claims since 2004.



# BUDGET NARRATIVE

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## EXTENSIONS

If a permittee is not able to complete water development within the allotted time as prescribed in the permit, the permittee may request an extension of time within which to complete the work. The Division reviews these extension requests and determines, within the requirements of the law, whether or not to allow the extension. The Department received 266 extensions in 2015, an all time high, and 179 applications in 2016. Despite the high application rates for the program the improvement of our document generation tools which allow the extension caseworker to quickly generate proposed final orders once they have completed the review of the application. Note: Due to staff turnover and to make the best use of available resources, extensions are currently being processed by staff in the adjudications section.

## TRANSFER AND CONSERVATION SECTION

The Transfer and Conservation Section includes staff responsible for processing changes to existing water rights and permits, flow restoration applications, water management and conservation plans, and coordination with local government, conservation partners, soil and water conservation districts, watershed councils, and others. These programs are key to meeting Oregon's long-term water supply and restoration goals.

## TRANSFERS

The transfer of an existing water right to a new use or place of use is often the best alternative for establishing a "new" water supply for economic development or streamflow restoration. Under Oregon law, water rights are issued for a specific use, to receive water from specific points of diversion, and are appurtenant to specific locations. However, Oregon water law also provides a process to change the use, place of use, or point of diversion while still retaining other characteristics, such as the water source and priority date, provided that the changes do not injure other water rights. While transfers can only be completed for specific types of rights, permit amendments and groundwater registration modifications can allow for changes to these other types of rights. The Transfer and Conservation Section is responsible for receiving and processing water right transfer, permit amendment, and groundwater registration modification applications.

The backlog in processing water right transfers in 2004 was about 760 applications, rendering transfers a somewhat inefficient management option. The Department has taken a number of steps to address this workload, starting with a Lean-Kaizen process in 2009 that led to a number of changes to the processing of transfers. These changes resulted in a significant reduction in the time required to process transfer applications to Final Order and also made the process more user-friendly. The Department has also used the Reimbursement Authority program to expedite some transfer applications. The backlog as of the end of 2016 has dropped to 307, even though the number of transfer applications has actually increased steadily over the past 5 years.

The Department continues to look at ways of streamlining, combining functions, and leveraging its staff resources to best serve its customers.



# BUDGET NARRATIVE

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## FLOW RESTORATION

In addition to processing instream transfers, this section is also responsible for processing instream lease and allocations of conserved water applications. The Transfer and Conservation Section works, in coordination with the Field Services Division, with conservation groups, water right holders, irrigation districts, watershed councils, and soil and water conservation districts to complete flow restoration projects.

The Water Resources Department processes approximately 120 lease applications annually, with a goal for average processing time being 45 days. Several years ago the processing time was near 90 days. There is no backlog for instream processing.

Approximately ten instream transfers are received annually. The number of allocations of conserved water averages six to seven per year. In the past, some applications have taken more than two years to process, but, due to a thorough process and efficiency review in 2013, processing of these applications is now taking only six months.

## WATER SUPPLY AND CONSERVATION PLANNING

Staff in this section work closely with community water suppliers (municipal and certain quasi-municipal water suppliers) and irrigation districts to assist in the development of water management and conservation plans. Many community water suppliers and districts have initiated planning efforts to identify new options and alternatives to meet future water needs. Community water supply entities are required by water right permit conditions or statutory provisions to prepare water management and conservation plans. Under the planning approach developed by the Department, a variety of water supply alternatives, including storage, conservation, and water right transfers, are considered for cost-effectiveness and feasibility. The approach is intended to help water suppliers identify least-cost options for meeting future water needs. In the most recent fiscal year, 100 percent of the plans received by the Department were reviewed within the 90-day review goal. This is the highest percent recorded since the Department started keeping records for the program.

# BUDGET NARRATIVE

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## PROTESTS

The protest program is responsible for resolving protests filed against various Department orders, either by negotiated settlement or through a contested case hearing process. Based on past experience, the Department expects to receive approximately 100 protests during the 2017-19 biennium. About 75 percent of these are filed by applicants who disagree with the Department's determination; the other 25 percent typically come from a neighbor to the proposed project, conservation groups, or an interested local citizen. The program successfully negotiates resolution of approximately 90 percent of the protests, thereby dramatically reducing the need for expensive contested case hearings, while meeting the essential water needs of the applicants, protecting existing water rights, and ensuring adequate resource protections.

## ADJUDICATION

The Adjudication Program is responsible for the adjudication of pre-1909 water rights, tribal water rights, and other federal reserved water rights. Most of Oregon's river basins east of the Cascade Mountains have been adjudicated for pre-1909 water rights. Only a few of the river basins west of the Cascades have been adjudicated. Adjudications are important for holders of claims, who are often the senior-most users in the basin, but whom the Department cannot regulate for in accordance with the doctrine of prior appropriation until such claims are adjudicated. These senior claims also cannot be transferred until adjudicated.

Adjudications can be complex, long-lasting and controversial. The Department initiated the Klamath Basin Adjudication in 1975. This adjudication was delayed by two lengthy federal lawsuits and final claims were then filed prior to April 30, 1997. The Department received 5,660 legal contests to 730 claims. The administrative phase of the Klamath Adjudication was completed in March of 2013, and the case was transferred to the Klamath County Circuit Court. The Department is providing support to the Department of Justice as the Klamath Adjudication makes its way through the Circuit Court. With the administrative phase of the Klamath complete, the Department intends to begin new, smaller scale adjudications in previously unadjudicated areas of the state.

## HYDROELECTRIC PROGRAM

The Hydroelectric Program has lead responsibility for Oregon's hydroelectric water right program. Program staff process all applications related to development, modification, assignment and decommissioning of hydroelectric projects. Staff are responsible for implementing a coordinated, interagency program for evaluating applications to reauthorize hydroelectric projects with state or federal licenses that are due to expire. The program is also responsible for coordinating the decommissioning of existing facilities.

Division staff conduct annual fee billing and collection for the 154 existing hydroelectric projects in Oregon. These fees support hydroelectric programs in the Departments of Water Resources, Fish and Wildlife, and Environmental Quality.

# BUDGET NARRATIVE

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## PROGRAM JUSTIFICATION

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The Water Right Services Division has frequent contact with many of Oregon's key industries including: agriculture, food processing, nursery products, tourism, semiconductors, solar, wave energy and even wind energy. Water is a necessary ingredient for these business sectors to thrive, and therefore, the work conducted by the Division is essential to existing and future economic activity. In addition, its work is also essential for a healthy environment and those industries that rely on the use of water instream by processing water right transactions for recreation, fish and wildlife, and water quality. It is critical to business and communities that the Division is able to process different types of water use requests in a timely and accurate manner. A delay due to lack of funding or lack of staff resources in the Division can cause a business to have to delay its plans and may even allow a competitor a start-up advantage.

The Division also plays an integral part in implementing several key priority actions of the state's Integrated Water Resource Strategy. These efforts include revising informational materials to provide clearer guidance about how to use the agricultural and municipal Water Management and Conservation Plans and the Allocation of Conserved Water program.

## PROGRAM PERFORMANCE

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The Division is dedicated to providing high-quality customer service, while also improving the timeliness of processing times. The Division continues to look for ways to improve, and has undertaken a number of efforts in coordination with the Technical Services Division to increase efficiency through information technology.

The Division has reduced waiting times and backlogs consistently over the last decade. The percentage of protests received, which are formal challenges to our proposed final orders, has averaged only 1.3 percent over the last 10 years. This means that nearly 99 percent of interested persons and entities, including applicants, do not protest the Department's proposed decisions.

Performance in each program area is highlighted in the prior sections above.

# BUDGET NARRATIVE

## ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The Division prides itself in strictly adhering to the enabling statutes that authorize the water right processes that we administer. We continue to seek amendments to statutes to allow for regulatory streamlining whenever possible. The following is a list of Division programs and their enabling ORS citations.

<p>Water Right Transfers – Processing requests for changes (i.e., leases, allocations of conserved water or transfers). Transfers can include a change in place of use, type of use, or point of diversion. Both regular and expedited processes are available. Staff = transfer staff, field water right techs</p>	<p>ORS 536.050; ORS 537.120 to 537.360; ORS 537.525; ORS 540.520 to 540.580; ORS 537.455 to 537.500; ORS 540.510.</p>
<p>Water Right Permitting – Water right records and research, processing of new water right applications, permit extensions, certificates, and limited licenses. Both regular and expedited processes are available. Staff = permit &amp; certificate writers, and protest coordinators.</p>	<p>ORS 537.097; ORS 537.799; ORS 536.050; ORS 537.130; ORS 537.120 to 537.360; ORS 537.135; ORS 537.211 to 537.252; ORS 537.525; ORS 540.520 to 540.580; ORS 537.153; ORS 537.797; ORS 537.621 to 537.628</p>
<p>Adjudication – Confirming uses of water that pre-date Oregon’s 1909 water code. Staff = adjudications staff</p>	<p>ORS Chapter 539; ORS 539.010; ORS 537.665 to 537.700;</p>
<p>Hydroelectric Program – Coordinating agency for project re-authorization and FERC licensing, review of non-FERC applications. Staff = Hydroelectric staff</p>	<p>Oregon Constitution Article XI-D ORS 543.015; ORS 543.017; ORS 537.283</p>

# BUDGET NARRATIVE

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## FUNDING STREAMS

Funding for staff comes from the state General Fund and Other Fund fees. Fees are charged for various water rights permitting activity as well as for the Hydroelectric Program. The fees related to each of the Department's water right transactions are set in statute.

	<u>GENERAL FUND</u>	<u>Other Funds</u>	<u>Lottery Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
2015-17 Legislatively Adopted Budget	3,619,912	3,898,269	-	-	7,518,181
2015-17 Emergency Boards	128,415	134,556	-	-	262,971
2015-17 Legislatively Approved Budget	3,748,327	4,032,825	-	-	7,781,152
2017-19 Base Budget	3,790,091	4,231,325	-	-	8,021,416
2017-19 Current Service Level	3,875,605	4,301,204	-	-	8,176,809
Total Packages	(200,457)	(9,036)	-	-	(209,493)
2017-19 Governor's Recommended Budget	3,675,148	4,292,168	-	-	7,967,316

# BUDGET NARRATIVE

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## WATER RIGHTS SERVICES DIVISION ESSENTIAL AND STATEWIDE PACKAGES

### 010 – Vacancy Factor and Non-PICS Personal Services

This package contains adjustments to the base budget as directed in the 2017-19 Budget Instructions. These changes include changes to the Vacancy Savings Factor, the non-PICS generated Personal Services inflation adjustments and the Pension Obligation Bonds calculations supplied to Agencies by the Department of Administrative Services Chief Financial Office.

### 020 – Costs of Phased In/Phased Out Programs and One Time Costs

This package removes funding that was intended as one time funding from the 2015-17 biennium.

### 030 – Inflation and Price List Adjustments

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2017-2019 Budget Instructions. General inflation was calculated using a factor of 3.7% while a rate of 4.1% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2017-19 price lists.

### 060 – Technical Adjustments

This package is to be used for technical budget adjustments, such as expenditure category shifts that do not fit into the standard Essential Packages. This package corrected a negative balance in Water Rights.

### 090 - Analyst Adjustments

This package includes adjustments and reductions taken in the Governor's Recommended Budget.

### 091 – Statewide Adjustment DAS Charges

This package includes reductions to State Government Services Charges to account for reductions made to the Department of Administrative Services (DAS) in the Governor's Recommended Budget.

# BUDGET NARRATIVE

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## 092 – Statewide AG Adjustment

This package includes reductions to State Attorney General Charges to account for reductions made to the Department of Justice (DOJ) in the Governor's Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	24,376	-	-	-	-	-	24,376
<b>Total Revenues</b>	<b>\$24,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$24,376</b>
<b>Personal Services</b>							
Temporary Appointments	68	-	-	-	-	-	68
All Other Differential	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Pension Obligation Bond	7,537	-	15,764	-	-	-	23,301
Social Security Taxes	5	-	-	-	-	-	5
Unemployment Assessments	50	-	91	-	-	-	141
Mass Transit Tax	917	-	535	-	-	-	1,452
Vacancy Savings	15,799	-	19,041	-	-	-	34,840
<b>Total Personal Services</b>	<b>\$24,376</b>	<b>-</b>	<b>\$35,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$59,807</b>
<b>Total Expenditures</b>							
Total Expenditures	24,376	-	35,431	-	-	-	59,807
<b>Total Expenditures</b>	<b>\$24,376</b>	<b>-</b>	<b>\$35,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$59,807</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(35,431)	-	-	-	(35,431)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$35,431)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$35,431)</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	53,718	-	-	-	-	-	53,718
<b>Total Revenues</b>	<b>\$53,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$53,718</b>
<b>Services &amp; Supplies</b>							
Instate Travel	340	-	5	-	-	-	345
Out of State Travel	-	-	-	-	-	-	-
Employee Training	247	-	136	-	-	-	383
Office Expenses	870	-	2,339	-	-	-	3,209
Telecommunications	823	-	1,180	-	-	-	2,003
State Gov. Service Charges	18,591	-	23,060	-	-	-	41,651
Data Processing	-	-	-	-	-	-	-
Publicity and Publications	14	-	76	-	-	-	90
Professional Services	-	-	401	-	-	-	401
Attorney General	21,805	-	3,428	-	-	-	25,233
Employee Recruitment and Develop	38	-	-	-	-	-	38
Dues and Subscriptions	14	-	68	-	-	-	82
Facilities Rental and Taxes	-	-	2,098	-	-	-	2,098
Facilities Maintenance	18	-	-	-	-	-	18
Agency Program Related S and S	7,400	-	-	-	-	-	7,400
Other Services and Supplies	2,983	-	583	-	-	-	3,566
Expendable Prop 250 - 5000	339	-	581	-	-	-	920
IT Expendable Property	236	-	205	-	-	-	441
<b>Total Services &amp; Supplies</b>	<b>\$53,718</b>	<b>-</b>	<b>\$34,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$87,878</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	53,718	-	34,160	-	-	-	87,878
<b>Total Expenditures</b>	<b>\$53,718</b>	<b>-</b>	<b>\$34,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$87,878</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(34,160)	-	-	-	(34,160)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$34,160)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$34,160)</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	7,420	-	-	-	-	-	7,420
<b>Total Revenues</b>	<b>\$7,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$7,420</b>
<b>Services &amp; Supplies</b>							
Instate Travel	559	-	288	-	-	-	847
Telecommunications	6,861	-	-	-	-	-	6,861
Professional Services	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	<b>\$7,420</b>	<b>-</b>	<b>\$288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$7,708</b>
<b>Total Expenditures</b>							
Total Expenditures	7,420	-	288	-	-	-	7,708
<b>Total Expenditures</b>	<b>\$7,420</b>	<b>-</b>	<b>\$288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$7,708</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(288)	-	-	-	(288)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$288)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$288)</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 060 - Technical Adjustments

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Attorney General	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(177,480)	-	-	-	-	-	(177,480)
<b>Total Revenues</b>	<b>(\$177,480)</b>	-	-	-	-	-	<b>(\$177,480)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	(96,528)	-	-	-	-	-	(96,528)
Empl. Rel. Bd. Assessments	(57)	-	-	-	-	-	(57)
Public Employees' Retire Cont	(12,636)	-	-	-	-	-	(12,636)
Social Security Taxes	(7,384)	-	-	-	-	-	(7,384)
Worker's Comp. Assess. (WCD)	(69)	-	-	-	-	-	(69)
Flexible Benefits	(33,336)	-	-	-	-	-	(33,336)
Reconciliation Adjustment	(4)	-	-	-	-	-	(4)
<b>Total Personal Services</b>	<b>(\$150,014)</b>	-	-	-	-	-	<b>(\$150,014)</b>
<b>Services &amp; Supplies</b>							
Other Services and Supplies	(27,466)	-	-	-	-	-	(27,466)
<b>Total Services &amp; Supplies</b>	<b>(\$27,466)</b>	-	-	-	-	-	<b>(\$27,466)</b>
<b>Total Expenditures</b>							
Total Expenditures	(177,480)	-	-	-	-	-	(177,480)
<b>Total Expenditures</b>	<b>(\$177,480)</b>	-	-	-	-	-	<b>(\$177,480)</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							(1)
<b>Total Positions</b>							<b>(1)</b>
<b>Total FTE</b>							
Total FTE							(1.00)
<b>Total FTE</b>							<b>(1.00)</b>

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 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:010-06-00 Water Rights and Adjudications PACKAGE: 090 - Analyst Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
9970029	OAS C8502 AP	NATURAL RESOURCE SPECIALIST 2	1-	1.00-	24.00-	02	4,022.00	96,528-				96,528-
								53,482-				53,482-
TOTAL PICS SALARY								96,528-				96,528-
TOTAL PICS OPE								53,482-				53,482-
TOTAL PICS PERSONAL SERVICES =			1-	1.00-	24.00-			150,010-				150,010-

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(10,642)	-	-	-	-	-	(10,642)
<b>Total Revenues</b>	<b>(\$10,642)</b>	-	-	-	-	-	<b>(\$10,642)</b>
<b>Services &amp; Supplies</b>							
Telecommunications	(2,313)	-	(3,272)	-	-	-	(5,585)
State Gov. Service Charges	(2,086)	-	(3,825)	-	-	-	(5,911)
Other Services and Supplies	(6,243)	-	-	-	-	-	(6,243)
<b>Total Services &amp; Supplies</b>	<b>(\$10,642)</b>	-	<b>(\$7,097)</b>	-	-	-	<b>(\$17,739)</b>
<b>Total Expenditures</b>							
Total Expenditures	(10,642)	-	(7,097)	-	-	-	(17,739)
<b>Total Expenditures</b>	<b>(\$10,642)</b>	-	<b>(\$7,097)</b>	-	-	-	<b>(\$17,739)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	7,097	-	-	-	7,097
<b>Total Ending Balance</b>	-	-	<b>\$7,097</b>	-	-	-	<b>\$7,097</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(12,335)	-	-	-	-	-	(12,335)
<b>Total Revenues</b>	<b>(\$12,335)</b>	-	-	-	-	-	<b>(\$12,335)</b>
<b>Services &amp; Supplies</b>							
State Gov. Service Charges	-	-	-	-	-	-	-
Attorney General	(12,335)	-	(1,939)	-	-	-	(14,274)
<b>Total Services &amp; Supplies</b>	<b>(\$12,335)</b>	-	<b>(\$1,939)</b>	-	-	-	<b>(\$14,274)</b>
<b>Total Expenditures</b>							
Total Expenditures	(12,335)	-	(1,939)	-	-	-	(14,274)
<b>Total Expenditures</b>	<b>(\$12,335)</b>	-	<b>(\$1,939)</b>	-	-	-	<b>(\$14,274)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	1,939	-	-	-	1,939
<b>Total Ending Balance</b>	-	-	<b>\$1,939</b>	-	-	-	<b>\$1,939</b>

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**Pkg 070 – Water Rights Transactions Fee Schedule Revenue Reduction Package (Due to sunset of Water Right Transaction Fees)**

2017-19 Governor's Recommended Budget

# BUDGET NARRATIVE

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**Purpose:** The Water Right fee schedule established in 2013 has a sunset date of June 30, 2017. A provision in the statute will cause the fees to revert to those set by the Legislature in 2009 if the statute is not changed before June 30, 2017. This reversion to 2009 fee levels is expected to reduce revenue for the Department by \$366,609 and , along with the forecasted increases in the costs of doing business per the Department of Administrative Service’s estimates, cause a reduction of 2.5 FTE in Water Right Services Division staff. This package identifies the revenue reduction and positions that would be discontinued.

In response to the sunset of the current fee schedule and the increased costs, the Department has submitted a legislative concept, as most of the Department’s fees are set by statute. Please see Package 100 which describes the package associated with the legislative concept to increase the fees in 2017 by an amount necessary to continue service delivery *at current levels*. Current fees established in 2013 are projected to result in revenue of \$2,901,186. Reverting to fees to the 2009 level would likely result in fee revenue of approximately \$2,533,077 for the 2017-2019 biennium.

**How Achieved:** If the current law reverts to 2009 fee levels, the Department will publish new fee tables and collect a projected \$366,609 less in revenue. Two and a half positions would be discontinued from full time employment early in the 2017-19 biennium. The impact on services overtime will be slower processing of applications for new water use, applications to provide permit holders more time to develop their use (extensions), and the issuance of water right certificates. Additionally, another 3.0 FTE would be reduced in 2019-21 as fees would not keep up with increasing costs.

**Quantifying Results:** The Department anticipates that with the reduced staff, the timeliness of processing these application types will gradually decrease as the backlogs build. This means that farmers, water supply providers, and others may have to wait longer to receive determinations on their water supply proposals. With reduced staff, the Department would increase challenges meeting KPMs 10 and 11 related to processing new water right applications and transfers of existing water rights respectively, and would likely be unable to meet KPM 9 related to the processing of Water Management and Conservation Plans.

**Staffing Impact:**

3000118	C8502 AA	Nat Res Spec 2	Water Right App Processor	PF	(1.0) FTE
3000055	C8502 AA	Nat Res Spec 2	Water Right App Processor	PF	(1.0) FTE
9000308	C8502 AA	Nat Res Spec 2	Transfer Specialist	PF	(0.50) FTE

# BUDGET NARRATIVE

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## Revenue Source:

Fees are an Other Fund revenue source. A revenue loss of \$366,609 is anticipated for 2017-19. As a result, the Department will expend a portion of the fees that have been received for services not yet rendered (ending balances) and also reduce expenditures by \$375,025 by reducing staffing by 2.5 FTE

Other Funds (Water Right Fees):	(\$375,025)
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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 070 - Revenue Shortfalls

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Power and Water Fees	-	-	(366,609)	-	-	-	(366,609)
<b>Total Revenues</b>	-	-	<b>(\$366,609)</b>	-	-	-	<b>(\$366,609)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	(241,320)	-	-	-	(241,320)
Empl. Rel. Bd. Assessments	-	-	(142)	-	-	-	(142)
Public Employees' Retire Cont	-	-	(31,590)	-	-	-	(31,590)
Social Security Taxes	-	-	(18,460)	-	-	-	(18,460)
Worker's Comp. Assess. (WCD)	-	-	(173)	-	-	-	(173)
Flexible Benefits	-	-	(83,340)	-	-	-	(83,340)
<b>Total Personal Services</b>	-	-	<b>(\$375,025)</b>	-	-	-	<b>(\$375,025)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(375,025)	-	-	-	(375,025)
<b>Total Expenditures</b>	-	-	<b>(\$375,025)</b>	-	-	-	<b>(\$375,025)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	8,416	-	-	-	8,416
<b>Total Ending Balance</b>	-	-	<b>\$8,416</b>	-	-	-	<b>\$8,416</b>
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	-
<b>Total Positions</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 070 - Revenue Shortfalls

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total FTE</b>							
Total FTE							(2.50)
<b>Total FTE</b>	-	-	-	-	-	-	<b>(2.50)</b>

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 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:010-06-00 Water Rights and Adjudications PACKAGE: 070 - Revenue Shortfalls

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
3000055	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1-	1.00-	24.00-	02	4,022.00		96,528- 53,482-			96,528- 53,482-
3000055	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1	.00	.00	02	4,022.00					
3000118	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1-	1.00-	24.00-	02	4,022.00		96,528- 53,482-			96,528- 53,482-
3000118	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1	.00	.00	02	4,022.00					
9000308	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1-	1.00-	24.00-	02	4,022.00		96,528- 53,482-			96,528- 53,482-
9000308	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2	1	.50	12.00	02	4,022.00		48,264 26,741			48,264 26,741
TOTAL PICS SALARY										241,320-			241,320-
TOTAL PICS OPE										133,705-			133,705-
TOTAL PICS PERSONAL SERVICES =					2.50-	60.00-				375,025-			375,025-

# BUDGET NARRATIVE

## Pkg 100 – Sustaining Current Service Levels: Water Rights Transactions and Dam Safety Fee Schedule Increase and Add-Back Package

**Purpose:** The majority of the Department’s fees are set in statute. Last modified in 2013, the current fees are due to sunset on June 30, 2017. If this occurs, fees will revert back to levels that were set in 2009. The current fee schedule provides revenues of approximately \$2.9 million to fund approximately 18.5 permit writers in the Water Right Services Division and to fund staff and engineering contracts in the Dam Safety Section. A roll-back to 2009 levels would decrease fee revenue by \$366,609 at the same time that costs are increasing by close to \$500,000, resulting in a gap in funding of \$838,117. With insufficient revenue to address cost increases, the Department will phase out staff by decreasing FTE by 2.5 in the 2017-19 biennium and an additional 3.0 FTE in the 2019-21 biennium.

This package would remove the reversion to 2009 fee levels and adjust the current schedule of fees to account for the increased cost of doing business based on projected costs supplied by the Department of Administrative Services (DAS). The proposed fee increase of 15.88% from the current 2013 fee schedule is projected to allow the Department to provide the current service level to Oregonians through the Legislative Session in 2021.

**How Achieved:** Increasing the fees by 15.88% would raise fee revenue to approximately \$3,371,194 per biennium and allow the Department to maintain the current number of staff funded by water right fees at 18.5 FTE.

Fee Revenue anticipated:

2009 Schedule (reversion without law change) \$2,533,077

2013 Schedule (current schedule that sunsets) \$2,901,186

2017 Schedule proposed (accounts for cost increases, maintains current service level) \$3,371,194

NOTE: Projected cost estimates do not include potential cost increases that could be incurred as a result of the expected implementation of HB 3315 (2015) in 2019, which directs Oregon Department of Fish and Wildlife to bill other executive department agencies for costs of providing services on fee-related programs, such as water right applications. The Department has no basis for estimating those costs at this time, so they have not been incorporated into the proposed 2017-2021 fee schedule.

**Quantifying Results:** Timely delivery of services is very important to the Department, its customers, and stakeholders. The Department continuously makes improvements in its various processes in order to deliver processing results as efficiently as possible. The issues surrounding water right transactions and dam safety design reviews are becoming increasingly complicated and time consuming. Increasing the fees to allow the Department to maintain its water right processing staff levels and engineering expertise helps to insure that the Department can continue to provide timely service to its customers, and in some instances, improve processing timeliness. The Department would expect to maintain or improve its performance for KPM 10 and maintain its performance in KPMs 9 and 10 if the fee schedule is increased by 15.88%.

Without a fee increase, the Department will have to reduce the staff of the Water Right Services Division by 2.5 FTE in the 2017-19 biennium and an additional 3.0 FTE in the 2019-21 biennium. The Department anticipates that with the reduced staff, the timeliness of processing applications would gradually decrease as backlogs build. This means that farmers, water supply providers, and others may have to wait longer to

# BUDGET NARRATIVE

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receive determinations on their water supply proposals. This proposal is consistent with recommended action #13b of the Integrated Water Resources Strategy, to support funding for water management.

## Staffing Impact

3000118	C8502 AA	Nat Res Spec 2	Water Right App Processor	PF	1.00 FTE
3000055	C8502 AA	Nat Res Spec 2	Water Right App Processor	PF	1.00 FTE
9000308	C8502 AA	Nat Res Spec 2	Transfer Specialist	PF	0.50 FTE

## Revenue Source:

Other Funds (Water Right Fees): \$838,117

This package as requested in the Agency Request Budget is included in the Governor's Recommended Budget.



# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 100 - Water Rights Fee Increase and Add-Back Package

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Power and Water Fees	-	-	838,117	-	-	-	838,117
<b>Total Revenues</b>	-	-	<b>\$838,117</b>	-	-	-	<b>\$838,117</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	241,320	-	-	-	241,320
Empl. Rel. Bd. Assessments	-	-	143	-	-	-	143
Public Employees' Retire Cont	-	-	31,590	-	-	-	31,590
Social Security Taxes	-	-	18,460	-	-	-	18,460
Worker's Comp. Assess. (WCD)	-	-	172	-	-	-	172
Flexible Benefits	-	-	83,340	-	-	-	83,340
<b>Total Personal Services</b>	-	-	<b>\$375,025</b>	-	-	-	<b>\$375,025</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	375,025	-	-	-	375,025
<b>Total Expenditures</b>	-	-	<b>\$375,025</b>	-	-	-	<b>\$375,025</b>
<b>Ending Balance</b>							
Ending Balance	-	-	463,092	-	-	-	463,092
<b>Total Ending Balance</b>	-	-	<b>\$463,092</b>	-	-	-	<b>\$463,092</b>
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	2.50
<b>Total FTE</b>	-	-	-	-	-	-	<b>2.50</b>

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 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY: 69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF: 010-06-00 Water Rights and Adjudications PACKAGE: 100 - Water Rights Fee Increase and

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
3000055	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2		1.00	24.00	02	4,022.00		96,528 53,482			96,528 53,482
3000118	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2		1.00	24.00	02	4,022.00		96,528 53,482			96,528 53,482
9000308	OAS	C8502	AP NATURAL RESOURCE SPECIALIST 2		.50	12.00	02	4,022.00		48,264 26,741			48,264 26,741
TOTAL PICS SALARY										241,320			241,320
TOTAL PICS OPE										133,705			133,705
TOTAL PICS PERSONAL SERVICES =					2.50	60.00				375,025			375,025

# BUDGET NARRATIVE

## Pkg 111 – Water Right Special Projects and Klamath Transactions

**Purpose:** Providing timely service to customers is important to the Department. Staff have undertaken a number of process improvement exercises in recent years to increase efficiencies. Despite this, there is still a backlog related to certificates and, at times, the Department is unable to meet customer expectations for timely processing of transfers and new water right applications. In addition, the Department and stakeholders would like the Department to have staff capacity to proactively notify water right holders of the need to submit a claim of beneficial use, or request an extension of time to complete development. Furthermore, given the rapidly changing nature of the water-related agreements in the Klamath basin, the Department needs to be prepared to timely address water right transactions that may result from negotiations in that region. Previous proposals have included leasing and transferring water rights.

**How Achieved:** This package proposes to add one additional FTE to help with priority water right activities and enhance service to customers. The Department anticipates the Water Rights Special Projects coordinator will take on work to address Klamath-related water leases and transfers, while also assisting with other special projects to provide improved customer service, reduce processing times, and address backlogs associated with the Department’s core functions. This position will be tasked with reviewing claims of beneficial use and issuing certificates, as well as responding to unanticipated water right related processing needs, including needs arising in the Klamath Basin. This person will be trained in several areas of water rights including the processing of instream transfer and lease applications, reviewing claims of beneficial use, and issuing certificates.

