

BUDGET NARRATIVE

WATER RESOURCES DEPARTMENT 2019-2021 GOVERNOR’S RECOMMENDED BUDGET

| | |
|---|-----|
| TABLE OF CONTENTS | i |
| CERTIFICATION..... | v |
| LEGISLATIVE ACTION | |
| Summary Listing of Legislative Actions | 1 |
| HB 5542 | 2 |
| HB 5006 | 12 |
| SB 5530 A..... | 54 |
| HB 5201 A | 57 |
| September 2018 Emergency Board Summary..... | 119 |
| December 2018 Emergency Board Summary..... | 121 |
| AGENCY SUMMARY | |
| Agency Summary Narrative | 123 |
| Budget Summary Graphics..... | 125 |
| Mission Statement and Statutory Authority..... | 126 |
| Agency Strategic Plans | 127 |
| Program Descriptions | 131 |
| Environmental Factors | 137 |
| Agency Process Improvements Efforts | 138 |
| Agency Initiatives 2019-2021 | 139 |
| Criteria for 2019-2021 Budget Development | 140 |
| Technology Initiatives | 140 |
| Summary of 2019-2021 Budget (BDV104) | 141 |
| Program Prioritization for 2019-2021 | 145 |
| Reduction Options..... | 147 |
| Organization Chart..... | 154 |
| Agency-wide Program Unit Summary (BPR010)..... | 155 |

BUDGET NARRATIVE

REVENUES

| | |
|--|-----|
| Revenue Discussion | 157 |
| Detail of Fee, License, or Assessment Revenue Proposed for Increase | 159 |
| Detail of Lottery Funds, Other Funds, and Federal Funds Revenue (BPR012) | 160 |

ADMINISTRATIVE SERVICES DIVISION

| | |
|---|-----|
| Organizational Chart | 163 |
| Division Narrative | 165 |
| Essential and Policy Package Narrative and Fiscal Impact Summary (BPR013 and PPDPFISCAL)..... | 172 |
| Detail of Lottery Funds, Other Funds, and Federal Funds Revenue (BPR012) | 204 |

FIELD SERVICES DIVISION

| | |
|---|-----|
| Organizational Charts | 207 |
| Field Services Regional and District Offices..... | 213 |
| Division Narrative | 215 |
| Essential and Policy Package Narrative and Fiscal Impact Summary (BPR013 and PPDPFISCAL)..... | 220 |
| Detail of Lottery Funds, Other Funds, and Federal Funds Revenue (BPR012) | 254 |

TECHNICAL SERVICES DIVISION

| | |
|---|-----|
| Organizational Charts | 257 |
| Division Narrative | 261 |
| Essential and Policy Package Narrative and Fiscal Impact Summary (BPR013 and PPDPFISCAL)..... | 270 |
| Detail of Lottery Funds, Other Funds, and Federal Funds Revenue (BPR012) | 333 |

WATER RIGHTS / ADJUDICATIONS DIVISION

| | |
|---|-----|
| Organizational Charts | 335 |
| Division Narrative | 339 |
| Essential and Policy Package Narrative and Fiscal Impact Summary (BPR013 and PPDPFISCAL)..... | 347 |
| Detail of Lottery Funds, Other Funds, and Federal Funds Revenue (BPR012) | 367 |

BUDGET NARRATIVE

DIRECTOR'S OFFICE

| | |
|---|-----|
| Organizational Chart | 369 |
| Division Narrative | 371 |
| Essential and Policy Package Narrative and Fiscal Impact Summary (BPR013 and PPDPFISCAL)..... | 376 |
| Detail of Lottery Funds, Other Funds, and Federal Funds Revenue (BPR012) | 431 |

SPECIAL REPORTS

| | |
|--------------------------------------|-----|
| Affirmative Action Report..... | 433 |
| Key Performance Measures Report..... | 457 |
| Supervisory Ratio | 479 |

BUDGET SUPPORT DOCUMENTS

| | |
|----------------------|-----|
| ORBITS Reports | 485 |
| BSU003A | |
| BSU004A | |
| BDV103A | |
| ANA100A | |
| ANA101A | |
| PICS Reports..... | 946 |
| PPDPLBUDCL | |
| PPDPLAGYCL | |
| PPDPLWSBUD | |
| PPDPFISCAL | |

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.

Water Resources Department

AGENCY NAME

725 Summer St NE, Suite A
Salem, OR 97306

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

Summary Listing of Legislative Actions

| Legislative Action | Related to | Biennium |
|----------------------------|----------------------------|-----------------|
| SB 5542 – A | Primary Agency Budget | 2017-19 |
| HB 5006 – A | End of Session Adjustments | 2017-19 |
| HB 5530 – A | Revenue Bonds | 2017-19 |
| HB 5201 – A | February 2018 Session | 2017-19 |
| Summary of Emergency Board | September 2018 E-Board | 2017-19 |
| Summary of Emergency Board | December 2018 E-Board | 2017-19 |

BUDGET NARRATIVE

79th Oregon Legislative Assembly – 2017 Regular Session

SB 5542 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Girod

Joint Committee On Ways and Means

Action Date: 06/16/17

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

House Vote

Yeas: 9 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner, Williamson

Nays: 2 - Stark, Whisnant

Prepared By: Cathleen Connolly, Department of Administrative Services

Reviewed By: Matt Stayner, Legislative Fiscal Office

Water Resources Department
2017-19

This summary has not been adopted or officially endorsed by action of the committee.

SB 5542 A

1 of 10

BUDGET NARRATIVE

Budget Summary*

| | 2015-17 Legislatively Approved Budget ⁽¹⁾ | 2017-19 Current Service Level | 2017-19 Committee Recommendation | Committee Change from 2015-17 Leg. Approved | |
|----------------------------|---|----------------------------------|-------------------------------------|--|----------------|
| | | | | \$ Change | % Change |
| General Fund | \$ 31,220,037 | \$ 32,932,622 | \$ 32,232,622 | \$ 1,012,585 | 3.2% |
| Lottery Funds Debt Service | \$ 2,511,482 | \$ 6,032,844 | \$ 6,032,844 | \$ 3,521,362 | 140.2% |
| Other Funds Limited | \$ 73,055,277 | \$ 38,756,985 | \$ 39,363,274 | \$ (33,692,003) | (46.1%) |
| Other Funds Debt Service | \$ 1,201,865 | \$ 2,480,290 | \$ - | \$ (1,201,865) | 100.0% |
| Federal Funds Limited | \$ 1,312,338 | \$ 1,323,257 | \$ 1,879,534 | \$ 567,196 | 43.2% |
| Total | \$ 109,300,999 | \$ 81,525,998 | \$ 79,508,274 | \$ (29,792,725) | (27.3%) |

Position Summary

| | | | | |
|--------------------------------------|--------|--------|--------|------|
| Authorized Positions | 165 | 163 | 169 | 4 |
| Full-time Equivalent (FTE) positions | 163.25 | 160.59 | 166.59 | 3.34 |

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Water Resources Department (WRD) operations are funded, generally, from a combination of General Fund and fees for water right and storage transactions, licensing, and permits. Of the total available revenues anticipated in the 2017-19 biennium, General Fund accounts for 39.5 percent. Other Funds comprise 50.8 percent, but roughly \$26 million of the \$41.5 million in Other Funds resources are from Lottery Bond proceeds that are carried forward into the 2017-19 biennium from issuance in prior biennia. Lottery Funds, equaling 7.4 percent of total funding, are exclusively for debt service. Federal Funds revenue are specific to cooperative studies and monitoring in addition to providing some position support.

The budget assumes revenues from the passage of House Bill 2295 that eliminates the statutory repeal of certain fee changes made in the 2013-15 biennium and provides for an increase in a number of agency fees resulting in an increase in anticipated fee revenue of \$471,508.

BUDGET NARRATIVE

Summary of Natural Resource Subcommittee Action

WRD administers laws governing surface and groundwater resources. The goal is to balance the 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 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 \$79,508,274, including \$32,232,622 General Fund, \$6,032,844 Lottery Funds for debt service, \$39,363,274 Other Funds expenditure limitation, \$1,879,534 Federal Funds expenditure limitation and 166.59 FTE. The total funds budget is 27.3 percent less than the 2015-17 biennium Legislatively Approved Budget. The reduction is largely attributed to a reduction in anticipated bond proceeds and the removal of debt service for unissued bonds. General Fund reductions of \$700,000 from the current service level were included as well.

Administrative Services Division

This program provides fiscal, human resources, and business support services for daily operation of the department. In addition, the division provides contract assistance to the Oregon Watershed Enhancement Board and the Department of State Lands. The Subcommittee approved a total funds budget of \$38,241,999 and 12.75 FTE.

The Subcommittee recommended the following packages:

Package 090, Analysts Adjustments. This package moves one permanent full-time position (1.00 FTE); Personal Services Other Funds limitation of \$261,002 and Services and Supplies Other Funds limitation of \$6,346; from the Water Development Loan Program to the Administrative Services Division, where the position's workload is located.

Package 106, Web Information Coordinator for Information Sharing. This package recognizes an Other Funds revenue transfer from the Department of State Lands in the amount of \$67,444, to provide support for a shared services accounting position at WRD. The funding supports an existing position; no additional position authority is included.

Package 801, LFO Analyst Adjustments. This package decreases ongoing General Fund support for water supply development feasibility grants by \$400,000, and makes a one-time reduction to Personal Services in the amount of \$20,000 in the Administrative Services Division. These reductions are to align the agency's budget with the Joint Committee on Ways and Means Co-Chair budget framework.

BUDGET NARRATIVE

Field Services Division

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 \$14,509,848 and 60.42 FTE.

The Subcommittee recommended the following packages:

Package 107, Umatilla Field Presence. This package provides Other Funds limitation and Federal Funds limitation for four Assistant Watermasters positions and one Office Specialist 2 position located in Umatilla County, in the Pendleton and Milton-Freewater offices. The positions are currently employees of Umatilla County. Three of the positions are directly funded by the county and two of the Watermaster positions are funded by a contract between the county and the US Bureau of Reclamation (BOR). The county has indicated it will terminate the five positions, but will continue financial support for the positions, providing the funding for the three directly funded positions to WRD via contract and shifting the BOR contract to WRD for the remaining two positions. The additional limitation allows the agency to establish the five positions in the department and execute the required funding agreements with Umatilla County and with the Bureau of Reclamation to support the five positions. The package authorizes five full-time permanent positions (5.00 FTE). The agency will not fill the positions if funding agreements are not reached.

Package 801, LFO Adjustments. This package makes a one-time reduction to Personal Services in the amount of \$20,000, in the Field Services Division. This reduction is to align the agency's budget with the Joint Committee on Ways and Means Co-Chair budget framework.

Technical Services Division

This program provides scientific data and technical analysis for the department's water right processing, water distribution and management, and water resources development activities. The division's programs include dam safety, well construction and compliance, information services, surface water hydrology and groundwater hydrology. The Subcommittee approved a total funds budget of \$14,825,287 and 46.00 FTE.

The Subcommittee recommended the following packages:

Package 102, Protecting the Public and Water Supplies. This package establishes a permanent, full-time Dam Safety Engineer position (1.00 FTE) and is funded with federal FEMA funds and the Dam Safety fee.

Package 801, LFO Adjustments. This package reduces ongoing General Fund support by \$100,000 for new observation wells and by \$50,000 for gauging stations. Both of these programs have sufficient funding remaining after this reduction, to enable the agency to complete the work queue in these programs for the 2017-19 biennium. The package also makes a one-time reduction to Personal Services in the amount of

SB 5542 A

4 of 10

BUDGET NARRATIVE

\$20,000, in the Technical Services Division. These reductions are to align the agency's budget with the Joint Committee on Ways and Means Co-Chair budget framework.

Water Rights Service

This program evaluates and acts upon applications for new in-stream and out-of-stream water rights. It also administers water rights certification, adjudication, hydroelectric relicensing, water rights policy development and permit extension evaluation. The adjudication section is responsible for ruling on pre-1909 and federal reserved water rights, and for the negotiation of Native American reserved water rights. The Subcommittee approved a total funds budget of \$8,156,809 and 37.42 FTE.

The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls. This package removes 2.50 FTE, \$366,609 Other Funds revenue and \$375,025 Other Funds limitation. The Water Rights fee schedule established in 2013, sunsets on June 30, 2017 and reverts to the 2009 fee schedule. A reversion to 2009 fee levels will result in the reductions identified above. These reductions are restored in Policy Package 100, with revenues assumed from the passage of House Bill 2295 that adjusts fees and eliminates the reversion of those fees to the 2009 fee schedule.

Package 100, Water Rights Fee Increase and Add-Back Package. This package restores 2.50 FTE eliminated in Package 070. The fees associated with water rights transactions were last revised in 2013, which will sunset on June 30, 2017 and revert to the 2009 fee schedule. The current fee schedule does not support the current service level and a reversion to 2009 fees will create a gap in funding of \$0.8 million. The proposed fee increase should generate sufficient revenue to support the water rights program and dam safety program until 2021.

Package 801, LFO Analyst Adjustments. This package shifts \$50,000 Services and Supplies expenditures from General Fund to Other Funds limitation and makes a one-time reduction to Personal Services in the amount of \$20,000, in the Water Rights Service Division. These reductions are to align the agency's budget with the Joint Committee on Ways and Means Co-Chair budget framework.

Director's Office

This program includes strategic planning and support for the Water Resources Commission, alternative dispute resolution, contested case hearings, administrative rules coordination, legislative coordination and citizen response and information services. The Subcommittee approved a total funds budget of \$3,774,331 and 10.00 FTE.

BUDGET NARRATIVE

The Subcommittee recommended the following packages:

Package 106, Web Information Coordinator for Information Sharing. This package recognizes the Other Funds limitation transfer in the amount of \$67,444, from the Department of State Lands. The funding is transferred to the Administrative Services Division for expenditures in that program.

Package 801, LFO Analyst Adjustments. This package makes a one-time reduction to Personal Services in the amount of \$20,000, in the Director's Office Division. This reduction is to align the agency's budget with the Joint Committee on Ways and Means Co-Chair budget framework.

Water Development Loan Fund

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 zero budget and no position authority for this program.

The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. This package moves one permanent, full-time position (1.00 FTE), \$261,002 Personal Services Other Funds limitation, and \$6,346 Services and Supplies Other Funds limitation from the Water Development Loan Program to the Administrative Services Division, where the position's workload is located.

Package 801, LFO Analyst Adjustments. This package removes the debt service for Water Development Loan Program bonds authorized for sale in the 2015-17 biennium, but were not sold.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

BUDGET NARRATIVE

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon 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 | | | |
| 2015-17 Legislatively Approved Budget at Dec 2016 * | \$ 31,220,037 | \$ 2,511,482 | \$ 74,257,142 | \$ - | \$ 1,312,338 | \$ - | 109,300,999 | 165 | 163.25 |
| 2017-19 Current Service Level (CSL)* | \$ 32,932,622 | \$ 6,032,844 | \$ 41,237,275 | \$ - | \$ 1,323,257 | \$ - | 81,525,998 | 163 | 160.59 |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 010-01 - Administrative Services | | | | | | | | | |
| Package 090: Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 261,002 | \$ - | \$ - | \$ - | 261,002 | 1 | 1.00 |
| Services and Supplies | \$ - | \$ - | \$ 6,346 | \$ - | \$ - | \$ - | 6,346 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ (20,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (20,000) | 0 | 0.00 |
| Other Special Payments | \$ (400,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (400,000) | | |
| SCR 010-03 - Field Services | | | | | | | | | |
| Package 107: Umatilla Field Presence | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 356,107 | \$ - | \$ 356,097 | \$ - | 712,204 | 5 | 5.00 |
| Services and Supplies | \$ - | \$ - | \$ 77,570 | \$ - | \$ 77,570 | \$ - | 155,140 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ (20,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (20,000) | 0 | 0.00 |
| SCR 010-04 - Technical Services | | | | | | | | | |
| Package 102: Protecting the Public and Water Supplies | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 104,487 | \$ - | \$ 104,483 | \$ - | 208,972 | 1 | 1.00 |
| Services and Supplies | \$ - | \$ - | \$ 18,123 | \$ - | \$ 18,125 | \$ - | 36,250 | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ (20,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (20,000) | 0 | 0.00 |
| Services and Supplies | \$ (150,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (150,000) | | |
| SCR 010-06 - Water Right Services | | | | | | | | | |
| Package 070: Revenue Shortfalls | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (375,025) | \$ - | \$ - | \$ - | (375,025) | 0 | (2.50) |
| Services and Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | | |
| Package 100: Water Rights Fee Increase and Add-Back Package | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 375,025 | \$ - | \$ - | \$ - | 375,025 | 0 | 2.50 |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ (20,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (20,000) | 0 | 0.00 |
| Services and Supplies | \$ (50,000) | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | - | | |
| SCR 010-07 - Director's Office | | | | | | | | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ (20,000) | \$ - | \$ - | \$ - | \$ - | \$ - | (20,000) | 0 | 0.00 |

SB 5542 A

7 of 10

BUDGET NARRATIVE

| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|--|----------------------|---------------------|-----------------------|-------------|---------------------|-------------|-----------------------|------------|---------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SCR 020-00 - Water Development Loan Program | | | | | | | | | |
| Package 090: Analyst Adjustments | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ (261,002) | \$ - | \$ - | \$ - | \$ (261,002) | (1) | (1.00) |
| Services and Supplies | \$ - | \$ - | \$ (6,346) | \$ - | \$ - | \$ - | \$ (6,346) | | |
| Package 801: LFO Analyst Adjustments | | | | | | | | | |
| Debt Services | \$ - | \$ - | \$ (2,480,290) | \$ - | \$ - | \$ - | \$ (2,480,290) | 0 | 0.00 |
| TOTAL ADJUSTMENTS | \$ (700,000) | \$ - | \$ (1,874,001) | \$ - | \$ 556,277 | \$ - | \$ (2,017,724) | 6 | 6.00 |
| SUBCOMMITTEE RECOMMENDATION * | \$ 32,232,622 | \$ 6,032,844 | \$ 39,365,274 | \$ - | \$ 1,879,544 | \$ - | \$ 79,508,274 | 169 | 166.59 |
| % Change from 2015-17 Leg Approved Budget | 3.2% | 140.2% | (47.0%) | 0.0% | 43.2% | 0.0% | (27.3%) | 2.4% | 2.0% |
| % Change from 2017-19 Current Service Level | (2.1%) | 0.0% | (4.5%) | 0.0% | 42.0% | 0.0% | (2.5%) | 3.7% | 3.7% |
| *Excludes Capital Construction Expenditures | | | | | | | | | |

BUDGET NARRATIVE

Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 6/14/2017 3:41:23 PM

Agency: Water Resources Department

Mission Statement:

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

| Legislatively Approved KPMS | Metrics | Agency Request | Last Reported Result | Target 2018 | Target 2019 |
|---|------------|----------------|----------------------|-------------|-------------|
| 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 | 28% | 30% | 32% |
| 2. PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated. | | Approved | 0.95 | 0.95 | 0.95 |
| 3. MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations. | | Approved | 99% | 99% | 99% |
| 4. STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations. | | Approved | 16.70% | 20% | 20% |
| 5. ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources. | | Approved | 8% | 10% | 10% |
| 6. EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet. | | Approved | 95% | 95% | 95% |
| 7. EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's Internet site. | | Approved | 2.69 | 2.75 | 3 |
| 8. NUMBER OF SIGNIFICANT DIVERSIONS WITH MEASUREMENT DEVICES INSTALLED - To fully implement the Water Resources Commission's 2000 Water Measurement Strategy | | Approved | 995 | 1,175 | 1,265 |
| 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 | 100% | 95% | 95% |
| 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 | 16% | 55% | 55% |
| 11. PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Percent of transfer final orders issued within 120 days of application filing. | | Approved | 34% | 37% | 40% |
| 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 | 2,523 | 2,550 | 2,550 |
| 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. | | Approved | 78% | 80% | 82% |
| 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 | 59% | 85% | 85% |
| | Expertise | | 71% | 85% | 85% |

SB 5542 A

9 of 10

BUDGET NARRATIVE

| Legislatively Approved KPMs | Metrics | Agency Request | Last Reported Result | Target 2018 | Target 2019 |
|-----------------------------|-----------------------------|----------------|----------------------|-------------|-------------|
| | Helpfulness | | 79% | 85% | 85% |
| | Accuracy | | 79% | 85% | 85% |
| | Availability of Information | | 68% | 85% | 85% |
| | Overall | | 74% | 85% | 85% |

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the key performance measures and targets as presented.

SubCommittee Action:

The Natural Resources Subcommittee approved the adoption of the key performance measures and targets as recommended by LFO

BUDGET NARRATIVE

79th Oregon Legislative Assembly – 2017 Regular Session

HB 5006 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Nathanson

Joint Committee On Ways and Means

Action Date: 07/03/17

Action: Do pass with amendments. (Printed A-Eng.)

House Vote

Yeas: 7 - Gomberg, Holvey, Huffman, Nathanson, Rayfield, Smith Warner, Williamson

Nays: 1 - McLane

Exc: 3 - Smith G, Stark, Whisnant

Senate Vote

Yeas: 11 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

Nays: 1 - Thomsen

Prepared By: Laurie Byerly and Gregory Jolivette, Legislative Fiscal Office

Reviewed By: Paul Siebert, Legislative Fiscal Office

Emergency Board

2017-19

Various Agencies

2015-17

This summary has not been adopted or officially endorsed by action of the committee.

HB 5006 A

1 of 41

BUDGET NARRATIVE

| <u>Budget Summary*</u> | <u>2015-17 Legislatively Approved Budget</u> | <u>2017-19 Committee Recommendation</u> | <u>Committee Change</u> |
|---|---|--|--------------------------------|
| <u>Emergency Board</u> | | | |
| General Fund - General Purpose | - | \$ 50,000,000 | \$ 50,000,000 |
| General Fund - Special Purpose Appropriations | | | |
| State Agencies for state employee compensation | - | \$ 100,000,000 | \$ 100,000,000 |
| State Agencies for non-state worker compensation | - | \$ 10,000,000 | \$ 10,000,000 |
| Reduction to HB 505 special purpose appropriation | - | \$ (600,000) | \$ (600,000) |
| <u>ADMINISTRATION PROGRAM AREA</u> | | | |
| <u>Department of Administrative Services</u> | | | |
| General Fund | - | \$ 9,091,000 | \$ 9,091,000 |
| General Fund Debt Service | - | \$ (4,962,907) | \$ (4,962,907) |
| Lottery Funds | - | \$ 180,000 | \$ 180,000 |
| Lottery Funds Debt Service | - | \$ (2,317,505) | \$ (2,317,505) |
| Other Funds | - | \$ 23,939,750 | \$ 23,939,750 |
| Other Funds Debt Service | - | \$ 1,080,828 | \$ 1,080,828 |
| <u>Advocacy Commissions Office</u> | | | |
| General Fund | - | \$ 10,471 | \$ 10,471 |
| <u>Employment Relations Board</u> | | | |
| General Fund | - | \$ (29,574) | \$ (29,574) |
| Other Funds | - | \$ (16,497) | \$ (16,497) |
| <u>Oregon Government Ethics Commission</u> | | | |
| Other Funds | - | \$ (28,614) | \$ (28,614) |
| <u>Office of the Governor</u> | | | |
| General Fund | - | \$ (525,236) | \$ (525,236) |
| Lottery Funds | - | \$ (138,447) | \$ (138,447) |
| Other Funds | - | \$ (110,630) | \$ (110,630) |
| <u>Oregon Liquor Control Commission</u> | | | |
| Other Funds | - | \$ (1,458,427) | \$ (1,458,427) |

HB 5006 A

2 of 41

BUDGET NARRATIVE

| <u>Budget Summary*</u> | <u>2015-17 Legislatively Approved Budget</u> | <u>2017-19 Committee Recommendation</u> | <u>Committee Change</u> |
|---|---|--|--------------------------------|
| <u>Public Employees Retirement System,</u> | | | |
| Other Funds | - | \$ (2,508,616) | \$ (2,508,616) |
| <u>Racing Commission</u> | | | |
| Other Funds | - | \$ (89,929) | \$ (89,929) |
| <u>Department of Revenue</u> | | | |
| General Fund | - | \$ (5,581,902) | \$ (5,581,902) |
| General Fund Debt Service | - | \$ (6,870,670) | \$ (6,870,670) |
| Other Funds | - | \$ 7,676,661 | \$ 7,676,661 |
| <u>Secretary of State</u> | | | |
| General Fund | - | \$ (346,704) | \$ (346,704) |
| Other Funds | - | \$ (1,030,747) | \$ (1,030,747) |
| Federal Funds | - | \$ (472,720) | \$ (472,720) |
| <u>State Library</u> | | | |
| General Fund | - | \$ 128,123 | \$ 128,123 |
| Other Funds | - | \$ (137,871) | \$ (137,871) |
| Federal Funds | - | \$ (1,625) | \$ (1,625) |
| <u>State Treasurer</u> | | | |
| General Fund | - | \$ 1,013,497 | \$ 1,013,497 |
| Other Funds | - | \$ (1,557,357) | \$ (1,557,357) |
| <u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u> | | | |
| <u>State Board of Accountancy</u> | | | |
| Other Funds | - | \$ (56,046) | \$ (56,046) |
| <u>Chiropractic Examiners Board</u> | | | |
| Other Funds | - | \$ (51,085) | \$ (51,085) |

BUDGET NARRATIVE

| <u>Budget Summary*</u> | <u>2015-17 Legislatively Approved Budget</u> | <u>2017-19 Committee Recommendation</u> | <u>Committee Change</u> |
|---|---|--|--------------------------------|
| <u>Consumer and Business Services</u> | | | |
| Other Funds | - | \$ (5,252,286) | \$ (5,252,286) |
| Federal Funds | - | \$ (475,260) | \$ (475,260) |
| <u>Construction Contractors Board</u> | | | |
| Other Funds | - | \$ (461,875) | \$ (461,875) |
| <u>Board of Dentistry</u> | | | |
| Other Funds | - | \$ (38,848) | \$ (38,848) |
| <u>Health Related Licensing Boards</u> | | | |
| Other Funds | - | \$ (83,199) | \$ (83,199) |
| <u>Bureau of Labor and Industries</u> | | | |
| General Fund | - | \$ (127,909) | \$ (127,909) |
| Other Funds | - | \$ (278,736) | \$ (278,736) |
| Federal Funds | - | \$ (960) | \$ (960) |
| <u>Licensed Professional Counselors and Therapists. Board of</u> | | | |
| Other Funds | - | \$ (24,871) | \$ (24,871) |
| <u>Licensed Social Workers, Board of</u> | | | |
| Other Funds | - | \$ (25,841) | \$ (25,841) |
| <u>Medical Board</u> | | | |
| Other Funds | - | \$ (345,981) | \$ (345,981) |
| <u>Board of Nursing</u> | | | |
| Other Funds | - | \$ (450,604) | \$ (450,604) |
| <u>Board of Pharmacy</u> | | | |
| Other Funds | - | \$ (261,147) | \$ (261,147) |

BUDGET NARRATIVE

| Budget Summary* | 2015-17 Legislatively Approved Budget | 2017-19 Committee Recommendation | Committee Change |
|---|--|---|-------------------------|
| <u>Psychologist Examiners Board</u> | | | |
| Other Funds | - | \$ (26,589) | \$ (26,589) |
| <u>Public Utility Commission</u> | | | |
| Other Funds | - | \$ (1,156,876) | \$ (1,156,876) |
| Federal Funds | - | \$ (6,858) | \$ (6,858) |
| <u>Real Estate Agency</u> | | | |
| Other Funds | - | \$ (276,826) | \$ (276,826) |
| <u>Tax Practitioners Board</u> | | | |
| Other Funds | - | \$ (18,835) | \$ (18,835) |
| <u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u> | | | |
| <u>Oregon Business Development Department</u> | | | |
| General Fund | - | \$ 3,628,465 | \$ 3,628,465 |
| General Fund Debt Service | - | \$ (1,481,045) | \$ (1,481,045) |
| Lottery Funds | - | \$ (247,934) | \$ (247,934) |
| Lottery Funds Debt Service | - | \$ (1,410,613) | \$ (1,410,613) |
| Other Funds | - | \$ 151,174,323 | \$ 151,174,323 |
| Other Funds Nonlimited | - | \$ 30,000,000 | \$ 30,000,000 |
| Federal Funds | - | \$ (13,232) | \$ (13,232) |
| <u>Employment Department</u> | | | |
| Other Funds | - | \$ (3,490,798) | \$ (3,490,798) |
| Federal Funds | - | \$ (4,403,080) | \$ (4,403,080) |
| <u>Housing and Community Services Department</u> | | | |
| General Fund | - | \$ 21,433,916 | \$ 21,433,916 |
| General Fund Debt Service | - | \$ 2,640,239 | \$ 2,640,239 |
| Lottery Funds | - | \$ 350,000 | \$ 350,000 |
| Other Funds | - | \$ 25,972,449 | \$ 25,972,449 |
| Federal Funds | - | \$ (7,227,385) | \$ (7,227,385) |

HB 5006 A

5 of 41

BUDGET NARRATIVE

| Budget Summary* | 2015-17 Legislatively Approved Budget | 2017-19 Committee Recommendation | Committee Change |
|--|--|---|-------------------------|
| <u>Department of Veterans' Affairs</u> | | | |
| General Fund | - | \$ (136,724) | \$ (136,724) |
| Lottery Funds | - | - | - |
| Other Funds | - | \$ (140,617) | \$ (140,617) |
| Federal Funds | - | - | - |
| <u>EDUCATION PROGRAM AREA</u> | | | |
| <u>Department of Education</u> | | | |
| General Fund | - | \$ (1,685,086) | \$ (1,685,086) |
| General Fund Debt Service | - | \$ (1,587,898) | \$ (1,587,898) |
| Other Funds | - | \$ 270,433,393 | \$ 270,433,393 |
| Federal Funds | - | \$ (957,295) | \$ (957,295) |
| <u>State School Fund</u> | | | |
| General Fund | - | \$ (30,372,945) | \$ (30,372,945) |
| Lottery Funds | - | \$ 12,465,745 | \$ 12,465,745 |
| Other Funds | - | \$ 17,907,200 | \$ 17,907,200 |
| <u>Higher Education Coordinating Commission</u> | | | |
| General Fund | - | \$ 8,532,950 | \$ 8,532,950 |
| General Fund Debt Service | - | \$ (13,840,783) | \$ (13,840,783) |
| Lottery Funds Debt Service | - | \$ (73,975) | \$ (73,975) |
| Other Funds | - | \$ 6,614,787 | \$ 6,614,787 |
| Federal Funds | - | \$ (430,293) | \$ (430,293) |
| <u>Chief Education Office</u> | | | |
| General Fund | - | \$ (369,306) | \$ (369,306) |
| <u>Teacher Standards and Practices</u> | | | |
| Other Funds | - | \$ (214,668) | \$ (214,668) |

BUDGET NARRATIVE

Budget Summary*

HUMAN SERVICES PROGRAM AREA

Commission for the Blind

| | <u>2015-17 Legislatively Approved Budget</u> | | <u>2017-19 Committee Recommendation</u> | | <u>Committee Change</u> |
|---------------|--|----|---|----|-------------------------|
| General Fund | - | \$ | (41,304) | \$ | (41,304) |
| Other Funds | - | \$ | (11,467) | \$ | (11,467) |
| Federal Funds | - | \$ | (157,969) | \$ | (157,969) |

Oregon Health Authority

| | | | | | |
|---------------------------|---|----|--------------|----|--------------|
| General Fund | - | \$ | (59,956,387) | \$ | (59,956,387) |
| General Fund Debt Service | - | \$ | 4,001 | \$ | 4,001 |
| Lottery Funds | - | \$ | (4,617) | \$ | (4,617) |
| Other Funds | - | \$ | 71,374,612 | \$ | 71,374,612 |
| Federal Funds | - | \$ | (9,456,614) | \$ | (9,456,614) |

Department of Human Services

| | | | | | |
|---------------------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (8,487,786) | \$ | (8,487,786) |
| General Fund Debt Service | - | \$ | 10,521,010 | \$ | 10,521,010 |
| Other Funds | - | \$ | 45,175,634 | \$ | 45,175,634 |
| Federal Funds | - | \$ | 138,153,153 | \$ | 138,153,153 |

Long Term Care Ombudsman

| | | | | | |
|--------------|---|----|-----------|----|-----------|
| General Fund | - | \$ | (272,509) | \$ | (272,509) |
| Other Funds | - | \$ | (2,593) | \$ | (2,593) |

Psychiatric Security Review Board

| | | | | | |
|--------------|---|----|----------|----|----------|
| General Fund | - | \$ | (33,233) | \$ | (33,233) |
|--------------|---|----|----------|----|----------|

JUDICIAL BRANCH

Judicial Department

| | | | | | |
|---------------------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (7,171,498) | \$ | (7,171,498) |
| General Fund Debt Service | - | \$ | (2,555,411) | \$ | (2,555,411) |
| Other Funds | - | \$ | 195,971,790 | \$ | 195,971,790 |

HB 5006 A

7 of 41

BUDGET NARRATIVE

| <u>Budget Summary*</u> | <u>2015-17 Legislatively Approved Budget</u> | <u>2017-19 Committee Recommendation</u> | <u>Committee Change</u> |
|---|---|--|--------------------------------|
| <u>Commission on Judicial Fitness and Disability</u> | | | |
| General Fund | - | \$ (577) | \$ (577) |
| <u>Public Defense Services Commission</u> | | | |
| General Fund | - | \$ 1,060,699 | \$ 1,060,699 |
| <u>LEGISLATIVE BRANCH</u> | | | |
| <u>Legislative Administration Committee</u> | | | |
| General Fund | - | \$ 4,109,449 | \$ 4,109,449 |
| General Fund Debt Service | - | \$ (445,481) | \$ (445,481) |
| Other Funds | - | \$ 239,358 | \$ 239,358 |
| Other Funds Debt Service | - | \$ (28,305) | \$ (28,305) |
| <u>Legislative Assembly</u> | | | |
| General Fund | - | \$ (1,324,394) | \$ (1,324,394) |
| <u>Legislative Commission on Indian Services</u> | | | |
| General Fund | - | \$ (1,750) | \$ (1,750) |
| <u>Legislative Counsel</u> | | | |
| General Fund | - | \$ (232,754) | \$ (232,754) |
| Other Funds | - | \$ (59,154) | \$ (59,154) |
| <u>Legislative Fiscal Office</u> | | | |
| General Fund | - | \$ (183,583) | \$ (183,583) |
| Other Funds | - | \$ (124,420) | \$ (124,420) |
| <u>Legislative Revenue Office</u> | | | |
| General Fund | - | \$ (18,516) | \$ (18,516) |
| <u>Legislative Policy and Research Office</u> | | | |
| General Fund | - | \$ (45,374) | \$ (45,374) |
| <u>Budget Summary*</u> | | | |
| | <u>2015-17 Legislatively Approved Budget</u> | <u>2017-19 Committee Recommendation</u> | <u>Committee Change</u> |

HB 5006 A

8 of 41

BUDGET NARRATIVE

NATURAL RESOURCES PROGRAM AREA

State Department of Agriculture

| | | | | | |
|---------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (1,066,655) | \$ | (1,066,655) |
| Lottery Funds | - | \$ | (231,617) | \$ | (231,617) |
| Other Funds | - | \$ | (2,054,053) | \$ | (2,054,053) |
| Federal Funds | - | \$ | (388,340) | \$ | (388,340) |

Columbia River Gorge Commission

| | | | | | |
|--------------|---|----|--------|----|--------|
| General Fund | - | \$ | 24,081 | \$ | 24,081 |
|--------------|---|----|--------|----|--------|

State Department of Energy

| | | | | | |
|---------------|---|----|-----------|----|-----------|
| Other Funds | - | \$ | (538,561) | \$ | (538,561) |
| Federal Funds | - | \$ | (72,012) | \$ | (72,012) |

Department of Environmental Quality

| | | | | | |
|---------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (352,190) | \$ | (352,190) |
| Lottery Funds | - | \$ | (77,348) | \$ | (77,348) |
| Other Funds | - | \$ | (3,614,762) | \$ | (3,614,762) |
| Federal Funds | - | \$ | (461,243) | \$ | (461,243) |

State Department of Fish and Wildlife

| | | | | | |
|---------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | 182,646 | \$ | 182,646 |
| Lottery Funds | - | \$ | (167,378) | \$ | (167,378) |
| Other Funds | - | \$ | (3,153,172) | \$ | (3,153,172) |
| Federal Funds | - | \$ | (3,058,576) | \$ | (3,058,576) |

Department of Forestry

| | | | | | |
|----------------------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (1,201,103) | \$ | (1,201,103) |
| General Fund Debt Service | - | \$ | (410,919) | \$ | (410,919) |
| Lottery Funds Debt Service | - | \$ | (5,594) | \$ | (5,594) |
| Other Funds | - | \$ | 96,885,643 | \$ | 96,885,643 |
| Other Funds Debt Service | - | \$ | 79,996 | \$ | 79,996 |
| Federal Funds | - | \$ | (495,371) | \$ | (495,371) |

Budget Summary*

**2015-17 Legislatively
Approved Budget**

**2017-19 Committee
Recommendation**

Committee Change

HB 5006 A

9 of 41

BUDGET NARRATIVE

Department of Geology and Mineral Industries

| | | | | | | |
|---------------|---|----|-----------|----|--|-----------|
| General Fund | - | \$ | (104,725) | \$ | | (104,725) |
| Other Funds | - | \$ | (141,422) | \$ | | (141,422) |
| Federal Funds | - | \$ | (65,496) | \$ | | (65,496) |

Department of Land Conservation and Development

| | | | | | | |
|---------------|---|----|-----------|----|--|-----------|
| General Fund | - | \$ | (395,929) | \$ | | (395,929) |
| Other Funds | - | \$ | (1,373) | \$ | | (1,373) |
| Federal Funds | - | \$ | (108,803) | \$ | | (108,803) |

Land Use Board of Appeals

| | | | | | | |
|--------------|---|----|-----|----|--|-----|
| General Fund | - | \$ | 266 | \$ | | 266 |
|--------------|---|----|-----|----|--|-----|

Oregon Marine Board

| | | | | | | |
|---------------|---|----|-----------|----|--|-----------|
| Other Funds | - | \$ | (335,800) | \$ | | (335,800) |
| Federal Funds | - | \$ | (1,373) | \$ | | (1,373) |

Department of Parks and Recreation

| | | | | | | |
|----------------------------|---|----|-------------|----|--|-------------|
| Lottery Funds | - | \$ | (1,881,005) | \$ | | (1,881,005) |
| Lottery Funds Debt Service | - | \$ | (895,019) | \$ | | (895,019) |
| Other Funds | - | \$ | 3,232,341 | \$ | | 3,232,341 |
| Federal Funds | - | \$ | (7,925) | \$ | | (7,925) |

Department of State Lands

| | | | | | | |
|---------------|---|----|------------|----|--|------------|
| General Fund | - | \$ | 5,000,000 | \$ | | 5,000,000 |
| Other Funds | - | \$ | 11,149,657 | \$ | | 11,149,657 |
| Federal Funds | - | \$ | (3,183) | \$ | | (3,183) |

Water Resources Department

| | | | | | | |
|----------------------------|---|----|-------------|----|--|-------------|
| General Fund | - | \$ | (748,813) | \$ | | (748,813) |
| Lottery Funds Debt Service | - | \$ | (2,078,875) | \$ | | (2,078,875) |
| Other Funds | - | \$ | 21,943,095 | \$ | | 21,943,095 |
| Federal Funds | - | \$ | - | \$ | | - |

Budget Summary*

| 2015-17 Legislatively Approved Budget | 2017-19 Committee Recommendation | Committee Change |
|--|-------------------------------------|------------------|
|--|-------------------------------------|------------------|

BUDGET NARRATIVE

Watershed Enhancement Board

| | | | | | |
|---------------|---|----|-----------|----|-----------|
| Lottery Funds | - | \$ | (205,451) | \$ | (205,451) |
| Federal Funds | - | \$ | (1,136) | \$ | (1,136) |

PUBLIC SAFETY PROGRAM AREA

Department of Corrections

| | | | | | |
|---------------------------|---|----|--------------|----|--------------|
| General Fund | - | \$ | (23,762,896) | \$ | (23,762,896) |
| General Fund Debt Service | - | \$ | 1,268,059 | \$ | 1,268,059 |
| Other Funds | - | \$ | 272,630 | \$ | 272,630 |
| Federal Funds | - | \$ | (10,323) | \$ | (10,323) |

Oregon Criminal Justice Commission

| | | | | | |
|---------------|---|----|----------|----|----------|
| General Fund | - | \$ | (87,794) | \$ | (87,794) |
| Other Funds | - | \$ | (1,137) | \$ | (1,137) |
| Federal Funds | - | \$ | (3,503) | \$ | (3,503) |

District Attorneys and their Deputies

| | | | | | |
|--------------|---|----|----------|----|----------|
| General Fund | - | \$ | (23,359) | \$ | (23,359) |
|--------------|---|----|----------|----|----------|

Department of Justice

| | | | | | |
|---------------------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (3,386,309) | \$ | (3,386,309) |
| General Fund Debt Service | - | \$ | 3,235,629 | \$ | 3,235,629 |
| Other Funds | - | \$ | 15,825,892 | \$ | 15,825,892 |
| Federal Funds | - | \$ | 29,064,361 | \$ | 29,064,361 |

Oregon Military Department

| | | | | | |
|---------------------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | 932,333 | \$ | 932,333 |
| General Fund Debt Service | - | \$ | (802,765) | \$ | (802,765) |
| Other Funds | - | \$ | 5,245,172 | \$ | 5,245,172 |
| Federal Funds | - | \$ | (1,156,392) | \$ | (1,156,392) |

Budget Summary*

| | 2015-17 Legislatively Approved Budget | 2017-19 Committee Recommendation | Committee Change |
|--|--|-------------------------------------|------------------|
|--|--|-------------------------------------|------------------|

Oregon Board of Parole

| | | | | | |
|--------------|---|----|-----------|----|-----------|
| General Fund | - | \$ | (340,944) | \$ | (340,944) |
|--------------|---|----|-----------|----|-----------|

HB 5006 A

11 of 41

BUDGET NARRATIVE

Oregon State Police

| | | | | | |
|---------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (2,667,382) | \$ | (2,667,382) |
| Lottery Funds | - | \$ | (240,268) | \$ | (240,268) |
| Other Funds | - | \$ | (26,542) | \$ | (26,542) |
| Federal Funds | - | \$ | (142,526) | \$ | (142,526) |

Department of Public Safety Standards and Training

| | | | | | |
|---------------|---|----|-------------|----|-------------|
| Other Funds | - | \$ | (1,183,157) | \$ | (1,183,157) |
| Federal Funds | - | \$ | 464,466 | \$ | 464,466 |

Oregon Youth Authority

| | | | | | |
|---------------------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (4,902,061) | \$ | (4,902,061) |
| General Fund Debt Service | - | \$ | 1,925,787 | \$ | 1,925,787 |
| Other Funds | - | \$ | 567,980 | \$ | 567,980 |
| Federal Funds | - | \$ | (218,984) | \$ | (218,984) |

TRANSPORTATION PROGRAM AREA

Department of Aviation

| | | | | | |
|---------------|---|----|----------|----|----------|
| Other Funds | - | \$ | (39,973) | \$ | (39,973) |
| Federal Funds | - | \$ | (1,538) | \$ | (1,538) |

Department of Transportation

| | | | | | |
|----------------------------|---|----|-------------|----|-------------|
| General Fund | - | \$ | (389,942) | \$ | (389,942) |
| General Fund Debt Service | - | \$ | (1,037,553) | \$ | (1,037,553) |
| Lottery Funds Debt Service | - | \$ | (6,039,258) | \$ | (6,039,258) |
| Other Funds | - | \$ | (1,415,838) | \$ | (1,415,838) |
| Other Funds Debt Service | - | \$ | 10 | \$ | 10 |
| Federal Funds | - | \$ | (227,030) | \$ | (227,030) |

Budget Summary*

**2015-17 Legislatively
Approved Budget**

**2017-19 Committee
Recommendation**

Committee Change

2017-19 Budget Summary

| | | | | | |
|---------------------------|---|----|--------------|----|--------------|
| General Fund Total | - | \$ | 58,172,743 | \$ | 58,172,743 |
| General Fund Debt Service | - | \$ | (14,400,707) | \$ | (14,400,707) |

HB 5006 A

12 of 41

BUDGET NARRATIVE

| | | | | | |
|----------------------------|---|----|--------------|----|--------------|
| Lottery Funds Total | - | \$ | 9,801,680 | \$ | 9,801,680 |
| Lottery Funds Debt Service | - | \$ | (12,820,839) | \$ | (12,820,839) |
| Other Funds Total | - | \$ | 939,304,527 | \$ | 939,304,527 |
| Other Funds Debt Service | - | \$ | 1,132,529 | \$ | 1,132,529 |
| Other Funds Nonlimited | - | \$ | 30,000,000 | \$ | 30,000,000 |
| Federal Funds Total | - | \$ | 137,654,935 | \$ | 137,654,935 |

* Excludes Capital Construction

| | | | <u>2015-17 Legislatively Approved Budget</u> | | <u>2015-17 Committee Recommendation</u> | | <u>Committee Change</u> |
|---|---|----|--|----|---|--|-------------------------|
| <u>2015-17 Supplemental Appropriations</u> | | | | | | | |
| <u>Commission on Judicial Fitness and Disability</u> | | | | | | | |
| General Fund | - | \$ | 35,000 | \$ | 35,000 | | 35,000 |
| <u>Department of Transportation</u> | | | | | | | |
| Other Funds | - | \$ | 45,500,000 | \$ | 45,500,000 | | 45,500,000 |
| Federal Funds | - | \$ | 8,100,000 | \$ | 8,100,000 | | 8,100,000 |

| | | | <u>2015-17 Legislatively Approved Budget</u> | | <u>2017-19 Committee Recommendation</u> | | <u>Committee Change</u> |
|---|---|--|--|--|---|--|-------------------------|
| <u>2017-19 Position Summary</u> | | | | | | | |
| ADMINISTRATION PROGRAM AREA | | | | | | | |
| <u>Department of Administrative Services</u> | | | | | | | |
| Authorized Positions | - | | 6 | | 6 | | 6 |
| Full-time Equivalent (FTE) positions | - | | 6.00 | | 6.00 | | 6.00 |

HB 5006 A

13 of 41

BUDGET NARRATIVE

Public Employees Retirement System

| | | | |
|--------------------------------------|---|------|------|
| Authorized Positions | - | 1 | 1 |
| Full-time Equivalent (FTE) positions | - | 0.92 | 0.92 |

Department of Revenue

| | | | |
|--------------------------------------|---|------|------|
| Authorized Positions | - | 33 | 33 |
| Full-time Equivalent (FTE) positions | - | 9.00 | 9.00 |

State Treasurer

| | | | |
|--------------------------------------|---|------|------|
| Authorized Positions | - | 2 | 2 |
| Full-time Equivalent (FTE) positions | - | 2.34 | 2.34 |

CONSUMER AND BUSINESS SERVICES PROGRAM AREA

Consumer and Business Services

| | | | |
|--------------------------------------|---|------|------|
| Authorized Positions | - | 11 | 11 |
| Full-time Equivalent (FTE) positions | - | 9.68 | 9.68 |

Bureau of Labor and Industries

| | | | |
|--------------------------------------|---|------|------|
| Authorized Positions | - | 3 | 3 |
| Full-time Equivalent (FTE) positions | - | 2.50 | 2.50 |

ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

Housing and Community Services Department

| | | | |
|--------------------------------------|---|------|------|
| Authorized Positions | - | 3 | 3 |
| Full-time Equivalent (FTE) positions | - | 0.75 | 0.75 |

2017-19 Position Summary

| 2015-17 Legislatively Approved Budget | 2017-19 Committee Recommendation | Committee Change |
|--|-------------------------------------|------------------|
|--|-------------------------------------|------------------|

HUMAN SERVICES PROGRAM AREA

Oregon Health Authority

| | | | |
|--------------------------------------|---|-------|-------|
| Authorized Positions | - | 63 | 63 |
| Full-time Equivalent (FTE) positions | - | 51.46 | 51.46 |

Department of Human Services

HB 5006 A

14 of 41

BUDGET NARRATIVE

| | | | | |
|--|---|--|---|-------------------------|
| Authorized Positions | - | 113 | 113 | |
| Full-time Equivalent (FTE) positions | - | 74.33 | 74.33 | |
| JUDICIAL BRANCH | | | | |
| <u>Judicial Department</u> | | | | |
| Authorized Positions | - | 4 | 4 | |
| Full-time Equivalent (FTE) positions | - | 2.00 | 2.00 | |
| NATURAL RESOURCES PROGRAM AREA | | | | |
| <u>Oregon Department of Agriculture</u> | | | | |
| Authorized Positions | - | (1) | (1) | |
| Full-time Equivalent (FTE) positions | - | (1.00) | (1.00) | |
| <u>Department of Fish and Wildlife</u> | | | | |
| Authorized Positions | - | 6 | 6 | |
| Full-time Equivalent (FTE) positions | - | 5.33 | 5.33 | |
| <u>Department of Forestry</u> | | | | |
| Authorized Positions | - | 4 | 4 | |
| Full-time Equivalent (FTE) positions | - | 3.50 | 3.50 | |
| <u>Department of State Lands</u> | | | | |
| Authorized Positions | - | 1 | 1 | |
| Full-time Equivalent (FTE) positions | - | 1.00 | 1.00 | |
| <u>2017-19 Position Summary</u> | | 2015-17 Legislatively Approved Budget | 2017-19 Committee Recommendation | Committee Change |
| <u>Water Resources Department</u> | | | | |
| Authorized Positions | - | 1 | 1 | |
| Full-time Equivalent (FTE) positions | - | 1.00 | 1.00 | |
| PUBLIC SAFETY PROGRAM AREA | | | | |
| <u>Department of Justice</u> | | | | |
| Authorized Positions | - | 68 | 68 | |
| Full-time Equivalent (FTE) positions | - | 54.99 | 54.99 | |

HB 5006 A
15 of 41

BUDGET NARRATIVE

| | | | |
|--|---|-------|-------|
| <u>Oregon Military Department</u> | | 2 | 2 |
| Authorized Positions | - | 2.00 | 2.00 |
| Full-time Equivalent (FTE) positions | - | | |
| <u>Oregon State Police</u> | | | |
| Authorized Positions | - | 27 | 27 |
| Full-time Equivalent (FTE) positions | - | 25.32 | 25.32 |

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2017 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 HB 3470, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

HB 5006 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.

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 \$50 million General Fund to the Emergency Board for general purposes.

HB 5006 makes two special purpose appropriations to the Emergency Board, totaling \$110 million General Fund; the bill also adjusts a special purpose appropriation already approved in a different bill:

- \$100 million General Fund for state employee compensation changes.
- \$10 million General Fund for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees.

HB 5006 A

16 of 41

BUDGET NARRATIVE

- Reduces the special purpose appropriation made by SB 505 for costs associated with the requirement to record grand jury proceedings, by \$600,000 General Fund. The budget for the Judicial Department is increased by this amount.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2018, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2017-19 Agency Budgets

STATEWIDE ADJUSTMENTS

Statewide adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services assessments and charges for services, Attorney General rates, certain services and supplies, and additional vacancy savings expected as a result of a hiring slowdown. Statewide adjustments also reflect net reductions to debt service realized through interest rate savings on bond sales and refunding of outstanding general obligation and lottery revenue bonds. Total savings are \$135.8 million General Fund, \$16.7 million Lottery Funds, \$105.5 million Other Funds, and \$35.6 million Federal Funds.

Specific adjustments include \$126 million total funds savings from implementing a hiring slowdown implemented across all three branches of government; \$25 million in General Fund and Lottery Funds savings from eliminating most inflation on services and supplies implemented across all three branches of government; \$9.3 million total funds from a 10% reduction to travel in Executive Branch agencies to implement the Governor's previously announced cost containment effort; \$68 million total funds reduction from lower Department of Administrative Services assessments and service rates; and \$13 million total funds from lower Attorney General rates.

Section 145 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the individual agency narratives, although they are included in the table at the beginning of the budget report.

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved various one-time General Fund appropriations to the Department of Administrative Services (DAS) for the following purposes:

- \$1,895,000 for disbursement to the Rogue River Valley Irrigation District for the Bradshaw Drop Irrigation Canal project to pipe over three miles of irrigation canal to conserve water and provide pressurized water to district patrons.
- \$1,836,000 for disbursement to the City of John Day to extend a fiber optic line along US 395 from US 20 to John Day.
- \$1,000,000 for disbursement to the JPR Foundation, Inc. for the Holly Theater restoration project in Medford.

HB 5006 A

17 of 41

BUDGET NARRATIVE

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HB 5006 A

17 of 41

BUDGET NARRATIVE

- \$1,000,000 for disbursement to the Deschutes Rim Clinic Foundation for the Rim Health Clinic in Maupin to supplement capacity at the current facility.
- \$750,000 for disbursement to the City of Medford for improvements at Harry and David Baseball Park.
- \$500,000 for disbursement to the City of Mosier for a joint use facility, encompassing a city hall, main fire station, and multi-use community space to be built on land donated by Union Pacific Railroad.
- \$500,000 for disbursement to the Oregon Wine Board for marketing and increasing the market access of Oregon produced wine.
- \$420,000 for disbursement to the City of John Day for operations of a public safety answering point through the 2017-19 biennium.
- \$400,000 for disbursement to the Greater Portland YWCA for the Family Preservation Project.
- \$250,000 for disbursement to the Southern Oregon Veterans Benefit organization for construction of a replica of the Vietnam Memorial Traveling Wall.
- \$200,000 for disbursement to the Mid-Columbia Health Foundation for a hospital modernization and expansion project involving a regional rural community hospital in The Dalles that was built in 1859.
- \$50,000 for disbursement to the World of Speed organization as transition funding for the High School Automotive Career Technical Education program as the organization seeks other support for the program.
- \$50,000 for disbursement to the Family YMCA of Marion and Polk Counties for the YMCA Youth and Government program.
- \$50,000 for disbursement to the Bag and Baggage Productions, a professional theater located in Hillsboro, for its Cultural Innovation Project involving the purchase and installation of a 360 degree digitally immersive projection system.
- \$40,000 for disbursement to the Cities of Turner, Aumsville, and Salem, for use as flood mitigation planning match.

A total of \$28,177,202 Other Funds expenditure limitation was added by the Subcommittee for the 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 SB 5530. Cost of issuance for these projects totals \$707,200. There is no debt service allocated in the 2017-19 biennium, as the bonds will not be sold until the spring of 2019. Total debt service on all the projects described below is estimated at a total of \$4,743,599 Lottery Funds for the 2017-19 biennium and \$47,153,969 over the life of the bonds.

- \$12,235,018 Other Funds for disbursement to the YMCA of Marion and Polk counties for construction of a new YMCA facility in Salem.
- \$6,125,396 Other Funds for disbursement to the Eugene Civic Alliance to redevelop the site of the former Civic Stadium into a community sports and recreation complex.
- \$2,050,587 Other Funds for disbursement to the Gresham Redevelopment Commission for the construction of an innovation and workforce training center in the Rockwood neighborhood in Gresham.
- \$2,050,587 Other Funds for disbursement to the Family Nurturing Center (Rogue Valley Children's Relief Nursery) to purchase and rehabilitate affordable housing adjacent to the Center's campus.
- \$1,042,655 Other Funds for disbursement to the Cascade AIDS Project for the acquisition and renovation of a primary care and mental health center for the lesbian, gay, bisexual, transgender, queer, and other minority gender identities and sexual orientation community.
- \$1,041,303 Other Funds for disbursement to the City of Independence for the Independence Landing Revitalization Project.

HB 5006 A

18 of 41

BUDGET NARRATIVE

- \$1,041,303 Other Funds for disbursement to Klamath County for construction of the Klamath Youth Inspiration Program residential treatment center in Klamath Falls.
- \$1,041,303 Other Funds for disbursement to the City of Woodburn to develop a community center in Woodburn.
- \$784,922 Other Funds for disbursement to The Dalles Civic Auditorium Preservation Commission to continue reconstruction of The Dalles Civic Auditorium theater.
- \$764,128 Other Funds for disbursement to the City of Spray to construct a public safety and emergency services center, which includes fire protection and emergency medical services.

The Subcommittee approved two one-time increases to existing subsidy programs funded through the DAS budget: \$150,000 General Fund was added to the special payments made to the Oregon Historical Society, increasing its total state support in 2017-19 to \$900,000 General Fund. The Subcommittee also approved increasing the 2017-19 special payments to county fairs by \$180,000 Lottery Funds, which provides county fairs with a total of \$3,828,000 Lottery Funds in 2017-19.

To complete projects approved in SB 5506, the capital construction bill, the Subcommittee approved the establishment of five limited duration Project Manager 2 positions (5.00 FTE) and one limited duration Project Manager 3 position (1.00 FTE) within the DAS Planning and Construction Management program. This is position establishment authority only, as all position costs will be charged against project funding.

The Subcommittee approved \$1,080,818 in additional Other Funds Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505 for renovations at the Portland State Office Building, and an Other Funds expenditure limitation increase of \$214,000 for the cost of issuance of the bonds.

BUDGET NARRATIVE

Public Employees Retirement System

An Other Funds expenditure limitation increase of \$209,443 was approved by the Subcommittee, which supports one permanent full-time Principal Executive Manager G (0.92 FTE) to serve as the agency's Chief Financial Officer, with the understanding that the agency competitively recruit for, and hire, a Certified Public Accountant for this position.

Department of Revenue

The Subcommittee approved funding for the final project phase to replace most of the agency's core information technology systems (Core Systems Replacement project). The final phase includes: Timber tax; electrical cooperative tax; rail car tax; gas and oil production tax; County Assessment Funding Assistance; Green Light; Non-profit homes; court fines and assessments; and revenue accounting. The scheduled implementation date is November 13, 2017.

The Subcommittee approved \$8,383,109 of Other Funds expenditure limitation and the establishment of 32 limited duration positions (8.00 FTE), which is to be mostly financed with Article XI-Q bonds approved in SB 5505 (\$4,781,944). Project revenues also include an estimated \$3,501,165 in bond proceeds that were authorized and issued during the 2015-17 biennium, but remained unexpended, and \$100,000 of state marijuana tax revenue. The Department of Administrative Services is directed to unschedule \$276,599 of Other Funds expenditure limitation associated with the Core Systems Replacement project, which may be rescheduled upon the approval of the Legislative Fiscal Office.

The Subcommittee appropriated \$1,000,000 General Fund for vendor contract maintenance costs to support the ongoing maintenance of the vendor product after installation and \$60,000 General Fund for non-bondable expenditures related to the project; these are one-time costs that should be phased out for 2019-21.

To support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505 for the project, the Subcommittee appropriated \$796,311 in additional General Fund Debt Service and added \$73,056 Other Funds expenditure limitation for the cost of issuance of the bonds.

The Subcommittee increased the General Fund appropriation by \$276,906 and Other Funds expenditure limitation by \$24,079 for one permanent full-time Principal Executive Manager F position (1.00 FTE) to restore funding for the agency's Finance Manager position, a long-term vacancy that was eliminated in SB 5535, with the understanding that the agency competitively recruit for, and fill, this position.

To balance available revenues with Other Funds expenditure limitation, the Subcommittee decreased Other Funds expenditure limitation by \$187,277 for services and supplies in the Property Tax Division.

The Subcommittee increased Other Funds expenditure limitation by \$244,058 for services and supplies in the Marijuana Program. Of the increase, \$200,000 is for a remodel of the cash transaction space in the Salem headquarters building. This will bring the total estimated project

HB 5006 A

20 of 41

BUDGET NARRATIVE

costs to \$1.33 million, of which \$1 million will be funded during the 2017-19 biennium. This is a one-time expense. The remaining \$44,058 is for services and supplies approved by the Emergency Board in May of 2016.

Oregon Advocacy Commissions Office

To restore a reduction in services and supplies included in the budget bill for the Oregon Advocacy Commissions Office (SB 5501), the Subcommittee approved \$17,000 General Fund.

State Library

The Subcommittee approved a \$197,488 General Fund appropriation to restore a reduction to the Ready to Read Grant program included in the budget bill for the State Library (HB 5018). The Ready to Read Grant program provides grants to public libraries for early literacy services and summer reading programs.

State Treasurer

For the Oregon Retirement Savings Board, the Subcommittee increased General Fund by \$1,056,224 and established three permanent full-time positions (2.84 FTE) for additional implementation work. The positions are: one permanent full-time Operations and Policy Analyst 4 to serve as a Public Engagement Manager (1.00 FTE); one permanent full-time Operations and Policy Analyst 3 to serve as a Compliance Manager (0.92 FTE); and one permanent full-time Executive Support Special 1 (0.92 FTE). The Subcommittee abolished one permanent part-time Program Analyst 1 position, a long-term vacant position (-0.50 FTE). A General Fund appropriation is required to fund the Board's operating expenses until the Retirement Savings Plan Administrative Fund has sufficient revenue to support the Board. General Fund expenditures are to be repaid with future administrative fees.

CONSUMER AND BUSINESS SERVICES

Department of Consumer and Business Services

The Subcommittee approved an increase in Other Funds expenditure limitation of \$154,056 for the Department of Consumer and Business Services (DCBS), Division of Financial Regulation and authorized the establishment of a limited duration Operation and Policy Analyst 3 position (0.88 FTE). This position will support work required by the passage of HB 2391, which requires DCBS to establish a reinsurance program for individual and group health insurance policies. The position will assist existing staff at the agency with the additional rulemaking process required to establish the reinsurance program and with the application to the US Department of Health and Human Services for a 1332 waiver to implement the Oregon Reinsurance Program.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$1,748,149 for the DCBS Building Codes Division and the establishment of 10 positions (8.80 FTE). Three of the positions, two Operations and Policy Analyst 3 and a Professional Engineer 2, are for building code development. These positions will provide policy and technical research, analysis, and subject matter expertise related to developing statewide standards, and provide support on special projects related to statewide consistency and uniformity within the building

HB 5006 A

21 of 41

BUDGET NARRATIVE

code. Two Administrative Specialist 2 positions will support analysts, engineers, and subject matter experts in the process of statewide code development, and facilitate and coordinate on special projects, permit services, and project tracking. Two Plans Examiner 2 positions will provide technical expertise and support to special projects, by reviewing plans and specifications for those projects and providing additional support to operational programs in the Pendleton and Coos Bay field offices. One Structural and Mechanical Inspector, a Plumbing Inspector, and one Electrical Inspector will provide field support for site-built construction in the Pendleton and Coos Bay field offices.

Bureau of Labor and Industries

General Fund in the amount of \$413,787 is added to the budget of the Bureau of Labor and Industries for anticipated investigatory and enforcement provisions related to the passage of SB 828. The funding supports a permanent Civil Rights Field Representative (0.75 FTE), and a Permanent Compliance Specialist (0.75 FTE). In addition, funding to support a limited duration Training and Development Specialist 2 position (1.00 FTE) is also included; this position will develop notice materials for posting in the work place, and provide employer training opportunities on the new requirements.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee established a one-time \$1,650,000 General Fund appropriation for the Arts Commission to distribute grants to the following cultural institutions in the following amounts:

- APANO Cultural Center - \$300,000
- Benton County Historical Society & Museum - Corvallis Museum - \$500,000
- Cottage Theatre Expansion - \$125,000
- High Desert Museum - By Hand Through Memory Exhibit - \$125,000
- Liberty Theatre Foundation - Theatre Restoration in La Grande - \$200,000
- Oregon Coast Council for the Arts - Newport Performing Arts Center - \$300,000
- Portland Institute of Contemporary Art - Capital Campaign NE Hancock \$100,000

The Subcommittee established a one-time \$2,000,000 General Fund appropriation for a grant to the Crescent Sanitary District to support a sewer system/wastewater treatment facility project. To supplement support for the Regional Accelerator Innovation Network (RAIN), the Subcommittee increased the one-time Lottery Funds expenditure limitation by \$500,000. With the expenditure increase in this bill, total support in the budget for RAIN will total \$1,000,000. The Subcommittee also established a one-time Other Funds expenditure limitation of \$3,000,000 to support operating and research expenses of the Oregon Manufacturing Innovation Center (OMIC). The source of these funds are moneys transferred from the Connect Oregon Fund in the Department of Transportation. With the expenditure increase in this bill, support in the Oregon Business Development Department budget for OMIC operations will total \$6.6 million of combined Lottery Funds and Other Funds expenditures.

BUDGET NARRATIVE

The Subcommittee increased Other Funds expenditures for distribution of bond proceeds authorized in SB 5505 and SB 5530, and HB 2278 (2015 Session). These expenditures include expenditures for the following projects for the following amounts:

- Seismic Rehabilitation Grants - \$120 million total, including \$100 million for school facilities and \$20 million for emergency services facilities.
- Port of Coos Bay - Channel Deepening Project - \$15,000,000
- Oregon Manufacturing Innovation Center Roads - \$3,390,000
- City of Sweet Home - Wastewater Treatment Plant Upgrade - \$2,000,000
- Crescent Sanitary District Sewer System - \$3,000,000
- Portland Art Museum O Connection Campaign - \$1,000,000
- Eugene Ballet Company - Midtown Arts Center - \$700,000
- Friends of the Oregon Caves & Chateau - Balcony Restoration Project - \$750,000
- Regional Solutions - \$1

Regarding Regional Solutions, SB 5530 authorizes \$4 million of lottery bond proceeds for the Regional Infrastructure Fund for Regional Solutions projects. After the Department presents a funding request with identified Regional Solutions projects, the Legislature or Emergency Board will increase the Other Funds expenditure limitation to allow funding of the approved projects. The expenditure limitation applies solely to lottery bond proceeds received in the 2017-19 biennium. Proceeds from previously issued bonds that have been transferred to the Regional Infrastructure Fund, and any earnings in the Fund, are not subject to the \$1 expenditure limitation.

The Subcommittee also increased Nonlimited Other Funds expenditures by \$30 million for distribution of lottery bond proceeds authorized for the Special Public Works Fund. The \$30 million include \$20 million for adding capital to the base Fund, and \$10 million restricted to levee projects.

Other Funds expenditures are increased by a total of \$2,746,249 to pay costs of issuing the general obligation and lottery revenue bonds authorized for the above projects. Proceeds of bonds are used to finance these costs.

Finally, the General Fund appropriation for debt service is increased by \$2,836,985 to pay 2017-19 biennium debt service costs for approved Seismic Rehabilitation Grant bonds. This supports debt service costs for \$25 million of seismic school bonds, and \$10 million of seismic emergency services facility bonds, issued in spring 2018. The remaining seismic bonds, and all lottery bonds authorized for projects in this budget, will be issued in spring 2019, and related debt service will not be paid until the 2019-21 biennium.

Housing and Community Services Department

HB 5006 A

23 of 41

BUDGET NARRATIVE

The Housing and Community Services Department budget is adjusted by the Subcommittee as follows:

Local Innovation and Fast Track (LIFT) housing program - Other Funds expenditure limitation is increased by \$1,090,000 attributable to the cost of issuance for \$80 million in Article XI-Q Bonds for affordable housing development; the housing developed with the bonds will be targeted to low income individuals and families. It is assumed that this investment will result in an additional 1,200 - 1,500 units of new housing, depending on economic factors and the extent to which the program is modified (specifically, to include single family home ownership). Expenditure limitation for a period of six years for the project amount (\$80 million) is in SB 5506. Administration of the \$80 million in additional bond proceeds drives the need for additional expenditure limitation and General Fund support in the 2017-19 biennium, as follows: Two limited duration Loan Specialist positions (0.75 FTE) and two permanent Compliance Specialist positions (1.00 FTE) are authorized to add appropriate underwriting and project monitoring for affordable housing units developed through the LIFT housing program, as authorized by the 2017 Legislative Assembly. The compliance specialist positions are funded through fees charged to the projects, while the loan specialists are supported by General Fund. Finally, General Fund of \$3.4 million is appropriated for debt service, assuming half of the total authorized amount (\$40 million) is issued in the spring of 2018.

Preservation of Affordable Housing - Other Funds expenditure limitation in the amount of \$25,395,235 is included to enable the Housing and Community Services Department (HCSD) to expend lottery bond proceeds for preservation of affordable housing. Of this amount, \$25 million is attributable to project costs, and \$395,235 is related to cost of issuance. Eligible projects for which these funds can be expended will be defined by HCSD and include activities such as: 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 and affordable housing units to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; existing multifamily projects with affordability restrictions in need of rehabilitation and contract renewal; and public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization and which will secure ongoing rental subsidies.

Oregon Foreclosure Avoidance Program - General Fund of \$1.3 million is included for the program. This 2017-19 funding is intended to be the final installment for the program, with the expectation that HCSD will cease administration and payment reimbursement by June 30, 2019, or the time at which funds are fully expended, whichever comes first.

Emergency Housing Account and State Homeless Assistance Program - An additional \$13,200,000 General Fund is added to the Emergency Housing Account (EHA) program, and an additional \$6,800,000 General Fund is included for the State Homeless Assistance Program (SHAP). These are one-time enhancements that bring the total 2017-19 budget for EHA to \$27,893,832 (a 93% increase over the 2015-17 legislatively approved budget) and SHAP to \$12,226,228 (a 129% increase over the 2015-17 legislatively approved budget).

Oregon Commission for Voluntary Action and Service - Federal Funds expenditure limitation is reduced by \$7.1 million and one position (1.00 FTE) to reflect funding associated with transfer of administration of the Commission from HCSD to the Office of the Governor. The statutory changes to accomplish the transfer of the program are included in HB 3470.

HB 5006 A

24 of 41

BUDGET NARRATIVE

Measure 96 Lottery Funds Allocation - Lottery Funds expenditure limitation, attributable to the 2016 passage of Measure 98, in the amount of \$350,000 is added for emergency housing assistance to veterans, as provided through the Emergency Housing Account program. The funds are allocated to the Department in SB 140. A budget note in HB 5012 (the HCSD budget bill) directs HCSD and the Department of Veterans' Affairs to report back to the Joint Committee on Ways and Means in February 2018 with advice on strategic investments of available funds that will result in long-term housing stability for veterans.

Oregon Department of Veterans' Affairs

The Subcommittee approved increasing Other Funds expenditure limitation by \$310,000 for costs of issuance on Article XI-Q general obligation bonds authorized in SB 5505 for a parking lot at the Lebanon Veterans' Home, an educational and daycare facility at The Dalles Veterans' Home, and a new veterans' home in Roseburg. Costs of issuance will be paid with bond proceeds. Bonds are scheduled to be sold in spring 2019, with debt service of \$2.2 million General Fund in the 2019-21 biennium.

Due to the shortage of nurses and medical technicians in the City of Roseburg and Douglas County that would be required to staff the approved Veterans' Home, the Subcommittee adopted the following budget note:

Budget Note:

The Oregon Department of Veterans' Affairs, in collaboration with the Oregon Health Authority and the Oregon State Board of Nursing, is directed to convene a rural medical training facilities workgroup that will investigate issues related to alleviating a shortage of skilled and experienced nurses and medical technicians in the City of Roseburg and in Douglas County. Representatives from the City of Roseburg, Douglas County, local hospital or medical facilities, including the Roseburg VA Medical Center, and local medical practitioners with experience in training nursing and medical technician students should be included in the workgroup membership. The workgroup should consider issues related to establishing a medical training facility in partnership with local academic programs and methods of reintegrating veterans who are transitioning out of military service into society through higher education and career training. The Department shall report the results of the workgroup and recommendations to the Legislature by September 15, 2018.

EDUCATION

State School Fund

The Subcommittee approved a decrease of \$30,372,945 General Fund and an increase of \$12,465,745 Lottery Funds for the State School Fund, which reflects the balancing of available Lottery Funds across the entire state budget. In addition, Other Funds expenditure limitation was increased by \$17,907,200 to account for the total amount of Marijuana revenues dedicated to the State School Fund. Overall, the net change to the State School Fund is zero from the \$8.2 billion included in SB 5517, the State School Fund budget bill.

HB 5006 A

25 of 41

BUDGET NARRATIVE

Department of Education

The Subcommittee approved \$480,517 General Fund for debt service on Article XI-Q bonds sold for deferred maintenance projects at the Oregon School for the Deaf. The bond proceeds will be used to address long standing deferred maintenance issues including replacement or repair of roofs (\$2.5 million) and various improvements (\$1.8 million) to address accessibility issues at the facility necessary to comply with the Americans with Disabilities Act (ADA). For the sale of Article XI-P bonds for the Oregon School Capital Improvement Matching program, \$100 million Other Funds expenditure limitation is included. The XI-P bonds will be sold later in the biennium, so no debt service is required. For both the sale of XI-Q bonds for the Oregon School for the Deaf and the Article XI-P bonds for school district facilities, an increase of \$1,052,442 in Other Funds expenditure limitation is included for the issuance costs of the bonds.

An Other Funds expenditure limitation of \$170.0 million is included for payments to school districts under Ballot Measure 98. A \$170 million General Fund appropriation was made in SB 5516, the budget bill for the Oregon Department of Education, but payments out of the new High School Graduation and College and Career Readiness Fund must be budgeted as an Other Funds expenditure under the language of Ballot Measure 98 and for accounting practices.

Higher Education Coordinating Commission

The Subcommittee approved an increase of \$6,831,534 in Other Funds expenditure limitation for the Higher Education Coordinating Commission (HECC) for the issuance costs of general obligation bonds sold for public universities and community colleges. These include both Article XI-G and XI-Q bonds for the seven public universities and Article XI-G bonds for community colleges.

A General Fund appropriation of \$1.2 million was approved for a one-time grant to Eastern Oregon University for the construction of a new dedicated technology infrastructure equipment facility. This facility will be the campus hub for communications and network infrastructure. Also approved was \$490,000 General Fund for a one-time grant to Oregon State University for the renovation of the Graduate and Research Center at the Cascades Campus in Bend. This will create office space for teaching and research at the campus as it offers new programs and courses.

An additional \$5.3 million General Fund was approved for the Oregon Promise program which provides financial assistance to recent high school graduates with tuition waivers or subsidies at a community college. The increase, along with \$34.7 million General Fund included in the HECC budget bill (SB 5524), brings 2017-19 funding for this program to \$40 million General Fund. At this funding level, the Commission will need to implement policies limiting participation, including restricting program eligibility based on Earned Family Contribution. The intent is to "grandfather" in the first year's students who started in the program during the 2016-17 academic year under the former requirements and implement any changes for those students who start during or after the fall quarter of the 2017-18 academic year. SB 1032 will include authority for HECC to limit the number of Oregon Promise participants by setting a maximum Earned Family Contribution for program eligibility.

The Subcommittee also approved a budget note related to community colleges:

BUDGET NARRATIVE

Budget Note:

The Higher Education Coordinating Commission shall convene a workgroup to develop recommendations for enabling community colleges to offer an associate's degree that is completed in coordination with credits earned in registered apprenticeship or training programs that are at least four years long. The commission shall report their findings and recommendations to the appropriate legislative interim committee.

For College Possible, the Subcommittee approved a one-time \$350,000 General Fund appropriation to HECC for a one-time grant to the 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.

One-time funding for two Agricultural Experiment Station positions are added in this bill. One is located at the Hermiston Agricultural Research and Extension Center for potato research and one is at the North Willamette Research and Extension Center. The costs are \$260,000 and \$120,000 General Fund, respectively. Funding for the Renewable Energy Center at the Oregon Institute of Technology was approved in the amount of \$500,000 General Fund.

The Subcommittee approved one-time funding for two projects through Oregon State University resulting, in part, from the work of the Oregon Shellfish Task Force. The first is \$570,000 General Fund for the Molluscan Broodstock program at the Hatfield Marine Science Center in conjunction with the Whiskey Creek Shellfish Hatchery. The second project is \$280,000 General Fund for monitoring the effects of ocean acidification and conducting ocean acidification research at the Whiskey Creek Shellfish Hatchery.

HUMAN SERVICES

Oregon Health Authority

HB 5006 includes \$10,000,000 General Fund for costs related to treating Hepatitis C - Stage 2 for members of the Oregon Health Plan (OHP). Coverage is already included for Stages 3 and 4. It is estimated that roughly 3,200 OHP members have Hepatitis C at Stage 2, and if all these members pursue treatment, the 2017-19 estimated cost is about \$21.6 million General Fund. The agency will include data on current treatment patterns and costs in its first 2017-19 rebalance, and may need to request additional funding during the 2018 legislative session. A portion of this funding is expected to be one-time, as the existing OHP population is treated and only new cases will need treatment in the following biennium.

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 \$1,000,000 General Fund was added for the same purpose for eligible individuals through the Women, Infants and Children Program. Both program enhancements are one-time.

HB 5006 A

27 of 41

BUDGET NARRATIVE

Additional one-time Tobacco Master Settlement Agreement (TMSA) resources of \$63,250,000 are available because of a series of legal settlements. Other Funds expenditure limitation is increased for OHP by \$63,250,000, and General Fund is reduced by a like amount. Other TMSA resources in the OHP budget include funding that had previously been used for tobacco prevention and cessation programs. The Subcommittee approved the following budget note:

Budget Note:

The Oregon Health Authority, in collaboration with the Tobacco Reduction Advisory Committee, shall make recommendations to the Public Health Advisory Board on reductions to the Tobacco Prevention and Education Program, based on the loss of Tobacco Master Settlement Agreement (TMSA) funding, that reflects best practices for tobacco control, to minimize programmatic disruption. The Oregon Health Authority shall report to the Legislature the impact of the loss of TMSA funding to tobacco prevention in Oregon, across state and local programs, health communications, tobacco cessation, and data and evaluation.

In order to balance to the final revenue forecast, an additional \$375,000 of recreational marijuana proceeds are expected to be distributed to the Oregon Health Authority (OHA) for alcohol and drug prevention and treatment programs. Other Funds expenditure limitation is increased by \$375,000 and General Fund is reduced by that same amount.

HB 5006 reduces General Fund by \$401,413 for the Oregon State Hospital, and reduces one FTE. SB 65 consolidates all persons found guilty except for insanity of a felony and committed to the Oregon State Hospital, under the jurisdiction of the Psychiatric Security Review Board. As a result, the State Hospital Review Panel (SHRP) will no longer be needed after June 30, 2018. The Subcommittee approved \$3,226,060 General Fund for rural provider incentive programs. This is funding that was mistakenly taken out of the current service level at Governor's Budget.

HB 5006 increases General Fund by \$10,000 to make the necessary changes to the Medicaid Management Information System (MMIS) to ensure that children who are placed in substitute care are enrolled in a coordinated care organization (CCO). This would apply to children in the legal custody of the Department of Human Services, and eligible for medical assistance. The new MMIS coding would allow a child who changes placement to remain in the original CCO until the transition of the child's care to another CCO has been completed.

The bill includes \$196,111 Other Funds expenditure limitation and one position (0.75 FTE) to implement HB 3440, which will open up the Prescription Drug Monitoring Program to out-of-state practitioners. This will create additional workload as the program will need to implement and manage a process of auditing out-of-state users' credentials and use of the system.

To support the ongoing DHS effort to develop and implement an integrated eligibility system, now called the ONE Integrated Eligibility and Medicaid Eligibility (ONE IE & ME), the Subcommittee approved \$322,233 General Fund, \$13,595,873 Other Funds expenditure limitation, \$1,306,605 Federal Funds expenditure limitation, and 62 positions (51.71 FTE); 41 of the positions are limited duration. The 21 permanent positions are associated with a core need for legacy system integration, as well as system maintenance and operations.

HB 5006 A

28 of 41

BUDGET NARRATIVE

Department of Human Services

The Subcommittee approved \$1,300,000 General Fund, on a one-time basis, to increase funding for the Oregon Hunger Response Fund, which is a 26.2% increase from the 2015-17 funding level. This additional support will help the Oregon Food Bank, through its 20 regional food banks, acquire and distribute a higher volume of food to over 950 local agencies.

Another adjustment in the Self Sufficiency program is a change to a budget reduction included in SB 5526, the primary budget bill for the Department of Human Services (DHS). Instead of a \$3.4 million General Fund reduction in the Temporary Assistance for Needy Families (TANF) program, which affected households with a Non-Needy Caretaker Relative, the Subcommittee decreased funding in the Employment Related Day Care program by \$3.4 million General Fund, which reduces the caseload by about 200 cases.

