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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Ways and Means Full Committee

From: Natural Resources Subcommittee

Re: HB 5041 Oregon Watershed Enhancement Board – Local Grants

Senator Girod: “HB 5041 provides the Oregon Watershed Enhancement Board with a six-year limitation for local grant projects funded by Measure 76 Lottery Funds. At least 65% of the biennial revenue from Measure 76 that is dedicated to watersheds must be used for these types of projects. Many of the projects awarded funding by OWEB are multi-year efforts and OWEB only makes final grant payments upon completion of the project.

The Legislature addresses this by treating the local grants portion of the OWEB budget like capital construction projects, which have a six-year limitation. HB 5041 provides OWEB with \$67.6 million in Lottery Funds expenditure limitation for new Lottery Funds grants awarded during the next biennium. There is one budget note related to how the current service level is calculated for the grant funds designed to ensure that there are no more large swings between current service level funding and legislatively adopted funding levels.

The Natural Resources Subcommittee recommends HB 5041 be amended by the –1 amendment and be reported out do pass, as amended.”