**Quantifying Results:** This position will work on a combination of COBUs and Transfers from other areas of the state. The Department would expect that approximately 100 actions (Certificates, COBUs, Transfers or Leases) would be processed per year if this position were available. As necessary, this position will also work on any Klamath Basin instream transfers and leases and any Claims of Beneficial Use that are pending in the Klamath Basin. The funding of this position will help the Department meet KPM 11, related to the processing of transfer applications and speed the Department’s elimination of its certificate backlog.

### Staffing Impact:

9917118	OA-C8503-AA	Nat Res Spec 3	Water Rights App Analyst	LD	1.00 FTE
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### Revenue Source

General Fund \$188,717

This package was not included in the Governor’s Recommended Budget.

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 111 - Water Right Special Projects and Klamath Transactions

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 111 - Water Right Special Projects and Klamath Transactions

Cross Reference Name: Water Rights and Adjudications  
 Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							-
Total Positions							-
<b>Total Positions</b>							-
Total FTE							-
Total FTE							-
<b>Total FTE</b>							-

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## Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2009-11 Estimated	2017-19		
						Agency Request	Governor's Budget	Legislatively Adopted
Non-Business Lic and Fees	OF	0210	-	-	-	-	-	
Power and Water Fees	OF	0245	5,450,018	5,325,938	-	6,469,788	6,469,788	
Charges for Services	OF	0410	366,524	400,000	-	300,484	300,484	
Admin and Service Charges	OF	0415	-	-	-	-	-	
Fines and Forfeitures	OF	0505	-	-	-	-	-	
Dedicated Fund Obligation Bond	OF	0560	-	-	-	-	-	
Lottery Bonds	OF	0565	-	-	-	-	-	
Revenue Bonds	OF	0570	-	-	-	-	-	
Interest Income	OF	0605	19,213	-	-	-	-	
Sales Income	OF	0705	-	-	-	-	-	
Loan Repayments	OF	0925	-	-	-	-	-	
Other Revenues	OF/FF	0975	-	324,082	-	324,082	324,082	
Federal Funds	FF	0995	-	-	-	-	-	
<b>Total Revenue</b>			<b>5,835,755</b>	<b>6,050,020</b>	-	<b>7,094,354</b>	<b>7,094,354</b>	-
Transfer In - Intrafund	OF	1010	142,801	-	-	-	-	
Transfer from General Fund	OF	1060	-	-	-	-	-	
Transfer In - Lottery	LF	1040	-	-	-	-	-	
Transfer in from Admin Serv	OF	1107	-	-	-	-	-	
Transfer In from State Lands	OF	1141	-	-	-	-	-	
Transfer from Watershed Enhance Bd	OF	1691	-	-	-	-	-	
Transfer Out - Intrafund	OF	2010	(33,590)	(431,514)	-	(402,696)	(402,696)	
Transfer to General Fund	OF	2060	-	-	-	-	-	
Tsfr to Environmental Quality	OF	2340	(582,330)	(764,806)	-	(681,921)	(681,921)	
Tsfr to Parks and Rec	OF	2634	-	-	-	-	-	
Tsfr To Fish and Wildlife	OF	2635	(1,765,884)	(1,787,635)	-	(1,847,549)	(1,847,549)	
<b>Total Transfers</b>			<b>(2,239,003)</b>	<b>(2,983,955)</b>	-	<b>(2,932,166)</b>	<b>(2,932,166)</b>	-
<b>Net Revenue</b>			<b>3,596,752</b>	<b>3,066,065</b>	-	<b>4,162,188</b>	<b>4,162,188</b>	-

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
2017-19 Biennium

Agency Number: 69000

Cross Reference Number: 69000-010-06-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Power and Water Fees	5,450,018	5,325,938	5,325,938	6,469,788	6,469,788	-
Charges for Services	366,524	400,000	400,000	300,484	300,484	-
Interest Income	19,213	-	-	-	-	-
Other Revenues	-	324,082	324,082	324,082	324,082	-
Transfer In - Intrafund	142,801	-	-	-	-	-
Transfer Out - Intrafund	(33,590)	(431,514)	(431,514)	(402,696)	(402,696)	-
Tsfr To Environmental Quality	(582,330)	(764,806)	(764,806)	(681,921)	(681,921)	-
Tsfr To Fish/Wildlife, Dept of	(1,765,884)	(1,787,635)	(1,787,635)	(1,847,549)	(1,847,549)	-
<b>Total Other Funds</b>	<b>\$3,596,752</b>	<b>\$3,066,065</b>	<b>\$3,066,065</b>	<b>\$4,162,188</b>	<b>\$4,162,188</b>	-

\_\_\_\_ Agency Request  
2017-19 Biennium

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Detail of LF, OF, and FF Revenues - BPR012

# BUDGET NARRATIVE

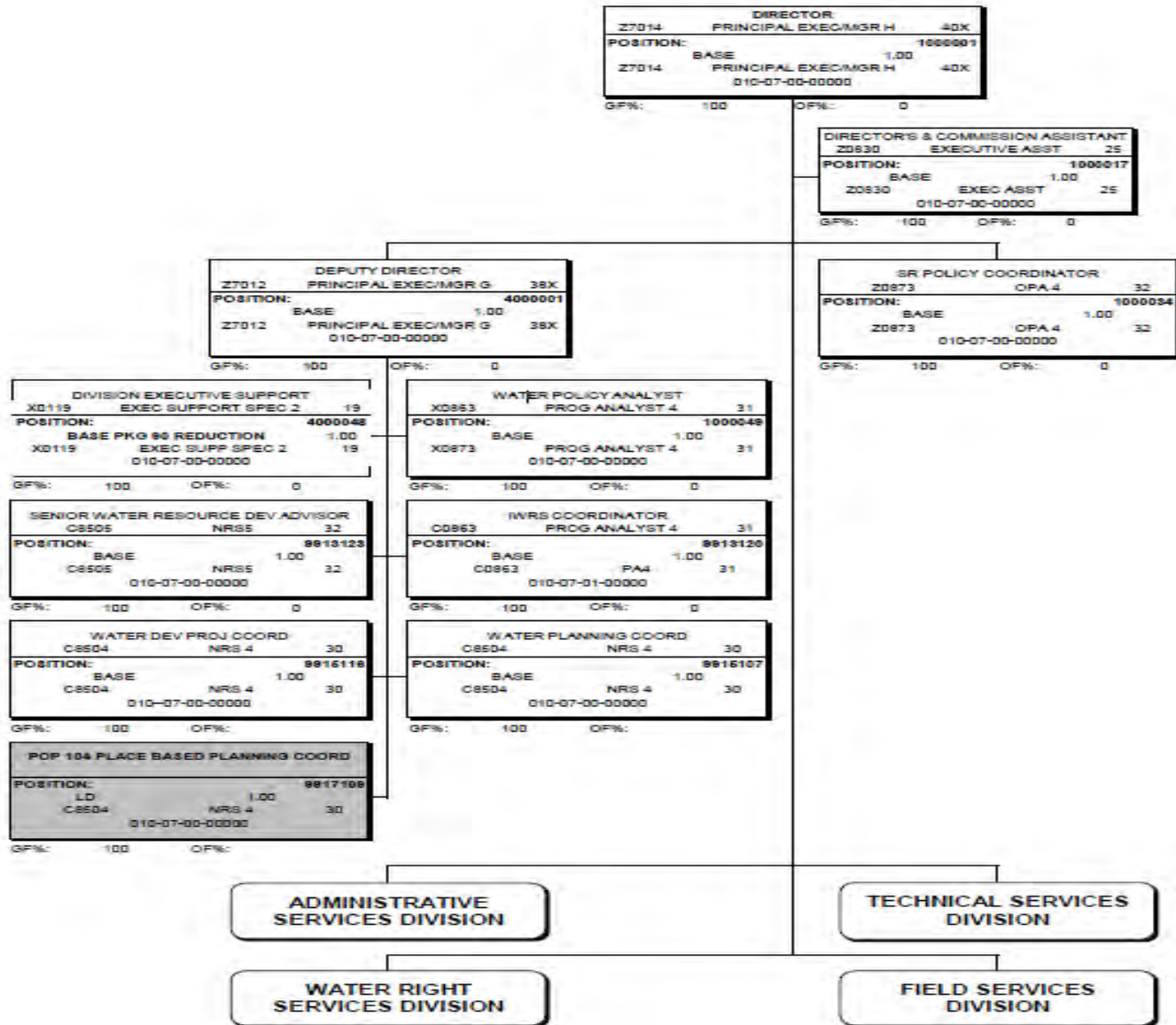
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# BUDGET NARRATIVE

## DIRECTOR'S OFFICE



# BUDGET NARRATIVE

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# **BUDGET NARRATIVE**

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## **DIRECTOR'S OFFICE**

The Water Resources Department is Oregon's water quantity agency, managing the system of water allocation and distribution throughout the state. The Director's Office is responsible for developing and supervising the policies and programs that ensure water is managed according to Oregon Water Law and to meet current and future instream and out-of stream water needs.

Program Contact:                       Racquel Rancier  
                                                  503-986-0828

## **PROGRAM FUNDING REQUEST**

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Water Resources proposes to add \$5.6 million of General Fund and 0.1 million Other Fund for Helping Communities Plan for Water Needs through Place-Based Planning; Increase public awareness and information sharing through the addition of Web Information expertise; help communities resolve complex water management issues, and manage increased costs due to litigation related to water rights challenges. The Director's Office currently has a budget of \$3.2 million in General Fund for the 2015-17 biennium.

## **PROGRAM DESCRIPTION**

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The Oregon Water Resources Department and its policy-making body, the Oregon Water Resources Commission, have a dual mission: to address Oregon's water supply needs and to restore and protect streamflows. As a result, the Department's stakeholder groups are quite diverse, representing both out-of-stream water users such as industry, municipalities, agriculture, and individual households, as well as instream uses, such as hydropower, fish and wildlife, water quality, scenic waterways, and recreation.

The Director's office provides oversight and support for all of the agencies' programs in order to institute policies and practices that best serve Oregonians. The Director's office works with the Water Resources Commission to provide policy direction. Other key functions of the Director's office include: participating in policy work groups, rules coordination, responding to press inquiries, conducting outreach to the public and stakeholders, fulfilling public record requests, working with tribal communities, coordinating with the environmental justice task force, updating and implementing the state's Integrated Water Resources Strategy, providing information to elected officials, and working with the Department of Justice on resolving litigation related to water distribution, water right transactions, and adjudications. In recent years, due to the division's policy and science expertise, the Director's office has increasingly become involved with addressing complex water issues, and implementing the Water Resources Development Program to help individuals and communities meet their instream and out-of-stream water needs.

# BUDGET NARRATIVE

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*Intergovernmental Coordination.* The Director's Office leads the agency's formal and informal intergovernmental coordination activities as the lead contact with Oregon's tribal governments, other state-level agencies, local governments, neighboring states and federal agencies on matters of common authority, responsibility, or interest. The Legislative Assembly has authorized the Director to initiate negotiations with tribes in Oregon to define the nature and scope of tribal reserved water right claims. The need to resolve tribal claims in Oregon are real and significant.

*Complex Water Issues.* With Oregon's water resources fully allocated in many parts of the state, it is becoming more challenging to meet the needs of both new and existing instream and out-of-stream demands. The Director's office is often involved in working on collaborative processes to identify solutions to complex water issues. Examples of these efforts include: addressing water supply needs in the Umatilla Basin, engaging in collaborative planning and resolving disputes in the Deschutes Basin, partnering with U.S. Army Corps of Engineers to engage with stakeholders in the study of the allocation of stored water in the Willamette Basin, and working with the community in the Greater Harney Valley to address water supply needs.

*Oversight of Contested Cases and Litigation.* Water right issues can be complex and contentious. The Department's water right-related decisions, regulatory actions or scientific conclusions are sometimes challenged administratively or in court. The Director's Office works with protest staff and Department of Justice attorneys to oversee these activities.

*Outreach and Coordination.* The Director's Office is responsible for the Department's communication with stakeholders, partners, members of the Legislature, the public, and the media. The Director's Office communicates through a variety of means: face-to-face meetings, conference calls, web-based platforms, letters, informational listserves, fact sheets, and public meetings. These actions represent a high volume of interaction, year-round. The Director's Office supports the Water Resources Commission by coordinating meetings, developing issue reports and briefing papers, staffing work groups, and answering Commission information requests.

*Long-Term, Integrated Water Resources Strategy (IWRS).* The Director's Office oversees implementation of Oregon's Integrated Water Resources Strategy (IWRS), an inter-agency blueprint for understanding and meeting the state's water needs. The IWRS was developed with input and participation from other agencies, advisory groups, the public, local communities, scientists, and other stakeholders; it was adopted by the Water Resources Commission in 2012 and endorsed by 11 other state boards and commissions. The IWRS identifies critical water-related issues in 13 different areas and recommends actions to address them. Implementation of the IWRS will require continued funding in the future, along with coordination among state, local, federal, and private partners. The Water Resources Department is required to update the Strategy every five years; the first update to the strategy is currently underway and will be complete in 2017.

*Water Resources Development Program.* Identifying water supply options to meet both instream and out-of-stream water needs is essential for healthy economies, communities and ecosystems. The Director's Office oversees activities to further water resources development efforts, such as directing Department activities on specific projects, setting policy direction, and working with interested parties and stakeholders to come to consensus on project details. The Director's office leads an inter-divisional team that provides technical and financial assistance to help communities meet their instream and out-of-stream water needs. These efforts include financial and technical support for communities to engage

## BUDGET NARRATIVE

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in place-based planning to understand water needs and identify potential solutions, grants for feasibility studies to assess the viability of implementing a project idea, and finally grants and loans to actually implement projects.

*Water Law and Policy Expertise.* Effective distribution and management of Oregon’s water requires trained experts in the fields of law/public policy, engineering, and science. The Director’s Office responsibilities require in-house institutional knowledge in order to make policy-decisions and develop strategies to communicate and implement Oregon Water Law, as well as meet instream and out-of-stream needs.

*Performance Improvement.* The Director’s Office has oversight responsibility for continuous improvement in all program areas, but particularly in customer service, regulation, and data and information. A variety of techniques help us identify how we fare in these areas, including key performance measures (KPMs), internal process evaluation, internal performance indicators, meetings with peer agencies, external stakeholder feedback, and the biennial budget process.

## PROGRAM JUSTIFICATION

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Water is the foundation for most economic activity in the state, from agriculture to industry – economic development requires reliable water supplies. Similarly, water is also key to Oregonian’s quality of life, from the drinking water that is provided to our homes and gardens, to the water left instream for recreation such as boating and fishing. Yet, the state faces challenges in being able to meet these instream and out-of-stream needs, which may be exacerbated by a growing population, increased temperatures, and less precipitation falling as snow. The 2012 Integrated Water Resources Strategy, which also serves as a blueprint for Department activities, identifies actions necessary to understand our instream and out-of-stream water resources needs and take steps to meet those needs. The Director’s Office oversees the Department’s implementation of this Strategy.

More specifically, the Water Resources Department is responsible for permitting new water rights, managing and distributing water, providing technical information, and identifying opportunities to support individuals and communities in water resources development projects to meet instream or out-of-stream needs. The Director’s Office provides essential support, policy direction, and oversight of the Department’s functions.

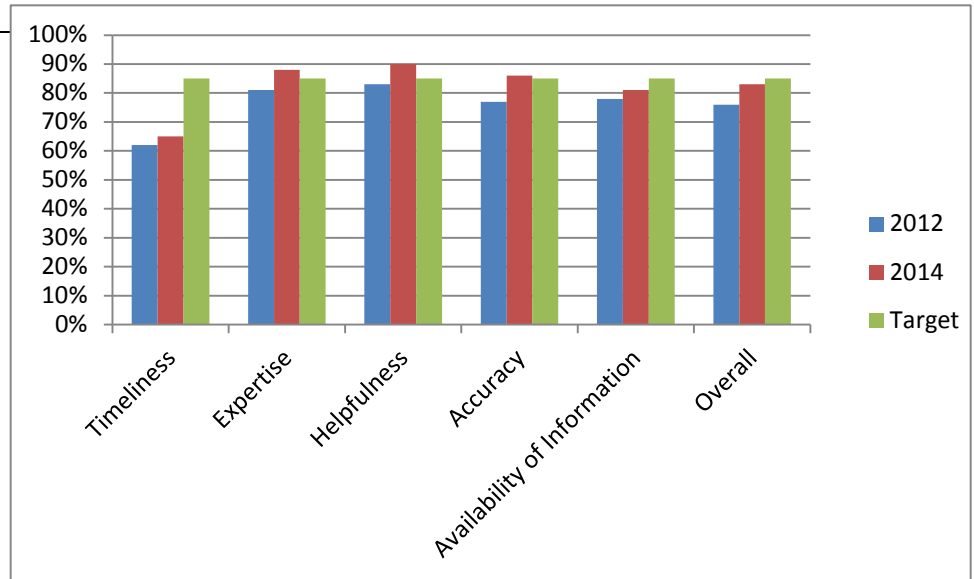
## PROGRAM PERFORMANCE

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The Director’s Office oversees the performance of the entire agency. Every two years the agency conducts a customer satisfaction survey to determine how its performance is perceived by the public. The goal is to have at least 85 percent of respondents rank the Department’s customer service as “good” or “excellent” in a number of categories. The most recent survey, completed during July 2014, yielded increases across all categories. Timeliness was again rated the lowest in comparison. We recognize that timeliness is the biggest area of concern among customers. In particular, we have been working diligently to improve efficiency, increase the use of technology and access to data, as well as eliminate backlogs.

# BUDGET NARRATIVE

The Department has also been in the process of launching two new grant programs, while continuing to make improvements to its existing feasibility study grants program. In the first half of 2016, the Water Resources Commission awarded funding to four place-based planning groups to pilot collaborative water resources planning. In addition, the Commission also made decisions on the first cycle of Water Project Grants and Loans, a funding opportunity that was established by the Legislature in 2013 through Senate Bill 839. Staff will be working to assist the place-based planning pilots in developing their plans, as well as launching the second-cycle of Water Project Grants and Loans and administering the first-cycle grant awards into the next biennium.



## ENABLING LEGISLATION/PROGRAM AUTHORIZATION

Water allocation is the responsibility of the state. There is no federal back-up for this work.

<p>Director’s Office – Policy and legal oversight, public records requests, public information / media, tribal and intergovernmental relations, staffing the Water Resources Commission, coordinating with the Oregon Legislature, rule-making, public hearings, special projects, water resources development, environmental justice, sustainability, key performance measures.</p>	<p>ORS 536.025; ORS 536.037; ORS 536.220; ORS 536.340; ORS 536.420; ORS 542.630; ORS 183.330; ORS 182.535; ORS 184.423/Executive Order 03-03; ORS 536.040; ORS 182.164; ORS 539.310; ORS 541.653; Water Laws ORS 536-543</p>
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# BUDGET NARRATIVE

## FUNDING STREAMS AND 2017-19 FUNDING PROPOSAL

Director's Office activities are primarily funded by the General Fund.

	<u>GENERAL FUND</u>	<u>Other Funds</u>	<u>Lottery Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
2015-17 Legislatively Adopted Budget	3,093,931	5,580	-	-	3,099,511
2015-17 Emergency Boards	103,448	5,777	-	-	109,225
2015-17 Legislatively Approved Budget	3,197,379	11,357	-	-	3,208,736
2017-19 Base Budget	3,669,311	5,122	-	-	3,674,433
2017-19 Current Service Level	3,788,034	6,297	-	-	3,794,331
Total Packages	(21,887)	(471)	-	-	(22,358)
2017-19 Governor's Recommended Budget	3,766,147	5,826	-	-	3,771,973

# BUDGET NARRATIVE

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## DIRECTOR'S OFFICE

### ESSENTIAL AND STATEWIDE PACKAGES

#### 010 – Vacancy Factor and Non-PICS Personal Services

This package contains adjustments to the base budget as directed in the 2017-19 Budget Instructions. These changes include changes to the Vacancy Savings Factor, the non-PICS generated Personal Services inflation adjustments and the Pension Obligation Bonds calculations supplied to Agencies by the Department of Administrative Services Chief Financial Office.

#### 020 – Costs of Phased In/Phased Out Programs and One Time Costs

This package removes funding that was intended as one time funding from the 2015-17 biennium.

#### 030 – Inflation and Price List Adjustments

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2017-2019 Budget Instructions. General inflation was calculated using a factor of 3.7% while a rate of 4.1% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2017-19 price lists.

#### 090 - Analyst Adjustments

This package includes adjustments and reductions taken in the Governor's Recommended Budget.

#### 091 – Statewide Adjustment DAS Charges

This package includes reductions to State Government Services Charges to account for reductions made to the Department of Administrative Services (DAS) in the Governor's Recommended Budget.

#### 092 – Statewide AG Adjustment

This package includes reductions to State Attorney General Charges to account for reductions made to the Department of Justice (DOJ) in the Governor's Recommended Budget.



# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	32,138	-	-	-	-	-	32,138
<b>Total Revenues</b>	<b>\$32,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$32,138</b>
<b>Personal Services</b>							
Temporary Appointments	163	-	-	-	-	-	163
All Other Differential	-	-	-	-	-	-	-
Public Employees' Retire Cont	-	-	-	-	-	-	-
Pension Obligation Bond	20,088	-	489	-	-	-	20,577
Social Security Taxes	12	-	-	-	-	-	12
Unemployment Assessments	48	-	-	-	-	-	48
Mass Transit Tax	4,079	-	-	-	-	-	4,079
Vacancy Savings	7,748	-	-	-	-	-	7,748
<b>Total Personal Services</b>	<b>\$32,138</b>	<b>-</b>	<b>\$489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$32,627</b>
<b>Total Expenditures</b>							
Total Expenditures	32,138	-	489	-	-	-	32,627
<b>Total Expenditures</b>	<b>\$32,138</b>	<b>-</b>	<b>\$489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$32,627</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(489)	-	-	-	(489)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$489)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$489)</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(25,000)	-	-	-	-	-	(25,000)
<b>Total Revenues</b>	<b>(\$25,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$25,000)</b>
<b>Personal Services</b>							
Temporary Appointments	(15,032)	-	-	-	-	-	(15,032)
Social Security Taxes	(1,150)	-	-	-	-	-	(1,150)
Mass Transit Tax	(90)	-	-	-	-	-	(90)
<b>Total Personal Services</b>	<b>(\$16,272)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$16,272)</b>
<b>Services &amp; Supplies</b>							
Instate Travel	(8,728)	-	-	-	-	-	(8,728)
<b>Total Services &amp; Supplies</b>	<b>(\$8,728)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$8,728)</b>
<b>Total Expenditures</b>							
Total Expenditures	(25,000)	-	-	-	-	-	(25,000)
<b>Total Expenditures</b>	<b>(\$25,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$25,000)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	104,755	-	-	-	-	-	104,755
<b>Total Revenues</b>	<b>\$104,755</b>	-	-	-	-	-	<b>\$104,755</b>
<b>Services &amp; Supplies</b>							
Instate Travel	2,316	-	19	-	-	-	2,335
Out of State Travel	265	-	-	-	-	-	265
Employee Training	187	-	-	-	-	-	187
Office Expenses	1,197	-	-	-	-	-	1,197
Telecommunications	779	-	-	-	-	-	779
State Gov. Service Charges	13,304	-	-	-	-	-	13,304
Publicity and Publications	11	-	-	-	-	-	11
Professional Services	-	-	-	-	-	-	-
Attorney General	79,680	-	667	-	-	-	80,347
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	69	-	-	-	-	-	69
Facilities Rental and Taxes	-	-	-	-	-	-	-
Agency Program Related S and S	3,434	-	-	-	-	-	3,434
Other Services and Supplies	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	688	-	-	-	-	-	688
IT Expendable Property	465	-	-	-	-	-	465
<b>Total Services &amp; Supplies</b>	<b>\$102,395</b>	-	<b>\$686</b>	-	-	-	<b>\$103,081</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Technical Equipment	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Payments</b>							
Dist to Other Gov Unit	-	-	-	-	-	-	-
Dist to Non-Gov Units	-	-	-	-	-	-	-
Other Special Payments	2,360	-	-	-	-	-	2,360
<b>Total Special Payments</b>	<b>\$2,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2,360</b>
<b>Total Expenditures</b>							
Total Expenditures	104,755	-	686	-	-	-	105,441
<b>Total Expenditures</b>	<b>\$104,755</b>	<b>-</b>	<b>\$686</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$105,441</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(686)	-	-	-	(686)
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>(\$686)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$686)</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 032 - Above Standard Inflation

Cross Reference Name: Director's Office  
 Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	6,830	-	-	-	-	-	6,830
<b>Total Revenues</b>	<b>\$6,830</b>	-	-	-	-	-	<b>\$6,830</b>
<b>Services &amp; Supplies</b>							
Instate Travel	3,155	-	-	-	-	-	3,155
Telecommunications	3,420	-	-	-	-	-	3,420
<b>Total Services &amp; Supplies</b>	<b>\$6,575</b>	-	-	-	-	-	<b>\$6,575</b>
<b>Special Payments</b>							
Other Special Payments	255	-	-	-	-	-	255
<b>Total Special Payments</b>	<b>\$255</b>	-	-	-	-	-	<b>\$255</b>
<b>Total Expenditures</b>							
Total Expenditures	6,830	-	-	-	-	-	6,830
<b>Total Expenditures</b>	<b>\$6,830</b>	-	-	-	-	-	<b>\$6,830</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(164,862)	-	-	-	-	-	(164,862)
<b>Total Revenues</b>	<b>(\$164,862)</b>	-	-	-	-	-	<b>(\$164,862)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	(103,680)	-	-	-	-	-	(103,680)
Empl. Rel. Bd. Assessments	(57)	-	-	-	-	-	(57)
Public Employees' Retire Cont	(19,793)	-	-	-	-	-	(19,793)
Social Security Taxes	(7,932)	-	-	-	-	-	(7,932)
Worker's Comp. Assess. (WCD)	(69)	-	-	-	-	-	(69)
Flexible Benefits	(33,336)	-	-	-	-	-	(33,336)
Reconciliation Adjustment	5	-	-	-	-	-	5
<b>Total Personal Services</b>	<b>(\$164,862)</b>	-	-	-	-	-	<b>(\$164,862)</b>
<b>Total Expenditures</b>							
Total Expenditures	(164,862)	-	-	-	-	-	(164,862)
<b>Total Expenditures</b>	<b>(\$164,862)</b>	-	-	-	-	-	<b>(\$164,862)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							(1)
Total Positions							(1)
<b>Total Positions</b>	-	-	-	-	-	-	<b>(1)</b>
Total FTE							(1.00)
Total FTE							(1.00)
<b>Total FTE</b>	-	-	-	-	-	-	<b>(1.00)</b>

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 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:010-07-00 Director's Office PACKAGE: 090 - Analyst Adjustments

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
4000048	MMN X0119 AA	EXECUTIVE SUPPORT SPECIALIST 2	1-	1.00-	24.00-	08	4,320.00	103,680- 61,187-				103,680- 61,187-
TOTAL PICS SALARY								103,680-				103,680-
TOTAL PICS OPE								61,187-				61,187-
TOTAL PICS PERSONAL SERVICES =			1-	1.00-	24.00-			164,867-				164,867-



# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(15,820)	-	-	-	-	-	(15,820)
<b>Total Revenues</b>	<b>(\$15,820)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$15,820)</b>
<b>Services &amp; Supplies</b>							
Instate Travel	(7,891)	-	(94)	-	-	-	(7,985)
Out of State Travel	-	-	-	-	-	-	-
Telecommunications	(6,500)	-	-	-	-	-	(6,500)
State Gov. Service Charges	(1,429)	-	-	-	-	-	(1,429)
<b>Total Services &amp; Supplies</b>	<b>(\$15,820)</b>	<b>-</b>	<b>(\$94)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$15,914)</b>
<b>Total Expenditures</b>							
Total Expenditures	(15,820)	-	(94)	-	-	-	(15,914)
<b>Total Expenditures</b>	<b>(\$15,820)</b>	<b>-</b>	<b>(\$94)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$15,914)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	94	-	-	-	94
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>\$94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$94</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(45,075)	-	-	-	-	-	(45,075)
<b>Total Revenues</b>	<b>(\$45,075)</b>	-	-	-	-	-	<b>(\$45,075)</b>
<b>Services &amp; Supplies</b>							
Attorney General	(45,075)	-	(377)	-	-	-	(45,452)
<b>Total Services &amp; Supplies</b>	<b>(\$45,075)</b>	-	<b>(\$377)</b>	-	-	-	<b>(\$45,452)</b>
<b>Total Expenditures</b>							
Total Expenditures	(45,075)	-	(377)	-	-	-	(45,452)
<b>Total Expenditures</b>	<b>(\$45,075)</b>	-	<b>(\$377)</b>	-	-	-	<b>(\$45,452)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	377	-	-	-	377
<b>Total Ending Balance</b>	-	-	<b>\$377</b>	-	-	-	<b>\$377</b>

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# BUDGET NARRATIVE

## Pkg 104 – Helping Communities Plan for Water Needs through Place-Based Planning

**Purpose:** Place-based planning is a voluntary, non-regulatory tool to help communities understand their water resources and develop solutions to water challenges. Place-based planning is initiated at the local level, bringing together a balanced representation of interests to work in partnership with the state to develop a local integrated water resources plan that considers both in-stream and out-of-stream water needs. IWRS recommended action 9a calls for the State to undertake a place-based approach to integrated water resources planning.

In 2015, the Legislature provided the Oregon Water Resources Department (Department) with resources to test or “pilot” place-based planning in several locations around the state. Specifically, the Department received \$750,000 to provide grants to communities, as well as additional staff to provide planning coordination and technical assistance. In early 2016, after a solicitation of letters of interest, the Water Resources Commission awarded funding to conveners to conduct place-based planning in the Lower John Day Sub-Basin, Grande Ronde Sub-Basin, Mid-Coast Basin, and the Malheur Lake Basin. Each pilot project will follow the 2015 Draft Place-Based Planning Guidelines to develop a place-based integrated water resources plan. The Department anticipates that the Lower John Day and Upper Grande Ronde will complete plans no later than 2019. The Department anticipates that the Malheur Lake and Mid-Coast will accomplish the first two-to-three planning steps by 2019. The 2015 Legislature provided resources for two planning coordinators to work closely with the four pilot projects; however, one planning coordinator is limited duration.