Regarding TANF, the DHS budget approved in SB 5526, assumes \$22.2 million in General Fund cost avoidance related to program restrictions that have been in place since the 2009-11 biennium; this requires statutory date changes that are included in HB 3470. In addition, \$60.0 million General Fund in TANF program caseload savings was used to help balance the agency-wide budget. These savings were due to the projected 2017-19 caseload decreasing by more than 3,000 families between the fall 2016 and spring 2017 caseload forecasts. The Subcommittee noted that, ideally, TANF savings would be retained within the TANF program to help improve services to families and client outcomes. To help institute this practice, the Subcommittee approved the budget note set out below.

Budget Note:

During the 2017-19 biennium, after each biannual caseload forecast, the Department of Human Services is directed to calculate any General Fund or Federal Funds savings resulting from a decrease in the TANF caseload below the level assumed in the 2017-19 legislatively adopted budget. As part of its first rebalance report to or request of the Legislature following that calculation, the agency will present a proposal for directing any savings to either increase the TANF grant amount or invest in the JOBS program.

For the Intellectual and Developmental Disabilities (IDD) program, the Subcommittee discussed the need to ensure individuals with IDD receive information about all service setting options. Accordingly, DHS is directed to present to all adults with IDD the option to receive in-home services as described in ORS 427.101(3)b. The Subcommittee also approved the following budget note related to IDD group homes:

Budget Note:

The Department of Human Services will convene a workgroup to review rules and statutes regarding substantiated abuse findings, fines, and enforcement for Intellectual and Developmental Disability (IDD) group homes. The workgroup shall include representation from IDD providers, clients served in the IDD system, employees working in IDD group homes, and other stakeholders. The workgroup shall report their findings and recommended statutory changes to the appropriate legislative interim policy committees no later than February 1, 2018. The workgroup shall discuss and report on:

- Recommendations for rule or statutory changes to abuse definitions and substantiated abuse findings.

HB 5006 A

29 of 41

BUDGET NARRATIVE

- A review of current enforcement statutes and recommended changes that result in consistent applications of fines across the IDD group home system.
- Recommendations for mandatory minimum fines for substantiated abuse.

The Subcommittee approved funding for the continued development and implementation of an integrated eligibility system, now called the ONE Integrated Eligibility and Medicaid Eligibility (ONE IE & ME) project. This effort will integrate eligibility determinations for DHS programs; Non-MAGI Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC); into the OregonONEeligibility (ONE) system used by OHA.

While a 2017-19 funding request was always expected, the 2017-19 cost estimate for the project has increased over the budget development timeframe; the current project estimate and approved amount for 2017-19 is \$203,272,716 total funds. (The former estimate for 2017-19 spending was \$132.0 million total funds). This budget includes: state staff costs of \$42.3 million; \$128.2 million for contracted information technology services; \$21.0 million for software costs and hosting charges; \$2.2 million for training; and \$9.5 million for debt service. Cost allocation, contingencies, legacy system integration work, and payments to OHA for its project work are accounted for in these estimates. The state staffing component consists of 113 positions (74.33 FTE) and primarily supports business analytics and training activities; 88 positions (50.83 FTE) are limited duration.

The bulk of the project budget, at \$146.3 million or 72% of 2017-19 costs, is supported by Federal Funds; this is due to enhanced federal funding for the project. Some of that higher match expires on December 31, 2018, but the Medicaid portion at a 90% federal/10% state share does not have a set end date. The current project timeline and updated budget estimates account for these match rates. General Fund supports \$11.5 million of project costs and debt service; the bulk of the state share will be covered by \$45.0 million in proceeds from Article XI-Q bonds.

In SB 5505, the Joint Ways and Means Subcommittee on Capital Construction approved \$34,045,000 Article XI-Q bonds to finance \$33,523,000 of project costs and \$522,000 for costs of issuing the bonds. The Subcommittee also approved additional funding of \$11,477,000 for this project through the repurposing of bond proceeds originally issued for the Oregon Military Department (OMD).

The Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the project on May 25, 2017, and recommended incremental, conditional approval of the project and set out detailed next steps in its recommendation, which was adopted. In addition to completion of 26 specific actions, the recommendation requires a minimum of two progress reports to JLCIMT; one in September 2017 and another in February 2018. The agency will also work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO) throughout the project's lifecycle. It is likely additional formal reporting may be required by JLCIMT or interim budget committees, depending on agency progress and any need to address project or budget issues flagged by LFO or OSCIO. The Subcommittee approved the project with the understanding that the funding will be unscheduled until LFO and the Chief Financial Office of the Department of Administrative Services approve rescheduling; agency compliance with the JLCIMT recommendations will be key to making funding available.

HB 5006 A

30 of 41

BUDGET NARRATIVE

Since this project will result in eligibility determinations for multiple programs in both OHA and DHS being done through one system, to perform these determinations most efficiently, eligibility functions (responsibility for the work and staffing) from both agencies will be centralized at DHS. The following budget note was approved by the Subcommittee:

Budget Note:

The Department of Human Services and the Oregon Health Authority are currently planning to centralize eligibility processing at DHS in the fall of 2017. DHS has begun an assessment of current processes and will need 9-12 months to complete a comprehensive assessment and business plan that meets Medicaid requirements. DHS will report to the Interim Joint Committee on Ways and Means by June 30, 2018, and will include in its report a plan to increase jobs in rural Oregon including the option of outsourcing, in order to provide the highest quality, most efficient and cost effective Medicaid enrollment services to Oregonians.

JUDICIAL BRANCH

Judicial Department

The Subcommittee increased General Fund for the Judicial Department by \$600,000, and established four full-time positions (2.00 FTE) for additional workloads associated with an increased number of preliminary hearings anticipated as a result of SB 505. SB 505 requires grand jury proceeding to be recorded. A special purpose appropriation in SB 505 to the Emergency Board for additional costs associated with the measure was reduced by the same amount.

The Subcommittee also established a \$1,200,000 General Fund appropriation to provide a grant to Clackamas County for planning costs associated with a project to replace the county's courthouse. The county must spend at least an equal amount of matching funds for planning costs. The provision of this support does not establish a commitment or expectation for any additional state support for the capital project.

The Subcommittee added Other Funds expenditures to the budget associated with the authorization, in SB 5505, of Article XI-Q bonds for grants and capital construction projects. This limitation will allow the Judicial Department to provide grants to counties for courthouse capital construction projects through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF), and pay costs associated with issuing the bonds for both the OCCCIF grants, and for capital construction projects approved in SB 5506. A \$195.2 million Other Funds limitation is established for the OCCCIF, for transfer of \$97.6 million of Article XI-Q proceeds, and an equal amount of county matching funds, for the following two county courthouse replacement projects:

- Multnomah County Courthouse - \$185.2 million (including \$92.6 million of bond proceeds) for the Multnomah County Courthouse replacement project. The funds will permit the county to complete construction of the courthouse project. With these moneys, the state will have provided a total of \$125 million of bond proceeds for the project over a three-biennium period.

HB 5006 A

31 of 41

BUDGET NARRATIVE

- Lane County Courthouse - \$10 million (including \$5 million of bond proceeds) for the Lane County Courthouse replacement project. These funds will provide support for planning and development of the project. With these moneys, the state will have provided a total of \$6.4 million of bond proceeds for the project over a two-biennium period. The provision of this support does not establish a commitment or expectation for any additional state support for the capital project.

Other Funds expenditures were increased by \$1,235,000 for costs of issuing Article XI-Q bonds for the OCCCIF-supported projects, and for two capital construction projects approved in SB 5506. Proceeds of bonds are used to finance these costs.

Finally, the Subcommittee established a distinct Other Funds expenditure limitation for the State Court Technology Fund (SCTF), and transferred \$17,942,354 from the Operations expenditure limitation to the newly established SCTF expenditure limitation. The SCTF receives revenues from court filing fees, charges for technology services, and the Criminal Fine Account, and its use is restricted to providing support state court electronic systems.

Public Defense Services Commission

The Subcommittee approved a \$1,800,000 increase in General Fund for the Professional Services Account. This appropriation brings total General Fund support for the program to the current service level. The Professional Services Account finances the costs of all trial-level and certain appellate-level public defense services.

LEGISLATIVE BRANCH

Legislative Administration Committee

General Fund of \$5,145,277 for Legislative Administration was approved by the Subcommittee for security enhancements to the Oregon State Capitol. The increased funds include: \$20,000 for a mass communication system, \$528,000 for third party monitoring services, and \$4,597,277 for security cameras and networks, independent distribution facility (network closet) upgrade, safety film installation, garage gate replacement, and other security needs.

The Subcommittee also approved \$906,053 General Fund for debt service on Article XI-Q bonds sold for the Capitol Accessibility, Maintenance, and Safety project. Bonds are scheduled to be sold in spring 2018. In addition, Other Funds expenditure limitation was increased by \$239,358 for costs of issuance on the bonds, which will be paid with bond proceeds.

NATURAL RESOURCES

Department of Agriculture

HB 5006 A

32 of 41

BUDGET NARRATIVE

In the Agricultural Development and Marketing program, the Subcommittee reduced General Fund by \$250,000 due to elimination of a marketing position. This action eliminates one of three permanent full-time positions added to the program during the 2011-13 biennium to increase economic activity in the agriculture sector.

Columbia River Gorge Commission

The Subcommittee added \$24,081 General Fund to the Columbia River Gorge Commission budget to match the amount provided by the State of Washington as required by interstate compact; \$14,686 of the increase is provided for the Joint Expenses Program and the remaining \$9,395 is for Commissioner Expenses.

Department of Environmental Quality

The Subcommittee approved a \$500,000 one-time General Fund appropriation to complete an inventory of non-road diesel engines with the expectation that DEQ would use a third-party contractor to conduct a state-wide and multi-sector inventory of non-road diesel engines currently in use by private and public fleets for the purposes of informing and refining air quality models. This inventory is expected to be completed no later than May 1, 2019. To ensure the survey results are representative of the statewide inventory, data collection shall be conducted using a mix of sampling techniques, including, but not limited to whole fleet inventories (census style counts), representative sampling of fleets by fleet-size, and industry surveying. Results and assumptions should be verified using existing relevant and complementary data, such as fuel use and business asset data collected by county tax assessors. The Department is to consult with interested stakeholders during various phases of the inventory work including, but not limited to, prior to releasing the inventory request-for-proposal and upon the development of preliminary results. The Department shall make the results of this inventory available to interested stakeholders but only in aggregate form.

Department of Fish and Wildlife

The Subcommittee approved three General Fund increases for the Department of Fish and Wildlife (ODFW) totaling \$1,325,000 for several program changes. First, \$425,000 General Fund was added to fund a permanent Natural Resources Specialist 5 position to serve as the Department's Sage Grouse Mitigation Program Coordinator. Approximately \$175,000 of the \$425,000 is for professional services contracts to assist in implementation of the sage grouse mitigation program. Next, \$250,000 General Fund was added to restore and make permanent two positions (1.67 FTE) to work on the Integrated Water Resources Strategy involving water flows necessary to maintain fish habitat and in-stream water rights consultations. In addition, it is expected that the positions would also examine the need for a sediment study of the lower Rogue River. Finally, \$650,000 General Fund was added to restore three of the five permanent full-time positions eliminated from the Western Oregon Stream Program as part of the General Fund reductions taken in HB 5018, the ODFW budget bill. The three positions that were restored work in Clackamas, Roseburg, and Tillamook. Along with the funding for position costs, \$40,839 was added for services and supplies.

The Subcommittee also established a one-time Other Funds expenditure limitation of \$215,000 for the cost of issuance of Article XI-Q General Obligation bonds approved in SB 5505 for repairs and capital improvements at ODFW facilities.

Department of Forestry

HB 5006 A

33 of 41

BUDGET NARRATIVE

The Subcommittee approved a \$57,568 increase in the General Fund appropriation made to the Oregon Department of Forestry (ODF) for the payment of debt service on General Obligation bonds issued for the replacement of a shared facility at Toledo. The Subcommittee also approved an increase in Other Funds expenditure limitation of \$1,114,991 to accommodate the payment of \$79,991 for debt service and \$50,000 in bond issuance costs related to bonds issued for the Toledo facility; the remaining \$985,000 is for the cost of issuance of Certificates of Participation related to the Elliott State Forest.

In addition, the Subcommittee approved the establishment of an Other Funds expenditure limitation for ODF, in the amount of \$100 million, for the payment, from the net proceeds from the sale of Certificates of Participation, of monies to finance the release of all or a portion of the Elliott forest from restrictions resulting from ownership of that forest by the Common School Fund, or to compensate the Common School Fund for the preservation of non-economic benefits of the forest through the imposition, transfer, or sale of restrictions such as easements, use requirements or restrictions, or other methods that preserve non-economic benefits of the forest for the public such as recreation, aesthetics, wildlife or habitat preservation, or other environmental and quality of life considerations.

For the initial work required for the development of a federal Habitat Conservation Plan (HCP), the Subcommittee approved a \$300,000 increase in Other Funds expenditure limitation pursuant to an agreement with the Department of State Lands for the development of the plan. ODF will use this funding to establish four limited duration positions (3.50 FTE) including a project leader, a HCP coordinator, a threatened and endangered species coordinator, and a data manager/analyst to work with federal agencies to develop a Request for Proposal to complete all the technical work needed for completing the HCP. The Department is also expected to apply for a federal grant to help with the cost of developing the Environmental Impact Statement required for completion of the HCP. It is anticipated that the agency will seek additional expenditure limitation once the remaining project costs are better known.

Land Use Board of Appeals

For the Land Use Board of Appeals, the Subcommittee added \$11,650 General Fund to reclassify a position from Executive Support Specialist I to Executive Support Specialist II.

Department of Parks and Recreation

The Subcommittee approved an increase in the Other Funds expenditure limitation for the Oregon Department of Parks and Recreation of \$5,111,682 for the expenditure of lottery bond proceeds for the Oregon Main Street Revitalization program. The funding will be used to provide competitive grants to organizations participating in the Oregon Main Street Network. The program focuses on projects that acquire, rehabilitate, and construct buildings on properties in designated downtown areas and facilitate community revitalization leading to additional private investment, job creation or retention, expansion or establishment of viable businesses, or creating a stronger tax base. The expenditure limitation increase includes \$111,682 for bond issuance costs.

Department of State Lands

HB 5006 A

34 of 41

BUDGET NARRATIVE

For work related to the Elliott State Forest, the Subcommittee established an Other Funds expenditure limitation of \$3,985,377 and the establishment of a Project Manager 3 position (1.0 FTE). Specifically, \$1,608,930 of the total is for paying costs associated with a custodial forest management contract for the Elliott State Forest. Under the contract, the manager will be responsible for four primary tasks: maintaining road systems for safe public access and fire protection activities; ensuring compliance with all applicable laws; conducting reforestation activities to comply with Oregon's Forest Practices Act; and providing general forest management and oversight. The manager will be the first point of contact for any questions; responsible for identifying problems specific to the property and coordinating with local officials and DSL as necessary; and manage access to the property and coordinate proper disposal of trash and removal of abandoned property.

Other components include \$608,000 for estimated cost of fire patrol assessments to be paid to the Oregon Department of Forestry (ODF) for wildfire protection, \$268,447 for a Project Manager 3 position (1.00 FTE) that will provide general coordination for the Elliott Forest as well as providing project management for the Portland Harbor Superfund Site and Goble cleanup site. Also included is \$1,500,000 for development of a federal Habitat Conservation Plan (HCP) and an Environmental Impact Statement (EIS). The HCP development will be via an agreement with ODF; that agency will lead the collaborative work with other state, federal, and private entities. The initial ODF work is anticipated to cost \$300,000, the remaining \$1,200,000 is to be administratively unscheduled until a better estimate of the total cost to develop the HCP and EIS can be established. ODF anticipates that it will apply for federal grant funding for at least a portion of the cost to develop the EIS.

The Subcommittee approved \$5,000,000 General Fund for the Department of State Lands to deposit into the Portland Harbor Cleanup Fund established in SB 5530; after deposit (payment), the money is available to be spent as Other Funds. In SB 5530, \$3,000,000 in lottery bond proceeds is also allocated for deposit into the Cleanup Fund. To spend the \$8,000,000 total subsequently available, a new \$8,000,000 Other Funds expenditure limitation is established. To pay costs associated with the issuance of the lottery bonds, the Subcommittee approved an increase in Other Funds expenditure limitation of \$57,587.

Monies in the Cleanup Fund are for the coordination and participation in any contracts or agreements relating to or arising out of the Portland Harbor Superfund Site that may include investigation of baseline conditions, investigation of key sediment sites, potential infrastructure needs related to contaminated sediments, development and administration of a comprehensive data management system for the site, satisfaction of obligations under any settlement or administrative order, work required by the United States Environmental Protection Agency in connection with the site, and other activities directly related to minimizing the state's liability for costs related to the Portland Harbor Superfund Site.

Water Resources Department

The Subcommittee approved a General Fund appropriation of \$333,677 for the Water Resources Department (WRD) to fund two Assistant Watermaster positions and an Office Specialist position in Umatilla County, in the Pendleton and Milton-Freewater offices. The former Umatilla County positions were authorized in the agency's primary budget bill (SB 5542) using Other Funds expenditure limitation of \$433,677. This action assumed Umatilla County would be covering the cost of the positions via contract with WRD. However, available county resources are projected to be able to provide only \$100,000 of this amount, so General Fund will cover the remaining cost. To complete the fundshift, the Subcommittee also approved a \$333,677 reduction in Other Funds expenditure limitation.

HB 5006 A

35 of 41

BUDGET NARRATIVE

To support pilot programs in several locations throughout the state, the Subcommittee approved an increase of \$203,870 General Fund and the establishment of a limited duration, Natural Resource Specialist 4 position (1.00 FTE). The Department was allocated \$750,000 in lottery bond proceeds during the 2015-17 biennium to make grants and provide technical assistance to local governments to establish place-based water resource planning pilot programs. Of that grant funding, \$600,000 is carried forward into the 2017-19 biennium; \$56,000 of that amount remains unobligated. The position authorized by the Subcommittee is a continuation of the limited duration position that was established in the prior biennium to assist in the administration of the program and the distribution of the grant funding.

The Subcommittee approved an increase of \$1,547,235 Other Funds expenditure limitation for making grants, loans, or providing technical assistance for feasibility studies, and for the payment of bond issuance costs from lottery bond sale proceeds deposited into the Water Conservation, Reuse, and Storage Investment Fund. Of the amount allocated to the Fund, \$47,235 is for the payment of bond issuance costs.

For water supply projects, the Subcommittee approved a total increase of \$21,075,301 Other Funds expenditure limitation for making grants, loans, and paying the cost of bond issuance from lottery bond proceeds deposited into the Water Supply Development Fund established under section 3, chapter 784, Oregon Laws 2013. At \$15,000,000, the bulk of the additional limitation provided for the expenditure of net bond proceeds allocated to the fund is for Water Supply Development grants and loans to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water. To pay for bond issuance costs, \$375,301 Other Funds expenditure limitation is needed.

The remaining expenditure limitation approved by the Subcommittee is for three specific projects that, while comporting to the other requirements of grants made from the Water Supply Development Fund, are not subject to any application process, public benefit scoring, or ranking. The projects and amounts are:

- City of Carlton, Panther Creek Reservoir sediment reduction and water storage capacity increase project - \$2,500,000
- City of Carlton, Finished water supply line loss reduction project - \$2,000,000
- Santiam Water Control District, Mill Creek Corporate Center irrigation conversion and efficiency project - \$1,200,000

PUBLIC SAFETY

Department of Corrections

To purchase two new transport buses to replace vehicles at the end of their service life, the Subcommittee approved a one-time appropriation of \$708,788 General Fund in the Department of Corrections' Operations Division.

HB 5006 A

36 of 41

BUDGET NARRATIVE

The Subcommittee approved an increase in Other Funds expenditure limitation of \$721,466 for cost of issuance of \$39,215,000 in Article XI-Q bonds authorized in SB 5506 for the Department of Corrections' deferred maintenance program and for technology infrastructure upgrades. Bonds will be issued in May 2018 and in March 2019.

The agency's General Fund appropriation for debt service was increased by \$1,926,252 for new debt service estimated to be paid in 2017-19. Debt service for bonds issued in 2017-19 is estimated to be \$7,616,448 General Fund in 2019-21.

Oregon Department of Justice

The Subcommittee approved \$16,573,792 Other Funds expenditure limitation for project costs, which is to be financed with \$16,267,633 of Article XI-Q bonds approved in SB 5505 and \$306,159 in bond proceeds that were authorized and issued during the 2015-17 biennium but remained unexpended. The Subcommittee also approved \$32,136,210 Federal Funds expenditure limitation and the establishment of 32 permanent full-time positions (23.81 FTE). This includes personal services of \$5.8 million and services and supplies of \$43.0 million. The amount for services and supplies includes \$35.8 million total funds of contractor payments for: project management, including organization change management services; implementation; independent quality assurance; and independent verification and validation.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent full-time 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 purpose other than the development of the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

Other Funds expenditure limitation of \$317,367 is included for the cost of issuance of the bonds. The Subcommittee appropriated \$3,391,920 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in SB 5505.

The Subcommittee approved \$6,916,041 Other Funds expenditure limitation and 35 permanent full-time positions (30.80 FTE) for the Civil Enforcement Division - Child Advocacy Section to represent Child Welfare caseworkers in court and provide full access to legal representation, legal counsel, legal advice, litigation support, and training. The revenue to support this package was approved in SB 5526, the primary budget bill for the Department of Human Services (DHS). DHS will be billed by DOJ no more than \$6.9 million for the increase in juvenile dependency workload using DOJ's traditional fee-for-service billing model. DOJ will also provide DHS with a monthly billing summary of the legal work performed. DOJ has committed to tracking quality assurance measures, including outcome measures.

Statewide implementation will be through a three-phase approach across all 36 counties: Phase-I will be completed by January 1, 2018 for: Benton; Coos; Gilliam; Grant; Hood River; Josephine; Lane; Lincoln; Linn; Morrow; Polk; Sherman; Tillamook; Wasco; and Wheeler Counties. Phase-II will be completed by July 1, 2018 for: Columbia; Crook; Deschutes; Douglas; Harney; Jackson; Jefferson; Klamath, Lake; Malheur; Umatilla; and Yamhill counties. Phase-III will be completed by January 1, 2019 for: Baker; Clackamas; Clatsop; Curry; Marion; Multnomah;

HB 5006 A

37 of 41

BUDGET NARRATIVE

Union; Washington; and Wallowa counties. The final implementation schedule, however, may change depending upon the needs of a specific county. Both DOJ and DHS will work collaboratively with county District Attorneys to ensure juvenile dependency cases are handled in a consistent and coordinated manner with as much continuity as possible throughout the legal proceedings.

This investment in legal services was, in part, the result of work completed by the Task Force on Legal Representation in Childhood Dependency, which was established by SB 222 (2015). While, due to limited General Fund resources, the Legislature was unable to fund most Task Force recommendations, the affected state agencies and legal partners are committed to continuing to work on system improvements. In recognition of this commitment, the Subcommittee approved the following budget note:

Budget Note:

The Department of Human Services, Department of Justice, Oregon Judicial Department, and Public Defense Services Commission shall work collaboratively, at both the state and local levels, to solicit input on, develop, and implement strategies to improve the effectiveness and efficiency of Oregon's juvenile dependency systems and to determine the appropriate level of legal services. Potential strategies should include standardizing forms, streamlining processes, conforming practices, and adopting administrative or court rules. The agencies are expected to identify and begin implementing strategies no later than July 1, 2018. Options for providing more effective and cost-efficient legal and other services should also be reviewed and analyzed. The agencies will submit a joint report on the progress of these efforts to the Interim Joint Committee on Ways and Means or the Emergency Board by October 2018. In addition, each agency shall include an update, in its budget presentation to the Joint Committee on Ways and Means during the 2019 session, on its specific roles, activities, strategies, and costs to improve the effectiveness and efficiency of Oregon's juvenile dependency system.

In addition, the Legislature, under separate legislation (HB 3470), extended the sunset on the provision authorizing DHS to appear as a party in a juvenile court proceeding without appearance of an Attorney General from June 30, 2018 to June 30, 2020 to accommodate the planned implementation schedule.

The Department of Administrative Services is directed to unschedule \$4.0 million of the General Fund in the DHS budget and \$4.0 million of the Other Funds expenditure limitation in the DOJ budget pending demonstration to the Legislative Fiscal Office that the work performed, billing, reporting, and communication between the agencies is consistent with the budget cap, implementation schedule, and service level expectations for the caseworker legal representation program.

For SB 243, the Subcommittee approved implementation costs of \$123,932 Other Funds and established one permanent part-time Assistant Attorney General position (0.38 FTE) in DOJ's Civil Enforcement Division. The Division provides services to train caseworkers and certifiers on the new legal standard of abuse, advises Department of Human Services (DHS) in the preparation and adoption of administrative rules, as well as child protective services investigations, confidentiality laws, and release of records. The Division also provides advice and legal representation to DHS in all administrative appeals of those investigations and related certification actions for certified foster homes. The revenue source to

HB 5006 A

38 of 41

BUDGET NARRATIVE

fund this expense is legal service charges billed to DHS. The roll-up costs are estimated to be \$89,084 Other Funds and one position (0.25 FTE) for the 2019-21 biennium.

The Subcommittee approved \$500,000 General Fund to support Community Assessment Centers, as a one-time increase, in order to provide child abuse medical assessments. The funding will be administered through the Oregon Department of Justice, Crime Victims Services Division, as pass through funds distributed to the statewide Community Assessment Centers network association, which will ensure equitable distribution.

To support the Oregon Crime Victims Law Center, the Subcommittee also appropriated \$175,000 General Fund as a one-time increase. This will bring total funding for the Law Center from the Department of Justice to \$554,559, including \$504,599 General Fund and \$50,000 Other Funds; the latter is from the renewal of a state grant funded from punitive damage awards.

Oregon Military Department

The Subcommittee approved an increase in Other Funds expenditure limitation of \$448,244 for cost of issuance of \$23,730,000 in Article XI-Q bonds authorized in SB 5506 for three Regional Armory Emergency Enhancement projects in Salem, Newport, and Coos Bay; an Armory Service Life Extension project at the Grants Pass armory; and to re-issue bonds for the Regional Training Institute and Youth Challenge capital construction projects in 2017-19. Bonds are planned to be issued in October 2017, and in March 2019.

The agency's General Fund appropriation for debt service was decreased by \$378,344 for debt service estimated to be paid in 2017-19 due to anticipated debt service savings. Debt service in 2019-21 for bonds issued in 2017-19 is estimated to be \$4,305,134 General Funds.

The Subcommittee approved a one-time appropriation of \$1,000,000 General Fund for construction of or repairs to the Oregon Military Museum at Camp Withycombe in Clackamas, Oregon.

To operationalize the provisions of HB 2687, the Subcommittee increased Other Funds expenditure limitation in the Oregon Military Department, Office of Emergency Management by \$5,000,000 to capitalize the Resiliency Grant Fund, and increased Other Funds expenditure limitation by \$70,000 to pay for the cost of bond issuance. Other Funds limitation is funded by the sale of Article XI-Q bonds authorized in SB 5506. The Subcommittee added \$181,178 General Fund and increased Federal Funds expenditure limitation by \$181,178 and approved two permanent positions (2.00 FTE) to administer the program and the grant-making process.

Department of Public Safety Standards and Training

The Department of Public Safety Standards and Training's Federal Funds expenditure limitation was increased by \$469,566 to allow the expenditure of grant funds from the federal Assistance to Firefighters grant program on a new mobile fire training unit, to replace equipment at the end of its service life.

BUDGET NARRATIVE

Oregon State Police

The Subcommittee increased Other Funds expenditure limitation in the Patrol Division by \$2,521,711 to support the addition of six troopers and one sergeant (7.00 FTE) in the Capitol Mall Security Unit.

The Subcommittee approved \$6,230,000 General Fund and established twenty sworn positions (18.32 FTE) to increase highway patrol coverage statewide, and to provide additional drug enforcement detectives in central and southern Oregon counties.

Oregon Youth Authority

To continue the installation of video monitoring systems to supplement the Oregon Youth Authority's sexual abuse prevention, detection, and response efforts for adherence to the US Prison Rape Elimination Act of 2003 (PREA), the Subcommittee approved a one-time appropriation of \$771,000 General Fund.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$676,086 for cost of issuance of \$39,995,000 in Article XI-Q bonds authorized in SB 5506 to remodel five living unit cottages at the MacLaren Youth Correctional Facility, to remodel two dormitory spaces at the Rogue Valley Youth Correctional Facility, and to undertake deferred maintenance projects in 2017-19. Bonds are planned to be issued in May 2018 and in March 2019.

The agency's General Fund appropriation for debt service was increased by \$1,695,236 for new debt service estimated to be paid in 2017-19. Debt service for bonds issued in 2017-19 is estimated to be \$6,104,546 General Fund in 2019-21.

TRANSPORTATION

Department of Transportation

Other Funds expenditure limitation for the Oregon Department of Transportation (ODOT) for the 2017-19 biennium is decreased by \$406,813 as an adjustment to Central Services to account for the transfer of positions from ODOT to the Office of the State Chief Information Officer.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Transportation Program Development section of \$30 million in lottery bond proceeds for ConnectOregon VII. In addition, the Other Funds expenditure limitation is increased by \$433,693 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Public Transit Program of \$5 million in lottery bond proceeds for the Lane Transit District's expansion of the EmX Bus Rapid Transit network. In addition, the limitation is increased by \$119,541 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

BUDGET NARRATIVE

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Local Government Program of \$2 million in lottery bond proceeds for City of Portland SW Capitol Highway safety improvements. In addition, the Other Funds expenditure limitation is increased by \$50,587 for cost of issuance expenses. There is no debt service in the 2017-19 biennium as the bonds will not be sold until the spring of 2019.

Adjustments to 2015-17 Budgets

Commission on Judicial Fitness and Disability

The Subcommittee increased the 2015-17 biennium General Fund appropriation for extraordinary expenses by \$35,000 to fund costs incurred for the investigation and prosecution of cases of judicial misconduct.

Oregon Department of Transportation

Other Funds expenditure limitation for the Oregon Department of Transportation for the 2015-17 biennium was increased by \$45.5 million for Highway Division programs for costs associated with winter storms, implementation of an ADA-related settlement agreement, and for increased project payout.

Federal Funds expenditure limitation for the Oregon Department of Transportation for the 2015-17 biennium was increased by \$8.1 million to complete commitments carried over from the 2013-15 biennium.

BUDGET NARRATIVE

79th Oregon Legislative Assembly – 2017 Regular Session

SB 5530 A STAFF MEASURE SUMMARY

Carrier: Sen. Girod

Joint Committee On Ways and Means

Action Date: 07/03/17

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 11 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

Nays: 1 - Thomsen

House Vote

Yeas: 8 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith Warner, Williamson

Exc: 3 - Smith G, Stark, Whisnant

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Amanda Beitel, Budget Analyst

WHAT THE MEASURE DOES:

SB 5530 authorizes the issuance of lottery revenue bonds for specified projects. All lottery revenue bonds authorized for the 2017-19 biennium are included in SB 5530, with the exception of one project authorized in House Bill 2278 (2015).

A total of \$165,110,000 of lottery bond proceeds are authorized to be spent on thirty-one projects included in SB 5530. In addition, \$15,000,000 of lottery bond proceeds were authorized to be spent on one project during the 2017-19 biennium in HB 2278 (2015). Total costs of issuance are estimated to be \$3,217,347 for the projects authorized in SB 5530 and \$259,002 for the project authorized in HB 2278 (2015). Total amounts deposited in debt service reserve accounts for the projects included in SB 5530 and HB 2278 (2015) are estimated to be \$14,997,653 and \$1,275,998, respectively. SB 5505 includes \$199,860,000 of lottery revenue bond authority for the 2017-19 biennium to generate proceeds for project costs, costs of issuance, and debt service reserves.

Authority to spend bond proceeds for project costs and pay for the cost of issuing bonds is included in the budget reconciliation bill (HB 5006). Lottery revenue bonds will be issued in the spring of 2019 and debt service payments will begin in the 2019-21 biennium.

The bill includes an amendment to Section 18, chapter 786, Oregon Laws 2013 to revise the length of a road being constructed by the Confederated Tribes of the Umatilla Indian Reservation from 1.5 miles to 1 mile, which will connect the Port of Umatilla to certain industrial lands of the Confederated Tribes. The road extension is being funded by proceeds of Lottery Revenue Bonds that were issued in January 2015. The bill also includes an amendment to Section 23, chapter 812, Oregon Laws 2015 to modify the description of a project approved for Wheeler County to construct and underground fiber optic telecommunication line to a high-speed telecommunication system. The county has determined the underground line is not cost effective and is planning to construct a microwave telecommunication system that will allow them to add more cities to the system for the same cost. The telecommunication system is being funded by proceeds of Lottery Revenue Bonds that were issued in April 2017.

Lottery revenue bonds are authorized for the projects listed on the following page.

ISSUES DISCUSSED:

Funding for smaller projects that were requested as lottery revenue bonds may have been provided through direct General Fund appropriations in HB 5006.

This Summary has not been adopted or officially endorsed by action of the committee.

1 of 3

BUDGET NARRATIVE

SB 5530 A STAFF MEASURE SUMMARY

EFFECT OF AMENDMENT:

Replaces the bill with the lottery revenue bonds authorized in the 2017-19 legislatively adopted budget.

BACKGROUND:

**Lottery Bond Projects
2017-19 Legislatively Adopted Budget**

| SB 5530 Section | Project | Project Funding | 2017-19 Debt Service | 2019-21 Debt Service |
|---|---|--------------------|----------------------------|----------------------------|
| <i>Department of Administrative Services</i> | | | | |
| 12 | Cascade AIDS Project - Prism Health | 1,000,000 | - | 198,484 |
| 13 | City of Spray - Public Safety/Emergency Services Center | 725,000 | - | 129,037 |
| 14 | Eugene Civic Alliance - Sports & Recreation Complex | 6,000,000 | - | 1,027,305 |
| 15 | Family Nurturing Center | 2,000,000 | - | 343,443 |
| 16 | Gresham Rockwood Innovation & Workforce Training Center | 2,000,000 | - | 343,443 |
| 17 | City of Independence - Independence Landing | 1,000,000 | - | 175,792 |
| 18 | Klamath County - Klamath Youth Inspiration Program | 1,000,000 | - | 175,792 |
| 19 | The Dalles Civic Auditorium | 745,000 | - | 136,066 |
| 20 | City of Woodburn - Woodburn Community Center | 1,000,000 | - | 175,792 |
| 21 | YMCA of Marion and Polk Counties - YMCA Facility | 12,000,000 | - | 2,038,445 |
| | | <u>27,470,000</u> | - | <u>4,743,599</u> |
| <i>Department of State Lands</i> | | | | |
| 10 | Portland Harbor Cleanup | 3,000,000 | - | 589,914 |
| <i>Department of Transportation</i> | | | | |
| 8 | Connect Oregon VII | 30,000,000 | - | 5,062,897 |
| 30 | City of Portland - SW Capitol Highway Improvements | 2,000,000 | - | 343,443 |
| 31 | Lane Transit District | 5,000,000 | - | 855,170 |
| | | <u>37,000,000</u> | - | <u>6,261,510</u> |
| <i>Oregon Business Development Department</i> | | | | |
| I | Special Public Works Fund - Recapitalization | 20,000,000 | - | 3,886,871 |
| 1 & 2 | Special Public Works Fund - Levee Projects | 10,000,000 | - | 1,953,164 |
| 3 | Regional Solutions Projects | 4,000,000 | - | 783,467 |
| 22(2)(a) | Portland Art Museum - Connection Campaign | 1,000,000 | - | 175,792 |
| 22(2)(b) | Friends of the Oregon Caves and Chateau - Balcony | 750,000 | - | 136,535 |

This Summary has not been adopted or officially endorsed by action of the committee.

2 of 3

BUDGET NARRATIVE

| | | | | |
|--|--|--------------------|----------|-------------------|
| SB 5530 A STAFF MEASURE SUMMARY | | | | |
| | <i>Restoration</i> | | | |
| 22(2)(c) | Eugene Ballet Company - Midtown Arts Center | 700,000 | - | 126,753 |
| 24 | Port of Brookings Harbor - Dock Repair | 600,000 | - | 112,249 |
| 26 | City of Sweet Home - Wastewater Treatment Plant | 2,000,000 | - | 343,443 |
| 27 | Crescent Sanitary District - Wastewater Treatment Facility | 3,000,000 | - | 510,769 |
| 29 | Oregon Manufacturing Innovation Center Access Roads | 3,390,000 | - | 573,852 |
| | | <u>45,440,000</u> | - | <u>8,602,895</u> |
| | <i>Housing and Community Services Department</i> | | | |
| 7 | Affordable Housing Preservation | 25,000,000 | + | 4,856,853 |
| | <i>Parks and Recreation Department</i> | | | |
| 32 | Oregon Main Street Revitalization Grant Program | 5,000,000 | + | 977,030 |
| | <i>Water Resources Department</i> | | | |
| 5(2)(a) | Water Supply Development Account | 15,000,000 | + | 2,540,836 |
| 5(2)(b) | City of Carlton - Panther Creek Reservoir | 2,500,000 | + | 418,755 |
| 5(2)(c) | City of Carlton - Water Supply Line | 2,000,000 | + | 343,443 |
| 5(2)(d) | Santiam Water Control District - Mill Creek Corporate Center | 1,200,000 | + | 205,534 |
| 6 | Water Conservation, Reuse and Storage Investment Fund | 1,500,000 | + | 300,054 |
| | | <u>22,200,000</u> | + | <u>3,808,622</u> |
| | Total Lottery Bond projects authorized in SB 5530 | 165,110,000 | - | 29,840,423 |
| HB 2278 (2015) | | | | |
| | <i>Oregon Business Development Department</i> | | | |
| 3 | Oregon International Port of Coos Bay - Channel Project | 15,000,000 | + | 2,540,836 |
| | Total Lottery Bond projects authorized in 2017-19 | 180,110,000 | - | 32,381,259 |

This Summary has not been adopted or officially endorsed by action of the committee.

3 of 3

BUDGET NARRATIVE

79th Oregon Legislative Assembly – 2018 Regular Session

HB 5201 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Nathanson

Joint Committee On Ways and Means

Action Date: 03/02/18

Action: Do pass with amendments. (Printed A-Eng.)

House Vote

Yeas: 10 - Gomberg, Holvey, McLane, Nathanson, Noble, Rayfield, Smith Warner, Stark, Whisnant, Williamson

Exc: 1 - Smith G

Senate Vote

Yeas: 11 - DeBoer, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, President Courtney, Roblan, Steiner Hayward, Thomsen

Exc: 1 - Winters

Prepared By: Linda Ames and Gregory Jolivette, Legislative Fiscal Office

Reviewed By: Paul Siebert, Legislative Fiscal Office

Emergency Board

2017-19

Various Agencies

2017-19

*** CORRECTED ***

This summary has not been adopted or officially endorsed by action of the committee.

HB 5201 A

1 of 62

BUDGET NARRATIVE

Budget Summary*

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>Emergency Board</u> | | | | |
| General Fund - General Purpose | \$ 49,747,628 | \$ 49,747,628 | \$ - | 0.0% |
| General Fund - Special Purpose Appropriations | | | | |
| State Agencies for state employee compensation | \$ 100,000,000 | \$ - | \$ (100,000,000) | -100.0% |
| State Agencies for non-state worker compensation | \$ 10,000,000 | \$ - | \$ (10,000,000) | -100.0% |
| Long Term Care Ombudsman - public guardian | \$ 200,000 | \$ - | \$ (200,000) | -100.0% |
| Dept. of Human Services - foster parent supports | \$ 750,000 | \$ - | \$ (750,000) | -100.0% |
| Chief Education Office - 2nd year funding | \$ 3,972,118 | \$ - | \$ (3,972,118) | -100.0% |
| Judicial Dept. - grand jury recordings | \$ 7,900,000 | \$ 7,900,000 | \$ - | 0.0% |
| Dept. of Forestry - fire protection expenses | \$ 6,000,000 | \$ 4,000,000 | \$ (2,000,000) | -33.3% |
| Department of Revenue - position reconciliation | \$ - | \$ 650,000 | \$ 650,000 | |
| Secretary of State - 2018 Special Election costs | \$ - | \$ 1,656,115 | \$ 1,656,115 | |
| Oregon Health Authority - mental health res. rates | \$ - | \$ 2,000,000 | \$ 2,000,000 | |
| Department of Human Services - ventilator costs | \$ - | \$ 300,000 | \$ 300,000 | |
| Dept. of Human Services/Oregon Health Auth., - caseload costs or other budget challenges | \$ - | \$ 30,000,000 | \$ 30,000,000 | |
| Department of Human Services - child welfare costs | \$ - | \$ 2,500,000 | \$ 2,500,000 | |
| <u>ADMINISTRATION PROGRAM AREA</u> | | | | |
| <u>Department of Administrative Services</u> | | | | |
| General Fund | \$ 12,606,693 | \$ 20,931,500 | \$ 8,324,807 | 66.0% |
| General Fund Debt Service | \$ 7,254,563 | \$ 7,137,196 | \$ (117,367) | -1.6% |
| Lottery Funds Debt Service | \$ 16,294,967 | \$ 15,873,695 | \$ (421,272) | -2.6% |
| Other Funds | \$ 514,676,438 | \$ 537,626,451 | \$ 22,950,013 | 4.5% |
| Other Funds Debt Service | \$ 406,585,310 | \$ 406,616,039 | \$ 30,729 | 0.0% |
| <u>Advocacy Commissions Office</u> | | | | |
| General Fund | \$ 697,136 | \$ 720,802 | \$ 23,666 | 3.4% |
| <u>Employment Relations Board</u> | | | | |
| General Fund | \$ 2,491,749 | \$ 2,556,694 | \$ 64,945 | 2.6% |
| Other Funds | \$ 2,500,764 | \$ 2,556,456 | \$ 55,692 | 2.2% |

HB 5201 A

2 of 62

BUDGET NARRATIVE

| Budget Summary* | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|---|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>Oregon Government Ethics Commission</u> | | | | |
| Other Funds | \$ 2,705,247 | \$ 2,758,688 | \$ 53,441 | 2.0% |
| <u>Office of the Governor</u> | | | | |
| General Fund | \$ 12,947,791 | \$ 13,660,135 | \$ 712,344 | 5.5% |
| Lottery Funds | \$ 3,689,100 | \$ 3,723,949 | \$ 34,849 | 0.9% |
| Other Funds | \$ 3,322,288 | \$ 3,413,769 | \$ 91,481 | 2.8% |
| Federal Funds | \$ 6,907,780 | \$ 3,585,152 | \$ (3,322,628) | -48.1% |
| <u>Oregon Liquor Control Commission</u> | | | | |
| Other Funds | \$ 206,250,022 | \$ 212,267,011 | \$ 6,016,989 | 2.9% |
| <u>Public Employees Retirement System,</u> | | | | |
| Other Funds | \$ 98,448,004 | \$ 101,458,179 | \$ 3,010,175 | 3.1% |
| <u>Racing Commission</u> | | | | |
| Other Funds | \$ 6,353,396 | \$ 6,422,599 | \$ 69,203 | 1.1% |
| <u>Department of Revenue</u> | | | | |
| General Fund | \$ 188,533,904 | \$ 194,469,572 | \$ 5,935,668 | 3.1% |
| Other Funds | \$ 124,776,501 | \$ 129,820,700 | \$ 5,044,199 | 4.0% |
| <u>Secretary of State</u> | | | | |
| General Fund | \$ 10,426,561 | \$ 12,649,135 | \$ 2,222,574 | 21.3% |
| Other Funds | \$ 56,998,482 | \$ 58,170,519 | \$ 1,172,037 | 2.1% |
| Federal Funds | \$ 4,721,387 | \$ 4,882,166 | \$ 160,779 | 3.4% |
| <u>State Library</u> | | | | |
| General Fund | \$ 3,990,257 | \$ 4,060,172 | \$ 69,915 | 1.8% |
| Other Funds | \$ 6,717,774 | \$ 6,842,189 | \$ 124,415 | 1.9% |
| Federal Funds | \$ 5,275,247 | \$ 5,309,791 | \$ 34,544 | 0.7% |

HB 5201 A

3 of 62

BUDGET NARRATIVE

| Budget Summary* | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|---|--|---|-----------------|
| | | | \$ Change | % Change |
| <u>State Treasurer</u> | | | | |
| General Fund | \$ 3,490,552 | \$ 5,361,270 | \$ 1,870,718 | 53.6% |
| Other Funds | \$ 80,418,025 | \$ 82,003,898 | \$ 1,585,873 | 2.0% |
| <u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u> | | | | |
| <u>State Board of Accountancy</u> | | | | |
| Other Funds | \$ 2,583,982 | \$ 2,617,527 | \$ 33,545 | 1.3% |
| <u>Chiropractic Examiners Board</u> | | | | |
| Other Funds | \$ 2,014,079 | \$ 2,027,840 | \$ 13,761 | 0.7% |
| <u>Consumer and Business Services</u> | | | | |
| Other Funds | \$ 246,276,380 | \$ 252,580,722 | \$ 6,304,342 | 2.6% |
| Federal Funds | \$ 14,466,034 | \$ 16,803,370 | \$ 2,337,336 | 16.2% |
| <u>Construction Contractors Board</u> | | | | |
| Other Funds | \$ 15,859,876 | \$ 16,174,047 | \$ 314,171 | 2.0% |
| <u>Board of Dentistry</u> | | | | |
| Other Funds | \$ 3,277,010 | \$ 3,328,763 | \$ 51,753 | 1.6% |
| <u>Health Related Licensing Boards</u> | | | | |
| State Mortuary and Cemetery Board | | | | |
| Other Funds | \$ 2,152,200 | \$ 2,191,749 | \$ 39,549 | 1.8% |
| Board of Naturopathic Medicine | | | | |
| Other Funds | \$ 799,923 | \$ 809,413 | \$ 9,490 | 1.2% |
| Occupational Therapy Licensing Board | | | | |
| Other Funds | \$ 483,425 | \$ 514,522 | \$ 31,097 | 6.4% |
| Board of Medical Imaging | | | | |
| Other Funds | \$ 886,265 | \$ 898,304 | \$ 12,039 | 1.4% |
| State Board of Examiners for Speech-Language Pathology and Audiology | | | | |
| Other Funds | \$ 615,945 | \$ 756,010 | \$ 140,065 | 22.7% |

HB 5201 A

4 of 62

BUDGET NARRATIVE

Budget Summary*

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| Oregon State Veterinary Medical Examining Board Other Funds | \$ 973,220 | \$ 1,034,917 | \$ 61,697 | 6.3% |
| <u>Bureau of Labor and Industries</u> | | | | |
| General Fund | \$ 13,119,229 | \$ 13,461,114 | \$ 341,885 | 2.6% |
| Other Funds | \$ 12,162,061 | \$ 12,675,846 | \$ 513,785 | 4.2% |
| Federal Funds | \$ 1,258,596 | \$ 1,297,545 | \$ 38,949 | 3.1% |
| <u>Licensed Social Workers, Board of</u> | | | | |
| Other Funds | \$ 1,697,440 | \$ 1,717,671 | \$ 20,231 | 1.2% |
| <u>Oregon Medical Board</u> | | | | |
| Other Funds | \$ 12,595,547 | \$ 12,840,109 | \$ 244,562 | 1.9% |
| <u>Mental Health Regulatory Agency</u> | | | | |
| Other Funds | \$ 3,462,553 | \$ 3,509,699 | \$ 47,146 | 1.4% |
| <u>Board of Nursing</u> | | | | |
| Other Funds | \$ 16,595,386 | \$ 16,847,478 | \$ 252,092 | 1.5% |
| <u>Board of Pharmacy</u> | | | | |
| Other Funds | \$ 7,335,399 | \$ 7,464,610 | \$ 129,211 | 1.8% |
| <u>Public Utility Commission</u> | | | | |
| Other Funds | \$ 45,128,415 | \$ 45,919,838 | \$ 791,423 | 1.8% |
| Federal Funds | \$ 715,100 | \$ 742,231 | \$ 27,131 | 3.8% |
| <u>Real Estate Agency</u> | | | | |
| Other Funds | \$ 7,621,789 | \$ 7,781,918 | \$ 160,129 | 2.1% |

HB 5201 A

5 of 62

BUDGET NARRATIVE

| Budget Summary* | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|---|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u> | | | | |
| <u>Oregon Business Development Department</u> | | | | |
| General Fund | \$ 15,951,696 | \$ 15,977,133 | \$ 25,437 | 0.2% |
| General Fund Debt Service | \$ 39,144,515 | \$ 39,036,407 | \$ (108,108) | -0.3% |
| Lottery Funds | \$ 115,975,469 | \$ 117,789,412 | \$ 1,813,943 | 1.6% |
| Other Funds | \$ 378,417,137 | \$ 379,465,905 | \$ 1,048,768 | 0.3% |
| Other Funds Debt Service | \$ - | \$ 108,109 | \$ 108,109 | |
| Federal Funds | \$ 40,717,603 | \$ 41,457,527 | \$ 739,924 | 1.8% |
| <u>Employment Department</u> | | | | |
| Other Funds | \$ 144,544,337 | \$ 152,904,308 | \$ 8,359,971 | 5.8% |
| Federal Funds | \$ 155,927,081 | \$ 159,644,349 | \$ 3,717,268 | 2.4% |
| <u>Housing and Community Services Department</u> | | | | |
| General Fund | \$ 54,438,010 | \$ 59,693,031 | \$ 5,255,021 | 9.7% |
| Lottery Funds | \$ 16,357,282 | \$ 17,507,282 | \$ 1,150,000 | 7.0% |
| Other Funds | \$ 209,274,996 | \$ 228,524,093 | \$ 19,249,097 | 9.2% |
| Federal Funds | \$ 122,692,797 | \$ 122,817,211 | \$ 124,414 | 0.1% |
| <u>Department of Veterans' Affairs</u> | | | | |
| General Fund | \$ 8,380,599 | \$ 8,568,114 | \$ 187,515 | 2.2% |
| Lottery Funds | \$ 14,856,025 | \$ 15,062,268 | \$ 206,243 | 1.4% |
| Other Funds | \$ 100,316,941 | \$ 100,525,917 | \$ 208,976 | 0.2% |
| Federal Funds | \$ 500,000 | \$ 1,000,000 | \$ 500,000 | 100.0% |
| <u>EDUCATION PROGRAM AREA</u> | | | | |
| <u>Department of Education</u> | | | | |
| General Fund | \$ 802,687,885 | \$ 806,519,417 | \$ 3,831,532 | 0.5% |
| General Fund Debt Service | \$ 18,263,417 | \$ 18,239,116 | \$ (24,301) | -0.1% |
| Other Funds | \$ 441,326,984 | \$ 481,934,415 | \$ 40,607,431 | 9.2% |
| Other Funds Debt Service | \$ - | \$ 24,302 | \$ 24,302 | |
| Federal Funds | \$ 1,053,144,232 | \$ 1,054,258,511 | \$ 1,114,279 | 0.1% |

HB 5201 A

6 of 62

BUDGET NARRATIVE

Budget Summary*

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>State School Fund</u> | | | | |
| General Fund | \$ 7,653,853,380 | \$ 7,582,892,067 | \$ (70,961,313) | -0.9% |
| Lottery Funds | \$ 464,758,594 | \$ 535,719,907 | \$ 70,961,313 | 15.3% |
| <u>Higher Education Coordinating Commission</u> | | | | |
| General Fund | \$ 31,611,113 | \$ 32,288,585 | \$ 677,472 | 2.1% |
| Other Funds | \$ 34,277,137 | \$ 35,810,339 | \$ 1,533,202 | 4.5% |
| Federal Funds | \$ 114,075,784 | \$ 118,191,072 | \$ 4,115,288 | 3.6% |
| <u>State Support for Community Colleges</u> | | | | |
| General Fund Debt Service | \$ 26,778,761 | \$ 26,551,170 | \$ (227,591) | -0.8% |
| Other Funds Debt Service | \$ 550,000 | \$ 777,592 | \$ 227,592 | 41.4% |
| <u>State Support for Public Universities</u> | | | | |
| General Fund | \$ 904,264,998 | \$ 907,514,998 | \$ 3,250,000 | 0.4% |
| General Fund Debt Service | \$ 153,230,455 | \$ 150,990,325 | \$ (2,240,130) | -1.5% |
| Other Funds Debt Service | \$ 900,000 | \$ 3,140,132 | \$ 2,240,132 | 248.9% |
| <u>Oregon Health Sciences University</u> | | | | |
| General Fund Debt Service | \$ 21,774,770 | \$ 21,750,337 | \$ (24,433) | -0.1% |
| Other Funds Debt Service | \$ 38,828,443 | \$ 38,576,738 | \$ (251,705) | -0.6% |
| <u>Chief Education Office</u> | | | | |
| General Fund | \$ 3,652,812 | \$ 8,207,271 | \$ 4,554,459 | 124.7% |
| <u>Teacher Standards and Practices</u> | | | | |
| Other Funds | \$ 8,961,470 | \$ 9,106,410 | \$ 144,940 | 1.6% |
| <u>HUMAN SERVICES PROGRAM AREA</u> | | | | |
| <u>Commission for the Blind</u> | | | | |
| General Fund | \$ 3,426,922 | \$ 3,535,937 | \$ 109,015 | 3.2% |
| Other Funds | \$ 1,475,033 | \$ 1,482,049 | \$ 7,016 | 0.5% |
| Federal Funds | \$ 16,372,609 | \$ 16,645,593 | \$ 272,984 | 1.7% |

HB 5201 A

7 of 62

BUDGET NARRATIVE

Budget Summary*

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|---|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>Oregon Health Authority</u> | | | | |
| General Fund | \$ 2,118,221,508 | \$ 2,095,006,278 | \$ (23,215,230) | -1.1% |
| General Fund Debt Service | \$ 67,714,171 | \$ 66,343,686 | \$ (1,370,485) | -2.0% |
| Lottery Funds | \$ 12,457,116 | \$ 12,498,909 | \$ 41,793 | 0.3% |
| Other Funds | \$ 6,653,688,309 | \$ 6,729,723,047 | \$ 76,034,738 | 1.1% |
| Other Funds Debt Service | \$ - | \$ 1,371,293 | \$ 1,371,293 | |
| Federal Funds | \$ 10,913,483,621 | \$ 11,157,123,747 | \$ 243,640,126 | 2.2% |
| <u>Department of Human Services</u> | | | | |
| General Fund | \$ 3,109,000,548 | \$ 3,197,087,399 | \$ 88,086,851 | 2.8% |
| Other Funds | \$ 598,001,557 | \$ 654,392,908 | \$ 56,391,351 | 9.4% |
| Federal Funds | \$ 5,463,087,605 | \$ 5,574,153,008 | \$ 111,065,403 | 2.0% |
| <u>Long Term Care Ombudsman</u> | | | | |
| General Fund | \$ 6,087,623 | \$ 6,401,552 | \$ 313,929 | 5.2% |
| Other Funds | \$ 894,242 | \$ 908,057 | \$ 13,815 | 1.5% |
| <u>Psychiatric Security Review Board</u> | | | | |
| General Fund | \$ 2,966,321 | \$ 3,047,827 | \$ 81,506 | 2.7% |
| <u>JUDICIAL BRANCH</u> | | | | |
| <u>Judicial Department</u> | | | | |
| General Fund | \$ 447,037,989 | \$ 454,524,551 | \$ 7,486,562 | 1.7% |
| Other Funds | \$ 247,670,281 | \$ 248,093,590 | \$ 423,309 | 0.2% |
| Federal Funds | \$ 1,339,352 | \$ 1,344,289 | \$ 4,937 | 0.4% |
| <u>Commission on Judicial Fitness and Disability</u> | | | | |
| General Fund | \$ 251,551 | \$ 252,710 | \$ 1,159 | 0.5% |
| <u>Public Defense Services Commission</u> | | | | |
| General Fund | \$ 303,430,035 | \$ 305,425,556 | \$ 1,995,521 | 0.7% |
| Other Funds | \$ 4,954,313 | \$ 4,967,943 | \$ 13,630 | 0.3% |

HB 5201 A

8 of 62

BUDGET NARRATIVE

Budget Summary*

| | 2017-19 Legislatively Adopted Budget | | 2018 Committee Recommendation | | Committee Change from 2017-19 Leg. Adopted | | |
|---|--------------------------------------|------------|-------------------------------|------------|--|-----------|-------|
| | | | | | \$ Change | % Change | |
| <u>LEGISLATIVE BRANCH</u> | | | | | | | |
| <u>Legislative Administration Committee</u> | | | | | | | |
| General Fund | \$ | 28,445,653 | \$ | 29,236,618 | \$ | 790,965 | 2.8% |
| General Fund Debt Service | \$ | 12,428,295 | \$ | 12,379,677 | \$ | (48,618) | -0.4% |
| Other Funds | \$ | 3,017,853 | \$ | 3,183,430 | \$ | 165,577 | 5.5% |
| Other Funds Debt Service | \$ | 1,164,070 | \$ | 1,212,689 | \$ | 48,619 | 4.2% |
| <u>Legislative Assembly</u> | | | | | | | |
| General Fund | \$ | 40,368,569 | \$ | 40,959,543 | \$ | 590,974 | 1.5% |
| <u>Legislative Commission on Indian Services</u> | | | | | | | |
| General Fund | \$ | 537,318 | \$ | 542,353 | \$ | 5,035 | 0.9% |
| <u>Legislative Counsel</u> | | | | | | | |
| General Fund | \$ | 12,552,965 | \$ | 12,329,541 | \$ | (223,424) | -1.8% |
| Other Funds | \$ | 1,579,137 | \$ | 1,846,216 | \$ | 267,079 | 16.9% |
| <u>Legislative Fiscal Office</u> | | | | | | | |
| General Fund | \$ | 4,117,795 | \$ | 4,165,598 | \$ | 47,803 | 1.2% |
| Other Funds | \$ | 3,655,385 | \$ | 3,692,282 | \$ | 36,897 | 1.0% |
| <u>Legislative Policy and Research Office</u> | | | | | | | |
| General Fund | \$ | 8,847,088 | \$ | 9,903,112 | \$ | 1,056,024 | 11.9% |
| <u>Legislative Revenue Office</u> | | | | | | | |
| General Fund | \$ | 3,017,916 | \$ | 3,045,581 | \$ | 27,665 | 0.9% |

HB 5201 A

9 of 62

BUDGET NARRATIVE

Budget Summary*

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>NATURAL RESOURCES PROGRAM AREA</u> | | | | |
| <u>State Department of Agriculture</u> | | | | |
| General Fund | \$ 22,307,042 | \$ 22,698,953 | \$ 391,911 | 1.8% |
| Lottery Funds | \$ 8,103,745 | \$ 9,001,307 | \$ 897,562 | 11.1% |
| Other Funds | \$ 66,605,463 | \$ 68,154,857 | \$ 1,549,394 | 2.3% |
| Federal Funds | \$ 17,452,844 | \$ 17,615,623 | \$ 162,779 | 0.9% |
| <u>State Department of Energy</u> | | | | |
| Other Funds | \$ 35,206,624 | \$ 35,609,279 | \$ 402,655 | 1.1% |
| Federal Funds | \$ 2,412,636 | \$ 2,455,398 | \$ 42,762 | 1.8% |
| <u>Department of Environmental Quality</u> | | | | |
| General Fund | \$ 40,804,031 | \$ 43,718,803 | \$ 2,914,772 | 7.1% |
| General Fund Debt Service | \$ 3,824,980 | \$ 4,658,847 | \$ 833,867 | 21.8% |
| Lottery Funds | \$ 4,610,577 | \$ 4,732,711 | \$ 122,134 | 2.6% |
| Other Funds | \$ 169,639,110 | \$ 192,862,876 | \$ 23,223,766 | 13.7% |
| Federal Funds | \$ 28,593,914 | \$ 29,266,525 | \$ 672,611 | 2.4% |
| <u>State Department of Fish and Wildlife</u> | | | | |
| General Fund | \$ 28,408,880 | \$ 29,458,285 | \$ 1,049,405 | 3.7% |
| Lottery Funds | \$ 5,212,514 | \$ 5,326,259 | \$ 113,745 | 2.2% |
| Other Funds | \$ 181,354,898 | \$ 183,825,411 | \$ 2,470,513 | 1.4% |
| Federal Funds | \$ 133,139,592 | \$ 135,372,685 | \$ 2,233,093 | 1.7% |
| <u>Department of Forestry</u> | | | | |
| General Fund | \$ 68,242,727 | \$ 96,105,737 | \$ 27,863,010 | 40.8% |
| Other Funds | \$ 340,602,781 | \$ 366,655,973 | \$ 26,053,192 | 7.6% |
| Federal Funds | \$ 33,657,195 | \$ 33,907,251 | \$ 250,056 | 0.7% |
| <u>Department of Geology and Mineral Industries</u> | | | | |
| General Fund | \$ 4,631,168 | \$ 4,709,949 | \$ 78,781 | 1.7% |
| Other Funds | \$ 6,787,859 | \$ 6,881,528 | \$ 93,669 | 1.4% |
| Federal Funds | \$ 5,937,915 | \$ 6,040,857 | \$ 102,942 | 1.7% |

HB 5201 A

10 of 62

BUDGET NARRATIVE

| Budget Summary* | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|---|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>Department of Land Conservation and Development</u> | | | | |
| General Fund | \$ 12,951,689 | \$ 13,430,953 | \$ 479,264 | 3.7% |
| Other Funds | \$ 1,734,829 | \$ 1,785,545 | \$ 50,716 | 2.9% |
| Federal Funds | \$ 6,421,857 | \$ 6,487,739 | \$ 65,882 | 1.0% |
| <u>Land Use Board of Appeals</u> | | | | |
| General Fund | \$ 1,927,050 | \$ 1,952,556 | \$ 25,506 | 1.3% |
| <u>Oregon Marine Board</u> | | | | |
| Other Funds | \$ 26,923,945 | \$ 27,142,592 | \$ 218,647 | 0.8% |
| Federal Funds | \$ 6,631,041 | \$ 6,633,313 | \$ 2,272 | 0.0% |
| <u>Department of Parks and Recreation</u> | | | | |
| General Fund | \$ 218,894 | \$ 228,729 | \$ 9,835 | 4.5% |
| Lottery Funds | \$ 100,597,217 | \$ 102,148,107 | \$ 1,550,890 | 1.5% |
| Other Funds | \$ 99,889,179 | \$ 101,176,692 | \$ 1,287,513 | 1.3% |
| Federal Funds | \$ 16,389,923 | \$ 16,422,002 | \$ 32,079 | 0.2% |
| <u>Department of State Lands</u> | | | | |
| Other Funds | \$ 47,925,059 | \$ 56,436,137 | \$ 8,511,078 | 17.8% |
| Federal Funds | \$ 2,261,458 | \$ 2,466,188 | \$ 204,730 | 9.1% |
| <u>Water Resources Department</u> | | | | |
| General Fund | \$ 31,483,809 | \$ 32,150,986 | \$ 667,177 | 2.1% |
| Other Funds | \$ 61,306,639 | \$ 66,865,131 | \$ 5,558,492 | 9.1% |
| Federal Funds | \$ 1,879,534 | \$ 1,905,917 | \$ 26,383 | 1.4% |
| <u>Watershed Enhancement Board</u> | | | | |
| Lottery Funds | \$ 74,415,091 | \$ 79,589,460 | \$ 5,174,369 | 7.0% |
| Federal Funds | \$ 41,671,381 | \$ 41,759,143 | \$ 87,762 | 0.2% |

HB 5201 A

11 of 62

BUDGET NARRATIVE

Budget Summary*

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|---|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>PUBLIC SAFETY PROGRAM AREA</u> | | | | |
| <u>Department of Corrections</u> | | | | |
| General Fund | \$ 1,568,314,745 | \$ 1,593,929,231 | \$ 25,614,486 | 1.6% |
| General Fund Debt Service | \$ 112,749,173 | \$ 112,706,132 | \$ (43,041) | 0.0% |
| Other Funds | \$ 43,244,547 | \$ 43,508,746 | \$ 264,199 | 0.6% |
| Other Funds Debt Service | \$ - | \$ 43,042 | \$ 43,042 | |
| <u>Oregon Criminal Justice Commission</u> | | | | |
| General Fund | \$ 64,926,239 | \$ 65,021,569 | \$ 95,330 | 0.1% |
| Other Funds | \$ 511,392 | \$ 961,392 | \$ 450,000 | 88.0% |
| Federal Funds | \$ 7,170,201 | \$ 8,224,498 | \$ 1,054,297 | 14.7% |
| <u>District Attorneys and their Deputies</u> | | | | |
| General Fund | \$ 12,478,724 | \$ 12,592,454 | \$ 113,730 | 0.9% |
| <u>Department of Justice</u> | | | | |
| General Fund | \$ 72,122,805 | \$ 73,202,693 | \$ 1,079,888 | 1.5% |
| General Fund Debt Service | \$ 12,530,237 | \$ 12,507,190 | \$ (23,047) | -0.2% |
| Other Funds | \$ 321,296,607 | \$ 330,308,027 | \$ 9,011,420 | 2.8% |
| Federal Funds | \$ 179,004,039 | \$ 186,688,612 | \$ 7,684,573 | 4.3% |
| <u>Oregon Military Department</u> | | | | |
| General Fund | \$ 25,608,114 | \$ 27,578,231 | \$ 1,970,117 | 7.7% |
| Other Funds | \$ 106,851,901 | \$ 112,711,583 | \$ 5,859,682 | 5.5% |
| Federal Funds | \$ 271,814,624 | \$ 289,973,794 | \$ 18,159,170 | 6.7% |
| <u>Oregon Board of Parole</u> | | | | |
| General Fund | \$ 8,868,686 | \$ 9,048,876 | \$ 180,190 | 2.0% |
| <u>Department of State Police</u> | | | | |
| General Fund | \$ 269,292,257 | \$ 280,526,031 | \$ 11,233,774 | 4.2% |
| Lottery Funds | \$ 8,069,250 | \$ 8,145,961 | \$ 76,711 | 1.0% |
| Other Funds | \$ 136,707,491 | \$ 151,266,325 | \$ 14,558,834 | 10.6% |
| Federal Funds | \$ 12,249,830 | \$ 12,274,226 | \$ 24,396 | 0.2% |

HB 5201 A

12 of 62

BUDGET NARRATIVE

| Budget Summary* | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|---|----------------------------------|---|----------|
| | | | \$ Change | % Change |
| <u>Department of Public Safety Standards and Training</u> | | | | |
| Other Funds | \$ 43,523,261 | \$ 49,116,738 | \$ 5,593,477 | 12.9% |
| Federal Funds | \$ 8,007,963 | \$ 8,012,359 | \$ 4,396 | 0.1% |
| <u>Oregon Youth Authority</u> | | | | |
| General Fund | \$ 307,443,048 | \$ 312,595,798 | \$ 5,152,750 | 1.7% |
| Other Funds | \$ 11,597,846 | \$ 11,533,519 | \$ (64,327) | -0.6% |
| Federal Funds | \$ 37,166,220 | \$ 37,328,320 | \$ 162,100 | 0.4% |
| <u>TRANSPORTATION PROGRAM AREA</u> | | | | |
| <u>Department of Aviation</u> | | | | |
| Other Funds | \$ 12,190,805 | \$ 13,213,366 | \$ 1,022,561 | 8.4% |
| Federal Funds | \$ 4,514,961 | \$ 4,525,743 | \$ 10,782 | 0.2% |
| <u>Department of Transportation</u> | | | | |
| Lottery Funds Debt Service | \$ 120,644,222 | \$ 119,636,050 | \$ (1,008,172) | -0.8% |
| Other Funds | \$ 3,232,865,421 | \$ 3,371,912,838 | \$ 139,047,417 | 4.3% |
| Other Funds Debt Service | \$ 415,126,500 | \$ 416,134,673 | \$ 1,008,173 | 0.2% |
| Federal Funds | \$ 105,699,330 | \$ 105,756,768 | \$ 57,438 | 0.1% |
| 2017-19 Budget Summary | | | | |
| General Fund Total | \$ 18,530,053,820 | \$ 18,572,698,743 | \$ 42,644,923 | 0.2% |
| General Fund Debt Service Total | \$ 475,693,337 | \$ 472,300,083 | \$ (3,393,254) | -0.7% |
| Lottery Funds Total | \$ 829,101,980 | \$ 911,245,532 | \$ 82,143,552 | 9.9% |
| Lottery Funds Debt Service Total | \$ 136,939,189 | \$ 135,509,745 | \$ (1,429,444) | -1.0% |
| Other Funds Total | \$ 15,264,508,605 | \$ 15,763,520,906 | \$ 499,012,301 | 3.3% |
| Other Funds Debt Service Total | \$ 863,154,323 | \$ 868,004,609 | \$ 4,850,286 | 0.6% |
| Federal Funds Total | \$ 18,836,761,286 | \$ 19,232,372,523 | \$ 395,611,237 | 2.1% |

* Excludes Capital Construction

BUDGET NARRATIVE

| Position Summary | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|---|---|----------------------------------|---|----------|
| | | | Change | % Change |
| ADMINISTRATION PROGRAM AREA | | | | |
| <u>Department of Administrative Services</u> | | | | |
| Authorized Positions | 908 | 914 | 6 | 0.7% |
| Full-time Equivalent (FTE) positions | 903.38 | 906.96 | 3.58 | 0.4% |
| <u>Office of the Governor</u> | | | | |
| Authorized Positions | 59 | 61 | 2 | 3.4% |
| Full-time Equivalent (FTE) positions | 58.50 | 59.13 | 0.63 | 1.1% |
| <u>Oregon Liquor Control Commission</u> | | | | |
| Authorized Positions | 304 | 321 | 17 | 5.6% |
| Full-time Equivalent (FTE) positions | 298.82 | 310.16 | 11.34 | 3.8% |
| <u>Public Employees Retirement System</u> | | | | |
| Authorized Positions | 373 | 376 | 3 | 0.8% |
| Full-time Equivalent (FTE) positions | 372.29 | 374.30 | 2.01 | 0.5% |
| <u>Department of Revenue</u> | | | | |
| Authorized Positions | 1,007 | 1,101 | 94 | 9.3% |
| Full-time Equivalent (FTE) positions | 933.85 | 963.28 | 29.43 | 3.2% |
| <u>Secretary of State</u> | | | | |
| Authorized Positions | 213 | 215 | 2 | 0.9% |
| Full-time Equivalent (FTE) positions | 212.77 | 214.03 | 1.26 | 0.6% |
| CONSUMER AND BUSINESS SERVICES PROGRAM AREA | | | | |
| <u>Consumer and Business Services</u> | | | | |
| Authorized Positions | 965 | 966 | 1 | 0.1% |
| Full-time Equivalent (FTE) positions | 957.36 | 958.03 | 0.67 | 0.1% |

HB 5201 A

14 of 62

BUDGET NARRATIVE

Position Summary

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|---|----------------------------------|---|----------|
| | | | Change | % Change |
| <u>Bureau of Labor and Industries</u> | | | | |
| Authorized Positions | 107 | 107 | - | 0.0% |
| Full-time Equivalent (FTE) positions | 104.88 | 105.38 | 0.50 | 0.5% |
| <u>Health-Related Licensing Boards</u> | | | | |
| Authorized Positions | 21 | 22 | 1 | 4.8% |
| Full-time Equivalent (FTE) positions | 20.25 | 20.56 | 0.31 | 1.5% |
| ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA | | | | |
| <u>Employment Department</u> | | | | |
| Authorized Positions | 1,298.00 | 1,320 | 22 | 1.7% |
| Full-time Equivalent (FTE) positions | 1,239.78 | 1,259.03 | 19.25 | 1.6% |
| <u>Housing and Community Services</u> | | | | |
| Authorized Positions | 164 | 165 | 1 | 0.6% |
| Full-time Equivalent (FTE) positions | 152.65 | 153.28 | 0.63 | 0.4% |
| EDUCATION PROGRAM AREA | | | | |
| <u>Chief Education Office</u> | | | | |
| Authorized Positions | 14 | 15 | 1 | 7.1% |
| Full-time Equivalent (FTE) positions | 6.75 | 12.50 | 5.75 | 85.2% |
| <u>Department of Education</u> | | | | |
| Authorized Positions | 551 | 565 | 14 | 2.5% |
| Full-time Equivalent (FTE) positions | 537.54 | 544.76 | 7.22 | 1.3% |
| <u>Higher Education Coordinating Commission</u> | | | | |
| Authorized Positions | 124 | 130 | 6 | 4.8% |
| Full-time Equivalent (FTE) positions | 116.20 | 118.45 | 2.25 | 1.9% |

HB 5201 A

15 of 62

BUDGET NARRATIVE

Position Summary

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|---|---|----------------------------------|---|----------|
| | | | Change | % Change |
| HUMAN SERVICES PROGRAM AREA | | | | |
| <u>Oregon Health Authority</u> | | | | |
| Authorized Positions | 4,646 | 4,177 | (469) | -10.1% |
| Full-time Equivalent (FTE) positions | 4,591.03 | 4,274.45 | (316.58) | -6.9% |
| <u>Department of Human Services</u> | | | | |
| Authorized Positions | 8,349 | 9,056 | 707 | 8.5% |
| Full-time Equivalent (FTE) positions | 8,164.07 | 8,612.17 | 448.10 | 5.5% |
| <u>Long Term Care Ombudsman</u> | | | | |
| Authorized Positions | 25 | 27 | 2 | 8.0% |
| Full-time Equivalent (FTE) positions | 24.50 | 25.50 | 1.00 | 4.1% |
| NATURAL RESOURCES PROGRAM AREA | | | | |
| <u>State Department of Agriculture</u> | | | | |
| Authorized Positions | 489 | 501 | 12 | 2.5% |
| Full-time Equivalent (FTE) positions | 370.46 | 375.73 | 5.27 | 1.4% |
| <u>Department of Environmental Quality</u> | | | | |
| Authorized Positions | 745 | 751 | 6 | 0.8% |
| Full-time Equivalent (FTE) positions | 723.89 | 730.67 | 6.78 | 0.9% |
| <u>Department of State Lands</u> | | | | |
| Authorized Positions | 111 | 113 | 2 | 1.8% |
| Full-time Equivalent (FTE) positions | 109.33 | 110.67 | 1.34 | 1.2% |
| PUBLIC SAFETY PROGRAM AREA | | | | |
| <u>Department of Justice</u> | | | | |
| Authorized Positions | 1,374 | 1,379 | 5 | 0.4% |
| Full-time Equivalent (FTE) positions | 1,348.42 | 1,355.40 | 6.98 | 0.5% |

HB 5201 A
16 of 62

BUDGET NARRATIVE

Position Summary

| | 2017-19 Legislatively Adopted Budget | 2018 Committee Recommendation | Committee Change from 2017-19 Leg. Adopted | |
|--|--------------------------------------|-------------------------------|--|----------|
| | | | Change | % Change |
| <u>Department of State Police</u> | | | | |
| Authorized Positions | 1,345 | 1,370 | 25 | 1.9% |
| Full-time Equivalent (FTE) positions | 1,321.62 | 1,346.62 | 25.00 | 1.9% |
| <u>Department of Public Safety Standards and Training</u> | | | | |
| Authorized Positions | 152 | 165 | 13 | 8.6% |
| Full-time Equivalent (FTE) positions | 150.05 | 157.59 | 7.54 | 5.0% |
| TRANSPORTATION PROGRAM AREA | | | | |
| <u>Department of Transportation</u> | | | | |
| Authorized Positions | 4,537 | 4,716 | 179 | 3.9% |
| Full-time Equivalent (FTE) positions | 4,425.34 | 4,502.97 | 77.63 | 1.8% |
| LEGISLATIVE BRANCH | | | | |
| <u>Legislative Administration Committee</u> | | | | |
| Authorized Positions | 86 | 87 | 1 | 1.2% |
| Full-time Equivalent (FTE) positions | 72.16 | 72.66 | 0.50 | 0.7% |

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the March 2018 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis.

Summary of Capital Construction Subcommittee Action

HB 5201 is the omnibus budget reconciliation bill for the 2018 legislative session, implementing the statewide rebalance plan that addresses changes in projected revenues and expenditures since the close of the 2017 session. The Subcommittee approved HB 5201 with amendments to reflect budget adjustments as described below.

HB 5201 A

17 of 62

BUDGET NARRATIVE

Statewide Adjustments

EMPLOYEE COMPENSATION DISTRIBUTION

The Subcommittee approved allocation of \$98.4 million General Fund to state agencies for employee compensation. The General Fund appropriation is expected to cover 100% of the statewide estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements. Total compensation adjustments include \$98.4 million General Fund, \$2.3 million Lottery Funds, \$80.8 million Other Funds, and \$43.3 million Federal Funds.

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 cost of \$1.7 million Total Funds, but included General Fund savings of \$1.5 million.

Section 180 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.

Other statewide adjustments also reflect budget changes in multiple agencies to apply Other Fund balances generated through excess Lottery Fund reserves, excess bond proceeds, and interest earnings to debt service. A technical adjustment to the Department of Administrative Services Other Fund debt service is also included. Total net debt service savings are \$2.8 million General Fund and \$1.4 million Lottery Funds. New Other Funds expenditure limitations for the Oregon Business Development Department (\$108,109), the Department of Education (\$24,302), the Higher Education Coordinating Commission (\$24,434), and the Department of Corrections (\$42,042) are established to accommodate the use of fund balances for debt payments, while existing Other Funds expenditure limitations for a number of other agencies are collectively increased by \$3.6 million.

Sections 75, 76, 77, 95, and 170 of the budget bill reflect 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.

BUDGET NARRATIVE

Emergency Board

As part of the 2017-19 biennium statewide rebalance plan, HB 5201 adjusts the Emergency Board's special purpose appropriations as follows:

- Eliminates the special purpose appropriation for state agencies for compensation of state employees of \$100 million, and makes General Fund appropriations to various state agencies of \$96.9 for state employee compensation changes and adjustments for Pension Obligation Bond payments.
- Eliminates the \$10 million special purpose appropriation for compensation driven by collective bargaining costs of workers who are not state employees; the bulk of these funds are appropriated to the Department of Human Services. Details on how the funding is being used is found under that agency's section of this budget report.
- Eliminates the \$200,000 special purpose appropriation to the Emergency Board for costs associated with the public guardian program and makes a corresponding appropriation to the Long Term Care Ombudsman to provide the program additional resources.
- Eliminates the \$750,000 special purpose appropriation to the Emergency Board for foster parent supports and adds the same amount of General Fund to the Child Welfare program budget within the Department of Human Services.
- Eliminates the \$3,972,118 special purpose appropriation to the Emergency Board for funding the second year of the biennium for the Chief Education Office. This bill does appropriate General Fund for the full biennium for the Chief Education Office. The Office is set to sunset at the end of the current biennium.
- Reduces the special purpose appropriation for the Department of Forestry for fire protection expenses by \$2.0 million in conjunction with a corresponding General Fund appropriation to the Department of Forestry for emergency firefighting costs during the 2017 fire season.
- Establishes a \$650,000 special purpose appropriation for the Department of Revenue for potential position reconciliation costs with the priority assigned to those in the Property Tax Division.
- Establishes a \$2,000,000 special purpose appropriation for the Oregon Health Authority for rate increases for certain residential mental health service providers.
- Establishes a \$1,656,115 special purpose appropriation to be allocated to the Secretary of State for reimbursement of Elections Division and county costs of conducting the January 2018 Special Election. The appropriation is available to reimburse eligible costs that were not reimbursed through a similar appropriation made directly to the Secretary of State for this purpose in this bill.
- Establishes a \$300,000 special purpose appropriation for Department of Human Services to increase access to ventilator-assisted services in nursing facilities.

HB 5201 A

19 of 62

BUDGET NARRATIVE

- Establishes a \$30 million special purpose appropriation 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 changes to caseloads based on future forecasts, the agencies' ability to manage personal services expenditures including cost of living increases or other bargained costs, volatility in usage-based costs or charges for services, assessment of federal program penalties or repayments, federal law or funding changes, and legal costs.
- Establishes a new \$2.5 million special purpose appropriation for the Department of Human Services to access for the Child Welfare program as the agency continues to develop and implement its action plan to improve child safety, stabilize the workforce stability, and help foster families.