**How Achieved:** The Department proposes extending the limited duration position through 2019, when the pilots are expected to be completed. The Department’s comprehensive water resources development program is intended to help Oregonians address water challenges. Place-based planning is part of this longer-term effort to help communities understand their water needs and identify water projects to meet those needs. It is important for the state to have staff resources to support the place-based planning projects, in order to provide technical assistance to ensure their success.

**Quantifying Results:** Feedback from these pilot projects will allow the state to adjust and improve its place-based guidelines for communities to use into the future. Additionally, pilot areas are expected to have a better understanding of current and future instream and out-of-stream water needs, as well as specific strategies for addressing those needs. This will also help communities and their project partners in achieving the recommended actions in the statewide Integrated Water Resources Strategy, to better meet water needs now and into the future. As noted above, with the assistance provided by this coordinator, the Department will be able to provide technical assistance and support to the four pilot areas, attending meetings and helping to ensure the plans are consistent with state laws and policies.

**Staffing Impact:**

9917109	OA C8504 AA	Nat Res Spec 4	Place-Based Planning Coordinator	LD	1.00 FTE
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**Revenue Source:**

General Fund \$203,870

# BUDGET NARRATIVE

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This package was included in the Governor’s Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 104 - Helping Communities Plan for Water Needs through Place-Based Planning

Cross Reference Name: Director's Office  
 Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	203,870	-	-	-	-	-	203,870
<b>Total Revenues</b>	<b>\$203,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$203,870</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	128,232	-	-	-	-	-	128,232
Empl. Rel. Bd. Assessments	57	-	-	-	-	-	57
Public Employees' Retire Cont	16,786	-	-	-	-	-	16,786
Social Security Taxes	9,810	-	-	-	-	-	9,810
Worker's Comp. Assess. (WCD)	69	-	-	-	-	-	69
Flexible Benefits	33,336	-	-	-	-	-	33,336
<b>Total Personal Services</b>	<b>\$188,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$188,290</b>
<b>Services &amp; Supplies</b>							
Instate Travel	4,080	-	-	-	-	-	4,080
Employee Training	1,000	-	-	-	-	-	1,000
Office Expenses	5,000	-	-	-	-	-	5,000
Telecommunications	500	-	-	-	-	-	500
Employee Recruitment and Develop	500	-	-	-	-	-	500
Dues and Subscriptions	500	-	-	-	-	-	500
Other Services and Supplies	1,000	-	-	-	-	-	1,000
Expendable Prop 250 - 5000	2,000	-	-	-	-	-	2,000
IT Expendable Property	1,000	-	-	-	-	-	1,000
<b>Total Services &amp; Supplies</b>	<b>\$15,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$15,580</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 104 - Helping Communities Plan for Water Needs through Place-Based Planning

Cross Reference Name: Director's Office  
 Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	203,870	-	-	-	-	-	203,870
<b>Total Expenditures</b>	<b>\$203,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$203,870</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Positions</b>							
Total Positions							1
<b>Total Positions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total FTE</b>							
Total FTE							1.00
<b>Total FTE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.00</b>

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# BUDGET NARRATIVE

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 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:010-07-00 Director's Office PACKAGE: 104 - Helping Communities Plan for W

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
9917109	OAS C8504 AP	NATURAL RESOURCE SPECIALIST 4	1	1.00	24.00	02	5,343.00	128,232				128,232
								60,058				60,058
TOTAL PICS SALARY								128,232				128,232
TOTAL PICS OPE								60,058				60,058
TOTAL PICS PERSONAL SERVICES =			1	1.00	24.00			188,290				188,290

# BUDGET NARRATIVE

## Pkg 106 – Web Information Coordinator to Increase Public Awareness and Information Sharing

**Purpose:** The Department of State Lands (DSL) and Water Resources Department both have a need for greater communication with the public through online platforms including each agency’s traditional website, as well as social media. The Water Resources Department’s website is frequently out of date, because we do not have staff dedicated to developing content for the site or ensuring that it is updated. As a result, we do not have the resources or capability to ensure proactive information flow that would greatly benefit the public. This hampers our ability to be transparent, accountable, and focused on strategic initiatives because we are focusing resources on answering questions and responding to concerns, rather than providing information in advance in a forum convenient and comfortable to our customers. Given the difficulty in ensuring that our own website is up to date, the Department has not branched out into other forums such as social media. The challenges associated with the Department’s lack of staff to focus on outreach were visible during the 2015 drought, when despite being the lead agency on drought response, we did not participate in the #OR drought campaign because it did not have the staff resources to manage social media.

**How Achieved:** The Water Resources Department will request a full position with ½ funding from General Fund and ½ from a OF revenue, which would be paid by Department of State Lands. Neither Department needs a full time position for this activity so this would be a shared service between the two agencies. Water Resources would request General Fund for the position; State Lands would use Common School Fund.

**Quantifying Results:** The goal would be to increase the information and timeliness of information posted to our website that is relevant to the interests of the public and customers, as well as initiate and develop the Department’s social media presence, which today is nonexistent. This ties to the broad objectives of the Integrated Water Resources Strategy to help Oregonians understand their water resources and the challenges that affects our needs and supplies. In addition, this ties to KPM #7, to equip citizens with information.

**Reference to ASD Narrative:** The total transfer from DSL in their POP 106 is \$157,999 which includes the \$67,444 identified for use in a multi-agency Shared Service Payroll agreement entered into during the 2015-17 biennium as a pilot project.

### Staffing Impact:

9917116	OA-C0865-AA	Public Affairs Spec 2	Public Affairs Specialist	PF	1.00 FTE
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### Revenue Source :

General Fund	\$107,630
Other Funds (Transfer in from State Lands)	\$90,553

This package was modified to include a transfer from Department of State Lands to fund a half time Shared Services Payroll position in Administrative Services Division.



# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 106 - Web Information Coordinator for Information Sharing

Cross Reference Name: Director's Office  
 Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-
Tsfr From Lands, Dept of State	-	-	67,444	-	-	-	67,444
<b>Total Revenues</b>	-	-	<b>\$67,444</b>	-	-	-	<b>\$67,444</b>
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	(67,444)	-	-	-	(67,444)
<b>Total Transfers Out</b>	-	-	<b>(\$67,444)</b>	-	-	-	<b>(\$67,444)</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 106 - Web Information Coordinator for Information Sharing

Cross Reference Name: Director's Office  
 Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	-
<b>Total FTE</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Pkg 112 – Resolution of Complex Water Issues – Placeholder

**Purpose:** As Oregon’s groundwater and surface water resources become fully appropriated, the State is seeing an increased need to help communities resolve complex water management issues often involving water uses to meet a variety of needs, including economic development, community growth, agriculture, recreation, and fish and wildlife. In many basins, water management is becoming more challenging with the need to address new demands, resolve tribal water rights claims, and the listing of new species under the Endangered Species Act. The Department believes that collaborative solutions can often yield better outcomes than litigation; however, these efforts often require significant investments of time from high-level Department staff. In resolving these issues, the Department frequently needs to coordinate data requests from individuals working to identify water management solutions; ensure all interested parties, elected officials and the public are continuously updated on meetings and efforts; and respond to requests to clarify the Department’s statutes, rules, policies and practices. The state has seen these multifaceted water challenges in basins across the state, including the Umatilla Basin, Deschutes Basin, Klamath Basin, Malheur Lakes Basin (Harney Valley Groundwater), and the Willamette Valley. As discussions progress, it is necessary for the Department to have staff involved that can communicate the State’s positions and work to find creative solutions that are amenable to all interests, while also clearly identifying proposals that are beyond the Department’s existing authorities. Without the appropriate staff to focus on these complex water issues, communities can become frustrated and suspicious if they are not getting information or effective and timely input from the Department, which undermines the process and potential to work through these challenging issues.

**How Achieved:** The Department proposes to add a position that would be responsible for working with parties involved in complex water management issues to assist in developing solutions. This individual would be responsible for providing timely and accurate information to the public and parties to ensure transparency and build trust necessary for building consensus. The position would also brief and advise the Director on progress made, solutions being proposed and potential policy matters that will require resolution.

**Quantifying Results:** The Department would track the number of complex water management issues that the Department is engaged in and that have work underway. Progress would be identified by monitoring (1) the resolution of litigation as a result of collaborative solutions, (2) the agreements or solutions developed by parties, (3) collaborative efforts that are underway, and (4) solutions that are implemented.

### Staffing Impact:

9917119	MMN X0873 AA	Operations & Policy Analyst 4	Policy Analyst	PE	0.88 FTE
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### Revenue Source

General Fund \$216,685

This package was not included in the Governor’s Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 112 - Resolution of Complex Water Issues - Placeholder

Cross Reference Name: Director's Office  
 Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	-	-	-	-	-
Employee Training	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Employee Recruitment and Develop	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
IT Expendable Property	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Capital Outlay</b>							
Technical Equipment	-	-	-	-	-	-	-
<b>Total Capital Outlay</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 112 - Resolution of Complex Water Issues - Placeholder

Cross Reference Name: Director's Office  
 Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							-
<b>Total Positions</b>	-	-	-	-	-	-	-
<b>Total FTE</b>							
Total FTE							-
<b>Total FTE</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

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## Pkg 113 – Klamath Basin Funding

**Purpose:** Over the years, the State has been involved in helping to resolve water conflicts in the Klamath Basin. Previous proposals in the basin called for the State to provide funding to compensate Klamath County for the loss of property tax revenues and mitigate the impact on the region’s economy of anticipated water right retirements and reduced water delivery. The initial proposal was to set aside \$3.2 million to be paid to the County in 2007 dollars. Compounding that amount by 3 percent per year for 8 years yields a total of \$4,053,664. Efforts are currently underway to meet the multitude of needs and interests in the basin. This package is put forward in anticipation of the potential need for the State to provide some funding in order to resolve the issues in the basin.

**How Achieved:** This placeholder package is intended to assist with the potential implementation of solutions to water challenges in the basin that may be identified over the course of the year by setting aside approximately \$4 million dollars.

**Quantifying Results:** This package is proposed as a placeholder to assist with implementation of solutions to water challenges in the basin that may be identified over the course of the year.

**Staffing Impact:**

No position is being requested at this time.

**Revenue Source:**

General Fund \_\_\_\_\_ \$4,053,664 \_\_\_\_\_

This package was not included in the Governor’s Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 113 - Klamath Basin Funding

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Other Services and Supplies	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Other Special Payments	-	-	-	-	-	-	-
<b>Total Special Payments</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Pkg 114 – Department of Justice Costs

**Purpose:** Under the 1909 Water Code, all water in the State belongs to the public and the Water Resources Department is responsible for allocating and distributing that water for the benefit of Oregonians. Oregon follows a system of prior appropriation, which gives priority to existing users drawing water from a stream or aquifer. The issuance of new water rights must not cause injury to existing senior rights, and in the distribution of water, the holder of the oldest water right receives all of the water to which he or she is entitled, even if this means that all other holders of newer water rights must shutoff. Individuals that disagree with a decision of the Department can seek judicial review before a court.

In recent years, the Water Resources Department has experienced a rise in Department of Justice (DOJ) costs. DOJ costs can be grouped into three general categories: general advice, water right adjudication, and litigation. Monthly expenses for general advice and water right adjudication have grown slightly; however, litigation expenses have surged over the last two biennia as new court filings have increased. Between July 2011 and June 2013, five new cases were filed. In contrast, thirteen new cases were filed between July 2013 and June 2015, while an additional fourteen new cases were filed between June 2015 and June 2016. It can take several years for litigation to be resolved, meaning that increases in new filings can have longer-term effects on the Department's budget.

Litigation can be broken into sub-units: Enforcement, Transactions, Water right adjudication, Hydroelectric, and Other. The greatest increases in the past two biennia are occurring in the enforcement and transaction categories.

Enforcement actions are undertaken pursuant to Oregon Revised Statutes Chapter 540. Enforcement actions generally result from the regulation of junior water rights to meet the needs of a senior water right holder, a lack of compliance with well construction standards, or using water illegal or inconsistent with the conditions and limitations contained in a water right.

Transactions include decisions made on water right applications, extensions of time, water right transfer applications, limited licenses, and other water right related actions. ORS Chapters 537 and 540 outline procedures and criteria for transactions. Most water supplies have been fully allocated, making it more difficult to approve new water right applications, leading to more creative proposals from applicants, stakeholders and the public to allow for or restrict further appropriations.

Enforcement actions and transactions are both concluded with a "final order". ORS 536.075 provides for judicial review of agency final orders. This statute also provides that filing a petition for judicial review of a Water Resource Commission or Department final order automatically stays enforcement of the final order. In some instances, particularly in enforcement matters, this may result in harm to other senior users in the system that the Department is regulating in favor of.

The Department works with staff at the Department of Justice to manage costs. This is evident by the relatively flat or small increases in non-litigation costs. It is much more difficult to manage litigation costs, particularly since the Department generally does not initiate the litigation. Since 2002, sixty-three court actions have been filed and all but two were initiated by individuals or entities other than the Department.



# BUDGET NARRATIVE

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The projected shortfall for the 2015 -17 biennium is \$1,275,000, which is being made up by leaving vacancies open for longer periods. Leaving vacancies open causes larger backlogs associated with water right transactions, the collection of less hydrologic data, and backlogs in data processing.

**How Achieved:** This package proposes to address the increased Department of Justice costs through allocation of \$1,041,401 in General Fund.

**Quantifying Results:** There are currently 22 cases before Oregon State Courts or Federal Courts. All of these court filings were initiated by individuals or entities other than the Department. Since July 2011, nineteen cases have been resolved. The courts have dismissed 12 of the nineteen cases as a result of the petitioner withdrawing the case or the signing of a settlement agreement. Additionally, the Department prevailed on six of the cases and did not prevail on one.

**Staffing Impact:**

A position is not requested.

**Revenue Source:**

General Funds: \_\_\_\_\_ \$1,041,401

This package was not included in the Governor's Recommended Budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 114 - Attorney General Costs

Cross Reference Name: Director's Office  
Cross Reference Number: 69000-010-07-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Attorney General	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2009-11 Estimated	2017-19		
						Agency Request	Governor's Budget	Legislatively Adopted
Non-Business Lic and Fees	OF	0210	1,000	-	-	-	-	-
Power and Water Fees	OF	0245	17,750	-	-	-	-	-
Charges for Services	OF	0410	181,649	-	-	-	-	-
Admin and Service Charges	OF	0415	-	-	-	-	-	-
Fines and Forfeitures	OF	0505	-	-	-	-	-	-
Dedicated Fund Obligation Bond	OF	0560	-	-	-	-	-	-
Lottery Bonds	OF	0565	-	-	-	-	-	-
Revenue Bonds	OF	0570	-	-	-	-	-	-
Interest Income	OF	0605	-	-	-	-	-	-
Sales Income	OF	0705	-	-	-	-	-	-
Loan Repayments	OF	0925	-	-	-	-	-	-
Other Revenues	OF/FF	0975	-	5,000	-	4,998	5,000	-
Federal Funds	FF	0995	-	-	-	-	-	-
<b>Total Revenue</b>			<b>200,399</b>	<b>5,000</b>	<b>-</b>	<b>4,998</b>	<b>5,000</b>	<b>-</b>
Transfer In - Intrafund	OF	1010	59,857	-	-	-	-	-
Transfer from General Fund	OF	1060	-	-	-	-	-	-
Transfer In - Lottery	LF	1040	-	-	-	-	-	-
Transfer in from Admin Serv	OF	1107	-	-	-	-	-	-
Transfer In from State Lands	OF	1141	-	-	-	157,999	67,444	-
Transfer from Watershed Enhance Bd	OF	1691	-	-	-	-	-	-
Transfer Out - Intrafund	OF	2010	(35,700)	-	-	(67,444)	(67,444)	-
Transfer to General Fund	OF	2060	-	-	-	-	-	-
Tsfr to Environmental Quality	OF	2340	-	-	-	-	-	-
Tsfr to Parks and Rec	OF	2634	-	-	-	-	-	-
Tsfr To Fish and Wildlife	OF	2635	-	-	-	-	-	-
<b>Total Transfers</b>			<b>(35,700)</b>	<b>-</b>	<b>-</b>	<b>90,555</b>	<b>-</b>	<b>-</b>
<b>Net Revenue</b>			<b>164,699</b>	<b>5,000</b>	<b>-</b>	<b>95,553</b>	<b>5,000</b>	<b>-</b>

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
2017-19 Biennium

Agency Number: 69000

Cross Reference Number: 69000-010-07-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Non-business Lic. and Fees	1,000	-	-	-	-	-
Power and Water Fees	17,750	-	-	-	-	-
Charges for Services	181,649	-	-	-	-	-
Other Revenues	-	5,000	10,777	4,998	5,000	-
Transfer In - Intrafund	59,857	-	-	-	-	-
Tsfr From Lands, Dept of State	-	-	-	157,999	67,444	-
Transfer Out - Intrafund	(35,700)	-	-	(67,444)	(67,444)	-
<b>Total Other Funds</b>	<b>\$224,556</b>	<b>\$5,000</b>	<b>\$10,777</b>	<b>\$95,553</b>	<b>\$5,000</b>	<b>-</b>

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## BUDGET NARRATIVE

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### WATER DEVELOPMENT LOAN PROGRAM

The Water Development Loan Program was enacted by the 1977 Legislature to water projects. In recent years, expenditure authority was increased to have bonding capacity to loan funds to the Umatilla aquifer recovery project in the Columbia River Basin that would substantially increase the agricultural production of the region. In 2015, bonding authority was again provided, as part of a comprehensive portfolio of funding sources to support water resources projects in Oregon to meet the challenges of a changing climate.

Program Contact: Lisa J Snyder  
(503) 986-0921

### PROGRAM FUNDING REQUEST

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Water Resources proposes to continue to support the availability of this program for water supply development in combination with the Water Conservation, Reuse, and Storage Grant program and the Water Supply Development Account grant/loan program. This program area has one position and is budgeted for \$32 million for the 2015-17 biennium.

### PROGRAM DESCRIPTION

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The Water Development Loan Program was enacted by the 1977 Legislature to finance irrigation and drainage projects. The legislation was referred to the voters and received approval in 1977. The 1981 Legislature amended ORS 541.700 - 541.855 to expand the use of the program to include community water supply projects as a third primary use. The addition required a constitutional amendment, which was approved by Oregon voters in 1982. The 1987 Legislature amended ORS 541.700 - 541.855 to expand the authority of the program to make loans for fish protection and watershed enhancement. In May, 1988 the constitution of the State of Oregon was further amended by a vote of the people, in order to make the changes effective.

The Water Development Loan Program has reviewed 320 loan applications and funded 181 loans. One hundred and seventy-six of these loans were for irrigation and drainage projects and five were for development of community water supply systems. In November 1991, the Loan Program issued state general obligation refunding bonds for \$6,920,000.00. These funds were used to pay off existing outstanding bonded debt of the program, which had higher interest rates. No bonded debt was issued nor loans made during the last biennium. The program has no state-owned property or inventory.

In 1997, the Department worked with a steering committee through the Department of Administrative Services and the State Treasurer's Office, along with interest groups, to make the necessary amendments to administrative rules to establish new, clear criteria for underwriting loans. The Department also worked with the same entities to identify needed statutory changes that would make the program accessible and cost-effective to

## **BUDGET NARRATIVE**

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potential applicants. However, the program has not seen any significant interest from potential applicants in recent years. There are currently no loans outstanding.

HB 3369 (2009) made changes to the loan program which were then modified by SB 839 (2013). Authority to issue bonds in the amounts of \$10 million in 2009-11, \$15 million in 2011-13, and \$10 million in 2013-15 for a project in the Umatilla Basin were not used. Additional funding of \$30 million was authorized for 2015-17. General Obligation bonds are only issued after project(s) are identified and an agreement is signed for repayment by the borrower(s). There are no pending applications for loans.

## **PROGRAM JUSTIFICATION**

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The Water Development Loan Fund program can provide funding for the development of water projects to help meet Oregonian's instream and out-of-stream water needs. This corresponds with Recommended Action 10e of the State's Integrated Water Resources Strategy. Since the State has limited Lottery bonding capacity, authorization of General Obligation bonding under this program has been a way for the State to provide additional funding options to project proponents.

## **ENABLING LEGISLATION/PROGRAM AUTHORIZATION**

This program is operated under authorization provided in Article XI-I(1) of the Oregon Constitution and in ORS 541.700-541.855.

# BUDGET NARRATIVE

## FUNDING STREAMS

The primary funding source is Other Funds from General Obligation Bonds issued for the purpose of making loans. Those loans would be repaid over the course of 20-30 years by loan recipients. There are no current loans outstanding.

	<u>GENERAL FUND</u>	<u>Other Funds</u>	<u>Lottery Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
2015-17 Legislatively Adopted Budget	-	31,966,316	-	-	31,966,316
2015-17 Emergency Boards	-	-	-	-	-
2015-17 Legislatively Approved Budget	-	31,966,316	-	-	31,966,316
2017-19 Base Budget	-	33,265,568	-	-	33,265,568
2017-19 Current Service Level	-	2,747,638	-	-	2,747,638
Total Packages	-	(267,348)	-	-	(267,348)
2017-19 Governor's Recommended Budget	-	2,480,290	-	-	2,480,290

# BUDGET NARRATIVE

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## WATER DEVELOPMENT LOAN FUND ESSENTIAL AND STATEWIDE PACKAGES

### 010 – Vacancy Factor and Non-PICS Personal Services

This package contains adjustments to the base budget as directed in the 2017-19 Budget Instructions. These changes include changes to the Vacancy Savings Factor, the non-PICS generated Personal Services inflation adjustments and the Pension Obligation Bonds calculations supplied to Agencies by the Department of Administrative Services Chief Financial Office.

### 020 – Costs of Phased In/Phased Out Programs and One Time Costs

This package removes funding that was intended as one time funding from the 2015-17 biennium.

### 030 – Inflation and Price List Adjustments

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2017-2019 Budget Instructions. General inflation was calculated using a factor of 3.7% while a rate of 4.1% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2017-19 price lists.

### 090 - Analyst Adjustments

This package includes adjustments and reductions taken in the Governor's Recommended Budget.

### 091 – Statewide Adjustment DAS Charges

This package includes reductions to State Government Services Charges to account for reductions made to the Department of Administrative Services (DAS) in the Governor's Recommended Budget.



# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Water Development Loan Program  
 Cross Reference Number: 69000-020-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Pension Obligation Bond	-	-	456	-	-	-	456
Unemployment Assessments	-	-	14	-	-	-	14
Mass Transit Tax	-	-	36	-	-	-	36
Vacancy Savings	-	-	1,338	-	-	-	1,338
<b>Total Personal Services</b>	-	-	<b>\$1,844</b>	-	-	-	<b>\$1,844</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	1,844	-	-	-	1,844
<b>Total Expenditures</b>	-	-	<b>\$1,844</b>	-	-	-	<b>\$1,844</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(1,844)	-	-	-	(1,844)
<b>Total Ending Balance</b>	-	-	<b>(\$1,844)</b>	-	-	-	<b>(\$1,844)</b>

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Water Development Loan Program  
Cross Reference Number: 69000-020-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Dedicated Fund Oblig Bonds	-	-	(30,520,000)	-	-	-	(30,520,000)
<b>Total Revenues</b>	-	-	<b>(\$30,520,000)</b>	-	-	-	<b>(\$30,520,000)</b>
<b>Services &amp; Supplies</b>							
Other Services and Supplies	-	-	(520,000)	-	-	-	(520,000)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$520,000)</b>	-	-	-	<b>(\$520,000)</b>
<b>Special Payments</b>							
Loans Made - Other	-	-	(30,000,000)	-	-	-	(30,000,000)
<b>Total Special Payments</b>	-	-	<b>(\$30,000,000)</b>	-	-	-	<b>(\$30,000,000)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(30,520,000)	-	-	-	(30,520,000)
<b>Total Expenditures</b>	-	-	<b>(\$30,520,000)</b>	-	-	-	<b>(\$30,520,000)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 031 - Standard Inflation

Cross Reference Name: Water Development Loan Program  
Cross Reference Number: 69000-020-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	95	-	-	-	95
Employee Training	-	-	29	-	-	-	29
Office Expenses	-	-	17	-	-	-	17
Telecommunications	-	-	85	-	-	-	85
Professional Services	-	-	-	-	-	-	-
Attorney General	-	-	-	-	-	-	-
Facilities Rental and Taxes	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	<b>\$226</b>	-	-	-	<b>\$226</b>
<b>Special Payments</b>							
Loans Made - Other	-	-	-	-	-	-	-
<b>Total Special Payments</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	226	-	-	-	226
<b>Total Expenditures</b>	-	-	<b>\$226</b>	-	-	-	<b>\$226</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(226)	-	-	-	(226)
<b>Total Ending Balance</b>	-	-	<b>(\$226)</b>	-	-	-	<b>(\$226)</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Water Development Loan Program  
Cross Reference Number: 69000-020-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Other Services and Supplies	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Loans Made - Other	-	-	-	-	-	-	-
<b>Total Special Payments</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Water Rights and Adjudications  
Cross Reference Number: 69000-010-06-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
General Fund Appropriation	(177,480)	-	-	-	-	-	(177,480)
<b>Total Revenues</b>	<b>(\$177,480)</b>	-	-	-	-	-	<b>(\$177,480)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	(96,528)	-	-	-	-	-	(96,528)
Empl. Rel. Bd. Assessments	(57)	-	-	-	-	-	(57)
Public Employees' Retire Cont	(12,636)	-	-	-	-	-	(12,636)
Social Security Taxes	(7,384)	-	-	-	-	-	(7,384)
Worker's Comp. Assess. (WCD)	(69)	-	-	-	-	-	(69)
Flexible Benefits	(33,336)	-	-	-	-	-	(33,336)
Reconciliation Adjustment	(4)	-	-	-	-	-	(4)
<b>Total Personal Services</b>	<b>(\$150,014)</b>	-	-	-	-	-	<b>(\$150,014)</b>
<b>Services &amp; Supplies</b>							
Other Services and Supplies	(27,466)	-	-	-	-	-	(27,466)
<b>Total Services &amp; Supplies</b>	<b>(\$27,466)</b>	-	-	-	-	-	<b>(\$27,466)</b>
<b>Total Expenditures</b>							
Total Expenditures	(177,480)	-	-	-	-	-	(177,480)
<b>Total Expenditures</b>	<b>(\$177,480)</b>	-	-	-	-	-	<b>(\$177,480)</b>

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# BUDGET NARRATIVE

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 REPORT: PACKAGE FISCAL IMPACT REPORT 2017-19 PROD FILE  
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF:020-00-00 Water Development Loan Program PACKAGE: 090 - Analyst Adjustments

POSITION	POS	GF	OF	FF	LF	AF					
NUMBER CLASS COMP CLASS NAME	CNT	FTE	MOS	STEP	RATE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	
7000004 OAS C1003 AP LOAN SPECIALIST 3	1-	1.00-	24.00-	09	7,462.00		179,088-			179,088-	
							70,605-			70,605-	
TOTAL PICS SALARY								179,088-			179,088-
TOTAL PICS OPE								70,605-			70,605-
TOTAL PICS PERSONAL SERVICES =							---	-----	-----	-----	-----
	1-	1.00-	24.00-				249,693-			249,693-	

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept  
 Pkg: 110 - Grants and Loans to Implement Water Projects

Cross Reference Name: Water Development Loan Program  
 Cross Reference Number: 69000-020-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Dedicated Fund Oblig Bonds	-	-	-	-	-	-	-
Loan Repayments	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Services &amp; Supplies</b>							
Other Services and Supplies	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Special Payments</b>							
Loans Made - Other	-	-	-	-	-	-	-
<b>Total Special Payments</b>	-	-	-	-	-	-	-
<b>Debt Service</b>							
Principal - Bonds	-	-	-	-	-	-	-
Interest - Bonds	-	-	-	-	-	-	-
<b>Total Debt Service</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-

Agency Request  
 2017-19 Biennium

Governor's Budget  
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Legislatively Adopted  
 Essential and Policy Package Fiscal Impact Summary - BPR013

# BUDGET NARRATIVE

## Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2013-15 Actuals	2015-17 Legislatively Adopted	2009-11 Estimated	2017-19		
						Agency Request	Governor's Budget	Legislatively Adopted
Non-Business Lic and Fees	OF	0210	-	-	-	-	-	-
Power and Water Fees	OF	0245	-	-	-	-	-	-
Charges for Services	OF	0410	-	-	-	-	-	-
Admin and Service Charges	OF	0415	-	-	-	-	-	-
Fines and Forfeitures	OF	0505	-	-	-	-	-	-
Dedicated Fund Obligation Bond	OF	0560	-	30,520,000	-	30,433,430	-	-
Lottery Bonds	OF	0565	-	-	-	-	-	-
Revenue Bonds	OF	0570	-	-	-	-	-	-
Interest Income	OF	0605	10,862	200	-	2,103	2,103	-
Sales Income	OF	0705	-	-	-	-	-	-
Loan Repayments	OF	0925	47,586	1,201,865	-	4,996,860	2,480,290	-
Other Revenues	OF/FF	0975	7,967	-	-	9,974	9,974	-
Federal Funds	FF	0995	-	-	-	-	-	-
<b>Total Revenue</b>			<b>66,415</b>	<b>31,722,065</b>	<b>-</b>	<b>35,442,367</b>	<b>2,492,367</b>	<b>-</b>
Transfer In - Intrafund	OF	1010	15,739	31,034	-	254,732	254,732	-
Transfer from General Fund	OF	1060	-	-	-	-	-	-
Transfer In - Lottery	LF	1040	-	-	-	-	-	-
Transfer in from Admin Serv	OF	1107	-	-	-	-	-	-
Transfer In from State Lands	OF	1141	-	-	-	-	-	-
Transfer from Watershed Enhance Bd	OF	1691	-	-	-	-	-	-
Transfer Out - Intrafund	OF	2010	(157,254)	-	-	-	-	-
Transfer to General Fund	OF	2060	-	-	-	-	-	-
Tsfr to Environmental Quality	OF	2340	-	-	-	-	-	-
Tsfr to Parks and Rec	OF	2634	-	-	-	-	-	-
Tsfr To Fish and Wildlife	OF	2635	-	-	-	-	-	-
<b>Total Transfers</b>			<b>(141,515)</b>	<b>31,034</b>	<b>-</b>	<b>254,732</b>	<b>254,732</b>	<b>-</b>
<b>Net Revenue</b>			<b>(75,100)</b>	<b>31,753,099</b>	<b>-</b>	<b>35,697,099</b>	<b>2,747,099</b>	<b>-</b>



# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Water Resources Dept  
2017-19 Biennium

Agency Number: 69000

Cross Reference Number: 69000-020-00-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>Other Funds</b>						
Dedicated Fund Oblig Bonds	-	30,520,000	30,520,000	30,433,430	-	-
Interest Income	10,862	200	200	2,103	2,103	-
Loan Repayments	47,586	1,201,865	1,201,865	4,996,860	2,480,290	-
Other Revenues	7,967	-	-	9,974	9,974	-
Transfer In - Intrafund	15,739	31,034	31,034	254,732	254,732	-
Transfer Out - Intrafund	(157,254)	-	-	-	-	-
<b>Total Other Funds</b>	<b>(\$75,100)</b>	<b>\$31,753,099</b>	<b>\$31,753,099</b>	<b>\$35,697,099</b>	<b>\$2,747,099</b>	<b>-</b>

\_\_\_\_ Agency Request  
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\_\_\_\_ Legislatively Adopted  
Detail of LF, OF, and FF Revenues - BPR012

# BUDGET NARRATIVE

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# BUDGET NARRATIVE

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## OREGON WATER RESOURCES DEPARTMENT Affirmative Action Diversity & Inclusion Plan 2017-2019

### 1. Description of Agency

The Water Resources Department is the state agency charged with administration of the laws governing surface and ground water resources. The Department's core functions are to protect existing water rights, facilitate voluntary streamflow restoration, increase the understanding of the demands on the state's water resources, provide accurate and accessible water resource data, and facilitate water supply solutions.