If remaining special purpose appropriations are not allocated by the Emergency Board before December 1, 2018, any remaining funds become available to the Emergency Board for general purposes.

The Subcommittee established a reservation within the general purpose Emergency Fund of \$1.0 million for the Oregon Department of Forestry for the purpose of eradication efforts of the European lineage (EU1) of *Phytophthora ramorum*, the invasive, non-native, pathogen that causes the sudden oak death (SOD) disease in tanoak and possibly damages or kills certain conifer tree species. The Oregon Department of Forestry (ODF) may request allocation of the reservation from the Emergency Board if all other sources of funding supporting SOD eradication efforts have been expended and the agency evidences that additional funding will result in a demonstrative reduction in the incidence or spread of the pathogen in Oregon.

Adjustments to 2017-19 Agency Budgets

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved a one-time \$438,465 General Fund appropriation to restore a reduction to the CASA Volunteer Program that was transferred temporarily to the Department of Administrative Services (DAS) by HB 2600 (2017) and increased the Other Funds expenditure limitation by \$170,000 for the same program to accommodate payments to local CASA programs that are eligible to receive federal Title IV-E monies transferred to DAS by the Department of Human Services (DHS).

A one-time \$2.5 million Other Funds expenditure limitation increase was included for the Office of the State Chief Information Officer to support acquisition of fiber assets in partnership with Oregon State University for the establishment of a new core fiber network to support state agencies and Oregon's research universities through the "OregonFIBER" partnership. This expenditure will enable the establishment of a new public statewide core network spanning more than 2,200 miles with speeds up to 100 Gbs. In addition, the Other Funds expenditure limitation

HB 5201 A

20 of 62

BUDGET NARRATIVE

for the State Data Center (SDC) was increased by \$779,157 on a one-time basis to pay the costs associated with moving the Oregon Youth Authority's (OYA) information technology assets into the SDC.

Technical budget adjustments necessary to finalize the consolidation of IT security positions started in the 2017-19 adopted budget for DAS were also approved. These adjustments included decreasing Other Funds expenditure limitation for the State Data Center by \$288,399 and one position (1.00 FTE), with a corresponding increase in the Office of the State Chief Information of \$288,399 Other Funds expenditure limitation and one position (1.00 FTE).

The Subcommittee approved an Other Funds expenditure limitation increase of \$132,524 in the Chief Operating Office for an economist position (0.63 FTE) dedicated to working on forecasting revenues from the sale of cannabis products and to produce the annual forecast on the supply of clean fuels. The Departments of Environmental Quality and Transportation will contribute two-thirds of the cost of the position and the Oregon Liquor Control Commission will provide the remaining one-third of the position funding for the remainder of the 2017-19 biennium, with the understanding the ongoing cost of the position will be proposed for funding through DAS rates in the 2019-21 biennium.

The Subcommittee also approved the transfer of an IT procurement position from DHS to DAS Enterprise Goods and Services by increasing the Other Funds expenditure limitation by \$152,247 and establishing one position (0.63 FTE). DHS will continue to pay for the position for the remainder of the 2017-19 biennium, with the understanding the ongoing cost of the position will be proposed for funding through DAS rates in the 2019-21 biennium.

The following one-time Other Funds expenditure limitation increases were approved for Enterprise Asset Management for the following purposes:

- \$6,250,000 for infrastructure improvements at the Mill Creek Corporate Center. Infrastructure improvements at the Center are necessary for parcels to be sold and developed. These improvements are paid for with proceeds from land sales at the Center.
- \$1,375,000 Other Funds expenditure limitation increase for six limited duration construction manager positions established in the 2017-19 legislatively adopted budget to oversee deferred maintenance projects funded through the Capital Projects Fund. At the time the budget was adopted, DAS thought the positions could be paid for using expenditure limitation from each project. Since then the Department determined that the positions should be supported through standalone Other Funds expenditure limitation for personal services.
- \$860,000 to secure and maintain the Hillcrest (\$550,000) and North Coast (\$310,000) Youth Correctional Facilities. Both facilities were transferred to DAS by OYA as surplus property. DAS will start the process of disposing of both properties in the current biennium, however, it is likely that final disposition will not occur until the 2019-21 biennium.

House Bill 5201 includes one-time General Fund appropriations to the Department of Administrative Services for the following purposes:

HB 5201 A

21 of 62

BUDGET NARRATIVE

- \$1,895,000 for disbursement to the Rogue River Valley Irrigation District for the Bradshaw Drop Irrigation Canal project;
- \$1,100,000 for disbursement to the National Urban Housing and Economic Community Development Corporation (NUHECDC) for implementation of a program to provide 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 remainder of the 2017-19 biennium to document progress in meeting the program's objectives of providing affordable housing for low to moderate income Oregonians; skill training for prior-offenders, at-risk youth, and veterans; and job placement for those with barriers to quality employment;
- \$1,000,000 for disbursement to the City of Maupin for a new Civic Center that will replace the current library and City Hall;
- \$1,000,000 for disbursement to the Port of Umatilla for a new facility to house the Hermiston Chamber of Commerce;
- \$500,000 for disbursement to the City of Maupin to complete a fiber project;
- \$300,000 for disbursement to the City of Milwaukie for expansion of the Ledding Library;
- \$300,000 for disbursement to Athena's Gem, Inc for transforming the Gem Theater property into a regional art center;
- \$200,000 for disbursement to Benton County for a ranked choice voting pilot project;
- \$100,000 for disbursement to Harney County for a study of the Silvies River and its drainages.

The Subcommittee added \$3,058,514 Other Funds expenditure limitation for one-time cost of issuance and special payments associated with the disbursement of proceeds from the sale of \$3,000,000 in lottery bonds for disbursement to Trillium Family Services for construction of a secure adolescent inpatient facility at the Trillium Children's Farm Home. The Subcommittee also approved an Other Funds expenditure limitation increase of \$2,050,587 for one-time cost of issuance and special payments associated with the disbursement of proceeds from the sale of \$2,000,000 in lottery bonds for disbursement to DePaul Treatment Centers for construction of a new treatment facility. The lottery bonds for both projects are authorized in Senate Bill 5702. There is no debt service allocated in the 2017-19 biennium for these sales, as the bonds will not be sold until the spring of 2019. Debt service for 2019-21 is estimated at a total of \$864,212 Lottery Funds per biennium.

The Subcommittee approved a one-time \$1,435,000 General Fund appropriation to support operations of a Carbon Policy Office to be housed temporarily in the Department of Administrative Services. The Office will be staffed by four limited duration positions (2.32 FTE); the Governor's Carbon Policy Advisor; a Climate Policy Manager, a Project Manager, and a support staff position. The approved one-time funding includes \$650,000 for studies to examine the following areas: an economic impact analysis of a cap and trade program on Oregon's jobs and economy, leakage risk of emission intensive, trade exposed industries (EITEs); and carbon sequestration.

Office of the Governor

The Subcommittee increased the General Fund appropriation by \$222,022, and added one full-time education policy advisor position (0.50 FTE). The policy advisor position is classified as a Principal Executive/Manager G.

HB 5201 A

22 of 62

BUDGET NARRATIVE

The Subcommittee also established a one-time \$230,772 General Fund appropriation and one limited-duration full-time Principal Executive/Manager E position (0.63 FTE), to serve as a census coordinator. The employee will coordinate state efforts to ensure an accurate census count in the federal 2020 Census. The Office is expected to request re-establishment of the position for an additional eighteen-month period in the 2019-21 biennium Governor's recommended budget.

Finally, the Subcommittee adjusted the Office budget to reflect the transfer of the Oregon Volunteers Commission for Voluntary Action and Service (Oregon Volunteers) to the Higher Education Coordinating Commission. House Bill 4163, the 2018 session program change bill, transfers the Oregon Volunteers program from the Office of the Governor to the Higher Education Coordinating Commission, effective July 1, 2018. The Subcommittee increased the General Fund appropriation for Oregon Volunteers by \$50,000, decreased the Federal Funds expenditure limitation for Oregon Volunteers by \$3,337,261, and decreased the position authorization by 0.50 FTE to reflect the transfer out of the program Director position in the middle of the biennium. The corresponding adjustments to the Higher Education Coordinating Commission are described in that section of the budget report.

Oregon Liquor Control Commission

In total, 17 permanent positions (11.34 FTE) and \$4.3 million Other Funds expenditure limitation are included for the Oregon Liquor Control Commission (OLCC). The limitation and positions are for the following issues:

- \$197,175 and one position (0.67 FTE) to serve as a Chief Information Officer at a Principal Executive Manager F level to manage, plan, implement, and upgrade the agency's disparate systems related to agency administration and regulation of alcohol and cannabis.
- \$180,000 related to increases in the agency's software licensing, maintenance, and support costs.
- \$300,000 for preliminary business case and project planning for a new online privilege tax payment and reporting system, as required by HB 2150 (2017 Session).
- \$51,122 to extend a contracted position via interagency agreement with the Oregon Health Authority that provides Geographic Information Systems (GIS) analysis to support OLCC licensing and registration information.
- \$960,000 for payments of monthly access and user fees attributable to medical marijuana registrants required to use the Cannabis Tracking System under the provisions of SB 1057 (2017 Session).
- Thirteen additional regulatory specialist positions (8.67 FTE) and an associated \$2,145,992 for OLCC responsibilities for investigations and inspections related to medical marijuana under the provisions of SB 1057. This amount assumes an estimated 2,000 medical marijuana registrants for the remainder of the 2017-19 biennium.
- Three positions (2.00 FTE) – a Compliance Specialist 3, a Compliance Specialist 1, and an Administrative Support Specialist 1 – and \$474,672 for additional administrative support in the marijuana program to prevent backlogs, develop and refine licensing and compliance protocols, train investigators, and review work for accuracy and consistency.

HB 5201 A

23 of 62

BUDGET NARRATIVE

Public Employees Retirement System

The Subcommittee approved an increase of \$80,000 Other Funds expenditure limitation for the Compliance, Audit, and Risk Division and a pension and healthcare independent actuarial review. A review confirms the reasonableness and consistency of the agency's consulting actuarial firm's valuation. This is an industry best practice; the last time such a review was undertaken was in 2009. Revenue transfers from earnings on invested funds will be used to pay for these expenditures.

The bill includes an increase of \$176,661 Other Funds expenditure limitation and the establishment of one permanent full-time Principal Executive Manager E position (0.67 FTE) for an information security and risk officer position, with the instruction that the position be filled with a person professionally credentialed in information security and risk. In January of 2016, the Public Employees Retirement System (PERS) received an information security program review from an independent security consultant. The review identified numerous information security and other vulnerabilities. The executive and legislative branches of government directed PERS to undertake a comprehensive effort to remediate security vulnerabilities and standup programs for cybersecurity, disaster recovery, and business continuity, which is currently underway. The security and risk officer position will help facilitate this effort. Revenue transfers from earnings on invested funds will be used to pay for these expenditures.

The Subcommittee approved a \$487,174 Other Funds expenditure limitation increase for the Information Services Division and two permanent full-time positions, an Information Systems Specialist 6 and an Information Systems Specialist 7 (a total of 1.34 FTE). The Legislature, in 2017, enacted SB 90, which permanently reassigned responsibility for information technology security for most state agencies to the Department of Administrative Services, Office of the State Chief Information Officer. The two positions at PERS that were reassigned had duties primarily related to network operational activities rather than just information security. The agency has had to contract with a private vendor for these services at a cost of \$206,000, which has proven more expensive than restoring the two positions. The Subcommittee approved the \$206,000 on a one-time basis. Revenue transfers from earnings on invested funds will be used to pay for these expenditures.

The Oregon Investment Council (OIC) voted to move the Individual Account Program (IAP) to a target-date fund solution beginning January 2, 2018. This is an age-based approach that moves a member's IAP assets into an increasingly conservative investment portfolio. This mandatory change is expected to lower a PERS member's defined contribution benefit, and provides for no member choice to make individual investment decisions. A one-time \$200,000 Other Funds expenditure limitation increase was approved as a first installment to pay for expenditures that the agency has had to make to conform to the OIC decision.

Two technical adjustments were approved to move the State Government Service Charge and Attorney General line-items from the Compliance, Audit, and Risk Division to the Central Administration Division and the agency's Deputy Director position from the Operations Division to the Central Administration Division. This position was mistakenly moved as part of a reorganization plan approved by the Legislature in 2017. The agency-wide impact of these two adjustments nets to zero.

HB 5201 A

24 of 62

BUDGET NARRATIVE

Department of Revenue

The Subcommittee approved a combined increase of \$2,380,791 Other Funds expenditure limitation for the Administration and Business Divisions, a \$497,420 decrease for the Core Systems Replacement program, and establishment of 13 permanent full-time positions (5.59 FTE), and 30 limited duration positions (9.38 FTE) for the implementation of HB 2017 (2017), a comprehensive transportation initiative which relies on the establishment of four new taxes. The Department of Revenue (DOR) requires supplemental funding over what was already included in the 2017-19 adopted budget for communications and outreach, information technology, return and payment processing, collections, compliance, and customer assistance. Revenue to support these expenditures will come from gross transportation tax receipts. The Legislature in 2019 will re-evaluate the ratio of electronic vs. manual filing of the payroll transit tax and the long-term need for positions. A one-time increase of \$50,000 Other Funds expenditure limitation was also approved for the Administration Division for costs related to the implementation of HB 2017. This funding is for the Processing Center Modernization project and the electronic imaging of paper documents; revenue to support this expenditure is from transportation taxes. The reduction to the Core Systems Replacement program budget of \$497,420 Other Funds expenditure limitation is to account for final contract savings.

An increase of \$1,787,696 Other Funds expenditure limitation and 11 permanent full-time positions (5.79 FTE) was established for the implementation of SB 1067 (2017), a measure to reduce and control future government costs. One element of this measure was to centralize most debt collection activity in state government within DOR. As a result, DOR requires funding for additional staff and to pay for information technology needs to manage the increase in debtor accounts. A fee will be charged to debtors to offset the cost.

An increase of \$377,227 General Fund and \$94,427 Other Funds expenditure limitation was approved for the implementation of SB 254 (2017), which requires financial institutions to participate in a data match program with DOR. Financial institutions compare a list of delinquent debtors with the names of account holders. If a match is found, DOR may administratively garnish the debtor's account. Funding is required for the initial setup as well as ongoing costs to pay financial institutions for data matching and vendor service fees. The Department of Administrative Services is directed to unschedule \$377,227 General Fund, which may be rescheduled based upon actual costs incurred by DOR.

The Subcommittee approved a decrease of \$604,613 General Fund and \$52,575 Other Funds for services and supplies expenditures as a result of savings in the Processing Center Modernization project and a re-estimation of State Data Center charges.

A one-time increase of \$604,613 General Fund and \$52,575 Other Funds expenditure limitation and the establishment of a limited duration Operations and Policy Analyst 4 in the Director's Office, two limited duration Accountant 4 positions, and one limited duration Fiscal Analyst 3 position in the Finance Unit were approved (2.42 FTE). These resources are to address the following issues: (a) any Financial Management Review findings, comprehensive external financial audit findings; (b) Secretary of State financial audit(s) findings; (c) alignment of agency

BUDGET NARRATIVE

operations with state budget and accounting systems; (d) transition to the use of the state’s payroll system; (e) revamping of the cost allocation system; and (f) support for 2019-21 budget development activities.

The Subcommittee approved the following position reclassification changes, abolishments, and establishments related to the post-implementation of the Core Systems Replacement (CSR) project and Research Sections activities. The Department is able to self-fund this action by moving General Fund and Other Funds between programs, resulting in a net reduction of 6 positions (4.97 FTE). The following position actions were approved: reclassification of a Tax Audit 2 to an Operations and Policy Analyst 3; Tax Audit 2 to an Operations and Policy Analyst 3; an Administrative Specialist 1 to an Operations and Policy Analyst 3; an Operations and Policy Analyst 1 to an Operations and Policy Analyst 3; an Information Specialist 4 to an Operations and Policy Analyst 3; an Information Specialist 4 to an Operations and Policy Analyst 3; and the establishment of two Economist 4 positions. Additional funding for these changes comes from the abolishment of: one Administrative Specialist 2, two Office Specialist 1 positions, one Office Assistant 1, one Information Systems Specialist 3, one Office Specialist 2, and two Revenue Agent 1 positions. The six Operations and Policy Analyst 3 positions are to be assigned to the Administrative Services Division and Project Management Office and will resolve CSR issues by serving as an interface between operating programs, information technology staff, and the CSR vendor. The two Economist 4 positions are to be assigned to the Administrative Services Division and the Research Section to provide internally-focused CSR research for agency management and performance purposes.

The bill includes an increase of \$928,651 General Fund and \$192,204 Other Funds expenditure limitation and the establishment of seven permanent full-time positions (4.51 FTE) and 27 seasonal full-time positions (3.29 FTE). At the direction of the Legislature, the Department of Administrative Services, Chief Human Resources Office undertook a review of DOR’s personnel policies and DOR internally reviewed positions from the budget perspective. These reviews identified numerous misalignments of human resource policy and practice, as well as positions being either: (a) unbudgeted; (b) double-filled; (c) underbudgeted; (d) misclassified; (e) a result of budgeting errors; or (f) critically needed for financial management purposes. The following table reflects the actions to remedy most of these issues and achieve needed alignment with the legislatively approved budget:

| Category | General Fund | Other Fund | Position | FTE |
|--------------------------------------|------------------|------------------|-----------|-------------|
| Financial Management positions | \$220,327 | \$20,646 | 2 | 1.33 |
| Misclassifications/Reclassifications | (\$6,252) | (\$3,647) | <1> | <0.49> |
| Unbudgeted Positions | \$98,243 | \$12,738 | 1 | 0.50 |
| New Positions - Permanent Full-time | \$227,097 | \$16,034 | 5 | 1.50 |
| New Positions - Seasonal Full-Time | \$353,347 | \$30,726 | 27 | 3.29 |
| Unbudgeted Full-time Equivalents | \$9,268 | \$8,359 | -- | 0.25 |
| Other Adjustments | \$26,621 | \$107,347 | -- | 1.42 |
| Total | \$928,651 | \$192,204 | 34 | 7.80 |

HB 5201 A

26 of 62

BUDGET NARRATIVE

With this realignment, DOR should now return to relying upon the regular administrative process for rectifying any remaining position misalignments. The Legislature can expect that prior to the start of the 2019-21 biennium, DOR will be able to have positions: (a) correctly classified in the state's human resource and budget applications; (b) properly assigned to the correct program and subprogram; (c) appropriately funded, by revenue source, and fund-type; (d) correctly budgeted in the state's budget system; and (e) appropriately expensed in the state's payroll and accounting systems.

A special purpose appropriation to the Emergency Board in the amount of \$650,000 was approved for additional position adjustments, with the priority being given to those in the Property Tax Division. Systemic financial management and funding issues within this Division have remained unaddressed for multiple biennia. Action to address these issues had to be deferred once again due to the lack of complete and accurate financial information. The Department's request for an allocation from the special purpose appropriation will need to be based upon a comprehensive plan to permanently address the systemic issues within the Property Tax Division. The Department of Administrative Services is directed to unschedule \$339,034 General Fund in the Property Tax Division related to compensation plan changes. The funds may be rescheduled as part of the Department's submission of a comprehensive plan.

The Subcommittee approved an increase of \$184,140 Other Funds expenditure limitation and the establishment of one permanent full-time Principal Executive Manager G position (0.50 FTE) to serve as the agency's Collections Administrator and, eventually, as the Collections Division Administrator once the division is formally established next biennium. DOR is directed to move the Other Agency Accounts Section in the Business Division into a new Summary Cross Reference Program beginning with the 2019-21 biennium.

In addition, the Subcommittee directed the Department to report to the Legislature in 2019 on the following:

- A feasibility study, as directed by a budget note in SB 5535 (2017), related to the establishment of a collections division.
- Report on what collection functions were consolidated under SB 1067 (2017), from which agencies, and identify which agencies were exempt from consolidation and why. The Department is also to prepare a detailed revenue estimate, by agency and fund-type, for SB 1067 (2017) and those agency accounts subject to consolidation.
- Report on the agency's use of private collection firms and private collection firm's rates as compared to the agency's internal collection activities and rates.

The Subcommittee approved an increase of \$524,929 General Fund and \$10,713 Other Funds expenditure limitation and the establishment of seven permanent full-time positions (2.92 FTE) for a remote customer service call center.

Secretary of State

The Subcommittee established a one-time \$1,663,885 General Fund appropriation for reimbursement of Elections Division and county costs of conducting the January 2018 Special Election. These costs were not previously budgeted. The funds will reimburse costs documented as of

BUDGET NARRATIVE

February 7, 2018, including \$353,922 of Elections Division expenditures, and \$1,309,963 for county costs that will be distributed to twenty-four counties. The appropriation is approved on a one-time basis and will be phased out in the agency's 2019-21 biennium budget request. The reimbursable costs of the special election are expected to total approximately \$3.32 million. The Secretary of State may request reimbursement for remaining costs from a special purpose appropriation to the Emergency Board included in the bill for this purpose.

The Subcommittee increased the General Fund appropriation for the Elections Division by \$257,306, and decreased the Federal Funds expenditure limitation by \$42,616, to finance printing and distribution of Oregon Motor Voter mailers required under state law. The funding will allow for continued distribution of notifications and postage-paid return envelopes to persons about to be registered to vote under the Oregon Motor Voter program, with instructions on how to opt-out of voter registration, and how to affiliate with a political party. The Federal government has advised that the Federal Funds previously budgeted are ineligible to be applied for this purpose. The Subcommittee also increased the General Fund appropriation for the Administrative Services Division by \$156,357, and established one full-time Information Systems Specialist 8 position (0.63 FTE), to support operational resilience and cyber security capabilities.

The Subcommittee increased the Other Funds expenditure limitation for the Administrative Services Division by \$139,367, and established one limited-duration full-time Training and Development 2 position (0.63 FTE) in the Office's Human Resources Division. The expenditure limitation increase is provided on a one-time basis and will phase out in the development of the Office's 2019-21 current service level budget. The Secretary may request reestablishment of the position as a permanent position in the 2019-21 biennium agency request budget.

Finally, the Subcommittee approved two technical adjustments to the agency budget. The Subcommittee transferred \$347,900 General Fund from the Elections Division to the Administrative Services Division to correct the impact of the phase-out of one-time funding for the Election Night Reporting System. The Subcommittee also reallocated funding for state government services charges, decreasing General Fund appropriations by a total of \$32,651, decreasing Other Funds expenditure limitations by a total of \$172,854, and increasing the Federal Funds expenditure limitation by \$160,505.

State Treasurer

The Subcommittee approved an increase of \$1.8 million General Fund for services and supplies for the Oregon Retirement Savings Board (ORSB), which brings the 2017-19 approved budget to \$4 million General Fund. The supplemental increase is to pay for outreach and marketing. A General Fund appropriation continues to be required to fund the ORSB's operating expenses until sufficient Other Funds revenue can be generated to support the Board. General Fund expenditures are to be repaid with future administrative fees. A current accounting of the loan for the 2015-17 biennium and the 2017-19 biennium, if this request is approved, totals \$5.3 million. At present, there is no identified timeline for the repayment of this loan, which is dependent upon a level of program participation large enough to generate fee revenue to both operate the ORSB and repay the state's General Fund loan.

BUDGET NARRATIVE

The Subcommittee also directed the State Treasury to report to the Interim Joint Committee on Ways and Means or the Emergency Board in May 2018 on investment expenses related to the Oregon Public Employees Retirement Fund.

CONSUMER AND BUSINESS SERVICES

Department of Consumer and Business Services

An increase in the Federal Funds expenditure limitation for the Department of Consumer and Business Services (DCBS) of \$810,000 is included in the bill for the Senior Health Insurance Benefit Assistance program (SHIBA) providing outreach, education, and financial support to seniors to maximize their Medicare benefits. The program is funded through several federal grant programs including the Safety and Health Investments Projects (SHIP) program, the Medicare Improvements for Patients and Providers Act (MIPPA), and the Senior Medicare Patrol (SMP) program. The additional expenditure limitation allows DCBS to expend federal amounts received that were in addition to those amounts originally anticipated in the agency's budget.

The Subcommittee approved a one-time only increase in the Federal Funds expenditure limitation for DCBS of \$1,157,514 and authorized the establishment of a limited-duration position (0.67 FTE) in conjunction with a federal grant award from the U.S. Department of Health and Human Services (DHHS) for the planning and implementation of health insurance market reforms through the Health Insurance Enforcement and Consumer Protections (HIECP) grant program. The grant will be used to fund a limited-duration Market Conduct Field Examiner position and to replace up to 10% of the existing funding for three market Analyst positions and a Grant Coordinator position at a total cost of \$281,261 in the 2017-19 biennium. The savings in Other Funds for the existing positions will be recognized in the program's fund balance. DCBS has budgeted \$876,252 of the remaining grant funding for contracted services to provide consulting services by experienced clinicians with pharmaceutical expertise to review formularies and create standard operating procedures to ensure form filing reviewers can accurately review formularies and related documentation submitted by insurers.

An increase in the Other Fund expenditure limitation for DCBS of \$118,392 was approved to reclassify positions in the Workers' Compensation Division and the Division of Financial Regulation. The change impacted three positions in total and each of the reclassification requests were reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

Bureau of Labor and Industries

Other Funds expenditure limitation in the amount of \$275,000 is included, and 0.50 FTE added to an existing position on a limited duration basis, for the Bureau of Labor and Industries (BOLI) related to a grant award for apprenticeship expansion and diversification. The grant was awarded to the Higher Education Coordinating Commission (HECC) in August 2016, which will pass funding through to BOLI to execute its responsibilities per the grant application. Those responsibilities include data base improvements, a searchable web application for

BUDGET NARRATIVE

apprenticeship records review, cultural competency training, and months added to an existing Apprenticeship Representative position, which serves as a liaison between BOLI and other workforce partners. At its September 2017 meeting, the Interim Joint Committee on Ways and Means recommended the additional expenditure limitation and the addition of twelve months (0.50 FTE) on a limited duration basis to the position; the performance period of the grant is not anticipated to extend beyond the 2017-19 biennium.

Health-Related Licensing Boards

The Subcommittee approved an increase in Other Funds expenditure limitation of \$24,000 for the Occupational Therapy Licensing Board for conducting fingerprint background checks on new applicants.

The Subcommittee approved an increase of \$131,158 Other Funds expenditure limitation and the establishment of a permanent half-time Investigator 2 position (0.31 FTE) for the Board of Speech-Language Pathology and Audiology to address the Board's costs related to investigations. Included in the \$131,158 increase is \$42,587 for personal services, \$3,571 services and supplies, \$60,000 for professional services, and \$25,000 for Attorney General costs.

An increase of \$46,111 Other Funds expenditure limitation is included for the Veterinary Medical Examining Board for costs related to the veterinary facility inspection program established by HB 2474 (2015). The increase in limitation will be used to fund the cost of the full-time inspector position at a salary level higher than the budgeted step 2 and includes services and supplies for travel and per diem costs.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee increased Lottery Funds by a total of \$1,500,000, to provide one-time support for three programs: \$500,000 was provided for the City of Warrenton to finance the rebuilding of a dock destroyed by fire; \$500,000 was provided for the Port of Cascade Locks to finance infrastructure and business recruitment at the Port's Business Park; and \$500,000 was provided for deposit into the Local Economic Opportunity Fund, to assist community economic resilience planning.

The Subcommittee also transferred \$1,250,000 of Lottery Funds expenditure limitation from the Strategic Reserve Fund program to the Oregon Growth Fund. The Lottery Funds expenditures for the Oregon Growth Fund are approved on a one-time basis and will be phased out in the development of the agency's 2019-21 biennium current service level budget. The Oregon Growth Board will utilize the Oregon Growth Fund moneys as allowed to increase capital to the state's early-stage small businesses.

Other Funds expenditure limitation of \$642,194 was approved for repairing and improving docks owned by the Port of Brookings Harbor. Lottery bonds were approved to finance this project in the 2017 session, but because of an error, expenditure limitation of the bond proceeds

BUDGET NARRATIVE

was not added to the agency budget. This additional Other Funds expenditure limitation corrects this error and permits the agency to distribute the bond proceeds, which are expected to be issued in the spring of 2019. The Federal Funds expenditure limitation was increased by \$703,125 to accommodate expenditure of federal grants awarded under the State Trade Expansion Program.

Employment Department

Other Funds expenditure limitation of \$5,574,000 and 22 limited duration positions (19.25 FTE) are added to the 2017-19 budget for the Oregon Employment Department (OED) related to a grant received to fund enhanced employment services to Supplemental Nutritional Assistance Program eligible customers. OED will contract with the Department of Human Services to provide these services to their customers. Funding and FTE are not assumed to be included in calculations for service delivery in subsequent biennia.

Housing and Community Services Department

A General Fund appropriation in the amount of \$5,000,000 was added as a one-time enhancement to the 2017-19 legislatively approved budget for the Housing and Community Services Department for homeless shelter capacity and homelessness prevention services provided through the Emergency Housing Account Program. This additional funding is not intended to go through the Department's regular funding formula, but instead will be distributed as follows:

- Multnomah County: \$2,373,351
- Lane County Human Services Division: \$498,399
- Central Oregon Neighborhood Impact: \$319,485
- Clackamas County Mobile Housing Services: \$782,107
- Jackson County Community Action Agency (ACCESS): \$228,202
- Options for Homeless Residents of Ashland: \$35,000
- Mid-Willamette Valley Community Action Agency for additional shelter efforts outside of Salem: \$50,000
- Community Connection of Northeast Oregon, Inc: \$141,483
- Washington County Community Action: \$571,973

This amount is intended for the 2017-19 biennium only, and is not intended to factor into calculations of future, ongoing service levels. The following budget note was included.

Budget Note:

The Housing Stability Council, in alignment with preliminary findings from the Statewide Housing Plan, shall make recommendations to the Director of Oregon Housing and Community Services about how to prioritize funding for the Emergency Housing Account and the State Homeless Assistance Program to ensure that funds are being spent as efficiently and effectively as possible.

HB 5201 A

31 of 62

BUDGET NARRATIVE

At a minimum, the Council shall consider how the use of funding incentivizes regionally and nationally recognized best practices, and outcome oriented strategies, to create a more effective system to prevent and reduce homelessness.

The Director shall present recommendations to the Legislature by February 28, 2019.

A one-time General Fund appropriation in the amount of \$200,000 was included for costs related to creating a youth shelter for unaccompanied minors in Salem.

Due to an oversight, Other Funds expenditure limitation in the Housing and Community Services Department 2017-19 legislatively adopted budget was insufficient to accommodate the transfer of General Fund that is spent by the Department as Other Funds. Technical adjustments are included to increase other funds expenditure limitation, attributable to 2017-19 General Fund support for the following HCSD programs:

- Emergency Housing Assistance program: \$18,200,000
- Rent Guarantee Program: \$125,000
- Wildfire Damage Housing Relief program: \$150,000

Lottery Funds expenditure limitation in the amount of \$1,150,000 was added on a one-time basis to the Housing and Community Services Department budget pursuant to a plan presented by the Housing and Community Services Department and the Oregon Department of Veterans' Affairs. The agencies were directed via budget note to present a plan to utilize \$1,150,000 of Lottery Funds associated with the passage of Measure 96, allocated during the 2017 session to the Housing and Community Services Department for veterans' homelessness and housing issues. The expenditure limitation will be utilized to develop a by-name registry of homeless veterans in selected communities, a limited duration veteran homelessness integrator position (0.63 FTE) to serve as designated staff in assisting communities that develop the by-name registry, development of new affordable housing units for veterans, and funding for eligible veterans that need improvements or special accommodations to homes they own. A total of \$350,000 in Lottery Funds expenditure limitation was approved for emergency housing assistance services to veterans during the 2017 legislative session, also considered one-time.

Oregon Department of Veterans' Affairs

The Subcommittee approved increasing Federal Funds expenditure limitation by \$500,000 for transportation of veterans' in highly rural areas, with the understanding that the Department of Administrative Services will unschedule the limitation increase until the Oregon Department of Veterans' Affairs (ODVA) has been notified that its application for the federal FY2018 Highly Rural Transportation Grant has been successful. ODVA received authorization from the interim Joint Committee on Ways and Means to apply for the FY2017 Highly Rural Transportation Grant and to continue to apply for future annual renewal grants. The increase results in total Federal Funds expenditure limitation of \$1 million, which will accommodate ongoing receipt and disbursement of the annual \$500,000 grants.

HB 5201 A

32 of 62

BUDGET NARRATIVE

Lottery Distributions to Counties for Economic Development

The Subcommittee approved the following actions relating to the distribution of Lottery Funds to counties for economic development. Following the last quarterly transfer of Oregon State Lottery revenues to counties each biennium, the Joint Committee on Ways and Means shall compare the amounts transferred to each county during the biennium to the amounts that would have been transferred to each county during the biennium pursuant to ORS 461.547. The Committee shall review the impact of adjusting the amounts that were transferred to the amounts that would have been transferred pursuant to ORS 461.547 on the state budget and on the ability of the counties to accommodate any funding reductions.

EDUCATION

State School Fund

The Subcommittee approved a decrease of \$70,961,313 General Fund and an increase of \$70,961,313 Lottery Funds for the State School Fund, which reflects the balancing of available Lottery Funds across the entire state budget. Overall, there is no net change from the total \$8.2 billion provided in the 2017-19 legislatively adopted budget.

Department of Education

The Subcommittee approved additional Other Funds expenditure limitation of \$39,312,315 for the Oregon School Capital Improvement Matching program in the Oregon Department of Education (ODE). This amount represents the estimated proceeds available for the program from bonds issued during the 2015-17 biennium for distribution during 2017-19. This amount was inadvertently not included in the 2017-19 budget for ODE. An increase in Other Funds expenditure limitation of \$750,000 is also included for funding received through an interagency agreement with the Department of Human Services for child care worker professional development.

An increase of \$1,980,708 General Fund and 14 positions (7.72 FTE) were approved for the Office of Child Care in the Early Learning Division to address safety and quality issues in the child care system, as well as to provide funding for testing of lead contamination in drinking water in child care facilities. Three Compliance Specialist 2 positions (1.62 FTE) are added to reduce the caseloads for existing staff who currently face caseloads of 1 inspector to 150 facilities, which is significantly above the suggested ratio of 1 to 50. Another three Compliance Specialist 3 positions (1.74 FTE) are added for providing training to licensing staff, reviewing findings of enforcement actions, leading case reviews, and reducing caseloads. Three management positions were also approved -- a Principal Executive/Manager E (0.58 FTE) for a Licensing Manager, a PEM D (0.54 FTE) for a regional manager in Medford, and a PEM C (0.54 FTE) for a Background, Intake and Customer Service manager. The Subcommittee also approved five limited duration Compliance Specialist 2 positions (2.70 FTE) for a pilot program in collaboration with the Department of Human Services (DHS). This pilot program will provide teams of ODE and DHS staff to jointly investigate neglect and other cases

BUDGET NARRATIVE

that take place in a child care facility. Total funding of \$1,740,912 General Fund will support these positions and associated costs. The remaining \$239,796 is to offset the cost of testing drinking water for lead contamination in child care facilities.

The Subcommittee approved a one-time General Fund appropriation of \$250,000 for a grant to the Salem-Keizer Education Foundation to assist in the funding for the Mike McLaran Center for Student Success which provides a variety of services for students of the Salem Keizer School District. The Center provides services relating to: (1) college preparation and awareness; (2) career exploration and exposure; (3) academic supports like tutoring and mentoring; and (3) social supports.

Budget Note:

The Oregon Department of Education is instructed to use one-time funding from the Network for Teaching and Learning to provide up to \$100,000 to support the Civic Scholars program under HB 2955 (2015) for the annual Oregon Civics Day for Teachers for the 2018-19 school year. This program provides ongoing professional development for civics teachers across the state.

Budget Note:

Before disbursing any matching funds from the Connecting Oregon Schools Fund to provide schools with broadband access, the Oregon Department of Education shall consult with the Office of the State CIO in order to prioritize the disbursement of matching funds so as to leverage existing public fiber assets to the greatest extent possible. The Oregon Department of Education shall provide a report on the disbursement of funds to the Joint Committee on Information Management and Technology during the first Legislative Days after the disbursement of funds. The report shall identify the schools benefitting from the matching funds, the status of any broadband deployments, the broadband speed available per user, and the extent to which the disbursements leverage existing public fiber.

Higher Education Coordinating Commission

The Subcommittee approved a net increase of \$65,049 General Fund for Higher Education Coordination Commission (HECC) operations to fill budget gaps related to Enterprise Technology Services (ETS) charges and funding for Client Services from the Department of Administrative Services (DAS). At the end of the 2017 legislative session, HECC had not yet received a firm estimate of the increased ETS charges resulting from the required move of post-secondary related data systems to the ETS servers. Now a firm estimate is known resulting in a \$263,275 shortfall in the HECC operations budget. The second shortfall is due to reducing the HECC operations budget twice for DAS Client Services charges as the agency hired staff to perform payroll and human resources functions formerly provided through DAS Client Services, leaving a \$161,774 General Fund gap in the budget. Also related to this second item is an \$11,030 increase in Other Funds expenditure limitation and \$198,541 increase in Federal Funds expenditure limitation. The combined \$425,049 General Fund budget hole is largely offset by \$360,000 of savings for Open Education Resources (HB 2729; 2017 Session) that are no longer required; the net result is the need for the \$65,049 General Fund.

BUDGET NARRATIVE

The Subcommittee also approved continuation of nonlimited authority to HECC to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. HECC has approximately \$31 million in bond proceeds from 2013-15 issuances that are expected to be disbursed during the 2017-19 biennium. An increase of \$1,219,645 in Other Funds expenditure limitation was also approved for HECC for the issuance costs of general obligation and Lottery bonds sold for public universities. These include XI-G, XI-Q, XI-F, and Lottery bonds.

A \$250,000 General Fund appropriation to HECC was approved for the Oregon Volunteers Commission for Voluntary Action and Service program. The primary program administered by this Commission is AmeriCorps which requires a state match for administrative costs. This program is currently in the Governor's Office and is being transferred to HECC effective July 1, 2018. Six positions (2.25 FTE) are established in HECC including three full-time positions -- Director (0.50 FTE), a Program Analyst 2 (0.50 FTE), Administrative Specialist 1 (0.50 FTE); and three part-time positions -- Accountant 2 (0.25 FTE), Procurement Specialist 2 (0.25 FTE), and Administrative Specialist 1 (0.25 FTE). An increase in Federal Funds expenditure limitation of \$3,606,774 was also approved for the federally funded program administrative costs and for the AmeriCorps grants for the second year of the biennium. A General Fund appropriation of \$50,000 was approved for the Governor's Office to provide sufficient state match for the first year of the biennium, as well as a decrease in Federal Funds expenditure limitation of \$3,337,261 to reflect the transfer of the program to HECC in the second year of the biennium.

Two one-time appropriations were approved through HECC for public universities. The first is a \$250,000 General Fund investment for a Portland State University/Oregon Health and Science University Center for Violence Prevention Research, Education, and Practice. The work of the Center is to research identifying causal factors and other social determinants of health that are linked to various health conditions and dangerous outcomes (e.g., abuse or motor vehicle accidents), distribution of culturally and geographical appropriate best practices, and improved public awareness. Funding is to be distributed to the hospital operations component of the Oregon Health and Science University. The second appropriation of \$3,000,000 General Fund is to provide a portion of the match for federal funds for a project at Oregon State University's Northwest National Marine Renewable Energy Center (NNMREC). The project is the Pacific Marine Energy Center South Energy Test Site which is a wave energy test site off the Oregon Coast. An \$800,000 General Fund appropriation was provided in 2016 as part of the match for the first \$5 million in federal funds for this project; this \$3.0 million will help secure the remaining \$35.0 million in federal funds. An additional \$1.6 million state contribution may be required for the 2019-21 biennium for the project.

Debt service on outstanding Article XI-F (1), Article XI-L, and Article XI-G general obligation bonds issued for the benefit of the Oregon Health and Science University (OHSU) is transferred from the Department of Administrative Services (DAS) to the Higher Education Coordinating Commission (HECC). HB 4163 includes statutory changes necessary for the transfer, including the requirement that HECC request General Fund debt service on outstanding OHSU Cancer Challenge Article XI-G bonds and that HECC may enter into agreements with OHSU related to debt service payments. The amount of the transfers reflects a May 1, 2018 effective date. Debt service in DAS's budget for OHSU is reduced by \$11,785,250 General Fund (XI-G bonds) and \$21,346,063 (XI-F and XI-L bonds). The debt service budget for HECC is increased by \$11,760,817

HB 5201 A

35 of 62

BUDGET NARRATIVE

General Fund and new limitation of \$21,069,924 Other Funds is established. The net difference in amounts between the two agencies reflects current projections of debt service needs for the 2017-19 biennium. Consolidating debt service on outstanding state bonds issued for the benefit of OHSU does not make or imply any changes to OHSU's long standing direct relationship with the State of Oregon by which OHSU is governed, and no authority over OHSU is being transferred or granted to HECC.

Chief Education Office

The Subcommittee approved a total 2017-19 budget for the Chief Education office of \$8,207,271 General Fund after factoring in the adjustments for employee compensation in this bill as well as the statewide savings included in HB 5006 (2017). The 2017 Legislature approved a net General Fund budget for the first year of the biennium of \$3,652,812 (\$4,022,118 in the agency's budget bill (HB 5522) minus the statewide savings of \$369,306 in HB 5006). HB 5522 also included a \$3,972,118 special purpose appropriation to the Emergency Board for the second year of the biennium. This bill adds to the first year's funding to also cover second year's costs, and repeals the special purpose appropriation from SB 5522 (2017).

The General Fund appropriation in this bill reflects the two-year amount authorized for the coordination and research role of the Office as well as the funding for the Statewide Longitudinal Data System (SLDS). This amount includes an increase of \$1,640,000 General Fund for the completion of developing the SLDS. The development of the SLDS was not completed during 2015-17 and \$1.9 million was reverted to the General Fund at the close of the 2017-19 biennium. This SLDS funding will be used to complete payment for the primary contractor, an extension of the third-party Quality Assurance contractor, costs to transition the SLDS to the updated version of the relational database management system at the State Data Center, and provide full funding for the project's state positions.

The appropriation amount reflects staffing changes from the first year of the biennium which moves the agency to more of a research organization given that the development of the SLDS is nearing completion. These changes include elimination of a Principal Executive/Manager (PEM) G position which was the STEM/CTE Director and a PEM F position which was the Education Innovation Officer. A PEM F position which acts as the Public Affairs Director is reclassified to an Operations and Policy Analyst 4. An Executive Specialist position was reduced to a half-time position. Finally, a Solutions Architect position was added to the SLDS staff. The result of these staffing changes reflects a decrease in FTE from 6.75 for the first year of the biennium to 5.75 FTE in the second year. As part of these changes, \$222,002 General Fund was provided for one Policy Advisor in the Governor's Office since the Chief Education Officer will no longer perform this function.

HB 5201 A

36 of 62

BUDGET NARRATIVE

HUMAN SERVICES

Oregon Health Authority

HB 5201 adjusts the Oregon Health Authority (OHA) budget for updated program caseloads, costs, and revenues to “rebalance” the budget. This information was presented at the January 2018 meeting of the Interim Joint Committee on Ways and Means. At that time, the agency’s rebalance plan resulted in an overall General Fund shortfall of \$30.5 million. This net position included budget problems of \$51.5 million related to federal match rate changes, loss of hospital assessment revenue resulting from the delay caused by the referendum to repeal parts of HB 2391, and a community mental health General Fund shortfall related to marijuana tax revenues. Savings of \$21.1 million General Fund resulted mostly from Medicaid caseload savings and lower than budgeted Medicare premium costs. While total caseload is up, General Fund costs are down slightly.

The rebalance plan also increased Federal Funds expenditure limitation related to the increased caseload forecast, as well as federal funding adjustments that were missed in the legislatively adopted budget for the Hospital Transformation Performance Program and Hepatitis C treatment services.

The agency identified a number of budget risks, including caseloads, the implementation of new quality and access programs for the Oregon Health and Science University and rural hospitals, and several ongoing and emerging issues that the agency is in the process of analyzing.

The Subcommittee approved the agency’s rebalance plan, but with significant changes. The community mental health General Fund shortfall of \$16 million related to marijuana tax revenues was not funded. This issue will be resolved for the current biennium, assuming passage of SB 1555, and additional General Fund was not needed. This issue will need to be revisited for the 2019-21 budget. The Subcommittee also approved \$17.2 million of additional hospital assessment revenue remaining from the 2015-17 biennium, which will be used in the budget in place of General Fund. In addition, the Subcommittee approved several new budget adjustments. The final adjustments, before the transfer of eligibility services is considered, result in a decrease of \$3.5 million General Fund in the agency.

In addition, a total of \$39.0 million General Fund is moved from OHA to the Department of Human Services (DHS) to reflect the transition of all Medicaid eligibility services to DHS, based on an effective date of April 1, 2018. This includes the transfer of 476 positions (320.37 FTE), as well as costs associated with the ONE eligibility system. Total budget adjustments, including the transfer, result in a \$266.0 million increase in the agency’s total funds budget and a \$42.7 million reduction of General Fund. These numbers do not include budget changes related to employee compensation cost changes, which total \$18.1 million General Fund and \$30.2 million total funds, and are also included as part of HB 5201.

HB 5201 A

37 of 62

BUDGET NARRATIVE

The Subcommittee recognized the ongoing risk of caseload forecast changes, as well as the potential risk in OHA of various eligibility and payment issues that are currently being analyzed. A special purpose appropriation of \$30 million is made to the Emergency Board for caseload costs or other budget challenges in either OHA or DHS.

A more detailed description by program area follows.

Health Systems Division

The budget adjustments in HB 5201 reflect a net \$39.5 million decrease in General Fund in the Health Systems Division (HSD), with a \$44.4 million increase in Other Funds expenditure limitation, a \$245.2 million increase in Federal Funds expenditure limitation, and a reduction of 477 positions (321.70 FTE). This includes a budget reduction of \$36.4 million General Fund because of the transfer of all eligibility services to DHS.

General Fund costs increase primarily as a result of the following issues. Final federal match rates for FY 2019 resulted in a General Fund cost of \$16.7 million for the biennium. In addition, the referendum to repeal parts of HB 2391 (2017) resulted in a loss of hospital assessment revenue of \$15 million which must be covered with General Fund. The referendum delayed the additional 0.7% assessment on larger hospitals from October 5, 2017 to January 1, 2018; that assessment cannot be imposed retroactively. Finally, a small increase in the community mental health caseload (Guilty Except for Insanity population) results in a need for \$0.9 million General Fund.

These costs are more than offset by General Fund savings in HSD. Medicare Part B premiums increased less than budgeted, resulting in a General Fund savings of \$3.8 million. Oregon pays these premiums for clients that are eligible for both Medicare and Medicaid. Savings of \$15.9 million General Fund result from the new Fall 2017 Medicaid caseload forecast, as compared to the Spring 2017 caseload forecast on which the legislatively adopted budget was based. Overall, the forecast is up 1.5% or about 15,000 clients, resulting in an increased total funds cost. However, categories with the highest increases include the Affordable Care Act population and the Children's Health Insurance Program, both of which have very high federal match rates. Categories showing decline include those with higher state costs, such as the Children's Medicaid Program and Pregnant Women. The net result is a savings to the General Fund, but an increase in Federal Funds expenditure limitation of about \$150 million. Additional hospital assessment revenue of \$17.2 million is available from the 2015-17 biennium, which will be used in the budget in place of General Fund. Finally, the forecast for tobacco tax revenues is up slightly, resulting in reduced need for General Fund of \$1.5 million.

The Subcommittee approved an additional \$245.2 million in Federal Funds expenditure limitation for HSD related to the increased caseload forecast, as well as federal funding adjustments that were missed in the legislatively adopted budget for the Hospital Transformation Performance Program and Hepatitis C treatment services. The net includes a reduction of Federal Funds limitation of \$98.4 million related to the transfer of eligibility services to DHS.

HB 5201 A

38 of 62

BUDGET NARRATIVE

The Subcommittee approved a special purpose appropriation to the Emergency Board of \$2 million, to be available for rate increases for certain residential mental health service providers, if needed. The agency has also identified \$3 million of internal resources that can be used for this purpose. The agency is in the process of conducting a thorough rate analysis in order to produce a standard rate or set of rates. Currently, different providers are paid different rates, partly depending on when they originally signed contracts with the agency. In addition, not all providers can bill for all types of reimbursement. The agency began working on this analysis during the summer of 2017, starting with data collection from providers. Although additional data collection and analysis is needed, OHA hopes to review rates for those providers in the lowest range of per-bed revenues and operating margins by summer of 2018, in anticipation of an interim rate adjustment for these providers. After completion of data collection and analysis, another rate adjustment may be necessary for other providers. This work is not expected to be completed until the end of the year. Another \$152,500 General Fund is provided to OHA for actuarial services and to provide technical assistance to providers with data collection and billing.

General Fund was increased by \$950,000 to supplement existing funding for the school-based mental health capacity fund. This fund is run by OHA to provide funding to place mental health providers in school-based health centers and in schools without school-based health centers. The current 2017-19 funding level, before this addition, is \$8.1 million General Fund. While funding is primarily used to support mental health therapists, there are other needs for funding that support the therapists, such as rural transportation, reconfiguring school environments to support a suitable space, and materials for education and outreach. For purposes of building the 2019-21 budget, these programs are considered ongoing. The Subcommittee included the following direction:

Budget Note:

The Oregon Health Authority will use this additional funding to supplement the existing capacity grant program. Applicants should be encouraged to list potential community partnerships; other local, foundation or CCO financial participation; and how the efforts respond to adverse childhood experiences, critical mental or behavioral health challenges facing youth, or ensuring school and student safety. The proposals could be through direct funding of in-school services and/or leveraging other community resources and partnerships. The agency is encouraged to pass through these dollars to school and education service districts or their key partners, process applications in an efficient and timely manner, and to report back to the appropriate interim Committees by January 1, 2019 as to number of proposals received and project funding granted.

A General Fund appropriation of \$900,000 was approved to expand the current Oregon Psychiatric Access Line program at Oregon Health and Science University (OHSU). The program currently provides telephone or electronic real-time psychiatric physician consultations to primary care providers caring for children and adolescents. The funding resides in the OHA budget and is provided to OHSU through contract. This \$900,000 will allow the program to expand to provide access to the Oregon Psychiatric Access Line for primary care providers caring for individuals 19 years of age or older. For purposes of building the 2019-21 budget, these programs are considered ongoing.

BUDGET NARRATIVE

The Subcommittee approved a General Fund appropriation of \$150,000 to help fund one-time capital costs for a sobering center located in Salem. This is a partnership among several groups, including the City of Salem, Marion County, Marion County Sheriff, Salem Police Chief, Salem Hospital, Mid-Willamette Valley Community Action Agency, and Bridgeway Recovery Services.

Health Policy and Analytics

The Subcommittee approved an Other Funds expenditure limitation of \$10 million to allow additional revenues received in the Health Care Provider Incentive Fund to be spent on workforce training programs and/or provider incentive programs. It is anticipated that the inter-governmental transfer mechanism with OHSU that is related to fee-for-service expenditures will generate roughly \$8-10 million during the 2017-19 biennium that will be available for these programs. For purposes of building the 2019-21 budget, these programs are considered ongoing.

Public Health

HB 5201 includes \$0.7 million General Fund to support rising caseloads in the Breast and Cervical Cancer Screening Program because of increased outreach, at the same time as the Komen grant revenues for the program have declined over time. Based on agency projections, this funding will allow the program to adequately serve the over-50 age group. The intention is that younger women (of reproductive age) will be able to access screenings through the CCare program and the new funding from HB 3391, which funds reproductive health services for women who are eligible for Medicaid except for their immigration status. The agency will continue to monitor the caseload and service levels for these programs to be sure that specific gaps in coverage do not result from these changes.

The CCare program closed out the 2015-17 biennium with an excess of \$3 million Other Funds revenues. These were distributions of revenue from the Medical Marijuana Program during the 2015-17 biennium; CCare no longer receives medical marijuana revenues in the 2017-19 biennium. These revenues will be returned to the Medical Marijuana Program. It is anticipated that additional resources will be needed in the Medical Marijuana Program during the 2019-21 biennium.

The Subcommittee approved an additional 4 positions (2.62 FTE) for the Medical Marijuana Program. That 2.62 FTE includes increasing two existing partially funded positions to full-time. As a part of SB 1057, the major marijuana bill from the 2017 session, this program was reduced by 16 positions. In addition, 6 more vacant positions were eliminated as part of the agency budget. All Compliance Specialists were eliminated from the staff as of July 1, 2018. At the time, it was estimated that most processors, dispensaries, and growers would move to the recreational marijuana program under the Oregon Liquor Control Commission (OLCC). While most processors and dispensaries have moved, most of the 30,000 growers still remain with OHA. It is essential that the program has the capability to do the compliance work necessary to enforce medical marijuana laws, as well as maintain administrative functions. An increase of \$1.4 million Other Funds expenditure limitation is included. The appropriate staffing level for this program will be reexamined as part of the agency budget process during the 2019 legislative session, when more data is available on numbers of growers remaining with the Medical Marijuana Program.

HB 5201 A

40 of 62

BUDGET NARRATIVE

SB 1057 also required OHA to enter into an agreement with OLCC to use its cannabis tracking system to track the propagation, processing and transfer of medical marijuana. The bill also required OHA to establish a new fee to cover these costs and to transfer all resulting revenue to the Marijuana Control and Regulation Fund for use by OLCC to pay program costs. OHA implemented, by rule, an annual fee of \$480, identical to the fee already in place for recreational marijuana users of the system. This is expected to result in \$3.6 million of revenues to be transferred to the Fund. A budget adjustment of \$3.6 million Other Funds expenditure limitation is included allowing the agency to transfer those resources.

Two positions (0.50 FTE) are added to the Health Licensing Office to address the added workload associated with HB 4129, issuing residential care facility administrator licenses. The additional Other Funds expenditure limitation needed for this change can be absorbed within the agency's existing expenditure limitation.

The budget includes an increase of \$10.8 million Other Funds expenditure limitation, which allows the agency to spend available revenues on enhancements to the Women, Infants, and Children (WIC) Information System Tracker. These revenues were recovered through a lawsuit after an earlier WIC contractor failed to fulfill contract requirements.

Central Services/Statewide Assessments and Enterprise-Wide Costs

Budget adjustments include the use of leftover bond proceeds from the Oregon State Hospital Replacement Project to pay debt service, freeing up \$1.4 million General Fund for other purposes. The transfer of eligibility services and the ONE system to DHS results in a reduction of \$2.8 million General Fund in Statewide Assessments and Enterprise-wide Costs. This includes the transfer of funding needed to pay usage-based assessments related to the Processing Center, such as Enterprise Technology Services, as well as facility costs, starting April 1, 2018.

Department of Human Services

Many of the budget adjustments in HB 5201 for the Department of Human Services (DHS) are driven by actions needed to rebalance the agency's budget and realign work between DHS and the Oregon Health Authority (OHA). At the January 2018 meeting of the Interim Joint Committee on Ways and Means, the agency presented a rebalance report tied to several dynamics affecting DHS' budget. These include savings or funding gaps due to changes in caseload and costs increases; costs associated with negotiated collective bargaining agreements for non-state employees; and other program changes or issues arising since the 2017 legislative session.

Overall, the DHS rebalance plan projects savings of \$4.3 million General Fund; the calculation assumes availability of \$9.7 million from the special purpose appropriation for non-state employees and excludes the transfer in of Medicaid eligibility staff from OHA since those additional costs also come with funding from OHA. The \$4.3 million in General Fund savings consists of \$20.1 million in net savings from caseload and cost per case updates offset by \$15.8 million in other costs, which are mostly due to a decrease in the federal Medicaid match rate.

BUDGET NARRATIVE

The rebalance plan approved by the Subcommittee is generally consistent with the DHS request from January; initial rebalance assumptions around cost projections in the Intellectual and Developmental Disabilities (IDD) and Employment Related Day Care (ERDC) programs have been modified. Notably, the revised IDD assumptions will allow the agency to delay action on program eligibility or service changes until at least next biennium; this timeframe supports further vetting of options during the 2019 legislative session, if warranted or desired. Since the January report, the timing of the formal transition of Medicaid eligibility services to DHS from OHA was shifted from March 1 to April 1, 2018, which drives different numbers for that action.

The Subcommittee also approved new budget adjustments or investments, including the agency's request to use rebalance savings to address workload and backlog issues in the background check unit. Additional funding was provided for Oregon Food Bank and positions were added to help the Child Welfare program address its most immediate needs.

While many issues are covered in the DHS rebalance plan and by other budget adjustments, budget risks do remain. These include changes to caseloads based on future forecasts, the agency's ability to manage personal services expenditures including cost of living increases or other bargained costs, volatility in usage-based costs or charges for services, assessment of federal program penalties, federal law or funding changes, and legal costs. The Subcommittee acted on these risks by, as noted previously, approving a \$30 million special purpose appropriation to the Emergency Board for both DHS and OHA to access if caseload costs or other budget challenges prove to be unmanageable.

A more detailed description of significant budget changes by program follows.

Self Sufficiency Programs

The budget adjustments approved by the Subcommittee for the Self Sufficiency Programs (SSP) increase the budget by \$44.8 million General Fund (\$137.3 million total funds) and 475 positions (319.66 FTE). The increase is primarily due the transition of Oregon Health Plan eligibility work and staff from OHA to DHS.

The fall 2017 forecast projects the 2017-19 overall Supplemental Nutrition Assistance Program (SNAP) caseload to be 5.3% lower than earlier estimates, which equates to serving 6,759 fewer households over the biennium. Caseloads in the Temporary Assistance for Needy Families (TANF) cash assistance programs are up 2.5% from the spring numbers, at a biennial average of 18,559 families. The associated cost of \$5.8 million is covered by one-time federal TANF carryforward in the DHS rebalance plan.

Since the TANF caseload number went up with the fall forecast, there are no cost savings for the agency to calculate and report on as directed in a budget note contained in the budget report for HB 5006 (2017). The next checkpoint for calculating savings will be upon completion of the next biannual caseload forecast, which is the spring forecast expected to be finalized by May 2018.

BUDGET NARRATIVE

The Subcommittee approved \$300,000 General Fund, on a one-time basis, for distribution to the Oregon Food Bank for improvements in cold storage infrastructure. Funding will help the state's food bank network upgrade and expand commercial refrigerators, freezers, mobile coolers, and refrigerated trucks.

Initially, the DHS rebalance proposed repurposing \$2.7 million General Fund within the SSP budget to ensure adequate capacity for supporting both the ERDC and the Teen Parent programs. Upon further review, the agency plans to continue to manage the caseload at the highest level possible – but still under budget – by using the reservation list, which was activated in November 2017. The Subcommittee approved \$1,904,453 General Fund from the \$10 million special purpose appropriation made to the Emergency Board for non-state employees to cover higher rates negotiated for SEIU (effective 10/1/17) and AFSCME (effective 1/1/18) child care providers. While sound estimates are used to project these costs, changes in the ERDC caseload composition or provider changes later in the biennium may decrease the purchasing power of the program's budget. The agency is also experiencing some provider attrition, which adds another layer of complexity to the program capacity balancing act; based on latest costs projections DHS is still expecting to serve an average of about 8,300 families over the biennium.

Another \$750,000 General Fund was approved, also sourced by the special purpose appropriation, for one-time training costs for SEIU and AFSCME child care providers. The funding will be spent by DHS as a pass-through to the Early Learning Division (ELD) within the Oregon Department of Education; ELD will use the dollars to expand existing contracts with Portland State University to support the training.

Consistent with legislative discussions and effective September 1, 2017, OHA operationally shifted management of its Medicaid eligibility work to DHS; the move is intended to help centralize and streamline eligibility processes. The related budget adjustment approved by the Subcommittee reflects a "lift and place" of the OHP processing center into SSP, which adds \$35.5 million General Fund, \$96.5 million Federal Funds expenditure limitation, and 474 positions (318.86 22 FTE). A corresponding decrease is in the OHA budget; these values reflect an April 1, 2018 transfer date.

Other costs affecting the SSP budget in the rebalance plan approved by the Subcommittee include \$1.2 million General Fund to pay for a phone system contract for the OHP processing center; the expenditure was not in the OHA budget so it is not covered in the transfer. One position (0.79 FTE) is added to prevent a double fill and support activities under the My Future My Choice program, which is supported with federal dollars. The budget includes technical adjustments and transfers, the largest of which is a transfer of \$24.3 million Federal Funds to Child Welfare to realign TANF expenditure limitation. HB 5201 also adds \$13.8 million General Fund (\$13.8 million total funds) for this program's share of the statewide salary distribution.

The approved rebalance also includes a technical adjustment to more evenly distribute reductions taken during the legislative session; these are related to Department of Administrative Services' assessments and charges that ended up hitting some programs disproportionately. The adjustment affects other programs and is net-zero agencywide.

HB 5201 A

43 of 62

BUDGET NARRATIVE

Child Welfare

The budget approved by the Subcommittee for Child Welfare (CW) reflects increases of \$29.0 million General Fund, \$7.9 Other Funds expenditure limitation, \$46.2 million Federal Funds expenditure limitation, and 177 positions (76.94 FTE). This amount includes \$9.9 million General Fund (\$16.9 million total funds) from the statewide salary adjustment.

Budget adjustments include the DHS rebalance plan as presented in January 2018; forecasts for all individual caseloads within CW grew between the spring and fall forecasts, driving a net increase of \$8.2 million General Fund (\$16.7 million total funds) between caseload and changes in cost per case growth. The overall number of children served is expected to average 22,321 over the biennium, which is an increase of 3.4% from the prior forecast. The approved rebalance also reflects an increase of \$0.7 million General Fund due to an update in the Federal Medical Assistance Percentage (FMAP). Based on the latest federal estimates, the 2017-19 biennial average FMAP rate will decrease from 63.53% to 63.33%, which raises the state contribution and reduces federal support. This rate change also affects other agency programs.

Other and Federal Funds expenditure limitation increases support a federal grant, capture federal match on applicable child savings, and provide for the purchase of software and technical assistance supporting domestic and sexual assault programs. Position clean-up actions reclassify four positions and a net decrease of 0.04 FTE. Technical adjustments and transfers account for a decrease of \$4.1 million General Fund (total fund increase of \$18.1 million); this includes the movement of 9 positions (9.00 FTE) from CW to Shared Services to help improve coordination between investigations and regulatory oversight of child caring agencies. The net total funds increase is driven by the \$24.3 million Federal Funds related to TANF transferred to CW.

In addition to rebalance adjustments, the Subcommittee added \$750,000 General Fund to the budget for three initiatives supporting foster parents; the funding was obtained from a special purpose appropriation established in SB 5526 (2017) for this use. DHS convened a statewide workgroup to identify a set of services to help support foster parents. About 60% of the funding would go to respite care, paying for a mix of services for both group (Foster Parents' Night Out model) and child-specific services. The program plans to spend 25% on training experienced foster parents to be mentors; these parents will provide support to new foster parents by helping them meet the needs of children in care and navigate the system. The remaining 15% will be used to cover immediate needs, such as purchasing a car seat or crib, of a child or sibling group in a foster home.

The approved spending plan also includes an adjustment to budget changes approved in SB 5526 (2017). These are connected to SB 102 (2017), which established an account to capture and spend savings required under federal law; these are state monies that would have been spent on adoption assistance if the federal government had not begun to help pay for more placements. During the 2017 session, enough funding (\$3.3 million) was moved to the account to support a program (October 1, 2017 start date) paying working foster parents caring for children (ages 0 through 3) a \$300 monthly stipend to defray the cost of child care. Since the 2017 session, DHS identified additional savings for another transfer

BUDGET NARRATIVE

of \$6.5 million in 2017-19; with this transfer plus federal match, about \$10 million total funds will be available for childcare stipends in 2017-19. Assuming an April 1, 2018 start date, this funding level supports a higher stipend of \$375 per month, includes children ages 0 through 5, and is expected to serve close to 1,300 children when fully implemented. The \$10 million spending level is tied to federal rules which allow only 70% of the savings to be used for this new program, the remaining 30% must be spent on post-adoption and/or post-guardianship assistance activities. With the current funding mechanism, the stipend should be sustainable at this level going forward, if caseload and savings projections hold.

To address ongoing concerns from both executive and legislative leadership about child safety and staff workload in CW, the Subcommittee also approved \$13.3 million General Fund, \$4.5 million Federal Funds expenditure limitation, and 186 positions (85.90 FTE). The funding supports a thoughtful and incremental roll-out of this supplemental position authority, as the Subcommittee recognized the agency is currently challenged to fill already existing vacant positions. The budget package also includes positions dedicated to CW recruitment efforts, which is expected to help the agency make progress in filling and reporting on positions. The following positions are approved:

Child Welfare Staffing Increase - February 2018

| Start Date | Class | Role | General Fund | Federal Funds | Total Funds | Pos | FTE |
|--------------|-------|-------------------------------------|----------------------|---------------------|----------------------|------------|--------------|
| Apr-18 | SSA | Case Aide | \$ 2,135,125 | \$ 532,575 | \$ 2,667,700 | 25 | 15.75 |
| Apr-18 | HRA3 | Recruiting | \$ 236,890 | \$ 59,036 | \$ 295,926 | 2 | 1.26 |
| Jul-18 | SSA | Case Aide | \$ 1,640,001 | \$ 409,115 | \$ 2,049,116 | 23 | 11.50 |
| Jul-18 | PEMC | Manager | \$ 354,453 | \$ 88,343 | \$ 442,796 | 4 | 2.00 |
| Jul-18 | SSA | Case Aide | \$ 1,782,610 | \$ 444,690 | \$ 2,227,300 | 25 | 12.50 |
| Jul-18 | SS1 | Caseworker | \$ 2,153,355 | \$ 947,045 | \$ 3,100,400 | 25 | 12.50 |
| Jul-18 | OS2 | Office Specialist (Case Support) | \$ 1,557,410 | \$ 388,440 | \$ 1,945,850 | 25 | 12.50 |
| Oct-18 | PEMC | Manager | \$ 210,547 | \$ 52,484 | \$ 263,031 | 3 | 1.14 |
| Oct-18 | SS1 | Caseworker | \$ 1,708,060 | \$ 836,090 | \$ 2,544,150 | 25 | 9.50 |
| Jan-19 | PEMC | Manager | \$ 155,261 | \$ 38,716 | \$ 193,977 | 3 | 0.75 |
| Jan-19 | SS1 | Caseworker | \$ 1,262,840 | \$ 725,160 | \$ 1,988,000 | 25 | 6.25 |
| Jan-19 | HRA3 | Recruiting | \$ 52,327 | \$ 13,043 | \$ 65,370 | 1 | 0.25 |
| Total | | | \$ 13,248,879 | \$ 4,534,737 | \$ 17,783,616 | 186 | 85.90 |

HB 5201 A

45 of 62

BUDGET NARRATIVE

In addition to direct funding, the Subcommittee also approved a \$2.5 million special purpose appropriation to the Emergency Board for the program to access as the agency continues to develop and implement its action plan to improve child safety, stabilize the workforce, and help foster families. The CW program will report on these efforts as part of the interim reporting required under a budget note in the budget report for SB 5526 (2017).

Vocational Rehabilitation

The budget approved by the Subcommittee for Vocational Rehabilitation (VR) reflects increases of \$0.5 million General Fund, along with \$5,910 Other Funds expenditure limitation and \$4.5 million Federal Funds expenditure limitation. No changes are made to position counts or FTE; total funds of \$1.6 million cover the statewide salary adjustment for this program.

The fall 2017 forecast projects the 2017-19 VR caseload to be about 8.4%, or 820 clients, higher than the spring estimate. With a recent award of \$3.4 million in federal reallocation dollars, the program is hoping to continue to avoid activating the Order of Selection (priority wait list) in 2017-19. The rebalance request approved by the Subcommittee contains the additional expenditure limitation to spend the reallocation funding. One position is reclassified in the rebalance plan.

The rebalance also includes a technical adjustment to more evenly distribute reductions taken during the legislative session; these are related to Department of Administrative Services' assessments and charges that ended up hitting some programs disproportionately. The adjustment affects other programs and is net-zero agencywide.

Aging and People with Disabilities

Budget adjustments made by the Subcommittee for the Aging and People with Disabilities (APD) program reflect a decrease of \$4.7 million General Fund, an increase of \$33.2 million Other Funds expenditure limitation, a decrease of \$35.2 million Federal Funds expenditure limitation, and a net decrease of 2 positions (2.00 FTE). Total funds of \$8.7 million cover the statewide salary adjustment for this program.

The 2017-19 legislatively adopted budget included higher rates for Community Based Care providers (Assisted Living, Residential Care, Memory Care, and In-home Agency). The Subcommittee added \$1,180,695 General Fund and \$2,467,705 Federal Funds expenditure limitation to augment the rate increase scheduled for July 1, 2018. When coupled with \$2.2 million General Fund in savings from an expected lower than budgeted nursing facility rate in the second half of the biennium and matched with \$7.2 million in Federal Funds, rates will increase by 5% instead of 2.5% on that date. These same providers received a 5% rate increase on July 1, 2017.

As noted in the Emergency Board overview section, the Subcommittee approved a \$300,000 special purpose appropriation to be allocated to the DHS Aging and People with Disabilities program to increase access to ventilator-assisted services in nursing facilities. The agency may

BUDGET NARRATIVE

request these funds, which are anticipated to help cover a higher rate paid for these services, after completing work under the following budget note, which was also approved by the Subcommittee:

Budget Note:

The Department of Human Services shall work with the Oregon Health Authority to develop a plan to increase access to ventilator-assisted services in nursing facilities, effective January 1, 2019. The plan should address criteria used to enroll nursing facilities and respiratory providers; the rate methodology proposed for compensating these services; state Medicaid plan amendments and administrative rules required to implement this initiative; any information technology changes needed to support the program; the projected costs for these services in the 2017-19 and 2019-21 biennium for the two agencies; and any other actions needed or barriers to be mitigated before service implementation. The Department shall prepare and submit a report containing the plan elements to the Emergency Board prior to October 1, 2018.

A rebalance plan based on the fall 2017 caseload forecast was also approved by the Subcommittee. While, overall, long term care caseloads are 1.8% below the spring 2017 forecast (a decrease of 655 clients), nursing facilities' caseloads are 3.2% higher. That change plus an increase in cost per case is driving a need of \$8.5 million General Fund (\$28.9 million total funds). However, these costs are more than offset by net savings of \$17.3 General Fund (\$57.7 total funds) across the in home and community based care caseloads. These savings also help cover increased costs due to the FMAP change; in APD that shifts \$5.9 million in costs from federal dollars to state General Fund.

The rebalance also includes a management action decreasing the budget by \$10 million General Fund (\$31 million total funds) to account for the caseload forecast not yet capturing the decrease in caseload expected to occur from strengthening the level of care assessment. This change was not implemented until after data used for the fall forecast were captured. The agency will be tracking eligibility changes for clients to determine the associated impact on the caseload and to ensure savings will not be double counted in future rebalances.

There is also risk that the actual caseload reduction may be offset by costs; some of these are tied to providing ongoing supports to people who would have otherwise become homeless, been evicted, or are at risk of abuse or exploitation. In addition, a recent legal agreement requires APD to pause policy and rule changes affecting hours and eligibility that were implemented last summer and fall. This means most consumers will be temporarily restored to their prior level of care while the agency and advocates negotiate future standards and procedures for in-home and residential care, which will affect expenditures. This work is expected to be done by May 2018.

The APD budget is also affected by collective bargaining for non-state workers. The Subcommittee approved \$1,340,585 General Fund from the \$10 million special purpose appropriation made to the Emergency Board for non-state employees to cover higher adult foster care rates. Based on negotiations, rates will increase by 2.0% on February 1, 2018 and again by 4.5% on January 1, 2019. To cover a \$0.15 per hour wage increase

BUDGET NARRATIVE

for home care workers effective April 1, 2018, the Subcommittee approved \$2,625,292 also originating from the special purpose appropriation. Collectively, these non-state worker costs will be matched with just over \$7.6 million Federal Funds.

To meet federal program requirements, the approved rebalance adds \$31.2 million Other Funds expenditure limitation for waived case management services. The additional limitation is needed to separately track program expenditures and receive the allowed higher match rate.

Technical adjustments and transfers account for a net decrease of \$0.7 million General Fund (\$2.0 million total funds). Actions include the transfer of positions between APD and other programs, driving a net decrease of one position (1.00 FTE). Other position actions include reclassifying one position and abolishing one position (1.00 FTE).

Intellectual and Developmental Disabilities

Budget adjustments made by the Subcommittee for the Intellectual and Developmental Disabilities (IDD) program reflect an increase of \$3.2 million General Fund, an increase of \$111,296 Other Funds expenditure limitation, a decrease of \$12.2 million Federal Funds expenditure limitation, and a net increase of 11 positions (7.70 FTE). Total funds of \$4.6 million cover the program's statewide salary adjustment.

The Subcommittee acknowledged the program's revised plan toward meeting a generic \$12 million General Fund reduction approved in the 2017-19 legislatively adopted budget. Instead of making eligibility or other program changes to meet the target, the agency will manage the reduction with management actions. These actions are spending \$1.3 million less on housing maintenance contracts and rent subsidies, based on an updated assessment of needs; reducing ability to respond to cost per case by volatility by \$6.0 million, based on recent cost per case actuals; and assuming approximately \$6.0 million in enhanced federal match for system work, pending federal approval. While these changes do not address long term budget sustainability, they do allow the agency to continue its work with stakeholders on IDD program changes that can help bend the cost curve. There is also some risk that these assumptions, particularly around cost per case, may not hold and possibly require legislative budget action before the end of the biennium.

The rebalance actions approved by the Subcommittee reflect decreases in both case management enrollment and services' caseloads from the previous forecast, at 3.2% lower overall or 1,527 fewer clients over the biennium. However, individuals are expected to be served in higher cost settings (group homes), which is a cost driver. The net projected budget effect is a decrease of \$9.2 million General Fund (\$31.6 million total funds). This helps offset FMAP General Fund impacts; for IDD the rate change shifts \$6.3 million in costs from federal to state funding.

The approved plan also uses \$0.7 million General Fund (\$1.4 million total funds) in savings to pay for an error made in building the 2017-19 budget. Workload model positions (case managers) supporting children with intensive medical and/or behavioral needs were overlooked; these caseloads have collectively grown by more than 20% over the last two years. A total of 10 positions (6.70 FTE) are funded.

BUDGET NARRATIVE

The IDD budget is also affected by collective bargaining for non-state workers. The Subcommittee approved \$1,165,140 General Fund from the \$10 million special purpose appropriation made to the Emergency Board for non-state employees to cover higher adult foster care rates. Based on negotiations, rates will increase by 2.0% on July 1, 2018. To cover a \$0.15 per hour wage increase for personal support workers, effective April 1, 2018, the Subcommittee approved \$1,902,412 from the same special purpose appropriation. Collectively, these non-state worker costs will be matched with just over \$6.9 million Federal Funds.

The approved budget changes include technical adjustments and transfers increasing the IDD budget by \$0.8 million total funds and transferring in one position (1.00 FTE) from APD.

Central Services

For this program, the Subcommittee approved a budget increase of \$294,639 total funds and one position (1.00 FTE). The changes tie to a rebalance action transferring in a human resources position from OHA (1.00 FTE); this is a companion action to the lift and place transfer of OHP eligibility between the two agencies. Technical adjustments and transfers account for a net decrease of \$0.2 million total funds. Five compliance specialist positions are also reclassified in the agency's plan. An additional \$255,557 total funds for the statewide salary adjustment is also part of the overall increase.

Shared Services

The budget approved by the Subcommittee for Shared Services is a net increase of \$14.9 million Other Funds expenditure limitation and 45 positions (44.80 FTE) over the legislatively adopted budget. Adjustments include the net transfer in of 11 positions (11.00 FTE) from various programs, including positions from Child Welfare noted previously. Other changes are due to position realignment between agency programs (in both DHS and OHA) and Shared Services after new positions are approved in the budget; sometime programs request and carry the budget for shared components directly during budget build. For the statewide salary adjustment, \$3.5 million Other Funds expenditure limitation is added.

Other position actions move one position (1.00 FTE) in from OHA due to the OHP processing center transition. The approved rebalance plan also includes several actions to clean-up positions: reclassifications upward and downward; abolishing and establishing positions; and bringing part-time positions to full-time. These changes will allow DHS to alleviate several double fills and make positions more consistent with how they are really being used. Effective April 1, 2018, a procurement position is transferred to the Department of Administrative Services (DAS), which reduces the budget by \$152,247 Other Funds and one position (0.63 FTE). The position supports the consolidation of certain information technology contracting work at DAS.

In response to a DHS request from January 2018, the Subcommittee approved the use of General Fund savings from rebalance to support adding positions to the Background Check Unit (BCU), which is part of Shared Services. The corresponding budget increase for the program is

BUDGET NARRATIVE

\$6,644,952 Other Funds expenditure limitation and 33 positions (24.75 FTE). With these positions in place, BCU expects to see the processing backlog drop down to 2 weeks by December 2018; currently many checks take more than 8 weeks and sometimes 10 weeks or longer.

Just over half of the projected cost is for positions or position-related expenditures, with the bulk of the remainder going to cover fingerprint processing fees charged by the Department of State Police and the Federal Bureau of Investigation. Currently BCU does not recover any costs from individuals or entities undergoing background checks; costs are covered by the applicable DHS and OHA programs. Subject individuals include agency employees, home care workers, personal support workers, child care providers, child caring agencies, child welfare providers, direct support professionals, residential care facilities, nursing facilities, and adult foster homes. About 80% of the work is related to DHS programs.

State Assessments and Enterprise-wide Costs

The budget approved for this program by the Subcommittee reflect net increases of \$15.5 million General Fund, \$228,063 Other Funds expenditure limitation, and \$15.1 million Federal Funds expenditure limitation. Drivers include an increase of \$3.4 million General Fund (\$10.3 million total funds) due to the OHP processing center move; these funds are transferred from OHA and cover rent, utilities, telecommunications, information technology, and other centralized costs associated with these positions. The approved rebalance contains a shift of \$0.6 million total funds from OHA to DHS to transfer rent, utilities, and janitorial costs for part of a Salem building (Cherry City Business Center). OHA has vacated the space and DHS, which already occupies part of the building, needs more square footage.

To support the additional BCU resources, the Subcommittee added \$4,281,343 General Fund, \$161,472 Other Funds expenditure limitation, and \$2,202,137 Federal Funds expenditure limitation; these adjustments allow the shared services funding line to cover the costs of the 33 positions (24.75 FTE) added to the unit.

Technical adjustments and transfers account for an increase of \$5.0 million General Fund (\$8.9 million total funds), primarily to align the assessment budget with policy package changes in program budget structures. Changes tied to position transfers affecting Shared Services are also included. Funding for the statewide salary adjustment is also included, at \$4.6 million total funds; this primarily covers increased costs tied to collective bargaining for Shared Services positions.

Long Term Care Ombudsman

Budget adjustments for this agency include a technical action shifting \$28,639 General Fund between programs; the statewide inflation reduction taken in HB 5006 (2017) was incorrectly calculated, removing too much funding from the Long Care Ombudsman budget structure and not enough from the Oregon Public Guardian (OPG) structure. The change nets to zero agency-wide.

BUDGET NARRATIVE

The Subcommittee also eliminated a \$200,000 General Fund special purpose appropriation to the Emergency Board for costs associated with the public guardian and conservator program HB 5021 (2017) and directly appropriated the same amount to the agency for the OPG program. The special purpose appropriation was sourced by funding removed from the OPG 2017-19 budget during the legislative process. In January 2018, as directed by a budget note, the agency reported on several steps taken to help manage program spending. These include minimizing legal costs, streamlining banking processes, and maximizing caseload capacity. Since the 2017 legislative session, the program has refocused its work, with an emphasis on developing the volunteer program and working with local entities to provide services. Regarding pro bono services, OPG is also developing a concept that would tap professional fiduciaries to act as volunteer deputies. In turn for helping OPG with cases, fiduciaries would receive training and experience that could also be used to meet professional continuing education requirements.

The \$200,000 General Fund restored to the program will pay for two permanent, full-time Deputy Guardian positions (Program Analyst 2 classification) effective July 1, 2018 (1.00 FTE). The positions will be out-stationed in rural areas of the state, which will overcome barriers to contracting in certain areas, provide maximum support for volunteers, and expand program access. With these resources, OPG should be able to serve a minimum of 40 additional clients and possibly more as the volunteer program evolves.

JUDICIAL BRANCH

Judicial Department

The Subcommittee increased the General Fund appropriation for judicial compensation by \$735,683, for the 2017-19 biennium costs of providing a \$5,000 per year salary increase to all statutory judges, beginning on July 1, 2018. The judicial salary increase is enacted by House Bill 4163, the 2018 session program change bill. The total fiscal impact of the salary increase will be \$1,300,000 General Fund in the current biennium. This cost will be financed from the combination of the General Fund appropriation increase and the carryforward of \$564,317 General Fund from the prior biennium. The cost of the salary increase will rise to approximately \$2,600,000 General Fund beginning with the 2019-21 biennium, when it will be in effect for the full twenty-four months of the biennium.

The Subcommittee increased the General Fund appropriation for operations by \$2,378,568, to avoid employee layoffs, furloughs, court closures, and other significant public service reductions during the second year of the current biennium. The Judicial Department presented a \$5.3 million General Fund request for this purpose to the interim Joint Committee on Ways and Means in January 2018. The combination of the approved General Fund increase, the distribution of General Fund to the Department for employee compensation costs, and the carryforward of General Fund from the prior biennium, will support the expenditure level targeted in the January 2018 request and enable the Department to avoid additional service reductions.

The Subcommittee also acknowledged receipt of a compensation plan change report required under ORS 8.105 (1). The report is posted on the Oregon Legislative Information System website under the Capital Construction Subcommittee March 2, 2018 meeting materials. The

HB 5201 A

51 of 62

BUDGET NARRATIVE

Department reported that the Chief Justice has approved the same provision in the executive branch compensation plan for management service and unrepresented employees, whereby effective February 1, 2019, salaries are increased 6.95% and responsibility to pay the 6% PERS pick-up switches from the employer to the employee. The changes do not affect judges, and are projected to cost \$854,000 General Fund and \$62,800 Other Funds during the 2017-19 biennium. The costs will be covered within the legislatively approved budget provided in this bill.

Public Defense Services Commission

The Subcommittee increased the General Fund appropriation for professional services by \$1,340,000, to expand the Parent Child Representation Program. This program works to improve the quality of legal representation for parents and children in juvenile dependency and termination of parental rights cases. The program currently operates in three counties. The funding will be used to expand the program to Coos and Lincoln counties, beginning July 1, 2018. The cost of this expansion will double to \$2,680,000 General Fund in the 2019-21 biennium, when it will be in effect for the full twenty-four months of the biennium.

The Subcommittee also approved a one-time General Fund appropriation of \$450,000 to fund an Oregon-specific caseload standards study and an assessment of Oregon public defense services. The Commission will work with the American Bar Association for a study to develop standards for the time attorneys need to adequately represent clients in various case types, and to develop associated workload/caseload standards. The Commission will also work with the Sixth Amendment Center to assess the status of public defense services in the state.

The Subcommittee also approved an adjustment to the calculation of the 2019-21 biennium current service level for professional services. The Commission is instructed to add \$4.2 million General Fund to the current service level as otherwise historically calculated. This adjustment is intended to address concerns about contract rate amounts paid to trial-level public defense contract and hourly-paid providers. The amount is calculated to equal the cost of providing a 2% increase in rates for the full twenty-four months of the 2019-21 biennium, however, it is understood that the Commission may choose to allocate the funds in another manner to best address concerns about provider pay.

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 2015-17 biennium, appropriately split reversions between Legislative Administration Committee (LAC) and the Legislative Policy and Research Office as those budgets became newly separated agency budgets beginning this biennium, and to accommodate LAC projects including closed captioning, online training, and additional ADA and diversity needs, including one additional position (0.50 FTE) dedicated to such work. In addition to projects funded through rebalance described above, \$700,000 General Fund is provided to LAC for workplace improvements for the Legislative Branch. The Subcommittee approved increasing Other Funds expenditure limitation by \$151,550 for costs of issuance on Article XI-Q general obligation bonds authorized in SB 5702 for the Capitol Accessibility,

HB 5201 A

52 of 62

BUDGET NARRATIVE

Maintenance, and Safety project. Costs of issuance will be paid with bond proceeds. Bonds are scheduled to be sold in spring 2019, so no additional debt service is due in the 2017-19 biennium. An adjustment to debt service is also included, which results in a General Fund reduction of \$48,618 and an increase in Other Funds expenditure limitation of \$48,619. An increase of \$250,000 Other Funds expenditure limitation is included for the Legislative Counsel Committee for ongoing staffing and office needs.

NATURAL RESOURCES

Department of Agriculture

The Subcommittee increased, on a one-time basis, constitutionally dedicated Lottery Funds expenditure limitation by \$846,821 and authorized 13 limited duration positions (5.37 FTE) for additional costs related to Japanese beetle eradication efforts. During the 2016 invasive pests trapping season, the Oregon Department of Agriculture (ODA) trapped a record number of Japanese beetles in the Cedar Mill and Bethany neighborhoods in NW Portland. Early in the 2017 legislative session, ODA received \$801,380 constitutionally dedicated Lottery Funds for the 2015-17 biennium to begin a five-year eradication effort. An additional \$1,113,115 in constitutionally dedicated Lottery Funds was included in the ODA budget for 2017-19 for continuing eradication costs. During the 2017 eradication project, even more beetles were trapped in this area and were found in areas surrounding the initial treatment area, as well as in traps at the Portland airport, Swan Island, and Douglas County. The increase in areas needing treatment, coupled with higher than anticipated costs to maintain the quarantine and dispose of green waste in the existing treatment area, will require additional resources beyond what was approved in the 2017-19 adopted budget for ODA. In addition, the Lottery Funds allocation for the Department was increased by \$1,359,653 to pay for any additional eradication efforts as needed. The Department would need to request an increase in expenditure limitation from either the Emergency Board or the Legislature to spend this additional Lottery Funds allocation.

A technical adjustment was also approved that reduced the Certifications Program Other Funds expenditure limitation by \$16,836 and 0.10 FTE to correct an error in the position count that occurred when a position budgeted in two programs was eliminated.

Department of Environmental Quality

The Subcommittee approved a one-time increase of \$1,917,084 General Fund, \$2,965,300 Other Funds expenditure limitation, and the addition of months to six existing limited duration positions (3.38 FTE) to continue planning and begin development of an environmental data management system (EDMS). The Other Funds represent the portion of the proceeds from the sale of \$5 million Article XI-Q bonds that will be spent in the 2017-19 biennium and includes \$70,000 for the cost of issuing the bonds. This funding is to be used to implement the foundational build of a customized off-the-shelf software solution that will replace multiple outdated and disparate information technology systems currently in use at the Department of Environmental Quality (DEQ). The EDMS project will improve regulatory processes, provide a common platform to receive and share environmental information, and support e-commerce and web-based interactions. Of the total General Fund appropriated,

BUDGET NARRATIVE

\$833,867 will pay the debt service on the \$5 million in 2017-19 as the bonds are scheduled to be sold May 2018. The remaining \$1,083,217 General Fund will be used to update and complete foundational documents required to complete Stage Gate 3 endorsement, prepare the Request for Proposal, and pay a Quality Assurance contract. Early estimates indicate the EDMS project will cost \$18 million when completed.

The Subcommittee approved an Other Funds expenditure limitation increase of \$17,834,248 to implement a new electric vehicle rebate program, with the understanding that the Department of Administrative Services (DAS) will unschedule the limitation until sufficient revenues are received. HB 2017 (2017) included a privilege tax of 0.5% on the sale of vehicles beginning January 1, 2018. Monies raised by this tax will be deposited in the Zero-emissions Incentive Fund to be used for rebates on the purchase or lease of electric vehicles to encourage increased utilization of these vehicles. The bill tasked DEQ with establishing and operating the electric vehicle rebate program. At the time the bill passed, no expenditure limitation was provided for the actual rebate payments. The use of this privilege tax for rebates had been challenged in court, therefore DAS is directed to unschedule the increase until these legal challenges are resolved.

A technical adjustment was approved that increased Federal Funds expenditure limitation by \$342,092 and decreased Other Funds expenditure limitation by \$272,092 to accommodate the transfer of administration of a federal grant from the Oregon Health Authority (OHA) to DEQ. OHA had been receiving an on-going federal grant for coastal water monitoring and passing most of the grant funding on to DEQ to do the actual water quality monitoring work. In 2017, both agencies agreed that DEQ should take over the administration of the grant. The 2017-19 OHA budget was adjusted to reflect this change, but the DEQ adjustment was not included in its budget.

The Subcommittee also approved a \$1 million General Fund increase and the addition of 4 positions (2.32 FTE) in the Air Quality program. This funding is to be used to address backlogs in air quality permitting, with emphasis on processing permit renewals. Of the amount approved, \$343,092 is for process improvement activities and is being added on a one-time basis. This funding will not be used to support Title V permitting work because the federal Clean Air Act requires that all Title V permitting work be supported through fees paid by regulated entities. As such, the Department will need to seek authorization to increase fees for the Title V program during the 2019 Legislative session to ensure Title V related permitting operations are sufficiently staffed.

A \$165,892 Other Funds expenditure limitation increase was approved for the Air Quality program to support two positions (1.08 FTE) using existing fund balance revenue from current Greenhouse Gas Reporting (GHG) fees. These positions will work on expanding the Department's existing GHG program to include collection of product output data, as well as, provide quality assurance of currently submitted emissions data.

Department of Fish and Wildlife

The Subcommittee approved a one-time General Fund appropriation increase of \$350,000 for the Fish Division to operate the Leaburg Fish Hatchery located on the McKenzie River for the second year of the 2017-19 biennium. On July 1, 2018, the U.S. Army Corps of Engineers (Corps) will no longer pay for the Oregon Department of Fish and Wildlife (ODFW) to operate and maintain the hatchery, which it had done since

HB 5201 A

54 of 62

BUDGET NARRATIVE

the facility was constructed in 1953 to mitigate for lost trout habitat caused by construction of federal dams in the Willamette Valley. The Corps will now instead contract with a private entity to purchase trout and will continue to pay ODFW to produce steelhead at another ODFW facility. ODFW plans to continue to produce trout at the facility, which would boost the pounds of trout released in the Willamette Valley by 20% and increase Chinook releases by 6%.

In addition, a one-time \$50,000 General Fund increase was approved for culling of elk herds on the Cold Springs National Wildlife Refuge, which is located just outside Hermiston. The elk forage outside the Wildlife Area and damage commercial agriculture operations on land adjacent to Cold Springs. The funding would be used to pay for the time of existing ODFW staff to work on this project, as well as for a contract with the U.S. Department of Agriculture, Wildlife Services for removing the elk that move onto adjacent farms to feed. The elk meat resulting from the culling of the elk herd will be donated to the local food bank.

Department of Forestry

A one-time increase of \$26,194,224 General Fund to the Department of Forestry, Fire Protection Division was approved for the payment of emergency firefighting costs associated with the 2017 forest fire season. This amount is dedicated to the following specific uses:

- Unbudgeted emergency fire costs (\$22,722,123)
- Fire protection district deductibles (\$915,600)
- Oregon State Treasury loan interest (\$63,561)
- Severity resources (\$2,492,940)

Of the total increase, \$2.0 million is offset by a reduction of the same amount in the special purpose appropriation to the Emergency Board that had been established for this purpose. In addition, Other Funds expenditure limitation is increased one-time only by \$22,743,921, which includes \$10,130,317 for unbudgeted emergency fire costs, \$4,101,866 for reimbursed costs of emergency fire costs from other agencies including the Federal Emergency Management Agency, \$7.0 million for the payment of pass-through reimbursements to other agencies from federal sources, and \$1,511,738 for fire protection district deductibles.

The Subcommittee approved an increase in the General Fund appropriation made to the Department of Forestry in the amount of \$500,000 and a decrease in Other Funds expenditure limitation of \$500,000 to reverse a reduction in General Fund subsidy for fire patrol assessments on low-productivity, east-side forest lands that was included in SB 5519 (2017), the agency's budget bill.

A reservation in the Emergency Fund was made to fund Sudden Oak Death eradication work by the Oregon Department of Forestry as detailed in the Emergency Board section above.

BUDGET NARRATIVE

Department of Land Conservation and Development

A one-time increase of \$300,000 General Fund for the Department of Land Conservation and Development's local government grants program was approved for the provisioning of technical assistance grants to eastern Oregon counties for conducting economic opportunity analyses.

Parks and Recreation Department

The Subcommittee approved a \$200,000 increase in Other Funds expenditure limitation for the Oregon Parks and Recreation Department (OPRD) for expenses associated with Sudden Oak Death mitigation work on State Parks properties within the Cape Sebastian State Scenic Corridor. OPRD estimates that the eradication project will be completed by the end of February 2018. Funding for the treatment will come from the Park Stewardship account which receives a portion of fees charged by the agency and is dedicated for the management of natural resources, hazard trees, landscape, and the ocean shore.

An increase of \$20,000 Lottery Funds expenditure limitation was approved for the purpose of making grants to repair recreational trails damaged due to the Chetco Bar fire during the 2017 fire season.

Department of State Lands

An increase in Federal Funds expenditure limitation in the amount of \$155,734 for the Department of State Lands (DSL) was approved for the expenditure of Wetland Program grant funds from the U.S. Environmental Protection Agency (EPA). Of the total, \$121,734 supports five individual initiatives identified in the updated Oregon Wetland Program Plan and will be used in conjunction with an intergovernmental agreement with Oregon State University, Institute for Natural Resources. Additionally, DSL was awarded a supplemental Wetland Program Development Grant (WPDG) that is in addition to the 2015 grant it received from the EPA. The funding award of \$25,000 allows DSL to contract with a third party to complete wetland functional assessments on existing wetland mitigation bank sites prior to the implementation of the Aquatic Resources Mitigation Program initiative in 2018. The reestablishment of expenditure limitation for residual Federal Funds totaling \$9,000 that were not expended in the prior biennium from the original 2015 EPA WPDG is also included in the total additional Federal Funds expenditure limitation for these grants.

A one-time expenditure limitation increase of \$7,244,215 Other Funds is included for cleanup efforts at the Goble, Oregon site on the Columbia River. The funding is for the costs of site security, inventory, and disposal of solid waste and hazardous material, asbestos inventory and abatement, and dewatering and disposal of vessels and structures due to default by the former lessee of the site. DSL is continuing to avail itself of all legal means to recover the costs of the cleanup from the former lessee or the lessee's insurance carrier.

HB 5201 A

56 of 62

BUDGET NARRATIVE

A one-time technical adjustment of \$235,081 Other Funds expenditure limitation is included in the measure to carry forward 2015-17 biennium unexpended grant funding from the University of Michigan for the South Slough National Estuarine Research Reserve. Normally, this limitation would have been reestablished in the agency's budget bill, but the actual unexpended amount was not known at the time of the bill's passage.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$410,102 and authorized the establishment of a limited-duration project manager position (0.67 FTE), the establishment of a permanent, full-time network architect position (0.67 FTE), and the upward reclassification of an existing information systems supervisor position to continue planning for the replacement of the aging Land Administration System (LAS) through the end of the current biennium and ongoing management of the agency's information technology systems.

Water Resources Department

Technical adjustments to the Other Funds and Federal Funds expenditure limitations of the Water Resources Department are included in the measure to rebalance budgeted expenditure authority between programs at the agency. This action results in no net change to the overall expenditure limitation of the agency.

The Subcommittee approved a one-time increase in the expenditure limitation for the Water Resources Department of \$5,269,633 Other Funds for the expenditure of Lottery Revenue bond proceeds for distribution to the City of Carlton to replace the city's finished water supply line in the amount of \$5.15 million and for the payment of bond issuance costs of \$119,633.

Oregon Watershed Enhancement Board

The Subcommittee increased the Measure 76 Lottery Funds expenditure limitation for the Oregon Watershed Enhancement Board (OWEB) grants program by \$5,000,000 to reflect increases in forecasted Lottery revenues constitutionally dedicated to the Parks and Natural Resources Fund, for local grant expenditures.

PUBLIC SAFETY

Department of Corrections

The Subcommittee approved a net-zero technical adjustment to move a total of thirteen positions between program units to align reporting relationships, advance organizational initiatives, and properly assign oversight functions within the agency.

The Subcommittee provided the following direction to the Department of Corrections:

Budget Note:

HB 5201 A

57 of 62

BUDGET NARRATIVE

As of January 25, 2018, the Department of Corrections had 297 inmates in custody over the age of 70. Elderly inmates are housed throughout the state, depending on the location of infirmary and hospice beds, single-story and single-bunk cells and dormitories, and proximity to health care facilities.

The Department of Corrections is directed to evaluate the feasibility of using the Oregon State Penitentiary - Minimum as a dedicated facility for housing male prison inmates over the age of seventy-five. The Department should evaluate the suitability of using OSPM to house elderly inmates and identify any and all facility modifications that would be required to safely house a population that has an above average incidence of mobility limitations and serious health conditions. The suitability evaluation should include a detailed cost analysis and an estimated construction timeframe for those modifications to the existing facility necessary to provide an adequate number of infirmary and hospice beds for this population, as well as any security upgrades, infirmary improvements, medical equipment purchases, and accessibility modifications. The Department is directed to report to the Legislature by February 2019 on the cost and timeframe for remodeling and equipping OSPM, and on the estimated cost of operating the facility, including any extraordinary costs for medical staff, transportation, and other reasonably necessary resources for housing an elderly inmate population.

Criminal Justice Commission

The Subcommittee increased the Criminal Justice Commission's Federal Funds expenditure limitation by \$1,045,940 for two grants awards received in larger amounts than anticipated in the 2017-19 legislatively adopted budget. The awards supplement an existing program supporting Local Public Safety Coordinating Councils in rural Oregon counties and the state's Statistical Analysis Center program.

The Criminal Justice Commission's Other Funds expenditure limitation was increased by \$450,000 for implementation of a new case management system for Oregon's specialty courts. Revenues supporting the expenditure limitation are from asset forfeitures, statutorily dedicated to specialty courts.

Oregon Department of Justice

The Subcommittee approved an increase of \$53,241 Other Funds, \$159,723 Federal Funds, and 0.25 full-time equivalent for the Civil Enforcement Division's Medicaid Fraud Unit. The Unit is projecting a personal services budget shortfall and requested a temporary funding increase. The Subcommittee recommended a permanent resolution of the underlying budget issues with the upward reclassification of two Assistant Attorney General positions to Senior Assistant Attorney General, an upward reclassification of a Principal Executive Manager C to a D (Chief Investigator), and adding 0.25 FTE to an existing Legal Secretary position budgeted at 0.75 FTE.

The Subcommittee approved \$2.8 million Other Funds expenditure limitation for the Child Support Enforcement Automated System (CSEAS), which is to be financed with Article XI-Q bonds authorized in SB 5702. The Subcommittee also approved \$5.4 million Federal Funds expenditure limitation and an increase of 0.25 full-time equivalent. These are one-time costs. Other Funds expenditure limitation of \$56,463 was also added

HB 5201 A

58 of 62

BUDGET NARRATIVE

for the cost of issuance of the bonds. The Subcommittee reduced General Fund Debt Service by \$23,047 to account for a delayed issuance in previously authorized bonding authority. The 2017-19 Article XI-Q bond authority for the project totals \$19.4 million, including \$19,026,170 for project costs and \$373,830 costs of issuance. General Fund Debt Service totals \$12.5 million.

Since 2010, the Oregon Department of Justice's Division of Child Support has been working on a multi-biennia plan to replace its current COBOL-based mainframe child support case management and financial system with a transfer or hybrid solution with custom development that will use some existing software from three states. CSEAS is expected to be completed by 2021 with an implementation cost estimated at \$137.3 million. Federal Funds will provide 66% of eligible program costs under Title IV-D of the federal Social Security Act for both development and ongoing operations and maintenance costs.

The project is within scope, on schedule, and within budget. The primary purpose of the additional bond authority is to safeguard the progress of the project should there be a major issue during User Acceptance Testing (UAT). UAT started in February of 2018 and continues through May of 2018. If by September 30, 2018 any of the additional bonding authority provided for UAT is unneeded, the unused portion is to be released for other statewide purposes. The project does, however, require the immediate expenditure of \$120,738 Other Funds and \$234,374 Federal Funds for contract change orders. The Department of Administrative Services is directed to unschedule \$2,637,799 Other Funds and \$5,164,513 Federal Funds, which may be rescheduled upon the approval of the Legislative Fiscal Office, but only if unanticipated UAT issues arise.

The bill includes an increase of \$185,916 General Fund and the establishment of one permanent full-time Assistant Attorney General (0.63 FTE) in the Criminal Justice Division for the prosecution of election fraud violations under ORS 260.345, which have increased over the course of the last several biennia. The 2019-21 cost totals \$293,381 General Fund.

The Subcommittee approved an increase of \$1.3 million Other Funds expenditure limitation and the establishment of four limited duration positions (2.68 FTE) in the General Counsel Division as one-time costs. The position cost is \$1 million and includes: one Assistant Attorney General position for Health and Human Services; one Assistant Attorney General position for Tax and Finance; one Assistant Attorney General position for Business Transactions; and one Senior Assistant Attorney General position for Government Services. The Division is experiencing higher caseload work related to: procurement, bonding, expended lottery offerings, litigation agreement implementation, legal sufficiency reviews, and agency administrative rules development. An additional \$258,252 was approved for administratively-authorized limited duration position costs that the agency incurred pending the approval of this request. The revenue to support this request will come from billings to state agencies, which will total \$1.9 million (\$574,288 above the limitation request to account for agency overhead costs).

Two technical adjustments were approved to the Civil Enforcement Division's General Fund appropriation. HB 5015 (2017) eliminated a \$3.2 million General Fund appropriation for enforcement of the Master Tobacco Settlement Agreement (MTSA) as the Department no longer requires the General Fund for defending the state's enforcement actions to the arbitration panel. A portion of the reduction included \$127,059

HB 5201 A

59 of 62

BUDGET NARRATIVE

General Fund for standard inflation; however, HB 5006 (2017), as part of a statewide adjustment, also included a reduction of \$127,059 for inflation. The Subcommittee's action restores the inflation reduction to provide funding for civil rights enforcement.

The Subcommittee also approved a technical adjustment to transfer \$25,646 General Fund from the Appellate Division to the Civil Enforcement Division to correct for an Oregon Law reference error in HB 5006 (2017).

A technical adjustment to the Child Support Enforcement Automated System (CSEAS) information technology project was approved. The adjustment increases months on six existing positions by 3.17 FTE. This adjustment is self-financed by reducing budgeted services and supplies by \$708,017 and increasing personal services by a corresponding amount. This adjustment aligns budgeted indirect charges for the program with agency practice.

Oregon Military Department

The Subcommittee approved a one-time General Fund appropriation of \$260,724 to cover expenses incurred by the Oregon Military Department for services provided by the Oregon National Guard during and after the total solar eclipse on August 21st, 2017.

The Other Funds expenditure limitation for the Community Support program was increased, on a one-time basis, by \$5,442,829 to reimburse wildland firefighting expenses incurred by the Oregon Military Department during the 2017 fire season.

The Subcommittee increased the agency's Federal Funds expenditure limitation by \$16,421,308 for lead dust abatement projects at eight armories located throughout Oregon.

Pending federal approval of the agency's proposed indirect cost allocation plan, the Subcommittee recommended \$1,590,544 General Fund be added to the Office of Emergency Management to cover 2017-19 administrative expenses that can no longer be charged to federal grants. The Subcommittee also approved the following budget note:

Budget Note:

The Oregon Military Department - Office of Emergency Management (OEM) is directed to assess and update OEM's processes, policies, and practices for internal control over grants management, separate from and in addition to any external financial or programmatic audits currently underway. The updated practices should align to the Internal Control-Integrated Framework as updated in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Military Department is to undertake immediate action to correct any identified deficiencies.

BUDGET NARRATIVE

The Military Department is directed to submit a quarterly progress report to the Legislature at each meeting of the Emergency Board in 2018. The Military Department is directed to provide a final written report on the assessment and corresponding updated processes, policies, and procedures to the Joint Committee on Ways and Means during the 2019 legislative session, prior to consideration of the agency's budget for 2019-21.

Department of Public Safety Standards and Training

The Other Funds expenditure limitation for the Operations program was increased, on a one-time basis, by \$623,260 to reimburse the Department of Public Safety Standards and Training for expenses incurred for training and certifying Oregon National Guard members as wildland firefighters during the 2017 fire season.

The Subcommittee increased the Department of Public Safety Standards and Training's Other Funds expenditure limitation by \$400,000 to continue and expand mental health and crisis intervention training for first responders with funding from the Oregon Health Authority.

The Subcommittee increased the agency's Other Funds expenditure limitation by \$3,657,838, and authorized seven permanent positions (4.06 FTE) and six limited duration positions (3.48 FTE) to add five basic police classes and one basic corrections class to the agency's training calendar to meet demand during the 2017-19 biennium.

Department of State Police

The Subcommittee increased the agency's Other Funds expenditure limitation by \$12,770,000 for federally reimbursable expenses incurred during mobilizations coordinated by the State Fire Marshal during the 2017 fire season in Oregon. Additionally, the agency's General Fund appropriation was increased by \$3,255,945 to cover the portion of the Patrol Division's and State Fire Marshal's 2017 fire season expenses that are not eligible for federal reimbursement.

The Department of State Police is undertaking a significant rebalance of its resources between program units to better support the Patrol Division and to minimize the practice of holding trooper positions vacant. The Subcommittee approved \$2,975,558 General Fund and 25 positions (25.00 FTE) to resolve double-filled support positions. This action requires the agency to reduce its 2017-19 appropriation for services and supplies and capital outlay to fund \$1,737,202 of the total cost of these positions, which is \$4,712,760. It is the intention of the Legislature that the agency's services and supplies and capital outlay budgets be restored to current service levels for the 2019-21 budget.

The Subcommittee also approved a net-zero budget action to re-classify 49 positions per classification studies completed by the Department of Administrative Services, Chief Human Resources Office. Three studies reclassified five Automotive Technician 1 positions to Automotive Technician 2s, three Office Specialist 1 positions to Office Specialist 2s, fourteen Administrative Specialist 1 positions to Administrative Specialist 2s, twenty-five Office Specialist 2 positions to Administrative Specialist 1s, and two Office Coordinator positions to Administrative Specialist 1s.

HB 5201 A

61 of 62

BUDGET NARRATIVE

Once implemented, these position actions and increased General Fund support will allow the agency to begin to fill trooper positions, with a recruit school class of fourteen troopers anticipated for October 2018, and an additional class of twenty troopers in January 2019.

TRANSPORTATION

Department of Aviation

Other Funds expenditure limitation for the Department of Aviation is increased by \$950,000 on a one-time basis to provide oversight and funding for three unmanned aircraft system test ranges in the state.

Department of Transportation

Other Funds expenditure limitation for the Oregon Department of Transportation (ODOT) is increased by \$117,530,107 to fund implementation of the Transportation Package of 2017 (HB 2017), and includes 179 positions (77.63 FTE).

Other Funds expenditure limitation for ODOT is increased by \$10,000 to implement SB 375 (2017) related to the posting of informational materials about human trafficking at roadside rest areas. This is a one-time adjustment supported by the Transportation Operating Fund.

The Other Funds expenditure limitation for the Local Government Program includes funds for highway safety improvements near the Kenton Line to aid enhanced safety related to trains, pedestrians, and vehicles.

BUDGET NARRATIVE

Legislative Fiscal Office

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Ken Rocco
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Summary of Emergency Board Action September 2018

The Legislative Emergency Board met on September 26, 2018 and considered an agenda of 94 items. The Emergency Board approved 14 allocations from the Emergency Fund and one allocation from a special purpose appropriation made to the Emergency Board. Three additional requests for allocations from the Emergency Fund and one request for a special purpose appropriation were considered but either deferred or denied. A total of \$18.4 million was allocated from the Emergency Fund and \$300,000 was allocated from a special purpose appropriation. Details on these actions are described below. After the Emergency Board actions, the unallocated and unreserved balance in the Emergency Fund is \$31 million. An additional \$47.3 million remains in various special purpose appropriations, including \$30 million for caseload costs or other unbudgeted expenses of the Oregon Health Authority and the Department of Human Services. Unused special purpose appropriations become available for any lawful use (including the original purpose) by the Emergency Board on December 1, 2018.

The agenda included 31 items that received additional 2017-19 biennium authority to spend (or transfer) Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$8.1 million Lottery Funds, \$131.6 million Other Funds, and \$23.4 million Federal Funds. The Emergency Board also authorized the establishment of 28 positions (9.28 FTE).

The agenda included 16 agency reports, which the Emergency Board acknowledged receiving. The Emergency Board heard 44 requests for the submission of federal grant applications, one of which was deferred until December and 32 of which were on a single consent agenda item.

The following is a summary of significant Emergency Board actions taken at the September 2018 meeting. Detailed information is available at <https://olis.leg.state.or.us/liz/201711/Committees/EB/2018-09-26-08-30/Agenda>

Education

- Increased the Federal Funds expenditure limitation for the Department of Education by \$7,207,837 and authorized the establishment of 12 limited duration positions (3.96 FTE) for the expenditure of additional Child Care Development Block Grant funding. The agency was directed to return with further information on remaining program needs.
- Allocated \$352,234 from the Emergency Fund to the Department of Education for grants to school districts for connecting schools to high-speed telecommunications and the internet and for related administrative costs.
- Increased the Other Funds expenditure limitation for the Department of Education by \$163,889 and

authorized the establishment of three limited duration positions (0.87 FTE) to increase the capacity of business services staff.

Human Services

- Allocated \$300,000 from a special purpose appropriation made to the Emergency Board for the Department of Human Services to increase access to ventilator-assisted services.
- Allocated \$160,450 from the Emergency Fund to the Oregon Health Authority and authorized the establishment of two positions (0.66 FTE) in the Drinking Water Services Program to increase current capacity related to new and emerging drinking water contaminants.

1

Public Safety and Judicial Branch

- Allocated \$134,709 from the Emergency Fund to the Department of State Police to pay for the balance of the implementation costs for the technology platform chosen for the Statistical Transparency of Policing (STOP) program.
- Allocated \$9,865,644 from the Emergency Fund to the Department of State Police and increased the Other Funds expenditure limitation by \$7,104,707 to address costs incurred during the 2018 wildfire season.
- Allocated \$123,275 from the Emergency Fund to the Military Department to reimburse costs incurred during two drinking water delivery missions in Salem during May and June 2018.
- Deferred action on a request by the Military Department to allocate \$50,000 from the Emergency Fund to establish a position for coordination of emergency drinking water resources until the 2019 legislative session.
- Transferred \$87,193 General Fund between divisions within the Department of Justice to continue funding for the Regional Automated Information Network (RAIN) coordinator position.
- Allocated \$2,640,456 from the Emergency Fund to the Department of Justice for an agency budget shortfall related to the federal Temporary Assistance to Needy Families (TANF) program.
- Increased the Federal Funds expenditure limitation for the Department of Justice by \$14,430,275 and transferred \$5,553,521 Federal Funds expenditure limitation between divisions for expenditure of federal grant funding in the Crime Victims Services Division.
- Increased the Other Funds expenditure limitation for the Department of Justice by \$2,493,909 and transferred \$196,115 General Fund and \$500,000 Other Funds expenditure limitation between divisions for intra-agency charges necessary to fund the Administration program.
- Allocated \$1,343,260 from the Emergency Fund to the Department of Justice and transferred \$1,440,319 Other Funds expenditure limitation between divisions for various Child Support Enforcement Automated System budget adjustments.
- Deferred action on a request by the District Attorneys and Their Deputies to allocate General Fund from a special purpose appropriation made to the Emergency Board for costs associated with Grand Jury recordation.

- Increased the Federal Funds expenditure limitation for the Department of Public Safety Standards and Training by \$325,955 for expenditure of an Assistance to Firefighters federal grant.
- Increased the Other Funds expenditure limitation for the Department of Public Safety Standards and Training by \$77,282 and authorized the establishment of a limited duration position in the Private Security Program.
- Allocated \$188,000 from the Emergency Fund to the Military Department to fund emergency preparedness equipment for fuel distribution facilities.

Natural Resources

- Allocated \$18,000 from the Emergency Fund to the Columbia River Gorge Commission to match the 2017-19 budget provided by the state of Washington for operational costs of the Commission.
- Established a Federal Funds Capital Construction expenditure limitation of \$550,000 for the Department of Fish and Wildlife for the acquisition of 564 acres near the Summer Lake Wildlife Area.
- Increased the Lottery Funds expenditure limitation for the Department of Agriculture by \$1,359,653 to fund efforts to eradicate Japanese Beetle in northwest Portland.
- Allocated \$100,000 from the Emergency Fund to the Department of Agriculture and authorized the establishment of three seasonal limited duration positions (0.75 FTE) for the initial phase of the Gypsy Moth eradication plan.
- Allocated \$730,295 from the Emergency Fund to the Department of Agriculture and authorized the establishment of a limited duration position (0.38 FTE) to purchase laboratory equipment and conduct method development on a potential test for the presence of cyanotoxins in manufactured food products.
- Acknowledged receipt of a preliminary report by the Department of Forestry on the 2018 fire season and increased the Other Funds expenditure limitation by \$68,379,072 for fire suppression costs. A related request for an allocation of \$1,425,825 from the Emergency Fund for fire costs was deferred until 2014 fire season costs are finalized.
- Allocated \$1,000,000 from a reservation established within the Emergency Fund to the

2

BUDGET NARRATIVE

Department of Forestry for the direct treatment of the EU1 lineage of Sudden Oak Death infested sites, with instructions that funding not required for direct treatment of the EU1 lineage is to be used for NA1 lineage infested sites.

- Increased the Other Funds expenditure limitation for the Department of Geology and Mineral Industries by \$450,000 for costs associated with permitting a proposed chemical gold mine operation in Malheur County.
- Increased the Lottery Funds expenditure limitation for the Parks and Recreation Department by \$1,900,000 for facilities investment projects.
- Increased the Lottery Funds expenditure limitation for the Parks and Recreation Department by \$2,000,000 for maintenance projects on state park property.
- Increased the Lottery Funds expenditure limitation for the Parks and Recreation Department by \$100,000 for enforcement officer training.
- Increased the Other Funds expenditure limitation for the Parks and Recreation Department by \$455,448 to spend funds received from the Oregon State Parks Foundation for the construction of the Cottonwood Canyon Experience Center.
- Increased the Lottery Funds expenditure limitation for the Parks and Recreation Department by \$1,208,230 for increased costs in merchant services and phone reservation fees.
- Increased the Lottery Funds expenditure limitation for the Parks and Recreation Department by \$1,500,000 for the acquisition of state park property.
- Allocated \$1,352,526 from the Emergency Fund to the Water Resources Department for anticipated legal costs through the end of the 2017-19 biennium.
- Allocated \$380,000 from the Emergency Fund to the Department of Environmental Quality and authorized the establishment of four limited duration positions (1.50 FTE) for lab testing of cyanotoxins in the state's drinking water supply.

Economic and Community Development

- Increased the Other Funds expenditure limitation for the Oregon Business Development Department by \$3,999,999 for project support and acknowledged receipt of a report on Regional Solutions project proposals.

Transportation

- Deferred action on a request by the Department of Aviation to apply for a federal grant from the Federal Aviation Administration to be used for a runway extension project at the Aurora State Airport until the next meeting of the Emergency Board in December. The agency was directed to coordinate with Oregon Solutions at Portland State University for a stakeholder discussion prior to the December meeting.
- Increased the Other Funds expenditure limitation for the Department of Transportation by \$3,331,972 for the construction of nine salt sheds on I-5 and I-84.
- Increased the Other Funds expenditure limitation for the Department of Transportation by \$5,078,026 for the Emerging Small Business Program.
- Increased the Other Funds expenditure limitation for the Department of Transportation by \$7,200,000 for replacement of the Meacham Maintenance Station.
- Increased the Other Funds expenditure limitation for the Department of Transportation by \$19,895,997 to offset costs associated with wildfire and winter storm damages.

Administration

- Increased the Other Funds expenditure limitation for the Public Employees Retirement System by \$79,291 and authorized the establishment of one position (0.38 FTE) for additional investment accounting activities related to moving the Individual Account Program to a target-date fund solution and other programs enacted to reduce the Unfunded Accrued Liability.
- Transferred \$458,244 Other Funds expenditure limitation between various divisions of the Public Employees Retirement System as part of an agency rebalance.
- Increased the Other Funds expenditure limitation for the Oregon Liquor Control Commission by \$800,000 for fees associated with the Cannabis Tracking System and increased the Other Funds expenditure limitation by \$1,182,058 for administrative expenses related to replacement and administration of agency Information Technology systems.
- Increased the Other Funds expenditure limitation for the Department of Revenue by \$91,124 for the Business Division and authorized the establishment of one limited duration position

(0.40 FTE) and increased the Other Funds expenditure limitation by \$4,500 for the Property Tax Division for implementation of the Heavy Equipment Rental Tax.

- Increased the Other Funds expenditure limitation for the Department of Revenue by \$18,098 for the implementation of a state and local transient lodging taxes exchange of data.
- Increased the Other Funds expenditure limitation for the Department of Administrative Services by \$1,505,301 for the purchase of 70 vehicles by Fleet and Parking Services.
- Established a Federal Funds expenditure limitation of \$847,000 for the Department of

Administrative Services to accommodate grants and contracts for statewide aerial imagery by the Office of the State Chief Information Officer.

- Increased the Other Funds expenditure limitation for the Department of Administrative Services by \$9,300,000 and transferred \$10,000,000 Other Funds expenditure limitation between budget categories as part of a State Data Center rebalance.
- Acknowledged receipt of a statutorily required report by the Department of Administrative Services on uniform rent rates.

| Emergency Fund Balance Summary | | |
|---|---------------------|------------------------|
| | Agency Requests | Emergency Board Action |
| General Purpose Emergency Fund | | |
| Appropriation (after 2016 Session adjustments) | 50,000,000 | 50,000,000 |
| Allocations to date | (598,073) | (598,073) |
| Unallocated Balance | 49,401,927 | 49,401,927 |
| Reservations (within General Purpose) | 1,000,000 | 1,000,000 |
| Reservations allocated to date | 0 | 0 |
| Unallocated Reservations | 1,000,000 | 1,000,000 |
| # September 2016 Requests - General Purpose | | |
| 4 Department of Education - E-Rate Program Matching Funds | (257,198) | (382,234) |
| 21 Oregon Health Authority - Drinking Water Program Testing Capacity | (724,889) | (102,450) |
| 33 Oregon State Police - Contract Costs for Information Technology System | (134,788) | (134,705) |
| 34 Oregon State Police - 2017-18 Fire Season Costs | (11,675,982) | (9,895,644) |
| 38 Oregon Military Department - Marion County Drinking Water Costs | (125,275) | (125,275) |
| 37 Oregon Military Department - Drinking Water Issues Coordination | (51,980) | - |
| 39 Department of Justice - RAIN Coordinator Salary Supplement | (51,102) | - |
| 39 Department of Justice - TANF Collections Decline Offset | (2,640,459) | (2,640,459) |
| 43 Department of Justice - Child Support Enforcement Automated System Non-Bondable Expenses | (1,343,259) | (1,343,288) |
| 50 Columbia River Gorge Commission - Supplemental Matching Funding | (8,000) | (8,000) |
| 54 Department of Agriculture - Oryza Malth Endoclon | (86,942) | (100,000) |
| 55 Department of Agriculture - Cyanobion Mitigation in Food Processing | (750,208) | (750,208) |
| 56 Department of Forestry - Fire Insurance Premium and 2018 Fire Suppression | (1,415,825) | - |
| 57 Department of Forestry - EU1 Strain Sudden Oak Death Eradication (from Reservation) | (1,000,000) | (1,000,000) |
| 88 Water Resources Department - Litigation Costs | (1,400,000) | (1,302,526) |
| 70 Department of Environmental Quality - Harmful Algal Blooms Testing and Mitigation | (380,000) | (380,000) |
| 88 Legislative Fiscal Office for Oregon Military Department - Grants for Fuel Distribution Facilities | (189,000) | (189,000) |
| Total Requests - General Purpose | (22,514,612) | (18,388,849) |
| General Purpose Unallocated/Unreserved Balance after 9/2016 (if requests approved) | 26,887,315 | 31,013,118 |
| Special Purpose Appropriations - Agency Specific (after 2016 Session actions) | | |
| Allocations/Transfers to Date | (49,006,116) | 49,006,116 |
| Allocations/Transfers to Date | (1,371,537) | (1,371,537) |
| Unallocated Balance | 47,634,589 | 47,634,589 |
| # September 2016 Requests - Special Purpose Appropriations - Agency Specific | | |
| 17 Department of Human Services - Ventilator Assisted Services in Nursing Facilities | (300,000) | (300,000) |
| 44 District Attorneys and Their Deputies - SB 505 Costs Associated with Grand Jury Reorganization | (824,837) | - |
| Total Requests - Special Purpose - Agency Specific | (1,124,837) | (300,000) |
| Special Purpose - Agency Specific - Unallocated Balance after 9/2016 (if requests approved) | 46,509,752 | 47,334,589 |

BUDGET NARRATIVE

Legislative Fiscal Office

300 Court St. NE, Rm. 4-178
Salem, OR 97301
503-986-1828



Ken Rocca
Legislative Fiscal Officer

Paul Sieber
Deputy Legislative Fiscal Officer

Summary of Emergency Board Action

December 2018

The Legislative Emergency Board met on December 14, 2018 and considered an agenda of 51 items. The Emergency Board approved four allocations from the Emergency Fund and six allocations from special purpose appropriations made to the Emergency Board. A request by the Legislative Fiscal Office to transfer unused special purpose appropriations from the Emergency Board to the Emergency Fund was also approved. A total of \$8.2 million was allocated from the Emergency Fund and \$12.9 million was allocated from special purpose appropriations. The transfer of unused special purpose appropriations totaled \$34.5 million. Additional details on these actions are described below. After the Emergency Board actions, the total balance in the Emergency Fund is \$57.3 million and will be available to the Legislature during the 2019 session. Any amount remaining in the Emergency Fund at the end of the current biennium will revert to the General Fund ending balance.

The agenda included 22 items that received additional 2017-19 biennium authority to spend (or transfer) Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$200,000 Lottery Funds, \$1.09 billion Other Funds, and \$461.1 million Federal Funds. The Emergency Board also authorized the establishment of 47 positions (12.44 FTE).

The agenda included 15 agency reports, which the Emergency Board acknowledged receiving. The Emergency Board heard ten requests for the submission of federal grant applications, eight of which were on a single consent agenda item.

The following is a summary of significant Emergency Board actions taken at the December 2018 meeting. Detailed information is available at <https://olis.leg.state.or.us/lis/201711/Committees/EB/2018-12-14-08-30/Agenda>

Education

- Increased the Federal Funds expenditure limitation for the Department of Education by \$7,316,943 and authorized the establishment of 4 limited duration positions (0.84 FTE) for the expenditure of additional Child Care Development Block Grant funding (and increased the Other Funds expenditure limitation for the Department of Human Services; see Human Services).

Human Services

- Increased the Other Funds expenditure limitation for the Department of Human Services by \$7,122,984 as part of the action on the additional Child Care Development Block Grant funding received by the Department of Education.
- Increased the Other Funds expenditure limitation

for the Oregon Health Authority by \$1,053,018,458, increased the Federal Funds expenditure limitation by \$431,648,088, approved transfers between appropriations and expenditure limitations, and authorized the establishment of 11 positions (3.34 FTE), to rebalance the agency's 2017-19 budget, with the understanding that the Department of Administrative Services will unschedule \$11,879,295 General Fund.

- Allocated \$260,949 from the Emergency Fund to the Oregon Health Authority, increased the Other Funds expenditure limitation by \$32,282, increased the Federal Funds expenditure limitation by \$180,359, and authorized the establishment of 6 positions (1.76 FTE) to support ombuds services for individuals eligible for

medical assistance programs for the remainder of the 2017-19 biennium.

- Allocated \$1,500,000 from the special purpose appropriation made to the Emergency Board for human services program budget challenges to the Oregon Health Authority to invest in community programs aimed at reducing the number of Aid and Assist patients sent to the Oregon State Hospital.
- Acknowledged receipt of reports by the Oregon Health Authority on mental health residential rates and on creating a single plan of shared accountability for behavioral health coordination within each geographic area.
- Acknowledged receipt of reports by the Department of Human Services on the agency's workforce-related efforts in the child welfare program, on efforts to curb costs and manage the Intellectual and Development Disabilities' budget, and on agency efforts to improve position management practices.
- Allocated \$2,500,000 from the special purpose appropriation made to the Emergency Board to the Department of Human Services for the agency's child welfare program.
- Allocated \$6,343,891 from the special purpose appropriation made to the Emergency Board for human services program budget challenges to the Department of Human Services, increased the Other Funds expenditure limitation by \$5,046,564, and approved transfers between appropriations and expenditure limitations to rebalance the agency's 2017-19 budget.
- Allocated \$255,882 from the special purpose appropriation made to the Emergency Board for human services program budget challenges to the Department of Human Services, increased the Federal Funds expenditure limitation by \$969,092, and authorized the establishment of 15 positions (3.75 FTE) to comply with a federal mandate on nursing facility complaint investigations.
- Increased the Other Funds expenditure limitation for the Department of Human Services by \$246,504 and authorized the establishment of 4 positions (1.00 FTE) to embed case managers in four hospitals.

Public Safety and Judicial Branch

- Allocated \$6,300,000 from the Emergency Fund to the Department of State Police, State Fire Marshal, to manage cash flow due to

extraordinary costs incurred responding to wildfires in the 2017-19 biennium.

- Established a Federal Funds capital construction expenditure limitation of \$5,300,000 for the Military Department for the Oregon Youth Challenge program expansion project.
- Established a Federal Funds capital construction expenditure limitation of \$1,300,000 for the Military Department to construct a pistol qualification range at Camp Najaf.
- Increased the Federal Funds expenditure limitation for the Military Department by \$4,000,000 for demolition projects at Camp Umatilla.
- Established a Federal Funds capital construction expenditure limitation of \$9,000,000 for the Military Department for the Camp Umatilla Regional Training Institute re-set project.
- Established an Other Funds capital improvement expenditure limitation of \$500,000 for the Military Department to purchase real property adjacent to the Camp Rilea Armed Forces Training Center in Warrenton.
- Acknowledged receipt of a report by the Military Department's Office of Emergency Management on its analysis of internal controls on federal grant management.
- Acknowledged receipt of a report by the Department of Justice on its Legal Tools Replacement Project.
- Increased the Other Funds expenditure limitation for the Criminal Justice Commission by \$200,948 and authorized the establishment of 2 positions (0.50 FTE) to spend a grant award on the Statistical Transparency of Policing program.
- Increased the Other Funds expenditure limitation for the Department of Public Safety Standards and Training by \$244,264 for wildland firefighter training expenses.
- Increased the Federal Funds expenditure limitation for the Department of Corrections by \$741,924 to spend a grant award for the Second Chance Act program.
- Allocated \$66,000 from the Emergency Fund to the Public Defense Services Commission to address workload needs in the Contract and Business Services Division for the remainder of the 2017-19 biennium.
- Allocated \$386,107 from the special purpose appropriation made to the Emergency Board for costs related to grand jury recordation to the District Attorneys and Their Deputies for

BUDGET NARRATIVE

reimbursement of costs for the three counties initially implementing grand jury recordation.

- Acknowledged receipt of reports by the Public Defense Services Commission and the Judicial Department on the implementation of SB 505 (2017) related to grand jury recordation.
- Acknowledged receipt of a report by the Public Defense Services Commission on the status of the Professional Services Account.

Natural Resources

- Allocated \$1,886,696 from the special purpose appropriation made to the Emergency Board for fire severity resources to the Department of Forestry, allocated \$1,601,221 from the Emergency Fund for interest expense and district deductibles for the 2018 fire season, increased the Other Funds expenditure limitation for the Department of Forestry by \$14,835,726 for 2018 fire season costs and timely processing of payments related to the fire season, and recommended that an appropriation of \$31,545,752 General Fund be made to the Department of Forestry in an early 2019 session rebalance bill to cover the remaining portion of the state's large-fire costs related to the 2018 fire season.
- Acknowledged receipt of a report by the Water Resources Department on publicly owned high-hazard dams in Oregon that have unsatisfactory or poor condition ratings.

Economic and Community Development

- Increased the Lottery Funds expenditure limitation for the Department of Veterans' Affairs by \$201,550 and authorized the establishment of 3 positions (0.75 FTE) to establish the agency as the U.S. Department of Veterans' Affairs State Approving Agency for veterans' education programs after the federal government found the Higher Education Coordinating Commission not qualified to continue serving that role beginning on October 1, 2019.

Transportation

- Approved, retroactively, the submission of a federal grant application by the Department of Aviation to the Federal Aviation Administration in the amount of \$37,000,000 for a runway extension project at the Aurora State Airport, with instructions to the agency on actions to take if the grant is awarded.

Consumer and Business Services

- Acknowledged receipt of a report by the Department of Consumer and Business Services on workers' compensation premium assessment rates.

Administration

- Transferred \$424,500 Other Funds expenditure limitation between divisions of the Public Employees Retirement System for administration of the Oregon Savings Growth Plan.
- Increased the Other Funds expenditure limitation for the Public Employees Retirement System by \$119,542, authorized the establishment of 2 positions (0.50 FTE), and transferred \$500,000 Other Funds expenditure limitation between divisions to facilitate completion of work on the agency's cybersecurity, business continuity, and disaster recovery programs.
- Deferred a request by the Department of Revenue to transfer \$262,712 General Fund between divisions to accommodate a projected budget shortfall in the Administration Division.
- Transferred \$687,519 General Fund between divisions of the Department of Revenue to accommodate a projected budget shortfall in the Property Tax Division.

- Acknowledged receipt of a report by the Department of Administrative Services on compensation plan changes.
- Increased the Other Funds capital construction expenditure limitation for the Department of Administrative Services by \$6,782,000 for the State Data Center upgrades project.
- Increased the Federal Funds expenditure limitation for the Department of Administrative Services by \$599,795 to complete two Lidar projects through the Oregon Lidar Consortium.

Legislative Branch

- Transferred specified unallocated balances from special purpose appropriations totaling \$34,462,012 to the Emergency Fund legal citation to facilitate access to these resources during the 2019 legislative session; after this action there is a total of \$57,255,961 available in the Emergency Fund for use in the 2019 session or for reversion to the General Fund 2019-21 biennium ending balance if not used.

| Emergency Fund Balance Summary | | |
|---|---------------------|------------------------|
| | Agency Requests | Emergency Board Action |
| General Purpose Emergency Fund | | |
| Appropriation (after 2018 Session adjustments) | 50,000,000 | 50,000,000 |
| Allocations to date | (18,977,891) | (18,977,891) |
| Unallocated Balance | 31,022,119 | 31,022,119 |
| Reservations (within General Purpose) | 1,000,000 | 1,000,000 |
| Reservations allocated to date | (1,000,000) | (1,000,000) |
| Unallocated Reservations | 0 | 0 |
| # December 2018 Requests - General Purpose | | |
| 1 Public Defense Services Commission - Workflow Needs | (6,000) | (6,000) |
| 10 Oregon Health Authority - Ombudspersons Services for Medical Assistance Program | (400,778) | (50,949) |
| 11 Oregon Health Authority - Open New 25-Bed Unit at Oregon State Hospital Junction City Campus | (2,714,077) | (see SPA below) |
| 19 Department of Human Services - Compliance with Centers for Medicare and Medicaid Services Directive | (285,882) | (see SPA below) |
| 21 Oregon State Police - 2017-18 Fire Season Extraordinary Costs | (6,300,000) | (6,300,000) |
| 34 Oregon Department of Veterans' Affairs - Certification as State Approving Agency for Federal Veterans' Education | (201,585) | (approved L.F.) |
| 38 Department of Forestry - 2018 Fire Season Costs and Treasury Interest Costs for Cashflow Loan (and SPA below) | (23,146,973) | (1,621,221) |
| 54 Legislative Fiscal Office - Transfer of Unused Special Purpose Appropriations to Emergency Fund | 34,462,012 | 34,462,012 |
| Total Requests - General Purpose | (8,853,248) | 26,233,842 |
| General Purpose Unallocated/Unreserved Balance after 12/2018 (if requests approved) | 22,388,873 | 57,255,961 |
| Special Purpose Appropriations - Agency Specific (after 2018 Session actions) | | |
| Allocations/Transfers to Date | (1,671,527) | (1,671,527) |
| Unallocated Balance | 47,334,588 | 47,334,588 |
| # December 2018 Requests - Special Purpose Appropriations - Agency Specific | | |
| 11 Oregon Health Authority - Open New 25-Bed Unit at Oregon State Hospital Junction City Campus | 0 | (1,500,000) |
| 17 Department of Human Services - Rebalance for Child Welfare, Self-Sufficiency, and Vocational Rehabilitation | (7,348,891) | (6,343,891) |
| 18 Department of Human Services - Child Welfare Issues | (3,500,000) | (3,500,000) |
| 19 Department of Human Services - Compliance with Centers for Medicare and Medicaid Services Directive | 0 | (255,882) |
| 33 District Attorneys and Their Deputies - Grand Jury Reconstitution Costs | (882,932) | (306,107) |
| 38 Department of Forestry - 2018 Fire Severity Costs (and Emergency Fund above) | (1,886,898) | (1,886,898) |
| 54 Legislative Fiscal Office - Transfer of Unused Special Purpose Appropriations to Emergency Fund | (34,462,012) | (34,462,012) |
| Total Requests - Special Purpose - Agency Specific | (47,075,531) | (47,334,588) |
| Special Purpose - Agency Specific - Unallocated Balance after 12/2018 (if requests approved) | 269,057 | 0 |

BUDGET NARRATIVE

AGENCY SUMMARY

HISTORY

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 use 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) in 2012. The IWRS serves as a blueprint to help Oregon meet its instream and out-of-stream water needs and is updated every five years. The most recent update was adopted by the Commission in the fall of 2017.

BUDGET NARRATIVE

WHERE WE ARE TODAY

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 to four-year terms, subject to confirmation by the Oregon Senate. The Department's Director, who manages the agency's day-to-day activities, 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.

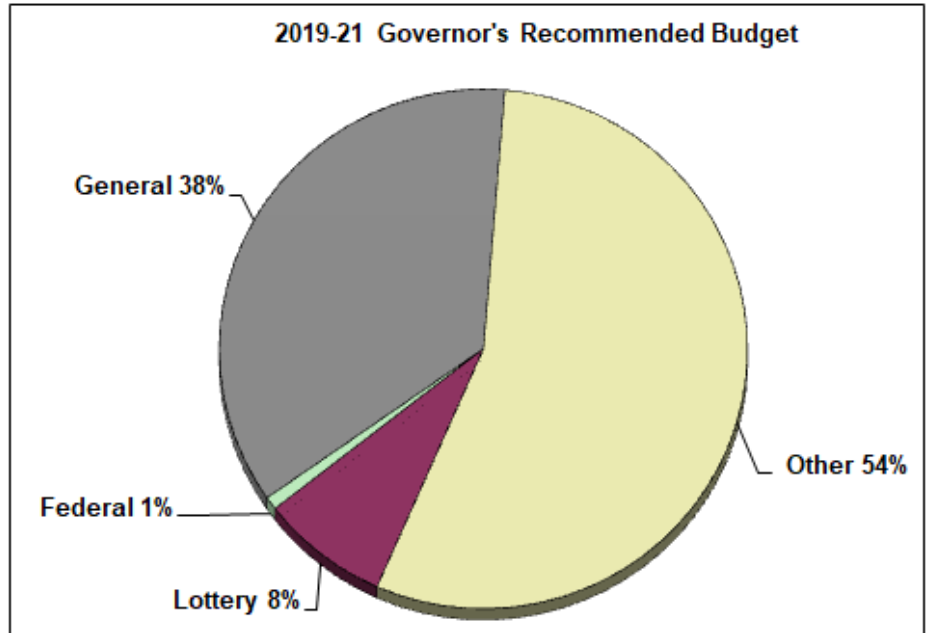
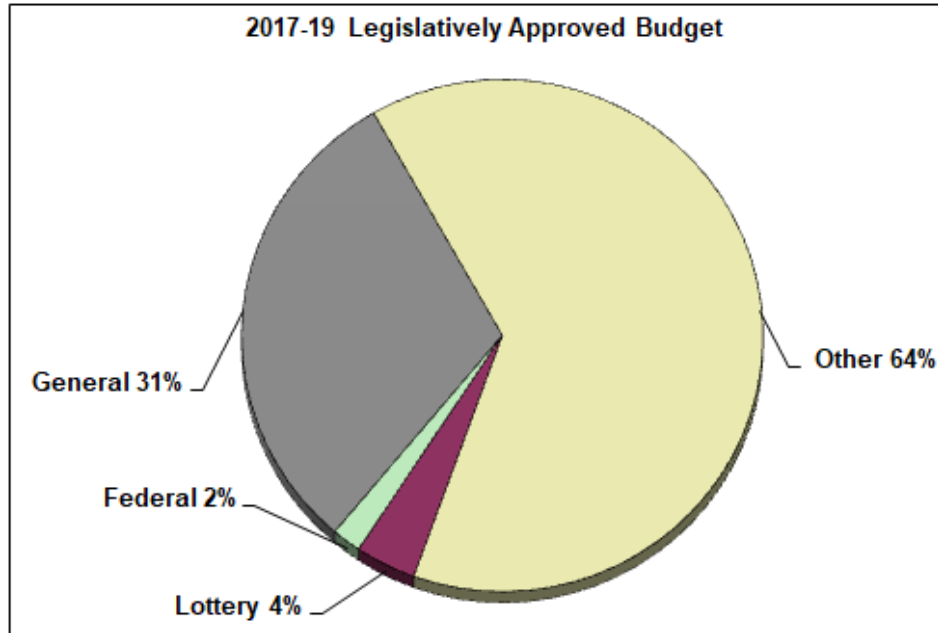
Today, the Department is focused on providing timely decisions on water right-related applications and transactions; distributing water in the field in accordance with the water rights of record; collecting and analyzing groundwater and surface water resources data to support responsible management, decision-making, and planning; and helping individuals, businesses and communities identify solutions to their water supply needs.

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 2017 IWRS.

The Department is focused on implementation of the recommended actions in the IWRS, and recommended actions are highlighted in each of the Department's Agency Request Budget policy option packages. 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 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

BUDGET SUMMARY GRAPHICS



| | 2017-19 Legislatively Approved Budget (In Millions) | | | | | |
|-------------------------|---|-------------|------------|------------|--------------|---------------|
| | General | Other | Lottery | Federal | Total | FTE |
| Administrative Services | 4.6 | 55.2 | 4.0 | 0.0 | 63.8 | 12.75 |
| Field Services | 11.5 | 3.4 | - | 0.6 | 15.4 | 60.42 |
| Technical Services | 8.4 | 3.6 | - | 1.2 | 13.2 | 46.00 |
| Water Rights & Adj | 3.7 | 4.6 | - | 0.0 | 8.4 | 37.42 |
| Director's Office | 3.9 | 0.1 | - | 0.0 | 4.0 | 11.00 |
| Water Dev Loan Prog | - | - | - | - | - | 0.00 |
| Capital Outlay | - | - | - | - | - | 0.00 |
| Total | 32.2 | 66.9 | 4.0 | 1.9 | 104.9 | 167.59 |

| | 2019-21 Governor's Recommended Budget (In Millions) | | | | | |
|-------------------------|---|-------------|------------|------------|--------------|---------------|
| | General | Other | Lottery | Federal | Total | FTE |
| Administrative Services | 5.4 | 47.6 | 8.5 | 0.0 | 61.4 | 12.50 |
| Field Services | 12.0 | 3.1 | - | 0.2 | 15.2 | 61.23 |
| Technical Services | 11.8 | 4.1 | - | 0.6 | 16.5 | 52.92 |
| Water Rights & Adj | 3.7 | 4.8 | - | 0.0 | 8.5 | 36.17 |
| Director's Office | 6.1 | 0.1 | - | 0.0 | 6.3 | 14.77 |
| Water Dev Loan Prog | - | - | - | - | - | 0.00 |
| Capital Outlay | - | - | - | - | - | 0.00 |
| Total | 38.9 | 59.7 | 8.5 | 0.9 | 108.0 | 177.59 |

BUDGET NARRATIVE

MISSION STATEMENT & STATUTORY AUTHORITY

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

AGENCY STRATEGIC PLANS

OREGON'S INTEGRATED WATER RESOURCES 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:

- 1.A Conduct additional groundwater investigations
- 1.B Improve water resource data collection & monitoring
- 1.C Coordinate interagency 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)
- Percent change from 2001 in the number of WRD-operated monitoring wells (KPM # 5)
- Percentage 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 (KPM #7)
- Number of groundwater basins for which the Department has completed groundwater studies
- 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

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

- 2.A Regularly update long-term water demand forecasts
- 2.B Improve water-use measurement & reporting
- 2.C Determine unadjudicated water right claims
- 2.D Authorize the update of water right records with contact information
- 2.E Regularly update Oregon’s water-related permitting guide
- 3.A Determine flows needed (quality & quantity) to support instream needs
- 3.B Determine needs of groundwater dependent ecosystems

The Department measures the following indicators to track progress:

- 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)

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

Oregon must anticipate changes that may affect both water resources and water needs into the future, such as climate change, population growth and shifts, and other challenges.

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

- 4.A Analyze the effects on water from energy development projects & policies
- 4.B Take advantage of existing infrastructure to develop non-traditional hydroelectric power
- 4.C Promote strategies that increase/integrate energy & water savings
- 5.A Support continued basin-scale climate change research efforts
- 5.B Assist with climate change adaptation & resiliency strategies
- 5.5A Plan and prepare for drought resiliency
- 5.5B Plan and prepare for flood events
- 5.5C Plan and prepare for a Cascadia subduction earthquake event
- 6.A Improve integration of water information into land use planning (and vice versa)
- 6.B Improve state agency coordination

BUDGET NARRATIVE

- 6.C Encourage low-impact development practices and green infrastructure
- 7.A Develop and upgrade water and wastewater infrastructure
- 7.B Encourage regional (sub-basin) approaches to water and wastewater systems
- 7.C Ensure public safety/dam safety
- 8.A Support Oregon's K-12 environmental literacy plan
- 8.B Provide education and training for Oregon's next generation of water experts
- 8.C Promote community education and training opportunities
- 8.D Identify ongoing water-related research needs

The Department measures the following indicators to track progress:

- # of dams inspected annually
- # of high-hazard dams in poor or unsatisfactory condition
- # of dams with detailed technical assessments completed (e.g., seismic, structural, flood)
- Improved assessment and integration in hazard mitigation plans, drought contingency plans, and other efforts to identify drought impacts, risks, and vulnerabilities on instream and out-of-stream sectors
- 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.

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

- 9.A Continue to undertake place-based integrated, water resources planning
- 9.B Coordinate implementation of existing natural resource plans
- 9.C Partner with federal agencies, tribes, and neighboring states in long-term water resources management
- 10.A Improve water-use efficiency and water conservation
- 10.B Improve access to built storage
- 10.C Encourage additional water reuse projects
- 10.D Reach environmental outcomes with non-regulatory alternatives
- 10.E Continue the water resources development program

BUDGET NARRATIVE

- 10.F Provide an adequate presence in the field
- 10.G Strengthen water quantity & water quality permitting programs
- 11.A Improve watershed health, resiliency, and capacity for natural storage
- 11.B Develop additional instream protections
- 11.C Prevent and eradicate invasive species
- 11.D Protect and restore instream habitat and habitat access for fish and wildlife
- 11.E Develop additional groundwater protections
- 12.A Ensure the safety of Oregon’s drinking water
- 12.B Reduce the use of and exposure to toxics and other pollutants
- 12.C Implement water quality pollution control plans
- 13.A Fund development and implementation of Oregon’s IWRS
- 13.B Fund water resources management activities at state agencies
- 13.C Invest in local or regional water planning efforts
- 13.D Invest in feasibility studies for water resources projects
- 13.E Invest in implementation of water resources projects

The Department measures the following indicators to track progress:

- Percent of water right applications that receive an initial review within 45 days of application filing (KPM #10)
- Number of regulatory actions taken on behalf of instream water rights (KPM #2)
- Percent of water transfer final orders issued within 120 days of application filing (KPM #11)
- Number of enforcement actions handled by the Department
- Percent of total regulatory actions that found water right holders in compliance with water rights and regulations (KPM #3)
- Number of water supply projects that receive assistance from Department’s Water Resources Development Program
- 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 plans for areas piloting place-based integrated water resources planning

BUDGET NARRATIVE

PROGRAM DESCRIPTIONS

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

ADMINISTRATIVE SERVICES DIVISION & WATER DEVELOPMENT LOAN FUND

| Customers | Funding Source | Expend w/o Pkgs | 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 Federal Funds | \$5.1 M \$32.1 M \$8.5 M \$.02 M | 12 / 11.5 | 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 four sections:</p> <ul style="list-style-type: none"> • Fiscal Services; • Human Resources; • Business Services; and • Water Development Loan Fund. | | | | |

BUDGET NARRATIVE

FIELD SERVICES DIVISION

| Customers | Funding Source | Expend w/o Pkgs | 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 | \$11.75 M \$3.08 M \$0.2 M | 61 / 58.71 | 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"> • Regulation/Distribution • Well Construction Inspection • Assisting Technical Services Division with Dam Safety Inspections • Collection of Hydrologic Data (Surface Water & Groundwater) • Customer Service in Field offices • Working with/advising local planning entities on water issues | | | | |

BUDGET NARRATIVE

TECHNICAL SERVICES DIVISION

| Customers | Funding Source | Expend w/o Pkgs | 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 | \$9.1 M \$4.14 M \$0.6 M | 45 / 45 | Dam Inspections and Reviews, Groundwater studies and data, Surface Water Hydrologic Records, Technical Water Right Reviews, Information Services, Mapping/GIS, Well Construction / Compliance. |
| <p>The Technical Services Division supports long-term water management by providing data and technical analysis, as well as protecting public safety through dam safety and well construction programs. Programs include:</p> <ul style="list-style-type: none"> • Aquifer Storage and Recovery / Artificial Recharge • Dam safety program; • Emergency Preparedness (drought and flood projections / preparedness) • Geographic information systems (GIS) / mapping; • Groundwater science, investigations and management; • Information systems management; • Surface water data and analysis / water availability / hydrographics; • Well construction, compliance and enforcement; • Well driller licensing / continuing education • Water use measurement and reporting. | | | | |

BUDGET NARRATIVE

WATER RIGHTS SERVICES DIVISION

| Customers | Funding Source | Expend w/o Pkgs | Positions / FTE | Case/ Work Load |
|---|--|---------------------------------|-----------------|--|
| 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 Federal Funds | \$4.0 M \$4.85 M \$.02 M | 38 / 37.17 | 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.</p> <p>The Division administers the following water right-related programs and processes:</p> <ul style="list-style-type: none"> • Extensions of time • Hydroelectric licensing • Limited (short-term) license applications • Protests • Instream lease applications • Review water conservation and management plans • Customer service and record management • Water right certification • Drought-related use permits • Water right transfers • Allocations of conserved water • Adjudication of water right claims based on water use that pre-dates the 1909 Water Code, federal reserved rights, and tribal rights | | | | |

BUDGET NARRATIVE

DIRECTOR'S OFFICE

| Customers | Funding Source | Expend | 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 Federal Funds | \$4.76 M \$0.05 M \$.02 M | 13 / 12.13 | Commission meetings & actions, Contested Case hearings, Rules, Citizen Response, IWRS, 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"> • Updating and implementing the Integrated Water Resources Strategy; • Policy oversight of all Department contested case hearings and litigation; • Intergovernmental coordination & representation in state/tribal negotiations; • Drafting, implementing & coordinating agency policies, rules, and legislation; • Citizen response and public information services; • Direct support of Water Resources Commission activities; • Oversight of Department work groups and task forces, sustainability initiatives, and process improvement; • Principal contact with members of the Legislature, stakeholder groups, other state agencies, local and federal entities, as well as the public; • 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 • Participation in the resolution of complex water issues. | | | | |

BUDGET NARRATIVE

ENVIRONMENTAL FACTORS

Numerous environmental factors 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, water law is an old body of law that is complex. Drought conditions, climate, population growth, and increasingly limited water supplies increase the challenges faced by staff in permitting, distributing and managing water across the state. Further, 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 support communities and expeditiously address complex policy questions, to provide water resource data to the public, and to process requests for water right changes to meet new and changing water demands. Finally, responding to increased litigation in recent years has taken significant staff time and resources.

BUDGET NARRATIVE

AGENCY PROCESS IMPROVEMENT EFFORTS

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.

Much of the Department's process improvement work highlighted in the 2017-19 Agency Request Budget has been underway or completed. For example, Water Rights processing has benefitted from updates of document generators from WordPerfect to Microsoft Word, the Department has a new integrated database system for groundwater data, and the Department is now accepting online credit card payments for Exempt Use Well Fees, Geotechnical Hole Fees, and Dam Safety Fees. In addition, the Department has found the payroll shared services model to be beneficial and is proposing to make it permanent.

More recently the Department has undertaken efforts to review opportunities for improving water use measurement, has begun to review the Field Division's workloads, and has developed a new database to record information about field activities. In addition, the Department has also updated some of its water rights forms to better align with the standards in the Department's Division 33 rules and to help applicants self-identify which portions of the rules apply to them. Finally, the Water Resources Development Program has continued to adjust their applications, guidance, and other grant and loan documents to better assist current and future grant applicants. These are just some examples of the various process improvement efforts the agency has been undertaking. In addition to these efforts, the Department has also launched a strategic planning effort. The purposes identified for developing a strategic plan include: (1) to prioritize our work; (2) to continue to improve as a positive and productive workplace; and (3) to improve our internal and external communications. The strategic plan is anticipated to be complete in late 2018. The Department anticipates that this effort will identify additional areas of focus for improvement.

BUDGET NARRATIVE

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.

AGENCY INITIATIVES – 2019-2021

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. In addition, current efforts to develop a strategic plan will result in an identification of key priorities for the agency to address in the coming years.

The Department’s proposed policy option packages provide insights into the Department’s current priorities and needs, which include but are not limited to: supporting communities that are undertaking place-based planning; addressing and resolving complex water issues in basins such as the Deschutes, Willamette, and Northeast Oregon; further assisting communities in understanding their groundwater resources, management options, and potential solutions, as well as protecting the resource for existing uses and timely processing new water right requests; assessing the condition of dams across the state to protect the public; being responsive to calls for regulation and water distribution, while also addressing illegal uses and complaints related to cannabis; improving the public’s knowledge and understanding of water resources in the state and making data more usable and accessible; helping communities meet their water needs by providing funding and technical assistance; and improving water use measurement and reporting.