#### B. Mission and Objectives

The mission of the Oregon Water Resources Department is to serve the public by practicing and promoting responsible water management. The goal is to restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life to directly address Oregon's water supply needs.

#### Meeting Oregon's Water Needs:

For the Water Resources Department, "meeting Oregon's instream and out-of-stream water needs" includes not only the development of new water supply in the traditional sense, but it also means *stretching* current supplies through the use of conservation, greater efficiencies, and shared resources. As a state, we have a wealth of policies and technologies—including regional planning, water conservation, re-use, and storage, water banks and more—available to help meet our water supply needs. Determining the manner in which we prioritize and develop these long-term supply solutions will require a commitment to public involvement, innovation, planning, and investment.

Using this strategy, the Department plans to continue efforts in:

- Developing and communicating an Integrated Water Resources Strategy
- Working with communities to identify Aquifer Storage and Recovery (ASR) opportunities
- Providing water conservation and supply technical assistance and outreach
- Helping meet instream needs
- Providing resources for region-wide water planning, feasibility studies, and implementation/construction

#### Managing Oregon's Water Resources:

## BUDGET NARRATIVE

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- Helping meet instream needs
- Providing resources for region-wide water planning, feasibility studies, and implementation/construction

### Managing Oregon's Water Resources:

The Water Resources Department is acutely aware of the need to protect senior water right holders and instream needs through the rule of law. Amidst the increasingly complex regulatory, technological, and stakeholder environment, our cadre of scientists, engineers, and water resource professionals are committed to ensuring necessary protections through our water right and adjudication process and presence in the field.

Using this strategy, the Department plans to:

- Uphold Oregon water law; protect existing water rights
- Adjudicate water right claims in the Klamath Basin, confirming and securing existing water uses
- Ensure safety in dam construction and operation
- Provide timely processing and outcomes to applicants of water right permits, permit extensions, transfers, groundwater registrations, and certificates

# BUDGET NARRATIVE

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- Provide closure in protests and contested cases.
- Provide staff educational and training opportunities on technical issues

## Understanding Our Water Resources:

Oregon's surface water and groundwater resources, by their very nature, are ever-changing. By month, season, and year, the Water Resources Department needs better data in order to form an accurate picture of water availability statewide. There are gaps in our data sets that must be addressed, streamflow gages that must be replaced, surface water assessment and groundwater investigations that must be completed, and required water-use measurement that must be enforced.

Using this strategy, the Department plans to:

- Forecast and measure changing conditions related to climate change.
- Collect & provide crucial data about the status of groundwater levels.
- Collect & provide information about stream flow, peak flows, and basin yield throughout Oregon.
- Continue to implement the Commission's strategy of measuring significant diversions.

### **Name of Agency Director**

Tom Byler, Director  
Oregon Water Resources Department  
725 Summer St NE, Suite A  
Salem, OR 97301  
503-986-0900

### **Name of Governor's Natural Resource Policy Advisor**

Jason Miner, Natural Resources Policy Manager  
Governor's Natural Resource Office  
State Capitol Building  
900 Court Street NE, Suite 160  
Salem, OR 97301  
503-986-6536

### **Name of Agency Diversity and Inclusion Officer**

Vickie McDermott, Interim Human Resource Manager

# BUDGET NARRATIVE

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Oregon Water Resources Department  
725 Summer St NE, Suite A  
Salem, OR 97301  
503-986-0930

## **Diversity & Inclusion STATEMENT**

### **A. Agency Affirmative Action Policy Statement**

It is the policy of the Oregon Water Resources Department (WRD) to provide employment and advancement opportunities, through an affirmative action plan, to all qualified candidates regardless of age, marital status, people with disabilities, race, religion, national origin, sex, sexual orientation and other protected classes.

We recognize that a policy of nondiscrimination will not necessarily result in a work force which includes appropriate representation of females, persons of color, and persons with disabilities in all job classifications. Affirmative action provides active, assertive and positive steps for eliminating the effects of past and present discrimination, intended or unintended, in the workplace.

The Oregon Water Resources Department's Affirmative Action Plan identifies goals which will help develop and maintain a representative workforce and allow the Agency to provide true equal employment opportunity for all citizens. WRD management and supervisory personnel are directly responsible for the success of affirmative action programs within the Agency, by actively supporting recruitment and career development programs to achieve these goals. Through the implementation of a new Performance Evaluation system, Managers are beginning to be measured on their efforts in achieving affirmative action goals.

Each employee at WRD is made aware of the expectation to promote a work climate which reflects care, concern and respect for every individual. Each employee is responsible for creating and maintaining an environment that is free of harassment, regardless of age, marital status, people with disabilities, race, religion, national origin, sex, sexual orientation and other protected classes. Managers, supervisors, and employees are expected to work together to eliminate and prevent unlawful discrimination. Any individual who feels he/she may have been discriminated against in any way is encouraged to file a complaint. Complaints regarding reasonable accommodation for persons with disabilities are received and will be investigated in a timely manner. The procedures for resolving discrimination or harassment complaints are located in state policy 50.010.01, Discrimination and Harassment Free Workplace. When applicable, complaint investigation procedures are also contained in the Collective Bargaining Agreement between the State of Oregon and SEIU.

# BUDGET NARRATIVE

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The Oregon Water Resources Department's Affirmative Action Plan has been developed in conformance with requirements of the governor's Equity Advisory Team and will be applied with commitment and good faith efforts to ensure the hiring and advancement of women, people of color and persons with disabilities, as well as fostering a work environment that is welcoming and free of harassment.

## **B. Agency Diversity & Inclusion Statement**

The Oregon Water Resources Department is committed to creating a work environment in which all employees are valued, treated fairly, and given opportunities to develop to their full potential. Having a diverse, highly professional, motivated and multidisciplinary staff helps the Department fulfill its mission to serve the public by practicing and promoting responsible water management through two key goals:

1. To directly address Oregon's water supply needs, and
2. To restore and protect stream flows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

Each individual employee's skills, talents, experiences and characteristics broaden the range of perspectives and approaches to the Department's work. All employees play a role in supporting a diverse workforce and an inclusive work environment by demonstrating respect for each other and acting with integrity in every aspect of daily work place experiences.

It is our vision to:

- Understand and appreciate differences among people,
- Utilize that understanding and appreciation to improve our services, and
- Foster a work culture that is welcoming and inclusive to all.

Diversity to us includes many dimensions and we strive to reflect in our staff, volunteers and commission members, the diversity of the Oregon communities we serve. One of the Department's Key Performance Measures is Customer Service, measured by the percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information. The Department continually strives to provide services to our customers that are representative of an acceptance and inclusion of diverse perspectives and experiences.

The Department's commitment toward diversity and inclusion in the workplace is realized through a variety of programs and measures. The Department is an equal-opportunity employer that is committed to a pro-active role in the recruitment and selection process. The Department is working on a commitment to engage in, and utilize diverse recruitment strategies to identify and attract candidates, and works to establish diverse interview panels that represent protected-class groups. The Department is committed to providing broad and culturally enriched training, career growth and developmental opportunities to all employees on an equal basis. This enables employees

## BUDGET NARRATIVE

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to further advance and promotes their knowledge, skills, and abilities, and their value of diversity. To this end and as defined in the goals of this plan, the Department has launched a long term employee engagement process which involves a comprehensive organizational development program.

The Department will not discriminate, nor tolerate discrimination, against any applicant or employee because of physical or mental disability in regard to any position for which the known applicant for employment is qualified.

The Department agrees to take affirmative action steps to employ, advance in employment, and otherwise treat known qualified individuals with disabilities (without regard to their physical or mental disabilities) equally in all human resources selection and decision practices, such as: advertising, benefits, compensation, discipline (including probation, suspension, and/or termination for cause or layoff), employee facilities, performance evaluation, recruitment, social/recreational programs, and training. The Department will continue to administer these practices without regard to race, color, religion, gender, sexual orientation, national origin, age or disability.

The Department will not discriminate or tolerate discrimination, against any employee because they are a member of, perform, has performed, applied to perform or have an obligation to perform service in a uniformed service. All employees are protected from coercion, intimidation, interference, or discrimination for filing a complaint or assisting in an investigation.

Any individual who feels he/she may have been discriminated against in any way is encouraged to file a complaint. The procedures for resolving harassment complaints are located in state policy:

- 50.010.01, Discrimination and Harassment Free Workplace policy; and
- Collective Bargaining Agreement between the State of Oregon and SEIU.

A copy of the Diversity & Inclusion Plan is posted on the main HR bulletin board and available in the agency's intranet.

Employees are encouraged to address any questions regarding the Agency's Diversity & Inclusion Policy to the Water Resources Diversity & Inclusion Representative:

Vickie McDermott, Interim HR Manager  
725 Summer St NE, Suite A  
Salem OR 97301,  
Tel: 503-986-0930

Or contact the Governor's Equity Advisory Team at 503-378-6833.



# BUDGET NARRATIVE

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The Oregon Water Resources Department's Affirmative Action/Diversity and Inclusion Plan has been developed in conformance with requirements of the Governor's Affirmative Action Office and will be applied with commitment and good faith efforts to ensure the hiring and advancement of all qualified candidates regardless of age, marital status, race, religion, national origin, sex, sexual orientation, or disability, as well as foster a work environment that is welcoming and free of harassment to all employees.

## C. Organizational Development Plan (OD)

### 1. Employees:

- The Department's Affirmative Action/Diversity and Inclusion Representative attends quarterly workshops with the Governor's Equity Advisory Team that consists of representatives from most state agencies. These workshops are a forum to develop tools and share best practices enabling the Department to take advantage of resources available in other agencies. Information and updates provided from these sessions are shared at regularly scheduled meetings of the OWRD All Managers Group (AMG).
- All Employees are afforded the opportunity for education and coaching per state policy 50.045.01, Employee Development and Implementation or Oregon Benchmarks for Workforce Development. Career Development Plans are completed through annual performance evaluations where employees and managers assess, document and make a plan to obtain job related/required training.
- The Department has engaged in the development of a comprehensive Organizational Development Plan designed to enhance employee engagement through staff development opportunities. An improved level of inclusion is a focus, and a desired result of these development opportunities and programs (see page 16 – Accomplishments for more details of this program).

Opportunities for advancement are available to employees through a variety of organizational development programs such as, job rotations, job shadowing, special projects, mentoring, training and educational program, and agency promotional advancement opportunities. The Agency's affords employees the opportunity to participate in job rotations, special assignments, and mentorships in preparation for career advancement.

Employee's performance evaluations are administered annually.

The department holds "All Staff" meetings on a quarterly basis. All Salem staff attends these meetings, the Department's field offices receive a recorded video of the meeting. The Department field offices also have quarterly staff meetings with all region staff.

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As a function of the department Organizational Development Plan, multiple live and iLearn trainings are available to staff and managers to help them understand the importance of preventing discrimination or disparate treatment in the workplace, as well as to enhance a series of social skills in an effort to create and enhance the value of inclusivity.

## 2 Volunteers: (8 volunteers in 15-17)

All volunteers, as a function of the department's on-boarding process, are required to review a number of policies through iLearn, including the Discrimination and Harassment-Free Workplace policy, the Violence-Free Workplace policy and the Maintaining a Professional Workplace policy, as well as other related human resource and safety policies. iLearn tracks progress, with reporting that replaces the need for acknowledgement forms.

Historically, the department has not collected demographic data on volunteers and has a significantly truncated onboarding process from regular employees. As part of planned improvement to our onboarding process, the Voluntary EEO Data Collection form will be included for volunteers.

## 3 Contractors/Vendors:

Currently the Department contracts infrequently and typically does not have contractor's that would require a Training, Educational, and Development Plan.

## **D Programs**

### 1. Intern/Externship Program

The Department's Intern/Externship Program has provided opportunity for two Interns to gain experience in Oregon's water management. These interns worked in the Director's office with the Policy and Legislative Coordinator.

Interns/Externs work in areas related to their education. Our projects provide meaningful, real life work experience related directly to their career goals and academic degrees. Interns are encouraged to apply for positions with the Agency based on their qualifications.

### 2 Statewide Community Outreach Program

Water Resource staff throughout the state continue to establish and maintain a presence in their communities' schools; participating in activities such as Career Awareness Days, Outdoor School activities, Bring Your Child to Work day, Streamflow Measurements, Well Inspections, and school presentations. This statewide school presence introduces children to Natural Resource activities directly related to Science and Mathematics early in their academics.

# BUDGET NARRATIVE

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Specifically, the activities have been presented to elementary and high school students across the state, focusing on water, water quality, law, rule, demonstrations and hands on experience dealing with water and water quality work. They demonstrate water measurement methods, materials and equipment. Additionally, high school students are able to job shadow with our Assistant Watermaster's conducting hydrologic measurements and servicing gaging stations.

According to the census data, the diversity of the students entering the field of science in college remains very low. Our outreach efforts are an attempt to get kids interested in Natural Resource careers at a young age so they can prepare academically.

### 3 Diversity Initiative Program

Although the Agency does not have a "formal" Diversity Initiative Program, we understand the value of developing one. This is a goal for the Department in 2017-2019, as resources allow. The agency has begun to build components of a formal program in two areas: (1) through the redesign and implementation of a recruiting process that focuses on "best practices" in recruiting that ensures the selection of candidates that are best qualified, while considering the agencies goals are diversity, and (2) an organizational development program that focuses on multiple aspects of employee engagement, inclusion, career development, workforce planning and staff education in a large variety of subject matter.

The components of a Diversity Initiative Program should focus on the benefits of a diverse workforce. Diversity needs to include everyone; we need to assess the climate of the Agency to measure employee satisfaction and performance in relation to the changing workforce and customer base; analyze the effectiveness of leaders to train, coach, discipline, and promote a wide range of employees; and identify issues and opportunities regarding the changing workforce.

Commitment from all levels of the Agency is essential to a successful Diversity Initiative Program. The roles and responsibilities of managers need to be communicated and understood clearly. Education and training needs to focus on skills rather than just awareness. Goals for leadership training should include learning to create climates that promote cohesion, build quality performance and prevent discrimination and harassment.

A successful Diversity Initiative Program includes: diversity initiatives that are valued and driven by senior management; diversity initiatives are an integrated part of the Human Resources Section and diversity initiatives are tied to management objectives and performance incentive. Employees will increase their personal comfort levels in a multicultural work environment so all skills, talents and abilities can be joined to create a competitive workforce. The agency must provide employees with skills for operating in a multicultural environment, so that employees can understand their own as well as others cultures, values, beliefs, attitudes, behaviors, and strengths and weaknesses.

# BUDGET NARRATIVE

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In an effort to retain valuable employees, the Department has engaged in the interactive ADA process which resulted in a number of accommodations that have allowed employees to perform the essential functions of their job.

## 4 Creating a welcoming environment for existing employees:

Through the design and adoption of the departments Organizational Development Plan beginning in 2016, the initial objective of the program is to enhance employee engagement across the agency. Doing so creates a positive and collaborative work environment, which is the foundation for a diverse and inclusive workplace.

A positive work environment leads to greater employee performance, less turnover and more loyalty to the Agency. The Department's plan includes appreciating and valuing the diversity of all employees. Everyone feels good when appreciated and managers take the time to let employees know their value to the Department.

Managers encourage employees to use a positive approach and have a positive attitude at all times. This creates hope and positivity around the workplace, resulting in them being the ones employees look up to.

Managers handle conflict-causing situations before they escalate. Employees who work in harmony usually view the workplace as more positive than those who are constantly battling over issues.

Managers are trustworthy. Managers show employees that they can be trusted by being honest about their actions and saying exactly what they mean, rather than saying something to please them.

Managers listen and pay attention to their employees when they speak to them. They show them that they can talk to them anytime they have something to share. Besides getting ideas and suggestions from them, employees feel great knowing that someone is paying attention.

## **E Executive Order 16-09 Implementation Updates**

### 1. Respectful Leadership Training (Diversity, Equity & Inclusion)

The agency will work to bring in at least one training offering related to AA/D&I for managers and supervisors in the 17-19 biennium.

### 2. Statewide Exit Interview Survey

## BUDGET NARRATIVE

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As a function of the Agencies separation process, exit interviews are conducted and reviewed by Human Resources. As trends emerge, they are brought to the attention of the Director.

The agency has begun directing exiting employees to the state's site, and will continue to participate in the Statewide Exit Interview Survey. The survey will be sent to all separating employees. Results of the surveys will be reviewed periodically as appropriate, and reported to the Department's Director for discussion at executive staff meetings.

### 3. Performance Evaluations of all Management Personnel

Performance evaluations are conducted annually. Management and Executive Service position descriptions, as they are updated, will include the following language as required by Executive Order 05-01 and as amended 08-18 and 16-09:

*“Foster and promote to employees the importance of a diverse, and discrimination and harassment free workplace; ensure that any subordinate managers/supervisors receive an orientation on the Department's affirmative action goals and responsibilities and understand their own responsibilities for helping promote the affirmative action goals and objectives in the division/section; ensure all subordinate managers/supervisors are evaluated on their effectiveness in carrying out the responsibilities they have for participating in and promoting affirmative action activities; act in a responsible manner if they become aware of any Department employee engaging in any type of harassment.”*

The Department's practice is to strive for a diverse applicant pool during the recruitment to fill any vacant position. The Director may review recruitment efforts in an attempt to increase diversity in the pool of applicants. Regular manager meetings provide a forum where managers are reminded of their responsibility in complying with the Department's affirmative action/diversity inclusion plan by fostering and promoting the importance of a diverse, and discrimination free workplace; insuring equal employment opportunities are afforded to all applicants and by making employment related decisions that are non-discriminatory.

# BUDGET NARRATIVE

## F Status of Contracts to Minority Businesses (ORS 659A.015)

Total Professional Services Budget	\$4 million with estimated \$3 million budgeted for intergovernmental and interagency contracts.
Total Number Contracts Awarded	71 as of 12/31/16
Total Agency Personal Services Contract	\$657,621.96
Total # COBID Awards	1
Amount of financial awards to COBID contractors	\$5,445.00
Number and awards for non-certified COBID	71 for a total \$657,621.96
Comments	<p>Department follows all procurement activities and regulations requiring posting of opportunities. In addition, the department encourages non-certified contractors to consider certification.</p> <p>Department contractual activities are largely interagency and intergovernmental agreements. Those that are not in this category are primarily for specified projects relating to Water development, measurement and other specialized water resource management and planning activities. As a result, department has very few certified OMWESB firms. However, the department has ongoing plan that encourages COBID certifiable contractors to register with COBID.</p>

In addition, the agency's outreach plan includes:

- Conducting COBID Outreach at program kick offs.
- Inviting qualified suppliers of small purchases to register with COBID.
- Include COBID preferences in agency process for evaluating bids and proposals.
- Annual review of award to monitor agency contractors' participation in COBID Programs.

## III ROLES FOR IMPLEMENTATION OF DIVERSITY & INCLUSION PLAN

### A Responsibilities and Accountabilities

- 1 Director/Administrator

# BUDGET NARRATIVE

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a) How the role is defined, what is expected of the Director/Administrator?

- Insure equal opportunities are afforded to all applicants and employees by making employment related decisions that are non-discriminatory.
- Insure that employment practices are consistent with the States Affirmative Action/Diversity Inclusion Plan and state and federal laws.
- Promote good faith efforts to achieve established affirmative action/diversity inclusion goals.
- Foster and promote to employees the importance of a diverse, and discrimination free workplace.
- Ensure Division Administrators understand they are responsible for participating in and promoting affirmative action/diversity inclusion activities and for communicating this same responsibility to their subordinate managers and supervisors.
- Ensure all managers/supervisors are evaluated on their effectiveness in carrying out the responsibilities they have for participating in and promoting affirmative action/diversity inclusion activities.

b) How does the Director/Administrator evaluate its agency workforces, specify goals for the fair representation of women, people with disabilities and minorities' bases on labor market analyses, and provide timetables for achievement of the affirmative action/diversity inclusion goals?

Through periodic reviews, type of outreach, parity standing based on reports and goals representative of parity standing, and timetables when recruiting for new employees.

c) How is the Director involved in maintaining the Diversity & Inclusion plan?

Through a Biennial review and approval of the Diversity & Inclusion Plan; discussions with Management Team meetings and action item review with Human Resources.

## 2 Managers/Supervisors

a) How the role defined and what is expected of the Managers/Supervisors?

- Foster and promote to employees the importance of a diverse and inclusive workplace free from discrimination and harassment.
- Ensure that any subordinate managers/supervisors receive an orientation on the Agency's diversity & inclusion goals and responsibilities and understand their own responsibilities for helping promote the affirmative action goals and objectives in their division/section.
- Ensure all subordinate managers/supervisors are evaluated annually on their effectiveness in carrying out the responsibilities they have for participating in and promoting affirmative action activities.
- Act in a responsible manner if they become aware of any Agency employee engaging in any type of harassment.

# BUDGET NARRATIVE

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- b) How does the Manager/Supervisor evaluate its agency workforces, specify goals for the fair representation of women, people with disabilities and minorities based on labor market analyses, and sketch timetables for achievement of the affirmative action goals?

Through periodic reviews, type of outreach, parity standing based on reports and goals representative of parity standing, and timetables when recruiting for new employees.

- c) How are Managers/Supervisors involved in maintaining the affirmative action/diversity & inclusion plan?

By fostering and promoting to employees the importance of a diverse, and discrimination and harassment free workplace. Communicate with employees through section staff meetings and continuing to make an inclusive and welcoming environment for all staff.

- d) How the Manager/Supervisor is held accountable for the result of the diversity & inclusion goals and objectives?

Managers and Supervisors are held accountable through annual performance evaluations, documenting performance expectations, achievements and/or deficiencies.

### 3 Affirmative Action/Diversity & Inclusion Representative

- a) How is the role of the Diversity & Inclusion Representative defined?

The Agency's Diversity & Inclusion Representative develops and implements the Agency's Diversity & Inclusion Plan and serves as the Diversity & Inclusion Representative. The Diversity & Inclusion Representative also monitors the effectiveness of the Diversity & Inclusion Plan to ensure a diverse and inclusive work environment. Prepare and submit all required statistical reports and diversity & inclusion program plan documentation. Ensure compliance with Diversity & Inclusion by providing training to management and promoting the value of diversity in the workplace.

- b) To whom does the Diversity & Inclusion Representative report to?

The Affirmative Action/Diversity Inclusion Representative reports to the Director, through the Administrative Services Division Administrator.

- c) How does the Diversity & Inclusion Representative update the Director/Administrator about the agency's affirmative action status?

Through ad hoc or quarterly reports/meetings as appropriate.

- d) How is the Diversity and Inclusion Representative involved in maintaining the Affirmative Action Plan?



## BUDGET NARRATIVE

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- Work with all administrators, managers/supervisors to make sure they understand their responsibilities for promoting a diverse workforce environment and helping attain the goals in the agency and division. Assist them with ways to achieve success.
- Identify specific classifications where disparity exists and meet with managers/supervisors to address action strategies and make adjustments to the plan.
- Evaluate revised and new policies for possible adverse impact on the Agency's commitment to affirmative action and equal employment opportunities.

e) Does the Diversity and Inclusion Representative conduct affirmative action information session for management and non-management?

Yes, through manager meetings, monthly promotions, and individually as appropriate.

f) Does the Diversity and Inclusion Representative participate in the hiring process including: outreach, development of hiring criteria and promotion?

The Diversity and Inclusion Representative is responsible for oversight of the Agency's recruiting process by providing guidance to agency managers and supervisors regarding staffing options, processes, gathering pertinent information, developing examinations and grading criteria; developing and contacting special recruitment sources; and advising managers and supervisors in recruiting and placing affirmative action applicants through special recruiting sources and on parity for position vacancy EEO category. Take proactive steps to develop diverse applicant pools for position vacancies and assess the diversity of the applicant pool prior to closing the job announcement.

g) Does the Diversity and Inclusion Representative promote and oversee effective retention practices using the affirmative action policies?

The Agency offers promotional opportunities, job rotations, and special assignments to prepare staff for career advancement.

h) Does the Diversity and Inclusion Representative investigate or address complaints?

Yes.

i) How does the Diversity and Inclusion Representative oversee or participate in activities aimed at creating a welcoming environment for workers of all backgrounds, including activities aimed at improving retention of members of the protected groups?

The Diversity and Inclusion Representative oversees new employee orientation; attends regular staff meetings; and promotes recognition of cultural holidays.

# BUDGET NARRATIVE

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- j) Does the Diversity and Inclusion Representative enforce, refine, or recommend to agency heads and managers the reshaping of the plan according to ongoing evaluation?

Yes, both on a biennial and ongoing basis.

- k) Does the Diversity and Inclusion Representative have the authority, resources, support of and access to top management to ensure the effective implementation of the affirmative action program?

Yes. Through resources and support by management and staff as requested.

- l) How is the Diversity and Inclusion Representative held accountable for the result of the affirmative action goals and objectives?

Through periodic reviews of results and with a major review on a biennial basis.

## IV JULY 1, 2015 – JUNE 30, 2016

### A Accomplishments

The Department recognizes the importance of ongoing efforts in recruitment, succession planning, retention and using dynamic human resource management techniques in promoting, and maintaining a diverse and respectful workplace. Each biennium the Department strives to show improvement in reaching or exceeding parity in employment representation and providing a professional and welcoming workplace. The following goals are ongoing efforts.

#### Program goals from 2015-2017 Diversity & Inclusion Plan.

- Maintain contact with the Governor's Diversity & Inclusion Office.  
Beginning July 2015, the Department has made, and kept its commitment to be actively involved in attending the monthly-quarterly workshops with the Governor's Affirmative Action Office. The departments Diversity and Inclusion Representative has made a notable effort to actively participate in those workshops strengthening the relationship with representatives from other agencies as well as the Governor's Affirmative Action Office.

As a function of this activity, the departments Diversity and Inclusion Representative:

- Educates and provides managers with recruitment strategies to hire more employees from diverse backgrounds.

# BUDGET NARRATIVE

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As a function of scheduled management development activities, managers are briefed by the Diversity & Inclusion Representative on opportunities to increase the diversity pool of applicants.

- Provides diverse applicant pools.

Beyond the department's use of the state's electronic recruiting system, the agency utilizes resources such as maintaining contact with other state and federal natural resources agencies; local government, working with the Governor's Affirmative Action Office; utilizing contacts through the state's university system; and the development and utilization specialized list-serves and diversity specific recruiting sites pertinent to the position.

- Promotes a respectful work environment.

The Department is in the process of establishing an Organizational Development Program. The objective of the program will be to continue to improve the department's culture through enhanced employee engagement. A large focus of an improved culture is to ensure the agency is open, inclusive and transparent with applicants as well as its current staff. In doing so, the Department promotes the importance of a diverse, and discrimination free workplace for all employees. Activities of the program include:

- Enhanced Workforce planning
- Increased availability to career development opportunities
- Increased staff development opportunities through live and online trainings
- Annually mandated training in subjects of harassment prevention, domestic violence, diversity
- Management development training to leadership effectiveness and potential

- Increase outreach/awareness efforts.

The Department will continue to improve outreach and promote the agency around the state. As part of this, staff is encouraged to continue a presence in schools within their region and participate in activities such as career awareness days. This school presence helps expose females, people of color, and persons with disabilities to natural resources early in their education.

The Department's Diversity & Inclusion Representative attends quarterly Diversity & Inclusion Workgroups to learn and network with other agency representatives. Diversity proclamations, cultural awareness information, as well as cultural events throughout the state are shared with the entire Department's staff.

- Provide career development opportunities for protected classes

# BUDGET NARRATIVE

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The Agency's Affirmative Action Policy Statement provides for employment and advancement opportunities to *all* qualified candidates regardless of age, marital status, and people with disabilities, race, religion, national origin, sex, sexual orientation, and other protected classes. All staff receive notice of Agency recruitments, as well as recruitments provided by the Governor's Affirmative Action Office and Oregon State Personnel Management Association.