BUDGET NARRATIVE

CRITERIA FOR 2019-2021 BUDGET DEVELOPMENT

The Department developed its 2019-2021 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 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+

"Not Applicable"

INFORMATION TECHNOLOGY PROJECTS \$150,000+

"Not Applicable"

BUDGET NARRATIVE

Summary of 2019-21 Biennium Budget

**Water Resources Dept
Water Resources Program
2019-21 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 |
|--|------------|----------------------------|---------------------|-------------------|------------------|---------------------|------------------|------------------------|--------------------------|
| 2017-19 Leg Adopted Budget | 170 | 167.59 | 98,623,681 | 31,483,809 | 3,953,969 | 61,306,369 | 1,879,534 | - | - |
| 2017-19 Emergency Boards | - | - | 6,252,052 | 667,177 | - | 5,558,492 | 26,383 | - | - |
| 2017-19 Leg Approved Budget | 170 | 167.59 | 104,875,733 | 32,150,986 | 3,953,969 | 66,864,861 | 1,905,917 | - | - |
| 2019-21 Base Budget Adjustments | | | | | | | | | |
| Net Cost of Position Actions | | | | | | | | | |
| Administrative Biennialized E-Board, Phase-Out | (1) | (3.08) | 642,065 | 751,222 | - | (227,136) | 117,979 | - | - |
| Estimated Cost of Merit Increase | - | - | - | - | - | - | - | - | - |
| Base Debt Service Adjustment | - | - | 4,539,351 | - | 4,539,351 | - | - | - | - |
| Base Nonlimited Adjustment | - | - | - | - | - | - | - | - | - |
| Capital Construction | - | - | - | - | - | - | - | - | - |
| Subtotal 2019-21 Base Budget | 169 | 164.51 | 110,057,149 | 32,902,208 | 8,493,320 | 66,637,725 | 2,023,896 | - | - |
| Essential Packages | | | | | | | | | |
| 010 - Non-PICS Pers Svc/Vacancy Factor | | | | | | | | | |
| Vacancy Factor (Increase)/Decrease | - | - | 947,365 | 726,303 | - | 221,062 | - | - | - |
| Non-PICS Personal Service Increase/(Decrease) | - | - | 31,400 | 16,172 | - | 10,496 | 4,732 | - | - |
| Subtotal | - | - | 978,765 | 742,475 | - | 231,558 | 4,732 | - | - |
| 020 - Phase In / Out Pgm & One-time Cost | | | | | | | | | |
| 021 - Phase - In | - | - | - | - | - | - | - | - | - |
| 022 - Phase-out Pgm & One-time Costs | - | - | (23,751,169) | - | - | (23,125,496) | (625,673) | - | - |
| Subtotal | - | - | (23,751,169) | - | - | (23,125,496) | (625,673) | - | - |
| 030 - Inflation & Price List Adjustments | | | | | | | | | |
| Cost of Goods & Services Increase/(Decrease) | - | - | 636,837 | 636,837 | - | - | - | - | - |
| State Gov't & Services Charges Increase/(Decrease) | - | - | 427,664 | 428,686 | - | (1,022) | - | - | - |

01/08/19
2:19 PM

Page 1 of 28

BDV104 - Biennial Budget Summary
BDV104

BUDGET NARRATIVE

Summary of 2019-21 Biennium Budget

Water Resources Dept
 Water Resources Program
 2019-21 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 | - | - | 1,064,501 | 1,065,523 | - | (1,022) | - | - | - |
| 040 - Mandated Caseload | | | | | | | | | |
| 040 - Mandated Caseload | - | - | - | - | - | - | - | - | - |
| 050 - Fundshifts and Revenue Reductions | | | | | | | | | |
| 050 - Fundshifts | - | - | - | - | - | 526,221 | (526,221) | - | - |
| 060 - Technical Adjustments | | | | | | | | | |
| 060 - Technical Adjustments | - | - | - | - | - | - | - | - | - |
| Subtotal: 2019-21 Current Service Level | 169 | 164.51 | 88,349,246 | 34,710,206 | 8,493,320 | 44,268,986 | 876,734 | - | - |

BUDGET NARRATIVE

Summary of 2019-21 Biennium Budget

Water Resources Dept
Water Resources Program
2019-21 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: 2019-21 Current Service Level | 169 | 164.51 | 88,349,246 | 34,710,206 | 8,493,320 | 44,268,986 | 876,734 | - | - |
| 070 - Revenue Reductions/Shortfall | | | | | | | | | |
| 070 - Revenue Shortfalls | - | - | - | - | - | - | - | - | - |
| Modified 2019-21 Current Service Level | 169 | 164.51 | 88,349,246 | 34,710,206 | 8,493,320 | 44,268,986 | 876,734 | - | - |
| 080 - E-Boards | | | | | | | | | |
| 080 - May 2018 E-Board | - | - | - | - | - | - | - | - | - |
| Subtotal Emergency Board Packages | - | - | - | - | - | - | - | - | - |
| Policy Packages | | | | | | | | | |
| 081 - September 2018 Emergency Board | - | - | - | - | - | - | - | - | - |
| 090 - Analyst Adjustments | (2) | (2.00) | (1,765,953) | (1,765,953) | - | - | - | - | - |
| 091 - Statewide Adjustment DAS Chgs | - | - | (318,042) | (256,752) | - | (61,290) | - | - | - |
| 092 - Statewide AG Adjustment | - | - | (62,290) | (57,417) | - | (4,873) | - | - | - |
| 101 - Place-Based Planning Community Support | 1 | 0.88 | 979,950 | 979,950 | - | - | - | - | - |
| 102 - Groundwater Data, Management & Protection | 10 | 8.80 | 2,837,027 | 2,837,027 | - | - | - | - | - |
| 103 - Resolving Complex Water Issues | - | - | - | - | - | - | - | - | - |
| 104 - Protecting the Public Through Dam Safety | - | - | 600,000 | 600,000 | - | - | - | - | - |
| 105 - Addressing Increasing Legal Expenses | - | - | 1,000,000 | 1,000,000 | - | - | - | - | - |
| 106 - Supporting Water Management in the Field | 4 | 3.52 | 754,248 | 754,248 | - | - | - | - | - |
| 107 - Investing in Projects to Meet Water Needs | - | - | 15,278,251 | - | - | 15,278,251 | - | - | - |
| 108 - Improving Water Use Measurement & Reporting | - | - | - | - | - | - | - | - | - |
| 109 - Increase Access to Data for Decision Making | - | - | - | - | - | - | - | - | - |
| 110 - Increase Understanding of Water Law and Tools | - | - | - | - | - | - | - | - | - |
| 111 - Marijuana & Compliance With Water Laws | - | - | - | - | - | - | - | - | - |

01/08/19
2:19 PM

Page 3 of 28

BDV104 - Biennial Budget Summary
BDV104

BUDGET NARRATIVE

Summary of 2019-21 Biennium Budget

Water Resources Dept
Water Resources Program
2019-21 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 |
|--|------------|----------------------------|--------------------|-------------------|------------------|-------------------|----------------|------------------------|--------------------------|
| 112 - Continuing Payroll Shared Services | 1 | 1.00 | 146,808 | - | - | 146,808 | - | - | - |
| 113 - Supporting Agency Functions | 1 | 0.88 | 183,351 | 93,175 | - | 90,176 | - | - | - |
| 114 - Mitigation to Allow for New Water Uses | - | - | - | - | - | - | - | - | - |
| 115 - Updating the IWRS | - | - | - | - | - | - | - | - | - |
| Subtotal Policy Packages | 15 | 13.08 | 19,633,350 | 4,184,278 | - | 15,449,072 | - | - | - |
| Total 2019-21 Governor's Budget | 184 | 177.59 | 107,982,596 | 38,894,484 | 8,493,320 | 59,718,058 | 876,734 | - | - |
| Percentage Change From 2017-19 Leg Approved Budget | 8.24% | 5.97% | 2.96% | 20.97% | 114.80% | -10.69% | -54.00% | - | - |
| Percentage Change From 2019-21 Current Service Level | 8.88% | 7.95% | 22.22% | 12.05% | - | 34.90% | - | - | - |

BUDGET NARRATIVE

PROGRAM PRIORITIZATION FOR 2019-21

| Agency Name: <i>Water Resources Department</i> | | | | | | | | | | | | | | | | | |
|--|-----------------------------------|---|-----------|----|------------|-------------|---------------|-----|-------------------------------|------------------------------------|-----------------------------------|------------------------------|--|-------------------------------------|----|--|--|
| 2019-21 Biennium | | | | | | | | | | | | | Agency Number: 69000 | | | | |
| 1 | 2 | 5 | 8 | 9 | 10 | 12 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | | |
| Priority (ranked with highest priority first) | Program Unit/Activity Description | GF | LF | OF | 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) | Packages included in Agency Request | | | |
| Agcy | Prgm/Div | | | | | | | | | | | | | | | | |
| 1 | FSD | Water Distribution - Field investigations, outreach to water right holders, distribution of surface water and groundwater according to rights of record, and protection of senior water rights, both instream and out-of-stream. Includes watermasters, assistant watermasters, region managers, and other field staff. | 9,208,478 | 0 | 1,351,510 | 0 | \$ 10,559,988 | 41 | 40.42 | N | S | 536, 537, 538, 539, 540, 542 | | 103, 106, 111 | | | |
| 2 | WRSD | Water Right Transactions - Processing of new water right applications, permit extensions, certificates, limited licenses, and water right records and research. Also includes protest coordinator, Water Management and Conservation Plans, and 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. Transactions include both instream and out-of-stream. | 3,892,357 | 0 | 4,499,989 | 0 | \$ 8,392,346 | 37 | 37.00 | N | S | 536, 537, 538, 540, 541, 542 | | 102, 114 | | | |
| 3 | TSD | Hydrologic Data Development, Analysis, and Publication - Measuring the physical water resources of the state, including streamflow (surface water), water levels in wells (groundwater), and reservoir elevations (storage). Analysis includes reporting of water diverted and used, development of groundwater studies, groundwater surface water interaction, surface water analysis, and water availability. Publication includes electronic platforms and portals for surface water and groundwater data, water right information management, and Geographic Information Systems (GIS) mapping. Includes water measurement analyst, hydrographers, hydrotechs, hydrologists, and hydrogeologists. | 8,809,527 | 0 | 2,672,404 | 876,734 | \$ 12,358,665 | 41 | 41.00 | N | S | 536, 537, 540, 541, 542 | | 102, 106, 108, 109, 110 | | | |
| 4 | DO | Water Resource Conservation, Development, and Solutions- Programs to assist individuals and communities to address instream and out-of-stream water needs now and into the future through place-based planning, feasibility studies, and water projects (such as conservation, efficiency, storage, water re-use). Includes Water Resources Development Program staff. | 2,298,868 | 0 | 31,000,000 | 0 | \$ 33,298,868 | 6 | 5.13 | N | S | 541 | | 101, 107 | | | |
| 5 | TSD | Public Safety in Water-Related Infrastructure - Dam safety and well construction programs, development of well construction standards, well driller licensing, and general enforcement. Well protections include prevention of waste, contamination, and loss of artesian pressure. Includes dam safety inspectors, well construction specialists, well inspectors, and enforcement staff. | 630,429 | 0 | 2,809,710 | 0 | \$ 3,440,139 | 14 | 13.21 | N | S | 536, 537, 540 | | 102, 104 | | | |

BUDGET NARRATIVE

| 1 | 2 | 5 | 8 | 9 | 10 | 12 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|--|--------------|---|------------|-----------|------------|---------|----------------|------|--------|--|--|--|--|--|--|
| Priority (ranked with highest priority first) | | Program Unit/Activity Description | GF | LF | OF | 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) | Packages included in Agency Request |
| Agcy | Prgm/ Div | | | | | | | | | | | | | | |
| 6 | 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, rulemaking, public hearings, special projects, and Integrated Water Resources Strategy implementation and updates. | 2,887,605 | 0 | 55,246 | 0 | \$ 2,942,851 | 7 | 7.00 | N | | S | 182, 183, 184, 536, 537, 538, 540, 541, 542, 543, 543A | | 102, 103, 105, 109, 110, 113, 115 |
| 7 | WRSD | Hydroelectric Program - Coordinating on hydroelectric project re-authorization and FERC licensing, reviews non-FERC applications. | 0 | 0 | 678,969 | 0 | \$ 678,969 | 3 | 2.17 | N | | C, S | 536, 537, 541, 543, 543A, Art XI-D | Hydroelectric Power Plants | |
| 8 | WRSD | Adjudication - Undertakes the processes to confirm pre-1909 surface water rights, as well as federal and tribal reserved water right claims. | 777,333 | 0 | 0 | 0 | \$ 777,333 | 2 | 2.00 | N | | S | 537, 539 | | |
| NR | ASD, TSD | Central Administrative Costs - Accounting, Budgeting, Human Resources, Support Services, Contracts, Facilities, front counter assistance, system administration (information technology, application developers, webmaster, risk management and firewalls, and business continuity). Includes fixed S&S costs. | 6,205,609 | 0 | 1,201,158 | 0 | \$ 7,406,767 | 18 | 16.58 | N | | C, S | 541, Art XI-1(1) | | 108, 109, 112, 113 |
| NR | ASD | Debt Service | 0 | 8,493,320 | 0 | 0 | \$ 8,493,320 | 0 | 0.00 | N | | D | | | |
| | | | 34,710,206 | 8,493,320 | 44,268,986 | 876,734 | \$ 88,349,246 | 169 | 164.51 | | | | | | |

BUDGET NARRATIVE

10% REDUCTION OPTIONS (ORS 291.216)

| ACTIVITY OR PROGRAM | DESCRIBE REDUCTION | AMOUNT AND FUND TYPE | RANK AND JUSTIFICATION |
|--|--|--|---|
| (WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN) | (DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2019-21 AND 2021-23) | (GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF) | (RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED) |
| 1. Remove Targeted Inflationary Increases | | \$ 20,000 – GF \$133,626 GF | Reduce targeted package 031 inflation. |
| 2. Gaging Stations | | \$97,200 – GF | The Water Resources Department operates over 250 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 and maintenance of gaging stations. Reductions to this funding stream reduce our ability to maintain and repair ~\$3m worth of stream gage infrastructure. |
| 3. Feasibility Study Grants | | \$205,438 – GF | 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 awarded more than \$2 million in grants during the 2015-2017 biennium, reducing the funding would impact the ability of the grant program to meet the need for these studies. |
| 4. Water Measurement Cost Share Program | | \$ 7,223 – GF \$9,197 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 meters and as much as \$25,000 for large flumes or weirs. 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 water use measurement devices. This reduction would result in fewer measurement devices installed and decrease water management efficiency. |

BUDGET NARRATIVE

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| 5. Observation Wells | | \$269,423 – GF \$100,000 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. |
| 6. Groundwater Studies | | \$9,744 – GF | This would reduce funding 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. |
| 7. Regional Customer Service & Office Support | 1.0 POS 0.42 FTE | \$36,046 – GF | This would eliminate a regional support staff resulting in a dramatic slowing of the Department’s ability to provide timely customer service. Property transactions could also be hampered by the lack of timely 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 staffs 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 water users need a lot of assistance. The Department’s ability to respond to requests in a timely manner will be severely curtailed. |
| 8. Regional Customer Service & Office Support | 1.0 POS 1.0 FTE | \$147,070 – GF | This would eliminate a regional support staff resulting in a dramatic slowing of the Department’s ability to provide timely customer service. Property transactions could also be hampered by the lack of timely 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 staffs 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 water users need a lot of assistance. The Department’s ability to respond to requests in a timely manner will be severely curtailed. |
| 9. Oregon Plan for Salmon & Watershed Activities | 1.0 POS 1.0 FTE | \$206,117 – 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, coordinates |

BUDGET NARRATIVE

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| | | | 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. |
| 10. Oregon Plan for Salmon & Watershed Activities | 1.0 POS 1.0 FTE | \$206,117 – 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. |
| 11. Water Right Extension Processor – Adjudications | 1.0 POS 1.0 FTE | \$157,807 – 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. |
| 12. Division Support | 1.0 POS 1.0 FTE | \$41,715 – GF \$134,969 – OF | 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. |
| 13. Water Rights Data Tech 1 | 1.0 POS 1.0 FTE | \$132,928 – GF | 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. |
| 14. Professional Engineer 1 | 1.0 POS 1.0 FTE | \$284,494 – GF | This position provides engineering support to the Department’s Water Resources Development Program for the purpose of evaluating proposed projects for technical viability prior to awarding grant and loan dollars. Loss of the PE1 position would reduce the Department’s ability to gauge the soundness of the State’s investment. |

BUDGET NARRATIVE

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|--|--------------------|----------------|---|
| 15. Hydrogeologist | 1.0 POS 1.0 FTE | \$157,807 — 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. |
| 16. Regional Transfer Application Processor | 1.0 POS 1.0 FTE | \$190,503 — GF | This eliminates one of two field-based transfer application processors. These positions provide local assistance to water right holders looking to make changes to their water rights, including changes of place of use or points of diversion. This work, when transferred to the Salem staff, would result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is approximately one year on average. |
| 17. Regional Transfer Application Processor | 1.0 POS 1.0 FTE | \$206,117 — OF | This eliminates one of two field-based transfer application processors. These positions provide local assistance to water right holders looking to make changes to their water rights, including changes of place of use or points of diversion. This work, when transferred to the Salem staff, would result in increased processing times, workload, and backlog. Currently the backlog for completing a transfer application is approximately one year on average. |
| 18. Microcomputer and Network Support (Eastern Oregon) | 1.0 POS 1.0 FTE | \$220,193 — 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. |
| 19. Water Development Grant Coordinator | 1.0 POS 1.0 FTE | \$262,601 — 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 |

BUDGET NARRATIVE

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| | | | 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. |
| 20. Business Applications Developer | 1.0 POS 1.0 FTE | \$241,730 — GF | 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. |
| 21. Water Measurement Analyst | 1.0 POS 1.0 FTE | \$232,400 — 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. |
| 22. Water Right Program Manager | 1.0 POS 1.0 FTE | \$173,219 — GF \$57,740 — OF | This position is responsible for the day to day management of the water right application review caseworkers and their support staff. Reducing the number of months for this position to 6 months of the biennium would cause other managers in the division to cover this workload, reducing management capacity to deal with complex applications. This would lead to an increase in mistakes, as well as misunderstandings between applicants, the public and the Department. Delays in processing would most likely increase. |
| 23. Supply & Conservation Specialist | 0.87 FTE | \$171,246 — GF \$27,888 — OF | This is one of two positions the Department has to review and process Water Management Conservation Plans and Reclaimed Water Registrations. Having two positions allows the Department to proactively work with these customers to assist them in implementing their water reduction and water re-use strategies. This reduction would nearly eliminate the Department's capacity to assist smaller cities that prepare their own Water Management Conservation Plans — something the Department has little resources for under existing staffing resources. The Department is planning on developing new rules to make Water Management and Conservation Plan filing easier for smaller communities and also plans to develop needed rules to add clarity to the Reclaimed Water Registration process. These rule processes would be delayed or indefinitely put on hold if one of the positions were to be reduced to a 3 month position. |

BUDGET NARRATIVE

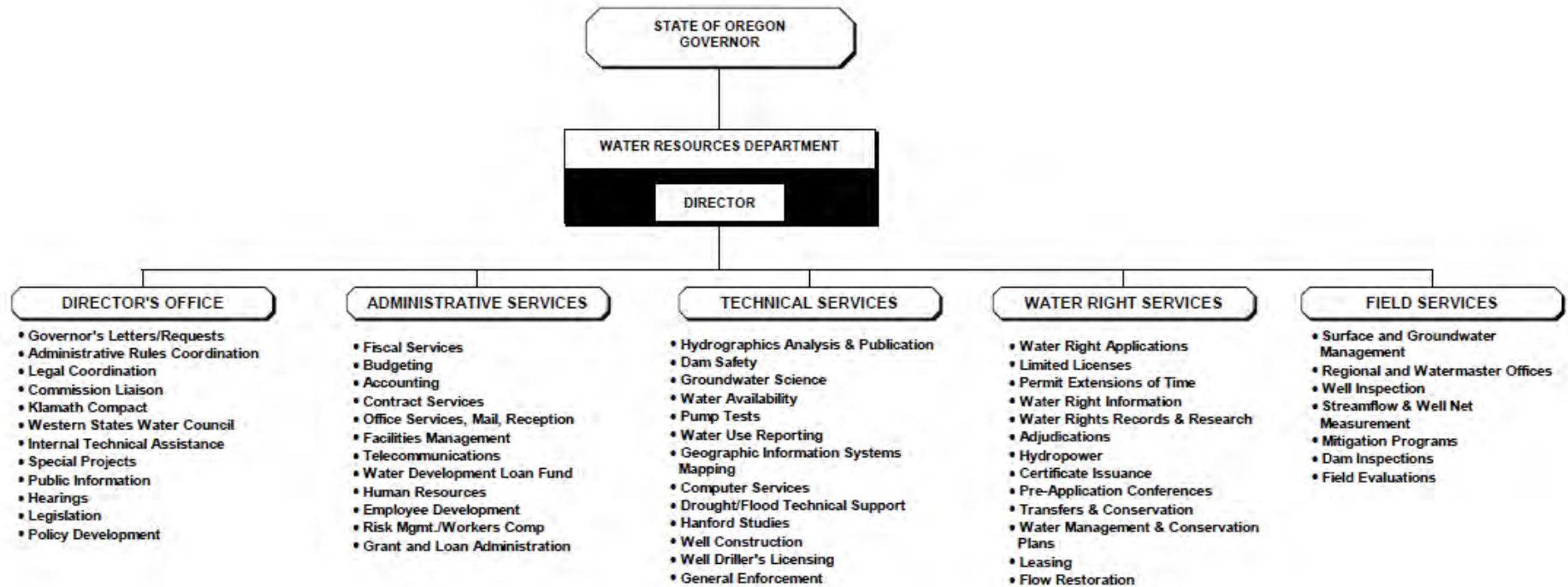
| | | | |
|--|--------------------|----------------|---|
| 24. Well Inspector | 1.0 POS 1.0 FTE | \$157,807 — OF | This is one of 5.21 FTE the Department has to inspect wells constructed each year. Well inspectors inspect approximately 30% of the 3,000 new water wells drilled each year in Oregon to ensure proper construction. Complex geology in Oregon makes proper well construction difficult. Improperly constructed wells lead to serious water level declines, loss of artesian pressure, contamination of precious drinking water, and public safety hazards. The well inspectors work with licensed well drillers, and landowners that construct 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. Fewer well inspectors results in less wells inspected, and less education and outreach to well drillers and landowners. |
| 25. Water Right Application Processor (Caseworker) | 1.0 POS 1.0 FTE | \$176,684 — OF | This is one of 4 water right application processors. These caseworkers process new water right applications. The elimination of this position would cause processing to slow down in this area. The process is designed to take six to nine months. If this position were eliminated processing would slow by three to six months during the biennium. |
| 26. Water Rights Administrative Support | 1.0 POS 1.0 FTE | \$115,461 — OF | This position supports the work of the water right application processing group by performing data entry, copying, mailing and filing. The elimination of this position would force higher paid staff to “self support” their own functions. Using higher paid technical staff to perform lower paid support functions is inefficient and causes the work of the higher paid staff to slow down. The elimination of this position would cause water right application processing to slow down by an additional three to six months during the biennium. |
| 27. Water Rights Certificate Processing Support | 1.0 POS 1.0 FTE | \$115,461 — OF | This position supports the work of the certificate section by performing data entry, copying, mailing and filing. The elimination of this position would force higher paid staff to “self support” their own functions. Using higher paid technical staff to perform lower paid support functions is inefficient and causes the work of the higher paid staff to slow down. The certificate section is making monthly progress reducing a backlog that has plagued this work area for over 20 years. Keeping all of the position intact should allow the section to eliminate the backlog in about 3 years. |
| 28. Water Right Application Processor | 1.0 POS 1.0 FTE | \$198,067 — OF | This position processes transfer applications when the applicant has paid extra fees for expedited processing. The elimination of this position would eliminate this expedited service. Regular transfer applications currently take about 12-15 months to process. Through this expedited service the processing time is reduced to just four months. |

BUDGET NARRATIVE

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| 29. Water Right Application Processor | 0.79 FTE | \$136,705 — OF | This position process requests for instream water rights and other new water right applications that are complicated. The elimination of this position would cause these tasks to be spread to other caseworkers which would cause application processing to slow down, especially instream water rights and complicated applications. The work done by this position also coordinates the input on water rights from other the Department of Fish and Wildlife and the Department of Environmental Quality. |
| 30. Hydrologic Technician | 0.42 FTE | \$87,673 — FF | Hydrographic technicians work around Oregon to measure stream discharge, and operate and maintain surface water gaging stations, contributing greatly to our understanding of basin yield, water availability for storage projects and new uses, and flood and drought monitoring. This is one of two hydrographic staff in the East Region, and is supported by contracts with the U.S. Bureau of Reclamation. Loss of this position would not allow the Department to fulfill contractual obligations with the federal government to operate and maintain gaging stations in Union, Wallowa, Baker and Malheur Counties. |
| | 21 POS 22.50 FTE | \$3,471,021 GF \$1,326,899 OF \$87,673 FF \$4,885,593 TF | The Governor's Budget included General Fund reductions of \$1,765,953 which is 5% of Current Service Level. |
| 107bf17 | | | |

BUDGET NARRATIVE

ORGANIZATIONAL CHART



BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Agencywide Program Unit Summary
2019-21 Biennium**

Version: Y - 01 - Governor's Budget

| Summary Cross Reference Number | Cross Reference Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--------------------------------------|--------------------------------------|--------------------|----------------------------------|-----------------------------------|--|---------------------------------|-------------------------------|
| 010-01-00-00000 | Administrative Services | | | | | | |
| | General Fund | 4,716,723 | 4,558,305 | 4,597,804 | 7,514,772 | 5,363,083 | - |
| | Lottery Funds | 2,511,474 | 3,953,969 | 3,953,969 | 10,497,943 | 8,493,320 | - |
| | Other Funds | 3,532,244 | 49,992,456 | 55,243,944 | 62,856,578 | 47,555,118 | - |
| | Federal Funds | - | - | 46,086 | 25,000 | 25,000 | - |
| | All Funds | 10,760,441 | 58,504,730 | 63,841,803 | 80,894,293 | 61,436,521 | - |
| 010-03-00-00000 | Field Services | | | | | | |
| | General Fund | 9,970,302 | 11,210,511 | 11,474,690 | 15,509,128 | 11,961,111 | - |
| | Other Funds | 1,550,834 | 2,180,344 | 3,351,335 | 3,084,324 | 3,077,314 | - |
| | Federal Funds | 105,158 | 616,140 | 621,437 | 207,663 | 207,663 | - |
| | All Funds | 11,626,294 | 14,006,995 | 15,447,462 | 18,801,115 | 15,246,088 | - |
| 010-04-00-00000 | Technical Services | | | | | | |
| | General Fund | 8,526,119 | 8,239,439 | 8,426,206 | 14,915,383 | 11,807,047 | - |
| | Other Funds | 2,662,334 | 4,926,180 | 3,596,392 | 3,905,843 | 4,122,310 | - |
| | Federal Funds | 524,473 | 1,263,394 | 1,188,394 | 594,071 | 594,071 | - |
| | All Funds | 11,712,926 | 14,429,013 | 13,210,992 | 19,415,297 | 16,523,428 | - |
| 010-06-00-00000 | Water Right Services Division | | | | | | |
| | General Fund | 3,421,263 | 3,647,773 | 3,734,169 | 4,363,142 | 3,678,031 | - |
| | Other Funds | 4,192,890 | 4,201,608 | 4,617,912 | 4,854,962 | 4,821,152 | - |
| | Federal Funds | - | - | 25,000 | 25,000 | 25,000 | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Agencywide Program Unit Summary - BPR010

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

Agencywide Program Unit Summary
2019-21 Biennium

Version: Y - 01 - Governor's Budget

| Summary Cross Reference Number | Cross Reference Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--------------------------------------|-------------------------------|--------------------|----------------------------------|-----------------------------------|--|---------------------------------|-------------------------------|
| 010-06-00-00000 | Water Right Services Division | | | | | | |
| | All Funds | 7,614,153 | 7,849,381 | 8,377,081 | 9,243,104 | 8,524,183 | - |
| 010-07-00-00000 | Director's Office | | | | | | |
| | General Fund | 4,516,873 | 3,827,781 | 3,918,117 | 9,209,288 | 6,085,212 | - |
| | Other Funds | 166,915 | 5,781 | 55,278 | 55,247 | 142,164 | - |
| | Federal Funds | - | - | 25,000 | 25,000 | 25,000 | - |
| | All Funds | 4,683,788 | 3,833,562 | 3,998,395 | 9,289,535 | 6,252,376 | - |
| TOTAL AGENCY | | | | | | | |
| | General Fund | 31,151,280 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| | Lottery Funds | 2,511,474 | 3,953,969 | 3,953,969 | 10,497,943 | 8,493,320 | - |
| | Other Funds | 12,105,217 | 61,306,369 | 66,864,861 | 74,756,954 | 59,718,058 | - |
| | Federal Funds | 629,631 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| | All Funds | 46,397,602 | 98,623,681 | 104,875,733 | 137,643,344 | 107,982,596 | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Agencywide Program Unit Summary - BPR010

BUDGET NARRATIVE

REVENUES

REVENUE DISCUSSION

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 as well as Lottery Revenue Bond proceeds. 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 (67% in 2017-19) and the Department of Environmental Quality (10.3% in 2017-19). The remaining funds are used for operation of the Water Resources Department’s 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.

Dam Safety Fees are assessed to dam owners and are used for activities related to the Dam Safety program.

Water Well Constructor License Fees are collected and used for activities related to the Well Construction licensing program.

BUDGET NARRATIVE

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

Basis of Estimates

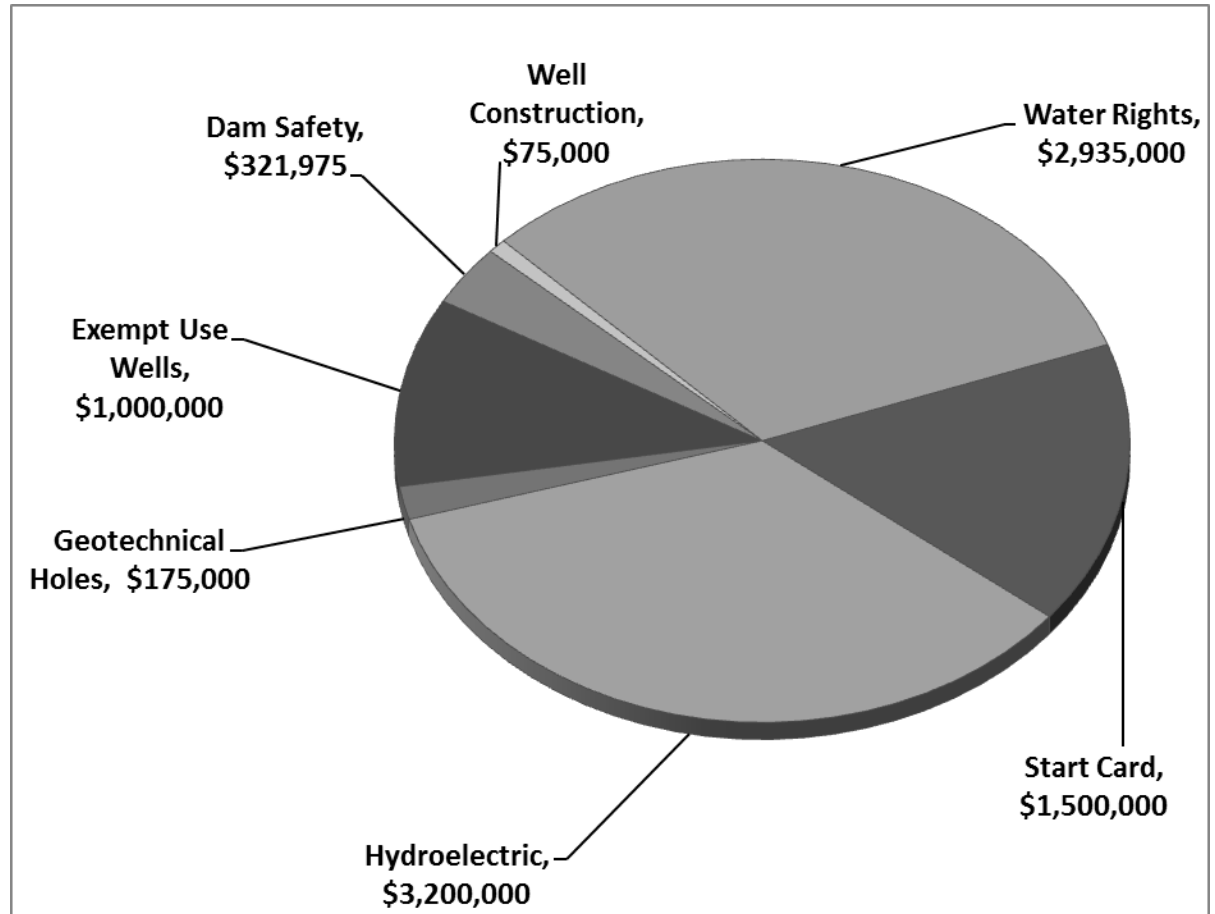
Estimates for other funds are based on projected activity in each of the fee areas. In addition to fee revenue, an estimate is made with regard to potential funding opportunities that could be available to the Department from other agencies and public entities. All estimates are developed and applied 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 Agency Request Budget revenue category: Power and Water Fees. \$9,206,975 is forecast for 2019-21 biennium.

New Revenue Sources or Increases

The Department has a legislative concept that proposes to establish a new fee for the review of plans for new dams as well as modifications to existing dams. The Department anticipates \$46,975 in revenues from the new fees for the Dam Safety Program and is included in the Agency Request Budget revenue estimates. The concept also establishes civil penalty authority.



BUDGET NARRATIVE

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

| Source | Fund | ORBITS Revenue Acct | 2015-17 Actuals | 2017-19 Legislatively Adopted | 2017-19 Estimated | 2019-21 | | |
|---------------------------------------|-------|---------------------------|--------------------|-------------------------------------|----------------------|-------------------|----------------------|--------------------------|
| | | | | | | Agency Request | Governor's Budget | Legislatively Adopted |
| Non-Business Lic and Fees | OF | 0210 | 400 | - | - | - | - | - |
| Power and Water Fees | OF | 0245 | 9,659,959 | 11,451,864 | - | 9,206,975 | 9,206,975 | - |
| Federal Revenue Service Contracts | OF | 0360 | 149,076 | 714,039 | - | 1,162,073 | 1,162,073 | - |
| Charges for Services | OF | 0410 | 1,735,303 | 1,725,160 | - | 1,753,732 | 1,753,732 | - |
| Admin and Service Charges | OF | 0415 | - | - | - | - | - | - |
| Fines and Forfeitures | OF | 0505 | 7,725 | - | - | 8,250 | 8,250 | - |
| Rents and Royalties | OF | 0510 | 13,502 | 13,000 | - | 13,000 | 13,000 | - |
| Dedicated Fund Obligation Bond | OF | 0560 | - | - | - | - | - | - |
| Lottery Bonds | OF | 0565 | - | 5,269,633 | - | - | - | - |
| Revenue Bonds | OF | 0570 | 22,091,394 | 22,622,536 | - | 30,733,733 | 15,278,251 | - |
| Interest Income | OF | 0605 | 300,745 | 275,000 | - | 117,502 | 117,502 | - |
| Sales Income | OF | 0705 | 962 | - | - | - | - | - |
| Loan Repayments | OF | 0925 | - | - | - | - | - | - |
| Other Revenues | OF/FF | 0975 | 12,749 | 55,000 | - | 34,000 | 34,000 | - |
| Federal Funds | FF | 0995 | 664,364 | 1,905,917 | - | 876,734 | 876,734 | - |
| | | | | | | - | - | - |
| Total Revenue | | | 34,636,179 | 44,032,149 | - | 43,905,999 | 28,450,517 | - |
| | | | | | | | - | - |
| Transfer In - Intrafund | OF | 1010 | 2,661,131 | 2,120,270 | - | - | 91,676 | - |
| Transfer In from General Fund | OF | 1060 | 110,725 | - | - | - | - | - |
| Transfer In - Lottery | LF | 1040 | - | - | - | 2,004,623 | - | - |
| Transfer In from Admin Serv | OF | 1107 | 2,504,732 | 3,948,999 | - | 8,493,320 | 8,493,320 | - |
| Transfer In from State Lands | OF | 1141 | - | 67,444 | - | 76,212 | 76,212 | - |
| Transfer In from Watershed Enhance Bd | OF | 1691 | 144,640 | 158,670 | - | 179,297 | 179,297 | - |
| Transfer Out - Intrafund | OF | 2010 | (2,640,566) | (1,864,999) | - | - | (91,676) | - |
| Transfer to General Fund | OF | 2060 | (15,450) | - | - | (8,250) | (8,250) | - |
| Tsfr to Environmental Quality | OF | 2340 | (722,335) | (681,921) | - | (714,000) | (714,000) | - |
| Tsfr to Parks and Rec | OF | 2634 | - | - | - | - | - | - |
| Tsfr To Fish and Wildlife | OF | 2635 | (1,791,067) | (1,847,549) | - | (1,976,000) | (1,976,000) | - |
| | | | | | | | - | - |
| Total Transfers | | | 251,810 | 1,900,914 | - | 8,055,202 | 6,050,579 | - |
| Net Revenue | | | 34,887,989 | 45,933,063 | - | 51,961,201 | 34,501,096 | - |

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

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

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|----------------------------------|--------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Lottery Funds | | | | | | |
| Interest Income | 8,533 | - | - | - | - | - |
| Transfer In - Intrafund | 38,330 | - | - | - | - | - |
| Transfer In Lottery Proceeds | - | - | - | 2,004,623 | - | - |
| Tsfr From Administrative Svcs | 2,504,732 | 3,948,999 | 3,948,999 | 8,493,320 | 8,493,320 | - |
| Transfer Out - Intrafund | (38,330) | - | - | - | - | - |
| Total Lottery Funds | \$2,513,265 | \$3,948,999 | \$3,948,999 | \$10,497,943 | \$8,493,320 | - |
| Other Funds | | | | | | |
| Non-business Lic. and Fees | 400 | - | - | - | - | - |
| Power and Water Fees | 9,659,959 | 9,714,740 | 11,451,864 | 9,206,975 | 9,206,975 | - |
| Federal Revenues - Svc Contracts | 149,076 | 714,039 | 714,039 | 1,162,073 | 1,162,073 | - |
| Charges for Services | 1,735,304 | 1,710,818 | 1,725,160 | 1,753,732 | 1,753,732 | - |
| Fines and Forfeitures | 7,725 | - | - | 8,250 | 8,250 | - |
| Rents and Royalties | 13,502 | 13,000 | 13,000 | 13,000 | 13,000 | - |
| Lottery Bonds | - | - | 5,269,633 | - | - | - |
| Revenue Bonds | 22,091,394 | 22,622,536 | 22,622,536 | 30,733,733 | 15,278,251 | - |
| Interest Income | 292,212 | 275,000 | 275,000 | 117,502 | 117,502 | - |
| Sales Income | 962 | - | - | - | - | - |
| Other Revenues | 12,749 | 55,000 | 55,000 | 34,000 | 34,000 | - |
| Transfer In - Intrafund | 2,602,236 | 2,120,270 | 2,120,270 | - | 91,676 | - |
| Transfer from General Fund | 103,000 | - | - | - | - | - |
| Tsfr From Lands, Dept of State | - | 67,444 | 67,444 | 76,212 | 76,212 | - |
| Tsfr From Military Dept, Or | 20,565 | - | - | - | - | - |
| Tsfr From Watershed Enhance Bd | 144,640 | 158,670 | 158,670 | 179,297 | 179,297 | - |
| Transfer Out - Intrafund | (2,602,236) | (2,120,270) | (2,120,270) | - | (91,676) | - |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

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

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--------------------------------|---------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Other Funds | | | | | | |
| Transfer to General Fund | (7,725) | - | - | (8,250) | (8,250) | - |
| Tsfr To Environmental Quality | (722,335) | (681,921) | (681,921) | (714,000) | (714,000) | - |
| Tsfr To Fish/Wildlife, Dept of | (1,791,067) | (1,847,549) | (1,847,549) | (1,976,000) | (1,976,000) | - |
| Total Other Funds | \$31,710,361 | \$32,801,777 | \$39,822,876 | \$40,586,524 | \$25,131,042 | - |
| Federal Funds | | | | | | |
| Federal Funds | 664,364 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| Total Federal Funds | \$664,364 | \$1,879,534 | \$1,905,917 | \$876,734 | \$876,734 | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

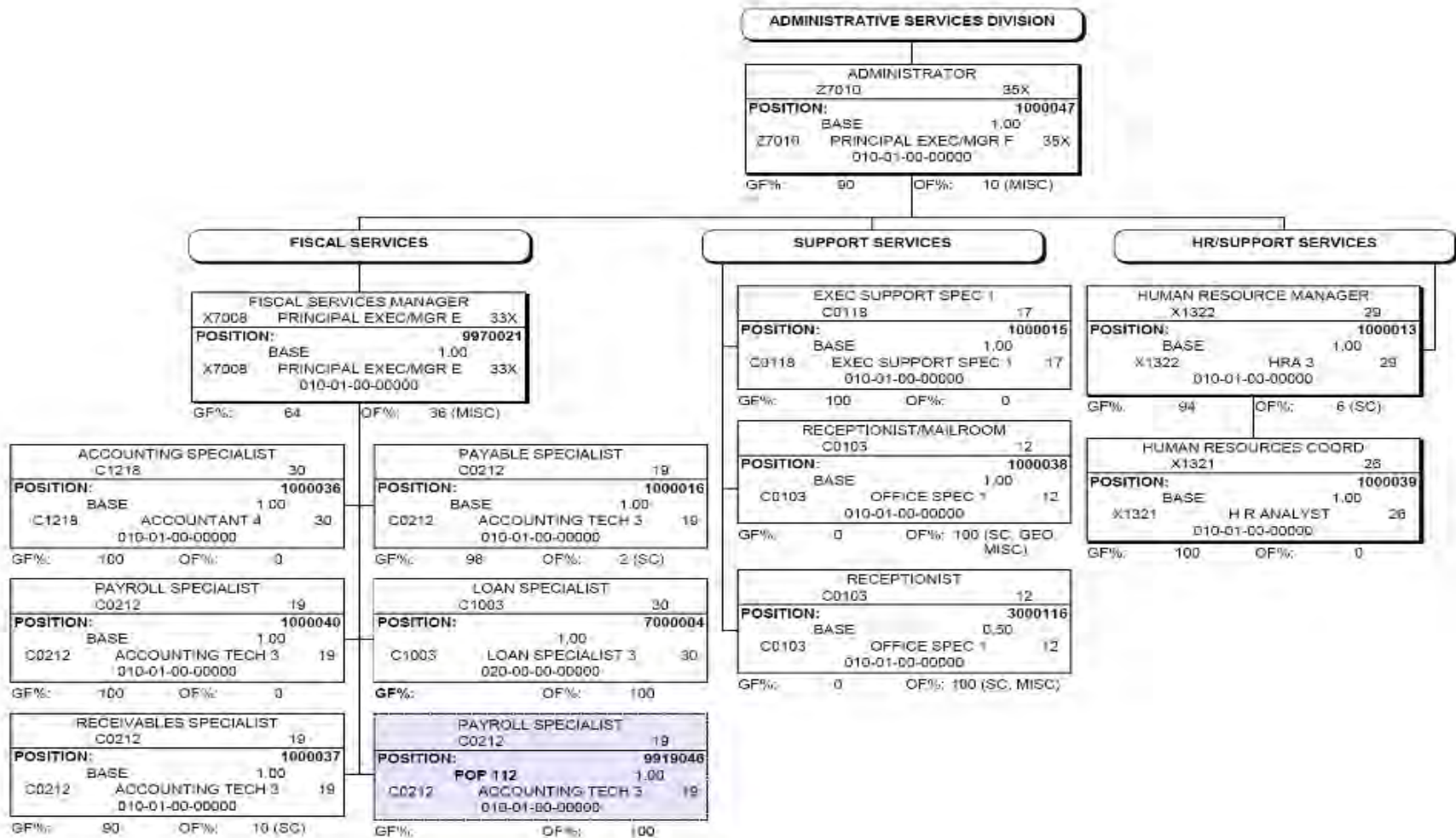
____ Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

BUDGET NARRATIVE

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BUDGET NARRATIVE

ADMINISTRATIVE SERVICES



BUDGET NARRATIVE

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BUDGET NARRATIVE

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 Development Loan Fund, Human Resources, Fiscal Services, and Business Services.

Program Contact: Lisa Snyder
(503) 986-0921

Program Funding Request

Water Resources Department proposed an additional \$2.4 million General Fund and \$32.7 million Other Funds and Lottery Funds primarily for grants to help communities evaluate the feasibility of water projects and grants and loans to implement water supply projects. In addition, positions are proposed to assist with human resources, accounting, and internal auditing.

The Administrative Services Division has 12 budgeted staff and one limited duration position providing a variety of administrative functions with a General Fund budget during the 2017-2019 biennium at \$4.6 million. In addition, the Division has a budget of \$55.2 million in Other Funds and Lottery Revenue Bond Funds, which are primarily for grants and loans for feasibility studies and water resources development projects.

Program Description

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 both the Salem office and field offices located throughout Oregon. The Section strives to ensure that all aspects of employee services are handled timely, accurately, and courteously.

The Section's responsibilities include the maintenance of the official personnel files, as well as generating reports on affirmative action, risk management and workers compensation. The Section also maintains and posts the required legal notices in all Water Resources Department

BUDGET NARRATIVE

offices located throughout Oregon. Staff in this section are also 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 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.

Other responsibilities of the Employee Services Section include payroll and benefits processing and tracking for Department staff, as well as 5 other agencies, including open enrollment, under a Shared Services pilot program that the Department proposes to make permanent beginning in the 2019-21 biennium.

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 Services Section include contract administration and budget tracking. 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 section is also responsible for coordination of facilities administration with the two other agencies with which we share the building.

BUDGET NARRATIVE

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, preparation of statewide financial reporting, and enters the allotment for OWEB.

Biennially, the Section creates, inputs, and reconciles in excess of 210,000 accounting entries, which include over 51,000 accounts payable entries, 99,000 payroll entries, and 19,000 accounts receivable or receipt entries. The Section maintains files and controls for over 300 contracts and agreements, including reimbursement authority contracts and agreements.

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 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 over 55,000 pieces of mail and over 9,000 receipts. These staff also provide reception services, assisting about 2,500 walk-in customers as well as directing about 6,000 callers through the central phone system to the appropriate technical staff.

The Water Resources Development Program funds which include Place-Based Planning, Feasibility Study Grants and Water Project Grants and Loans are monitored in the Business Services Section. See the Director's Office Section for more information on the Water Resources Development Program.

WATER DEVELOPMENT LOAN PROGRAM

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

BUDGET NARRATIVE

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. 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 potential applicants. However, the program has not seen any significant interest from potential applicants in recent years.

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, but was not expended. General Obligation bonds are only issued after project(s) are identified and an agreement is signed for repayment by the borrower(s). No funding was authorized for the 2017-19 biennium. There are no pending loans, or applications for loans.

Program Justification

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 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

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

BUDGET NARRATIVE

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 pilot project serves over 500 FTE in six different agencies employing one permanent Payroll Specialist and one limited duration Payroll Specialist. The Department plans to make the pilot permanent effective July 1, 2019.

TIMELY PAYMENT

The Division is required to pay invoices in a timely manner. These invoices are for supplies, licenses and data, services, interagency contracts, grant disbursements 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 4,500 invoices paid during each annual period since 2009, shows that the Department exceeds the target, paying 100 percent of invoices in less than 30 days.

| <i>Payment Timeliness</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> | <i>2016</i> | <i>2017</i> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 5 days | 72% | 75% | 91% | 83% | 91% | 89% | 95% | 83% | 66% |
| 5-10 days | 16% | 14% | 4% | 12% | 8% | 11% | 4% | 11% | 16% |
| 10-15 days | 7% | 10% | 4% | 4% | 1% | 1% | 0% | 3% | 9% |
| 15-20 days | 2% | 1% | 2% | 1% | 0% | 0% | 0% | 3% | 5% |
| 20-30 days | 3% | 0% | 0% | 1% | 0% | 0% | 0% | 1% | 3% |
| 30-45 days | 1% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| > 45 days | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| % within 30 days | 99% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| % within 15 days | 94% | 99% | 98% | 98% | 100% | 100% | 100% | 97% | 92% |

BUDGET NARRATIVE

ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The Feasibility Study Grants (Water Conservation, Reuse and Storage Grant) is governed by ORS 541.561 to 541.581. The Water Project Grants and Loans funding (Water Supply Development Account) is authorized by ORS 541.651 to 541.696. The Water Development Loan Fund is governed by ORS 541.700 to 541.855.

BUDGET NARRATIVE

FUNDING STREAMS

General Fund is the primary funding source that is used to provide administrative services to the Department. Funding for the Water Projects Grants and Loans Program has come from Lottery Revenue Bonds in the past, while a combination of Lottery Revenue Bonds and General Fund has supported Feasibility Study Grants. For the 2019-21 biennium, General Fund is proposed for Feasibility Study Grants and Lottery Revenue Bonds are proposed to support the Water Project Grants and Loans program.

Administrative Services Division

| | General Fund | Other Funds | Lottery Funds | Federal Funds | Total Funds |
|--|--------------|-------------|---------------|---------------|-------------|
| 2017-19 | | | | | |
| 2017-19 Legislatively Adopted Budget | 4,558,305 | 49,992,456 | 3,953,969 | - | 58,504,730 |
| 2017-19 Emergency Boards | 39,499 | 5,251,488 | - | 46,086 | 5,337,073 |
| 2017-19 Legislatively Approved Budget | 4,597,804 | 55,243,944 | 3,953,969 | 46,086 | 63,841,803 |
| 2019-21 Base Budget | 4,364,116 | 55,251,135 | 8,493,320 | 12,820 | 68,121,391 |
| 2019-21 Current Service Level | 5,112,899 | 32,138,102 | 8,493,320 | 25,000 | 45,769,321 |
| Policy Packages | | | | | |
| 2019-21 Modified Current Service Level | 5,112,899 | 32,138,102 | 8,493,320 | 25,000 | 45,769,321 |
| | | | | | - |
| Total Packages | 250,184 | 15,417,016 | - | - | 15,667,200 |
| 2019-21 Governor's Recommended Budget | 5,363,083 | 47,555,118 | 8,493,320 | 25,000 | 61,436,521 |

BUDGET NARRATIVE

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 2019-21 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 2017-19 biennium.

030 – Inflation and Price List Adjustment

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2019-2021 Budget Instructions. General inflation was calculated using a factor of 3.8% while a rate of 4.2% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2019-21 price lists.

060 – Technical Adjustment

This package was used to adjust 2019-21 budgets to align with the 2017-19 changes to the agency structure.

090 – Analyst Adjustments

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

091 – Statewide DAS Charges

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

092 – Statewide AG Adjustment

This package includes reductions to the Department of Justice Attorney General charges 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: 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 |
|--------------------------------|-----------------|---------------|------------------|-------------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 74,039 | - | - | - | - | - | 74,039 |
| Charges for Services | - | - | - | - | - | - | - |
| Federal Funds | - | - | - | (12,820) | - | - | (12,820) |
| Total Revenues | \$74,039 | - | - | (\$12,820) | - | - | \$61,219 |
| Personal Services | | | | | | | |
| All Other Differential | 82 | - | - | - | - | - | 82 |
| Public Employees' Retire Cont | 14 | - | - | - | - | - | 14 |
| Pension Obligation Bond | (8,859) | - | 144 | (12,820) | - | - | (21,535) |
| Social Security Taxes | 6 | - | - | - | - | - | 6 |
| Unemployment Assessments | 48 | - | 15 | - | - | - | 63 |
| Mass Transit Tax | (916) | - | 35 | - | - | - | (881) |
| Vacancy Savings | 83,664 | - | 4,006 | - | - | - | 87,670 |
| Total Personal Services | \$74,039 | - | \$4,200 | (\$12,820) | - | - | \$65,419 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 74,039 | - | 4,200 | (12,820) | - | - | 65,419 |
| Total Expenditures | \$74,039 | - | \$4,200 | (\$12,820) | - | - | \$65,419 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (4,200) | - | - | - | (4,200) |
| Total Ending Balance | - | - | (\$4,200) | - | - | - | (\$4,200) |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 021 - Phase - In

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 |
|--------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Vacancy Savings | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
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: 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 |
|--------------------------------------|--------------|---------------|-----------------------|---------------|------------------------|--------------------------|-----------------------|
| Revenues | | | | | | | |
| Revenue Bonds | - | - | (27,892,169) | - | - | - | (27,892,169) |
| Total Revenues | - | - | (\$27,892,169) | - | - | - | (\$27,892,169) |
| Services & Supplies | | | | | | | |
| Other Services and Supplies | - | - | (542,169) | - | - | - | (542,169) |
| Total Services & Supplies | - | - | (\$542,169) | - | - | - | (\$542,169) |
| Special Payments | | | | | | | |
| Other Special Payments | - | - | (22,583,327) | - | - | - | (22,583,327) |
| Total Special Payments | - | - | (\$22,583,327) | - | - | - | (\$22,583,327) |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | (23,125,496) | - | - | - | (23,125,496) |
| Total Expenditures | - | - | (\$23,125,496) | - | - | - | (\$23,125,496) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (4,766,673) | - | - | - | (4,766,673) |
| Total Ending Balance | - | - | (\$4,766,673) | - | - | - | (\$4,766,673) |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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 |
|--------------------------------------|------------------|---------------|----------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 469,432 | - | - | - | - | - | 469,432 |
| Total Revenues | \$469,432 | - | - | - | - | - | \$469,432 |
| Services & Supplies | | | | | | | |
| Instate Travel | 333 | - | - | - | - | - | 333 |
| Out of State Travel | 11 | - | - | - | - | - | 11 |
| Employee Training | 211 | - | - | - | - | - | 211 |
| Office Expenses | 4,975 | - | - | - | - | - | 4,975 |
| Telecommunications | 1,496 | - | - | - | - | - | 1,496 |
| State Gov. Service Charges | 398,118 | - | 7,735 | - | - | - | 405,853 |
| Data Processing | 35 | - | - | - | - | - | 35 |
| Publicity and Publications | 4 | - | - | - | - | - | 4 |
| Professional Services | - | - | - | - | - | - | - |
| Dues and Subscriptions | 4 | - | - | - | - | - | 4 |
| Facilities Rental and Taxes | 47,136 | - | - | - | - | - | 47,136 |
| Facilities Maintenance | 7 | - | - | - | - | - | 7 |
| Other Services and Supplies | 1,539 | - | - | - | - | - | 1,539 |
| Expendable Prop 250 - 5000 | 23 | - | - | - | - | - | 23 |
| IT Expendable Property | 133 | - | - | - | - | - | 133 |
| Total Services & Supplies | \$454,025 | - | \$7,735 | - | - | - | \$461,760 |
| Special Payments | | | | | | | |
| Dist to Other Gov Unit | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-------------------------------|------------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|
| Special Payments | | | | | | | |
| Other Special Payments | 15,407 | - | - | - | - | - | 15,407 |
| Total Special Payments | \$15,407 | - | - | - | - | - | \$15,407 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 469,432 | - | 7,735 | - | - | - | 477,167 |
| Total Expenditures | \$469,432 | - | \$7,735 | - | - | - | \$477,167 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (7,735) | - | - | - | (7,735) |
| Total Ending Balance | - | - | (\$7,735) | - | - | - | (\$7,735) |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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 |
|--------------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 197,165 | - | - | - | - | - | 197,165 |
| Total Revenues | \$197,165 | - | - | - | - | - | \$197,165 |
| Services & Supplies | | | | | | | |
| Facilities Rental and Taxes | 195,543 | - | - | - | - | - | 195,543 |
| Total Services & Supplies | \$195,543 | - | - | - | - | - | \$195,543 |
| Special Payments | | | | | | | |
| Other Special Payments | 1,622 | - | - | - | - | - | 1,622 |
| Total Special Payments | \$1,622 | - | - | - | - | - | \$1,622 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 197,165 | - | - | - | - | - | 197,165 |
| Total Expenditures | \$197,165 | - | - | - | - | - | \$197,165 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 060 - Technical 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 |
|--------------------------------------|----------------|---------------|-------------|-----------------|------------------------|--------------------------|-----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 8,147 | - | - | - | - | - | 8,147 |
| Federal Funds | - | - | - | 25,000 | - | - | 25,000 |
| Total Revenues | \$8,147 | - | - | \$25,000 | - | - | \$33,147 |
| Services & Supplies | | | | | | | |
| Instate Travel | (6,720) | - | - | - | - | - | (6,720) |
| Telecommunications | (24,355) | - | - | - | - | - | (24,355) |
| Data Processing | 3,181 | - | - | - | - | - | 3,181 |
| Professional Services | 9,800 | - | - | - | - | - | 9,800 |
| Facilities Rental and Taxes | 25,137 | - | - | - | - | - | 25,137 |
| Agency Program Related S and S | 2,455 | - | - | - | - | - | 2,455 |
| IT Expendable Property | (1,351) | - | - | - | - | - | (1,351) |
| Total Services & Supplies | \$8,147 | - | - | - | - | - | \$8,147 |
| Special Payments | | | | | | | |
| Dist to Other Gov Unit | - | - | (5,150,000) | - | - | - | (5,150,000) |
| Other Special Payments | - | - | 5,150,000 | 25,000 | - | - | 5,175,000 |
| Total Special Payments | - | - | - | \$25,000 | - | - | \$25,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 8,147 | - | - | 25,000 | - | - | 33,147 |
| Total Expenditures | \$8,147 | - | - | \$25,000 | - | - | \$33,147 |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 060 - Technical Adjustments

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 |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (274,354) | - | - | - | - | - | (274,354) |
| Total Revenues | (\$274,354) | - | - | - | - | - | (\$274,354) |
| Personal Services | | | | | | | |
| Vacancy Savings | (46,269) | - | - | - | - | - | (46,269) |
| Total Personal Services | (\$46,269) | - | - | - | - | - | (\$46,269) |
| Services & Supplies | | | | | | | |
| Instate Travel | (2,368) | - | - | - | - | - | (2,368) |
| Employee Training | (3,250) | - | - | - | - | - | (3,250) |
| Office Expenses | (3,150) | - | - | - | - | - | (3,150) |
| Telecommunications | (5,988) | - | - | - | - | - | (5,988) |
| Professional Services | (4,664) | - | - | - | - | - | (4,664) |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | (104) | - | - | - | - | - | (104) |
| Other Services and Supplies | (2,500) | - | - | - | - | - | (2,500) |
| Expendable Prop 250 - 5000 | (623) | - | - | - | - | - | (623) |
| Total Services & Supplies | (\$22,647) | - | - | - | - | - | (\$22,647) |
| Special Payments | | | | | | | |
| Other Special Payments | (205,438) | - | - | - | - | - | (205,438) |
| Total Special Payments | (\$205,438) | - | - | - | - | - | (\$205,438) |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-----------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Total Expenditures | | | | | | | |
| Total Expenditures | (274,354) | - | - | - | - | - | (274,354) |
| Total Expenditures | (\$274,354) | - | - | - | - | - | (\$274,354) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 091 - Statewide Adjustment DAS Chgs

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 |
|--------------------------------------|--------------------|---------------|------------------|---------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (225,462) | - | - | - | - | - | (225,462) |
| Total Revenues | (\$225,462) | - | - | - | - | - | (\$225,462) |
| Services & Supplies | | | | | | | |
| Office Expenses | (61,835) | - | - | - | - | - | (61,835) |
| Telecommunications | - | - | (1,883) | - | - | - | (1,883) |
| State Gov. Service Charges | (78,289) | - | - | - | - | - | (78,289) |
| Data Processing | - | - | (2,560) | - | - | - | (2,560) |
| Professional Services | (55,338) | - | - | - | - | - | (55,338) |
| Other Services and Supplies | (30,000) | - | - | - | - | - | (30,000) |
| Total Services & Supplies | (\$225,462) | - | (\$4,443) | - | - | - | (\$229,905) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (225,462) | - | (4,443) | - | - | - | (229,905) |
| Total Expenditures | (\$225,462) | - | (\$4,443) | - | - | - | (\$229,905) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 4,443 | - | - | - | 4,443 |
| Total Ending Balance | - | - | \$4,443 | - | - | - | \$4,443 |

BUDGET NARRATIVE

Policy Option Package #101: Place-Based Planning Community Support

Purpose: Water is the foundation for our quality of life, economies, and ecosystems. Oregon communities need to plan for how they will meet their instream and out-of-stream water needs in the midst of limited supply and a changing climate. In most parts of the state, surface water is fully allocated in summer months. Similarly, across the state, aquifers are becoming fully appropriated. In order to sustain current and future economic growth, while supporting environmental health, communities must consider how they will meet their water needs now and into the future. Place-based integrated water resources planning is a voluntary, locally initiated and led effort in which a balanced representation of water interests within a hydro-geographic area (e.g., basin, watershed or groundwater area) work in partnership with the state to characterize current water resources and issues; understand current and future instream and out-of-stream water needs and demands; and identify solutions to address water needs. Undertaking place-based integrated water resources planning supports Recommended Action 9.A of the Integrated Water Resources Strategy.

In 2015, the Oregon Legislature passed SB 266 authorizing the State to pilot place-based integrated water resources planning to partner with communities to understand and meet their water resources needs. The Department also received \$750,000 to help communities pilot the approach. In 2016, the Oregon Water Resources Commission awarded four grants to four basins: Upper Grande Ronde, Lower John Day, Malheur Lake, and the Mid-Coast. The primary purpose of this package is to support four existing place-based planning areas and to evaluate the place-based planning approach to water planning.

Since 2016, each of the four planning groups has diligently worked in partnership with the Department to develop a place-based integrated water resources plan through a five-step planning process. Each of the places have crafted governance agreements that outline how diverse partners work together, increased awareness of water issues within and beyond their communities, compiled and synthesized water-related data from state and federal agencies, and created a venue to share local knowledge. Both the Department and the four planning groups agree that it will take additional time and resources to develop place-based plans and work to implement them. Therefore, the Department is seeking additional funding to support the four places and seeking legislation to extend the sunset of Senate Bill 266 (2015) from 2019 to 2023.

Collaborative planning takes time, but can yield benefits in the form of reduced conflict over water resources and greater capacity to implement projects that will help address instream and out-of-stream needs. Other basins in Oregon are interested in conducting place-based planning. Before establishing place-based planning as a permanent program, there is a need to evaluate the place-based planning approach, determine if it or other types of planning are best for Oregon, and to decide how to proceed with helping communities plan for their water future. This package, therefore presents a way to evaluate place-based planning and conduct a planning needs assessment in order to determine how best the State of Oregon can partner with communities in water planning.

BUDGET NARRATIVE

How Achieved: In meeting with stakeholders, there was strong support for providing financial and technical assistance to the four planning groups to help them complete their plans and work on implementation. There was also an interest in evaluating the place-based approach to water planning and assessing planning needs before determining whether to make the program permanent. As a result, the Department is proposing legislation to extend Senate Bill 266 through June 30, 2023, as well as proposing this funding package to provide assistance to the four planning groups and to evaluate the program.

In order for planning groups to successfully finish planning and transition to plan implementation, it is essential for the State to provide technical assistance to help the pilots fill critical data gaps about their water resources and demands, as well as financial assistance to sustain facilitation and project coordination support. OWRD is requesting \$650,000 to support the four planning groups. The portion of funds provided to each planning group will be determined based on need and how far along the group is in the planning process. Funds will be used by the Department and the planning groups for technical work, data, trainings, facilitation, coordination, group gatherings, and other support necessary to sustain a multi-interest collaborative process. After the plan is adopted, the Department proposes to provide staff resources and cost-match funds for coordination and facilitation to shift the group from planning towards working on implementation for one to two years.

In addition to the funding, this package proposes to make permanent a full time planning coordinator position that has been critical to supporting the planning groups, and will continue to be needed as they develop a plan and shift to implementation. The position will also help facilitate the evaluation of the program, including implementing any recommendations of the evaluation. In addition to place-based planning, planning coordinators also often provide other coordination or support to basins undertaking other types of water-related planning.

An evaluation of the place-based planning approach will allow the Department to incorporate the experiences of the four planning groups into the program design of place-based planning. The independent evaluation would identify the lessons learned, successes, potential improvements, as well as how the State should partner in water planning. As part of this, the evaluation will also include an inventory of completed, ongoing, and expected water planning efforts in order to better identify the need for State investment in water planning. Likewise an assessment of interest in place-based and other water planning will help the Department identify those basins interested in planning and their readiness. Such an assessment will also help basins identify what federal, state, local, or private resources are available for their water planning. Requested funds for the evaluation and the planning needs assessment is \$100,000.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|----------------------|------|--------|------|-----------|-----------|
| 9919001 | C8504 AP | Nat Res Spec 4 | Planning Coordinator | PF | 21 | 0.88 | \$229,950 | \$259,654 |

BUDGET NARRATIVE

Quantifying Results: The four communities piloting the approach to place-based planning have made significant investments in time and resources to move their planning efforts forward. Staff estimate that cash and in-kind match from the communities and private foundations are double the state's investment (2:1 ratio) so far. Each plan will outline the status of water resources for the planning area, instream and out-of-stream water needs and demands, as well as solutions to meet those water needs now and into the future. The plans will then be utilized to help the community move forward on implementing the solutions, which will help them to ensure they have water necessary to sustain their economies, communities, and ecosystems. Providing funds to support the existing planning groups in 2019-2021 would result in:

- Upper Grande Ronde and Lower John Day adopting plans in mid to late 2019 and begin plan implementation. Investment in plan implementation will allow coordinated follow through on the actions identified in the plan (e.g., pursue a water supply project).
- Mid-Coast adopting a place-based plan in 2020 and begin plan implementation.
- Malheur Lake being on track to adopt a plan in 2022/2023, depending on the completion of the ongoing groundwater study in the basin.

Funding an independent evaluation of place-based planning and a water planning assessment would result in an understanding of:

- Needed improvements to the program, as well as the challenges, opportunities, strengths and weaknesses of the approach;
- How well the current place-based planning draft guidelines helped communities undertaking the place-based approach, and how the guidelines could be improved;
- How Oregon should proceed with place-based planning, and whether other types of planning is needed;
- Other planning efforts in Oregon, and the status of those efforts;
- Where water planning is needed, what kind of planning may be appropriate for basins interested in water planning, and what each needs to move forward.

Funding Source:

General Fund: ~~\$979,950~~ \$750,000

Staffing Costs: ~~\$229,950~~

Support Planning Group: \$650,000

Evaluation and Needs Assessment: \$100,000

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funding in the amount of \$750,000 in the Administrative Services Division for support for the planning groups, a needs assessment and program evaluation. The position is proposed for funding in the Director's Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 101 - Place-Based Planning Community Support

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 |
|--------------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 750,000 | - | - | - | - | - | 750,000 |
| Total Revenues | \$750,000 | - | - | - | - | - | \$750,000 |
| Services & Supplies | | | | | | | |
| Professional Services | 200,000 | - | - | - | - | - | 200,000 |
| Total Services & Supplies | \$200,000 | - | - | - | - | - | \$200,000 |
| Special Payments | | | | | | | |
| Other Special Payments | 550,000 | - | - | - | - | - | 550,000 |
| Total Special Payments | \$550,000 | - | - | - | - | - | \$550,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 750,000 | - | - | - | - | - | 750,000 |
| Total Expenditures | \$750,000 | - | - | - | - | - | \$750,000 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

___ Agency Request
 2019-21 Biennium

___ Governor's Budget
 Page _____

___ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #107: Investing in Projects to Meet Water Needs

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 of water, as well as increase the incidence of droughts. To adequately meet Oregon’s instream and out-of-stream water demands now and into the future, Oregon needs to invest in efforts to evaluate and implement projects. That means looking more closely at innovative water conservation and reuse projects, environmentally sound storage projects, and other water projects.

The costs of the numerous feasibility studies and environmental analyses that must be conducted before a project can be built frequently 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 or Feasibility Study Grants), 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 2017 Integrated Water Resources Strategy’s Recommended Action 13.D identifies the need to continue to provide 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.

In addition to the need to identify and evaluate projects, there is also a high demand for funding to implement water infrastructure projects. In a 2016 survey of member cities, the League of Oregon Cities projected a need of \$7.6 billion to address water and wastewater infrastructure needs for their member cities over the next 20 years. The American Society of Civil Engineers (ASCE) has estimated similar costs. In the 2017 Infrastructure Report Card for Oregon, ASCE estimates Oregon’s infrastructure need in the drinking water sector at about \$5.6 billion and in the wastewater sector, about \$3.89 billion, for a total of \$9.49 billion. These surveys demonstrate a high need to investment in water infrastructure but do not provide a complete assessment of the need. In addition to drinking water and wastewater infrastructure needs, agriculture also has significant water infrastructure needs particularly as many farmers and districts seek to install more efficient irrigation systems and implement other conservation projects. Further work is needed to understand the status of water supply infrastructure across the state.

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 grants and loans for water resources development projects that have economic, environmental and community benefits. To date, demand has far exceeded the amount of funding available each cycle. In 2013 and 2015 the Legislature authorized a total of \$14 million for projects in lottery revenue bond funding (bonds issued in spring of 2015 and 2017). 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 \$8.9 million, leaving \$5.1 million for the 2017 funding cycle.

BUDGET NARRATIVE

In 2017, Department received 32 applications and \$34 million in grant and loan requests. An additional \$15 million was authorized for the 2017-2019 biennium. The Commission awarded funding to the top four projects for a total of about \$6.2 million. This allowed the Commission to have approximately \$13.8 million in funding for the 2018 and 2019 funding cycles. In 2018, another 19 applications were received requesting nearly \$16 million.

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: continuing the Water Resources Development Program (#10.E); improving access to built storage (#10.B); improving water use efficiency and water conservation (#10.A); encouraging water reuse (#10.C); determining and protecting flows needed to support instream needs (#3.A and #11.B); and investing in water resources projects (#13.E).

This policy option package also requests a full time Program Analyst 3 position. This position is necessary for proper oversight of the program as well as to help manage sources of capital for sustainable investment in projects in both the near and long-term.

How Achieved: This request includes funding to better understand the current status of our water infrastructure, as well as invest in evaluating the feasibility and implementation of projects.

\$250,000 is proposed to conduct a water infrastructure inventory to better understand the status and condition of Oregon's water infrastructure, and anticipated needs for investments. The funding will support a contractor to collect and compile existing information to develop a comprehensive statewide inventory of the status and condition of water supply infrastructure, maintenance costs, and potentially an estimate of the value of operation. This complements a proposal in Oregon Department of Environmental Quality's Agency Request Budget (Package #161) that would assemble comparable information on Oregon's wastewater and stormwater infrastructure needs.

There is currently \$400,000 General Fund in the Department's base budget for grant awards in the Water Conservation, Reuse and Storage Grant program (also called Feasibility Study Grants). With communities more regularly experiencing water shortages, there is increased interest in pursuing conservation, storage, and reuse projects. This proposal would provide an additional \$1 million in General Fund to provide grants to investigate the viability of these projects.

In addition, this request would recapitalize the Water Supply Development Account with \$30 million in Lottery Bond Revenue in order to fund grants and loans for water projects that provide economic, environmental, and social benefits to meet Oregon's ongoing instream and out-of-stream water needs.

This policy option package also requests a full time Program Analyst 3 position. This position is necessary for proper oversight of the program as well as to help manage sources of capital for sustainable investment in projects in both the near and long-term. The position would understand the

BUDGET NARRATIVE

various funding options, including other grant and loan opportunities to help the state, individuals, and communities obtain and leverage these funds. The position would conduct financial modeling and financial analysis to facilitate identification of sources of capital and manage Department funds for investment in water projects and studies. This position would also be responsible for the origination, structuring, negotiation, and closing of project financing and investments, including auditing grants and loans. The analyst would also provide guidance to individuals and communities developing financing plans for projects.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------|--------------------------------------|------|--------|----------|-----------|-----------|
| 9919027 | C0862 AP | Program Analyst 3 | Water Project Grant And Loan Analyst | PE | 21 | 0.88 FTE | \$183,962 | \$196,596 |

Quantifying Results: The long-term goal is to better meet instream and out-of-stream needs for Oregonians 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. In order to develop new or secure existing water supplies, communities must investigate which projects are feasible to meet the need and then pursue implementation of those projects. Oregon will be better informed and a more strategic and effective investor in projects with a statewide inventory of current water supply infrastructure, as future grant and loan investments will be prioritized and carried out with a more comprehensive baseline understanding of water infrastructure needs.

Feasibility Study Grants and Water Project Grants and Loans are two ways the State of Oregon can partner with communities to invest in water supply projects. Both competitive grant programs require cost-match for grants and loans awarded, allowing state funds to be leveraged and ensuring that only serious applicants apply. Feasibility Study Grants requires a dollar-for-dollar match and Water Project Grants and Loans requires the applicant to cover no less than 25% of the total project cost.

In addition to awarding and managing the grants, the Program Analyst 3 position would be responsible for leveraging state dollars for additional federal, local, or private investment. The position will promote greater access to the funding opportunities through outreach to and guidance for potential applicants across Oregon. It will also help Water Project Grants and Loans to develop into a sustainable revolving fund.

BUDGET NARRATIVE

Funding Source:

General Fund: ~~\$1,433,962~~

Staffing Costs: ~~\$183,962~~

Infrastructure Assessment: ~~\$250,000~~

Feasibility Study Grants: ~~\$1,000,000~~

Other Funds: ~~\$30,733,733~~ \$15,278,251

Lottery Revenue Bonds

Water Projects: ~~\$30,000,000~~ \$15,000,000

Cost of Issuance: ~~\$733,733~~ \$278,251

Lottery Funds: ~~\$2,004,623~~

Debt Service: ~~\$2,004,623~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes \$15,000,000 in Lottery Revenue Bond proceeds plus the issuance costs of \$278,251 for the Administrative Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 107 - Investing in Projects to Meet Water Needs

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 |
|--------------------------------------|--------------|---------------|---------------------|---------------|------------------------|--------------------------|---------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Revenue Bonds | - | - | 15,278,251 | - | - | - | 15,278,251 |
| Transfer In Lottery Proceeds | - | - | - | - | - | - | - |
| Tsfr From Administrative Svcs | - | - | - | - | - | - | - |
| Total Revenues | - | - | \$15,278,251 | - | - | - | \$15,278,251 |
| Services & Supplies | | | | | | | |
| Other Services and Supplies | - | - | 278,251 | - | - | - | 278,251 |
| Total Services & Supplies | - | - | \$278,251 | - | - | - | \$278,251 |
| Special Payments | | | | | | | |
| Other Special Payments | - | - | 15,000,000 | - | - | - | 15,000,000 |
| Total Special Payments | - | - | \$15,000,000 | - | - | - | \$15,000,000 |
| Debt Service | | | | | | | |
| Principal - Bonds | - | - | - | - | - | - | - |
| Interest - Bonds | - | - | - | - | - | - | - |
| Total Debt Service | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | 15,278,251 | - | - | - | 15,278,251 |
| Total Expenditures | - | - | \$15,278,251 | - | - | - | \$15,278,251 |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 107 - Investing in Projects to Meet Water Needs

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 |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

BUDGET NARRATIVE

Policy Option Package #112 Continuing Payroll Shared Services

Purpose: Since 2015, the Water Resources Department has piloted a shared payroll service model with neighboring state agencies. Over the last four years, we have created best practices, streamlined processes, and are now realizing economies of scale. The team approach to payroll processing has also enabled the agencies to consider succession planning and enabled continued support of payroll functions when a staff member is out of the office. The pilot began with four agencies and has since grown to include the following six agencies: Department of State Lands, Land Use Board of Appeals, Housing and Community Services, Department of Land Conservation and Development, Watershed Enhancement Board, and Water Resources Department. This pilot has proven to be a successful and efficient alternative for these agencies each with less than 200 FTE. The shared payroll team is now supporting approximately 550 employees.

How Achieved: During the initial pilot phase, a limited duration Accounting Technician 3 position was authorized. This package proposes to continue the shared service approach to payroll for these agencies, by making this position permanent. Making the position permanent will maintain the success if this model going forward.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------|--------------------|------|--------|-----|-----------|-----------|
| 9919046 | C0212 OAS AP | Accounting Tech 3 | Payroll Technician | PF | 24 | 1.0 | \$146,808 | \$146,808 |

Quantifying Results: The payroll shared service approach creates administrative efficiencies for the six participating agencies – by pooling resources together, we have demonstrated the ability to effectively manage a fully functioning payroll and benefits program with less staff than what would otherwise be required if each agency conducted the work separately.

Funding Source:

Other Funds: \$146,808

Staffing Costs: \$146,808

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funding for this package in the amount of \$143,208 for the Administrative Services Division. The remaining \$3,500 is proposed for funding in Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 112 - Continuing Payroll Shared Services

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 |
|--------------------------------------|--------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | 78,336 | - | - | - | 78,336 |
| Empl. Rel. Bd. Assessments | - | - | 61 | - | - | - | 61 |
| Public Employees' Retire Cont | - | - | 13,294 | - | - | - | 13,294 |
| Social Security Taxes | - | - | 5,993 | - | - | - | 5,993 |
| Worker's Comp. Assess. (WCD) | - | - | 58 | - | - | - | 58 |
| Flexible Benefits | - | - | 35,184 | - | - | - | 35,184 |
| Total Personal Services | - | - | \$132,926 | - | - | - | \$132,926 |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | 662 | - | - | - | 662 |
| Employee Training | - | - | 1,000 | - | - | - | 1,000 |
| Office Expenses | - | - | 1,440 | - | - | - | 1,440 |
| Telecommunications | - | - | 2,680 | - | - | - | 2,680 |
| Employee Recruitment and Develop | - | - | 500 | - | - | - | 500 |
| Dues and Subscriptions | - | - | 500 | - | - | - | 500 |
| Other Services and Supplies | - | - | 1,000 | - | - | - | 1,000 |
| Expendable Prop 250 - 5000 | - | - | 2,500 | - | - | - | 2,500 |
| Total Services & Supplies | - | - | \$10,282 | - | - | - | \$10,282 |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | 143,208 | - | - | - | 143,208 |
| Total Expenditures | - | - | \$143,208 | - | - | - | \$143,208 |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 112 - Continuing Payroll Shared Services

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 |
|-----------------------------|--------------|---------------|--------------------|---------------|------------------------|--------------------------|--------------------|
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (143,208) | - | - | - | (143,208) |
| Total Ending Balance | - | - | (\$143,208) | - | - | - | (\$143,208) |
| | | | | | | | |
| Total Positions | | | | | | | |
| Total Positions | | | | | | | 1 |
| Total Positions | - | - | - | - | - | - | 1 |
| | | | | | | | |
| Total FTE | | | | | | | |
| Total FTE | | | | | | | 1.00 |
| Total FTE | - | - | - | - | - | - | 1.00 |

BUDGET NARRATIVE

01/08/19 REPORT NO.: PDPDFISCAL DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE
 REPORT: PACKAGE FISCAL IMPACT REPORT 2019-21 PROD FILE
 AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION
 SUMMARY XREF:010-01-00 Administrative Services PACKAGE: 112 - Continuing Payroll Shared Serv

| 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 |
|--------------------------------|-------|-------|----------------------------|---------|------|-------|------|----------|------------|------------|------------|------------|------------|
| 9919046 | OAS | C0212 | AP ACCOUNTING TECHNICIAN 3 | 1 | 1.00 | 24.00 | 02 | 3,264.00 | | 78,336 | | | 78,336 |
| | | | | | | | | | | 54,590 | | | 54,590 |
| TOTAL PICS SALARY | | | | | | | | | | 78,336 | | | 78,336 |
| TOTAL PICS OPE | | | | | | | | | | 54,590 | | | 54,590 |
| TOTAL PICS PERSONAL SERVICES = | | | | 1 | 1.00 | 24.00 | | | | 132,926 | | | 132,926 |

BUDGET NARRATIVE

Policy Option Package #113: Supporting Agency Functions

Purpose: In order for the Department to achieve its mission, the agency must ensure that it provides the underlying support for staff to succeed in their day-to-day responsibilities and for the agency to function well. Accounting, procurement, public records, information technology and human resources professionals enable other staff across the agency to focus on the work of protecting and promoting sustainable management of Oregon's water resources. In recent years, the Department has identified a need to help these foundational staff succeed in several areas as outlined below.

Loans/Procurement: The Department has had a loan specialist associated with the Water Development Loan Fund (WDLF); although the Department has over the years received limitation authority for loans, in recent biennia none have been issued. As a result, this position, budgeted to be funded by the WDLF, has been paid for by General Fund savings to focus on compliance with contracting and procurement requirements, as well as the Water Projects Grants and Loans funding opportunity. Contracting and procurement is essential to the work of the agency, and the Department has no other staff that perform this work.

Accounting: The Department is experiencing an increase in the volume of accounting transactions as well as an increased complexity in fiscal tracking and reporting. In recent biennia the Department has received over \$50 million in Lottery Revenue Bond funding for the Water Resources Development Program which requires specialized reporting and tracking. Recent changes to the statewide reporting requirements for accounts receivable have resulted in additional tracking needs for fiscal staff. There is a need for the Department to review and update its internal fiscal processes and policies to ensure compliance with statewide guidance. Fiscal staff have begun efforts to map and streamline processes; however, the increasing workloads have limited progress.

Human Resources: Human Resources is a strategic asset to improve performance and efficiency across the Department through increased training and development opportunities. The Department currently has two positions dedicated to supporting and managing the HR functions for both the Department and the Oregon Watershed Enhancement Board. These positions support approximately 200 employees throughout the state. In the last two years, there has been a steady increase in workload at the higher level due to complex employee and labor relation issues, required safety training compliance and monitoring, performance management, affirmative action and equity responsibilities, and supporting the implementation of employee initiatives. There are also increased workloads due to recent requirements to implement wellness, diversity and inclusion, and emergency preparedness actions. One position also oversees the Shared Services Payroll Team, which currently provides payroll and benefit administration for six agencies.

IT Life Cycle Replacement: The Department's computers and servers are nearing or have passed their end-of-life. This includes file servers, database servers, domain controllers, and other specialized servers as well as personal computers. These machines are managed by the Department's IT staff. Laptop and desktop computers also require replacement as new technological advances in equipment are released that will aid staff in accessing information as they perform their duties. The replacement of these machines has been done on an as-needed basis, typically with vacancy or other accrued savings, usually at the end of the biennium. The Department believes that a better approach would be to establish a

BUDGET NARRATIVE

dedicated budget for life-cycle replacement, technology upgrades, and licensing for Department's computer servers, personal computers, and software applications. Additionally, the Department would like to move its computer servers off-site to the State Data Center. Having the servers located off-site will better enable the Department to provide service to internal and external customers, as well as be better prepared for an emergency. This project is in alignment with IWRS Recommended Action 1C.

Public Records: Public record requests are now taking a considerable amount of staff time. The agency received approximately 89 public records requests in 2015, 133 in 2016, and 143 in 2017, and more than 100 as of August 1, 2018. Part of the reason for the increase is that the agency began ensuring that public records requests were submitted to one person to ensure that the request was properly fulfilled. The agency needs to process public records requests timely in accordance with the law, while also ensuring that all staff that may have the records are contacted to fulfill the request, that all records are found and reviewed for sensitive information, and that the request is properly fulfilled. Current public records workloads have reduced staff's time available to spend on rules coordination, Director's office projects, and other responsibilities.

Internal Audit: The Department met the criteria in 1(c) of Oregon Administrative Rule 125-700-0125 as of Fiscal Year 2016, requiring an internal auditing function (ORS 184.360). The Department received a waiver for fiscal years 2015 through 2017, while exploring options for meeting this requirement. The Department has spoken with DAS to determine its options and has decided that the preferred choice is to hire a position to undertake the internal auditing function to comply with the requirements.

How achieved:

- *Loans and Procurement:* This package proposes to shift the Water Development Loan Specialist from the Water Development Loan Fund to General Fund to allow the Department to continue to comply with procurement requirements and contracting needs, as well as conduct work associated with the Water Project Grants and Loans Program.
- *Accounting:* This package proposes to add an Accountant 1 to assist in daily processing of accounting transactions. This position will assist fiscal staff in the updating and training of Department staff on fiscal policies. Adding this position will allow the senior accounting staff to focus on higher level accounting work as well as reviewing agency procedures to ensure compliance with all statewide fiscal policies, refine management reports which are used by senior management for decision making and focus on streamlining fiscal processes.
- *Human Resources:* In order to meet these increased demands and ensure compliance with employment contracts and policies, the Department proposes to create capacity by rebalancing the workload and shifting lower level human resources work to a third position classified as an HR Analyst 1. With this adjustment, the HR Section will be better positioned to proactively manage human resources functions for two agencies and payroll and benefit functions for six.
- *Information Technology/Lifecycle Replacement:* The Department has reached out to the State Data Center (SDC) to determine the cost to migrate servers and firewalls over to the SDC in a phased approach over the course of the 19-21 biennium. This package proposes funding

BUDGET NARRATIVE

to cover those costs, which include computing and storage, off-site back up, and setup charges. In addition, funding is also included to upgrade outdated personal computing technology.

- *Public Records:* The Department is proposing a position to address public records coordination to ensure timely and accurate responses to public records requests. This position will also help to streamline records storage and retention to help make public records requests easier to process.
- *Internal Auditor:* The Department is proposing to add one internal auditor position to allow WRD to meet the Internal Auditing Requirement, which is anticipated to help the agency further identify opportunities for improvement on a continuous basis. Based on discussions with DAS, one auditor can likely support two agencies. The Department of State Lands has expressed an interest in sharing this position, as have other agencies. The Department proposes to enter into a shared-services agreement with another agency (likely DSL).

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------------|----------------------------|------|--------|------|-------------|-------------|
| 9919047 | C1215-AP | Accountant 1 | Accountant 1 | PF | 21 | 0.88 | \$ 137,001 | \$ 141,924 |
| 9919048 | X5618-AP | Internal Auditor 3 | Shared Services Auditor | PF | 21 | 0.88 | \$ 211,290 | \$ 221,731 |
| 9919049 | X1320-AP | Human Resource Analyst | Human Resource Spec 1 | PF | 21 | 0.88 | \$ 154,118 | \$ 161,486 |
| 9919050 | C8504-AP | Natural Resource Spec 4 | Public Records Coordinator | PF | 21 | 0.88 | \$ 215,530 | \$ 215,530 |
| 7000004 | C1003-AP | Loan Specialist | Loan Specialist | PF | (24) | 1.00 | \$(262,610) | \$(262,610) |
| 7000004 | C1003-AP | Loan Specialist | Loan Specialist | PF | 24 | 1.00 | \$ 262,610 | \$ 262,610 |

Quantifying Results:

- The work of the Loans and Procurement Specialist is measured by the number of contracts executed and managed annually. In regards to the loans program, the work will be measured by (1) the launching of the loan program; (2) the number of loan applications; (3) the number of loans administered.
- Accounting: Adding this position will allow the fiscal department to be timelier, more efficient and ensure the agency is in compliance with statewide policies.
- Human Resources: Required training and development activities will be better monitored and enforced. Some of the most critical work for the department is done in our Field Services Division. Because these employees are geographically spread out, Human Resources staff have not had the capacity to have a presence in these offices. This added capacity would help ensure that employees in field offices feel supported and more connected with Human Resources, the agency, and the state as a whole.
- Information Technology: The Department will work with the State Data Center (SDC) to develop a timeline for migrating services to the SDC in three main phases. Success will be measured by completion of each of these phases and the transition.

BUDGET NARRATIVE

- Public Records: The work of this position will be monitored by the number of public record requests received, and the number of days that it takes to fulfill the request. The Department will also monitor the progress of this position in terms of identification of best practices, and the streamlining of information that is stored so that it is easier to fulfill public records timely and accurately.
- Internal Auditor: Funding this position will result in an initial risk assessment of each agency supported to determine what areas should be audited. After that, the Department would anticipate one audit to be completed each calendar year for each agency the position supports. The Department would then track improvements made as a result of the audits.