The Department continues to be creative in finding ways to "do more with less" through job rotations and special assignments, hiring interns, and utilizing current staff who have specialized skills through work out-of-class assignments. In addition to attendance at trainings and workshops, these methods will help expand experience and prepare staff to be more viable candidates for promotional opportunities.

QRF Temporary Service Agencies are utilized as needed. These agencies provide temporary employment services to persons with disabilities. During these temporary assignments, QRF temporary employees are informed of the state's recruiting processes and encouraged to apply for regular state positions.

- Current Status

The Department is primarily a General Fund agency with 164 employees as of June 30, 2016. Almost two-thirds of the employees are in Salem and the other one-third in regions throughout the state. Most of the Department's positions fall within the EEO-B Professionals category, making up almost 70 percent of the Department's workforce.

The Department had 88 recruitments between July 1, 2014 and June 30, 2016. (Per the SEIU Collective Bargaining Agreement, Article 45.5B.X, recruitments for all vacancies must be posted internally for 7 days to encourage internal promotional opportunities.)

Of the 88 recruitments:

- 28 were new hires to the state and 47 were internal, of these 46 were females, of which 1 identified themselves as a Person of Color.
- Of the 47 internal promotions, 34 were female; 1 a person of color.
- Of the 28 external hires, 12 were female.

# BUDGET NARRATIVE

## B. Progress

Progress made or lost since previous July 1, 2012 - June 30, 2014 biennium (see above note).

EEO CATEGORY*	FEMALE		PEOPLE OF COLOR		PERSONS W/DISABILITIES	
	6/30/14	6/30/16	6/30/14	6/30/16	6/30/14	6/30/16
A-OFFICIAL/ ADMINISTRATOR	2	2	2	2	1	1
B-PROFESSIONAL	39	54	8	8	7	7
E-PARAPROFESSIONAL	5	5	0	0	1	0
F-ADMIN SUPPORT	17	16	4	4	1	1
ALL EEO CATEGORIES	63	77	14	14	10	9

\*NOTE:

EEO Category A - includes Principal Executive/Managers.

EEO Category B - includes Accountants, Information System Specialists, Nature Resource Specialists, Program Coordinator/Analyst and Personnel/Employment.

EEO Category E - includes Water Resource Data Technicians

EEO Category F - includes Office Specialists, Administrative Specialists, Executive Support Specialists, Accounting Technicians, and Public Service Representatives.

- Did the number of the protected classes (People of color, People with disabilities, and Women) increase in the agency since last biennium?

Overall progress in the two year period resulted in a substantial increase in female employees, status quo for people of color and a decrease in people with disabilities.

- Were people of color, people with disabilities and women promoted within the agency last year?

Of the 88 recruitments:

- 28 were new hires to the state and 47 were internal, of these 46 were females, of which 1 identified themselves as a Person of Color.
- Of the 47 internal promotions, 34 were female; 1 a person of color.
- Of the 28 external hires, 12 were female.

- Did the agency use any strategies learned from the AA Workgroup to retain/promote employees of the protected classes?

# BUDGET NARRATIVE

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Discussions with other small agencies regarding the challenges of recruiting and hiring a diverse workforce yielded ideas and concepts around diversity recruiting sources, that are presently being utilized in the department as appropriate..

- Did the agency send its job announcements to the Governor’s Affirmative Action Office?

The objectives and focus of the Governor’s Office on Diversity and Inclusion has changed over the past 12 months to be one of support and subject matter expertise. As a result, the office has provided the agencies with input that submitting postings is no longer a function of their service. Instead the objective is to enable agencies to be self-supporting in the diversity efforts..

- Were steps taken to improve retention or promotion of people of color, people with disabilities, women and other protected class?

The Agency has been creative in finding ways to retain staff such as offering job rotations, special assignments and mentoring to give employees the opportunity to gain skills in other areas of the Agency so they can be more competitive when applying for promotional opportunities.

- Does the agency have a comprehensive retention strategy in place?

.The Agency has begun the process of workforce planning to prepare for attrition as it occurs over the next 5 years. In the process, and as a function of the Agencies Organizational Development Program, staff with an interest will be empowered to improve their skill sets to prepare them for opening in the Department as they occur during this attrition cycle.

- Is the agency’s retention strategy comprehensive and agency-wide?

Yes

- Did the agency identify the strengths of their current retention strategy?

The program is new and will need to be vetted through the next 24 months before strengths and weaknesses can be identified and adjusted.

- What are the strengths of the agency?

The Department is a small agency and offers a very welcoming environment. The Director and Managers are very good about recognizing employees for jobs well done. They also have open door policies that welcome employees who have questions or concerns. Employees appreciate positive reinforcement for their devoted efforts and contributions to the mission and values of the Agency.

- Where are the challenges of the agency?

## BUDGET NARRATIVE

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One of the biggest challenges the Department faces is that the Agency is primarily a general fund agency and it can be difficult to find creative ways to do more with less; at times, employee morale can be impacted. As a result, the Agency is working hard through its Organizational Development Program to create a more proactive environment of learning and development opportunities for all staff. Doing so will enhance the Departments ability to provide internal staff with opportunities during a time of attrition, as well as focus on improved diversity through external recruitment activity..

- What are the real and perceived threats to the agency if it does not build or have a comprehensive retention strategy?

The workforce plan is designed to plan for anticipated attrition through retirements over the next 5 years, and make an attempt to capture and retain the Agencies Institutional knowledge in the process. Despite that, it is likely that some of that knowledge will be lost.

- Did the agency identify how many different generations of employees co-exist within the agency?

The Agency is aware of the importance in recognizing differences in generations, and as a function of the Workforce Plan, will be making that identification

- Did the agency identify any specific generations where there are challenges in recruitment, retention and promotion?

No, but will making efforts in that direction with the Workforce Plan.

- Does the agency's strategy include an ongoing review and evaluation of its hiring practices?

The Human Resource Manager and the Diversity & Inclusion Representative completed a comprehensive Human Resource Audit for the Agency. As a result, the entire recruiting process was redesigned to better reflect Industry Best Standards for recruitment and Diversity..

- Does the agency monitor promotional opportunities for equal access?

All positions the agency intends to fill are announced as Agency Promotion before going outside the agency for additional applicants. The agency assesses the diversity of the applicant pool before posting an external announcement.

- Did the agency participate in any job fairs in the last year?

The Agency did not participate in any job fairs last year due to funding and staff resources.

# BUDGET NARRATIVE

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V JULY 1, 2017 – JUNE 30, 2019

## A Goals for Affirmative Action/Diversity & Inclusion Plan

The Oregon Water Resources Department is committed to providing employment and advancement opportunities to all qualified candidates regardless of race, color, religion, gender, sexual orientation, national origin, marital status, age or disability.

The Department recognizes the importance of ongoing efforts in recruitment, succession planning, retention and dynamic human resources management in promoting, and maintaining a diverse and respectful workplace. The following goals are ongoing efforts. Each biennium, the Department strives to show improvement in reaching or exceeding parity in employment representation and providing a professional and welcoming work environment.



# BUDGET NARRATIVE

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The affirmative action goals of the Oregon Water Resources Department for the 2017-2019 biennium are:

- Increase outreach/awareness efforts.
- Provide career development opportunities for all staff inclusive of protected classes.
- Encourage and support diverse applicant pools through the new recruitment process.
- Educate and provide managers with recruitment strategies to hire more employees from diverse backgrounds.
- Maintain regular contact with the Governor's Affirmative Action Office.
- Promote a respectful work environment.

## **B Strategies and Timelines for Achieving Goals**

For the 2017-2019 Biennium, to increase diverse staff/hires/promotions, the agency plans to sponsor or participate in the State of Oregon Diversity Conference and consider alternative recruitment sources when seeking external hires.

In addition, the following strategies for achieving goals are ongoing:

- Increase outreach/awareness efforts:

Strategy:

Encourage Department employees to continue to partner with local schools and school districts throughout the state to bring awareness to Natural Resource career opportunities. The school presence helps expose females, people of color, and people with disabilities to Natural Resources early in their education.

The Diversity and Inclusion Representative will continue to make good faith efforts to attend diversity events and job fairs.

Increase awareness efforts by partnering with two other agencies which co-exist in the North Mall Office Building. Other tools the agency uses for employees to interact with other employees from all backgrounds are staff meetings, all-agency BBQ's, Retirement gatherings, Birthday celebrations, review team meetings, and meetings with other agency staff.

The Affirmative Action/Diversity & Inclusion Representative will continue to send all Department employees the monthly proclamations and diversity materials received for the Governor's Affirmative Action/Diversity & Inclusion Office.

- Provide career development opportunities for protected classes:

Strategy:

# BUDGET NARRATIVE

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Through the new Organizational Development Program, the Department will continue to offer and encourage job rotations, job shadowing, special projects and educational opportunities to prepare employees for career advancement. Employees participating in job rotations or special projects are usually trained on-the-job with a senior mentor. The Affirmative Action/Diversity & Inclusion Representative will continue to offer career counseling and counsel managers on employee development plans for career advancement. Unfortunately, temporary employees are not able to participate in job rotations. The Collective Bargaining Agreement between the State of Oregon and SEIU does not allow the agency to appointment an employee for permanent job reassignment without first going through a competitive process.

- Provide diverse applicant pools:

Strategy:

Utilizing the Departments new recruiting process, continue to advertise recruitments with minority associations where applicable, the Governor's Affirmative Action/Diversity & Inclusion Office, rural community newspapers, the Department's stakeholders, local colleges, and other natural resource agencies in Oregon and the Western United States. Make good faith efforts to attend diversity job fairs.

Continue outreach efforts and business relationships with the University and Community College systems in Oregon and surrounding states.

Continue to have staff participate on interview panels.

Continue to hire temporary employees through QRF Temporary Service Agencies and counsel these employees on applying for permanent State of Oregon job openings.

- Educate and provide managers with recruitment strategies to hire more employees from diverse backgrounds:

Strategy:

Identify and deliver training and discussion topics for management meetings. Support managers with diverse interview panels. Evaluate managers and hold them accountable on their Affirmative Action efforts through annual performance evaluations. Identify areas that need improvement and give managers the tools needed to succeed.

- Maintain contact with the Governor's Affirmative Action/Diversity & Inclusion Office:

Strategy:

The Affirmative Action/Diversity & Inclusion Representative will continue to attend the quarterly Governor's Affirmative Action/Diversity & Inclusion Workshops. These workshops are a forum to share best practices and allow the agency to take advantage

## BUDGET NARRATIVE

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of ideas/resources available in other agencies. Awareness promotions distributed through the Governor's Affirmative Action/Diversity & Inclusion Office are shared with the Department's employees throughout each month.

- Promote a respectful work environment:

Strategy:

Continue to focus on developing a work environment that is: attractive to a diverse pool of applicants; retains current employees; and is accepting of employees' differences.

Continue to use a positive approach/attitude when appreciating and valuing all employees.

Continue to accommodate employee's special needs through ergonomic assessments and giving employees the tools and equipment needed to be successful, effective and safe in their work environment.

It is the commitment of the Oregon Water Resources Department to foster and promote to all employees the importance of a diverse, and discrimination free workplace and to continue to promote diversity awareness and training for all staff.

# BUDGET NARRATIVE

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**Water Resources Department**

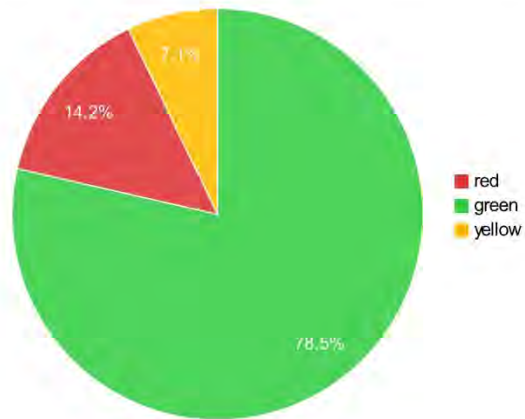
Annual Performance Progress Report

Reporting Year 2016

Published: 10/6/2016 1:28:00 PM

# BUDGET NARRATIVE

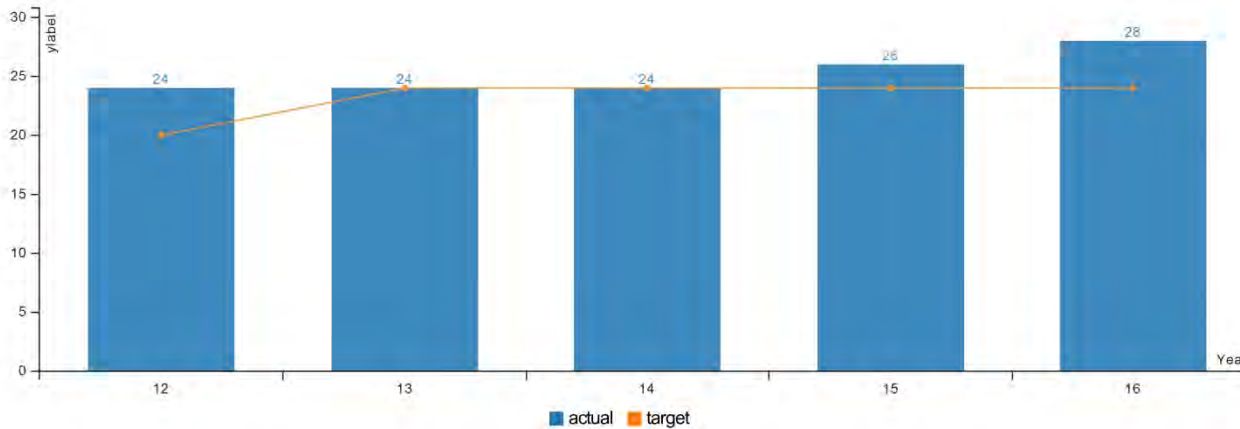
KPM #	Approved Key Performance Measures (KPMs)
1	FLOW RESTORATION - Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs.
2	PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated.
3	MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations.
4	STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations.
5	ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources.
6	EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet.
7	EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's internet site.
8	NUMBER OF SIGNIFICANT DIVERSIONS WITH MEASUREMENT DEVICES INSTALLED - To fully implement the Water Resources Commission's 2000 Water Measurement Strategy
9	PROMOTE EFFICIENCY IN WATER MANAGEMENT AND CONSERVATION PLAN REVIEWS - Percent of water management and conservation plans that received a preliminary review within 90 days of plan submittal.
10	PROMOTE EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING - Percent of water right applications that receive an initial review within 45 days of application filing.
11	PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Percent of transfer final orders issued within 120 days of application filing.
12	PROMOTE EFFICIENCY IN FIELD STAFF REGULATORY ACTIVITIES - Number of places where water is legally taken out of stream and used (points of diversion) per FTE of field staff.
13	INCREASE WATER USE REPORTING - the percent of water users with an annual water-use reporting requirement that have submitted their reports to the Department.
14	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.



	Green	Yellow	Red
	= Target to -5%	= Target -6% to -15%	= Target > -15%
Summary Stats:	78.57%	7.14%	14.29%

# BUDGET NARRATIVE

KPM #1 FLOW RESTORATION - Percent of watersheds that need flow restoration for fish that had a significant quantity of water put instream through WRD administered programs.  
Data Collection Period: Jan 01 - Dec 31



Report Year	2012	2013	2014	2015	2016
<b>Percent of Watersheds That Had Flows Added Where Needed for Fish</b>					
Actual	24%	24%	24%	26%	28%
Target	20%	24%	24%	24%	24%

### How Are We Doing

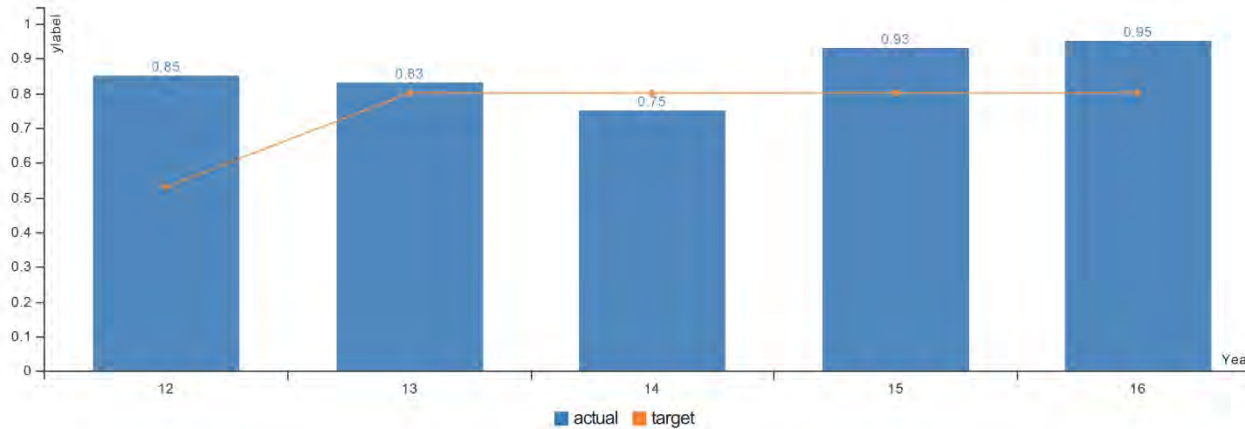
This KPM was created in 2002. During the 2016 reporting period, 28 percent of watersheds had flows added, where needed, for fish, meeting the 24 percent target. Cumulatively, by the end of the reporting period, the Department had protected a total of 1839 cubic feet per second (cfs). This total is comprised of the following: 1) instream leases 491 cfs; 2) instream transfers 366 cfs; 3) allocations of conserved water 182 cfs; and 4) converted hydroelectric rights 800 cfs.

### Factors Affecting Results

The reporting period for the 2016 results listed above was calendar year 2015. Streamflow restoration efforts rely on the voluntary actions of water right holders to place water instream. We attribute our success to the hard work of our conservation partners, efforts of both our programmatic staff and our on-the-ground field staff, and a general increased comfort level with these programs among water users. Oregon benefits immensely from well-established, active conservation partners. Approximately 48 percent of Oregon's flow restoration transactions involve a third party such as the Oregon Fresh Water Trust, Deschutes River Conservancy, and Klamath Basin Rangeland Trust. The remaining 52 percent of flow restoration activities occur directly between the water right holder and the Department.

# BUDGET NARRATIVE

KPM #2 PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated.  
Data Collection Period: Oct 01 - Sep 30



Report Year	2012	2013	2014	2015	2016
<b>Ratio of Streams Regulated to Protect Instream Water Rights to All Streams Regulated</b>					
Actual	0.85	0.83	0.75	0.93	0.95
Target	0.53	0.80	0.80	0.80	0.80

## How Are We Doing

In the 2016 report, 586 streams were regulated, compared to 463 in 2015, and 535 in 2014. This increased number was due to severe drought across Oregon, prompting more widespread regulation of junior rights to meet the needs of senior rights. The total number of regulatory actions for instream water rights was 556, resulting in a ratio of 95 percent, slightly higher than in the 2015 report.

Better management and tracking tools for monitoring instream water rights help Watermasters regulate to protect instream water rights. The Department has added near real time access (telemetry) to gaging stations in key instream water right reaches to monitor whether instream rights are being met. The near real time data allow Watermasters to more efficiently adjust the stream system to improve flows by regulating junior water rights off when needed.

## Factors Affecting Results

Watermasters report regulatory actions taken each water year (October 1 to September 30) for each stream. The 2016 results contain data collected through September 2015. Instream water rights are often junior to other surface water rights, but are regularly monitored by the Water Resources Department. Flows for some streams with instream water rights are met throughout the season and do not require significant regulation on their behalf. In years with high stream flows, the total number of streams regulated is likely to go down, while in years with lower stream flows the total number of streams regulated is likely to go up because of greater demand and less supply. The ratio of streams regulated varies with the amount and timing of rainfall in any given year, as well as staff resources. This KPM is specific to regulation for instream water rights.



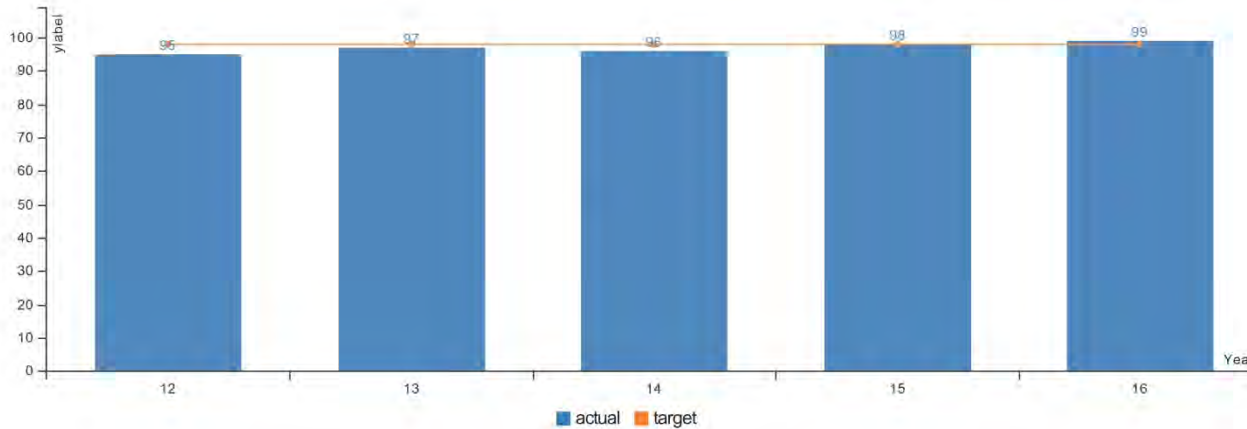
# BUDGET NARRATIVE

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Staff have determined that the method for calculating the results and the corresponding target need to be revised, or this KPM needs to be removed or replaced. Under the current method of calculating this KPM, the number of regulations for instream water rights by category of regulation is divided by the number of total streams regulated. The Department would like to undertake a review of this KPM with stakeholders to determine if a different KPM would be more appropriate or whether a change in the calculation methodology would be more informative. Staff believe the KPM would be more meaningful if the number of streams regulated for instream water rights were divided by the total number of streams regulated. The new approach would mean that while the trends stay the same (increasing regulation for instream water rights, with annual fluctuations based on the water year), the actual percent will be reduced. However, there may be other more meaningful indicators of performance that would be less influenced by factors outside the Department's control (water conditions).

# BUDGET NARRATIVE

KPM #3 MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations.  
 Data Collection Period: Oct 01 - Sep 30



Report Year	2012	2013	2014	2015	2016
<b>Percent of Total Regulatory Actions That Found Water Rights Holders in Compliance with Water Rights and Regulations</b>					
Actual	95%	97%	96%	98%	99%
Target	98%	98%	98%	98%	98%

### How Are We Doing

During the 2016 reporting period (October 1, 2014-September 30, 2015), Department Watermasters had 20,336 regulatory actions and water right holders were in compliance approximately 99 percent of these actions. In the 2015 report, 16,545 regulatory actions were taken by field staff, and water right holders were in compliance in 98 percent of these cases. Workloads increased during the 2016 reporting period for field staff due to the severe drought in 2015, which increased the need to regulate, thereby increasing the number of regulatory actions. In addition, the Department has been receiving a number of complaints in some areas of the state regarding marijuana operations. Overall, Department staff have been successful in discouraging violations and maintaining a high level of compliance as tracked by this metric; however, this metric does not necessarily reflect compliance with water right conditions or the lack of compliance with Oregon's requirements to have a water right permit where the staff do not know about the non-compliance. Since staff cannot and do not cover all of the area within their district frequently, there may be users that are not in compliance or individuals illegally taking water: the Department continues to look for ways to increase field capacity, education and outreach, and build clarity around Oregon's water laws.

### Factors Affecting Results

The reporting cycle is the water year (October 1 through September 30.) The 2016 results contain data through September 2015. The percentage can vary by a few points from year-to-year, based on water supply conditions, staffing resources, or economic factors. Weather can have a significant effect on the compliance ratio, since it can affect the intensity of water distribution efforts on a stream. Watermasters are likely to have more regulatory actions during times of water shortage. In years with high streamflows, the total number of streams regulated is very likely to go down. Field presence (adequate staffing) affects this measure through greater opportunity to monitor compliance, conduct outreach, and ultimately educate individuals about water laws. Increased litigation reduced the time some watermasters could spend in the field.

Watermaster regulatory activities include any action that causes a change in use, a change in maintenance, or a field inspection that confirms no change is needed to comply with the water right, statute, or order of the Department. Watermasters submit an annual Surface Water Summary report that includes each stream regulated, the number of regulatory actions taken, starting and

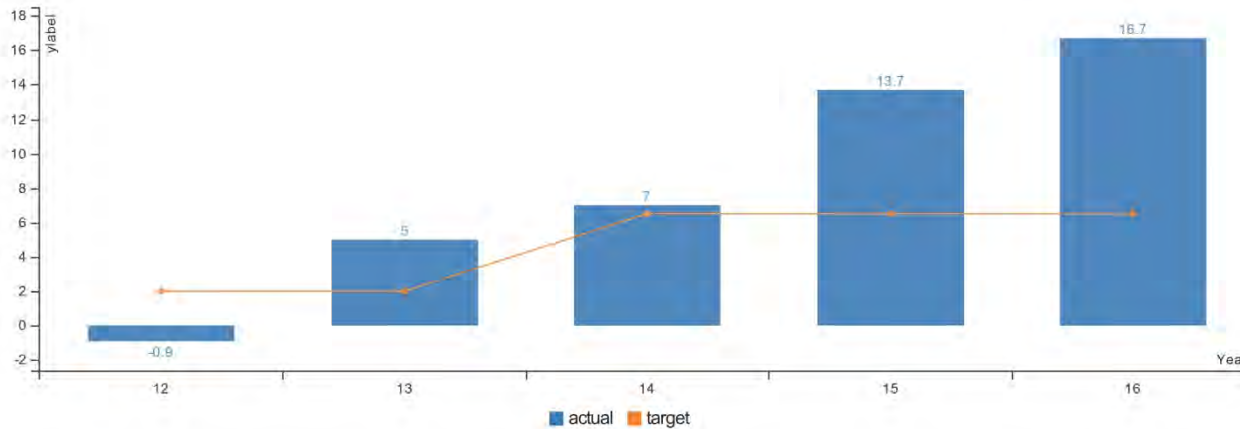
# BUDGET NARRATIVE

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ending dates of regulation, earliest priority date regulated, and the primary reason for regulation. Informational reports are presented to the Water Resource Commission with detailed information by watermaster district and stream. Copies of these reports are made available on the agency website under Commission Staff Reports. As staff resources allow, the Department would like to re-evaluate its current methods of tracking regulatory activities, which may result in a request for a KPM change in the future.

# BUDGET NARRATIVE

KPM #4 STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations.  
Data Collection Period: Jan 01 - Dec 31



Report Year	2012	2013	2014	2015	2016
<b>Percent Change from 2001 in Number of OWRD-Operated or Assisted Gauging Stations</b>					
Actual	-0.90%	5%	7%	13.70%	16.70%
Target	2%	2%	6.50%	6.50%	6.50%

### How Are We Doing

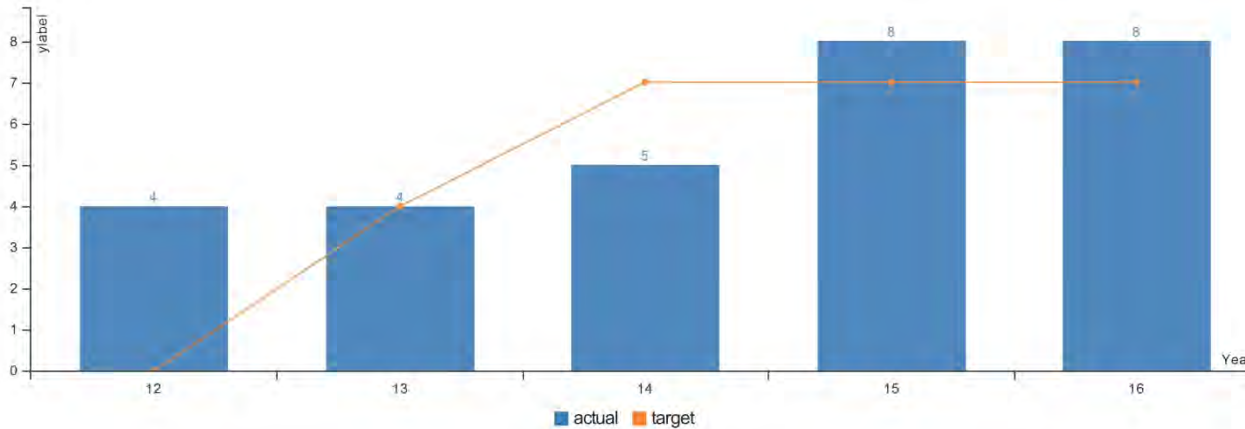
The 2001 benchmark was 215 gaging stations. During the 2016 reporting period, the Department added 19 gages and dropped 5, for a net gain of 14 gages compared to the previous year. Currently, the Department is operating a total of 258 gages, 16.7 percent higher than the 2001 benchmark. Three gages were added in the East Region for water management and public safety. Seven gages were added in the South Central Region to monitor tribal instream water rights and manage water in the Klamath Basin. Four more gages were added in South Central Region for water management and special projects. Two gages were added in the Southwest Region for water management. Three gages were added in the North Central Region for water management and public safety. Five gages were discontinued because the projects that the gages were monitoring were concluded. While the Department is pleased with this increase in the number of stream gages, staffing has not kept pace with the increased workload associated with maintaining, processing and analyzing the data from these stations.

### Factors Affecting Results

The 2016 data are from the reporting period of January 1 through December 31, 2015. The 2013 Legislature provided resources for the installation of additional stream gages, which has been continued in the Department's base budget. The Department faces challenges in ensuring that it has a sufficient number of hydrographers and hydrographic technicians to provide quality assurance of the data and maintain the gage network.

# BUDGET NARRATIVE

KPM #5 ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources.  
 Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
<b>Percent Change from 2001 in Number of Wells Routinely Monitored to Assess Groundwater Resources</b>					
Actual	4%	4%	5%	8%	8%
Target	0%	4%	7%	7%	7%

### How Are We Doing

During the 2016 reporting cycle (July 1 2015 to June 30, 2016), WRD staff routinely monitored 378 wells in the State Observation Well Network, compared to 350 in 2001 and 378 in 2014. This is an increase of 8 percent over 2001. WRD installed 13 dedicated observation wells in the 2013-2015 biennium, offsetting the loss of the same number of privately owned wells from the network due to lack of access, change of wellhead configuration, or change in well use.