Funding Source:

Total General Fund: ~~\$1,314,904~~

Staffing Costs: ~~\$ 874,904~~

IT Server and PC Life Cycle Replacement: ~~\$440,000~~

Total Other Fund: ~~\$(156,965)~~

Fund Shift off WDLF ~~\$(262,610)~~

Shared Services Agreement ~~\$105,645~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget does not propose funding for this package in the Administrative Services Division. However an Internal Auditor 2 position is proposed for funding in the Director's Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 113 - Supporting Agency Functions

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 113 - Supporting Agency Functions

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 |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ 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 | 2015-17 Actuals | 2017-19 Legislatively Adopted | 2017-19 Estimated | 2019-21 | | |
|------------------------------------|-------|---------------------------|--------------------|-------------------------------------|----------------------|-------------------|----------------------|--------------------------|
| | | | | | | Agency Request | Governor's Budget | Legislatively Adopted |
| Non-Business Lic and Fees | OF | 0210 | - | - | - | - | - | - |
| Power and Water Fees | OF | 0245 | - | - | - | 163,501 | 163,501 | - |
| Federal Revenue Service Contracts | OF | 0360 | 250 | 35,701 | - | 25,000 | 25,000 | - |
| Charges for Services | OF | 0410 | 107,264 | 120,856 | - | 350,000 | 350,000 | - |
| Admin and Service Charges | OF | 0415 | - | - | - | - | - | - |
| Fines and Forfeitures | OF | 0505 | 7,725 | - | - | - | - | - |
| Rents and Royalties | OF | 0510 | - | - | - | - | - | - |
| Dedicated Fund Obligation Bond | OF | 0560 | - | - | - | - | - | - |
| Lottery Bonds | OF | 0565 | - | 5,269,633 | - | - | - | - |
| Revenue Bonds | OF | 0570 | 22,091,394 | 22,622,536 | - | 30,733,733 | 15,278,251 | - |
| Interest Income | OF | 0605 | 240,171 | 224,650 | - | 32,002 | 32,002 | - |
| Sales Income | OF | 0705 | 962 | - | - | - | - | - |
| Loan Repayments | OF | 0925 | - | - | - | - | - | - |
| Other Revenues | OF/FF | 0975 | 12,749 | 5,000 | - | 33,000 | 33,000 | - |
| Federal Funds | FF | 0995 | - | 46,086 | - | 25,000 | 25,000 | - |
| Total Revenue | | | 22,460,515 | 28,324,462 | - | 31,362,236 | 15,906,754 | - |
| Transfer In - Intrafund | OF | 1010 | 454,281 | 473,620 | - | - | - | - |
| Transfer from General Fund | OF | 1060 | 7,725 | - | - | - | - | - |
| Transfer In - Lottery | LF | 1040 | - | - | - | 2,004,623 | - | - |
| Transfer In from Admin Serv | OF | 1107 | 2,504,732 | 3,948,999 | - | 8,493,320 | 8,493,320 | - |
| Transfer In from State Lands | OF | 1141 | - | - | - | 76,212 | 76,212 | - |
| Transfer from Watershed Enhance Bd | OF | 1691 | 144,640 | 158,670 | - | 179,297 | 179,297 | - |
| Transfer Out - Intrafund | OF | 2010 | (413,917) | - | - | - | - | - |
| Transfer to General Fund | OF | 2060 | (15,450) | - | - | - | - | - |
| Tsfr to Environmental Quality | OF | 2340 | - | - | - | - | - | - |
| Tsfr to Parks and Rec | OF | 2634 | - | - | - | - | - | - |
| Tsfr to Fish and Wildlife | OF | 2635 | - | - | - | - | - | - |
| Total Transfers | | | 2,682,011 | 4,581,289 | - | 10,753,452 | 8,748,829 | - |
| Net Revenue | | | 25,142,526 | 32,905,751 | - | 42,115,688 | 24,655,583 | - |

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

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

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|----------------------------------|---------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Lottery Funds | | | | | | |
| Interest Income | 8,533 | - | - | - | - | - |
| Transfer In - Intrafund | 38,330 | - | - | - | - | - |
| Transfer In Lottery Proceeds | - | - | - | 2,004,623 | - | - |
| Tsfr From Administrative Svcs | 2,504,732 | 3,948,999 | 3,948,999 | 8,493,320 | 8,493,320 | - |
| Transfer Out - Intrafund | (38,330) | - | - | - | - | - |
| Total Lottery Funds | \$2,513,265 | \$3,948,999 | \$3,948,999 | \$10,497,943 | \$8,493,320 | - |
| Other Funds | | | | | | |
| Power and Water Fees | - | - | - | 163,501 | 163,501 | - |
| Federal Revenues - Svc Contracts | 250 | 35,701 | 35,701 | 25,000 | 25,000 | - |
| Charges for Services | 107,264 | 106,514 | 120,856 | 350,000 | 350,000 | - |
| Fines and Forfeitures | 7,725 | - | - | - | - | - |
| Lottery Bonds | - | - | 5,269,633 | - | - | - |
| Revenue Bonds | 22,091,394 | 22,622,536 | 22,622,536 | 30,733,733 | 15,278,251 | - |
| Interest Income | 234,834 | 224,650 | 224,650 | 32,002 | 32,002 | - |
| Sales Income | 962 | - | - | - | - | - |
| Other Revenues | 12,749 | 5,000 | 5,000 | 33,000 | 33,000 | - |
| Transfer In - Intrafund | 415,951 | 473,620 | 473,620 | - | - | - |
| Tsfr From Lands, Dept of State | - | - | - | 76,212 | 76,212 | - |
| Tsfr From Watershed Enhance Bd | 144,640 | 158,670 | 158,670 | 179,297 | 179,297 | - |
| Transfer Out - Intrafund | (375,587) | (255,271) | (255,271) | - | - | - |
| Transfer to General Fund | (7,725) | - | - | - | - | - |
| Total Other Funds | \$22,632,457 | \$23,371,420 | \$28,655,395 | \$31,592,745 | \$16,137,263 | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

Agency Number: 69000

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

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|----------------------------|-----------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Federal Funds | | | | | | |
| Federal Funds | - | - | 46,086 | 25,000 | 25,000 | - |
| Total Federal Funds | - | - | \$46,086 | \$25,000 | \$25,000 | - |

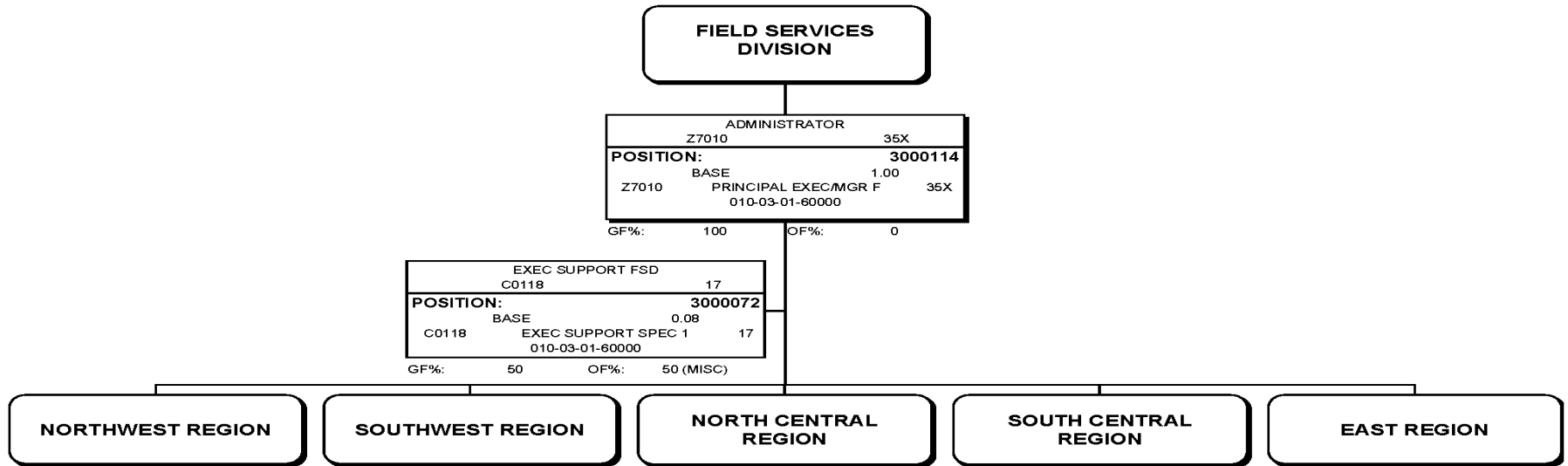
____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

BUDGET NARRATIVE

FIELD SERVICES



BUDGET NARRATIVE

NORTHWEST REGION

| | |
|------------------|--------------------------|
| REGIONAL MANAGER | |
| X7008 | 33X |
| POSITION: | 4000018 |
| BASE | 1.00 |
| X7008 | PRINCIPAL EXEC/MGR E 33X |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|------------------|----------------|
| WATERMASTER | |
| C8503 | 27 |
| POSITION: | 9919025 |
| POP 106 | 0.88 |
| C8503 | NRS3 27 |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|--------------------------------|----------------|
| WATERMASTER- TILLAMOOK/DIST #1 | |
| C8503 | 27 |
| POSITION: | 3000011 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|-----------------------------------|----------------|
| WATERMASTER - HILLSBORO/DIST. #18 | |
| C8503 | 27 |
| POSITION: | 3000069 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|----------------------|----------------|
| NRS 2 WELL INSPECTOR | |
| C8502 | 24 |
| POSITION: | 3000075 |
| BASE | 0.21 |
| C8502 | NRS 2 24 |
| 010-03-01-10000 | |

GF%: OF%: 100 (SC)

| | |
|-------------------------------|----------------|
| WATERMASTER - EUGENE/DIST. #2 | |
| C8503 | 27 |
| POSITION: | 3000015 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|-----------------------------------|----------------|
| WATERMASTER - CLACKAMAS/DIST. #20 | |
| C8503 | 27 |
| POSITION: | 3000017 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|-------------------------------|----------------|
| WATERMASTER - SALEM/DIST. #16 | |
| C8503 | 27 |
| POSITION: | 9900100 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|-----------------------|----------------|
| ASSISTANT WATERMASTER | |
| C8502 | 24 |
| POSITION: | 9970030 |
| BASE | 1.00 |
| C8502 | NRS2 24 |
| 010-03-01-10000 | |

GF%: 100 OF%: 0

| | |
|----------------------|----------------|
| NRS 2 WELL INSPECTOR | |
| C8502 | 24 |
| POSITION: | 3000104 |
| BASE | 1.00 |
| C8502 | NRS 2 24 |
| 010-03-01-10000 | |

GF%: OF%: 100 (SC)

BUDGET NARRATIVE

SOUTHWEST REGION

| | |
|------------------|--------------------------|
| REGIONAL MANAGER | |
| X7008 | 33X |
| POSITION: | 3000013 |
| BASE | 1.00 |
| X7008 | PRINCIPAL EXEC/MGR E 33X |
| 010-03-01-20000 | |

GF%: 100 OF%: 0

| | |
|---------------------------------|----------------|
| WATERMASTER - MEDFORD/DIST. #13 | |
| C8503 | 27 |
| POSITION: | 9700094 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-20000 | |

GF%: 100 OF%: 0

| | |
|--------------------------------|----------------|
| REGIONAL ASSISTANT WATERMASTER | |
| C8502 | 24 |
| POSITION: | 9970031 |
| BASE | 1.00 |
| C8502 | NRS2 24 |
| 010-03-01-20000 | |

GF%: 100 OF%: 0

| | |
|-------------------------------------|----------------|
| WATERMASTER - GRANTS PASS/DIST. #14 | |
| C8503 | 27 |
| POSITION: | 3000121 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-20000 | |

GF%: 100 OF%: 0

| | |
|-----------------------|----------------|
| NRS 2 HYDROLOGIC TECH | |
| C8502 | 24 |
| POSITION: | 3000043 |
| BASE | 1.00 |
| C8502 | NRS 2 24 |
| 010-03-01-20000 | |

GF%: 100 OF%: 0

| | |
|----------------------------------|----------------|
| WATERMASTER - ROSEBURG/DIST. #15 | |
| C8503 | 27 |
| POSITION: | 3000023 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 0010-03-01-20000 | |

GF%: 100 OF%: 0

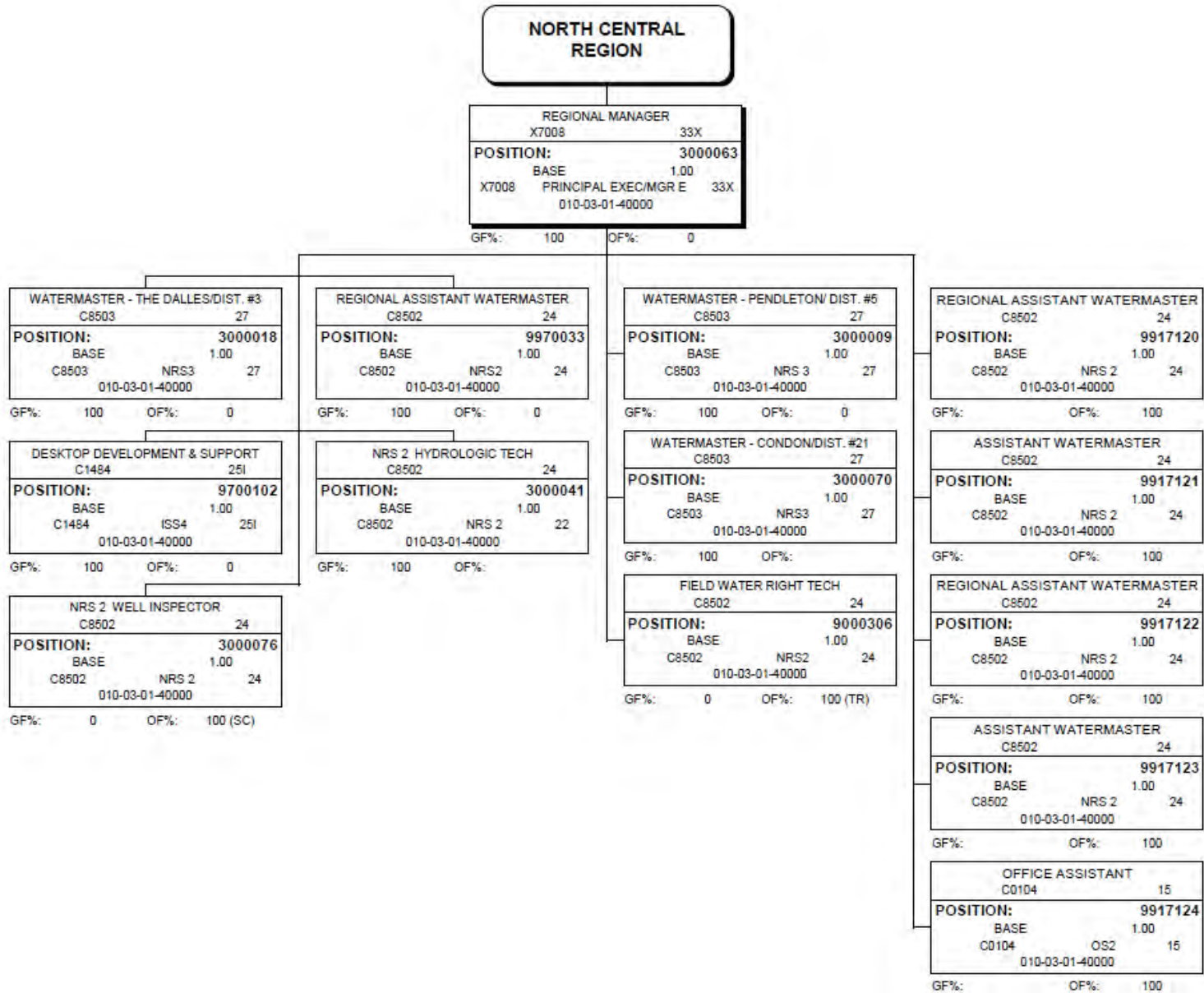
| | |
|------------------|----------------|
| WELL INSPECTOR | |
| C8502 | 24 |
| POSITION: | 3000073 |
| BASE | 1.00 |
| C8502 | NRS 2 24 |
| 010-03-01-20000 | |

GF%: 0 OF%: 100 (SC)

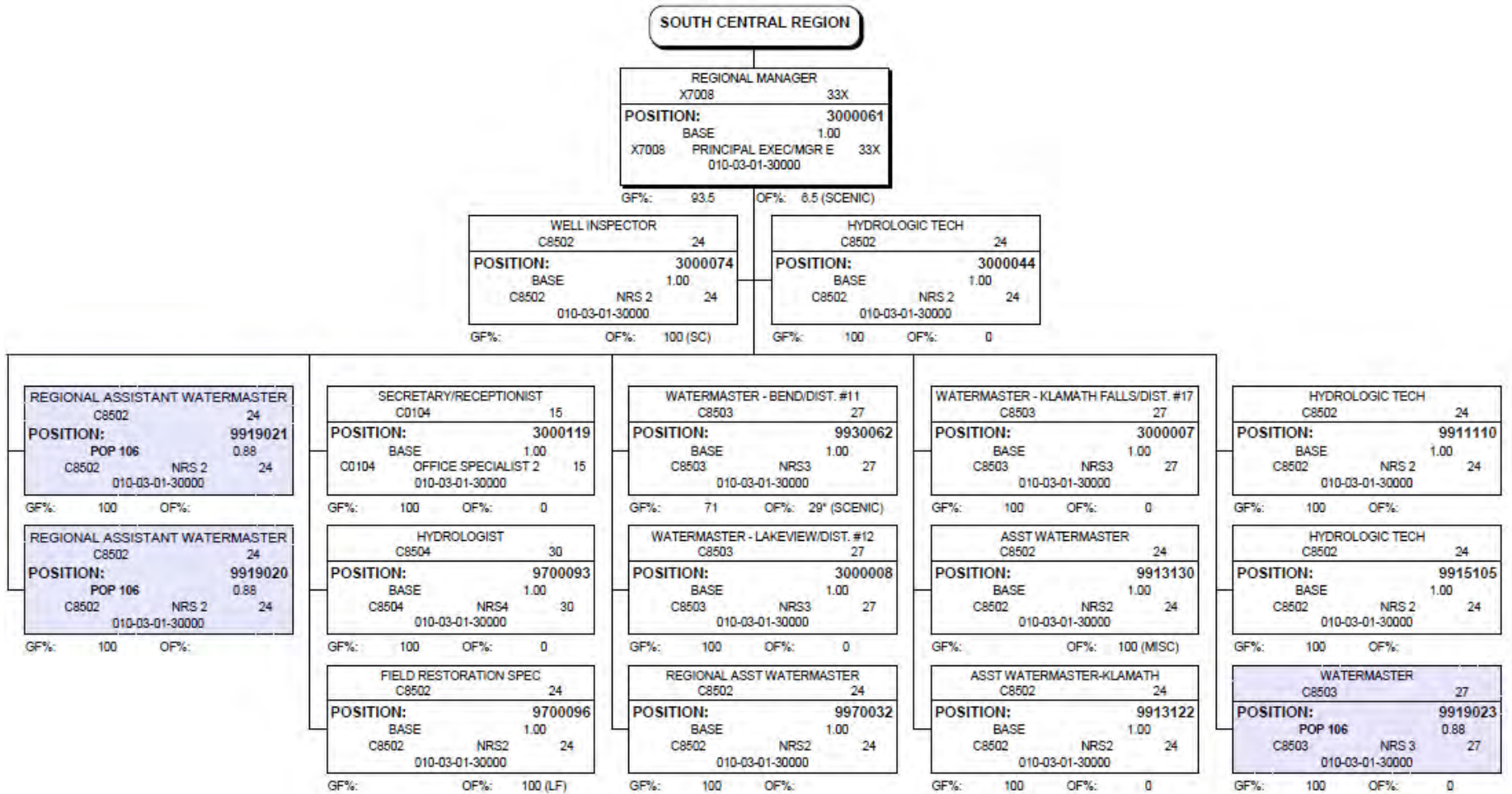
| | |
|----------------------------------|----------------|
| WATERMASTER - COQUILLE/DIST. #19 | |
| C8503 | 27 |
| POSITION: | 3000024 |
| BASE | 1.00 |
| C8503 | NRS3 27 |
| 010-03-01-20000 | |

GF%: 100 OF%: 0

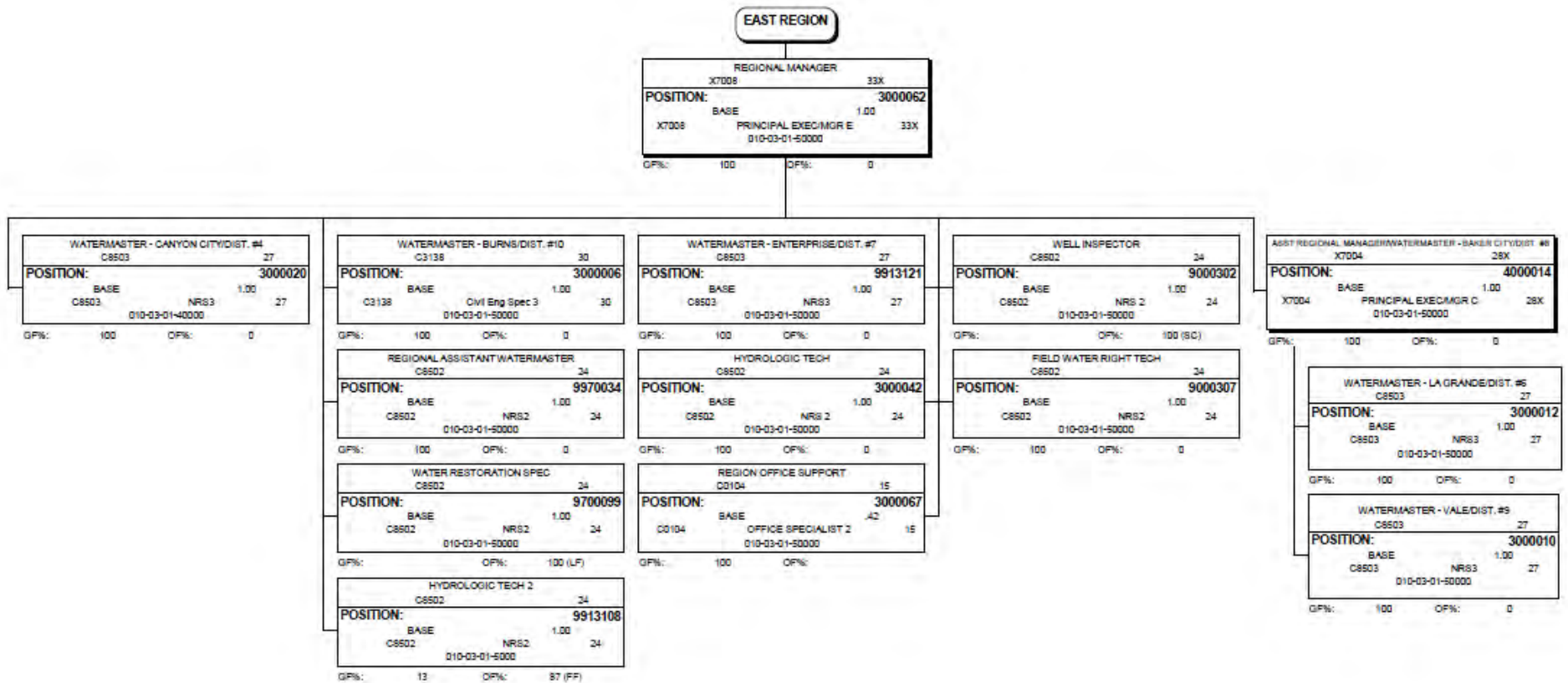
BUDGET NARRATIVE



BUDGET NARRATIVE



BUDGET NARRATIVE



BUDGET NARRATIVE



BUDGET NARRATIVE

WATERMASTER REGIONS AND DISTRICTS

| | | | |
|--|----|------------------|---------------|
| Northwest Region - MIKE McCORD , Region Manager 725 Summer Street NE Suite A Salem, Oregon 97301 503-986-0893 | 1 | Nikki Hendricks | Tillamook |
| | 2 | Lanaya Blakely | Eugene |
| | 16 | Joel Plahn | Salem |
| | 18 | Jake Constans | Hillsboro |
| | 20 | Amy Kim | Oregon City |
| Southwest Region - JAKE JOHNSTON , Region Manager 10 S Oakdale, Room 309A Medford, Oregon 97501 541-774-6880 | 19 | Greg Wacker | Coquille |
| | 14 | Scott Ceciliani | Grants Pass |
| | 15 | Susan Douthit | Roseburg |
| | 13 | Shavon Haynes | Medford |
| South Central Region - KYLE GORMAN , Region Manager 231 SW Scalehouse Loop, Ste 103 Bend, Oregon 97702 541-306-6885 | 11 | Jeremy Giffin | Bend |
| | 12 | Brian Mayer | Lakeview |
| | 17 | Danette Watson | Klamath Falls |
| North Central Region - MICHAEL LADD , Region Manager 116 SE Dorian Pendleton, Oregon 97801 541-278-5456 | 3 | Bob Wood | The Dalles |
| | 5 | Greg Silbernagel | Pendleton |
| | 21 | Ken Thiemann | Condon |
| East Region - JASON SPRIET , 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 |
| | 4 | Eric Julsrud | Canyon City |

BUDGET NARRATIVE

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 prior appropriation system. The Division collects surface water and groundwater data and provides input on water right transactions.

Program Contact: Ivan Gall
503-986-0847

PROGRAM FUNDING REQUEST

Water Resources Department proposed an additional \$3.76 million General Fund to ensure and enhance the agency’s ability to manage and distribute water, prevent illegal use, increase water use measurement, and follow up on cannabis related complaints.

The Field Services Division has 61 budgeted positions in five regions across Oregon and has a current service level budget of \$15 million, consisting of \$11.75 million General Fund and \$3.29 million in Other and Federal Funds.

PROGRAM DESCRIPTION

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 public safety and the 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 and mentoring of field personnel. Region managers, watermasters, field technicians, and locally-funded assistants carry out the field activities of the Department.

BUDGET NARRATIVE

In terms of surface water management activities, field staff operate more than 260 streamflow recording stations. In 2017, they conducted 2,619 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 numerous entities involved in economic development and streamflow restoration activities. In 2017, field staff also made over 135 dam safety inspections, checking dams for indications of instability and water movement in order to protect downstream landowners.

In 2017, groundwater management activities of Department staff included over 1,035 well inspections of new wells and more than 3,023 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 2017, the number of locally funded part time and full time assistant watermasters and office assistants had declined from a total of 37 in the 1980's to 18 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

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.

BUDGET NARRATIVE

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.

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

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.

| Year | Regulatory Actions | Well Inspections |
|------|--------------------|------------------|
| 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 |
| 2016 | 18,281 | 1,130 |
| 2017 | 14,656 | 1,035 |

BUDGET NARRATIVE

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.

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 inspect no less than 25 percent of all newly constructed wells. Of the total inspections in 2017, 1,035 were conducted on new construction, representing an inspection rate of 34 percent of all new wells.

Adequate Field Presence Continues 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 15 field-related full and part time staff. 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.

BUDGET NARRATIVE

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.

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 when new wells are constructed, and support Oregon’s well inspection program. Other Funds from gaging agreements and local contracts help support the Field Services Division.

Field Services Division

| | General Fund | Other Funds | Lottery Funds | Federal Funds | Total Funds |
|--|--------------|-------------|---------------|---------------|-------------|
| 2017-19 Legislatively Adopted Budget | 11,210,511 | 2,180,344 | - | 616,140 | 14,006,995 |
| 2017-19 Emergency Boards | 264,179 | 1,170,991 | - | 5,297 | 1,440,467 |
| 2017-19 Legislatively Approved Budget | 11,474,690 | 3,351,335 | - | 621,437 | 15,447,462 |
| 2019-21 Base Budget | 11,731,382 | 2,517,017 | - | 721,446 | 14,969,845 |
| 2019-21 Current Service Level | 11,753,018 | 3,084,324 | - | 207,663 | 15,045,005 |
| Policy Packages | | | | | |
| 2019-21 Modified Current Service Level | 11,753,018 | 3,084,324 | - | 207,663 | 15,045,005 |
| Total Packages | 208,093 | (7,010) | - | - | 201,083 |
| 2019-21 Governor's Recommended Budget | 11,961,111 | 3,077,314 | - | 207,663 | 15,246,088 |

BUDGET NARRATIVE

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 2019-21 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 2017-19 biennium.

030 – Inflation and Price List Adjustment

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2019-2021 Budget Instructions. General inflation was calculated using a factor of 3.8% while a rate of 4.2% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2019-21 price lists.

060 – Technical Adjustment

This package was used to adjust 2019-21 budgets to align with the 2017-19 changes to the agency structure.

090 – Analyst Adjustments

This package includes reductions taken in the Governor’s Recommended Budget.

091 – Statewide DAS Charges

This package includes reductions to State Government Service Charges and Pricelist items to account for reductions made to the Department of Administrative Services Division (DAS) in the Governor’s Recommended Budget.

092 – Statewide AG Adjustment

This package includes reductions to the Department of Justice Attorney General charges 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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|------------------|---------------|-----------------|-----------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 274,524 | - | - | - | - | - | 274,524 |
| Federal Revenues - Svc Contracts | - | - | - | - | - | - | - |
| Charges for Services | - | - | - | - | - | - | - |
| Federal Funds | - | - | - | 12,438 | - | - | 12,438 |
| Total Revenues | \$274,524 | - | - | \$12,438 | - | - | \$286,962 |
| Personal Services | | | | | | | |
| Pension Obligation Bond | 10,000 | - | (324) | 12,438 | - | - | 22,114 |
| Unemployment Assessments | 106 | - | - | - | - | - | 106 |
| Mass Transit Tax | 2,079 | - | (18) | - | - | - | 2,061 |
| Vacancy Savings | 262,339 | - | 41,835 | - | - | - | 304,174 |
| Total Personal Services | \$274,524 | - | \$41,493 | \$12,438 | - | - | \$328,455 |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | 274,524 | - | 41,493 | 12,438 | - | - | 328,455 |
| Total Expenditures | \$274,524 | - | \$41,493 | \$12,438 | - | - | \$328,455 |

___ Agency Request
 2019-21 Biennium

___ Governor's Budget
 Page _____

___ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

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 |
|-----------------------------|--------------|---------------|-------------------|---------------|------------------------|--------------------------|-------------------|
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (41,493) | - | - | - | (41,493) |
| Total Ending Balance | - | - | (\$41,493) | - | - | - | (\$41,493) |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 021 - Phase - In

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 |
|--------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Vacancy Savings | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Capital Outlay | | | | | | | |
| Recreational Equipment | - | - | - | - | - | - | - |
| Total Capital Outlay | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

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**

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|-----------------|---------------|----------------|---------------|------------------------|--------------------------|-----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 55,985 | - | - | - | - | - | 55,985 |
| Total Revenues | \$55,985 | - | - | - | - | - | \$55,985 |
| Services & Supplies | | | | | | | |
| Instate Travel | 17,400 | - | - | - | - | - | 17,400 |
| Out of State Travel | 118 | - | - | - | - | - | 118 |
| Employee Training | 1,046 | - | - | - | - | - | 1,046 |
| Office Expenses | 3,642 | - | - | - | - | - | 3,642 |
| Telecommunications | 3,957 | - | - | - | - | - | 3,957 |
| State Gov. Service Charges | 1,423 | - | (407) | - | - | - | 1,016 |
| Data Processing | 4 | - | - | - | - | - | 4 |
| Publicity and Publications | 318 | - | - | - | - | - | 318 |
| Professional Services | 10,847 | - | - | - | - | - | 10,847 |
| Employee Recruitment and Develop | 192 | - | - | - | - | - | 192 |
| Dues and Subscriptions | 104 | - | - | - | - | - | 104 |
| Facilities Rental and Taxes | 11,613 | - | - | - | - | - | 11,613 |
| Fuels and Utilities | - | - | - | - | - | - | - |
| Facilities Maintenance | 599 | - | - | - | - | - | 599 |
| Other Services and Supplies | 1,284 | - | - | - | - | - | 1,284 |
| Expendable Prop 250 - 5000 | 1,956 | - | - | - | - | - | 1,956 |
| IT Expendable Property | 1,186 | - | - | - | - | - | 1,186 |
| Total Services & Supplies | \$55,689 | - | (\$407) | - | - | - | \$55,282 |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-------------------------------|-----------------|---------------|----------------|---------------|------------------------|--------------------------|-----------------|
| Capital Outlay | | | | | | | |
| Other Capital Outlay | 296 | - | - | - | - | - | 296 |
| Total Capital Outlay | \$296 | - | - | - | - | - | \$296 |
| Special Payments | | | | | | | |
| Dist to Other Gov Unit | - | - | - | - | - | - | - |
| Other Special Payments | - | - | - | - | - | - | - |
| Total Special Payments | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | 55,985 | - | (407) | - | - | - | 55,578 |
| Total Expenditures | \$55,985 | - | (\$407) | - | - | - | \$55,578 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 407 | - | - | - | 407 |
| Total Ending Balance | - | - | \$407 | - | - | - | \$407 |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|-----------------|---------------|-------------|---------------|------------------------|--------------------------|-----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 64,433 | - | - | - | - | - | 64,433 |
| Total Revenues | \$64,433 | - | - | - | - | - | \$64,433 |
| Services & Supplies | | | | | | | |
| Instate Travel | 16,255 | - | - | - | - | - | 16,255 |
| Facilities Rental and Taxes | 48,178 | - | - | - | - | - | 48,178 |
| Total Services & Supplies | \$64,433 | - | - | - | - | - | \$64,433 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 64,433 | - | - | - | - | - | 64,433 |
| Total Expenditures | \$64,433 | - | - | - | - | - | \$64,433 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR103

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Water Resources Dept
Pkg: 050 - Fundshifts**

**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 |
|----------------------------------|--------------|---------------|------------------|--------------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Federal Revenues - Svc Contracts | - | - | 526,221 | - | - | - | 526,221 |
| Federal Funds | - | - | - | (526,221) | - | - | (526,221) |
| Total Revenues | - | - | \$526,221 | (\$526,221) | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | 291,802 | (291,802) | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | 146 | (146) | - | - | - |
| Public Employees' Retire Cont | - | - | 49,518 | (49,518) | - | - | - |
| Social Security Taxes | - | - | 22,322 | (22,322) | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | 140 | (140) | - | - | - |
| Flexible Benefits | - | - | 84,723 | (84,723) | - | - | - |
| Total Personal Services | - | - | \$448,651 | (\$448,651) | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | 32,320 | (32,320) | - | - | - |
| Employee Training | - | - | 6,250 | (6,250) | - | - | - |
| Office Expenses | - | - | 12,500 | (12,500) | - | - | - |
| Telecommunications | - | - | 1,250 | (1,250) | - | - | - |
| Employee Recruitment and Develop | - | - | 1,250 | (1,250) | - | - | - |
| Dues and Subscriptions | - | - | 1,250 | (1,250) | - | - | - |
| Other Services and Supplies | - | - | 2,500 | (2,500) | - | - | - |
| Expendable Prop 250 - 5000 | - | - | 15,750 | (15,750) | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 050 - Fundshifts

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 |
|--------------------------------------|--------------|---------------|------------------|--------------------|------------------------|--------------------------|-----------|
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | 4,500 | (4,500) | - | - | - |
| Total Services & Supplies | - | - | \$77,570 | (\$77,570) | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | 526,221 | (526,221) | - | - | - |
| Total Expenditures | - | - | \$526,221 | (\$526,221) | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 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

2019-21
 PICS SYSTEM: BUDGET PREPARATION

PAGE
 PROD FILE

PACKAGE: 050 - Fundshifts

| 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- | 09 | 5,711.00 | | | 137,064- 69,048- | | 137,064- 69,048- | |
| 9917120 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1 | 1.00 | 24.00 | 09 | 5,711.00 | | 137,064 69,048 | | | 137,064 69,048 | |
| 9917121 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1- | 1.00- | 24.00- | 05 | 4,727.00 | | | 113,448- 63,234- | | 113,448- 63,234- | |
| 9917121 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1 | 1.00 | 24.00 | 05 | 4,727.00 | | 113,448 63,234 | | | 113,448 63,234 | |
| 9917122 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1- | 1.00- | 24.00- | 05 | 4,727.00 | 70,497- 39,293- | 27,522- 15,342- | 15,429- 8,599- | | 113,448- 63,234- | |
| 9917122 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1 | 1.00 | 24.00 | 05 | 4,727.00 | 70,497 39,293 | 42,951 23,941 | | | 113,448 63,234 | |
| 9917123 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1- | 1.00- | 24.00- | 04 | 4,514.00 | 67,320- 38,511- | 26,282- 15,037- | 14,734- 8,428- | | 108,336- 61,976- | |
| 9917123 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1 | 1.00 | 24.00 | 04 | 4,514.00 | 67,320 38,511 | 41,016 23,465 | | | 108,336 61,976 | |
| 9917124 | OAS C0104 AP | OFFICE SPECIALIST 2 | 1- | 1.00- | 24.00- | 07 | 3,409.00 | 50,840- 34,454- | 19,849- 13,452- | 11,127- 7,540- | | 81,816- 55,446- | |
| 9917124 | OAS C0104 AP | OFFICE SPECIALIST 2 | 1 | 1.00 | 24.00 | 07 | 3,409.00 | 50,840 34,454 | 30,976 20,992 | | | 81,816 55,446 | |
| TOTAL PICS SALARY | | | | | | | | | | 291,802 | | 291,802- | |
| TOTAL PICS OPE | | | | | | | | | | 156,849 | | 156,849- | |
| TOTAL PICS PERSONAL SERVICES = | | | | .00 | | .00 | | | | 448,651 | | 448,651- | |

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 060 - Technical Adjustments

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 |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (373,306) | - | - | - | - | - | (373,306) |
| Total Revenues | (\$373,306) | - | - | - | - | - | (\$373,306) |
| Services & Supplies | | | | | | | |
| Instate Travel | (406,713) | - | - | - | - | - | (406,713) |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | (36,193) | - | - | - | - | - | (36,193) |
| Data Processing | (111) | - | - | - | - | - | (111) |
| Professional Services | (265,397) | - | - | - | - | - | (265,397) |
| Facilities Rental and Taxes | (25,137) | - | - | - | - | - | (25,137) |
| Agency Program Related S and S | 381,492 | - | - | - | - | - | 381,492 |
| IT Expendable Property | (21,247) | - | - | - | - | - | (21,247) |
| Total Services & Supplies | (\$373,306) | - | - | - | - | - | (\$373,306) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (373,306) | - | - | - | - | - | (373,306) |
| Total Expenditures | (\$373,306) | - | - | - | - | - | (\$373,306) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|----------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (517,149) | - | - | - | - | - | (517,149) |
| Tsfr From OEIB | - | - | - | - | - | - | - |
| Total Revenues | (\$517,149) | - | - | - | - | - | (\$517,149) |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | (137,064) | - | - | - | - | - | (137,064) |
| Empl. Rel. Bd. Assessments | (61) | - | - | - | - | - | (61) |
| Public Employees' Retire Cont. | (23,260) | - | - | - | - | - | (23,260) |
| Social Security Taxes | (10,485) | - | - | - | - | - | (10,485) |
| Worker's Comp. Assess. (WCD) | (58) | - | - | - | - | - | (58) |
| Flexible Benefits | (35,184) | - | - | - | - | - | (35,184) |
| Vacancy Savings | (262,779) | - | - | - | - | - | (262,779) |
| Reconciliation Adjustment | (5) | - | - | - | - | - | (5) |
| Total Personal Services | (\$468,896) | - | - | - | - | - | (\$468,896) |
| Services & Supplies | | | | | | | |
| Instate Travel | (17,400) | - | - | - | - | - | (17,400) |
| Out of State Travel | (118) | - | - | - | - | - | (118) |
| Employee Training | (1,046) | - | - | - | - | - | (1,046) |
| Office Expenses | (9,791) | - | - | - | - | - | (9,791) |
| Telecommunications | (3,957) | - | - | - | - | - | (3,957) |
| Publicity and Publications | (614) | - | - | - | - | - | (614) |
| Employee Recruitment and Develop | (192) | - | - | - | - | - | (192) |
| Dues and Subscriptions | (104) | - | - | - | - | - | (104) |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Services & Supplies | | | | | | | |
| Facilities Rental and Taxes | (741) | - | - | - | - | - | (741) |
| Facilities Maintenance | (599) | - | - | - | - | - | (599) |
| Other Services and Supplies | (10,549) | - | - | - | - | - | (10,549) |
| Expendable Prop 250 - 5000 | (1,956) | - | - | - | - | - | (1,956) |
| IT Expendable Property | (1,186) | - | - | - | - | - | (1,186) |
| Total Services & Supplies | (\$48,253) | - | - | - | - | - | (\$48,253) |
| Capital Outlay | | | | | | | |
| Other Capital Outlay | - | - | - | - | - | - | - |
| Total Capital Outlay | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | (517,149) | - | - | - | - | - | (517,149) |
| Total Expenditures | (\$517,149) | - | - | - | - | - | (\$517,149) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | (1) |
| Total Positions | - | - | - | - | - | - | (1) |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Total FTE | | | | | | | |
| Total FTE | | | | | | | (1.00) |
| Total FTE | - | - | - | - | - | - | (1.00) |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 REPORT NO.: PDPDFISCAL
 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

2019-21
 PICS SYSTEM: BUDGET PREPARATION

PAGE
 PROD FILE

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 |
|--------------------------------|-------|-------|----------------------------------|------------|-------|--------|------|----------|---------------|---------------|---------------|---------------|---------------|
| 9700099 | OAS | C8502 | AP NATURAL RESOURCE SPECIALIST 2 | 1- | 1.00- | 24.00- | 09 | 5,711.00 | 137,064- | | | | 137,064- |
| | | | | | | | | | 69,048- | | | | 69,048- |
| TOTAL PICS SALARY | | | | | | | | | 137,064- | | | | 137,064- |
| TOTAL PICS OPE | | | | | | | | | 69,048- | | | | 69,048- |
| TOTAL PICS PERSONAL SERVICES = | | | | 1- | 1.00- | 24.00- | | | 206,112- | | | | 206,112- |

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 |
|--------------------------------------|-------------------|---------------|------------------|---------------|------------------------|--------------------------|-------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (17,006) | - | - | - | - | - | (17,006) |
| Total Revenues | (\$17,006) | - | - | - | - | - | (\$17,006) |
| Services & Supplies | | | | | | | |
| Telecommunications | (2,467) | - | (4,130) | - | - | - | (6,597) |
| State Gov. Service Charges | (4,453) | - | (1,863) | - | - | - | (6,316) |
| Data Processing | - | - | - | - | - | - | - |
| Agency Program Related S and S | (10,086) | - | - | - | - | - | (10,086) |
| Other Services and Supplies | - | - | (1,017) | - | - | - | (1,017) |
| Total Services & Supplies | (\$17,006) | - | (\$7,010) | - | - | - | (\$24,016) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (17,006) | - | (7,010) | - | - | - | (24,016) |
| Total Expenditures | (\$17,006) | - | (\$7,010) | - | - | - | (\$24,016) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 7,010 | - | - | - | 7,010 |
| Total Ending Balance | - | - | \$7,010 | - | - | - | \$7,010 |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #102: Groundwater Data, Management and Protection

Purpose: This package proposes to help the Department understand and manage groundwater resources sustainably to protect existing users, while providing timely groundwater permitting reviews for potential new uses and protecting the groundwater resource to prevent loss of artesian pressure, contamination, and waste. These actions are called for in Recommended Actions 1A, 1B and 7A of the Integrated Water Resources Strategy.

Understanding the Resource: In some locations throughout the state, groundwater aquifers are no longer capable of sustaining additional development. Water managers need better groundwater information to help the Department, communities, and water users determine how to best utilize limited resources, while protecting existing and future uses. 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. This information is essential for communities in understanding the sustainability of current groundwater uses and their opportunities for future economic development.

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. In general, the Department obtains this information by conducting a groundwater basin study. 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. Basin studies help define the overall groundwater budget, including groundwater recharge from surface water, groundwater discharge to surface water, and available water for new allocation. 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). Currently, the Department is working in the Greater Harney Valley and expects to complete the first phase of that study in 2020. The next priority area for a basin study is the Walla Walla subbasin.

Reducing Groundwater Processing Backlogs: Given the pressures of drought, increased litigation over groundwater, the limited nature of the resource, the complex nature of groundwater, and a greater interest in groundwater data and innovative management options, groundwater staff have a difficult time meeting all of the demands on their time. As a result, the Department has seen an increase in processing times for groundwater-related water rights transactions.

Protecting the Resource through Well Construction: Protecting existing water users and ensuring that groundwater is managed sustainably also requires proper well construction practices. Improper well construction can lead to serious groundwater-level declines, loss of artesian pressure, contamination of drinking water, public safety hazards, and waste. Well construction in the Columbia River Basalts, which include aquifers across a significant portion of the state (including the Willamette Valley and Columbia River Gorge), require special attention due to the complex geology and difficult construction conditions. An adequately staffed well inspection and enforcement program is critical to ensuring that wells are

BUDGET NARRATIVE

constructed, maintained, and abandoned in an appropriate manner. The Department 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 local geology and hydrogeology, and the knowledge to understand, recognize, and give direction regarding proper well construction practices for specific conditions encountered on each well.

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 five well inspectors, but only has resources for four, which could be further reduced by the projected increased costs of doing business. Each year, approximately 3,000 new wells are drilled; last year, the state inspected about 1,000 of them with its four well inspectors. About 11 percent of the inspected wells were found to have deficiencies or construction problems.

How Achieved: This package requests one NRS 2 Project Hydrogeologist, one NRS 4 Project Hydrogeologist, one NRS 2 hydrographer, one NRS 3 Hydrographer, and one NRS 4 Hydrologist to increase the Department's capacity to conduct an additional basin study, while also addressing some of the workload challenges in the groundwater and surface water sections; improving capacity to collect, process, and validate data; and providing resources to more timely process permit and transfer applications. This package includes both groundwater and surface water staff, as surface water data collection and analyses are necessary inputs to groundwater basin studies and having backlogs in surface water data can slow progress on groundwater studies. The request also includes one IS 6 Database Application Developer, which will be responsible for supporting development of structures for storing and querying data across the Department, with a primary focus on groundwater and surface water data. In addition to the requested increase in staffing, this package requests general fund appropriations each biennium to pay for cost-match to conduct basin studies with partners and equipment for study activities, such as the installation and maintenance of dedicated observation wells (\$100k in cost-share for DOGAMI, \$400k for Observation wells, and \$300k in cost-share for the U.S. Geological Survey). To ensure timelier processing of groundwater permit applications and other transactions, the package also includes a NRS 3 Hydrogeologist Groundwater Reviewer and one NRS 2 Water Right Application caseworker.

In regards to supporting the Well Inspection Program to prevent problems that arise from improper well construction, maintenance, or abandonment, this package includes several proposals. First, in order to stabilize the Start Card Fund, the package proposes to move one NRS 3 hydrogeologist from Start Card to General Fund. Second, given that the Well Inspection Program has no General Fund support, the package proposes to add one NRS 2 General Fund Well Inspector, which will help to prevent loss of artesian pressure, contamination, or waste by providing timely inspections of well construction, review of well logs, and education of drillers and pump installers to ensure construction standards are met. This will help provide some stability to the program by diversifying funding sources. Finally, many of the areas in the state that have seen significant groundwater level declines and other issues due to improperly constructed wells are within sensitive Columbia River Basalt (CRB) aquifer systems. The Department has issued special standards for some of these areas; however, further work and special attention is needed to ensure

BUDGET NARRATIVE

proper well construction, alteration, and abandonment of water wells in these areas. As a result, the Department proposes to add one NRS 2 Well Inspector and one NRS 3 Well Construction Specialist that will specifically work on Columbia River Basalts.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------------|--|-------------------------------------|---------------|---------------|-----------------|-----------------------|----------------------|
| 9919002 | C0872 AP | Operations & Policy Analyst 3 | Public Engagement Coordinator | PF | 21 | 0.88 | \$187,584 | \$212,807 |
| 9919003 | C8502 AP | Natural Resource Specialist 2 | CRB Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919004 | C8502 AP | Natural Resource Specialist 2 | Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919005 | C8503 AP | Natural Resource Specialist 3 | CRB Well Construction Specialist | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919006 | C8502 BP | Natural Resource Specialist 2 | Project Hydrogeologist 2 | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919007 | C8503 AP | Natural Resource Specialist 3 | Project Hydrogeologist 3 | PF | 21 | 0.88 | \$202,655 | \$228,460 |
| 9919008 | C8504 AP | Natural Resource Specialist 4 | Senior Hydrogeologist 4 | PF | 21 | 0.88 | \$222,572 | \$251,220 |
| 9919009 | C8503 AP | Natural Resource Specialist 3 | Hydrogeologist 3 GW Reviewer | PF | 21 | 0.88 | \$202,651 | \$228,460 |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | (1.00) | \$(235,608) | \$(235,608) |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | 1.00 | \$235,608 | \$235,608 |
| 9919010 | C1486 AP | Info Systems Specialist 6 | Database/Application Developer | PF | 21 | 0.88 | \$196,483 | \$221,187 |
| 9919011 | C8502 AP | Natural Resource Specialist 2 | Hydrographer 2 | PF | 21 | 0.88 | \$180,304 | \$202,917 |
| 9919012 | C8503 AP | Natural Resource Specialist 3 | Hydrographer 3 | PF | 21 | 0.88 | \$196,820 | \$221,790 |
| 9919013 | C8504 AP | Natural Resource Specialist 4 | Hydrologist 4 | PF | 21 | 0.88 | \$215,531 | \$243,175 |
| 9919014 | C8502 AP | Natural Resource Specialist 2 | WR Caseworker | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

Quantifying Results: This package will allow the Department to conduct an additional groundwater basin study every five years. This study would be in addition to the ongoing work in the Greater Harney Valley. Information obtained through studies is 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 future basin studies include the Umatilla and its Walla Walla subbasin, as well as the Hood, Powder, and Grande Ronde basins. 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. The Department would increase the number of observation wells in the state, which would lead to increases in KPM #5 (Assess Groundwater Resources). In addition, the Department anticipates a reduction in groundwater application review and processing timelines, which are in part measured by KPMs #10 and #11, (Promote Efficiency in Water Right and Transfer Application Processing).

BUDGET NARRATIVE

In regards to protecting groundwater through the well construction program, metrics would include: Are well inspectors on-site and actively observing when the seal is placed in the well? Are well inspectors available to answer driller questions and technical requests the same day the requests are made? Are there more high-quality inspections made overall? Of the wells inspected, are there fewer deficiencies / construction mistakes over time?

Funding Source:

General Fund: ~~\$3,558,247~~ \$2,837,027

Staffing Costs: \$2,037,027

Geological Mapping: \$100,000

Observation Wells: \$400,000

USGS Study Funds: \$300,000

Other Funds: ~~(\$235,608) Start Card~~

Staffing Costs: ~~(\$235,608)~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget does not propose funding for this package in the Field Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 102 - Groundwater Data, Management & Protection

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 102 - Groundwater Data, Management & Protection

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 |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #106: Supporting Water Management in the Field

Purpose: Strengthening the Department’s field presence and addressing field workload challenges will help implement Recommended Action 10.F of the Integrated Water Resources Strategy. Further, field staff implement other recommended actions of the Strategy, from increasing water use measurement (2.B) to improving water resource data collection (1.B). Watermaster workloads are increasing statewide due to the increasing number of water rights, wells, population, homes, and changing water management needs. The State’s 21 watermasters, with the help of state and other funded assistant watermasters, are responsible for management of more than 89,000 water rights in the state, more than 230,000 wells, dam safety inspections, injury analysis of water right transactions, participation in local planning efforts, providing input on water solutions, and countless other activities. County and other funded assistant watermaster and office positions have declined from 37 in 1981 to 18 part and full time staff today. Multiple dry years have intensified competition for water resources. Each region has its own set of workload challenges that need to be addressed in order to best serve Oregonians. Certain watermaster districts, like the mid-Willamette and the Deschutes Basin, are too large and complex for one watermaster to effectively handle the workload.

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 by other staff, but station maintenance and data collection lags acceptable standards.

The complexity and constantly changing water management issues in the Klamath basin require additional staff and onsite management. The Klamath Basin watermaster office is receiving assistance from other Department staff across the state to help meet the challenges of regulation and distribution. The Department continues to hear calls from determined claim holders that there is a need for more timely and effective regulation in the basin. The continued droughts, and changing water management scenarios resulting from ESA issues and litigation require additional staff and management in the Klamath Falls office to provide adequate service to water users in the basin.

How Achieved: Four new NRS 2 regional assistant watermasters would provide immediate help to reduce workload pressures in key watermaster offices (Lakeview, Vale, two in Klamath Falls) and improve customer service. One new NRS 2 Hydrotech will address gaging station and surface water measurement needs in the western part of the state, where the Department continues to have challenges meeting standard protocols for gage maintenance and quality assurance. Two new NRS 3 Watermaster positions (mid-Willamette and Crooked River) will allow division of the large watermaster districts of the Willamette Valley and the Deschutes Basin into smaller districts with more manageable workloads. One PEM C Assistant Region Manager for the Klamath Falls office will provide onsite management of the staff in that office, and an increased level of senior staff to assist with complex water management and regulatory issues in the basin. These staff, in part or in total, will help address delays in timely regulation to protect senior water users, 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, and collect data and measurements needed for long term management. Staff will be able to timely conduct water right, transfer, and lease application reviews, streamflow measurements, gaging station operation and

BUDGET NARRATIVE

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.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|--------------------------------|------|--------|------|------------|-----------|
| 9919019 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919020 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | \$180,305 | \$202,917 |
| 9919021 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | \$180,305 | \$202,917 |
| 9919022 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919023 | C8503 AP | Nat Res Spec 3 | Watermaster | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919024 | X7004 MMS | PEM/C | Region Assistant Manager | PF | 21 | 0.88 | -\$207,287 | \$233,753 |
| 9919025 | C8503 AP | Nat Res Spec 3 | Watermaster | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919026 | C8502 AP | Nat Res Spec 2 | Hydrotech | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

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(Monitoring Compliance), 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. Finally, the Department anticipates an increased ability to educate water users about their water rights, and as a result, increase compliance with Oregon’s water laws.

Funding Source:

General Fund: ~~\$1,502,450~~ \$754,248

Staffing Costs: ~~\$1,502,450~~ \$754,248

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget proposes funding in the amount of \$742,248 for this package in the Field Services Division. The remaining \$12,000 is proposed in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 106 - Supporting Water Management in the Field

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 |
|----------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 742,248 | - | - | - | - | - | 742,248 |
| Total Revenues | \$742,248 | - | - | - | - | - | \$742,248 |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | 370,566 | - | - | - | - | - | 370,566 |
| Empl. Rel. Bd. Assessments | 212 | - | - | - | - | - | 212 |
| Public Employees' Retire Cont | 62,886 | - | - | - | - | - | 62,886 |
| Social Security Taxes | 28,348 | - | - | - | - | - | 28,348 |
| Worker's Comp. Assess. (WCD) | 204 | - | - | - | - | - | 204 |
| Flexible Benefits | 123,144 | - | - | - | - | - | 123,144 |
| Total Personal Services | \$585,360 | - | - | - | - | - | \$585,360 |
| Services & Supplies | | | | | | | |
| Instate Travel | 14,480 | - | - | - | - | - | 14,480 |
| Out of State Travel | - | - | - | - | - | - | - |
| Employee Training | 10,000 | - | - | - | - | - | 10,000 |
| Office Expenses | 20,000 | - | - | - | - | - | 20,000 |
| Telecommunications | 9,580 | - | - | - | - | - | 9,580 |
| Employee Recruitment and Develop | 2,000 | - | - | - | - | - | 2,000 |
| Dues and Subscriptions | 2,000 | - | - | - | - | - | 2,000 |
| Agency Program Related S and S | 72,828 | - | - | - | - | - | 72,828 |
| Other Services and Supplies | 4,000 | - | - | - | - | - | 4,000 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 106 - Supporting Water Management in the Field

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 |
|--------------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Services & Supplies | | | | | | | |
| Expendable Prop 250 - 5000 | 22,000 | - | - | - | - | - | 22,000 |
| Total Services & Supplies | \$156,888 | - | - | - | - | - | \$156,888 |
| Capital Outlay | | | | | | | |
| Office Furniture and Fixtures | - | - | - | - | - | - | - |
| Total Capital Outlay | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | 742,248 | - | - | - | - | - | 742,248 |
| Total Expenditures | \$742,248 | - | - | - | - | - | \$742,248 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | 4 |
| Total Positions | - | - | - | - | - | - | 4 |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | 3.52 |
| Total FTE | - | - | - | - | - | - | 3.52 |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 REPORT NO.: PPDPFISCAL
 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

2019-21
 PICS SYSTEM: BUDGET PREPARATION

PAGE
 PROD FILE

PACKAGE: 106 - Supporting Water Management in

| 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 |
| 9919020 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1 | .88 | 21.00 | 02 | 4,096.00 | 86,016 52,067 | | | | 86,016 52,067 |
| 9919021 | OAS C8502 AP | NATURAL RESOURCE SPECIALIST 2 | 1 | .88 | 21.00 | 02 | 4,096.00 | 86,016 52,067 | | | | 86,016 52,067 |
| 9919023 | OAS C8503 AP | NATURAL RESOURCE SPECIALIST 3 | 1 | .88 | 21.00 | 02 | 4,727.00 | 99,267 55,330 | | | | 99,267 55,330 |
| 9919025 | OAS C8503 AP | NATURAL RESOURCE SPECIALIST 3 | 1 | .88 | 21.00 | 02 | 4,727.00 | 99,267 55,330 | | | | 99,267 55,330 |
| TOTAL PICS SALARY | | | | | | | | 370,566 | | | | 370,566 |
| TOTAL PICS OPE | | | | | | | | 214,794 | | | | 214,794 |
| TOTAL PICS PERSONAL SERVICES = | | | 4 | 3.52 | 84.00 | | | 585,360 | | | | 585,360 |

BUDGET NARRATIVE

Policy Option Package #108: Improving Water Use Measurement and Reporting

Purpose: The goal of this package is to increase water use measurement and water use reporting to better understand current demands on water resources, particularly in areas where this information is needed for water distribution and management, protecting existing users, preventing illegal use, and as inputs into groundwater basin studies and surface water availability programs (IWRS Action 2B).

In 2000, the Water Resources Commission developed a Strategic Water Measurement Plan for improving surface water measurement statewide. As part of that effort, the Department developed a statewide inventory of 2,385 “significant surface water diversions” within 300 high priority watersheds across the state. No additional staff resources were authorized to implement the plan; as a result progress over the years – tracked by Key Performance Measure #8 – has been slow. Seventeen years after adoption, 1,059 of the significant diversions (SigPODs) have measuring devices installed and 673 are abandoned or inactive, leaving 653 diversions still needing measuring devices installed. Water use measurement can help watermasters manage water rights and enable scientists to better understand water availability; however, the prior plan did not account for watermaster measurement needs, hydrologic analysis, or groundwater use. Water use measurement is essential for basin studies and water management. In addition, the SigPODs were not integrated into a database compatible with the Department’s Water Use Reporting Program. Under the Department’s Water Use Reporting Program, there are more than 14,800 water rights that are required to measure *and report* water use in Oregon. This constitutes about 17 percent of the water rights in the state, including some that are also SigPODs. In 2016, the Department received water use data for approximately 10,260 of those water rights.

In order to move both water use measurement and water use reporting forward in Oregon, work is needed to integrate datasets, improve database functionality, and develop an approach that incorporates watermaster needs and groundwater with staff resources for implementation.

How Achieved: This package proposes field and technical services staff to increase compliance with water use measurement requirements, work with water users in the field to install measuring devices, educate water users on proper techniques for measuring water use, monitor devices previously installed, provide quality control / assurance of incoming data, and coordinate with the watermasters and other staff.

The 2017 Integrated Water Resources Strategy (IWRS) identifies a number of actions that could improve water use measurement and reporting, drawing upon analysis from the Department’s 2016 *Monitoring Strategy*, the Secretary of State’s December 2016 Audit Report, interviews of staff and customers, and a workgroup discussion that took place during the 2017 legislative session. Drawing from Recommended Action 2.B of the IWRS, the Department proposes to strategically increase water use measurement in the state; help water users understand reporting and measurement requirements; continue to improve the software and tools used for water-use measurement and reporting; update its strategy for improving and increasing water use measurement; and coordinate the Water-Use Reporting Program and water use measurement efforts.

Additional funding is proposed for the cost-share measurement fund, which allows the Department to partner with water users on the cost of installing measuring devices. Measuring devices can cost several hundred dollars to thousands of dollars, depending on the diversion. A database

BUDGET NARRATIVE

developer would link user-supplied data in the water use reporting system with databases of water use reads by field staff and groundwater staff, and link customer-reported groundwater use with Department-collected data at the same location. Information Services would also work to link Significant Points of Diversion data with the Water Right Information System. The database developer would work on the backlog of other database project needs across the agency, improving data accessibility and usability.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|------------|----------------------------------|------|--------|-----|-----------|-----------|
| 9919028 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919029 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919030 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919031 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919032 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919033 | C1486-IP | ISS-6 | Database/Application Developer | PF | 21 | ± | \$196,483 | \$221,187 |
| 9919034 | C8502-AP | NRS-2 | Water Use Reporting | PF | 21 | ± | \$180,305 | \$202,917 |

Quantifying Results: There are several metrics that can be used to quantify results. These metrics include: (1) Does the Department have a database to track all points of diversion with measuring devices? (2) Are water use-related databases, including water use reported data and water use measurement data for both groundwater and surface water, co-located? Can the user readily access and cross-reference information between data sets? (3) Is the number of points of diversions with measuring devices installed increasing? Is progress on KPM #8 improving? (4) Is the data quality received from water use reporting improving? This could be measured by the number of water use reports that are reviewed for accuracy. (5) Are data uploads and data queries easier to complete on a bulk scale? (6) Is the data available in a format that can be used for water management and planning? (7) Is water use reporting compliance increasing as tracked by KPM #13?

Funding Source:

General Fund: ~~\$1,428,313~~
 Staffing Costs: ~~\$1,278,313~~
 Water Measurement Cost Share Funds: \$150,000

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Field Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 108 - Improving Water Use Measurement & Reporting

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 |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #111: Marijuana & Compliance with Water Laws

Purpose: There are approximately 2,000 active or pending Oregon Liquor Control Commission (OLCC) producers' licenses, and more than 20,000 medical marijuana registered grow sites in Oregon. Watermaster offices, primarily in central and western Oregon, receive dozens of complaints of illegal uses and well interference in association with cannabis each month, and have seen significant increases in front counter traffic from producers looking to find authorized sources of water to use for marijuana cultivation. In addition, while many producers and growers are responsible water users, significant time is required to pursue investigations of potential illegal uses of water related to cannabis.

When recreational marijuana was first legalized, the Department worked with OLCC to adopt rules requiring applicants for producer's licenses to submit information on their legal source of water. As the Department receives complaints about illegal uses, staff work with OLCC staff to understand the sources of water claimed by the licensee and whether they are in fact authorized uses. The Department does not have the capacity to proactively review this information upfront, or to follow up to see if these sources are in fact being used. As a result of complaints or watermaster inquiries, the Department has found instances where water rights submitted to OLCC were not appurtenant to the property, or where water uses were inconsistent with what had been claimed as the source. Furthermore, given that many water sources were fully appropriated when marijuana was legalized, many producers have identified sources that do not require a water right. However, these sources may not provide adequate water, or may be more costly to obtain, which may incentivize the use of unauthorized sources. Investigating these issues and ascertaining whether water is being used legally is a difficult task that draws watermasters and assistant watermasters away from other duties.

This package will assist the Department in addressing complaints timely, educating producers on water options, verifying that producers have a legal source of water upon renewal or licensing with OLCC, and increasing the field enforcement presence to ensure legal water use occurs. These positions will contribute to IWRS Actions 10.F (Provide an adequate presence in the field) and 10.G (Strengthen Oregon's water quantity permitting program).

How Achieved: The Department will hire and train five NRS 2 regional assistant watermasters to be located in Bend, Medford, Grants Pass, Eugene, and Salem. These staff, in conjunction with the watermaster, will coordinate with county governments, the Oregon Health Authority and OLCC inspectors to educate producers, conduct site visits to review water use, and ensure that legal water use occurs. The staff will also review water use for OLCC license applications, proactively catching issues upfront to the extent possible. The new staff will significantly increase the field's ability to respond timely to complaints and work with producers to gain compliance if violations are found. New staff will be able to conduct research and confirm that proposed water sources are legal and available for marijuana cultivation. While cannabis related water use will be their primary focus, these staff will also be able to work on other assistant watermaster responsibilities as needed to reduce workload pressures and ensure efficient use of staff time.

BUDGET NARRATIVE

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|--------------------------------|------|--------|------|------------|-----------|
| 9919041 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919042 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919043 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919044 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919045 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

Quantifying Results: The Department will track staff actions associated with marijuana production and complaints in the Field Activity database. In addition, the Department will review water use sources for all OLCC licensed and proposed licenses, including those that are proposing to sell up to 20 pounds of medical marijuana into the recreational market. The Department anticipates that over time, producer and grower understanding of Oregon’s water laws will improve, their sources of water will be vetted, and complaints will be reduced.

Funding Source:

General Fund: ~~\$901,525~~
 Staffing Costs: ~~\$901,525~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Field Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 111 - Marijuana & Compliance With Water Laws

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 |
|----------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 111 - Marijuana & Compliance With Water Laws

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| Source | Fund | | 2015-17 Actuals | 2017-19 Legislatively Adopted | 2017-19 Estimated | 2019-21 | | |
|------------------------------------|-------|------|--------------------|-------------------------------------|----------------------|-------------------|----------------------|--------------------------|
| | | | | | | Agency Request | Governor's Budget | Legislatively Adopted |
| Non-Business Lic and Fees | OF | 0210 | - | - | - | - | - | - |
| Power and Water Fees | OF | 0245 | - | 1,170,991 | - | 1,189,869 | 1,189,869 | - |
| Federal Revenue Service Contracts | OF | 0360 | 80,002 | 601,938 | - | 1,012,073 | 1,012,073 | - |
| Charges for Services | OF | 0410 | 635,626 | 405,943 | - | 665,000 | 665,000 | - |
| Admin and Service Charges | OF | 0415 | - | - | - | - | - | - |
| Fines and Forfeitures | OF | 0505 | - | - | - | - | - | - |
| Rents and Royalties | OF | 0510 | 13,502 | 13,000 | - | 13,000 | 13,000 | - |
| Dedicated Fund Obligation Bond | OF | 0560 | - | - | - | - | - | - |
| Lottery Bonds | OF | 0565 | - | - | - | - | - | - |
| Revenue Bonds | OF | 0570 | - | - | - | - | - | - |
| Interest Income | OF | 0605 | 1,800 | 50 | - | 2,000 | 2,000 | - |
| Sales Income | OF | 0705 | - | - | - | - | - | - |
| Loan Repayments | OF | 0925 | - | - | - | - | - | - |
| Other Revenues | OF/FF | 0975 | - | - | - | - | - | - |
| Federal Funds | FF | 0995 | 82,641 | 621,437 | - | 207,663 | 207,663 | - |
| Total Revenue | | | 813,571 | 2,813,359 | - | 3,089,605 | 3,089,605 | - |
| Transfer In - Intrafund | OF | 1010 | 752,876 | 1,243,954 | - | - | - | - |
| Transfer from General Fund | OF | 1060 | 103,000 | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| Transfer Out - Intrafund | OF | 2010 | (3,213) | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| Total Transfers | | | 852,663 | 1,243,954 | - | - | - | - |
| Net Revenue | | | 1,666,234 | 4,057,313 | - | 3,089,605 | 3,089,605 | - |

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

Agency Number: 69000
Cross Reference Number: 69000-010-03-00-00000

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|----------------------------------|--------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Other Funds | | | | | | |
| Power and Water Fees | - | - | 1,170,991 | 1,189,869 | 1,189,869 | - |
| Federal Revenues - Svc Contracts | 80,002 | 601,938 | 601,938 | 1,012,073 | 1,012,073 | - |
| Charges for Services | 635,626 | 405,943 | 405,943 | 665,000 | 665,000 | - |
| Rents and Royalties | 13,502 | 13,000 | 13,000 | 13,000 | 13,000 | - |
| Interest Income | 1,800 | 50 | 50 | 2,000 | 2,000 | - |
| Transfer In - Intrafund | 752,876 | 1,243,954 | 1,243,954 | - | - | - |
| Transfer from General Fund | 103,000 | - | - | - | - | - |
| Transfer Out - Intrafund | (3,213) | - | - | - | - | - |
| Total Other Funds | \$1,583,593 | \$2,264,885 | \$3,435,876 | \$2,881,942 | \$2,881,942 | - |
| Federal Funds | | | | | | |
| Federal Funds | 82,641 | 616,140 | 621,437 | 207,663 | 207,663 | - |
| Total Federal Funds | \$82,641 | \$616,140 | \$621,437 | \$207,663 | \$207,663 | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

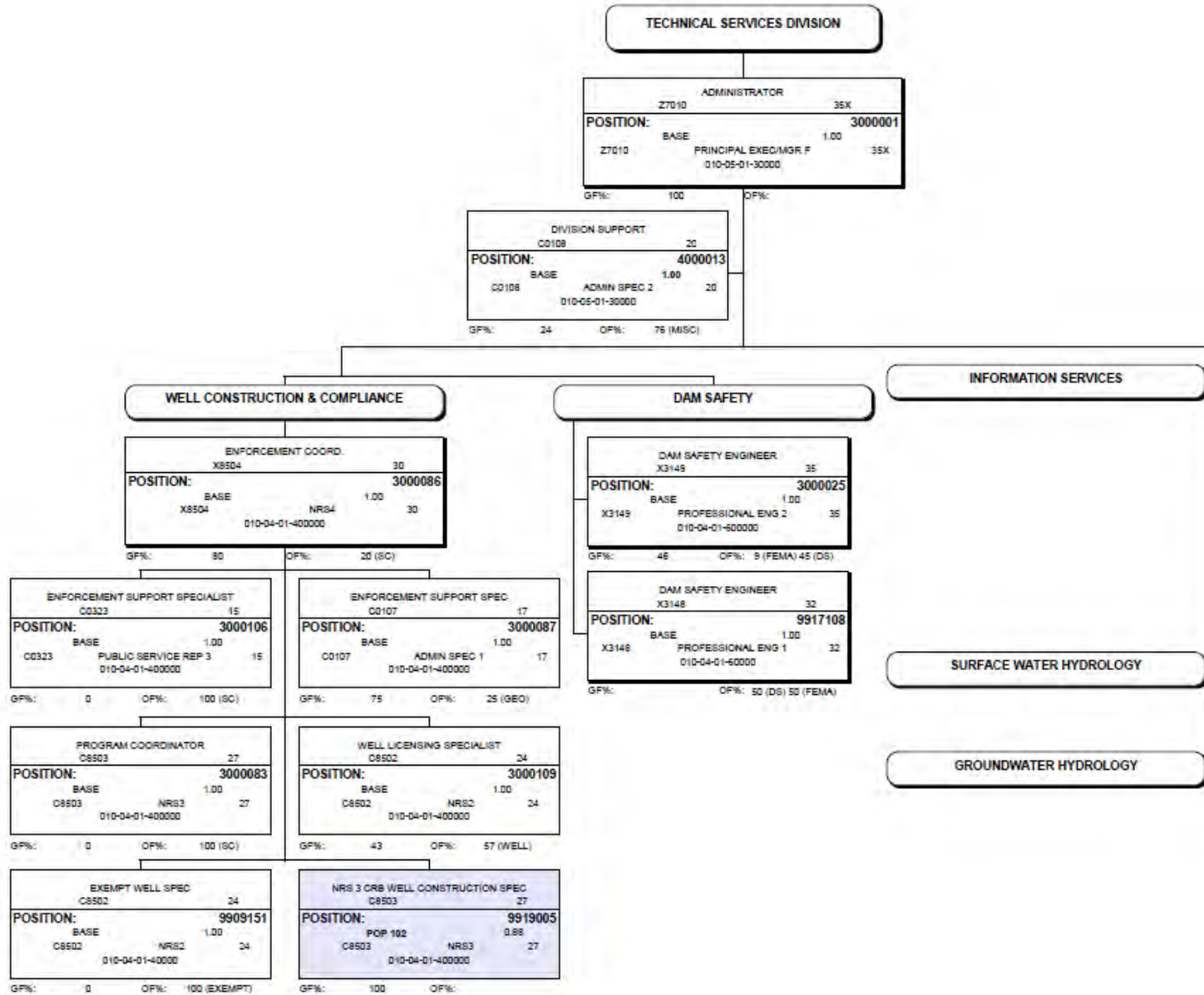
____ Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

BUDGET NARRATIVE

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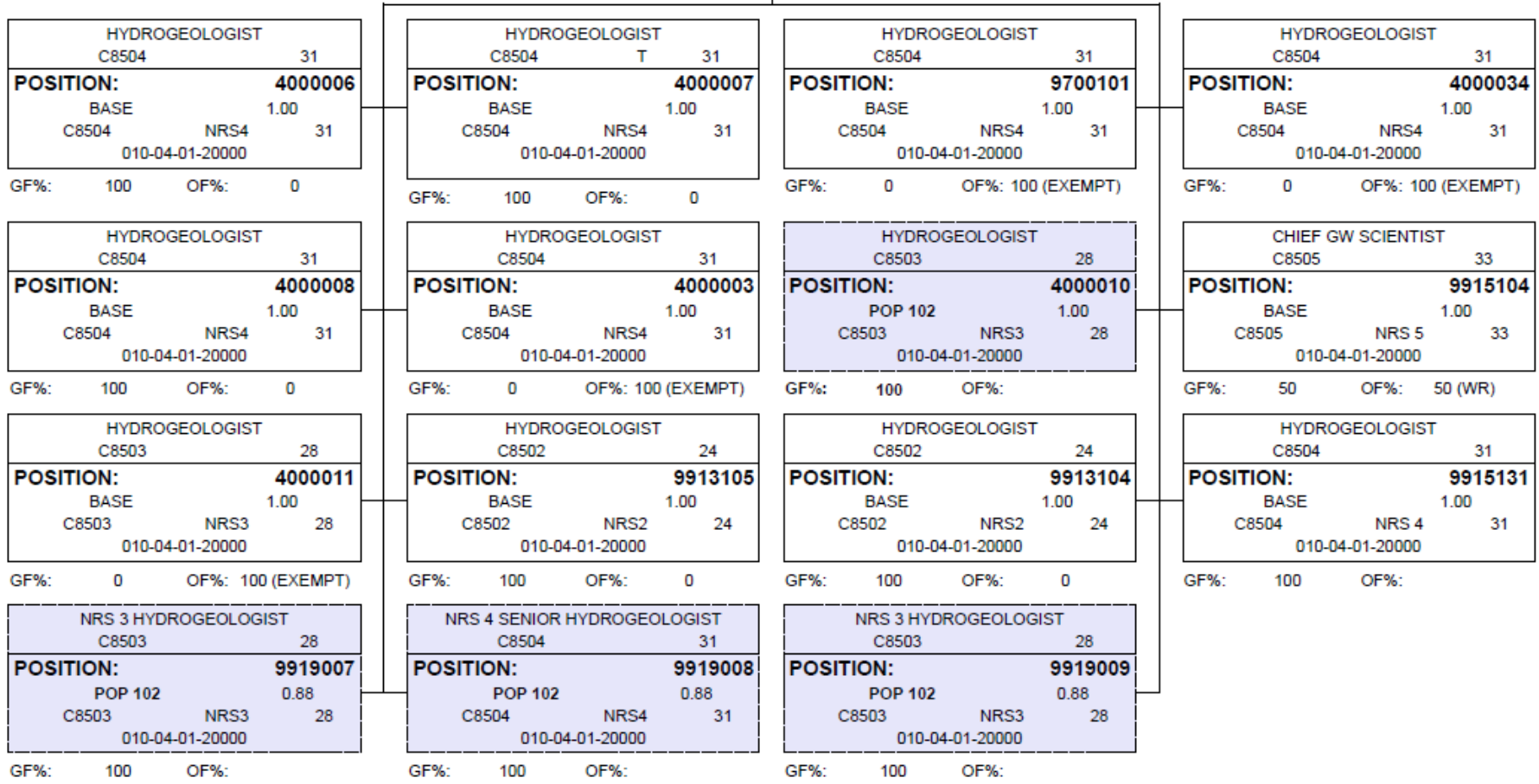
BUDGET NARRATIVE

TECHNICAL SERVICES DIVISION



BUDGET NARRATIVE

| | | | |
|------------------------------|----------------------|----------------|---|
| GROUNDWATER HYDROLOGY | | | |
| MANAGER | | | |
| X7008 | 33X | | |
| POSITION: | | 4000002 | |
| BASE | 1.00 | | |
| X7008 | PRINCIPAL EXEC/MGR E | 33X | |
| 010-04-01-20000 | | | |
| GF%: | 100 | OF%: | 0 |



BUDGET NARRATIVE

INFORMATION SERVICES

| | | | |
|------------------|----------------------|----------------|--|
| MANAGER | | | |
| X7008 | 33XI | | |
| POSITION: | | 1000027 | |
| BASE | 1.00 | | |
| X7008 | PRINCIPAL EXEC/MGR E | 33XI | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

GIS

| | | | |
|------------------|------|----------------|--|
| GIS COORDINATOR | | | |
| C1486 | 29I | | |
| POSITION: | | 4000047 | |
| BASE | 1.00 | | |
| C1486 | ISS6 | 29I | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

| | | | |
|---------------------------|------|----------------|--|
| GIS APPLICATION DEVELOPER | | | |
| C1486 | 29I | | |
| POSITION: | | 1000029 | |
| BASE | 1.00 | | |
| C1486 | ISS6 | 29I | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

| | | | |
|------------------|------|----------------|--|
| GIS ANALYST | | | |
| C1484 | 25I | | |
| POSITION: | | 1000030 | |
| BASE | 0.92 | | |
| C1484 | ISS4 | 25I | |
| 010-04-01-10000 | | | |

GF%: 86.25 OF%: 13.75

DATA CENTER

| | | | |
|------------------|----------------|----------------|--|
| WR DATA TECH 1 | | | |
| C8511 | 19 | | |
| POSITION: | | 9970035 | |
| BASE | 1.00 | | |
| C8510 | WR DATA TECH 1 | 19 | |
| 010-04-01-10000 | | | |

GF%: 0 OF%: 100 (SC)

| | | | |
|------------------|----------------|----------------|--|
| WR DATA TECH 1 | | | |
| C8510 | VACANT | 19 | |
| POSITION: | | 1000023 | |
| BASE | 1.00 | | |
| C8510 | WR DATA TECH 1 | 19 | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

| | | | |
|------------------|----------------|----------------|--|
| WR DATA TECH 1 | | | |
| C8510 | 19 | | |
| POSITION: | | 1000026 | |
| BASE | 1.00 | | |
| C8510 | WR DATA TECH 1 | 19 | |
| 010-04-01-10000 | | | |

GF%: 0 OF%: 100 (WR/TFR)

| | | | |
|------------------|----------------|----------------|--|
| WR DATA TECH 2 | | | |
| C8511 | 21 | | |
| POSITION: | | 1000025 | |
| BASE | 1.00 | | |
| C8511 | WR DATA TECH 2 | 21 | |
| 010-04-01-10000 | | | |

GF%: 73 OF%: 27 (GEO)

| | | | |
|------------------|----------------|----------------|--|
| WR DATA TECH 1 | | | |
| C8510 | 19 | | |
| POSITION: | | 9909160 | |
| BASE | 1.00 | | |
| C8510 | WR DATA TECH 1 | 19 | |
| 010-04-01-10000 | | | |

GF%: 0 OF%: 100 (WR/TFR)

SYSTEM ADMINISTRATION

| | | | |
|-------------------------------|------|----------------|--|
| SOFTWARE & DATABASE DEVELOPER | | | |
| C1487 | 31I | | |
| POSITION: | | 9700103 | |
| BASE | 1.00 | | |
| C1487 | ISS7 | 31I | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

| | | | |
|-------------------------|------|----------------|--|
| DESKTOP & NETWORK ADMIN | | | |
| C1485 | 28I | | |
| POSITION: | | 1000032 | |
| BASE | 1.00 | | |
| C1485 | ISS5 | 28I | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

| | | | |
|--------------------------------|------|----------------|--|
| BUSINESS APPLICATION DEVELOPER | | | |
| C1485 | 28I | | |
| POSITION: | | 9913111 | |
| BASE | 1.00 | | |
| C1485 | ISS5 | 28I | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

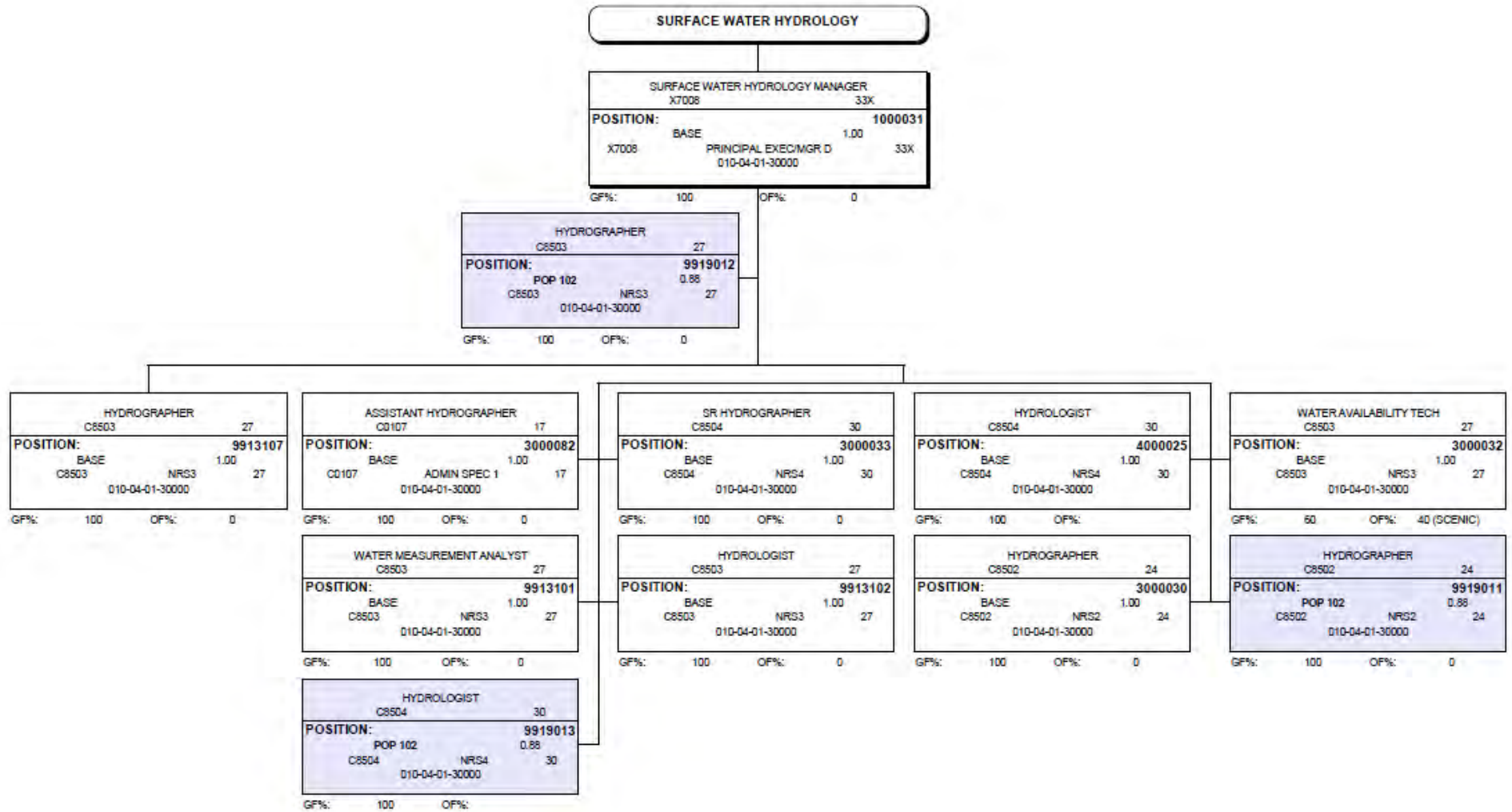
| | | | |
|-------------------------|------|----------------|--|
| PROGRAMMER/DATA ANALYST | | | |
| C1482 | 21I | | |
| POSITION: | | 1000019 | |
| BASE | 1.00 | | |
| C1484 | ISS4 | 25I | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

| | | | |
|---------------------------|------|----------------|--|
| INFORMATION SYSTEM SPEC 6 | | | |
| C1488 | 25I | | |
| POSITION: | | 9919010 | |
| POP 102 | 0.88 | | |
| C1486 | ISS4 | 29I | |
| 010-04-01-10000 | | | |

GF%: 100 OF%: 0

BUDGET NARRATIVE



BUDGET NARRATIVE

TECHNICAL SERVICES DIVISION

The Technical Services Division collects, analyzes and publishes 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

Water Resources proposes to add \$5.8 million General Fund for groundwater and surface water data to better understand and manage 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; improve and increase water use reporting; and to make data more accessible to staff and the public.