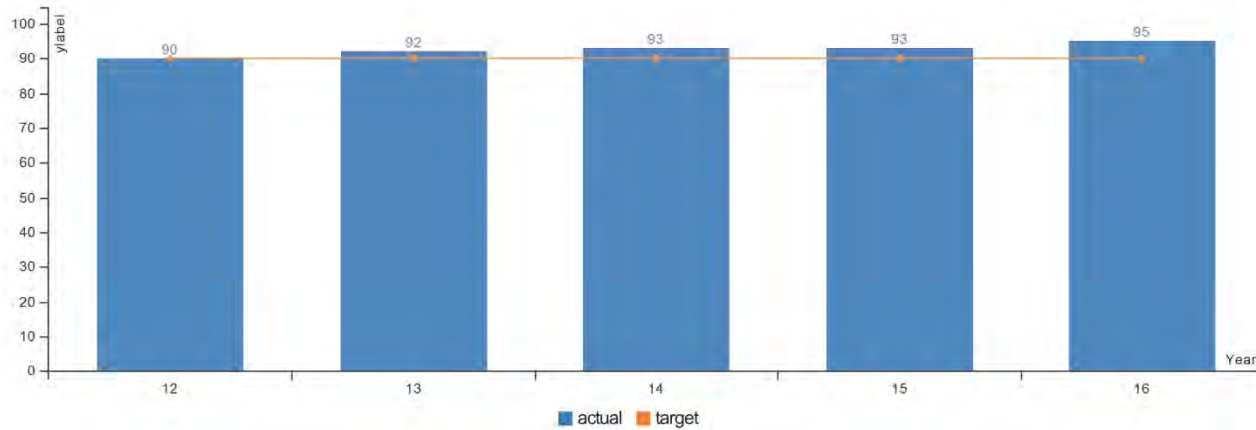
### Factors Affecting Results

Since 2013, the Legislature has included funding for dedicated observation wells in the Department's budget. With the exception of the 13 new observation wells drilled by the Department, the state observation wells monitored by the Department are privately owned. Long-term access to wells is commonly an issue, as the Department must rely on well owners for access to the wells. As property changes hands, some owners discontinue their participation in the network, or wells fall into disrepair. In some cases, the Department tries to find or drill a suitable replacement wells in the same general area. As a result, the number and location of state observation wells varies somewhat from year-to-year. Continuing to expand the network of dedicated observation wells drilled and owned by the State of Oregon will help ensure continued access to groundwater level data. The Department expects to continue to make gains in this metric of current service level funding continues to support the installation of observation wells.



# BUDGET NARRATIVE

KPM #6	EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet.
	Data Collection Period: Jan 01 - Dec 31



Report Year	2012	2013	2014	2015	2016
<b>Percent of Water Management-Related Datasets Available to Public on the Internet</b>					
Actual	90%	92%	93%	93%	95%
Target	90%	90%	90%	90%	90%

### How Are We Doing

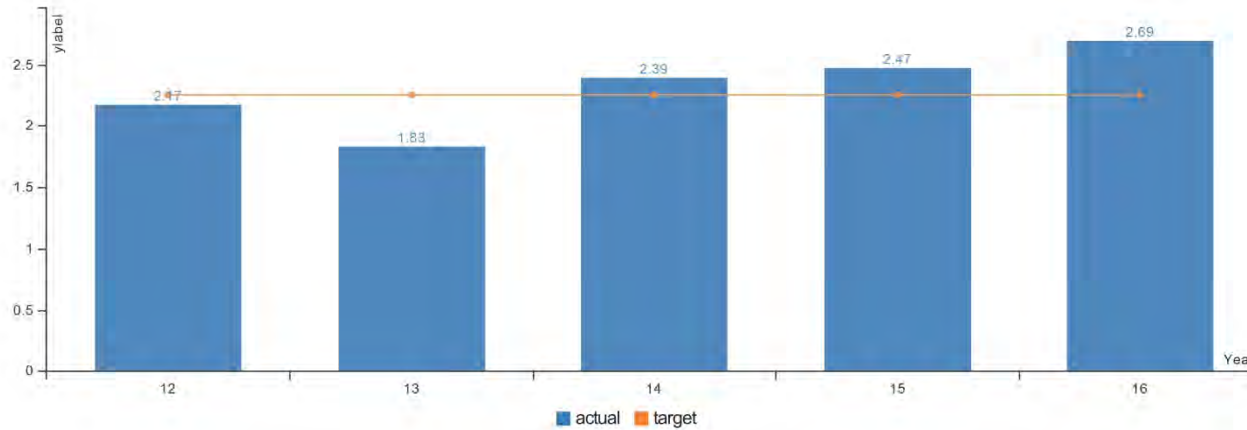
For the 2016 reporting period, the agency made 95% of the datasets it is tracking for the KPM available online. This year the agency completed the "Stream Routing of Water Right Data" project which provides the ability for the public to view and analyze water rights based upon their location along the stream. The agency continues to implement projects that increase the scope of datasets available to the public on the internet.

### Factors Affecting Results

The initial set of datasets to be made available that are part of the KPM goal are nearly complete; therefore, this KPM may need to be revisited in future years. Revising the KPM to include new datasets may require revisions to the targets.

# BUDGET NARRATIVE

KPM #7 EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's Internet site.  
 Data Collection Period: Jul 01 - Jul 01



Report Year	2012	2013	2014	2015	2016
<b>Number of Times Water Management-Related Data Were Accessed Through the Internet (in millions)</b>					
Actual	2.17	1.83	2.39	2.47	2.69
Target	2.25	2.25	2.25	2.25	2.25

### How Are We Doing

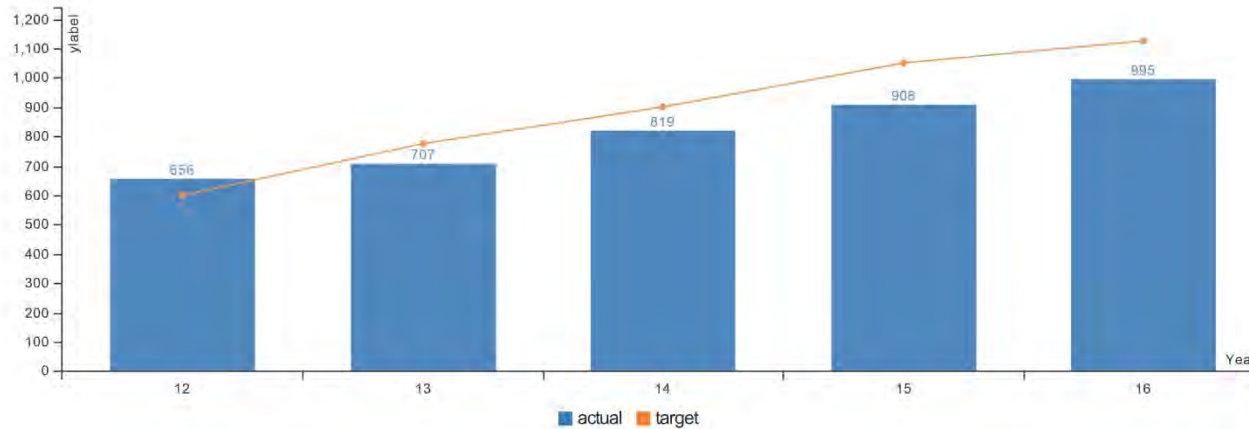
We continue to gradually increase market penetration with the applications selected for monitoring. There have been a number of new web applications that have been released, but are not monitored in this KPM to ensure continuity and parity with historical information.

### Factors Affecting Results

The Department collects information from computer system logs to determine the number of "hits" received on our web page. This includes well log transactions, hydrographic records, water availability, water rights, and the document vault. Every attempt is made to identify and count each unique transaction; for example, web bot hits and page navigation hits are removed.

# BUDGET NARRATIVE

KPM #8 NUMBER OF SIGNIFICANT DIVERSIONS WITH MEASUREMENT DEVICES INSTALLED - To fully implement the Water Resources Commission's 2000 Water Measurement Strategy  
Data Collection Period: Jan 01 - Dec 31



Report Year	2012	2013	2014	2015	2016
<b>Number of Significant Diversions with Measurement Devices Installed</b>					
Actual	656	707	819	908	995
Target	600	775	900	1,050	1,125

### How Are We Doing

Staff efforts, underway since 2000, have resulted in 995 measuring devices installed by end of calendar year 2015 (report year 2016 above), which includes 69 devices installed or confirmed installed. In addition to the measurement devices installed on significant diversions, staff have field checked and confirmed another 654 significant diversions that are either abandoned or are currently not in use. This number will change with time, because a water user may go several years without using water and then irrigate for a season to preserve the water right. To do so will require the installation of a measuring device. When this happens, this significant diversion will move from the "not in use" category to the "devices installed" category. Using the 654 as an estimate, approximately 736 of the original 2,385 significant diversions still need measurement devices installed.

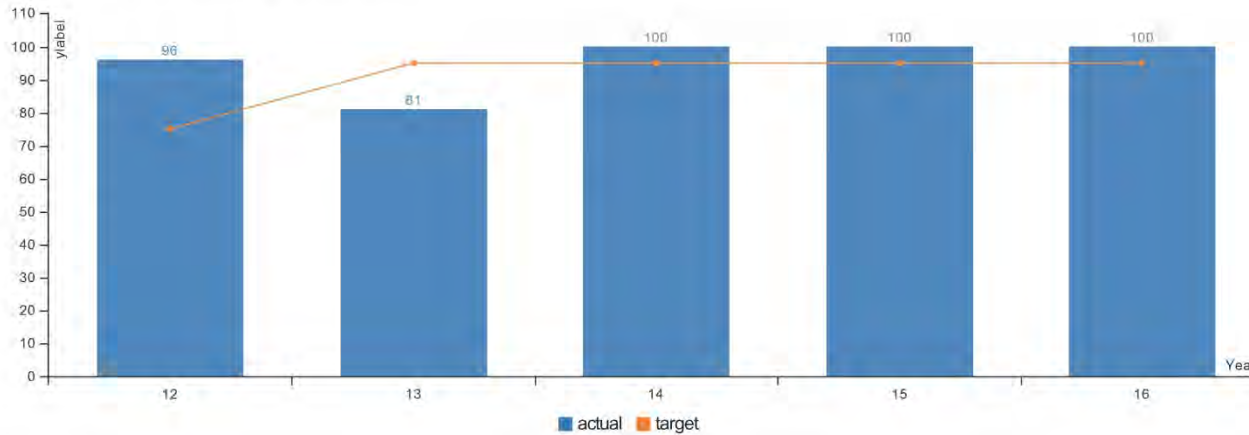
### Factors Affecting Results

The 2016 reporting cycle includes progress through calendar year 2015. Many water users have balked at the direction to install measurement devices, citing an average cost of \$1,000 per device. The legislature provides a cost-share fund to facilitate installation of devices through a dollar match program, which facilitates progress on this KPM. Installation of measuring devices typically occurs before or after the irrigation season. The Water Resources Commission and Department are committed to this Water Management Strategy, and have spent considerable time and effort developing an inventory of significant points of diversion and an outreach plan. Significant outreach and education is needed to help bring the landowner into compliance with measuring device installation. Success with measuring device installation is directly related to time spent by Department field staff, primarily watermasters and assistant watermaster, working with landowners.



# BUDGET NARRATIVE

KPM #9	PROMOTE EFFICIENCY IN WATER MANAGEMENT AND CONSERVATION PLAN REVIEWS - Percent of water management and conservation plans that received a preliminary review within 90 days of plan submittal.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
<b>Percent of Water Management and Conservation Plans That Received a Review within 90 Days of Submittal</b>					
Actual	96%	81%	100%	100%	100%
Target	75%	95%	95%	95%	95%

### How Are We Doing

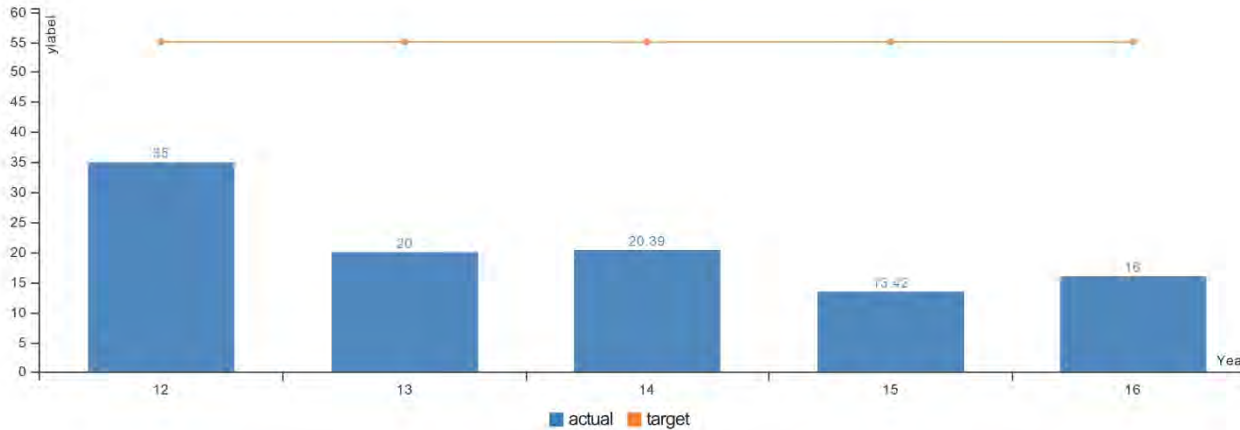
For water management and conservation plans received by the Department with target dates for preliminary review between July 2015 and June 2016, 100 percent of the plans were reviewed within the 90-day goal. This is a continuation of the accomplishments achieved since 2014 when staff first reached 100 percent with the KPM. Water management and conservation plan updates from the municipalities continue to improve in quality, and are demonstrating increased efficiencies in managing water, preparing for emergencies (curtailment plans), and planning for long-term water supply consistent with their comprehensive plans.

### Factors Affecting Results

Outreach to municipalities and others has significantly helped the Department meet its performance goals for this program. The continued high performance is a result of having 2.0 FTE assigned to review the plans. In FY 2013, only 1.0 FTE was assigned to review plans. In the past decade, the state has worked with key partners to publish guides, provide tools, and offer educational presentations to aid in the preparation of water management and conservation plans. Since 2008, the Department has collaborated with the League of Oregon Cities on a recurring feature called "The Conservation Corner" for the League's newsletter, which highlight outstanding conservation and management activities by Oregon cities. The Department also maintains a section on its website called Conservation Share-House, designed for the water suppliers to "share" their conservation and outreach materials with municipal counterparts around the state. In March 2015, the Department released an update of the Municipal Water Management and Conservation Plan Guidebook that provides better direction and guidance on elements that are consistently problematic or deficient in submitted plans. The Department hopes to update the 2011 Agricultural Guidebook in the future, as resources allow. The guides, model plans and outreach materials are available on the Department website.

# BUDGET NARRATIVE

KPM #10 PROMOTE EFFICIENCY IN WATER RIGHT APPLICATION PROCESSING - Percent of water right applications that receive an initial review within 45 days of application filing.  
Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
<b>Percent of Water Right Applications That Receive an Initial Review within 45 Days of Application Filing</b>					
Actual	35%	20%	20.39%	13.42%	16%
Target	55%	55%	55%	55%	55%

## How Are We Doing

The overall percentage improved from 13% to 16% during 2015-16. Since 2007, the Department has implemented streamlined procedures that have improved this metric; however, as discussed further in the section below, it remains a challenge for the Department to complete groundwater reviews within the 45-day timeline. Groundwater applications accounted for 86 percent of initial reviews; initial reviews of groundwater applications completed within 45 days varied from 3% in 2012-13 to 9% in 2015-16. The percentage for storage- and surface- water applications has increased from a low of 10 percent in 2008, to 43 percent in 2014-15, and up to 61% in 2015-16.

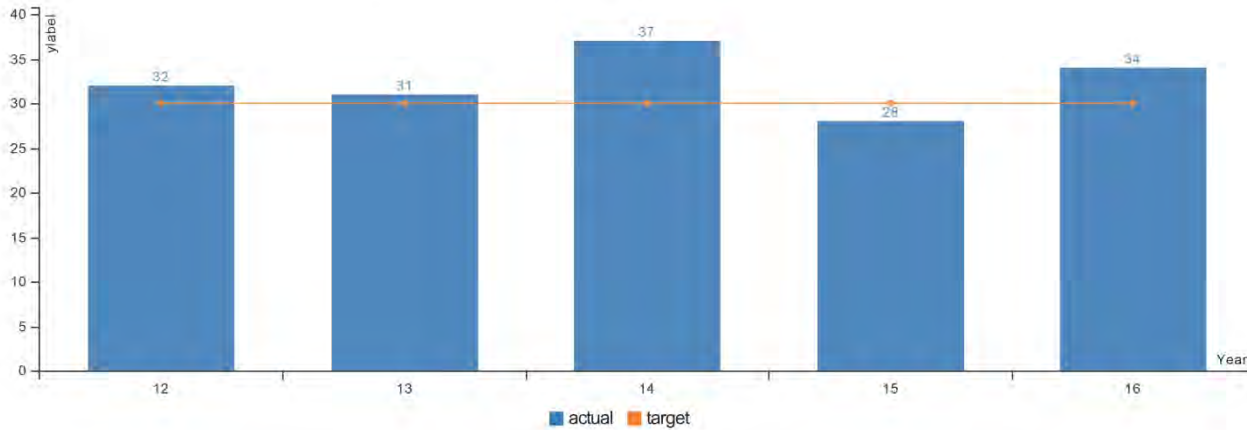
## Factors Affecting Results

**Storage and Surface Water Applications:** During the prior reporting period, the Department had experienced high-staff turnover due to promotions and retirements in this program area, leading to high-learning curves and slower-processing of applications. The processing times for storage and surface water applications improved during the reporting period with lower staff turnover in this relatively small group. In addition, the stable program budget has allowed the Department to retain caseworkers.

**Groundwater Applications,** which represented 86 percent of all initial reviews in the reporting period, require a staff intensive review to determine if the proposed well will have an adverse impact to surface water. Fluctuations in the KPM for groundwater applications largely reflect variation in the demands on the Groundwater Section by a multitude of factors, including 1) persistent drought (increased requests for drought permits and increased well-to-well interference complaints), 2) staff turnover, 3) involvement in legal challenges, 3) steadily increasing complexity of permit reviews, and 4) a greater number of applications submitted, and 5) a number of special projects (Mosier Well Repair Program, Harney Basin Study, and Klamath Regulation).

# BUDGET NARRATIVE

KPM #11 PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Percent of transfer final orders issued within 120 days of application filing.  
 Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
<b>Percent of Transfer Final Orders Issued within 120 Days of Filing</b>					
Actual	32%	31%	37%	28%	34%
Target	30%	30%	30%	30%	30%

### How Are We Doing

The Department has had a large, but generally shrinking backlog of transfer applications, dating as far back as 1993. A focus on reducing the number of pending applications (297 as of June 30, 2016) has helped to make progress on this KPM. Our goal is to reduce the number of pending applications to less than 200, at which point staff will be able to take on processing of new applications as soon as they are filed. It is important to note that the number of transfer applications filed increased 33 percent from FY2015 to FY2016.

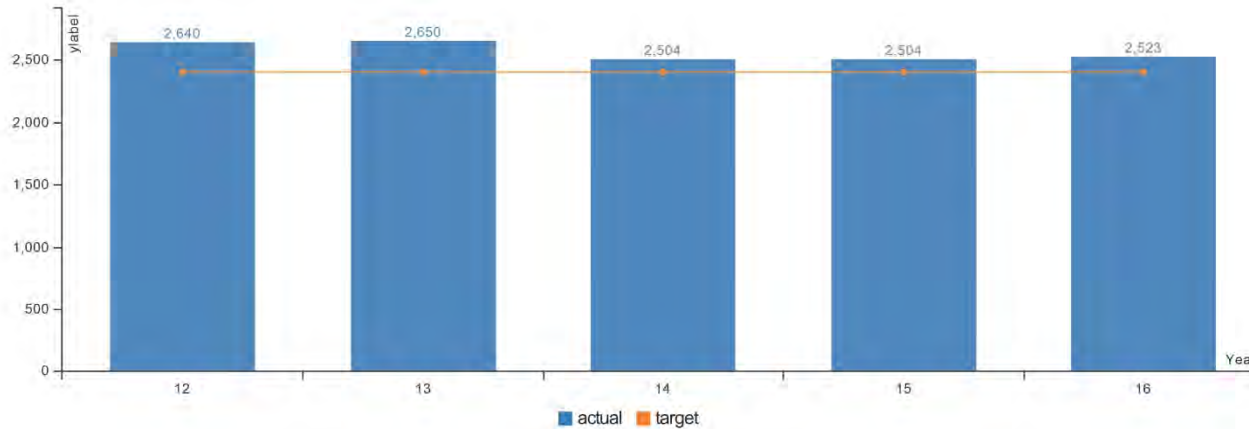
### Factors Affecting Results

During the 1990s, the Department developed a significant backlog of pending transfer applications (reaching a high of 760), partly due to the number of incomplete and incorrect applications that were filed. During that time period, the Department focused efforts on reviewing the more straightforward applications, with the more complex transfers falling behind. This caused the average time from receipt of an application to issuance of the final order to increase. In 2009-2010, the Department analyzed the causes of delay in processing, and as a result, streamlined the work process and re-designed the application forms to make the forms more user-friendly. This has resulted in fewer application deficiencies, which increases the chances that a new application can be processed within 120 days once a staff person begins the review. Staff are now processing as many new applications as possible within 120 days, while at the same time continuing to finish processing the older applications. As backlog is reduced, the percentage of final orders that can be issued within 120 days of filing will increase.



# BUDGET NARRATIVE

KPM #12 PROMOTE EFFICIENCY IN FIELD STAFF REGULATORY ACTIVITIES - Number of places where water is legally taken out of stream and used (points of diversion) per FTE of field staff.  
Data Collection Period: Oct 01 - Sep 30



Report Year	2012	2013	2014	2015	2016
<b>Points of Diversion per FTE of Field Staff</b>					
Actual	2,640	2,650	2,504	2,504	2,523
Target	2,400	2,400	2,400	2,400	2,400

## How Are We Doing

The performance target is to **reduce** the number of points of diversion (PODs; both surface water and groundwater) administered by each field staff person in order to effectively manage the state's water resources. The target is 2,400 PODs per FTE of field staff. As new water rights are issued, the number of PODs per each field staff person will increase if staff resources are static. Additional water rights were issued in 2015 that added 533 PODs, while field staff numbers remained static, increasing the number of PODs to 2,523 per field staff person.

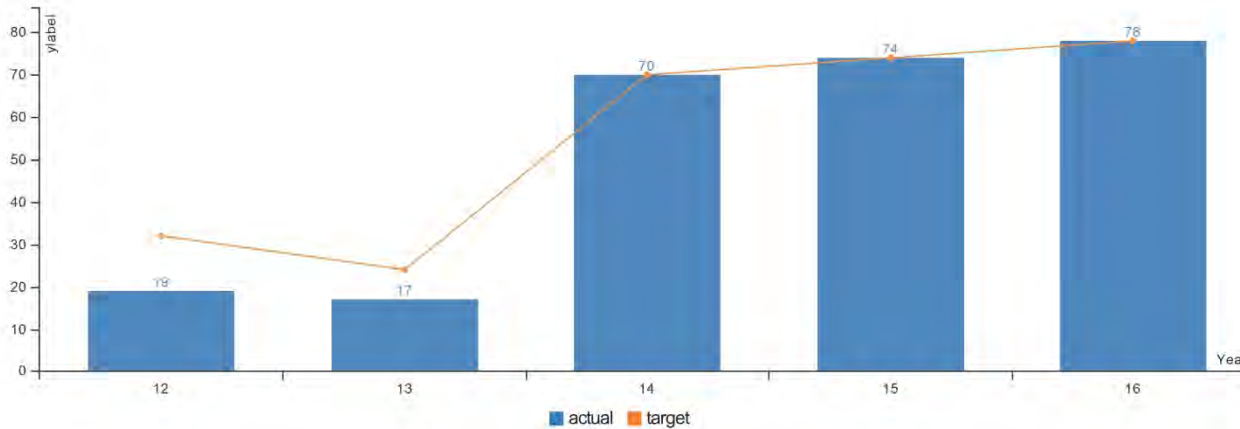
## Factors Affecting Results

The number of water rights administered per FTE increases when new water rights are issued, or in some instances, when water right transfers are completed. These increases drive up the number of PODs associated with each field staff FTE. Conversely, if additional staffing capacity is added, the much needed field resources help lower this ratio. The reporting cycle is the water year (October 1 to September 30).

# BUDGET NARRATIVE

KPM #13 INCREASE WATER USE REPORTING - the percent of water users with an annual water-use reporting requirement that have submitted their reports to the Department.

Data Collection Period: Oct 01 - Sep 30



Report Year	2012	2013	2014	2015	2016
<b>Percent of water users with an annual water-use reporting requirement that have submitted reports to the Dept.</b>					
Actual	19%	17%	70%	74%	78%
Target	32%	24%	70%	74%	78%

### How Are We Doing

Since reestablishment of the Water Use Reporting Coordinator in 2013, the percent of water users submitting water-use reports as required has continued to increase, achieving 78 percent compliance in the 2016 reporting period and meeting the target.

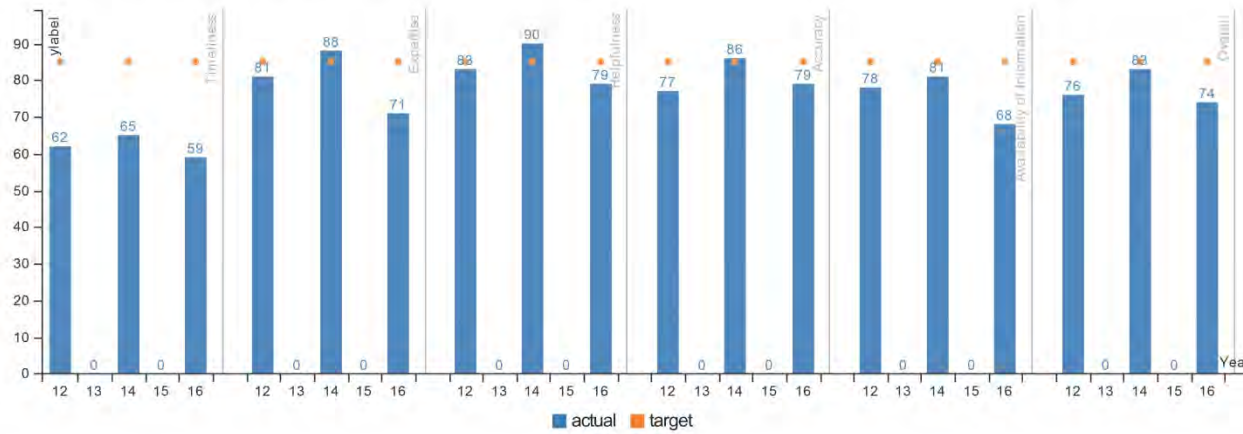
### Factors Affecting Results

The 2016 reporting period contains results from the water year (October 2014 - September 2015) with reports due to the Department by the end of the 2015 calendar year. Success on this metric is directly tied to the Water Use Reporting Coordinator. During 2007, the Department had no Water Use Reporting Coordinator because of budget constraints, and received 20 percent of the required reports. In 2008, the Program Coordinator position was re-authorized and raised reporting results to 65 percent. In the 2009-11 Budget, the Water Use Reporting Coordinator position was again eliminated. The percent of reports received subsequently ranged from 17 to 27 percent during the 2009-2012 water years. Re-establishing the position in 2013 has allowed customers to receive reminders, technical assistance, and prompt customer service responses, which has again driven up the rate of compliance. Upgrades continue to be made to the online reporting program, which helps customers who are trying to submit and/or use the data and may help the Department achieve additional increases in compliance.

# BUDGET NARRATIVE

KPM #14 CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
<b>Timeliness</b>					
Actual	62%	No Data	65%	No Data	59%
Target	85%	TBD	85%	TBD	85%
<b>Expertise</b>					
Actual	81%	No Data	88%	No Data	71%
Target	85%	TBD	85%	TBD	85%
<b>Helpfulness</b>					
Actual	83%	No Data	90%	No Data	79%
Target	85%	TBD	85%	TBD	85%
<b>Accuracy</b>					
Actual	77%	No Data	86%	No Data	79%
Target	85%	TBD	85%	TBD	85%
<b>Availability of Information</b>					
Actual	78%	No Data	81%	No Data	68%
Target	85%	TBD	85%	TBD	85%
<b>Overall</b>					
Actual	76%	No Data	83%	No Data	74%
Target	85%	TBD	85%	TBD	85%

How Are We Doing

# BUDGET NARRATIVE

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The Department saw declines across all categories, ranging from a decline of 6 percent for timeliness to a decline of 17 percent for expertise. Timeliness continues to be the Department's greatest challenge with 59 percent of customers rating their satisfaction as good or excellent. Expertise at 71 percent and availability of information at 68 percent were the next lowest categories. As seen in previous years, helpfulness ranked highest at 79 percent, demonstrating that staff continue to provide professional service and exhibit a desire to assist the public. Accuracy was also tied with helpfulness for the highest score, despite expertise declining significantly. On overall performance, 74 percent of those surveyed ranked the overall service provided by the Department as good or excellent.

## **Factors Affecting Results**

The Department experienced challenges obtaining responses to the survey: 333 emailed surveys were sent and 300 phone calls were made, but only 119 survey responses were obtained. Many individuals did not open the emailed survey, while it was difficult to obtain a response to phone calls. The Department would like to look at other options for conducting the survey in the future to improve response rates and obtain feedback more timely. In regards to the results, the Department believes that turnover in the Water Right Services Division may have contributed to declines across all indicators, as it took time to train new staff, while other experienced staff shifted from positions. This is supported by the greatest decrease occurring in the expertise category. As caseworkers change, customers may be unaware of the changes. The Department was surprised to see a significant decline in the ranking of the availability of information, since the availability of information has continued to increase, not decrease. The Department prides itself in being responsive to the public and customer's needs; therefore, the Department will be evaluating and implementing actions to improve customer service. In addition to reviewing the survey methodology, based on the limited narrative feedback received from respondents, the Department should also consider: (1) implementing further actions to ensure applicants understand how long the processing may take and why, (2) develop information to provide a simplified explanation of the various complex water rights processes to help applicants better understand the process, (3) implement further actions to allow the applicant to better understand where their application is in the process, and (4) identify methods to address applications that are taking longer than usual and not making progress.

# BUDGET NARRATIVE

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# BUDGET NARRATIVE

## Water Resources Dept

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 69000  
BAM Analyst: Connolly, Cathy  
Budget Coordinator: Snyder, Lisa - (503)986-0921

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-01-00-00000	Administrative Services	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-01-00-00000	Administrative Services	021	0	Phase - In	Essential Packages
010-01-00-00000	Administrative Services	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-01-00-00000	Administrative Services	031	0	Standard Inflation	Essential Packages
010-01-00-00000	Administrative Services	032	0	Above Standard Inflation	Essential Packages
010-01-00-00000	Administrative Services	060	0	Technical Adjustments	Essential Packages
010-01-00-00000	Administrative Services	070	0	Revenue Shortfalls	Policy Packages
010-01-00-00000	Administrative Services	080	0	May 2016 E-Board	Policy Packages
010-01-00-00000	Administrative Services	081	0	September 2016 Emergency Board	Policy Packages
010-01-00-00000	Administrative Services	090	0	Analyst Adjustments	Policy Packages
010-01-00-00000	Administrative Services	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-01-00-00000	Administrative Services	092	0	Statewide AG Adjustment	Policy Packages
010-01-00-00000	Administrative Services	100	0	Water Rights Fee Increase and Add-Back Package	Policy Packages
010-01-00-00000	Administrative Services	101	0	Understanding our Water Resources: Groundwater Basin	Policy Packages
010-01-00-00000	Administrative Services	102	0	Protecting the Public and Water Supplies	Policy Packages
010-01-00-00000	Administrative Services	103	0	Protecting Groundwater Resources: Well Construction	Policy Packages
010-01-00-00000	Administrative Services	104	0	Helping Communities Plan for Water Needs through Place	Policy Packages
010-01-00-00000	Administrative Services	105	0	Responsible Water Management and Distribution	Policy Packages
010-01-00-00000	Administrative Services	106	0	Web Information Coordinator for Information Sharing	Policy Packages
010-01-00-00000	Administrative Services	107	0	Umatilla Field Presence	Policy Packages
010-01-00-00000	Administrative Services	108	0	Supporting Key Water Resources Data Functions and Too	Policy Packages
010-01-00-00000	Administrative Services	109	0	Grants to Evaluate the Feasibility of Potential Water Proje	Policy Packages

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Summary Cross Reference Listing and Packages  
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# BUDGET NARRATIVE

## Water Resources Dept

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2017-19 Biennium

Agency Number: 69000  
BAM Analyst: Connolly, Cathy  
Budget Coordinator: Snyder, Lisa - (503)986-0921

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-01-00-00000	Administrative Services	110	0	Grants and Loans to Implement Water Projects	Policy Packages
010-01-00-00000	Administrative Services	111	0	Water Right Special Projects and Klamath Transactions	Policy Packages
010-01-00-00000	Administrative Services	112	0	Resolution of Complex Water Issues - Placeholder	Policy Packages
010-01-00-00000	Administrative Services	113	0	Klamath Basin Funding	Policy Packages
010-01-00-00000	Administrative Services	114	0	Attorney General Costs	Policy Packages
010-03-00-00000	Field Services	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-03-00-00000	Field Services	021	0	Phase - In	Essential Packages
010-03-00-00000	Field Services	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-03-00-00000	Field Services	031	0	Standard Inflation	Essential Packages
010-03-00-00000	Field Services	032	0	Above Standard Inflation	Essential Packages
010-03-00-00000	Field Services	060	0	Technical Adjustments	Essential Packages
010-03-00-00000	Field Services	070	0	Revenue Shortfalls	Policy Packages
010-03-00-00000	Field Services	080	0	May 2016 E-Board	Policy Packages
010-03-00-00000	Field Services	081	0	September 2016 Emergency Board	Policy Packages
010-03-00-00000	Field Services	090	0	Analyst Adjustments	Policy Packages
010-03-00-00000	Field Services	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-03-00-00000	Field Services	092	0	Statewide AG Adjustment	Policy Packages
010-03-00-00000	Field Services	100	0	Water Rights Fee Increase and Add-Back Package	Policy Packages
010-03-00-00000	Field Services	101	0	Understanding our Water Resources: Groundwater Basin	Policy Packages
010-03-00-00000	Field Services	102	0	Protecting the Public and Water Supplies	Policy Packages
010-03-00-00000	Field Services	103	0	Protecting Groundwater Resources: Well Construction	Policy Packages
010-03-00-00000	Field Services	104	0	Helping Communities Plan for Water Needs through Place	Policy Packages

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Summary Cross Reference Listing and Packages  
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010-03-00-00000	Field Services	105	0	Responsible Water Management and Distribution	Policy Packages
010-03-00-00000	Field Services	106	0	Web Information Coordinator for Information Sharing	Policy Packages
010-03-00-00000	Field Services	107	0	Umatilla Field Presence	Policy Packages
010-03-00-00000	Field Services	108	0	Supporting Key Water Resources Data Functions and Too	Policy Packages
010-03-00-00000	Field Services	109	0	Grants to Evaluate the Feasibility of Potential Water Projec	Policy Packages
010-03-00-00000	Field Services	110	0	Grants and Loans to Implement Water Projects	Policy Packages
010-03-00-00000	Field Services	111	0	Water Right Special Projects and Klamath Transactions	Policy Packages
010-03-00-00000	Field Services	112	0	Resolution of Complex Water Issues - Placeholder	Policy Packages
010-03-00-00000	Field Services	113	0	Klamath Basin Funding	Policy Packages
010-03-00-00000	Field Services	114	0	Attorney General Costs	Policy Packages
010-04-00-00000	Technical Services	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-04-00-00000	Technical Services	021	0	Phase - In	Essential Packages
010-04-00-00000	Technical Services	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-04-00-00000	Technical Services	031	0	Standard Inflation	Essential Packages
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010-04-00-00000	Technical Services	090	0	Analyst Adjustments	Policy Packages
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010-04-00-00000	Technical Services	092	0	Statewide AG Adjustment	Policy Packages

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Summary Cross Reference Listing and Packages  
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010-04-00-00000	Technical Services	101	0	Understanding our Water Resources: Groundwater Basin	Policy Packages
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010-04-00-00000	Technical Services	113	0	Klamath Basin Funding	Policy Packages
010-04-00-00000	Technical Services	114	0	Attorney General Costs	Policy Packages
010-06-00-00000	Water Rights and Adjudications	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-06-00-00000	Water Rights and Adjudications	021	0	Phase - In	Essential Packages
010-06-00-00000	Water Rights and Adjudications	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-06-00-00000	Water Rights and Adjudications	031	0	Standard Inflation	Essential Packages
010-06-00-00000	Water Rights and Adjudications	032	0	Above Standard Inflation	Essential Packages
010-06-00-00000	Water Rights and Adjudications	060	0	Technical Adjustments	Essential Packages
010-06-00-00000	Water Rights and Adjudications	070	0	Revenue Shortfalls	Policy Packages

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Summary Cross Reference Listing and Packages  
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# BUDGET NARRATIVE

## Water Resources Dept

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 69000  
BAM Analyst: Connolly, Cathy  
Budget Coordinator: Snyder, Lisa - (503)986-0921

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-06-00-00000	Water Rights and Adjudications	080	0	May 2016 E-Board	Policy Packages
010-06-00-00000	Water Rights and Adjudications	081	0	September 2016 Emergency Board	Policy Packages
010-06-00-00000	Water Rights and Adjudications	090	0	Analyst Adjustments	Policy Packages
010-06-00-00000	Water Rights and Adjudications	091	0	Statewide Adjustment DAS Chgs.	Policy Packages
010-06-00-00000	Water Rights and Adjudications	092	0	Statewide AG Adjustment	Policy Packages
010-06-00-00000	Water Rights and Adjudications	100	0	Water Rights Fee Increase and Add-Back Package	Policy Packages
010-06-00-00000	Water Rights and Adjudications	101	0	Understanding our Water Resources: Groundwater Basin	Policy Packages
010-06-00-00000	Water Rights and Adjudications	102	0	Protecting the Public and Water Supplies	Policy Packages
010-06-00-00000	Water Rights and Adjudications	103	0	Protecting Groundwater Resources: Well Construction	Policy Packages
010-06-00-00000	Water Rights and Adjudications	104	0	Helping Communities Plan for Water Needs through Place	Policy Packages
010-06-00-00000	Water Rights and Adjudications	105	0	Responsible Water Management and Distribution	Policy Packages
010-06-00-00000	Water Rights and Adjudications	106	0	Web Information Coordinator for Information Sharing	Policy Packages
010-06-00-00000	Water Rights and Adjudications	107	0	Umatilla Field Presence	Policy Packages
010-06-00-00000	Water Rights and Adjudications	108	0	Supporting Key Water Resources Data Functions and Too	Policy Packages
010-06-00-00000	Water Rights and Adjudications	109	0	Grants to Evaluate the Feasibility of Potential Water Proje	Policy Packages
010-06-00-00000	Water Rights and Adjudications	110	0	Grants and Loans to Implement Water Projects	Policy Packages
010-06-00-00000	Water Rights and Adjudications	111	0	Water Right Special Projects and Klamath Transactions	Policy Packages
010-06-00-00000	Water Rights and Adjudications	112	0	Resolution of Complex Water Issues - Placeholder	Policy Packages
010-06-00-00000	Water Rights and Adjudications	113	0	Klamath Basin Funding	Policy Packages
010-06-00-00000	Water Rights and Adjudications	114	0	Attorney General Costs	Policy Packages
010-07-00-00000	Director's Office	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-07-00-00000	Director's Office	021	0	Phase - In	Essential Packages

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Summary Cross Reference Listing and Packages  
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# BUDGET NARRATIVE

## Water Resources Dept

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 69000  
BAM Analyst: Connolly, Cathy  
Budget Coordinator: Snyder, Lisa - (503)986-0921

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-07-00-00000	Director's Office	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-07-00-00000	Director's Office	031	0	Standard Inflation	Essential Packages
010-07-00-00000	Director's Office	032	0	Above Standard Inflation	Essential Packages
010-07-00-00000	Director's Office	060	0	Technical Adjustments	Essential Packages
010-07-00-00000	Director's Office	070	0	Revenue Shortfalls	Policy Packages
010-07-00-00000	Director's Office	080	0	May 2016 E-Board	Policy Packages
010-07-00-00000	Director's Office	081	0	September 2016 Emergency Board	Policy Packages
010-07-00-00000	Director's Office	090	0	Analyst Adjustments	Policy Packages
010-07-00-00000	Director's Office	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-07-00-00000	Director's Office	092	0	Statewide AG Adjustment	Policy Packages
010-07-00-00000	Director's Office	100	0	Water Rights Fee Increase and Add-Back Package	Policy Packages
010-07-00-00000	Director's Office	101	0	Understanding our Water Resources: Groundwater Basin	Policy Packages
010-07-00-00000	Director's Office	102	0	Protecting the Public and Water Supplies	Policy Packages
010-07-00-00000	Director's Office	103	0	Protecting Groundwater Resources: Well Construction	Policy Packages
010-07-00-00000	Director's Office	104	0	Helping Communities Plan for Water Needs through Place	Policy Packages
010-07-00-00000	Director's Office	105	0	Responsible Water Management and Distribution	Policy Packages
010-07-00-00000	Director's Office	106	0	Web Information Coordinator for Information Sharing	Policy Packages
010-07-00-00000	Director's Office	107	0	Umatilla Field Presence	Policy Packages
010-07-00-00000	Director's Office	108	0	Supporting Key Water Resources Data Functions and Too	Policy Packages
010-07-00-00000	Director's Office	109	0	Grants to Evaluate the Feasibility of Potential Water Proje	Policy Packages
010-07-00-00000	Director's Office	110	0	Grants and Loans to Implement Water Projects	Policy Packages
010-07-00-00000	Director's Office	111	0	Water Right Special Projects and Klamath Transactions	Policy Packages

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Summary Cross Reference Listing and Packages  
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# BUDGET NARRATIVE

## Water Resources Dept

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 69000  
BAM Analyst: Connolly, Cathy  
Budget Coordinator: Snyder, Lisa - (503)986-0921

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-07-00-00000	Director's Office	112	0	Resolution of Complex Water Issues - Placeholder	Policy Packages
010-07-00-00000	Director's Office	113	0	Klamath Basin Funding	Policy Packages
010-07-00-00000	Director's Office	114	0	Attorney General Costs	Policy Packages
020-00-00-00000	Water Development Loan Program	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
020-00-00-00000	Water Development Loan Program	021	0	Phase - In	Essential Packages
020-00-00-00000	Water Development Loan Program	022	0	Phase-out Pgm & One-time Costs	Essential Packages
020-00-00-00000	Water Development Loan Program	031	0	Standard Inflation	Essential Packages
020-00-00-00000	Water Development Loan Program	032	0	Above Standard Inflation	Essential Packages
020-00-00-00000	Water Development Loan Program	060	0	Technical Adjustments	Essential Packages
020-00-00-00000	Water Development Loan Program	070	0	Revenue Shortfalls	Policy Packages
020-00-00-00000	Water Development Loan Program	080	0	May 2016 E-Board	Policy Packages
020-00-00-00000	Water Development Loan Program	081	0	September 2016 Emergency Board	Policy Packages
020-00-00-00000	Water Development Loan Program	090	0	Analyst Adjustments	Policy Packages
020-00-00-00000	Water Development Loan Program	091	0	Statewide Adjustment DAS Chgs	Policy Packages
020-00-00-00000	Water Development Loan Program	092	0	Statewide AG Adjustment	Policy Packages
020-00-00-00000	Water Development Loan Program	100	0	Water Rights Fee Increase and Add-Back Package	Policy Packages
020-00-00-00000	Water Development Loan Program	101	0	Understanding our Water Resources: Groundwater Basin	Policy Packages
020-00-00-00000	Water Development Loan Program	102	0	Protecting the Public and Water Supplies	Policy Packages
020-00-00-00000	Water Development Loan Program	103	0	Protecting Groundwater Resources: Well Construction	Policy Packages
020-00-00-00000	Water Development Loan Program	104	0	Helping Communities Plan for Water Needs through Place	Policy Packages
020-00-00-00000	Water Development Loan Program	105	0	Responsible Water Management and Distribution	Policy Packages
020-00-00-00000	Water Development Loan Program	106	0	Web Information Coordinator for Information Sharing	Policy Packages

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Summary Cross Reference Listing and Packages  
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# BUDGET NARRATIVE

## Water Resources Dept

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 69000  
BAM Analyst: Connolly, Cathy  
Budget Coordinator: Snyder, Lisa - (503)986-0921

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
020-00-00-00000	Water Development Loan Program	107	0	Umatilla Field Presence	Policy Packages
020-00-00-00000	Water Development Loan Program	108	0	Supporting Key Water Resources Data Functions and Too	Policy Packages
020-00-00-00000	Water Development Loan Program	109	0	Grants to Evaluate the Feasibility of Potential Water Projec	Policy Packages
020-00-00-00000	Water Development Loan Program	110	0	Grants and Loans to Implement Water Projects	Policy Packages
020-00-00-00000	Water Development Loan Program	111	0	Water Right Special Projects and Klamath Transactions	Policy Packages
020-00-00-00000	Water Development Loan Program	112	0	Resolution of Complex Water Issues - Placeholder	Policy Packages
020-00-00-00000	Water Development Loan Program	113	0	Klamath Basin Funding	Policy Packages
020-00-00-00000	Water Development Loan Program	114	0	Attorney General Costs	Policy Packages
089-00-00-00000	Capital Construction	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
089-00-00-00000	Capital Construction	021	0	Phase - In	Essential Packages
089-00-00-00000	Capital Construction	022	0	Phase-out Pgm & One-time Costs	Essential Packages
089-00-00-00000	Capital Construction	031	0	Standard Inflation	Essential Packages
089-00-00-00000	Capital Construction	032	0	Above Standard Inflation	Essential Packages
089-00-00-00000	Capital Construction	060	0	Technical Adjustments	Essential Packages
089-00-00-00000	Capital Construction	070	0	Revenue Shortfalls	Policy Packages
089-00-00-00000	Capital Construction	080	0	May 2016 E-Board	Policy Packages
089-00-00-00000	Capital Construction	081	0	September 2016 Emergency Board	Policy Packages
089-00-00-00000	Capital Construction	090	0	Analyst Adjustments	Policy Packages
089-00-00-00000	Capital Construction	091	0	Statewide Adjustment DAS Chgs	Policy Packages
089-00-00-00000	Capital Construction	092	0	Statewide AG Adjustment	Policy Packages
089-00-00-00000	Capital Construction	100	0	Water Rights Fee Increase and Add-Back Package	Policy Packages
089-00-00-00000	Capital Construction	101	0	Understanding our Water Resources: Groundwater Basin	Policy Packages

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Summary Cross Reference Listing and Packages  
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## Water Resources Dept

Summary Cross Reference Listing and Packages  
2017-19 Biennium

Agency Number: 69000  
BAM Analyst: Connolly, Cathy  
Budget Coordinator: Snyder, Lisa - (503)986-0921

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
089-00-00-00000	Capital Construction	102	0	Protecting the Public and Water Supplies	Policy Packages
089-00-00-00000	Capital Construction	103	0	Protecting Groundwater Resources: Well Construction	Policy Packages
089-00-00-00000	Capital Construction	104	0	Helping Communities Plan for Water Needs through Place	Policy Packages
089-00-00-00000	Capital Construction	105	0	Responsible Water Management and Distribution	Policy Packages
089-00-00-00000	Capital Construction	106	0	Web Information Coordinator for Information Sharing	Policy Packages
089-00-00-00000	Capital Construction	107	0	Umatilla Field Presence	Policy Packages
089-00-00-00000	Capital Construction	108	0	Supporting Key Water Resources Data Functions and Too	Policy Packages
089-00-00-00000	Capital Construction	109	0	Grants to Evaluate the Feasibility of Potential Water Projec	Policy Packages
089-00-00-00000	Capital Construction	110	0	Grants and Loans to Implement Water Projects	Policy Packages
089-00-00-00000	Capital Construction	111	0	Water Right Special Projects and Klamath Transactions	Policy Packages
089-00-00-00000	Capital Construction	112	0	Resolution of Complex Water Issues - Placeholder	Policy Packages
089-00-00-00000	Capital Construction	113	0	Klamath Basin Funding	Policy Packages
089-00-00-00000	Capital Construction	114	0	Attorney General Costs	Policy Packages

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Summary Cross Reference Listing and Packages  
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# BUDGET NARRATIVE

## Water Resources Dept

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 69000

BAM Analyst: Connolly, Cathy

Budget Coordinator: Snyder, Lisa - (503)986-0921

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	070	Revenue Shortfalls	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
	020-00-00-00000	Water Development Loan Program		
	089-00-00-00000	Capital Construction		
	080	May 2016 E-Board	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
	020-00-00-00000	Water Development Loan Program		
	089-00-00-00000	Capital Construction		
	081	September 2016 Emergency Board	010-01-00-00000	Administrative Services
010-03-00-00000			Field Services	
010-04-00-00000			Technical Services	
010-06-00-00000			Water Rights and Adjudications	
010-07-00-00000			Director's Office	
020-00-00-00000	Water Development Loan Program			
089-00-00-00000	Capital Construction			
090	Analyst Adjustments	010-01-00-00000	Administrative Services	
		010-03-00-00000	Field Services	

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Policy Package List by Priority  
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# BUDGET NARRATIVE

## Water Resources Dept

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 69000

BAM Analyst: Connolly, Cathy

Budget Coordinator: Snyder, Lisa - (503)986-0921

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	090	Analyst Adjustments	010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	091	Statewide Adjustment DAS Chgs	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	092	Statewide AG Adjustment	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
			010-01-00-00000	Administrative Services
100	Water Rights Fee Increase and Add-Back Pac	010-01-00-00000	Administrative Services	
		010-03-00-00000	Field Services	
		010-04-00-00000	Technical Services	
		010-06-00-00000	Water Rights and Adjudications	
		010-06-00-00000	Water Rights and Adjudications	

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Policy Package List by Priority  
BSU-004A

# BUDGET NARRATIVE

## Water Resources Dept

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 69000

BAM Analyst: Connolly, Cathy

Budget Coordinator: Snyder, Lisa - (503)986-0921

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	100	Water Rights Fee Increase and Add-Back Pac	010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	101	Understanding our Water Resources: Groundw	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
	102	Protecting the Public and Water Supplies	089-00-00-00000	Capital Construction
			010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
103	Protecting Groundwater Resources: Well Cons	020-00-00-00000	Water Development Loan Program	
		089-00-00-00000	Capital Construction	
		010-01-00-00000	Administrative Services	
		010-03-00-00000	Field Services	
		010-04-00-00000	Technical Services	
		010-06-00-00000	Water Rights and Adjudications	
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program

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Policy Package List by Priority  
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# BUDGET NARRATIVE

## Water Resources Dept

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 69000

BAM Analyst: Connolly, Cathy

Budget Coordinator: Snyder, Lisa - (503)986-0921

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	103	Protecting Groundwater Resources: Well Cons	089-00-00-00000	Capital Construction
	104	Helping Communities Plan for Water Needs th	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	105	Responsible Water Management and Distribut	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	106	Web Information Coordinator for Information S	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
020-00-00-00000			Water Development Loan Program	
089-00-00-00000			Capital Construction	
107	Umatilla Field Presence	010-01-00-00000	Administrative Services	

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Policy Package List by Priority  
BSU-004A

# BUDGET NARRATIVE

## Water Resources Dept

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 69000

BAM Analyst: Connolly, Cathy

Budget Coordinator: Snyder, Lisa - (503)986-0921

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	107	Umatilla Field Presence	010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	108	Supporting Key Water Resources Data Functi	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
	109	Grants to Evaluate the Feasibility of Potential \	089-00-00-00000	Capital Construction
			010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
	110	Grants and Loans to Implement Water Project	020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
010-01-00-00000			Administrative Services	
010-03-00-00000			Field Services	
010-04-00-00000			Technical Services	

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Policy Package List by Priority  
BSU-004A

# BUDGET NARRATIVE

## Water Resources Dept

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 69000

BAM Analyst: Connolly, Cathy

Budget Coordinator: Snyder, Lisa - (503)986-0921

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	110	Grants and Loans to Implement Water Project:	010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	111	Water Right Special Projects and Klamath Trai	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
			112	Resolution of Complex Water Issues - Placehc
010-03-00-00000	Field Services			
010-04-00-00000	Technical Services			
010-06-00-00000	Water Rights and Adjudications			
010-07-00-00000	Director's Office			
020-00-00-00000	Water Development Loan Program			
089-00-00-00000	Capital Construction			
113	Klamath Basin Funding	010-01-00-00000		
		010-03-00-00000	Field Services	
		010-04-00-00000	Technical Services	
		010-06-00-00000	Water Rights and Adjudications	
		010-07-00-00000	Director's Office	

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Policy Package List by Priority  
BSU-004A

# BUDGET NARRATIVE

## Water Resources Dept

Policy Package List by Priority  
2017-19 Biennium

Agency Number: 69000

BAM Analyst: Connolly, Cathy

Budget Coordinator: Snyder, Lisa - (503)986-0921

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
□	113	Klamath Basin Funding	020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction
	114	Attorney General Costs	010-01-00-00000	Administrative Services
			010-03-00-00000	Field Services
			010-04-00-00000	Technical Services
			010-06-00-00000	Water Rights and Adjudications
			010-07-00-00000	Director's Office
			020-00-00-00000	Water Development Loan Program
			089-00-00-00000	Capital Construction



# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept**

**Cross Reference Number: 69000-000-00-00-00000**

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
4430 Lottery Funds Debt Svc Ltd	822	-	-	-	-	-
3400 Other Funds Ltd	3,224,917	12,610,866	12,610,866	3,461,046	3,461,046	-
All Funds	3,225,739	12,610,866	12,610,866	3,461,046	3,461,046	-
0030 Beginning Balance Adjustment						
4430 Lottery Funds Debt Svc Ltd	-	3,115	3,115	-	3,180	-
3400 Other Funds Ltd	-	-	-	-	26,050,000	-
All Funds	-	3,115	3,115	-	26,053,180	-
<b>BEGINNING BALANCE</b>						
4430 Lottery Funds Debt Svc Ltd	822	3,115	3,115	-	3,180	-
3400 Other Funds Ltd	3,224,917	12,610,866	12,610,866	3,461,046	29,511,046	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$3,225,739</b>	<b>\$12,613,981</b>	<b>\$12,613,981</b>	<b>\$3,461,046</b>	<b>\$29,514,226</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>GENERAL FUND APPROPRIATION</b>						
0050 General Fund Appropriation						
8000 General Fund	27,256,741	29,622,753	31,185,564	44,754,447	33,492,069	-
<b>LICENSES AND FEES</b>						
0210 Non-business Lic. and Fees						
3400 Other Funds Ltd	1,000	-	-	-	-	-
0245 Power and Water Fees						
3400 Other Funds Ltd	8,190,588	8,085,138	8,085,138	9,447,423	9,447,423	-
<b>LICENSES AND FEES</b>						

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BDV103A - Budget Support - Detail Revenues & Expenditures  
BDV103A

# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept**

**Cross Reference Number: 69000-000-00-00-00000**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	8,191,588	8,085,138	8,085,138	9,447,423	9,447,423	-
<b>TOTAL LICENSES AND FEES</b>	<b>\$8,191,588</b>	<b>\$8,085,138</b>	<b>\$8,085,138</b>	<b>\$9,447,423</b>	<b>\$9,447,423</b>	-
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3400 Other Funds Ltd	1,958,768	2,203,870	2,203,870	1,680,102	1,680,102	-
<b>FINES, RENTS AND ROYALTIES</b>						
<b>0505 Fines and Forfeitures</b>						
8800 General Fund Revenue	6,051	-	-	-	-	-
<b>0510 Rents and Royalties</b>						
3400 Other Funds Ltd	4,867	-	-	-	-	-
<b>FINES, RENTS AND ROYALTIES</b>						
3400 Other Funds Ltd	4,867	-	-	-	-	-
8800 General Fund Revenue	6,051	-	-	-	-	-
<b>TOTAL FINES, RENTS AND ROYALTIES</b>	<b>\$10,918</b>	-	-	-	-	-
<b>BOND SALES</b>						
<b>0560 Dedicated Fund Oblig Bonds</b>						
3400 Other Funds Ltd	-	30,520,000	30,520,000	30,433,430	-	-
<b>0565 Lottery Bonds</b>						
3400 Other Funds Ltd	8,761,164	21,440,889	21,440,889	-	32,484,997	-
<b>0575 Refunding Bonds</b>						
3230 Other Funds Debt Svc Non-Ltd	2,296,497	-	-	-	-	-
<b>BOND SALES</b>						
3230 Other Funds Debt Svc Non-Ltd	2,296,497	-	-	-	-	-

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# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 69000-000-00-00-00000**

**2017-19 Biennium**

**Water Resources Dept**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	8,761,164	51,960,889	51,960,889	30,433,430	32,484,997	-
<b>TOTAL BOND SALES</b>	<b>\$11,057,661</b>	<b>\$51,960,889</b>	<b>\$51,960,889</b>	<b>\$30,433,430</b>	<b>\$32,484,997</b>	<b>-</b>
<b>INTEREST EARNINGS</b>						
<b>0605 Interest Income</b>						
4430 Lottery Funds Debt Svc Ltd	1,587	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	14	-	-	-	-	-
3400 Other Funds Ltd	71,725	200	200	2,103	2,103	-
8800 General Fund Revenue	781	-	-	-	-	-
All Funds	74,087	200	200	2,103	2,103	-
<b>SALES INCOME</b>						
<b>0705 Sales Income</b>						
3400 Other Funds Ltd	332	-	-	-	-	-
<b>LOAN REPAYMENT</b>						
<b>0925 Loan Repayments</b>						
3400 Other Funds Ltd	47,586	-	-	-	-	-
3430 Other Funds Debt Svc Ltd	-	1,201,865	1,201,865	4,996,860	2,480,290	-
All Funds	47,586	1,201,865	1,201,865	4,996,860	2,480,290	-
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3400 Other Funds Ltd	7,967	2,635,000	2,652,275	3,240,486	3,507,836	-
<b>FEDERAL FUNDS REVENUE</b>						
<b>0995 Federal Funds</b>						
6400 Federal Funds Ltd	674,508	1,302,403	1,312,338	1,879,534	1,871,695	-

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# BUDGET NARRATIVE

**Water Resources Dept**

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**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 69000-000-00-000000**

**2017-19 Biennium**

**Water Resources Dept**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
4430 Lottery Funds Debt Svc Ltd	32,351	-	-	-	-	-
3200 Other Funds Non-Ltd	10,922	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	16,176	-	-	-	-	-
3400 Other Funds Ltd	1,928,981	1,471,811	1,471,811	1,909,701	1,909,701	-
6400 Federal Funds Ltd	483	-	-	-	-	-
All Funds	1,988,873	1,471,811	1,471,811	1,909,701	1,909,701	-
<b>1060 Transfer from General Fund</b>						
3400 Other Funds Ltd	100,000	-	-	-	-	-
<b>1107 Tsfr From Administrative Svcs</b>						
4430 Lottery Funds Debt Svc Ltd	572,362	2,508,367	2,508,367	6,032,844	8,546,234	-
<b>1141 Tsfr From Lands, Dept of State</b>						
3400 Other Funds Ltd	-	-	-	157,999	67,444	-
<b>1691 Tsfr From Watershed Enhance Bd</b>						
4400 Lottery Funds Ltd	-	-	-	-	391,888	-
3400 Other Funds Ltd	128,000	144,640	144,640	158,670	158,670	-
All Funds	128,000	144,640	144,640	158,670	550,558	-
<b>TRANSFERS IN</b>						
4400 Lottery Funds Ltd	-	-	-	-	391,888	-
4430 Lottery Funds Debt Svc Ltd	604,713	2,508,367	2,508,367	6,032,844	8,546,234	-
3200 Other Funds Non-Ltd	10,922	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	16,176	-	-	-	-	-