The Technical Services Division supports long-term water management by providing data and technical analysis. During the 2017-2019 biennium Technical Services had 46 budgeted positions (FTE) in five programs: Dam Safety, Well Construction and Compliance, Information Services, Surface Water Hydrology, and Groundwater Hydrology.

PROGRAM DESCRIPTION

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 second professional engineer to help with the technical aspects of the Dam Safety program; conducting inundation analyses, conducting inspections and helping dam owners understand their responsibilities.

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

BUDGET NARRATIVE

cooperation with National Inventory of Dams Program (NID), Oregon's Dam Safety Program keeps a current inventory of dams that meet both 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 more than 200 each year with assistance from the Field Services Division. The more than 70 dams rated as "high hazard" are inspected annually because 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.

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, well inspector training, 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, 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 diverting or storing water 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.

BUDGET NARRATIVE

INFORMATION SERVICES

The Information Services Section provides agency and public access to the information necessary to make water management decisions. The section continues to improve and streamline customer interactions through application development, data management, and technical support. Recent actions included: 1) linking together multiple groundwater related databases, 2) designing a new data collection application for field staff, 3) creating a new website for the Department, 4) accepting online payments for more programs.

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

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.

BUDGET NARRATIVE

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

The Water Resources Department is operating approximately 260 surface water 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). Most of the gages are operated as near real-time, and transmit data once every hour.

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 water models have been developed that provide flood frequency predictions and water use impact analyses for consideration in mitigation proposals. Section hydrologists provide flow recommendations for newly designated scenic waterways. They 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.

BUDGET NARRATIVE

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 537.099 to annually report their water use. Beginning in the early 1990's, some water use permits issued to nongovernmental users included a water measurement and annual reporting requirement under the authority of ORS 537.211. Under the Department's Water Use Reporting Program, there are more than 14,800 water rights that are required to measure and report water use in Oregon. This constitutes about 17 percent of the 89,000 water rights in the state. 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 manage groundwater within the capacity of the resource. Section activities include technical support to the agency, reviewing Aquifer Storage and Recovery and Artificial Recharge proposals, conducting groundwater investigations, monitoring and management of groundwater administrative 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 provide input on licenses and permits.

GROUNDWATER INVESTIGATIONS

Groundwater investigations characterize the water budgets of groundwater aquifers, 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 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.

BUDGET NARRATIVE

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 are closed to new appropriations, restrict existing uses, 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 critical groundwater 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 while offsetting impacts through mitigation credits to maintain or improve streamflow.

OBSERVATION WELL NETWORK

Section staff, in cooperation with the Field Services Division, collects and inputs 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 about 380 state observation wells and several hundred miscellaneous and project wells. 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

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 2017 Integrated Water Resources Strategy, in order to meet 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 on both supply and demand. The Technical Services Division carries out all three of these objectives.

BUDGET NARRATIVE

PROGRAM PERFORMANCE

OBSERVATION WELLS AND STREAM GAGES TO UNDERSTAND OUR WATER RESOURCES AND MAKE DECISIONS

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 gages. For the 2017 Key Performance Reporting period (July 1, 2016 to June 30, 2017), Oregon had about 380 wells in the State Well Net, compared to 350 in 2001. In 2017, Oregon had more than 250 active streamflow gages, compared to 215 in 2001.

DAM SAFETY INSPECTIONS TO PROTECT PUBLIC SAFETY

Oregon currently has more than 900 dams statewide for which it has lead inspection responsibilities. The Department inspects high-hazard dams annually, while dams that have a lower risk are inspected less frequently. More than 70 dams are ranked as high-hazard, meaning that life and property would be threatened if the dam were to fail. Each year, the Department inspects about 200 dams in total.

USEFUL AND ACCESSIBLE INFORMATION PROVIDED BY INFORMATION SERVICES

The Department's website includes information such as well log transactions, hydrographic records, water availability, water rights, and the document vault. The Department's goal is to have useful and accessible information on the Department's website, which is measured by an ever-increasing number of hits. More hits are indicative of our ability to meet the needs of the customer. 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. The Department is currently working on a comprehensive update to its website, which will improve usability for tablets and mobile devices.

BUDGET NARRATIVE

ENABLING LEGISLATION/PROGRAM AUTHORIZATION

Oregon water law is addressed in Oregon Revised Statutes (ORS), chapters 536 through 541.

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 and authorizes inspection 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 Oregonians.

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 that certain water users must measure and report water use, directs the 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.

BUDGET NARRATIVE

FUNDING STREAMS

The majority of funding for the Technical Services Division comes from the state General Fund. Other Funds include dam safety fees, gaging station agreements, fees for the inspection of newly constructed wells and the mapping of those wells in the Department’s online databases. Federal Funds are received from the Federal Emergency Management Agency (FEMA), the Bureau of Reclamation (BOR) and United States Geological Survey (USGS).

Technical Services Division

| | General Fund | Other Funds | Lottery Funds | Federal Funds | Total Funds |
|--|--------------|-------------|---------------|---------------|-------------|
| 2017-19 Legislatively Adopted Budget | 8,239,439 | 4,926,180 | - | 1,263,394 | 14,429,013 |
| 2017-19 Emergency Boards | 186,767 | (1,329,788) | - | (75,000) | (1,218,021) |
| 2017-19 Legislatively Approved Budget | 8,426,206 | 3,596,392 | - | 1,188,394 | 13,210,992 |
| 2019-21 Base Budget | 8,528,942 | 4,060,779 | - | 1,289,630 | 13,879,351 |
| 2019-21 Current Service Level | 9,106,977 | 4,136,351 | - | 594,071 | 13,837,399 |
| Policy Packages | | | | | |
| 2019-21 Modified Current Service Level | 9,106,977 | 4,136,351 | - | 594,071 | 13,837,399 |
| Total Packages | 2,700,070 | (14,041) | - | - | 2,686,029 |
| 2019-21 Governor’s Recommended Budget | 11,807,047 | 4,122,310 | - | 594,071 | 16,523,428 |

BUDGET NARRATIVE

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 2019-21 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 2017-19 biennium.

030 – Inflation and Price List Adjustment

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2019-2021 Budget Instructions. General inflation was calculated using a factor of 3.8% while a rate of 4.2% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2019-21 price lists.

060 – Technical Adjustment

This package was used to adjust 2019-21 budgets to align with the 2017-19 changes to the agency structure.

090 – Analyst Adjustments

This package includes reductions taken in the Governor’s Recommended Budget.

091 – Statewide DAS Charges

This package includes reductions to State Government Service Charges and Pricelist items to account for reductions made to the Department of Administrative Services Division (DAS) in the Governor’s Recommended Budget.

092 – Statewide AG Adjustment

This package includes reductions to the Department of Justice Attorney General charges 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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------|------------------|---------------|-----------------|----------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 162,732 | - | - | - | - | - | 162,732 |
| Power and Water Fees | - | - | - | - | - | - | - |
| Charges for Services | - | - | - | - | - | - | - |
| Federal Funds | - | - | - | 5,114 | - | - | 5,114 |
| Total Revenues | \$162,732 | - | - | \$5,114 | - | - | \$167,846 |
| Transfers Out | | | | | | | |
| Tsfr To Public Def Svcs Comm | - | - | - | - | - | - | - |
| Total Transfers Out | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Temporary Appointments | 281 | - | 1,518 | - | - | - | 1,799 |
| All Other Differential | 191 | - | - | - | - | - | 191 |
| Public Employees' Retire Cont | 32 | - | - | - | - | - | 32 |
| Pension Obligation Bond | (19,536) | - | 1,188 | 5,114 | - | - | (13,234) |
| Social Security Taxes | 36 | - | 116 | - | - | - | 152 |
| Unemployment Assessments | 530 | - | 130 | - | - | - | 660 |
| Mass Transit Tax | 528 | - | 1,901 | - | - | - | 2,429 |
| Vacancy Savings | 180,670 | - | 73,764 | - | - | - | 254,434 |
| Total Personal Services | \$162,732 | - | \$78,617 | \$5,114 | - | - | \$246,463 |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Out of State Travel | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|------------------|---------------|-------------------|----------------|------------------------|--------------------------|-------------------|
| Services & Supplies | | | | | | | |
| State Gov. Service Charges | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | 162,732 | - | 78,617 | 5,114 | - | - | 246,463 |
| Total Expenditures | \$162,732 | - | \$78,617 | \$5,114 | - | - | \$246,463 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (78,617) | - | - | - | (78,617) |
| Total Ending Balance | - | - | (\$78,617) | - | - | - | (\$78,617) |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 021 - Phase - In

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 |
|--------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Vacancy Savings | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
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 |
|-------------------------------|--------------|---------------|-------------|--------------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| Federal Funds | - | - | - | (625,673) | - | - | (625,673) |
| Total Revenues | - | - | - | (\$625,673) | - | - | (\$625,673) |
| Special Payments | | | | | | | |
| Other Special Payments | - | - | - | (625,673) | - | - | (625,673) |
| Total Special Payments | - | - | - | (\$625,673) | - | - | (\$625,673) |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | (625,673) | - | - | (625,673) |
| Total Expenditures | - | - | - | (\$625,673) | - | - | (\$625,673) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|-----------------|---------------|------------------|---------------|------------------------|--------------------------|-----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 58,810 | - | - | - | - | - | 58,810 |
| Total Revenues | \$58,810 | - | - | - | - | - | \$58,810 |
| Services & Supplies | | | | | | | |
| Instate Travel | 6,419 | - | - | - | - | - | 6,419 |
| Out of State Travel | 239 | - | - | - | - | - | 239 |
| Employee Training | 694 | - | - | - | - | - | 694 |
| Office Expenses | 3,585 | - | - | - | - | - | 3,585 |
| Telecommunications | 2,150 | - | - | - | - | - | 2,150 |
| State Gov. Service Charges | 1,921 | - | (3,045) | - | - | - | (1,124) |
| Data Processing | 2,822 | - | - | - | - | - | 2,822 |
| Publicity and Publications | 27 | - | - | - | - | - | 27 |
| Professional Services | 5,423 | - | - | - | - | - | 5,423 |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | 62 | - | - | - | - | - | 62 |
| Facilities Rental and Taxes | - | - | - | - | - | - | - |
| Facilities Maintenance | 196 | - | - | - | - | - | 196 |
| Other Services and Supplies | 27,294 | - | - | - | - | - | 27,294 |
| Expendable Prop 250 - 5000 | 6,257 | - | - | - | - | - | 6,257 |
| IT Expendable Property | 1,721 | - | - | - | - | - | 1,721 |
| Total Services & Supplies | \$58,810 | - | (\$3,045) | - | - | - | \$55,765 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-------------------------------|-----------------|---------------|------------------|---------------|------------------------|--------------------------|-----------------|
| Special Payments | | | | | | | |
| Other Special Payments | - | - | - | - | - | - | - |
| Total Special Payments | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | 58,810 | - | (3,045) | - | - | - | 55,765 |
| Total Expenditures | \$58,810 | - | (\$3,045) | - | - | - | \$55,765 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 3,045 | - | - | - | 3,045 |
| Total Ending Balance | - | - | \$3,045 | - | - | - | \$3,045 |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|----------------|---------------|-------------|---------------|------------------------|--------------------------|----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 4,390 | - | - | - | - | - | 4,390 |
| Total Revenues | \$4,390 | - | - | - | - | - | \$4,390 |
| Services & Supplies | | | | | | | |
| Instate Travel | 4,390 | - | - | - | - | - | 4,390 |
| Total Services & Supplies | \$4,390 | - | - | - | - | - | \$4,390 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 4,390 | - | - | - | - | - | 4,390 |
| Total Expenditures | \$4,390 | - | - | - | - | - | \$4,390 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 050 - Fundshifts

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 |
|-------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Special Payments | | | | | | | |
| Other Special Payments | - | - | - | - | - | - | - |
| Total Special Payments | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 060 - Technical Adjustments

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 |
|--------------------------------------|------------------|---------------|-------------|-------------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 352,103 | - | - | - | - | - | 352,103 |
| Federal Funds | - | - | - | (75,000) | - | - | (75,000) |
| Total Revenues | \$352,103 | - | - | (\$75,000) | - | - | \$277,103 |
| Services & Supplies | | | | | | | |
| Instate Travel | (101,793) | - | - | - | - | - | (101,793) |
| Telecommunications | (23,735) | - | - | - | - | - | (23,735) |
| Data Processing | 102,953 | - | - | - | - | - | 102,953 |
| Professional Services | (18,800) | - | - | - | - | - | (18,800) |
| Agency Program Related S and S | 87,323 | - | - | - | - | - | 87,323 |
| Other Services and Supplies | 269,097 | - | - | (75,000) | - | - | 194,097 |
| IT Expendable Property | 37,058 | - | - | - | - | - | 37,058 |
| Total Services & Supplies | \$352,103 | - | - | (\$75,000) | - | - | \$277,103 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 352,103 | - | - | (75,000) | - | - | 277,103 |
| Total Expenditures | \$352,103 | - | - | (\$75,000) | - | - | \$277,103 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds | | | |
|---|--|---|-------------|---------------|------------------------|--------------------------|--------------------|---|--|---|
| Revenues | | | | | | | | | | |
| General Fund Appropriation | (563,176) | - | - | - | - | - | (563,176) | | | |
| Total Revenues | (\$563,176) | - | - | - | - | - | (\$563,176) | | | |
| Personal Services | | | | | | | | | | |
| Class/Unclass Sal. and Per Diem | (78,336) | - | - | - | - | - | (78,336) | | | |
| Empl. Rel. Bd. Assessments | (61) | - | - | - | - | - | (61) | | | |
| Public Employees' Retire Cont | (13,294) | - | - | - | - | - | (13,294) | | | |
| Social Security Taxes | (5,993) | - | - | - | - | - | (5,993) | | | |
| Worker's Comp. Assess. (WCD) | (58) | - | - | - | - | - | (58) | | | |
| Flexible Benefits | (35,184) | - | - | - | - | - | (35,184) | | | |
| Vacancy Savings | (181,133) | - | - | - | - | - | (181,133) | | | |
| Total Personal Services | (\$314,059) | - | - | - | - | - | (\$314,059) | | | |
| Services & Supplies | | | | | | | | | | |
| Instate Travel | (6,419) | - | - | - | - | - | (6,419) | | | |
| Out of State Travel | (239) | - | - | - | - | - | (239) | | | |
| Employee Training | (694) | - | - | - | - | - | (694) | | | |
| Office Expenses | (3,585) | - | - | - | - | - | (3,585) | | | |
| Telecommunications | (2,150) | - | - | - | - | - | (2,150) | | | |
| Data Processing | (2,710) | - | - | - | - | - | (2,710) | | | |
| Publicity and Publications | (27) | - | - | - | - | - | (27) | | | |
| Professional Services | (100,000) | - | - | - | - | - | (100,000) | | | |
| Dues and Subscriptions | (62) | - | - | - | - | - | (62) | | | |
| Facilities Maintenance | (196) | - | - | - | - | - | (196) | | | |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"> <input type="checkbox"/> Agency Request 2019-21 Biennium </td> <td style="width: 33%; border: none; text-align: center;"> <input type="checkbox"/> Governor's Budget Page _____ </td> <td style="width: 33%; border: none; text-align: right;"> <input type="checkbox"/> Legislatively Adopted Essential and Policy Package Fiscal Impact Summary - BPR013 </td> </tr> </table> | | | | | | | | <input type="checkbox"/> Agency Request 2019-21 Biennium | <input type="checkbox"/> Governor's Budget Page _____ | <input type="checkbox"/> Legislatively Adopted Essential and Policy Package Fiscal Impact Summary - BPR013 |
| <input type="checkbox"/> Agency Request 2019-21 Biennium | <input type="checkbox"/> Governor's Budget Page _____ | <input type="checkbox"/> Legislatively Adopted Essential and Policy Package Fiscal Impact Summary - BPR013 | | | | | | | | |

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Services & Supplies | | | | | | | |
| Other Services and Supplies | (125,057) | - | - | - | - | - | (125,057) |
| Expendable Prop 250 - 5000 | (6,257) | - | - | - | - | - | (6,257) |
| IT Expendable Property | (1,721) | - | - | - | - | - | (1,721) |
| Total Services & Supplies | (\$249,117) | - | - | - | - | - | (\$249,117) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (563,176) | - | - | - | - | - | (563,176) |
| Total Expenditures | (\$563,176) | - | - | - | - | - | (\$563,176) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 REPORT NO.: PDPFISCAL DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE
REPORT: PACKAGE FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:69000 DEPT OF WATER RESOURCES PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:010-04-00 Technical Services 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 |
| 1000023 | OAS | C8510 | AP WATER RESOURCE DATA TECH 1 | 1- | 1.00- | 24.00- | 02 | 3,264.00 | 78,336- | | | | 78,336- |
| | | | | | | | | | 54,590- | | | | 54,590- |
| TOTAL PICS SALARY | | | | | | | | | 78,336- | | | | 78,336- |
| TOTAL PICS OPE | | | | | | | | | 54,590- | | | | 54,590- |
| TOTAL PICS PERSONAL SERVICES = | | | | 1- | 1.00- | 24.00- | | | 132,926- | | | | 132,926- |

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|------------------|---------------|-------------------|---------------|------------------------|--------------------------|-------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (7,197) | - | - | - | - | - | (7,197) |
| Total Revenues | (\$7,197) | - | - | - | - | - | (\$7,197) |
| Services & Supplies | | | | | | | |
| State Gov. Service Charges | (573) | - | (8,294) | - | - | - | (8,867) |
| Data Processing | (2,243) | - | (2,415) | - | - | - | (4,658) |
| Agency Program Related S and S | (1,753) | - | - | - | - | - | (1,753) |
| Other Services and Supplies | (2,628) | - | (6,932) | - | - | - | (9,560) |
| Total Services & Supplies | (\$7,197) | - | (\$17,641) | - | - | - | (\$24,838) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (7,197) | - | (17,641) | - | - | - | (24,838) |
| Total Expenditures | (\$7,197) | - | (\$17,641) | - | - | - | (\$24,838) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 17,641 | - | - | - | 17,641 |
| Total Ending Balance | - | - | \$17,641 | - | - | - | \$17,641 |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #101: Place-Based Planning Community Support

Purpose: Water is the foundation for our quality of life, economies, and ecosystems. Oregon communities need to plan for how they will meet their instream and out-of-stream water needs in the midst of limited supply and a changing climate. In most parts of the state, surface water is fully allocated in summer months. Similarly, across the state, aquifers are becoming fully appropriated. In order to sustain current and future economic growth, while supporting environmental health, communities must consider how they will meet their water needs now and into the future. Place-based integrated water resources planning is a voluntary, locally initiated and led effort in which a balanced representation of water interests within a hydro-geographic area (e.g., basin, watershed or groundwater area) work in partnership with the state to characterize current water resources and issues; understand current and future instream and out-of-stream water needs and demands; and identify solutions to address water needs. Undertaking place-based integrated water resources planning supports Recommended Action 9.A of the Integrated Water Resources Strategy.

In 2015, the Oregon Legislature passed SB 266 authorizing the State to pilot place-based integrated water resources planning to partner with communities to understand and meet their water resources needs. The Department also received \$750,000 to help communities pilot the approach. In 2016, the Oregon Water Resources Commission awarded four grants to four basins: Upper Grande Ronde, Lower John Day, Malheur Lake, and the Mid-Coast. The primary purpose of this package is to support four existing place-based planning areas and to evaluate the place-based planning approach to water planning.

Since 2016, each of the four planning groups has diligently worked in partnership with the Department to develop a place-based integrated water resources plan through a five-step planning process. Each of the places have crafted governance agreements that outline how diverse partners work together, increased awareness of water issues within and beyond their communities, compiled and synthesized water-related data from state and federal agencies, and created a venue to share local knowledge. Both the Department and the four planning groups agree that it will take additional time and resources to develop place-based plans and work to implement them. Therefore, the Department is seeking additional funding to support the four places and seeking legislation to extend the sunset of Senate Bill 266 (2015) from 2019 to 2023.

Collaborative planning takes time, but can yield benefits in the form of reduced conflict over water resources and greater capacity to implement projects that will help address instream and out-of-stream needs. Other basins in Oregon are interested in conducting place-based planning. Before establishing place-based planning as a permanent program, there is a need to evaluate the place-based planning approach, determine if it or other types of planning are best for Oregon, and to decide how to proceed with helping communities plan for their water future. This package, therefore presents a way to evaluate place-based planning and conduct a planning needs assessment in order to determine how best the State of Oregon can partner with communities in water planning.

BUDGET NARRATIVE

How Achieved: In meeting with stakeholders, there was strong support for providing financial and technical assistance to the four planning groups to help them complete their plans and work on implementation. There was also an interest in evaluating the place-based approach to water planning and assessing planning needs before determining whether to make the program permanent. As a result, the Department is proposing legislation to extend Senate Bill 266 through June 30, 2023, as well as proposing this funding package to provide assistance to the four planning groups and to evaluate the program.

In order for planning groups to successfully finish planning and transition to plan implementation, it is essential for the State to provide technical assistance to help the pilots fill critical data gaps about their water resources and demands, as well as financial assistance to sustain facilitation and project coordination support. OWRD is requesting \$650,000 to support the four planning groups. The portion of funds provided to each planning group will be determined based on need and how far along the group is in the planning process. Funds will be used by the Department and the planning groups for technical work, data, trainings, facilitation, coordination, group gatherings, and other support necessary to sustain a multi-interest collaborative process. After the plan is adopted, the Department proposes to provide staff resources and cost-match funds for coordination and facilitation to shift the group from planning towards working on implementation for one to two years.

In addition to the funding, this package proposes to make permanent a full time planning coordinator position that has been critical to supporting the planning groups, and will continue to be needed as they develop a plan and shift to implementation. The position will also help facilitate the evaluation of the program, including implementing any recommendations of the evaluation. In addition to place-based planning, planning coordinators also often provide other coordination or support to basins undertaking other types of water-related planning.

An evaluation of the place-based planning approach will allow the Department to incorporate the experiences of the four planning groups into the program design of place-based planning. The independent evaluation would identify that lessons learned, successes, potential improvements, as well as how the State should partner in water planning. As part of this, the evaluation will also include an inventory of completed, ongoing, and expected water planning efforts in order to better identify the need for State investment in water planning. Likewise an assessment of interest in place-based and other water planning will help the Department identify those basins interested in planning and their readiness. Such as assessment will also help basins identify what federal, state, local, or private resources are available for their water planning. Requested funds for the evaluation and the planning needs assessment is \$100,000.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|----------------------|------|--------|------|-----------|-----------|
| 9919001 | C8504 AP | Nat Res Spec 4 | Planning Coordinator | PF | 21 | 0.88 | \$229,950 | \$259,654 |

BUDGET NARRATIVE

Quantifying Results: The four communities piloting the approach to place-based planning have made significant investments in time and resources to move their planning efforts forward. Staff estimate that cash and in-kind match from the communities and private foundations are double the state's investment (2:1 ratio) so far. Each plan will outline the status of water resources in for the planning area, instream and out-of-stream water needs and demands, as well as solutions to meet those water needs now and into the future. The plans will then be utilized to help the community move forward on implementing the solutions, which will help them to ensure they have water necessary to sustain their economies, communities, and ecosystems. Providing funds to support the existing planning groups in 2019-2021 would result in:

- Upper Grande Ronde and Lower John Day adopting plans in mid to late 2019 and begin plan implementation. Investment in plan implementation will allow coordinated follow through on the actions identified in the plan (e.g., pursue a water supply project).
- Mid-Coast adopting a place-based plan in 2020 and begin plan implementation.
- Malheur Lake being on track to adopt a plan in 2022/2023, depending on the completion of the ongoing groundwater study in the basin.

Funding an independent evaluation of place-based planning and a water planning assessment would result in an understanding of:

- Needed improvements to the program, as well as the challenges, opportunities, strengths and weaknesses of the approach;
- How well the current place-based planning draft guidelines helped communities undertaking the place-based approach, and how the guidelines could be improved;
- How Oregon should proceed with place-based planning, and whether other types of planning is needed;
- Other planning efforts in Oregon, and the status of those efforts;
- Where water planning is needed, what kind of planning may be appropriate for basins interested in water planning, and what each needs to move forward.

Funding Source:

General Fund: \$979,950

Staffing Costs: \$229,950

Support Planning Group: \$650,000

Evaluation and Needs Assessment: \$100,000

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funding in the amount of \$3,000 for this package in the Technical Services Division. Funding for the position is proposed in the Director's Office and the funds for the planning group support, the evaluation and the needs assessment are proposed in the Administrative Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 101 - Place-Based Planning Community Support

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 |
|--------------------------------------|----------------|---------------|-------------|---------------|------------------------|--------------------------|----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 3,000 | - | - | - | - | - | 3,000 |
| Total Revenues | \$3,000 | - | - | - | - | - | \$3,000 |
| Services & Supplies | | | | | | | |
| IT Expendable Property | 3,000 | - | - | - | - | - | 3,000 |
| Total Services & Supplies | \$3,000 | - | - | - | - | - | \$3,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 3,000 | - | - | - | - | - | 3,000 |
| Total Expenditures | \$3,000 | - | - | - | - | - | \$3,000 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #102: Groundwater Data, Management and Protection

Purpose: This package proposes to help the Department understand and manage groundwater resources sustainably to protect existing users, while providing timely groundwater permitting reviews for potential new uses and protecting the groundwater resource to prevent loss of artesian pressure, contamination, and waste. These actions are called for in Recommended Actions 1A, 1B and 7A of the Integrated Water Resources Strategy.

Understanding the Resource: In some locations throughout the state, groundwater aquifers are no longer capable of sustaining additional development. Water managers need better groundwater information to help the Department, communities, and water users determine how to best utilize limited resources, while protecting existing and future uses. 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. This information is essential for communities in understanding the sustainability of current groundwater uses and their opportunities for future economic development.

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. In general, the Department obtains this information by conducting a groundwater basin study. 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. Basin studies help define the overall groundwater budget, including groundwater recharge from surface water, groundwater discharge to surface water, and available water for new allocation. 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). Currently, the Department is working in the Greater Harney Valley and expects to complete the first phase of that study in 2020. The next priority area for a basin study is the Walla Walla subbasin.

Reducing Groundwater Processing Backlogs: Given the pressures of drought, increased litigation over groundwater, the limited nature of the resource, the complex nature of groundwater, and a greater interest in groundwater data and innovative management options, groundwater staff have a difficult time meeting all of the demands on their time. As a result, the Department has seen an increase in processing times for groundwater-related water rights transactions.

Protecting the Resource through Well Construction: Protecting existing water users and ensuring that groundwater is managed sustainably also requires proper well construction practices. Improper well construction can lead to serious groundwater-level declines, loss of artesian pressure, contamination of drinking water, public safety hazards, and waste. Well construction in the Columbia River Basalts, which include aquifers across a significant portion of the state (including the Willamette Valley and Columbia River Gorge), require special attention due to the complex geology and difficult construction conditions. An adequately staffed well inspection and enforcement program is critical to ensuring that wells are

BUDGET NARRATIVE

constructed, maintained, and abandoned in an appropriate manner. The Department 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 local geology and hydrogeology, and the knowledge to understand, recognize, and give direction regarding proper well construction practices for specific conditions encountered on each well.

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 five well inspectors, but only has resources for four, which could be further reduced by the projected increased costs of doing business. Each year, approximately 3,000 new wells are drilled; last year, the state inspected about 1,000 of them with its four well inspectors. About 11 percent of the inspected wells were found to have deficiencies or construction problems.

How Achieved: This package requests one NRS 2 Project Hydrogeologist, one NRS 4 Project Hydrogeologist, one NRS 2 hydrographer, one NRS 3 Hydrographer, and one NRS 4 Hydrologist to increase the Department's capacity to conduct an additional basin study, while also addressing some of the workload challenges in the groundwater and surface water sections; improving capacity to collect, process, and validate data; and providing resources to more timely process permit and transfer applications. This package includes both groundwater and surface water staff, as surface water data collection and analyses are necessary inputs to groundwater basin studies and having backlogs in surface water data can slow progress on groundwater studies. The request also includes one IS 6 Database Application Developer, which will be responsible for supporting development of structures for storing and querying data across the Department, with a primary focus on groundwater and surface water data. In addition to the requested increase in staffing, this package requests general fund appropriations each biennium to pay for cost-match to conduct basin studies with partners and equipment for study activities, such as the installation and maintenance of dedicated observation wells (\$100k in cost-share for DOGAMI, \$400k for Observation wells, and \$300k in cost-share for the U.S. Geological Survey). To ensure more timely processing of groundwater permit applications and other transactions, the package also includes a NRS 3 Hydrogeologist Groundwater Reviewer and one NRS 2 Water Right Application caseworker.

In regards to supporting the Well Inspection Program to prevent problems that arise from improper well construction, maintenance, or abandonment, this package includes several proposals. First, in order to stabilize the Start Card Fund, the package proposes to move one NRS 3 hydrogeologist from Start Card to General Fund. Second, given that the Well Inspection Program has no General Fund support, the package proposes to add one NRS 2 General Fund Well Inspector, which will help to prevent loss of artesian pressure, contamination, or waste by providing timely inspections of well construction, review of well logs, and education of drillers and pump installers to ensure construction standards are met. This will help provide some stability to the program by diversifying funding sources. Finally, many of the areas in the state that have seen significant groundwater level declines and other issues due to improperly constructed wells are within sensitive Columbia River Basalt (CRB) aquifer systems. The Department has issued special standards for some of these areas; however, further work and special attention is needed to ensure

BUDGET NARRATIVE

proper well construction, alteration, and abandonment of water wells in these areas. As a result, the Department proposes to add one NRS 2 Well Inspector and one NRS 3 Well Construction Specialist that will specifically work on Columbia River Basalts.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------------|--|-------------------------------------|---------------|---------------|-----------------|-----------------------|----------------------|
| 9919002 | C0872 AP | Operations & Policy Analyst 3 | Public Engagement Coordinator | PF | 21 | 0.88 | \$187,584 | \$212,807 |
| 9919003 | C8502 AP | Natural Resource Specialist 2 | CRB Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919004 | C8502 AP | Natural Resource Specialist 2 | Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919005 | C8503 AP | Natural Resource Specialist 3 | CRB Well Construction Specialist | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919006 | C8502 BP | Natural Resource Specialist 2 | Project Hydrogeologist 2 | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919007 | C8503 AP | Natural Resource Specialist 3 | Project Hydrogeologist 3 | PF | 21 | 0.88 | \$202,655 | \$228,460 |
| 9919008 | C8504 AP | Natural Resource Specialist 4 | Senior Hydrogeologist 4 | PF | 21 | 0.88 | \$222,572 | \$251,220 |
| 9919009 | C8503 AP | Natural Resource Specialist 3 | Hydrogeologist 3 GW Reviewer | PF | 21 | 0.88 | \$202,651 | \$228,460 |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | (1.00) | \$(235,608) | \$(235,608) |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | 1.00 | \$235,608 | \$235,608 |
| 9919010 | C1486 AP | Info Systems Specialist 6 | Database/Application Developer | PF | 21 | 0.88 | \$196,483 | \$221,187 |
| 9919011 | C8502 AP | Natural Resource Specialist 2 | Hydrographer 2 | PF | 21 | 0.88 | \$180,304 | \$202,917 |
| 9919012 | C8503 AP | Natural Resource Specialist 3 | Hydrographer 3 | PF | 21 | 0.88 | \$196,820 | \$221,790 |
| 9919013 | C8504 AP | Natural Resource Specialist 4 | Hydrologist 4 | PF | 21 | 0.88 | \$215,531 | \$243,175 |
| 9919014 | C8502 AP | Natural Resource Specialist 2 | WR Caseworker | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

Quantifying Results: This package will allow the Department to conduct an additional groundwater basin study every five years. This study would be in addition to the ongoing work in the Greater Harney Valley. Information obtained through studies is 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 future basin studies include the Umatilla and its Walla Walla subbasin, as well as the Hood, Powder, and Grande Ronde basins. 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. The Department would increase the number of observation wells in the state, which would lead to increases in KPM #5 (Assess Groundwater Resources). In addition, the Department anticipates a reduction in groundwater application review and processing timelines, which are in part measured by KPMs #10 and #11, (Promote Efficiency in Water Right and Transfer Application Processing).

BUDGET NARRATIVE

In regards to protecting groundwater through the well construction program, metrics would include: Are well inspectors on-site and actively observing when the seal is placed in the well? Are well inspectors available to answer driller questions and technical requests the same day the requests are made? Are there more high-quality inspections made overall? Of the wells inspected, are there fewer deficiencies / construction mistakes over time?

Funding Source:

General Fund: ~~\$3,558,247~~ \$2,837,027

Staffing Costs: ~~\$2,758,247~~ \$2,037,027

Geological Mapping: \$100,000

Observation Wells: \$400,000

USGS Study Funds: \$300,000

Other Funds: ~~(\$235,608)~~ Start Card

Staffing Costs: ~~(\$235,608)~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funding in the amount of \$2,652,443 in the Technical Services Division. The remaining funds (\$184,584) are proposed in the Director's Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 102 - Groundwater Data, Management & Protection

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 |
|----------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 2,652,443 | - | - | - | - | - | 2,652,443 |
| Total Revenues | \$2,652,443 | - | - | - | - | - | \$2,652,443 |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | 963,570 | - | (124,536) | - | - | - | 839,034 |
| Empl. Rel. Bd. Assessments | 485 | - | (81) | - | - | - | 424 |
| Public Employees' Retire Cont | 163,518 | - | (21,134) | - | - | - | 142,384 |
| Social Security Taxes | 73,713 | - | (9,527) | - | - | - | 64,186 |
| Worker's Comp. Assess. (WCD) | 466 | - | (58) | - | - | - | 408 |
| Flexible Benefits | 281,472 | - | (35,184) | - | - | - | 246,288 |
| Reconciliation Adjustment | - | - | 190,500 | - | - | - | 190,500 |
| Total Personal Services | \$1,483,224 | - | - | - | - | - | \$1,483,224 |
| Services & Supplies | | | | | | | |
| Instate Travel | 29,622 | - | - | - | - | - | 29,622 |
| Employee Training | 25,000 | - | - | - | - | - | 25,000 |
| Office Expenses | 45,000 | - | - | - | - | - | 45,000 |
| Telecommunications | 21,840 | - | - | - | - | - | 21,840 |
| Professional Services | 400,000 | - | - | - | - | - | 400,000 |
| Employee Recruitment and Develop | 4,500 | - | - | - | - | - | 4,500 |
| Dues and Subscriptions | 4,500 | - | - | - | - | - | 4,500 |
| Facilities Rental and Taxes | - | - | - | - | - | - | - |
| Agency Program Related S and S | 148,257 | - | - | - | - | - | 148,257 |
| Other Services and Supplies | 409,000 | - | - | - | - | - | 409,000 |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 102 - Groundwater Data, Management & Protection

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 |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Services & Supplies | | | | | | | |
| Expendable Prop 250 - 5000 | 49,500 | - | - | - | - | - | 49,500 |
| IT Expendable Property | 32,000 | - | - | - | - | - | 32,000 |
| Total Services & Supplies | \$1,169,219 | - | - | - | - | - | \$1,169,219 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 2,652,443 | - | - | - | - | - | 2,652,443 |
| Total Expenditures | \$2,652,443 | - | - | - | - | - | \$2,652,443 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | 9 |
| Total Positions | - | - | - | - | - | - | 9 |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | 7.92 |
| Total FTE | - | - | - | - | - | - | 7.92 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:69000 DEPT OF WATER RESOURCES
 SUMMARY XREF:010-04-00 Technical Services

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM
 PACKAGE: 102 - Groundwater Data, Management &

2019-21
 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 | | |
|--------------------------------|-------|-------|----------------------------------|---------|-------|--------|------|----------|-------------------|------------|------------|---------------------|---------------------|--|-----------|
| 4000010 | OAS | C8503 | BP NATURAL RESOURCE SPECIALIST 3 | 1- | 1.00- | 24.00- | 03 | 5,189.00 | | | | 124,536- 65,964- | 124,536- 65,964- | | |
| 4000010 | OAS | C8503 | BP NATURAL RESOURCE SPECIALIST 3 | 1 | 1.00 | 24.00 | 03 | 5,189.00 | 124,536 65,964 | | | | 124,536 65,964 | | |
| 9919005 | OAS | C8503 | AP NATURAL RESOURCE SPECIALIST 3 | 1 | .88 | 21.00 | 02 | 4,727.00 | 99,267 55,330 | | | | 99,267 55,330 | | |
| 9919007 | OAS | C8503 | AP NATURAL RESOURCE SPECIALIST 3 | 1 | .88 | 21.00 | 03 | 4,950.00 | 103,950 56,482 | | | | 103,950 56,482 | | |
| 9919008 | OAS | C8504 | AP NATURAL RESOURCE SPECIALIST 4 | 1 | .88 | 21.00 | 03 | 5,711.00 | 119,931 60,417 | | | | 119,931 60,417 | | |
| 9919009 | OAS | C8503 | AP NATURAL RESOURCE SPECIALIST 3 | 1 | .88 | 21.00 | 03 | 4,950.00 | 103,950 56,482 | | | | 103,950 56,482 | | |
| 9919010 | OAS | C1486 | IP INFO SYSTEMS SPECIALIST 6 | 1 | .88 | 21.00 | 02 | 5,351.00 | 112,371 58,555 | | | | 112,371 58,555 | | |
| 9919011 | OAS | C8502 | AP NATURAL RESOURCE SPECIALIST 2 | 1 | .88 | 21.00 | 02 | 4,096.00 | 86,016 52,067 | | | | 86,016 52,067 | | |
| 9919012 | OAS | C8503 | AP NATURAL RESOURCE SPECIALIST 3 | 1 | .88 | 21.00 | 02 | 4,727.00 | 99,267 55,330 | | | | 99,267 55,330 | | |
| 9919013 | OAS | C8504 | AP NATURAL RESOURCE SPECIALIST 4 | 1 | .88 | 21.00 | 02 | 5,442.00 | 114,282 59,027 | | | | 114,282 59,027 | | |
| TOTAL PICS SALARY | | | | | | | | | 963,570 | 124,536- | | | 839,034 | | |
| TOTAL PICS OPE | | | | | | | | | 519,654 | 65,964- | | | 453,690 | | |
| TOTAL PICS PERSONAL SERVICES = | | | | | | | | | 8 | 7.04 | 168.00 | 1,483,224 | 190,500- | | 1,292,724 |

BUDGET NARRATIVE

Policy Option Package #103: Resolving Complex Water Issues

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. These issues often involve 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 species under the Endangered Species Act. The Department believes that collaborative solutions yield better outcomes than litigation; however, these efforts often require significant investments of time from 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. These multifaceted water challenges occur 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 collaborative process and potential to work through these challenging issues.

While the Department anticipates that these positions may be able to assist in other parts of the state, the three basins of priority for this package are the Willamette, Deschutes, and Umatilla Basins. The Willamette has a multitude of issues around the implementation of the federal reallocation of stored water in the Willamette Valley Reservoir Project to municipal/industrial, agricultural irrigation, and fish-flow needs; these include the conversion of minimum perennial streamflows to instream water rights, the state/federal nexus on stored water contracts, and protection of stored water releases. The Deschutes Basin is grappling with the need to identify solutions for groundwater mitigation, endangered species requirements, growing cities, and flows necessary to address water quality concerns. The Umatilla Basin has a long history water challenges and has been proactively looking for solutions to the areas water needs. Towards that end, efforts in the Umatilla Basin include working with the Confederated Tribes of the Umatilla Reservation and other partners in the basin on a water settlement; working with the Northeast Oregon Water Users Association and others on water supply projects; and collaborating on water supply issues with the State of Washington and addressing limited groundwater supplies in the Walla Walla Subbasin. This package supports Recommended Action 9.C of the Integrated Water Resources Strategy.

How Achieved: The Department proposes to add three positions that would be responsible for working with parties involved in complex water management issues to assist in developing solutions. Given the number and complexity of policy issues that need to be resolved within the Willamette Basin, Deschutes Basin, and the Umatilla Basin, along with ongoing issues in other parts of the state, including the Klamath Basin, the Department has determined that at least one position per basin is needed. These positions would be responsible for providing timely and accurate

BUDGET NARRATIVE

information to the public and parties to ensure transparency and build trust necessary for building consensus. These positions would also brief and advise the Director on progress made, solutions being proposed, and research and resolve policy issues. These positions would ultimately help the basin resolve problems and move forward solutions. Funding has also been included to provide contract funds to engage facilitators and experts as needed to resolve these issues.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|----------------------------|------|--------|----------|-----------|-----------|
| 9919015 | C8505-AP | Nat Res Spec 5 | Regional Basin Coordinator | PF | 21 | 0.88 FTE | \$204,003 | \$231,286 |
| 9919016 | C8505-AP | Nat Res Spec 5 | Regional Basin Coordinator | PF | 21 | 0.88 FTE | \$204,003 | \$231,286 |
| 9919017 | C8505-AP | Nat Res Spec 5 | Regional Basin Coordinator | PF | 21 | 0.88 FTE | \$204,003 | \$231,286 |

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 or problems 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.

Revenue Source:

General Fund: ~~\$1,362,009~~
 Staffing Cost: ~~\$612,009~~
 Facilitation and Contracting: ~~\$750,000~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funds for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 103 - Resolving Complex Water Issues

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #104: Protecting the Public through Dam Safety

Purpose: Oregon currently has 969 non-federal dams subject to Department inspection. Of these, 72 dams are currently rated as high hazard, meaning that if they were to fail, they would likely result in fatalities and damage to property downstream. The condition of high hazard dams are evaluated and ranked using four classifications (the lower the condition, the higher the potential safety risk): satisfactory, fair, poor, and unsatisfactory. Based on existing information of the Department, as of February 2018, 15 high hazard dams were in poor condition, and six were in unsatisfactory condition. Currently, the Department only has resources to conduct regular visual inspections of dams, and does not have resources to conduct more in-depth assessments of dams for safety deficiencies as called for in Recommended Action 5.5C and 7C of the Integrated Water Resources Strategy. As a result, very few high-hazard dams have had a comprehensive assessment of their safety, while our understanding of seismic and flood risks has improved in recent years. These assessments are essential to evaluating seismic, flood and structural failure risk to protect the public, particularly as dams age and populations grow below dams. These assessments can help inform the need and urgency for safety actions at dams, including specific rehabilitation needs.

How Achieved: This budget package proposes \$1 million in funding to contract for assessments of dams for earthquake, flood, and structural safety issues. Specifically, in-depth assessments of dams may require a detailed review of design information, determination of potential failure modes, and an evaluation of dam materials, foundation materials, and spillway capacity and condition. They can include an analysis of seismic risk to the structure, as well as deficiencies in the ability to pass flood flows and withstand extreme flood events. Assessments can cost \$5,000-25,000 to evaluate a dam's ability to pass flood flows, and \$100,000-200,000 to evaluate the seismic integrity of dams.

In addition to funding for in-depth assessments, the Department requests one Professional Engineer to ensure that the hazard ratings of dams are appropriate and support the dam safety program. Over time, as population grows below a dam, a low-hazard or significant hazard dam may need to be upgraded to a high hazard dam. This is because hazard ratings are based on the potential for a dam failure to result in loss of life downstream. As areas below dams are developed, the hazard rating of the dam may increase.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------------|-----------------------|------|--------|------|-----------|-----------|
| 9919018 | X3149-AP | Professional Engineer 2 | Dam Safety Engineer 2 | PF | 21 | 0.88 | \$278,485 | \$314,051 |

BUDGET NARRATIVE

Quantifying Results: Number of dams subject to Department inspection that: 1) have their hazard ratings updated / confirmed; 2) receive a flood flows analysis; 3) receive a seismic analysis, and 4) receive a structural analysis.

Funding Source:

General Fund: ~~\$1,278,485~~ \$600,000

Staffing Costs: ~~\$278,485~~

Contract Services for Dam Assessments: ~~\$1,000,000~~ \$600,000

Other Fund Revenue: Dam Safety Review Fee \$46,975

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funds in the Technical Services Division in the amount of \$500,00 General Fund for Dam Safety Assessments and \$100,000 General Fund for a Dam Safety Task Force as well as the revenue for the Dam Safety Review Fee in the amount of \$46,975.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 104 - Protecting the Public Through Dam Safety

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 |
|---------------------------------|------------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 600,000 | - | - | - | - | - | 600,000 |
| Power and Water Fees | - | - | 46,975 | - | - | - | 46,975 |
| Fines and Forfeitures | - | - | 1,250 | - | - | - | 1,250 |
| Total Revenues | \$600,000 | - | \$48,225 | - | - | - | \$648,225 |
| Transfers Out | | | | | | | |
| Transfer to General Fund | - | - | (1,250) | - | - | - | (1,250) |
| Total Transfers Out | - | - | (\$1,250) | - | - | - | (\$1,250) |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Professional Services | 600,000 | - | - | - | - | - | 600,000 |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 104 - Protecting the Public Through Dam Safety

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 |
|--------------------------------------|------------------|---------------|-----------------|---------------|------------------------|--------------------------|------------------|
| Services & Supplies | | | | | | | |
| Employee Recruitment and Develop. | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | \$600,000 | - | - | - | - | - | \$600,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 600,000 | - | - | - | - | - | 600,000 |
| Total Expenditures | \$600,000 | - | - | - | - | - | \$600,000 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 46,975 | - | - | - | 46,975 |
| Total Ending Balance | - | - | \$46,975 | - | - | - | \$46,975 |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #106: Supporting Water Management in the Field

Purpose: Strengthening the Department’s field presence and addressing field workload challenges will help implement Recommended Action 10.F of the Integrated Water Resources Strategy. Further, field staff implement other recommended actions of the Strategy, from increasing water use measurement (2.B) to improving water resource data collection (1.B). Watermaster workloads are increasing statewide due to the increasing number of water rights, wells, population, homes, and changing water management needs. The State’s 21 watermasters, with the help of state and other funded assistant watermasters, are responsible for management of more than 89,000 water rights in the state, more than 230,000 wells, dam safety inspections, injury analysis of water right transactions, participation in local planning efforts, providing input on water solutions, and countless other activities. County and other funded assistant watermaster and office positions have declined from 37 in 1981 to 18 part and full time staff today. Multiple dry years have intensified competition for water resources. Each region has its own set of workload challenges that need to be addressed in order to best serve Oregonians. Certain watermaster districts, like the mid-Willamette and the Deschutes Basin, are too large and complex for one watermaster to effectively handle the workload.

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 by other staff, but station maintenance and data collection lags acceptable standards.

The complexity and constantly changing water management issues in the Klamath basin require additional staff and onsite management. The Klamath Basin watermaster office is receiving assistance from other Department staff across the state to help meet the challenges of regulation and distribution. The Department continues to hear calls from determined claim holders that there is a need for more timely and effective regulation in the basin. The continued droughts, and changing water management scenarios resulting from ESA issues and litigation require additional staff and management in the Klamath Falls office to provide adequate service to water users in the basin.

How Achieved: Four new NRS 2 regional assistant watermasters would provide immediate help to reduce workload pressures in key watermaster offices (Lakeview, Vale, two in Klamath Falls) and improve customer service. One new NRS 2 Hydrotech will address gaging station and surface water measurement needs in the western part of the state, where the Department continues to have challenges meeting standard protocols for gage maintenance and quality assurance. Two new NRS 3 Watermaster positions (mid-Willamette and Crooked River) will allow division of the large watermaster districts of the Willamette Valley and the Deschutes Basin into smaller districts with more manageable workloads. One PEM C Assistant Region Manager for the Klamath Falls office will provide onsite management of the staff in that office, and an increased level of senior staff to assist with complex water management and regulatory issues in the basin. These staff, in part or in total, will help address delays in timely regulation to protect senior water users, 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, and collect data and measurements needed for long term management. Staff will be able to timely conduct water right, transfer, and lease application reviews, streamflow measurements, gaging station operation and

BUDGET NARRATIVE

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.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|--------------------------------|------|--------|------|------------|-----------|
| 9919019 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919020 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | \$180,305 | \$202,917 |
| 9919021 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | \$180,305 | \$202,917 |
| 9919022 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919023 | C8503 AP | Nat Res Spec 3 | Watermaster | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919024 | X7004 MMS | PEM/C | Region Assistant Manager | PF | 21 | 0.88 | -\$207,287 | \$233,753 |
| 9919025 | C8503 AP | Nat Res Spec 3 | Watermaster | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919026 | C8502 AP | Nat Res Spec 2 | Hydrotech | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

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(Monitoring Compliance), 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. Finally, the Department anticipates an increased ability to educate water users about their water rights, and as a result, increase compliance with Oregon’s water laws.

Funding Source:

General Fund: ~~\$1,502,450~~ \$754,248

Staffing Costs: ~~\$1,502,450~~ \$754,248

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget proposes \$12,000 in General Fund for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 106 - Supporting Water Management in the Field

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 |
|--------------------------------------|-----------------|---------------|-------------|---------------|------------------------|--------------------------|-----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 12,000 | - | - | - | - | - | 12,000 |
| Total Revenues | \$12,000 | - | - | - | - | - | \$12,000 |
| Services & Supplies | | | | | | | |
| IT Expendable Property | 12,000 | - | - | - | - | - | 12,000 |
| Total Services & Supplies | \$12,000 | - | - | - | - | - | \$12,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 12,000 | - | - | - | - | - | 12,000 |
| Total Expenditures | \$12,000 | - | - | - | - | - | \$12,000 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

BUDGET NARRATIVE

Policy Option Package #107: Investing in Projects to Meet Water Needs

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 of water, as well as increase the incidence of droughts. To adequately meet Oregon’s instream and out-of-stream water demands now and into the future, Oregon needs to invest in efforts to evaluate and implement projects. That means looking more closely at innovative water conservation and reuse projects, environmentally sound storage projects, and other water projects.

The costs of the numerous feasibility studies and environmental analyses that must be conducted before a project can be built frequently 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 or Feasibility Study Grants), 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 2017 Integrated Water Resources Strategy’s Recommended Action 13.D identifies the need to continue to provide 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.

In addition to the need to identify and evaluate projects, there is also a high demand for funding to implement water infrastructure projects. In a 2016 survey of member cities, the League of Oregon Cities projected a need of \$7.6 billion to address water and wastewater infrastructure needs for their member cities over the next 20 years. The American Society of Civil Engineers (ASCE) has estimated similar costs. In the 2017 Infrastructure Report Card for Oregon, ASCE estimates Oregon’s infrastructure need in the drinking water sector at about \$5.6 billion and in the wastewater sector, about \$3.89 billion, for a total of \$9.49 billion. These surveys demonstrate a high need to investment in water infrastructure but do not provide a complete assessment of the need. In addition to drinking water and wastewater infrastructure needs, agriculture also has significant water infrastructure needs particularly as many farmers and districts seek to install more efficient irrigation systems and implement other conservation projects. Further work is needed to understand the status of water supply infrastructure across the state.

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 grants and loans for water resources development projects that have economic, environmental and community benefits. To date, demand has far exceeded the amount of funding available each cycle. In 2013 and 2015 the Legislature authorized a total of \$14 million for projects in lottery revenue bond funding (bonds issued in spring of 2015 and 2017). 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 \$8.9 million, leaving \$5.1 million for the 2017 funding cycle.

BUDGET NARRATIVE

In 2017, Department received 32 applications and \$34 million in grant and loan requests. An additional \$15 million was authorized for the 2017-2019 biennium. The Commission awarded funding to the top four projects for a total of about \$6.2 million. This allowed the Commission to have approximately \$13.8 million in funding for the 2018 and 2019 funding cycles. In 2018, another 19 applications were received requesting nearly \$16 million.

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: continuing the Water Resources Development Program (#10.E); improving access to built storage (#10.B); improving water use efficiency and water conservation (#10.A); encouraging water reuse (#10.C); determining and protecting flows needed to support instream needs (#3.A and #11.B); and investing in water resources projects (#13.E).

This policy option package also requests a full time Program Analyst 3 position. This position is necessary for proper oversight of the program as well as to help manage sources of capital for sustainable investment in projects in both the near and long-term.

How Achieved: This request includes funding to better understand the current status of our water infrastructure, as well as invest in evaluating the feasibility and implementation of projects.

\$250,000 is proposed to conduct a water infrastructure inventory to better understand the status and condition of Oregon's water infrastructure, and anticipated needs for investments. The funding will support a contractor to collect and compile existing information to develop a comprehensive statewide inventory of the status and condition of water supply infrastructure, maintenance costs, and potentially an estimate of the value of operation. This complements a proposal in Oregon Department of Environmental Quality's Agency Request Budget (Package #161) that would assemble comparable information on Oregon's wastewater and stormwater infrastructure needs.

There is currently \$400,000 General Fund in the Department's base budget for grant awards in the Water Conservation, Reuse and Storage Grant program (also called Feasibility Study Grants). With communities more regularly experiencing water shortages, there is increased interest in pursuing conservation, storage, and reuse projects. This proposal would provide an additional \$1 million in General Fund to provide grants to investigate the viability of these projects.

In addition, this request would recapitalize the Water Supply Development Account with \$30 million in Lottery Bond Revenue in order to fund grants and loans for water projects that provide economic, environmental, and social benefits to meet Oregon's ongoing instream and out-of-stream water needs.

This policy option package also requests a full time Program Analyst 3 position. This position is necessary for proper oversight of the program as well as to help manage sources of capital for sustainable investment in projects in both the near and long-term. The position would understand the

BUDGET NARRATIVE

various funding options, including other grant and loan opportunities to help the state, individuals, and communities obtain and leverage these funds. The position would conduct financial modeling and financial analysis to facilitate identification of sources of capital and manage Department funds for investment in water projects and studies. This position would also be responsible for the origination, structuring, negotiation, and closing of project financing and investments, including auditing grants and loans. The analyst would also provide guidance to individuals and communities developing financing plans for projects.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------|--------------------------------------|------|--------|----------|-----------|-----------|
| 9919027 | C0862 AP | Program Analyst 3 | Water Project Grant And Loan Analyst | PF | 21 | 0.88 FTE | \$183,962 | \$196,596 |

Quantifying Results: The long-term goal is to better meet instream and out-of-stream needs for Oregonians 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. In order to develop new or secure existing water supplies, communities must investigate which projects are feasible to meet the need and then pursue implementation of those projects. Oregon will be better informed and a more strategic and effective investor in projects with a statewide inventory of current water supply infrastructure, as future grant and loan investments will be prioritized and carried out with a more comprehensive baseline understanding of water infrastructure needs.

Feasibility Study Grants and Water Project Grants and Loans are two ways the State of Oregon can partner with communities to invest in water supply projects. Both competitive grant programs require cost-match for grants and loans awarded, allowing state funds to be leveraged and ensuring that only serious applicants apply. Feasibility Study Grants requires a dollar-for-dollar match and Water Project Grants and Loans requires the applicant to cover no less than 25% of the total project cost.

In addition to awarding and managing the grants, the Program Analyst 3 position would be responsible for leveraging state dollars for additional federal, local, or private investment. The position will promote greater access to the funding opportunities through outreach to and guidance for potential applicants across Oregon. It will also help Water Project Grants and Loans to develop into a sustainable revolving fund.

BUDGET NARRATIVE

Funding Source:

General Fund: ~~\$1,433,962~~

Staffing Costs: ~~\$183,962~~

Infrastructure Assessment: ~~\$250,000~~

Feasibility Study Grants: ~~\$1,000,000~~

Other Funds: ~~\$30,733,733~~ \$15,278,251

Lottery Revenue Bonds

Water Projects: ~~\$30,000,000~~ \$15,000,000

Cost of Issuance: ~~\$733,733~~ \$278,251

Lottery Funds: ~~\$2,004,623~~

Debt Service: ~~\$2,004,623~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget does not propose funding for this package in the Technical Services Division. However the Lottery Revenue Bond proceeds are proposed in the Administrative Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 107 - Investing in Projects to Meet Water Needs

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

BUDGET NARRATIVE

Policy Option Package #108: Improving Water Use Measurement and Reporting

Purpose: The goal of this package is to increase water use measurement and water use reporting to better understand current demands on water resources, particularly in areas where this information is needed for water distribution and management, protecting existing users, preventing illegal use, and as inputs into groundwater basin studies and surface water availability programs (IWRS Action 2B).

In 2000, the Water Resources Commission developed a Strategic Water Measurement Plan for improving surface water measurement statewide. As part of that effort, the Department developed a statewide inventory of 2,385 “significant surface water diversions” within 300 high priority watersheds across the state. No additional staff resources were authorized to implement the plan; as a result progress over the years – tracked by Key Performance Measure #8 – has been slow. Seventeen years after adoption, 1,059 of the significant diversions (SigPODs) have measuring devices installed and 673 are abandoned or inactive, leaving 653 diversions still needing measuring devices installed. Water use measurement can help watermasters manage water rights and enable scientists to better understand water availability; however, the prior plan did not account for watermaster measurement needs, hydrologic analysis, or groundwater use. Water use measurement is essential for basin studies and water management. In addition, the SigPODs were not integrated into a database compatible with the Department’s Water Use Reporting Program. Under the Department’s Water Use Reporting Program, there are more than 14,800 water rights that are required to measure *and report* water use in Oregon. This constitutes about 17 percent of the water rights in the state, including some that are also SigPODs. In 2016, the Department received water use data for approximately 10,260 of those water rights.

In order to move both water use measurement and water use reporting forward in Oregon, work is needed to integrate datasets, improve database functionality, and develop an approach that incorporates watermaster needs and groundwater with staff resources for implementation.

How Achieved: This package proposes field and technical services staff to increase compliance with water use measurement requirements, work with water users in the field to install measuring devices, educate water users on proper techniques for measuring water use, monitor devices previously installed, provide quality control / assurance of incoming data, and coordinate with the watermasters and other staff.

The 2017 Integrated Water Resources Strategy (IWRS) identifies a number of actions that could improve water use measurement and reporting, drawing upon analysis from the Department’s 2016 *Monitoring Strategy*, the Secretary of State’s December 2016 Audit Report, interviews of staff and customers, and a workgroup discussion that took place during the 2017 legislative session. Drawing from Recommended Action 2.B of the IWRS, the Department proposes to strategically increase water use measurement in the state; help water users understand reporting and measurement requirements; continue to improve the software and tools used for water-use measurement and reporting; update its strategy for improving and increasing water use measurement; and coordinate the Water-Use Reporting Program and water use measurement efforts.

Additional funding is proposed for the cost-share measurement fund, which allows the Department to partner with water users on the cost of installing measuring devices. Measuring devices can cost several hundred dollars to thousands of dollars, depending on the diversion. A database

BUDGET NARRATIVE

developer would link user-supplied data in the water use reporting system with databases of water use reads by field staff and groundwater staff, and link customer-reported groundwater use with Department-collected data at the same location. Information Services would also work to link Significant Points of Diversion data with the Water Right Information System. The database developer would work on the backlog of other database project needs across the agency, improving data accessibility and usability.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|------------|----------------------------------|------|--------|-----|-----------|-----------|
| 9919028 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919029 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919030 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919031 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919032 | C8502-AP | NRS-2 | Regional Measurement Coordinator | PF | 21 | ± | \$180,305 | \$202,917 |
| 9919033 | C1486-IP | ISS-6 | Database/Application Developer | PF | 21 | ± | \$196,483 | \$221,187 |
| 9919034 | C8502-AP | NRS-2 | Water Use Reporting | PF | 21 | ± | \$180,305 | \$202,917 |

Quantifying Results: There are several metrics that can be used to quantify results. These metrics include: (1) Does the Department have a database to track all points of diversion with measuring devices? (2) Are water use-related databases, including water use reported data and water use measurement data for both groundwater and surface water, co-located? Can the user readily access and cross-reference information between data sets? (3) Is the number of points of diversions with measuring devices installed increasing? Is progress on KPM #8 improving? (4) Is the data quality received from water use reporting improving? This could be measured by the number of water use reports that are reviewed for accuracy. (5) Are data uploads and data queries easier to complete on a bulk scale? (6) Is the data available in a format that can be used for water management and planning? (7) Is water use reporting compliance increasing as tracked by KPM #13?

Funding Source:

General Fund: ~~\$1,428,313~~
 Staffing Costs: ~~\$1,278,313~~
 Water Measurement Cost Share Funds: \$150,000

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 108 - Improving Water Use Measurement & Reporting

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 |
|----------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 108 - Improving Water Use Measurement & Reporting

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

BUDGET NARRATIVE

Policy Option Package #109: Increase Access to Data for Decision Making

Purpose: The Department generates a lot of water-related data. However, it often requires technical expertise to analyze and package that data and to make it meaningful for members of the public, local governments, and others that seek to use that information to make decisions. Counties need more information about water availability at specific locations, when making decisions about appropriate locations for development. Similarly, recent local water planning efforts have highlighted needs for water data. In particular, communities have asked for information about surface water supplies, groundwater supplies, climate impacts on water resources, and instream flow needs.

The purpose of this package is to: develop statewide data products and tools to use in local planning; increase accessibility of existing data; and perform additional needed analysis. This package supports Recommended Actions 1.C, 5.B, 5.5A, 6.A, 9.A and 13.C of the Integrated Water Resources Strategy.

How Achieved: Engage communities around Oregon in the co-production of tools and analysis with outreach and technical staff. Develop user-friendly tools within the agency (i.e., an online platform) in order to make data and analysis accessible to communities for use in answering key questions about water supplies and future needs. Develop an easy-to-use public interface to help individuals, businesses, local governments, collaborative planning groups, and others access and understand the Department’s data such as: the availability of water resources (groundwater and surface water); any restrictions that have been placed on those sources; aquifer systems and geology that may be difficult for well construction or have limited supplies; locations of scenic waterways; and locations vulnerable to extreme events such as flood and drought. To develop these data tools, a team of one NRS 4 Hydrologist, one NRS 3 Hydrographer, one NRS 3 Hydrogeologist, one ISS 4 Information Specialist, and one PAS 3 Publication/Outreach Specialist would be charged with analyzing and interpreting data, as well as providing data in a format and manner that can easily be utilized both within and outside of the agency. The team would develop these tools with input from and coordination with users of the data. In addition, the package includes funds to allow the Department to contract or partner with other entities to leverage resources and technical expertise in the development of these tools to support decision-making.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------|---------------------------------|------|--------|------|-----------|-----------|
| 9919035 | C0866-AP | Program Analyst 3 | Publication/Outreach Specialist | PF | 21 | 0.88 | \$196,623 | \$222,852 |
| 9919036 | C8503-AP | NRS 3 | Hydrogeologist 3 | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919037 | C1484-IP | ISS 4 | Information Specialist 4 | PF | 21 | 0.88 | \$173,716 | \$195,166 |
| 9919038 | C8504-AP | NRS 4 | Hydrologist 4 | PF | 21 | 0.88 | \$215,513 | \$243,175 |
| 9919039 | C8503-AP | NRS 3 | Hydrographer 3 | PF | 21 | 0.88 | \$196,819 | \$221,792 |

BUDGET NARRATIVE

Quantifying Results: The metric is a Y/N question: is there a publicly accessible platform where the public, local governments, planning groups, and others can go to find clear, useful information, written in layman’s terms, about the status of water resources in their basin?

Funding Source:

General Fund: ~~\$1,579,508~~

Staffing Costs: ~~\$979,508~~

Statewide Supply Studies and Development Tools: ~~\$600,000~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 109 - Increase Access to Data for Decision Making

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 |
|----------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Professional Services | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 109 - Increase Access to Data for Decision Making

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #110: Increasing Understanding of Water Laws and Tools

Purpose: The purpose of this package is to improve awareness of Oregon’s water laws, data, and water management and conservation tools, by generating and improving Departmental outreach and informational materials. The Department does not have an individual that works specifically on developing informational materials, creating content for and updating the website, and developing and implementing materials to communicate new policies or Department activities. This leaves outreach to occur ad-hoc or as staff time allows, making it difficult to ensure that materials are consistent and written in a manner that is easily understandable for all audiences. Policy and technical staff are often pulled off other tasks when a specific urgent outreach need is identified. The Department’s website often lacks timely information and the Department has few outreach materials that help the public to understand complex water laws and tools.

Given these challenges, the Department is seeking resources to be more proactive in its outreach efforts in a manner that would benefit the public, water users, staff, stakeholders, and elected officials. Recommended Action 5.5A of the Integrated Water Resources Strategy suggests that increased outreach is needed to better plan and prepare for drought, while IWRS Action 8.C stresses the importance of community outreach and education in stewarding our water resources. Outreach and education was also highlighted as key in drought preparedness and response in Recommendation E of the 2016 Report of Task Force on Drought Emergency Response.

Improved outreach about Oregon’s water laws and the status of water resources across the state would help the public, businesses, and communities make informed decisions and engage with the Department and Commission in decision-making. In addition, increasing Oregonian’s understanding of water laws can proactively help to reduce instances of illegal water use, while increasing compliance with Oregon’s water laws. In addition, having more education and outreach materials would help watermasters and other line staff be more efficient by providing them more tools to assist the public, water users, and others in understanding water law and water management options.

How Achieved: This package proposes to add one outreach coordinator position to increase awareness of water issues, laws, and management tools. The position would add consistency to agency informational materials and ensure that materials are written in a manner that is easily understandable. Specifically, this position would:

- Develop or update one-pagers and other informational resources for public use. This includes one-pagers on various topics that the agency commonly receives questions about including but not limited to: water right transactions (transfers, leases, allocations of conserved water, etc.), exempt uses, dry wells, Department data resources, forfeiture, water use measurement and reporting, watermaster responsibilities and workloads, state scenic waterways and water law, instream water rights, storage permitting requirements, backflow prevention, the legality of rainwater harvesting.
- Assist with outreach and promoting water conservation as needed during drought, and develop a water conservation toolkit for small water providers.

BUDGET NARRATIVE

- Develop informational materials and distribute to public, press, elected officials, and stakeholders to ensure that the public is informed about upcoming Department meetings, rulemakings, workgroups, task forces, and other issues.
- Help improve communication across the agency, both internally and externally, by developing information and outreach strategies that ensure the public, staff, stakeholders, water users, and elected officials are informed about Department activities.
- Ensure that the Department’s website is updated regularly to help improve awareness of Department activities.
- Assist all divisions of the agency in better serving the public by evaluating and improving outreach procedures and content.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|--------------------|----------------------|------|--------|------|-----------|-----------|
| 9919040 | C0866-AP | Pub Affairs Spec 3 | Outreach Coordinator | PF | 21 | 0.88 | \$196,623 | \$222,852 |

Quantifying Results: This position’s efforts can be monitored through increases in: (1) the number of handouts and other informational materials developed, (2) the number of press releases issued, and (3) other outreach practices that are improved. Over the long-term, the Department may also see an increase in KPM #14, related to availability of information and overall customer service.

Funding Source:

General Fund: ~~\$196,623~~
 Staffing Costs: ~~\$196,623~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 110 - Increase Understanding of Water Law 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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #111: Marijuana & Compliance with Water Laws

Purpose: There are approximately 2,000 active or pending Oregon Liquor Control Commission (OLCC) producers' licenses, and more than 20,000 medical marijuana registered grow sites in Oregon. Watermaster offices, primarily in central and western Oregon, receive dozens of complaints of illegal uses and well interference in association with cannabis each month, and have seen significant increases in front counter traffic from producers looking to find authorized sources of water to use for marijuana cultivation. In addition, while many producers and growers are responsible water users, significant time is required to pursue investigations of potential illegal uses of water related to cannabis.

When recreational marijuana was first legalized, the Department worked with OLCC to adopt rules requiring applicants for producer's licenses to submit information on their legal source of water. As the Department receives complaints about illegal uses, staff work with OLCC staff to understand the sources of water claimed by the licensee and whether they are in fact authorized uses. The Department does not have the capacity to proactively review this information upfront, or to follow up to see if these sources are in fact being used. As a result of complaints or watermaster inquiries, the Department has found instances where water rights submitted to OLCC were not appurtenant to the property, or where water uses were inconsistent with what had been claimed as the source. Furthermore, given that many water sources were fully appropriated when marijuana was legalized, many producers have identified sources that do not require a water right. However, these sources may not provide adequate water, or may be more costly to obtain, which may incentivize the use of unauthorized sources. Investigating these issues and ascertaining whether water is being used legally is a difficult task that draws watermasters and assistant watermasters away from other duties.

This package will assist the Department in addressing complaints timely, educating producers on water options, verifying that producers have a legal source of water upon renewal or licensing with OLCC, and increasing the field enforcement presence to ensure legal water use occurs. These positions will contribute to IWRS Actions 10.F (Provide an adequate presence in the field) and 10.G (Strengthen Oregon's water quantity permitting program).

How Achieved: The Department will hire and train five NRS 2 regional assistant watermasters to be located in Bend, Medford, Grants Pass, Eugene, and Salem. These staff, in conjunction with the watermaster, will coordinate with county governments, the Oregon Health Authority and OLCC inspectors to educate producers, conduct site visits to review water use, and ensure that legal water use occurs. The staff will also review water use for OLCC license applications, proactively catching issues upfront to the extent possible. The new staff will significantly increase the field's ability to respond timely to complaints and work with producers to gain compliance if violations are found. New staff will be able to conduct research and confirm that proposed water sources are legal and available for marijuana cultivation. While cannabis related water use will be their primary focus, these staff will also be able to work on other assistant watermaster responsibilities as needed to reduce workload pressures and ensure efficient use of staff time.

BUDGET NARRATIVE

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|--------------------------------|------|--------|------|------------|-----------|
| 9919041 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919042 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919043 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919044 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919045 | C8502 AP | Nat Res Spec 2 | Regional Assistant Watermaster | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

Quantifying Results: The Department will track staff actions associated with marijuana production and complaints in the Field Activity database. In addition, the Department will review water use sources for all OLCC licensed and proposed licenses, including those that are proposing to sell up to 20 pounds of medical marijuana into the recreational market. The Department anticipates that over time, producer and grower understanding of Oregon’s water laws will improve, their sources of water will be vetted, and complaints will be reduced.

Funding Source:

General Fund: ~~\$901,525~~
 Staffing Costs: ~~\$901,525~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 111 - Marijuana & Compliance With Water Laws

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #112 Continuing Payroll Shared Services

Purpose: Since 2015, the Water Resources Department has piloted a shared payroll service model with neighboring state agencies. Over the last four years, we have created best practices, streamlined processes, and are now realizing economies of scale. The team approach to payroll processing has also enabled the agencies to consider succession planning and enabled continued support of payroll functions when a staff member is out of the office. The pilot began with four agencies and has since grown to include the following six agencies: Department of State Lands, Land Use Board of Appeals, Housing and Community Services, Department of Land Conservation and Development, Watershed Enhancement Board, and Water Resources Department. This pilot has proven to be a successful and efficient alternative for these agencies each with less than 200 FTE. The shared payroll team is now supporting approximately 550 employees.

How Achieved: During the initial pilot phase, a limited duration Accounting Technician 3 position was authorized. This package proposes to continue the shared service approach to payroll for these agencies, by making this position permanent. Making the position permanent will maintain the success if this model going forward.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------|--------------------|------|--------|-----|-----------|-----------|
| 9919046 | C0212 OAS AP | Accounting Tech 3 | Payroll Technician | PF | 24 | 1.0 | \$146,808 | \$146,808 |

Quantifying Results: The payroll shared service approach creates administrative efficiencies for the six participating agencies – by pooling resources together, we have demonstrated the ability to effectively manage a fully functioning payroll and benefits program with less staff than what would otherwise be required if each agency conducted the work separately.

Funding Source:

Other Funds: \$146,808

Staffing Costs: \$146,808

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget proposes funding in the amount of \$3,600 in Other Funds for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 112 - Continuing Payroll Shared Services

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 |
|--------------------------------------|--------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | 3,600 | - | - | - | 3,600 |
| Total Services & Supplies | - | - | \$3,600 | - | - | - | \$3,600 |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | 3,600 | - | - | - | 3,600 |
| Total Expenditures | - | - | \$3,600 | - | - | - | \$3,600 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (3,600) | - | - | - | (3,600) |
| Total Ending Balance | - | - | (\$3,600) | - | - | - | (\$3,600) |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #113: Supporting Agency Functions

Purpose: In order for the Department to achieve its mission, the agency must ensure that it provides the underlying support for staff to succeed in their day-to-day responsibilities and for the agency to function well. Accounting, procurement, public records, information technology and human resources professionals enable other staff across the agency to focus on the work of protecting and promoting sustainable management of Oregon's water resources. In recent years, the Department has identified a need to help these foundational staff succeed in several areas as outlined below.

Loans/Procurement: The Department has had a loan specialist associated with the Water Development Loan Fund (WDLF); although the Department has over the years received limitation authority for loans, in recent biennia none have been issued. As a result, this position, budgeted to be funded by the WDLF, has been paid for by General Fund savings to focus on compliance with contracting and procurement requirements, as well as the Water Projects Grants and Loans funding opportunity. Contracting and procurement is essential to the work of the agency, and the Department has no other staff that perform this work.

Accounting: The Department is experiencing an increase in the volume of accounting transactions as well as an increased complexity in fiscal tracking and reporting. In recent biennia the Department has received over \$50 million in Lottery Revenue Bond funding for the Water Resources Development Program which requires specialized reporting and tracking. Recent changes to the statewide reporting requirements for accounts receivable have resulted in additional tracking needs for fiscal staff. There is a need for the Department to review and update its internal fiscal processes and policies to ensure compliance with statewide guidance. Fiscal staff have begun efforts to map and streamline processes; however, the increasing workloads have limited progress.

Human Resources: Human Resources is a strategic asset to improve performance and efficiency across the Department through increased training and development opportunities. The Department currently has two positions dedicated to supporting and managing the HR functions for both the Department and the Oregon Watershed Enhancement Board. These positions support approximately 200 employees throughout the state. In the last two years, there has been a steady increase in workload at the higher level due to complex employee and labor relation issues, required safety training compliance and monitoring, performance management, affirmative action and equity responsibilities, and supporting the implementation of employee initiatives. There are also increased workloads due to recent requirements to implement wellness, diversity and inclusion, and emergency preparedness actions. One position also oversees the Shared Services Payroll Team, which currently provides payroll and benefit administration for six agencies.

IT Life Cycle Replacement: The Department's computers and servers are nearing or have passed their end-of-life. This includes file servers, database servers, domain controllers, and other specialized servers as well as personal computers. These machines are managed by the Department's IT staff. Laptop and desktop computers also require replacement as new technological advances in equipment are released that will aid staff in accessing information as they perform their duties. The replacement of these machines has been done on an as-needed basis, typically with vacancy or other accrued savings, usually at the end of the biennium. The Department believes that a better approach would be to establish a

BUDGET NARRATIVE

dedicated budget for life-cycle replacement, technology upgrades, and licensing for Department's computer servers, personal computers, and software applications. Additionally, the Department would like to move its computer servers off-site to the State Data Center. Having the servers located off-site will better enable the Department to provide service to internal and external customers, as well as be better prepared for an emergency. This project is in alignment with IWRS Recommended Action 1C.

Public Records: Public record requests are now taking a considerable amount of staff time. The agency received approximately 89 public records requests in 2015, 133 in 2016, and 143 in 2017, and more than 100 as of August 1, 2018. Part of the reason for the increase is that the agency began ensuring that public records requests were submitted to one person to ensure that the request was properly fulfilled. The agency needs to process public records requests timely in accordance with the law, while also ensuring that all staff that may have the records are contacted to fulfill the request, that all records are found and reviewed for sensitive information, and that the request is properly fulfilled. Current public records workloads have reduced staff's time available to spend on rules coordination, Director's office projects, and other responsibilities.

Internal Audit: The Department met the criteria in 1(c) of Oregon Administrative Rule 125-700-0125 as of Fiscal Year 2016, requiring an internal auditing function (ORS 184.360). The Department received a waiver for fiscal years 2015 through 2017, while exploring options for meeting this requirement. The Department has spoken with DAS to determine its options and has decided that the preferred choice is to hire a position to undertake the internal auditing function to comply with the requirements.