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# BUDGET NARRATIVE

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Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept

Cross Reference Number: 69000-000-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	2,156,981	1,616,451	1,616,451	2,226,370	2,135,815	-
6400 Federal Funds Ltd	463	-	-	-	-	-
<b>TOTAL TRANSFERS IN</b>	<b>\$2,789,235</b>	<b>\$4,124,818</b>	<b>\$4,124,818</b>	<b>\$8,259,214</b>	<b>\$11,073,937</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
8000 General Fund	27,256,741	29,622,753	31,185,564	44,754,447	33,492,069	-
4400 Lottery Funds Ltd	-	-	-	-	391,888	-
4430 Lottery Funds Debt Svc Ltd	606,280	2,508,367	2,508,367	6,032,844	8,546,234	-
3200 Other Funds Non-Ltd	10,922	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	2,312,687	-	-	-	-	-
3400 Other Funds Ltd	21,200,958	66,501,548	66,518,823	47,029,914	49,258,276	-
3430 Other Funds Debt Svc Ltd	-	1,201,865	1,201,865	4,996,860	2,480,290	-
8800 General Fund Revenue	6,832	-	-	-	-	-
6400 Federal Funds Ltd	674,971	1,302,403	1,312,338	1,879,534	1,871,695	-
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$52,069,391</b>	<b>\$101,136,936</b>	<b>\$102,726,957</b>	<b>\$104,693,599</b>	<b>\$96,040,452</b>	<b>-</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
4430 Lottery Funds Debt Svc Ltd	(32,351)	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	(27,097)	-	-	-	-	-
3400 Other Funds Ltd	(1,925,287)	(1,471,811)	(1,471,811)	(1,909,701)	(1,909,701)	-
6400 Federal Funds Ltd	(4,138)	-	-	-	-	-
All Funds	(1,988,873)	(1,471,811)	(1,471,811)	(1,909,701)	(1,909,701)	-
<b>2060 Transfer to General Fund</b>						
8800 General Fund Revenue	(6,832)	-	-	-	-	-

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# BUDGET NARRATIVE

## Water Resources Dept

Agency Number: 69000

### Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 69000-000-00-00-00000

2017-19 Biennium

Water Resources Dept

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
2107 Tsfr To Administrative Svcs						
3400 Other Funds Ltd	(765,833)	-	-	-	-	-
2340 Tsfr To Environmental Quality						
3400 Other Funds Ltd	(582,330)	(764,806)	(764,806)	(681,921)	(681,921)	-
2635 Tsfr To Fish/Wildlife, Dept of						
3400 Other Funds Ltd	(1,765,884)	(1,787,635)	(1,787,635)	(1,847,549)	(1,847,549)	-
<b>TRANSFERS OUT</b>						
4430 Lottery Funds Debt Svc Ltd	(32,351)	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	(27,097)	-	-	-	-	-
3400 Other Funds Ltd	(5,039,334)	(4,024,252)	(4,024,252)	(4,439,171)	(4,439,171)	-
8800 General Fund Revenue	(6,832)	-	-	-	-	-
6400 Federal Funds Ltd	(4,138)	-	-	-	-	-
<b>TOTAL TRANSFERS OUT</b>	<b>(\$5,109,752)</b>	<b>(\$4,024,252)</b>	<b>(\$4,024,252)</b>	<b>(\$4,439,171)</b>	<b>(\$4,439,171)</b>	<b>-</b>
<b>AVAILABLE REVENUES</b>						
8000 General Fund	27,256,741	29,622,753	31,185,564	44,754,447	33,492,069	-
4400 Lottery Funds Ltd	-	-	-	-	391,888	-
4430 Lottery Funds Debt Svc Ltd	574,751	2,511,482	2,511,482	6,032,844	8,549,414	-
3200 Other Funds Non-Ltd	10,922	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	2,285,590	-	-	-	-	-
3400 Other Funds Ltd	19,386,541	75,088,162	75,105,437	46,051,789	74,330,151	-
3430 Other Funds Debt Svc Ltd	-	1,201,865	1,201,865	4,996,860	2,480,290	-
6400 Federal Funds Ltd	670,833	1,302,403	1,312,338	1,879,534	1,871,695	-
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$50,185,378</b>	<b>\$109,726,665</b>	<b>\$111,316,686</b>	<b>\$103,715,474</b>	<b>\$121,115,507</b>	<b>-</b>

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# BUDGET NARRATIVE

**Water Resources Dept**

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**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 69000-000-00-00-00000**

**2017-19 Biennium**

**Water Resources Dept**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
8000 General Fund	12,326,660	14,623,728	15,388,200	18,431,241	16,896,827	-
4400 Lottery Funds Ltd	-	-	-	-	269,136	-
3400 Other Funds Ltd	3,507,537	5,058,437	5,318,781	5,937,241	6,085,981	-
6400 Federal Funds Ltd	341,766	99,680	108,027	411,545	411,545	-
All Funds	16,175,963	19,781,845	20,815,008	24,780,027	23,663,489	-
<b>3160 Temporary Appointments</b>						
8000 General Fund	295,231	13,371	28,403	13,865	13,865	-
3400 Other Funds Ltd	125,946	38,946	38,946	40,387	40,387	-
6400 Federal Funds Ltd	5,975	-	-	-	-	-
All Funds	427,152	52,317	67,349	54,252	54,252	-
<b>3170 Overtime Payments</b>						
8000 General Fund	2,854	-	-	-	-	-
3400 Other Funds Ltd	156	-	-	-	-	-
All Funds	3,010	-	-	-	-	-
<b>3180 Shift Differential</b>						
8000 General Fund	36	-	-	-	-	-
3400 Other Funds Ltd	25	-	-	-	-	-
6400 Federal Funds Ltd	6	-	-	-	-	-
All Funds	67	-	-	-	-	-

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# BUDGET NARRATIVE

## Water Resources Dept

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
<b>3190 All Other Differential</b>						
8000 General Fund	41,035	6,934	6,934	7,191	7,191	-
3400 Other Funds Ltd	6,750	-	-	-	-	-
6400 Federal Funds Ltd	2,428	-	-	-	-	-
All Funds	50,213	6,934	6,934	7,191	7,191	-
<b>SALARIES &amp; WAGES</b>						
8000 General Fund	12,665,816	14,644,033	15,423,537	18,452,297	16,917,883	-
4400 Lottery Funds Ltd	-	-	-	-	269,136	-
3400 Other Funds Ltd	3,640,414	5,097,383	5,357,727	5,977,628	6,126,368	-
6400 Federal Funds Ltd	350,175	99,680	108,027	411,545	411,545	-
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$16,656,405</b>	<b>\$19,841,096</b>	<b>\$20,889,291</b>	<b>\$24,841,470</b>	<b>\$23,724,932</b>	-
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
8000 General Fund	3,564	5,002	5,029	7,533	6,636	-
4400 Lottery Funds Ltd	-	-	-	-	114	-
3400 Other Funds Ltd	1,360	2,176	2,176	2,910	3,009	-
6400 Federal Funds Ltd	72	38	38	217	217	-
All Funds	4,996	7,216	7,243	10,660	9,976	-
<b>3220 Public Employees' Retire Cont</b>						
8000 General Fund	1,798,089	2,305,803	2,415,963	2,701,490	2,494,499	-
4400 Lottery Funds Ltd	-	-	-	-	35,230	-
3400 Other Funds Ltd	529,817	798,728	836,243	801,510	821,178	-
6400 Federal Funds Ltd	29,251	15,739	16,942	58,026	58,026	-

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# BUDGET NARRATIVE

**Water Resources Dept**

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**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept**

**Cross Reference Number: 69000-000-00-00-00000**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
All Funds	2,357,157	3,120,270	3,269,148	3,561,026	3,408,933	-
<b>3221 Pension Obligation Bond</b>						
8000 General Fund	780,739	855,901	860,881	958,720	958,720	-
3400 Other Funds Ltd	230,246	308,958	297,644	334,986	334,986	-
6400 Federal Funds Ltd	12,447	6,169	5,865	6,770	6,770	-
All Funds	1,023,432	1,171,028	1,164,390	1,300,476	1,300,476	-
<b>3230 Social Security Taxes</b>						
8000 General Fund	948,892	1,117,220	1,176,852	1,407,889	1,290,487	-
4400 Lottery Funds Ltd	-	-	-	-	20,590	-
3400 Other Funds Ltd	279,839	389,951	409,868	457,288	468,666	-
6400 Federal Funds Ltd	16,254	7,625	8,264	31,483	31,483	-
All Funds	1,244,985	1,514,796	1,594,984	1,896,660	1,811,226	-
<b>3240 Unemployment Assessments</b>						
8000 General Fund	28,568	19,985	19,985	20,725	20,725	-
3400 Other Funds Ltd	6,563	6,124	6,124	6,351	6,351	-
All Funds	35,131	26,109	26,109	27,076	27,076	-
<b>3250 Worker's Comp. Assess. (WCD)</b>						
8000 General Fund	6,296	7,845	7,884	9,190	8,103	-
4400 Lottery Funds Ltd	-	-	-	-	138	-
3400 Other Funds Ltd	2,166	3,411	3,411	3,517	3,638	-
6400 Federal Funds Ltd	116	60	60	264	264	-
All Funds	8,578	11,316	11,355	12,971	12,143	-
<b>3260 Mass Transit Tax</b>						

# BUDGET NARRATIVE

**Water Resources Dept**

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Water Resources Dept**

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8000 General Fund	53,447	83,053	87,730	98,453	98,453	-
3400 Other Funds Ltd	19,194	30,182	31,744	32,918	32,918	-
All Funds	72,641	113,235	119,474	131,371	131,371	-
<b>3270 Flexible Benefits</b>						
8000 General Fund	2,967,558	3,440,050	3,460,114	4,373,187	3,881,111	-
4400 Lottery Funds Ltd	-	-	-	-	66,672	-
3400 Other Funds Ltd	1,042,432	1,509,549	1,509,549	1,665,066	1,723,774	-
6400 Federal Funds Ltd	53,278	26,465	26,515	128,907	128,907	-
All Funds	4,063,268	4,976,064	4,996,178	6,167,160	5,800,464	-
<b>OTHER PAYROLL EXPENSES</b>						
8000 General Fund	6,587,153	7,834,859	8,034,438	8,577,187	8,758,734	-
4400 Lottery Funds Ltd	-	-	-	-	122,744	-
3400 Other Funds Ltd	2,111,617	3,049,079	3,096,759	3,304,546	3,394,520	-
6400 Federal Funds Ltd	111,418	56,096	57,684	225,667	225,667	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$8,810,188</b>	<b>\$10,940,034</b>	<b>\$11,188,881</b>	<b>\$13,107,400</b>	<b>\$12,501,665</b>	<b>-</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
8000 General Fund	-	(155,928)	(155,928)	(43,444)	(43,444)	-
3400 Other Funds Ltd	-	(57,382)	(57,382)	(15,189)	(15,189)	-
All Funds	-	(213,310)	(213,310)	(58,633)	(58,633)	-
<b>3465 Reconciliation Adjustment</b>						
8000 General Fund	-	44,831	44,831	-	3,819	-
4400 Lottery Funds Ltd	-	-	-	-	8	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	-	(3,733)	(3,733)	-	7,496	-
All Funds	-	41,098	41,098	-	11,323	-
<b>P.S. BUDGET ADJUSTMENTS</b>						
8000 General Fund	-	(111,097)	(111,097)	(43,444)	(39,625)	-
4400 Lottery Funds Ltd	-	-	-	-	8	-
3400 Other Funds Ltd	-	(61,115)	(61,115)	(15,189)	(7,693)	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$172,212)</b>	<b>(\$172,212)</b>	<b>(\$58,633)</b>	<b>(\$47,310)</b>	-
<b>PERSONAL SERVICES</b>						
8000 General Fund	19,252,969	22,367,795	23,346,878	27,986,040	25,636,992	-
4400 Lottery Funds Ltd	-	-	-	-	391,888	-
3400 Other Funds Ltd	5,752,031	8,085,847	8,393,371	9,266,985	9,513,195	-
6400 Federal Funds Ltd	461,593	155,776	165,711	637,212	637,212	-
<b>TOTAL PERSONAL SERVICES</b>	<b>\$25,466,593</b>	<b>\$30,608,918</b>	<b>\$31,905,960</b>	<b>\$37,890,237</b>	<b>\$36,179,287</b>	-
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
8000 General Fund	652,819	721,923	730,651	967,643	925,562	-
3400 Other Funds Ltd	137,091	276,532	276,532	344,615	343,763	-
6400 Federal Funds Ltd	19,772	-	-	40,695	40,695	-
All Funds	809,682	998,455	1,007,183	1,352,953	1,310,020	-
<b>4125 Out of State Travel</b>						
8000 General Fund	28,456	16,832	16,832	17,457	17,457	-
3400 Other Funds Ltd	4,371	75	75	78	78	-
6400 Federal Funds Ltd	3,379	-	-	-	-	-

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# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept**

**Cross Reference Number: 69000-000-00-00-00000**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
All Funds	36,206	16,907	16,907	17,535	17,535	-
<b>4150 Employee Training</b>						
8000 General Fund	54,075	60,228	60,228	100,488	84,988	-
3400 Other Funds Ltd	12,029	18,891	18,891	27,090	27,090	-
6400 Federal Funds Ltd	3,519	2,109	2,109	9,609	9,609	-
All Funds	69,623	81,228	81,228	137,187	121,687	-
<b>4175 Office Expenses</b>						
8000 General Fund	314,577	364,666	364,666	472,949	432,949	-
3400 Other Funds Ltd	11,697	185,276	185,276	207,131	206,326	-
6400 Federal Funds Ltd	10	1,266	1,266	16,266	16,266	-
All Funds	326,284	551,208	551,208	696,346	655,541	-
<b>4200 Telecommunications</b>						
8000 General Fund	153,112	220,578	220,578	263,523	229,155	-
3400 Other Funds Ltd	24,712	64,479	64,479	68,365	63,466	-
6400 Federal Funds Ltd	175	1,572	1,572	3,072	3,072	-
All Funds	177,999	286,629	286,629	334,960	295,693	-
<b>4225 State Gov. Service Charges</b>						
8000 General Fund	490,373	591,659	591,659	991,914	917,707	-
3400 Other Funds Ltd	60,842	56,802	56,802	104,517	96,698	-
All Funds	551,215	648,461	648,461	1,096,431	1,014,405	-
<b>4250 Data Processing</b>						
8000 General Fund	128,454	72,606	72,606	75,293	75,293	-
3400 Other Funds Ltd	27,666	34,758	34,758	36,044	36,044	-

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# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept**

**Cross Reference Number: 69000-000-00-00-00000**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
All Funds	156,120	107,364	107,364	111,337	111,337	-
<b>4275 Publicity and Publications</b>						
8000 General Fund	36,245	9,824	9,824	10,189	10,189	-
3400 Other Funds Ltd	32,310	4,961	4,961	5,144	5,144	-
All Funds	68,555	14,785	14,785	15,333	15,333	-
<b>4300 Professional Services</b>						
8000 General Fund	499,208	387,375	562,375	703,257	486,401	-
3400 Other Funds Ltd	163,745	12,354	12,354	12,862	12,862	-
6400 Federal Funds Ltd	100,587	-	-	-	-	-
All Funds	763,540	399,729	574,729	716,119	499,263	-
<b>4325 Attorney General</b>						
8000 General Fund	1,202,945	772,342	772,342	1,915,228	936,710	-
3400 Other Funds Ltd	14,352	31,160	31,160	35,255	32,939	-
All Funds	1,217,297	803,502	803,502	1,950,483	969,649	-
<b>4375 Employee Recruitment and Develop</b>						
8000 General Fund	19,783	4,842	4,842	14,521	10,521	-
3400 Other Funds Ltd	7,973	3,541	3,541	5,172	5,172	-
6400 Federal Funds Ltd	-	-	-	1,500	1,500	-
All Funds	27,756	8,383	8,383	21,193	17,193	-
<b>4400 Dues and Subscriptions</b>						
8000 General Fund	74,703	5,458	5,458	15,161	11,161	-
3400 Other Funds Ltd	1,529	2,532	2,532	4,126	4,126	-
6400 Federal Funds Ltd	491	105	105	1,605	1,605	-

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# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 69000-000-00-00-00000**

**2017-19 Biennium**

**Water Resources Dept**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
All Funds	76,723	8,095	8,095	20,892	18,892	-
<b>4425 Facilities Rental and Taxes</b>						
8000 General Fund	1,271,145	1,530,267	1,530,267	1,626,424	1,626,424	-
3400 Other Funds Ltd	350,374	148,694	148,694	158,954	158,954	-
All Funds	1,621,519	1,678,961	1,678,961	1,785,378	1,785,378	-
<b>4450 Fuels and Utilities</b>						
8000 General Fund	10,549	-	-	-	-	-
3400 Other Funds Ltd	1,368	-	-	-	-	-
All Funds	11,917	-	-	-	-	-
<b>4475 Facilities Maintenance</b>						
8000 General Fund	11,178	21,612	21,612	22,412	22,412	-
3400 Other Funds Ltd	487	5,216	5,216	5,409	5,409	-
All Funds	11,665	26,828	26,828	27,821	27,821	-
<b>4575 Agency Program Related S and S</b>						
8000 General Fund	118,700	292,800	292,800	303,634	303,634	-
<b>4650 Other Services and Supplies</b>						
8000 General Fund	899,041	1,013,789	1,413,789	1,874,921	1,245,223	-
4430 Lottery Funds Debt Svc Ltd	30,114	-	-	-	-	-
3200 Other Funds Non-Ltd	10,922	-	-	-	-	-
3400 Other Funds Ltd	598,364	2,377,841	2,377,841	1,905,809	1,927,419	-
6400 Federal Funds Ltd	51,544	515,902	515,902	518,902	511,063	-
All Funds	1,589,985	3,907,532	4,307,532	4,299,632	3,683,705	-
<b>4700 Expendable Prop 250 - 5000</b>						

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# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept**

**Cross Reference Number: 69000-000-00-00-00000**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
8000 General Fund	494,350	228,740	228,740	341,703	306,203	-
3400 Other Funds Ltd	148,187	79,376	79,376	101,312	101,312	-
6400 Federal Funds Ltd	-	-	-	19,000	19,000	-
All Funds	642,537	308,116	308,116	462,015	426,515	-
<b>4715 IT Expendable Property</b>						
8000 General Fund	249,507	94,430	94,430	164,424	138,924	-
3400 Other Funds Ltd	10,962	37,204	37,204	44,582	44,582	-
6400 Federal Funds Ltd	112	-	-	6,000	6,000	-
All Funds	260,581	131,634	131,634	215,006	189,506	-
<b>SERVICES &amp; SUPPLIES</b>						
8000 General Fund	6,709,220	6,409,971	6,993,699	9,881,141	7,780,913	-
4430 Lottery Funds Debt Svc Ltd	30,114	-	-	-	-	-
3200 Other Funds Non-Ltd	10,922	-	-	-	-	-
3400 Other Funds Ltd	1,608,059	3,339,692	3,339,692	3,066,485	3,071,384	-
6400 Federal Funds Ltd	179,589	520,954	520,954	616,649	608,810	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$8,537,904</b>	<b>\$10,270,617</b>	<b>\$10,854,345</b>	<b>\$13,564,255</b>	<b>\$11,461,107</b>	<b>-</b>
<b>CAPITAL OUTLAY</b>						
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	14,271	-	-	-	-	-
<b>5200 Technical Equipment</b>						
8000 General Fund	365,500	-	-	-	-	-
3400 Other Funds Ltd	116,114	-	-	-	-	-
All Funds	481,614	-	-	-	-	-

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# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept**

**Cross Reference Number: 69000-000-00-00-00000**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>5600 Data Processing Hardware</b>						
8000 General Fund	69,099	-	-	-	-	-
<b>5900 Other Capital Outlay</b>						
8000 General Fund	-	7,500	7,500	61,778	7,778	-
3400 Other Funds Ltd	-	14,216	14,216	14,742	14,742	-
All Funds	-	21,716	21,716	76,520	22,520	-
<b>CAPITAL OUTLAY</b>						
8000 General Fund	434,599	7,500	7,500	61,778	7,778	-
3400 Other Funds Ltd	130,385	14,216	14,216	14,742	14,742	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$564,984</b>	<b>\$21,716</b>	<b>\$21,716</b>	<b>\$76,520</b>	<b>\$22,520</b>	<b>-</b>
<b>SPECIAL PAYMENTS</b>						
<b>6025 Dist to Other Gov Unit</b>						
3400 Other Funds Ltd	210,000	-	-	-	-	-
<b>6030 Dist to Non-Gov Units</b>						
3400 Other Funds Ltd	-	1	1	1	1	-
<b>6060 Intra-Agency Gen Fund Transfer</b>						
8000 General Fund	100,000	-	-	-	-	-
<b>6080 Loans Made - Other</b>						
3400 Other Funds Ltd	-	30,000,000	30,000,000	30,000,000	-	-
<b>6085 Other Special Payments</b>						
8000 General Fund	705,603	837,487	837,487	6,825,488	66,386	-
3400 Other Funds Ltd	-	31,304,687	31,304,687	1,141,941	59,191,941	-
6400 Federal Funds Ltd	-	625,673	625,673	625,673	625,673	-

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# BUDGET NARRATIVE

## Water Resources Dept

Agency Number: 69000

Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept

Cross Reference Number: 69000-000-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
All Funds	705,603	32,767,847	32,767,847	8,593,102	59,884,000	-
<b>SPECIAL PAYMENTS</b>						
8000 General Fund	805,603	837,487	837,487	6,825,488	66,386	-
3400 Other Funds Ltd	210,000	61,304,688	61,304,688	31,141,942	59,191,942	-
6400 Federal Funds Ltd	-	625,673	625,673	625,673	625,673	-
<b>TOTAL SPECIAL PAYMENTS</b>	<b>\$1,015,603</b>	<b>\$62,767,848</b>	<b>\$62,767,848</b>	<b>\$38,593,103</b>	<b>\$59,884,001</b>	-
<b>DEBT SERVICE</b>						
<b>7050 Pmt To Ret Bond Escrow</b>						
3230 Other Funds Debt Svc Non-Ltd	2,285,575	-	-	-	-	-
<b>7100 Principal - Bonds</b>						
4430 Lottery Funds Debt Svc Ltd	255,000	1,442,338	1,442,338	1,575,365	2,785,365	-
3430 Other Funds Debt Svc Ltd	-	100,000	100,000	1,400,000	190,000	-
All Funds	255,000	1,542,338	1,542,338	2,975,365	2,975,365	-
<b>7150 Interest - Bonds</b>						
4430 Lottery Funds Debt Svc Ltd	286,491	1,069,144	1,069,144	4,457,479	5,764,049	-
3430 Other Funds Debt Svc Ltd	-	1,101,865	1,101,865	3,596,860	2,290,290	-
All Funds	286,491	2,171,009	2,171,009	8,054,339	8,054,339	-
<b>DEBT SERVICE</b>						
4430 Lottery Funds Debt Svc Ltd	541,491	2,511,482	2,511,482	6,032,844	8,549,414	-
3230 Other Funds Debt Svc Non-Ltd	2,285,575	-	-	-	-	-
3430 Other Funds Debt Svc Ltd	-	1,201,865	1,201,865	4,996,860	2,480,290	-
<b>TOTAL DEBT SERVICE</b>	<b>\$2,827,066</b>	<b>\$3,713,347</b>	<b>\$3,713,347</b>	<b>\$11,029,704</b>	<b>\$11,029,704</b>	-

## EXPENDITURES

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# BUDGET NARRATIVE

## Water Resources Dept

Agency Number: 69000

Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Dept

Cross Reference Number: 69000-000-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
8000 General Fund	27,202,391	29,622,753	31,185,564	44,754,447	33,492,069	-
4400 Lottery Funds Ltd	-	-	-	-	391,888	-
4430 Lottery Funds Debt Svc Ltd	571,605	2,511,482	2,511,482	6,032,844	8,549,414	-
3200 Other Funds Non-Ltd	10,922	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	2,285,575	-	-	-	-	-
3400 Other Funds Ltd	7,700,475	72,743,943	73,051,967	43,490,134	71,791,263	-
3430 Other Funds Debt Svc Ltd	-	1,201,865	1,201,865	4,996,860	2,480,290	-
6400 Federal Funds Ltd	641,182	1,302,403	1,312,338	1,879,534	1,871,695	-
<b>TOTAL EXPENDITURES</b>	<b>\$38,412,150</b>	<b>\$107,382,446</b>	<b>\$109,263,216</b>	<b>\$101,153,819</b>	<b>\$118,576,619</b>	-
<b>REVERSIONS</b>						
9900 Reversions						
8000 General Fund	(54,350)	-	-	-	-	-
<b>ENDING BALANCE</b>						
4430 Lottery Funds Debt Svc Ltd	3,146	-	-	-	-	-
3230 Other Funds Debt Svc Non-Ltd	15	-	-	-	-	-
3400 Other Funds Ltd	11,686,066	2,344,219	2,053,470	2,561,655	2,538,888	-
6400 Federal Funds Ltd	29,651	-	-	-	-	-
<b>TOTAL ENDING BALANCE</b>	<b>\$11,718,878</b>	<b>\$2,344,219</b>	<b>\$2,053,470</b>	<b>\$2,561,655</b>	<b>\$2,538,888</b>	-
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	157	164	165	188	176	-
8180 Position Reconciliation	-	-	-	-	(1)	-
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>157</b>	<b>164</b>	<b>165</b>	<b>188</b>	<b>175</b>	-
<b>AUTHORIZED FTE</b>						

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# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 69000-000-00-00-00000**

**2017-19 Biennium**

**Water Resources Dept**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
8250 Class/Unclass FTE Positions	153.81	162.33	163.00	183.54	172.47	-
8280 FTE Reconciliation	-	0.25	0.25	-	(0.75)	-
<b>TOTAL AUTHORIZED FTE</b>	<b>153.81</b>	<b>162.58</b>	<b>163.25</b>	<b>183.54</b>	<b>171.72</b>	<b>-</b>

# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures  
2017-19 Biennium  
Water Resources Program**

**Cross Reference Number: 69000-010-00-00-00000**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
4430 Lottery Funds Debt Svc Ltd	822	-	-	-	-	-
3400 Other Funds Ltd	2,848,162	12,397,449	12,397,449	3,460,507	3,460,507	-
All Funds	2,848,984	12,397,449	12,397,449	3,460,507	3,460,507	-
0030 Beginning Balance Adjustment						
4430 Lottery Funds Debt Svc Ltd	-	3,115	3,115	-	3,180	-
3400 Other Funds Ltd	-	-	-	-	26,050,000	-
All Funds	-	3,115	3,115	-	26,053,180	-
<b>BEGINNING BALANCE</b>						
4430 Lottery Funds Debt Svc Ltd	822	3,115	3,115	-	3,180	-
3400 Other Funds Ltd	2,848,162	12,397,449	12,397,449	3,460,507	29,510,507	-
<b>TOTAL BEGINNING BALANCE</b>	<b>\$2,848,984</b>	<b>\$12,400,564</b>	<b>\$12,400,564</b>	<b>\$3,460,507</b>	<b>\$29,513,687</b>	<b>-</b>
<b>REVENUE CATEGORIES</b>						
<b>GENERAL FUND APPROPRIATION</b>						
0050 General Fund Appropriation						
8000 General Fund	27,256,741	29,622,753	31,185,564	44,754,447	33,492,069	-
<b>LICENSES AND FEES</b>						
0210 Non-business Lic. and Fees						
3400 Other Funds Ltd	1,000	-	-	-	-	-
0245 Power and Water Fees						
3400 Other Funds Ltd	8,190,588	8,085,138	8,085,138	9,447,423	9,447,423	-
<b>LICENSES AND FEES</b>						

# BUDGET NARRATIVE

**Water Resources Dept**

**Agency Number: 69000**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 69000-010-00-00-00000**

**2017-19 Biennium**

**Water Resources Program**

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
3400 Other Funds Ltd	8,191,588	8,085,138	8,085,138	9,447,423	9,447,423	-
<b>TOTAL LICENSES AND FEES</b>	<b>\$8,191,588</b>	<b>\$8,085,138</b>	<b>\$8,085,138</b>	<b>\$9,447,423</b>	<b>\$9,447,423</b>	<b>-</b>
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3400 Other Funds Ltd	1,958,768	2,203,870	2,203,870	1,680,102	1,680,102	-
<b>FINES, RENTS AND ROYALTIES</b>						
<b>0505 Fines and Forfeitures</b>						
8800 General Fund Revenue	6,051	-	-	-	-	-
<b>0510 Rents and Royalties</b>						
3400 Other Funds Ltd	4,867	-	-	-	-	-
<b>FINES, RENTS AND ROYALTIES</b>						
3400 Other Funds Ltd	4,867	-	-	-	-	-
8800 General Fund Revenue	6,051	-	-	-	-	-
<b>TOTAL FINES, RENTS AND ROYALTIES</b>	<b>\$10,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BOND SALES</b>						
<b>0565 Lottery Bonds</b>						
3400 Other Funds Ltd	8,761,164	21,440,889	21,440,889	-	32,484,997	-
<b>0575 Refunding Bonds</b>						
3230 Other Funds Debt Svc Non-Ltd	2,296,497	-	-	-	-	-
<b>BOND SALES</b>						
3230 Other Funds Debt Svc Non-Ltd	2,296,497	-	-	-	-	-
3400 Other Funds Ltd	8,761,164	21,440,889	21,440,889	-	32,484,997	-
<b>TOTAL BOND SALES</b>	<b>\$11,057,661</b>	<b>\$21,440,889</b>	<b>\$21,440,889</b>	<b>-</b>	<b>\$32,484,997</b>	<b>-</b>

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