How achieved:

- *Loans and Procurement:* This package proposes to shift the Water Development Loan Specialist from the Water Development Loan Fund to General Fund to allow the Department to continue to comply with procurement requirements and contracting needs, as well as conduct work associated with the Water Project Grants and Loans Program.
- *Accounting:* This package proposes to add an Accountant 1 to assist in daily processing of accounting transactions. This position will assist fiscal staff in the updating and training of Department staff on fiscal policies. Adding this position will allow the senior accounting staff to focus on higher level accounting work as well as reviewing agency procedures to ensure compliance with all statewide fiscal policies, refine management reports which are used by senior management for decision making and focus on streamlining fiscal processes.
- *Human Resources:* In order to meet these increased demands and ensure compliance with employment contracts and policies, the Department proposes to create capacity by rebalancing the workload and shifting lower level human resources work to a third position classified as an HR Analyst 1. With this adjustment, the HR Section will be better positioned to proactively manage human resources functions for two agencies and payroll and benefit functions for six.
- *Information Technology/Lifecycle Replacement:* The Department has reached out to the State Data Center (SDC) to determine the cost to migrate servers and firewalls over to the SDC in a phased approach over the course of the 19-21 biennium. This package proposes funding

BUDGET NARRATIVE

to cover those costs, which include computing and storage, off-site back up, and setup charges. In addition, funding is also included to upgrade outdated personal computing technology.

- *Public Records:* The Department is proposing a position to address public records coordination to ensure timely and accurate responses to public records requests. This position will also help to streamline records storage and retention to help make public records requests easier to process.
- *Internal Auditor:* The Department is proposing to add one internal auditor position to allow WRD to meet the Internal Auditing Requirement, which is anticipated to help the agency further identify opportunities for improvement on a continuous basis. Based on discussions with DAS, one auditor can likely support two agencies. The Department of State Lands has expressed an interest in sharing this position, as have other agencies. The Department proposes to enter into a shared-services agreement with another agency (likely DSL).

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------------|----------------------------|------|--------|------|-------------|-------------|
| 9919047 | C1215-AP | Accountant 1 | Accountant 1 | PF | 21 | 0.88 | \$ 137,001 | \$ 141,924 |
| 9919048 | X5618-AP | Internal Auditor 3 | Shared Services Auditor | PF | 21 | 0.88 | \$ 211,290 | \$ 221,731 |
| 9919049 | X1320-AP | Human Resource Analyst | Human Resource Spec 1 | PF | 21 | 0.88 | \$ 154,118 | \$ 161,486 |
| 9919050 | C8504-AP | Natural Resource Spec 4 | Public Records Coordinator | PF | 21 | 0.88 | \$ 215,530 | \$ 215,530 |
| 7000004 | C1003-AP | Loan Specialist | Loan Specialist | PF | (24) | 1.00 | \$(262,610) | \$(262,610) |
| 7000004 | C1003-AP | Loan Specialist | Loan Specialist | PF | 24 | 1.00 | \$ 262,610 | \$ 262,610 |

Quantifying Results:

- The work of the Loans and Procurement Specialist is measured by the number of contracts executed and managed annually. In regards to the loans program, the work will be measured by (1) the launching of the loan program; (2) the number of loan applications; (3) the number of loans administered.
- Accounting: Adding this position will allow the fiscal department to be timelier, more efficient and ensure the agency is in compliance with statewide policies.
- Human Resources: Required training and development activities will be better monitored and enforced. Some of the most critical work for the department is done in our Field Services Division. Because these employees are geographically spread out, Human Resources staff have not had the capacity to have a presence in these offices. This added capacity would help ensure that employees in field offices feel supported and more connected with Human Resources, the agency, and the state as a whole.
- Information Technology: The Department will work with the State Data Center (SDC) to develop a timeline for migrating services to the SDC in three main phases. Success will be measured by completion of each of these phases and the transition.

BUDGET NARRATIVE

- Public Records: The work of this position will be monitored by the number of public record requests received, and the number of days that it takes to fulfill the request. The Department will also monitor the progress of this position in terms of identification of best practices, and the streamlining of information that is stored so that it is easier to fulfill public records timely and accurately.
- Internal Auditor: Funding this position will result in an initial risk assessment of each agency supported to determine what areas should be audited. After that, the Department would anticipate one audit to be completed each calendar year for each agency the position supports. The Department would then track improvements made as a result of the audits.

Funding Source:

Total General Fund: ~~\$1,314,904~~ \$93,175
Staffing Costs: ~~\$874,904~~ \$93,175
IT Server and PC Life Cycle Replacement: ~~\$440,000~~

Total Other Fund: ~~\$(156,965)~~ \$90,176
Fund Shift off WDLF ~~\$(262,610)~~
Shared Services Agreement ~~\$105,645~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funding in the amount of \$3,000 for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 113 - Supporting Agency Functions

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 |
|--------------------------------------|----------------|---------------|-------------|---------------|------------------------|--------------------------|----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 3,000 | - | - | - | - | - | 3,000 |
| Total Revenues | \$3,000 | - | - | - | - | - | \$3,000 |
| Services & Supplies | | | | | | | |
| IT Expendable Property | 3,000 | - | - | - | - | - | 3,000 |
| Total Services & Supplies | \$3,000 | - | - | - | - | - | \$3,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 3,000 | - | - | - | - | - | 3,000 |
| Total Expenditures | \$3,000 | - | - | - | - | - | \$3,000 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

BUDGET NARRATIVE

Policy Option Package #114: Mitigation to Allow for New Water Uses

Purpose: Cities, farmers, business owner and other potential water users often need additional water to meet their growing needs. Surface water and groundwater sources are increasingly limited and identifying new storage sites is a challenge. Increasingly, water right applicants would like to mitigate for their impacts in order to obtain a new water right, which otherwise might be denied. Currently, the Department has rules in place for mitigation of new groundwater permits in the Deschutes Basin above Lake Billy Chinook. The state does not have a comprehensive approach in other basins to address needs for mitigation. As a result, working with applicants who would like to explore mitigation options can take considerable staff time and is further complicated by the need for individual analysis of proposed mitigation. Establishing a more programmatic approach to mitigation will benefit water right applicants, as the Department will be better able to respond to and evaluate mitigation requests in a timely manner. This proposal is consistent with Recommended Action 10.G of the Integrated Water Resources Strategy.

How Achieved: A new NRS 4 position would be dedicated to evaluating mitigation options for individual applicants, as well as working on more programmatic water mitigation. This would allow the Department to investigate opportunities to develop mitigation rules and standards for other areas of the state outside the upper Deschutes Basin, as well as assist potential applicants in finding solutions to their water needs through mitigation or other options such as transfers. Developing rules would allow the Department to apply a consistent approach to considering mitigation proposals and enable more efficient processing, which would benefit water right applicants.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|-----------------------|------|--------|------|------------|-----------|
| 9919051 | C8504 AP | Nat Res Spec 4 | Mitigation Specialist | PF | 21 | 0.88 | -\$215,531 | \$243,175 |

Quantifying Results: As a result of this proposal, the number of applications approved with mitigation components should increase. In addition, the Department would anticipate developing rules defining standards for mitigation.

Funding Source:

General Fund: ~~\$215,531~~

Staffing Costs: ~~\$215,531~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget does not propose funding for this package in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 114 - Mitigation to Allow for New Water Uses

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| IT Expendable Property | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ 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 | 2015-17 Actuals | 2017-19 Legislatively Adopted | 2017-19 Estimated | 2019-21 | | |
|------------------------------------|-------|---------------------------|--------------------|-------------------------------------|----------------------|-------------------|----------------------|--------------------------|
| | | | | | | Agency Request | Governor's Budget | Legislatively Adopted |
| Non-Business Lic and Fees | OF | 0210 | - | - | - | - | - | - |
| Power and Water Fees | OF | 0245 | 3,417,571 | 3,243,332 | - | 2,320,441 | 2,320,441 | - |
| Federal Revenue Service Contracts | OF | 0360 | 68,824 | 76,400 | - | 25,000 | 25,000 | - |
| Charges for Services | OF | 0410 | 395,060 | 787,129 | - | 278,732 | 278,732 | - |
| Admin and Service Charges | OF | 0415 | - | - | - | - | - | - |
| Fines and Forfeitures | OF | 0505 | - | - | - | 8,250 | 8,250 | - |
| Rents and Royalties | OF | 510 | - | - | - | - | - | - |
| Dedicated Fund Obligation Bond | OF | 0560 | - | - | - | - | - | - |
| Lottery Bonds | OF | 0565 | - | - | - | - | - | - |
| Revenue Bonds | OF | 0570 | - | - | - | - | - | - |
| Interest Income | OF | 0605 | 18,442 | 12,800 | - | 37,500 | 37,500 | - |
| Sales Income | OF | 0705 | - | - | - | - | - | - |
| Loan Repayments | OF | 0925 | - | - | - | - | - | - |
| Other Revenues | OF/FF | 0975 | - | - | - | - | - | - |
| Federal Funds | FF | 0995 | 581,723 | 1,188,394 | - | 594,071 | 594,071 | - |
| Total Revenue | | | 4,481,620 | 5,308,055 | - | 3,263,994 | 3,263,994 | - |
| Transfer In - Intrafund | OF | 1010 | 1,442,184 | 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 | (1,855,749) | (1,185,414) | - | - | (91,676) | - |
| Transfer to General Fund | OF | 2060 | - | - | - | (8,250) | (8,250) | - |
| Tsfr to Environmental Quality | OF | 2340 | - | - | - | - | - | - |
| Tsfr to Parks and Rec | OF | 2634 | - | - | - | - | - | - |
| Tsfr To Fish and Wildlife | OF | 2635 | - | - | - | - | - | - |
| Total Transfers | | | (413,565) | (782,718) | - | (8,250) | (99,926) | - |
| Net Revenue | | | 4,068,055 | 4,525,337 | - | 3,255,744 | 3,164,068 | - |

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

Agency Number: 69000
Cross Reference Number: 69000-010-04-00-00000

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|----------------------------------|--------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Other Funds | | | | | | |
| Power and Water Fees | 3,417,571 | 3,143,000 | 3,243,332 | 2,320,441 | 2,320,441 | - |
| Federal Revenues - Svc Contracts | 68,824 | 76,400 | 76,400 | 25,000 | 25,000 | - |
| Charges for Services | 395,061 | 787,129 | 787,129 | 278,732 | 278,732 | - |
| Fines and Forfeitures | - | - | - | 8,250 | 8,250 | - |
| Interest Income | 18,442 | 12,800 | 12,800 | 37,500 | 37,500 | - |
| Transfer In - Intrafund | 1,421,619 | 402,696 | 402,696 | - | - | - |
| Tsfr From Military Dept, Or | 20,565 | - | - | - | - | - |
| Transfer Out - Intrafund | (1,855,749) | (1,185,414) | (1,185,414) | - | (91,676) | - |
| Transfer to General Fund | - | - | - | (8,250) | (8,250) | - |
| Total Other Funds | \$3,486,333 | \$3,236,611 | \$3,336,943 | \$2,661,673 | \$2,569,997 | - |
| Federal Funds | | | | | | |
| Federal Funds | 581,723 | 1,263,394 | 1,188,394 | 594,071 | 594,071 | - |
| Total Federal Funds | \$581,723 | \$1,263,394 | \$1,188,394 | \$594,071 | \$594,071 | - |

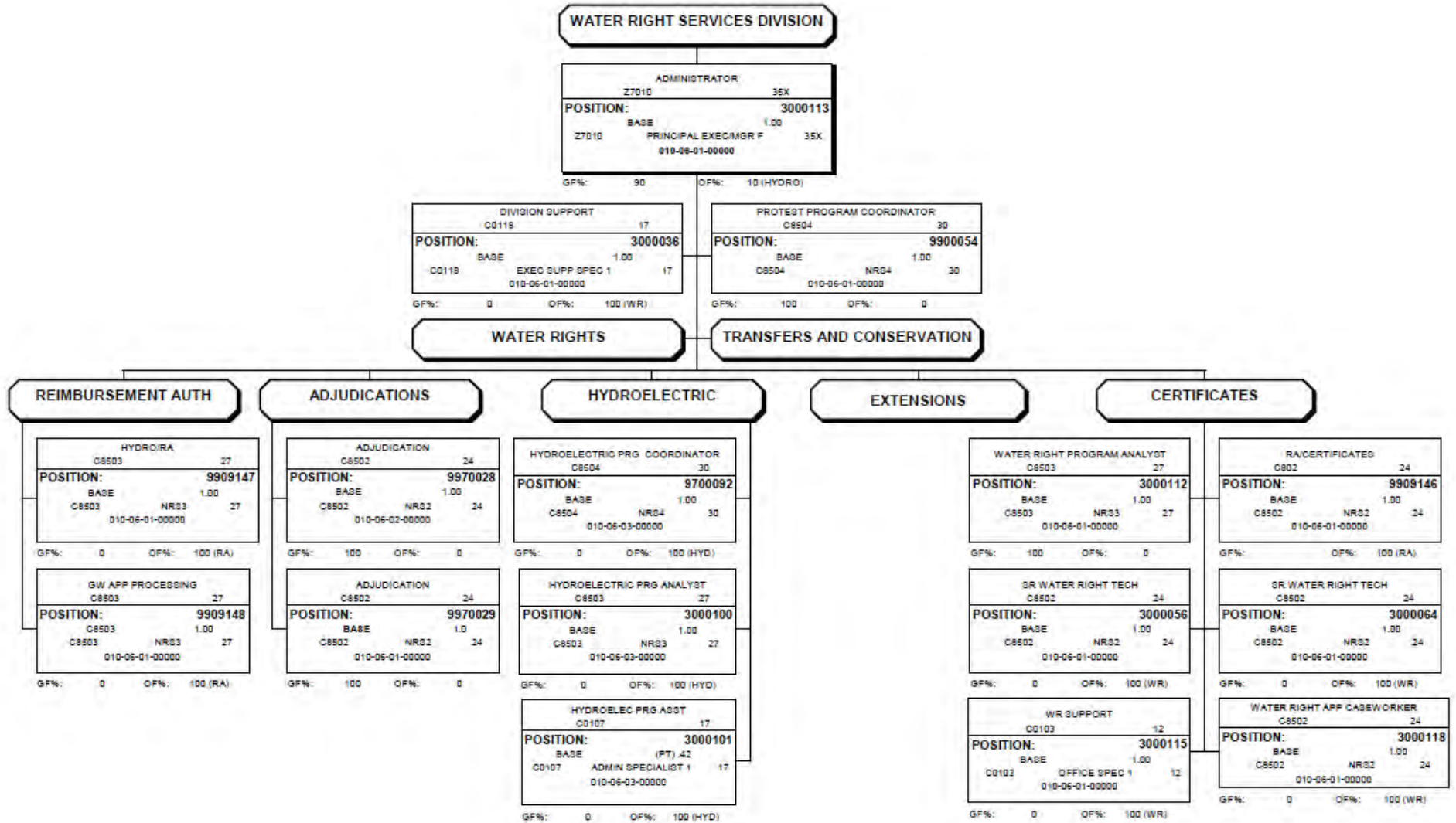
____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

BUDGET NARRATIVE

WATER RIGHT SERVICES DIVISION



BUDGET NARRATIVE

WATER RIGHTS

| | | | |
|--------------------|----------------------|----------------|---------|
| WR PROGRAM MANAGER | | | |
| X7008 | 33X | | |
| POSITION: | | 3000093 | |
| BASE | 1.00 | | |
| X7008 | PRINCIPAL EXEC/MGR E | 33X | |
| 010-06-01-00000 | | | |
| GF%: | 75 | OF%: | 25 (WR) |

SUPPORT

| | | | |
|------------------|---------------------|----------------|---|
| SECRETARY | | | |
| C0104 | 15 | | |
| POSITION: | | 3000003 | |
| BASE | 1.00 | | |
| C0104 | OFFICE SPECIALIST 2 | 15 | |
| 010-06-01-00000 | | | |
| GF%: | 100 | OF%: | 0 |

| | | | |
|------------------|---------------------|----------------|----------|
| SECRETARY | | | |
| C0103 | 12 | | |
| POSITION: | | 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 | 27 | | |
| POSITION: | | 3000092 | |
| BASE | 1.00 | | |
| C8503 | NRS3 | 27 | |
| 010-06-01-00000 | | | |
| GF%: | 37 | OF%: | 63 (WR) |

| | | | |
|----------------------------|------|----------------|----------|
| WATER RIGHT APP CASEWORKER | | | |
| C8502 | 24 | | |
| POSITION: | | 3000117 | |
| BASE | 1.00 | | |
| C8502 | NRS2 | 24 | |
| 010-06-01-00000 | | | |
| GF%: | 0 | OF%: | 100 (WR) |

| | | | |
|----------------------------|------|----------------|----------|
| WATER RIGHT APP CASEWORKER | | | |
| C8502 | 24 | | |
| POSITION: | | 3000052 | |
| BASE | 1.00 | | |
| C8502 | NRS2 | 24 | |
| 010-06-01-00000 | | | |
| GF%: | 0 | OF%: | 100 (WR) |

| | | | |
|----------------------------|------|----------------|---|
| WATER RIGHT APP CASEWORKER | | | |
| C8502 | 24 | | |
| POSITION: | | 3000090 | |
| BASE | 1.00 | | |
| C8502 | NRS2 | 24 | |
| 010-06-01-00000 | | | |
| GF%: | 100 | OF%: | 0 |

| | | | |
|------------------|------|----------------|--|
| WR APP ANALYST | | | |
| C8503 | 27 | | |
| POSITION: | | 9913103 | |
| BASE | 1.00 | | |
| C8503 | NRS3 | 27 | |
| 010-06-01-00000 | | | |
| GF%: | 100 | OF%: | |

| | | | |
|----------------------------|------|----------------|--|
| WATER RIGHT APP CASEWORKER | | | |
| C8502 | 24 | | |
| POSITION: | | 3000055 | |
| BASE | 1.00 | | |
| C8502 | NRS3 | 24 | |
| 010-06-01-00000 | | | |
| GF%: | 100 | OF%: | |

CUSTOMER SERVICE

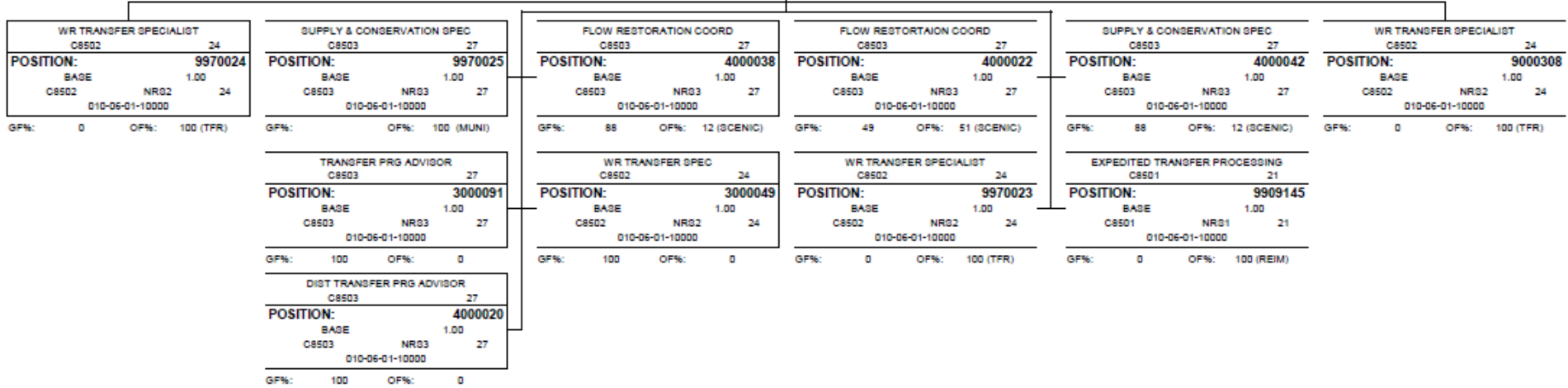
| | | | |
|--------------------|----------------|----------------|----------|
| PUBLIC SERVICE REP | | | |
| C0324 | 19 | | |
| POSITION: | | 3000059 | |
| BASE | 1.00 | | |
| C0324 | PUB SERV REP 4 | 19 | |
| 010-06-01-00000 | | | |
| GF%: | 0 | OF%: | 100 (WR) |

BUDGET NARRATIVE

TRANSFERS AND CONSERVATION

| | |
|--------------------------|---------|
| TACS MANAGER | |
| x8504 | 30 |
| POSITION: 4000021 | |
| BASE | 1.00 |
| x8504 | NR04 30 |
| 010-06-01-00000 | |

GF%: 98 OF%: 2 (WR)



BUDGET NARRATIVE

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BUDGET NARRATIVE

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 and transfers, limited licenses, determinations of pre-law water uses through adjudications, and hydroelectric licensing.

Program Contact: Dwight French
 (503) 986-0819

Program Funding Request

The Water Resources Department proposes to add approximately \$390,000 in General Fund to improve water right application processing and to allow the Department to be more responsive to mitigation needs across the state.

During the 2017-19 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

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.

BUDGET NARRATIVE

Water Rights

Water Right Application Review

The focus of the water right permitting program during the 2017-19 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. 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 1,123 as of July 1, 2018. It will take the Department approximately 3 years to eliminate the backlog entirely.

BUDGET NARRATIVE

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, 179 applications in 2016 and 107 in 2017. The Department continues to improve our document generation tools which allow the extension caseworker to quickly generate proposed final orders once they have completed the review of the application. Due to staff turnover and to make the best use of available resources, extensions are currently being processed by adjudications staff.

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 July 2017 has dropped to 358, 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

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, 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 lease 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 12 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 four fiscal years, 100 percent of the plans received by the Department were reviewed within the 90-day review goal.

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 2019-21 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.

BUDGET NARRATIVE

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.

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 approximately 150 existing hydroelectric projects in Oregon. These fees support hydroelectric programs in the Departments of Water Resources, Fish and Wildlife, and Environmental Quality.

BUDGET NARRATIVE

Program Justification

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

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.

Specific 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.</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.</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.</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.</p> | <p>Oregon Constitution Article XI-D ORS 543.015; ORS 543.017; ORS 537.283</p> |

BUDGET NARRATIVE

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.

Water Right Services Division

| | General Fund | Other Funds | Lottery Funds | Federal Funds | Total Funds |
|--|--------------|-------------|---------------|---------------|-------------|
| 2017-19 Legislatively Adopted Budget | 3,647,773 | 4,201,608 | - | - | 7,849,381 |
| 2017-19 Emergency Boards | 86,396 | 416,304 | - | 25,000 | 527,700 |
| 2017-19 Legislatively Approved Budget | 3,734,169 | 4,617,912 | - | 25,000 | 8,377,081 |
| 2019-21 Base Budget | 3,818,314 | 4,752,988 | - | - | 8,571,302 |
| 2019-21 Current Service Level | 3,973,306 | 4,854,962 | - | 25,000 | 8,853,268 |
| Policy Packages | | | | | |
| 2019-21 Modified Current Service Level | 3,973,306 | 4,854,962 | - | 25,000 | 8,853,268 |
| Total Packages | (295,275) | (33,810) | - | - | (329,085) |
| 2019-21 Governor's Recommended Budget | 3,678,031 | 4,821,152 | - | 25,000 | 8,524,183 |

BUDGET NARRATIVE

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 2019-21 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 2017-19 biennium.

030 – Inflation and Price List Adjustment

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2019-2021 Budget Instructions. General inflation was calculated using a factor of 3.8% while a rate of 4.2% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2019-21 price lists.

060 – Technical Adjustment

This package was used to adjust 2019-21 budgets to align with the 2017-19 changes to the agency structure.

090 – Analyst Adjustments

This package includes reductions taken in the Governor’s Recommended Budget.

091 – Statewide DAS Charges

This package includes reductions to State Government Service Charges and Pricelist items to account for reductions made to the Department of Administrative Services Division (DAS) in the Governor’s Recommended Budget.

092 – Statewide AG Adjustment

This package includes reductions to the Department of Justice Attorney General charges 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 Right Services Division
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 |
|--------------------------------|------------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 130,020 | - | - | - | - | - | 130,020 |
| Power and Water Fees | - | - | - | - | - | - | - |
| Total Revenues | \$130,020 | - | - | - | - | - | \$130,020 |
| Transfers Out | | | | | | | |
| Tsfr To Agriculture, Dept of | - | - | - | - | - | - | - |
| Total Transfers Out | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Temporary Appointments | 73 | - | - | - | - | - | 73 |
| Pension Obligation Bond | 2,749 | - | 4,694 | - | - | - | 7,443 |
| Social Security Taxes | 6 | - | - | - | - | - | 6 |
| Unemployment Assessments | 53 | - | 97 | - | - | - | 150 |
| Mass Transit Tax | 314 | - | 1,031 | - | - | - | 1,345 |
| Vacancy Savings | 126,825 | - | 101,457 | - | - | - | 228,282 |
| Total Personal Services | \$130,020 | - | \$107,279 | - | - | - | \$237,299 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 130,020 | - | 107,279 | - | - | - | 237,299 |
| Total Expenditures | \$130,020 | - | \$107,279 | - | - | - | \$237,299 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

Cross Reference Name: Water Right Services Division
 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 |
|-----------------------------|--------------|---------------|--------------------|---------------|------------------------|--------------------------|--------------------|
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (107,279) | - | - | - | (107,279) |
| Total Ending Balance | - | - | (\$107,279) | - | - | - | (\$107,279) |

___ Agency Request
 2019-21 Biennium

___ Governor's Budget
 Page _____

___ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 021 - Phase - In

Cross Reference Name: Water Right Services Division
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 |
|--------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Vacancy Savings | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

___ Agency Request
2019-21 Biennium

___ Governor's Budget
Page _____

___ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Water Right Services Division
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 |
|--------------------------------------|-----------------|---------------|------------------|---------------|------------------------|--------------------------|-----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 44,924 | - | - | - | - | - | 44,924 |
| Total Revenues | \$44,924 | - | - | - | - | - | \$44,924 |
| Services & Supplies | | | | | | | |
| Instate Travel | 333 | - | - | - | - | - | 333 |
| Employee Training | 254 | - | - | - | - | - | 254 |
| Office Expenses | 851 | - | - | - | - | - | 851 |
| Telecommunications | 1,138 | - | - | - | - | - | 1,138 |
| State Gov. Service Charges | (1,849) | - | (5,305) | - | - | - | (7,154) |
| Publicity and Publications | 14 | - | - | - | - | - | 14 |
| Professional Services | - | - | - | - | - | - | - |
| Attorney General | 34,758 | - | - | - | - | - | 34,758 |
| Employee Recruitment and Develop | 39 | - | - | - | - | - | 39 |
| Dues and Subscriptions | 14 | - | - | - | - | - | 14 |
| Facilities Rental and Taxes | - | - | - | - | - | - | - |
| Facilities Maintenance | 19 | - | - | - | - | - | 19 |
| Agency Program Related S and S | 7,600 | - | - | - | - | - | 7,600 |
| Other Services and Supplies | 1,163 | - | - | - | - | - | 1,163 |
| Expendable Prop 250 - 5000 | 348 | - | - | - | - | - | 348 |
| IT Expendable Property | 242 | - | - | - | - | - | 242 |
| Total Services & Supplies | \$44,924 | - | (\$5,305) | - | - | - | \$39,619 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 031 - Standard Inflation

Cross Reference Name: Water Right Services Division
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 |
|-----------------------------|-----------------|---------------|------------------|---------------|------------------------|--------------------------|-----------------|
| Total Expenditures | | | | | | | |
| Total Expenditures | 44,924 | - | (5,305) | - | - | - | 39,619 |
| Total Expenditures | \$44,924 | - | (\$5,305) | - | - | - | \$39,619 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 5,305 | - | - | - | 5,305 |
| Total Ending Balance | - | - | \$5,305 | - | - | - | \$5,305 |

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 060 - Technical Adjustments

Cross Reference Name: Water Right Services Division
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 |
|--------------------------------------|-------------------|---------------|-------------|-----------------|------------------------|--------------------------|-------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (19,952) | - | - | - | - | - | (19,952) |
| Federal Funds | - | - | - | 25,000 | - | - | 25,000 |
| Total Revenues | (\$19,952) | - | - | \$25,000 | - | - | \$5,048 |
| Services & Supplies | | | | | | | |
| Instate Travel | (4,505) | - | - | - | - | - | (4,505) |
| Telecommunications | (19,413) | - | - | - | - | - | (19,413) |
| Professional Services | 1,600 | - | - | - | - | - | 1,600 |
| Agency Program Related S and S | 5,202 | - | - | - | - | - | 5,202 |
| IT Expendable Property | (2,836) | - | - | - | - | - | (2,836) |
| Total Services & Supplies | (\$19,952) | - | - | - | - | - | (\$19,952) |
| Special Payments | | | | | | | |
| Other Special Payments | - | - | - | 25,000 | - | - | 25,000 |
| Total Special Payments | - | - | - | \$25,000 | - | - | \$25,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | (19,952) | - | - | 25,000 | - | - | 5,048 |
| Total Expenditures | (\$19,952) | - | - | \$25,000 | - | - | \$5,048 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Water Right Services Division
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 | | | |
|---|--|---|-------------|---------------|------------------------|--------------------------|--------------------|---|--|---|
| Revenues | | | | | | | | | | |
| General Fund Appropriation | (277,480) | - | - | - | - | - | (277,480) | | | |
| Total Revenues | (\$277,480) | - | - | - | - | - | (\$277,480) | | | |
| Personal Services | | | | | | | | | | |
| Class/Unclass Sal. and Per Diem | (98,304) | - | - | - | - | - | (98,304) | | | |
| Empl. Rel. Bd. Assessments | (61) | - | - | - | - | - | (61) | | | |
| Public Employees' Retire Cont | (16,682) | - | - | - | - | - | (16,682) | | | |
| Social Security Taxes | (7,520) | - | - | - | - | - | (7,520) | | | |
| Worker's Comp. Assess. (WCD) | (58) | - | - | - | - | - | (58) | | | |
| Flexible Benefits | (35,184) | - | - | - | - | - | (35,184) | | | |
| Vacancy Savings | (108,796) | - | - | - | - | - | (108,796) | | | |
| Reconciliation Adjustment | 2 | - | - | - | - | - | 2 | | | |
| Total Personal Services | (\$266,603) | - | - | - | - | - | (\$266,603) | | | |
| Services & Supplies | | | | | | | | | | |
| Instate Travel | (333) | - | - | - | - | - | (333) | | | |
| Employee Training | (254) | - | - | - | - | - | (254) | | | |
| Office Expenses | (851) | - | - | - | - | - | (851) | | | |
| Telecommunications | (1,138) | - | - | - | - | - | (1,138) | | | |
| Publicity and Publications | (14) | - | - | - | - | - | (14) | | | |
| Employee Recruitment and Develop | (39) | - | - | - | - | - | (39) | | | |
| Dues and Subscriptions | (14) | - | - | - | - | - | (14) | | | |
| Agency Program Related S and S | (6,481) | - | - | - | - | - | (6,481) | | | |
| Other Services and Supplies | (1,163) | - | - | - | - | - | (1,163) | | | |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"> <input type="checkbox"/> Agency Request 2019-21 Biennium </td> <td style="width: 33%; border: none; text-align: center;"> <input type="checkbox"/> Governor's Budget Page _____ </td> <td style="width: 33%; border: none; text-align: right;"> <input type="checkbox"/> Legislatively Adopted Essential and Policy Package Fiscal Impact Summary - BPR013 </td> </tr> </table> | | | | | | | | <input type="checkbox"/> Agency Request 2019-21 Biennium | <input type="checkbox"/> Governor's Budget Page _____ | <input type="checkbox"/> Legislatively Adopted Essential and Policy Package Fiscal Impact Summary - BPR013 |
| <input type="checkbox"/> Agency Request 2019-21 Biennium | <input type="checkbox"/> Governor's Budget Page _____ | <input type="checkbox"/> Legislatively Adopted Essential and Policy Package Fiscal Impact Summary - BPR013 | | | | | | | | |

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Water Right Services Division
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 |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Services & Supplies | | | | | | | |
| Expendable Prop 250 - 5000 | (348) | - | - | - | - | - | (348) |
| IT Expendable Property | (242) | - | - | - | - | - | (242) |
| Total Services & Supplies | (\$10,877) | - | - | - | - | - | (\$10,877) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (277,480) | - | - | - | - | - | (277,480) |
| Total Expenditures | (\$277,480) | - | - | - | - | - | (\$277,480) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | (1) |
| Total Positions | - | - | - | - | - | - | (1) |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | (1.00) |
| Total FTE | - | - | - | - | - | - | (1.00) |

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Water Right Services Division
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 |
|--------------------------------------|------------------|---------------|-------------------|---------------|------------------------|--------------------------|-------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (5,458) | - | - | - | - | - | (5,458) |
| Total Revenues | (\$5,458) | - | - | - | - | - | (\$5,458) |
| Services & Supplies | | | | | | | |
| State Gov. Service Charges | - | - | - | - | - | - | - |
| Agency Program Related S and S | (702) | - | - | - | - | - | (702) |
| Other Services and Supplies | (4,756) | - | (32,196) | - | - | - | (36,952) |
| Total Services & Supplies | (\$5,458) | - | (\$32,196) | - | - | - | (\$37,654) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (5,458) | - | (32,196) | - | - | - | (37,654) |
| Total Expenditures | (\$5,458) | - | (\$32,196) | - | - | - | (\$37,654) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 32,196 | - | - | - | 32,196 |
| Total Ending Balance | - | - | \$32,196 | - | - | - | \$32,196 |

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Water Right Services Division
Cross Reference Number: 69000-010-06-00-0000

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|-------------------|---------------|------------------|---------------|------------------------|--------------------------|-------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (12,337) | - | - | - | - | - | (12,337) |
| Total Revenues | (\$12,337) | - | - | - | - | - | (\$12,337) |
| Services & Supplies | | | | | | | |
| Attorney General | (12,337) | - | (1,614) | - | - | - | (13,951) |
| Total Services & Supplies | (\$12,337) | - | (\$1,614) | - | - | - | (\$13,951) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (12,337) | - | (1,614) | - | - | - | (13,951) |
| Total Expenditures | (\$12,337) | - | (\$1,614) | - | - | - | (\$13,951) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 1,614 | - | - | - | 1,614 |
| Total Ending Balance | - | - | \$1,614 | - | - | - | \$1,614 |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #102: Groundwater Data, Management and Protection

Purpose: This package proposes to help the Department understand and manage groundwater resources sustainably to protect existing users, while providing timely groundwater permitting reviews for potential new uses and protecting the groundwater resource to prevent loss of artesian pressure, contamination, and waste. These actions are called for in Recommended Actions 1A, 1B and 7A of the Integrated Water Resources Strategy.

Understanding the Resource: In some locations throughout the state, groundwater aquifers are no longer capable of sustaining additional development. Water managers need better groundwater information to help the Department, communities, and water users determine how to best utilize limited resources, while protecting existing and future uses. 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. This information is essential for communities in understanding the sustainability of current groundwater uses and their opportunities for future economic development.

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. In general, the Department obtains this information by conducting a groundwater basin study. 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. Basin studies help define the overall groundwater budget, including groundwater recharge from surface water, groundwater discharge to surface water, and available water for new allocation. 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). Currently, the Department is working in the Greater Harney Valley and expects to complete the first phase of that study in 2020. The next priority area for a basin study is the Walla Walla subbasin.

Reducing Groundwater Processing Backlogs: Given the pressures of drought, increased litigation over groundwater, the limited nature of the resource, the complex nature of groundwater, and a greater interest in groundwater data and innovative management options, groundwater staff have a difficult time meeting all of the demands on their time. As a result, the Department has seen an increase in processing times for groundwater-related water rights transactions.

Protecting the Resource through Well Construction: Protecting existing water users and ensuring that groundwater is managed sustainably also requires proper well construction practices. Improper well construction can lead to serious groundwater-level declines, loss of artesian pressure, contamination of drinking water, public safety hazards, and waste. Well construction in the Columbia River Basalts, which include aquifers across a significant portion of the state (including the Willamette Valley and Columbia River Gorge), require special attention due to the complex geology

BUDGET NARRATIVE

and difficult construction conditions. 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 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 local geology and hydrogeology, and the knowledge to understand, recognize, and give direction regarding proper well construction practices for specific conditions encountered on each well.

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 five well inspectors, but only has resources for four, which could be further reduced by the projected increased costs of doing business. Each year, approximately 3,000 new wells are drilled; last year, the state inspected about 1,000 of them with its four well inspectors. About 11 percent of the inspected wells were found to have deficiencies or construction problems.

How Achieved: This package requests one NRS 2 Project Hydrogeologist, one NRS 4 Project Hydrogeologist, one NRS 2 hydrographer, one NRS 3 Hydrographer, and one NRS 4 Hydrologist to increase the Department's capacity to conduct an additional basin study, while also addressing some of the workload challenges in the groundwater and surface water sections; improving capacity to collect, process, and validate data; and providing resources to more timely process permit and transfer applications. This package includes both groundwater and surface water staff, as surface water data collection and analyses are necessary inputs to groundwater basin studies and having backlogs in surface water data can slow progress on groundwater studies. The request also includes one IS 6 Database Application Developer, which will be responsible for supporting development of structures for storing and querying data across the Department, with a primary focus on groundwater and surface water data. In addition to the requested increase in staffing, this package requests general fund appropriations each biennium to pay for cost-match to conduct basin studies with partners and equipment for study activities, such as the installation and maintenance of dedicated observation wells (\$100k in cost-share for DOGAMI, \$400k for Observation wells, and \$300k in cost-share for the U.S. Geological Survey). To ensure more timely processing of groundwater permit applications and other transactions, the package also includes a NRS 3 Hydrogeologist Groundwater Reviewer and one NRS 2 Water Right Application caseworker.

In regards to supporting the Well Inspection Program to prevent problems that arise from improper well construction, maintenance, or abandonment, this package includes several proposals. First, in order to stabilize the Start Card Fund, the package proposes to move one NRS 3 hydrogeologist from Start Card to General Fund. Second, given that the Well Inspection Program has no General Fund support, the package proposes to add one NRS 2 General Fund Well Inspector, which will help to prevent loss of artesian pressure, contamination, or waste by providing timely inspections of well construction, review of well logs, and education of drillers and pump installers to ensure construction standards are met. This will help provide some stability to the program by diversifying funding sources. Finally, many of the areas in the state that have seen significant groundwater level declines and other issues due to improperly constructed wells are within sensitive Columbia River Basalt (CRB) aquifer

BUDGET NARRATIVE

systems. The Department has issued special standards for some of these areas; however, further work and special attention is needed to ensure proper well construction, alteration, and abandonment of water wells in these areas. As a result, the Department proposes to add one NRS 2 Well Inspector and one NRS 3 Well Construction Specialist that will specifically work on Columbia River Basalts.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------------------|----------------------------------|------|--------|--------|------------------------|------------------------|
| 9919002 | C0872 AP | Operations & Policy Analyst 3 | Public Engagement Coordinator | PF | 21 | 0.88 | \$187,584 | \$212,807 |
| 9919003 | C8502 AP | Natural Resource Specialist 2 | CRB Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919004 | C8502 AP | Natural Resource Specialist 2 | Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919005 | C8503 AP | Natural Resource Specialist 3 | CRB Well Construction Specialist | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919006 | C8502 BP | Natural Resource Specialist 2 | Project Hydrogeologist 2 | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919007 | C8503 AP | Natural Resource Specialist 3 | Project Hydrogeologist 3 | PF | 21 | 0.88 | \$202,655 | \$228,460 |
| 9919008 | C8504 AP | Natural Resource Specialist 4 | Senior Hydrogeologist 4 | PF | 21 | 0.88 | \$222,572 | \$251,220 |
| 9919009 | C8503 AP | Natural Resource Specialist 3 | Hydrogeologist 3 GW Reviewer | PF | 21 | 0.88 | \$202,651 | \$228,460 |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | (1.00) | \$(235,608) | \$(235,608) |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | 1.00 | \$235,608 | \$235,608 |
| 9919010 | C1486 AP | Info Systems Specialist 6 | Database/Application Developer | PF | 21 | 0.88 | \$196,483 | \$221,187 |
| 9919011 | C8502 AP | Natural Resource Specialist 2 | Hydrographer 2 | PF | 21 | 0.88 | \$180,304 | \$202,917 |
| 9919012 | C8503 AP | Natural Resource Specialist 3 | Hydrographer 3 | PF | 21 | 0.88 | \$196,820 | \$221,790 |
| 9919013 | C8504 AP | Natural Resource Specialist 4 | Hydrologist 4 | PF | 21 | 0.88 | \$215,531 | \$243,175 |
| 9919014 | C8502 AP | Natural Resource Specialist 2 | WR Caseworker | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

Quantifying Results: This package will allow the Department to conduct an additional groundwater basin study every five years. This study would be in addition to the ongoing work in the Greater Harney Valley. Information obtained through studies is 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 future basin studies include the Umatilla and its Walla Walla subbasin, as well as the Hood, Powder, and Grande Ronde basins. 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. The Department would increase the number of observation wells in the state, which would lead to increases in KPM #5 (Assess Groundwater Resources). In addition, the Department anticipates a reduction in groundwater application review and processing timelines, which are in part measured by KPMs #10 and #11, (Promote Efficiency in Water Right and Transfer Application Processing).

BUDGET NARRATIVE

In regards to protecting groundwater through the well construction program, metrics would include: Are well inspectors on-site and actively observing when the seal is placed in the well? Are well inspectors available to answer driller questions and technical requests the same day the requests are made? Are there more high-quality inspections made overall? Of the wells inspected, are there fewer deficiencies / construction mistakes over time?

Funding Source:

General Fund: ~~\$3,558,247~~ \$2,837,027

Staffing Costs: ~~\$2,758,247~~ \$2,037,027

Geological Mapping: \$100,000

Observation Wells: \$400,000

USGS Study Funds: \$300,000

Other Funds: ~~(\$235,608)~~ Start Card

Staffing Costs: ~~(\$235,608)~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget does not propose funding for this package in the Water Rights Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 102 - Groundwater Data, Management & Protection

Cross Reference Name: Water Right Services Division
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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 102 - Groundwater Data, Management & Protection

Cross Reference Name: Water Right Services Division
 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 Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #114: Mitigation to Allow for New Water Uses

Purpose: Cities, farmers, business owner and other potential water users often need additional water to meet their growing needs. Surface water and groundwater sources are increasingly limited and identifying new storage sites is a challenge. Increasingly, water right applicants would like to mitigate for their impacts in order to obtain a new water right, which otherwise might be denied. Currently, the Department has rules in place for mitigation of new groundwater permits in the Deschutes Basin above Lake Billy Chinook. The state does not have a comprehensive approach in other basins to address needs for mitigation. As a result, working with applicants who would like to explore mitigation options can take considerable staff time and is further complicated by the need for individual analysis of proposed mitigation. Establishing a more programmatic approach to mitigation will benefit water right applicants, as the Department will be better able to respond to and evaluate mitigation requests in a timely manner. This proposal is consistent with Recommended Action 10.G of the Integrated Water Resources Strategy.

How Achieved: A new NRS 4 position would be dedicated to evaluating mitigation options for individual applicants, as well as working on more programmatic water mitigation. This would allow the Department to investigate opportunities to develop mitigation rules and standards for other areas of the state outside the upper Deschutes Basin, as well as assist potential applicants in finding solutions to their water needs through mitigation or other options such as transfers. Developing rules would allow the Department to apply a consistent approach to considering mitigation proposals and enable more efficient processing, which would benefit water right applicants.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|-----------------------|------|--------|------|------------|-----------|
| 9919051 | C8504 AP | Nat Res Spec 4 | Mitigation Specialist | PF | 21 | 0.88 | -\$215,531 | \$243,175 |

Quantifying Results: As a result of this proposal, the number of applications approved with mitigation components should increase. In addition, the Department would anticipate developing rules defining standards for mitigation.

Funding Source:

General Fund: ~~\$215,531~~

Staffing Costs: ~~\$215,531~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget does not propose funding for this package in the Water Rights Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 114 - Mitigation to Allow for New Water Uses

Cross Reference Name: Water Right Services Division
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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 114 - Mitigation to Allow for New Water Uses

Cross Reference Name: Water Right Services Division
 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 |
|-----------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | - |
| Total Positions | - | - | - | - | - | - | - |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | - |
| Total FTE | - | - | - | - | - | - | - |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page 366

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| Source | Fund | | 2015-17 Actuals | 2017-19 Legislatively Adopted | 2017-19 Estimated | 2019-21 | | |
|------------------------------------|-------|------|--------------------|-------------------------------------|----------------------|--------------------|----------------------|--------------------------|
| | | | | | | Agency Request | Governor's Budget | Legislatively Adopted |
| Non-Business Lic and Fees | OF | 0210 | - | - | - | - | - | - |
| Power and Water Fees | OF | 0245 | 6,220,338 | 6,988,044 | - | 5,533,164 | 5,533,164 | - |
| Federal Revenue Service Contracts | OF | 0360 | - | - | - | 100,000 | 100,000 | - |
| Charges for Services | OF | 0410 | 412,533 | 411,232 | - | 400,000 | 400,000 | - |
| Admin and Service Charges | OF | 0415 | - | - | - | - | - | - |
| Fines and Forfeitures | OF | 0505 | - | - | - | - | - | - |
| Rents and Royalties | OF | 510 | - | - | - | - | - | - |
| Dedicated Fund Obligation Bond | OF | 0560 | - | - | - | - | - | - |
| Lottery Bonds | OF | 0565 | - | - | - | - | - | - |
| Revenue Bonds | OF | 0570 | - | - | - | - | - | - |
| Interest Income | OF | 0605 | 37,136 | 37,500 | - | 46,000 | 46,000 | - |
| Sales Income | OF | 0705 | - | - | - | - | - | - |
| Loan Repayments | OF | 0925 | - | - | - | - | - | - |
| Other Revenues | OF/FF | 0975 | - | 50,000 | - | 1,000 | 1,000 | - |
| Federal Funds | FF | 0995 | - | 25,000 | - | 25,000 | 25,000 | - |
| Total Revenue | | | 6,670,007 | 7,511,776 | - | 6,105,164 | 6,105,164 | - |
| Transfer In - Intrafund | OF | 1010 | 11,790 | - | - | - | - | - |
| 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 | (367,687) | (612,141) | - | - | - | - |
| Transfer to General Fund | OF | 2060 | - | - | - | - | - | - |
| Tsfr to Environmental Quality | OF | 2340 | (722,335) | (681,921) | - | (714,000) | (714,000) | - |
| Tsfr to Parks and Rec | OF | 2634 | - | - | - | - | - | - |
| Tsfr to Fish and Wildlife | OF | 2635 | (1,791,067) | (1,847,549) | - | (1,976,000) | (1,976,000) | - |
| Total Transfers | | | (2,869,299) | (3,141,611) | - | (2,690,000) | (2,690,000) | - |
| Net Revenue | | | 3,800,708 | 4,370,165 | - | 3,415,164 | 3,415,164 | - |

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

Agency Number: 69000

Cross Reference Number: 69000-010-06-00-00000

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|----------------------------------|--------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Other Funds | | | | | | |
| Power and Water Fees | 6,220,338 | 6,571,740 | 6,988,044 | 5,533,164 | 5,533,164 | - |
| Federal Revenues - Svc Contracts | - | - | - | 100,000 | 100,000 | - |
| Charges for Services | 412,533 | 411,232 | 411,232 | 400,000 | 400,000 | - |
| Interest Income | 37,136 | 37,500 | 37,500 | 46,000 | 46,000 | - |
| Other Revenues | - | 50,000 | 50,000 | 1,000 | 1,000 | - |
| Transfer In - Intrafund | 11,790 | - | - | - | - | - |
| Transfer Out - Intrafund | (367,687) | (612,141) | (612,141) | - | - | - |
| Tsfr To Environmental Quality | (722,335) | (681,921) | (681,921) | (714,000) | (714,000) | - |
| Tsfr To Fish/Wildlife, Dept of | (1,791,067) | (1,847,549) | (1,847,549) | (1,976,000) | (1,976,000) | - |
| Total Other Funds | \$3,800,708 | \$3,928,861 | \$4,345,165 | \$3,390,164 | \$3,390,164 | - |
| Federal Funds | | | | | | |
| Federal Funds | - | - | 25,000 | 25,000 | 25,000 | - |
| Total Federal Funds | - | - | \$25,000 | \$25,000 | \$25,000 | - |

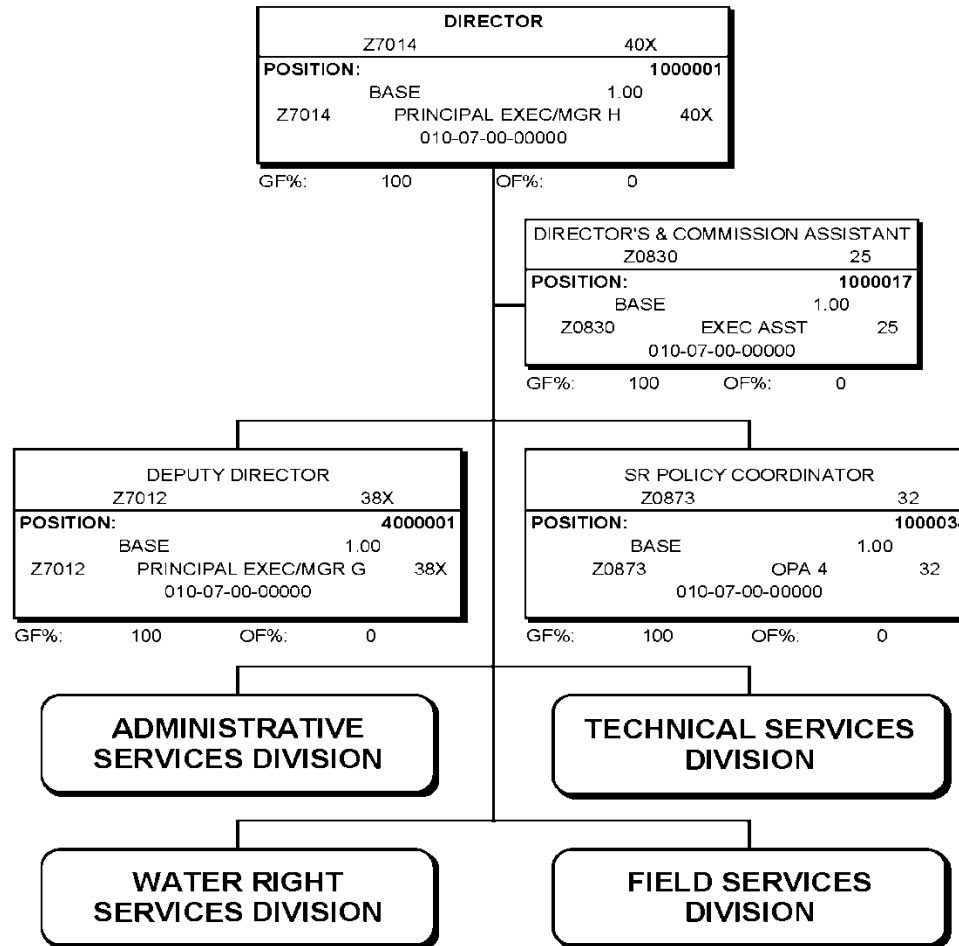
____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

BUDGET NARRATIVE

DIRECTOR'S OFFICE



BUDGET NARRATIVE

Director's Office

| | | | |
|-----------------|----------------------|---------|--|
| DEPUTY DIRECTOR | | | |
| Z7012 | 38X | | |
| POSITION: | | 4000001 | |
| BASE | 1.00 | | |
| Z7012 | PRINCIPAL EXEC/MGR G | 38X | |
| 010-07-01-00000 | | | |

GF%: 100 OF%: 0

| | | | |
|----------------------------|------------------|---------|--|
| DIVISION EXECUTIVE SUPPORT | | | |
| X0119 | 19 | | |
| POSITION: | | 4000048 | |
| BASE | 1.00 | | |
| X0119 | EXEC SUPP SPEC 2 | 19 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%: 0

| | | | |
|----------------------|----------------|---------|--|
| WATER POLICY ANALYST | | | |
| X0873 | 31 | | |
| POSITION: | | 1000049 | |
| BASE | 1.00 | | |
| X0873 | PROG ANALYST 4 | 31 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%: 0

| | | | |
|-----------------------------------|------|---------|--|
| SENIOR WATER RESOURCE DEV ADVISOR | | | |
| X8505 | 32 | | |
| POSITION: | | 9913123 | |
| BASE | 1.00 | | |
| X8505 | NRS5 | 32 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%: 0

| | | | |
|------------------|------|---------|--|
| IWRS COORDINATOR | | | |
| C0863 | 31 | | |
| POSITION: | | 9913120 | |
| BASE | 1.00 | | |
| C0863 | PA4 | 31 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%: 0

| | | | |
|----------------------|-------|---------|--|
| WATER DEV PROJ COORD | | | |
| C8504 | 30 | | |
| POSITION: | | 9915116 | |
| BASE | 1.00 | | |
| C8504 | NRS 4 | 30 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%:

| | | | |
|----------------------|-------|---------|--|
| WATER PLANNING COORD | | | |
| C8504 | 30 | | |
| POSITION: | | 9915107 | |
| BASE | 1.00 | | |
| C8504 | NRS 4 | 30 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%:

| | | | |
|-----------------------------|-------|---------|--|
| OPERATIONS/POLICY ANALYST 3 | | | |
| C0872 | 30 | | |
| POSITION: | | 9919002 | |
| POP 102 | 0.88 | | |
| C0872 | OPA 3 | 30 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%: 0

| | | | |
|----------------------|-------|---------|--|
| NRS 4 PLANNING COORD | | | |
| C8504 | 30 | | |
| POSITION: | | 9919001 | |
| POP 101 | 0.88 | | |
| C8504 | NRS 4 | 30 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%:

| | | | |
|-------------------------|--------------------|---------|--|
| WATER RESOURCE ENGINEER | | | |
| X3148 | 31 | | |
| POSITION: | | 9915119 | |
| BASE | 1.00 | | |
| X3148 | PROFESSIONAL ENG 1 | 31 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%:

| | | | |
|------------------|------------------|---------|--|
| GRANT SPECIALIST | | | |
| C8504 | 30 | | |
| POSITION: | | 9913127 | |
| BASE | 0.13 | | |
| C8504 | GRANT SPECIALIST | 30 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%: 0

| | | | |
|-------------------|-------|---------|--|
| GRANT COORDINATOR | | | |
| C8504 | 30 | | |
| POSITION: | | 9913124 | |
| BASE | 1.00 | | |
| C8504 | NRS 4 | 30 | |
| 010-07-01-00000 | | | |

GF%: 100 OF%:

| | | | |
|--------------------|--------------------|---------|--|
| INTERNAL AUDITOR 2 | | | |
| X5617 | 28 | | |
| POSITION: | | 9919052 | |
| POP 113 | 0.88 | | |
| X5617 | INTERNAL AUDITOR 2 | 28 | |
| 010-07-01-00000 | | | |

GF%: 50 OF%: 50

BUDGET NARRATIVE

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

The Water Resources Department proposes to add \$4.45 million of General Fund for continuing to support communities piloting place-based planning; helping basins resolve complex water management issues; providing timely responses to public records requests; improving the Department's outreach to water users and the public; addressing increased costs due to litigation; facilitating public engagement in groundwater studies; and making data more understandable and usable for communities, decision-makers, and the public.

The Director's Office currently has a budget of \$3.92 million in General Fund for the 2017-19 biennium.

Program Description

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. 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

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, working with the community in the Greater Harney Valley to address water supply needs, and engaging in discussions about water challenges in the Walla Walla subbasin. In addition, the Director's office continues to be involved to provide policy, management, and coordination on water supply issues in the Klamath Basin.

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. As discussed below, the Department has seen an increase in litigation in recent years, mostly due to regulation commencing in the Klamath Basin.

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.

Integrated Water Resources Strategy (IWRS) and Strategic Planning. The Director's Office oversees development and implementation of Oregon's Integrated Water Resources Strategy (IWRS), an inter-agency blueprint for understanding and meeting the state's water needs. The IWRS identifies critical water-related issues for the state and recommended actions to address them. The Water Resources Department is required to update the Strategy every five years; the first update was completed in 2017. While the Integrated Water Resources Strategy provides a comprehensive, high-level framework for strategic guidance, the Secretary of State's 2016 Performance Audit suggested that the Department would also benefit from developing strategic plan that directly focuses on the agency's priorities, processes and functions. Toward that end, at the January 2017 Commission meeting, the Commission and Department agreed to embark on a strategic planning effort, which is being led by staff in the Director's office. The Department anticipates the completion of the plan in late 2018.

BUDGET NARRATIVE

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 a 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 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

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 Water Resources Department is responsible for permitting new water rights, managing and distributing water, providing technical water information, and identifying opportunities to support individuals and communities in meeting instream or out-of-stream needs. The Director's Office provides essential support, policy direction, and oversight of the Department's functions.

Program Performance

The Director's Office oversees the performance of the entire agency, providing critical support and policy direction, as well as undertaking special projects for the agency. While Director's Office work varies, examples of staff efforts in 2017-2018 include: completion of the update to the state's Integrated Water Resources Strategy; began a Strategic Planning effort; advised on several rulemakings; assisted divisions in developing legislation; responded to significant increases in litigation activity; began a review of the agency's Key Performance Measures; and assisted in complex-basin efforts in the Willamette, Deschutes, Klamath, and Northeast Oregon.

BUDGET NARRATIVE

In addition, the Water Resources Development Program is housed within the Director’s Office. The program has continuously made improvements to the Feasibility Study Grants funding opportunity and the Water Project Grants and Loans funding opportunity. Staff have continued to improve guidance, application materials, and handouts. A Biennial Review of the Water Projects Grants and Loans program was provided to Water Resources Commission as required by law. Staff continue to administer grants that were previously awarded, while also administering new grant application cycles. Finally, staff in this program continue to work with the four communities that are piloting the place-based planning approach to water resources planning. These communities continue to advance through the planning steps and staff have continued to identify opportunities to improve the program in the future.

Enabling Legislation/Program Authorization

| | |
|--|--|
| Director’s Office – Policy and legal oversight, public records requests, public information / media, tribal and intergovernmental relations, staffing the Water Resources Commission, coordinate with the Oregon Legislature, rule-making, public hearings, special projects, feasibility study grants, water project grants and loans, place-based planning, environmental justice, sustainability, key performance measures. | 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 541.561 to 541.581; ORS 541.651 to 541.696; Water Laws ORS 536-543 |
|--|--|

BUDGET NARRATIVE

Funding Streams

Director's Office activities are primarily funded by the General Fund.

| Director's Office | | | | | |
|---|--------------|-------------|---------------|---------------|-------------|
| | General Fund | Other Funds | Lottery Funds | Federal Funds | Total Funds |
| 2017-19 Legislatively Adopted Budget | 3,827,781 | 5,781 | - | - | 3,833,562 |
| 2017-19 Emergency Boards | 90,336 | 49,497 | - | 25,000 | 164,833 |
| 2017-19 Legislatively Approved Budget | 3,918,117 | 55,278 | - | 25,000 | 3,998,395 |
| 2019-21 Base Budget | 4,459,454 | 55,278 | - | - | 4,514,732 |
| 2019-21 Current Service Level | 4,764,006 | 55,247 | - | 25,000 | 4,844,253 |
| Policy Packages | | | | | |
| 2019-21 Modified Current Service Level | 4,764,006 | 55,247 | - | 25,000 | 4,844,253 |
| Total Packages | 1,321,206 | 86,917 | - | - | 1,408,123 |
| 2019-21 Governor's Recommended Budget | 6,085,212 | 142,164 | - | 25,000 | 6,252,376 |

BUDGET NARRATIVE

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 2019-21 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 2017-19 biennium.

030 – Inflation and Price List Adjustment

This package contains adjustments for inflation and other price list adjustments including State Government Service Charges and Usage Based Charges as directed in the 2019-2021 Budget Instructions. General inflation was calculated using a factor of 3.8% while a rate of 4.2% was used for Professional Services and Special Payments. Adjustments to State Government Service Charges and Usage Based Charges were adjusted per the 2019-21 price lists.

060 – Technical Adjustment

This package was used to adjust 2019-21 budgets to align with the 2017-19 changes to the agency structure.

090 – Analyst Adjustments

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

091 – Statewide DAS Charges

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

092 – Statewide AG Adjustment

This package includes reductions to the Department of Justice Attorney General charges 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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------|------------------|---------------|---------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 101,160 | - | - | - | - | - | 101,160 |
| Total Revenues | \$101,160 | - | - | - | - | - | \$101,160 |
| Personal Services | | | | | | | |
| Temporary Appointments | 173 | - | - | - | - | - | 173 |
| Pension Obligation Bond | 24,715 | - | - | - | - | - | 24,715 |
| Social Security Taxes | 13 | - | - | - | - | - | 13 |
| Unemployment Assessments | 51 | - | - | - | - | - | 51 |
| Mass Transit Tax | 3,403 | - | (31) | - | - | - | 3,372 |
| Vacancy Savings | 72,805 | - | - | - | - | - | 72,805 |
| Total Personal Services | \$101,160 | - | (\$31) | - | - | - | \$101,129 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 101,160 | - | (31) | - | - | - | 101,129 |
| Total Expenditures | \$101,160 | - | (\$31) | - | - | - | \$101,129 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 31 | - | - | - | 31 |
| Total Ending Balance | - | - | \$31 | - | - | - | \$31 |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 021 - Phase - In

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Vacancy Savings | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 168,782 | - | - | - | - | - | 168,782 |
| Total Revenues | \$168,782 | - | - | - | - | - | \$168,782 |
| Services & Supplies | | | | | | | |
| Instate Travel | 2,367 | - | - | - | - | - | 2,367 |
| Out of State Travel | 272 | - | - | - | - | - | 272 |
| Employee Training | 230 | - | - | - | - | - | 230 |
| Office Expenses | 1,347 | - | - | - | - | - | 1,347 |
| Telecommunications | 978 | - | - | - | - | - | 978 |
| State Gov. Service Charges | 29,073 | - | - | - | - | - | 29,073 |
| Publicity and Publications | 11 | - | - | - | - | - | 11 |
| Attorney General | 127,011 | - | - | - | - | - | 127,011 |
| Employee Recruitment and Develop | 19 | - | - | - | - | - | 19 |
| Dues and Subscriptions | 89 | - | - | - | - | - | 89 |
| Agency Program Related S and S | 3,526 | - | - | - | - | - | 3,526 |
| Other Services and Supplies | 38 | - | - | - | - | - | 38 |
| Expendable Prop 250 - 5000 | 783 | - | - | - | - | - | 783 |
| IT Expendable Property | 515 | - | - | - | - | - | 515 |
| Total Services & Supplies | \$166,259 | - | - | - | - | - | \$166,259 |
| Special Payments | | | | | | | |
| Dist to Non-Gov Units | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Special Payments | | | | | | | |
| Other Special Payments | 2,523 | - | - | - | - | - | 2,523 |
| Total Special Payments | \$2,523 | - | - | - | - | - | \$2,523 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 168,782 | - | - | - | - | - | 168,782 |
| Total Expenditures | \$168,782 | - | - | - | - | - | \$168,782 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|----------------|---------------|-------------|---------------|------------------------|--------------------------|----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 1,602 | - | - | - | - | - | 1,602 |
| Total Revenues | \$1,602 | - | - | - | - | - | \$1,602 |
| Services & Supplies | | | | | | | |
| Instate Travel | 1,602 | - | - | - | - | - | 1,602 |
| Total Services & Supplies | \$1,602 | - | - | - | - | - | \$1,602 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 1,602 | - | - | - | - | - | 1,602 |
| Total Expenditures | \$1,602 | - | - | - | - | - | \$1,602 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 060 - Technical Adjustments

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|-----------------|---------------|-------------|-----------------|------------------------|--------------------------|-----------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 33,008 | - | - | - | - | - | 33,008 |
| Federal Funds | - | - | - | 25,000 | - | - | 25,000 |
| Total Revenues | \$33,008 | - | - | \$25,000 | - | - | \$58,008 |
| Services & Supplies | | | | | | | |
| Instate Travel | 14,033 | - | - | - | - | - | 14,033 |
| Telecommunications | (2,328) | - | - | - | - | - | (2,328) |
| Professional Services | 3,700 | - | - | - | - | - | 3,700 |
| Agency Program Related S and S | 29,227 | - | - | - | - | - | 29,227 |
| IT Expendable Property | (11,624) | - | - | - | - | - | (11,624) |
| Total Services & Supplies | \$33,008 | - | - | - | - | - | \$33,008 |
| Special Payments | | | | | | | |
| Other Special Payments | - | - | - | 25,000 | - | - | 25,000 |
| Total Special Payments | - | - | - | \$25,000 | - | - | \$25,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 33,008 | - | - | 25,000 | - | - | 58,008 |
| Total Expenditures | \$33,008 | - | - | \$25,000 | - | - | \$58,008 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

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 |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (133,794) | - | - | - | - | - | (133,794) |
| Total Revenues | (\$133,794) | - | - | - | - | - | (\$133,794) |
| Personal Services | | | | | | | |
| Vacancy Savings | (124,597) | - | - | - | - | - | (124,597) |
| Total Personal Services | (\$124,597) | - | - | - | - | - | (\$124,597) |
| Services & Supplies | | | | | | | |
| Instate Travel | (2,367) | - | - | - | - | - | (2,367) |
| Out of State Travel | (272) | - | - | - | - | - | (272) |
| Employee Training | (230) | - | - | - | - | - | (230) |
| Office Expenses | (1,347) | - | - | - | - | - | (1,347) |
| Telecommunications | (978) | - | - | - | - | - | (978) |
| Publicity and Publications | (11) | - | - | - | - | - | (11) |
| Employee Recruitment and Develop | (19) | - | - | - | - | - | (19) |
| Dues and Subscriptions | (89) | - | - | - | - | - | (89) |
| Agency Program Related S and S | (2,548) | - | - | - | - | - | (2,548) |
| Other Services and Supplies | (38) | - | - | - | - | - | (38) |
| Expendable Prop 250 - 5000 | (783) | - | - | - | - | - | (783) |
| IT Expendable Property | (515) | - | - | - | - | - | (515) |
| Total Services & Supplies | (\$9,197) | - | - | - | - | - | (\$9,197) |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

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 |
|-------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Special Payments | | | | | | | |
| Other Special Payments | - | - | - | - | - | - | - |
| Total Special Payments | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | (133,794) | - | - | - | - | - | (133,794) |
| Total Expenditures | (\$133,794) | - | - | - | - | - | (\$133,794) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 091 - Statewide Adjustment DAS Chgs

Gross Reference Name: Director's Office
Gross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (1,629) | - | - | - | - | - | (1,629) |
| Total Revenues | (\$1,629) | - | - | - | - | - | (\$1,629) |
| Services & Supplies | | | | | | | |
| State Gov. Service Charges | (1,629) | - | - | - | - | - | (1,629) |
| Total Services & Supplies | (\$1,629) | - | - | - | - | - | (\$1,629) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (1,629) | - | - | - | - | - | (1,629) |
| Total Expenditures | (\$1,629) | - | - | - | - | - | (\$1,629) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

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

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|-------------------|---------------|------------------|---------------|------------------------|--------------------------|-------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | (45,080) | - | - | - | - | - | (45,080) |
| Total Revenues | (\$45,080) | - | - | - | - | - | (\$45,080) |
| Services & Supplies | | | | | | | |
| Attorney General | (45,080) | - | (3,259) | - | - | - | (48,339) |
| Total Services & Supplies | (\$45,080) | - | (\$3,259) | - | - | - | (\$48,339) |
| Total Expenditures | | | | | | | |
| Total Expenditures | (45,080) | - | (3,259) | - | - | - | (48,339) |
| Total Expenditures | (\$45,080) | - | (\$3,259) | - | - | - | (\$48,339) |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | 3,259 | - | - | - | 3,259 |
| Total Ending Balance | - | - | \$3,259 | - | - | - | \$3,259 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #101: Place-Based Planning Community Support

Purpose: Water is the foundation for our quality of life, economies, and ecosystems. Oregon communities need to plan for how they will meet their instream and out-of-stream water needs in the midst of limited supply and a changing climate. In most parts of the state, surface water is fully allocated in summer months. Similarly, across the state, aquifers are becoming fully appropriated. In order to sustain current and future economic growth, while supporting environmental health, communities must consider how they will meet their water needs now and into the future. Place-based integrated water resources planning is a voluntary, locally initiated and led effort in which a balanced representation of water interests within a hydro-geographic area (e.g., basin, watershed or groundwater area) work in partnership with the state to characterize current water resources and issues; understand current and future instream and out-of-stream water needs and demands; and identify solutions to address water needs. Undertaking place-based integrated water resources planning supports Recommended Action 9.A of the Integrated Water Resources Strategy.

In 2015, the Oregon Legislature passed SB 266 authorizing the State to pilot place-based integrated water resources planning to partner with communities to understand and meet their water resources needs. The Department also received \$750,000 to help communities pilot the approach. In 2016, the Oregon Water Resources Commission awarded four grants to four basins: Upper Grande Ronde, Lower John Day, Malheur Lake, and the Mid-Coast. The primary purpose of this package is to support four existing place-based planning areas and to evaluate the place-based planning approach to water planning.

Since 2016, each of the four planning groups has diligently worked in partnership with the Department to develop a place-based integrated water resources plan through a five-step planning process. Each of the places have crafted governance agreements that outline how diverse partners work together, increased awareness of water issues within and beyond their communities, compiled and synthesized water-related data from state and federal agencies, and created a venue to share local knowledge. Both the Department and the four planning groups agree that it will take additional time and resources to develop place-based plans and work to implement them. Therefore, the Department is seeking additional funding to support the four places and seeking legislation to extend the sunset of Senate Bill 266 (2015) from 2019 to 2023.

Collaborative planning takes time, but can yield benefits in the form of reduced conflict over water resources and greater capacity to implement projects that will help address instream and out-of-stream needs. Other basins in Oregon are interested in conducting place-based planning. Before establishing place-based planning as a permanent program, there is a need to evaluate the place-based planning approach, determine if it or other types of planning are best for Oregon, and to decide how to proceed with helping communities plan for their water future. This package, therefore presents a way to evaluate place-based planning and conduct a planning needs assessment in order to determine how best the State of Oregon can partner with communities in water planning.

BUDGET NARRATIVE

How Achieved: In meeting with stakeholders, there was strong support for providing financial and technical assistance to the four planning groups to help them complete their plans and work on implementation. There was also an interest in evaluating the place-based approach to water planning and assessing planning needs before determining whether to make the program permanent. As a result, the Department is proposing legislation to extend Senate Bill 266 through June 30, 2023, as well as proposing this funding package to provide assistance to the four planning groups and to evaluate the program.

In order for planning groups to successfully finish planning and transition to plan implementation, it is essential for the State to provide technical assistance to help the pilots fill critical data gaps about their water resources and demands, as well as financial assistance to sustain facilitation and project coordination support. OWRD is requesting \$650,000 to support the four planning groups. The portion of funds provided to each planning group will be determined based on need and how far along the group is in the planning process. Funds will be used by the Department and the planning groups for technical work, data, trainings, facilitation, coordination, group gatherings, and other support necessary to sustain a multi-interest collaborative process. After the plan is adopted, the Department proposes to provide staff resources and cost-match funds for coordination and facilitation to shift the group from planning towards working on implementation for one to two years.

In addition to the funding, this package proposes to make permanent a full time planning coordinator position that has been critical to supporting the planning groups, and will continue to be needed as they develop a plan and shift to implementation. The position will also help facilitate the evaluation of the program, including implementing any recommendations of the evaluation. In addition to place-based planning, planning coordinators also often provide other coordination or support to basins undertaking other types of water-related planning.

An evaluation of the place-based planning approach will allow the Department to incorporate the experiences of the four planning groups into the program design of place-based planning. The independent evaluation would identify that lessons learned, successes, potential improvements, as well as how the State should partner in water planning. As part of this, the evaluation will also include an inventory of completed, ongoing, and expected water planning efforts in order to better identify the need for State investment in water planning. Likewise an assessment of interest in place-based and other water planning will help the Department identify those basins interested in planning and their readiness. Such as assessment will also help basins identify what federal, state, local, or private resources are available for their water planning. Requested funds for the evaluation and the planning needs assessment is \$100,000.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|----------------------|------|--------|------|-----------|-----------|
| 9919001 | C8504 AP | Nat Res Spec 4 | Planning Coordinator | PF | 21 | 0.88 | \$229,950 | \$259,654 |

BUDGET NARRATIVE

Quantifying Results: The four communities piloting the approach to place-based planning have made significant investments in time and resources to move their planning efforts forward. Staff estimate that cash and in-kind match from the communities and private foundations are double the state's investment (2:1 ratio) so far. Each plan will outline the status of water resources in for the planning area, instream and out-of-stream water needs and demands, as well as solutions to meet those water needs now and into the future. The plans will then be utilized to help the community move forward on implementing the solutions, which will help them to ensure they have water necessary to sustain their economies, communities, and ecosystems. Providing funds to support the existing planning groups in 2019-2021 would result in:

- Upper Grande Ronde and Lower John Day adopting plans in mid to late 2019 and begin plan implementation. Investment in plan implementation will allow coordinated follow through on the actions identified in the plan (e.g., pursue a water supply project).
- Mid-Coast adopting a place-based plan in 2020 and begin plan implementation.
- Malheur Lake being on track to adopt a plan in 2022/2023, depending on the completion of the ongoing groundwater study in the basin.

Funding an independent evaluation of place-based planning and a water planning assessment would result in an understanding of:

- Needed improvements to the program, as well as the challenges, opportunities, strengths and weaknesses of the approach;
- How well the current place-based planning draft guidelines helped communities undertaking the place-based approach, and how the guidelines could be improved;
- How Oregon should proceed with place-based planning, and whether other types of planning is needed;
- Other planning efforts in Oregon, and the status of those efforts;
- Where water planning is needed, what kind of planning may be appropriate for basins interested in water planning, and what each needs to move forward.

Funding Source:

General Fund: \$979,950

Staffing Costs: \$229,950

Support Planning Group: \$650,000

Evaluation and Needs Assessment: \$100,000

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funding for the Planning Coordinator (NRS4) position in the Director's Office. The funding for the planning group support, the needs assessment and the evaluation are proposed to be funded in the Administrative Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 101 - Place-Based Planning Community Support

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|----------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 226,950 | - | - | - | - | - | 226,950 |
| Total Revenues | \$226,950 | - | - | - | - | - | \$226,950 |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | 125,853 | - | - | - | - | - | 125,853 |
| Empl. Rel. Bd. Assessments | 53 | - | - | - | - | - | 53 |
| Public Employees' Retire Cont | 21,357 | - | - | - | - | - | 21,357 |
| Social Security Taxes | 9,628 | - | - | - | - | - | 9,628 |
| Worker's Comp. Assess. (WCD) | 51 | - | - | - | - | - | 51 |
| Flexible Benefits | 30,786 | - | - | - | - | - | 30,786 |
| Total Personal Services | \$187,728 | - | - | - | - | - | \$187,728 |
| Services & Supplies | | | | | | | |
| Instate Travel | 3,620 | - | - | - | - | - | 3,620 |
| Employee Training | 2,500 | - | - | - | - | - | 2,500 |
| Office Expenses | 5,000 | - | - | - | - | - | 5,000 |
| Telecommunications | 2,395 | - | - | - | - | - | 2,395 |
| Professional Services | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | 500 | - | - | - | - | - | 500 |
| Dues and Subscriptions | 500 | - | - | - | - | - | 500 |
| Agency Program Related S and S | 18,207 | - | - | - | - | - | 18,207 |
| Other Services and Supplies | 1,000 | - | - | - | - | - | 1,000 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 101 - Place-Based Planning Community Support

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Services & Supplies | | | | | | | |
| Expendable Prop 250 - 5000 | 5,500 | - | - | - | - | - | 5,500 |
| Total Services & Supplies | \$39,222 | - | - | - | - | - | \$39,222 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 226,950 | - | - | - | - | - | 226,950 |
| Total Expenditures | \$226,950 | - | - | - | - | - | \$226,950 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | | | | | | | 1 |
| Total Positions | - | - | - | - | - | - | 1 |
| Total FTE | | | | | | | |
| Total FTE | | | | | | | 0.88 |
| Total FTE | - | - | - | - | - | - | 0.88 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:69000 DEPT OF WATER RESOURCES
 SUMMARY XREF:010-07-00 Director's Office

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

PAGE
 2019-21
 PROD FILE
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 101 - Place-Based Planning Community

| 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 |
| 9919001 | OAS C8504 AP | NATURAL RESOURCE SPECIALIST 4 | 1 | .88 | 21.00 | 04 | 5,993.00 | 125,853 | | | | 125,853 |
| | | | | | | | | 61,875 | | | | 61,875 |
| TOTAL PICS SALARY | | | | | | | | 125,853 | | | | 125,853 |
| TOTAL PICS OPE | | | | | | | | 61,875 | | | | 61,875 |
| TOTAL PICS PERSONAL SERVICES = | | | 1 | .88 | 21.00 | | | 187,728 | | | | 187,728 |

BUDGET NARRATIVE

Policy Option Package #102: Groundwater Data, Management and Protection

Purpose: This package proposes to help the Department understand and manage groundwater resources sustainably to protect existing users, while providing timely groundwater permitting reviews for potential new uses and protecting the groundwater resource to prevent loss of artesian pressure, contamination, and waste. These actions are called for in Recommended Actions 1A, 1B and 7A of the Integrated Water Resources Strategy.

Understanding the Resource: In some locations throughout the state, groundwater aquifers are no longer capable of sustaining additional development. Water managers need better groundwater information to help the Department, communities, and water users determine how to best utilize limited resources, while protecting existing and future uses. 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. This information is essential for communities in understanding the sustainability of current groundwater uses and their opportunities for future economic development.

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. In general, the Department obtains this information by conducting a groundwater basin study. 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. Basin studies help define the overall groundwater budget, including groundwater recharge from surface water, groundwater discharge to surface water, and available water for new allocation. 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). Currently, the Department is working in the Greater Harney Valley and expects to complete the first phase of that study in 2020. The next priority area for a basin study is the Walla Walla subbasin.

Reducing Groundwater Processing Backlogs: Given the pressures of drought, increased litigation over groundwater, the limited nature of the resource, the complex nature of groundwater, and a greater interest in groundwater data and innovative management options, groundwater staff have a difficult time meeting all of the demands on their time. As a result, the Department has seen an increase in processing times for groundwater-related water rights transactions.

Protecting the Resource through Well Construction: Protecting existing water users and ensuring that groundwater is managed sustainably also requires proper well construction practices. Improper well construction can lead to serious groundwater-level declines, loss of artesian pressure, contamination of drinking water, public safety hazards, and waste. Well construction in the Columbia River Basalts, which include aquifers across a significant portion of the state (including the Willamette Valley and Columbia River Gorge), require special attention due to the complex geology and difficult construction conditions. An adequately staffed well inspection and enforcement program is critical to ensuring that wells are

BUDGET NARRATIVE

constructed, maintained, and abandoned in an appropriate manner. The Department 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 local geology and hydrogeology, and the knowledge to understand, recognize, and give direction regarding proper well construction practices for specific conditions encountered on each well.

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 five well inspectors, but only has resources for four, which could be further reduced by the projected increased costs of doing business. Each year, approximately 3,000 new wells are drilled; last year, the state inspected about 1,000 of them with its four well inspectors. About 11 percent of the inspected wells were found to have deficiencies or construction problems.

How Achieved: This package requests one NRS 2 Project Hydrogeologist, one NRS 4 Project Hydrogeologist, one NRS 2 hydrographer, one NRS 3 Hydrographer, and one NRS 4 Hydrologist to increase the Department's capacity to conduct an additional basin study, while also addressing some of the workload challenges in the groundwater and surface water sections; improving capacity to collect, process, and validate data; and providing resources to more timely process permit and transfer applications. This package includes both groundwater and surface water staff, as surface water data collection and analyses are necessary inputs to groundwater basin studies and having backlogs in surface water data can slow progress on groundwater studies. The request also includes one IS 6 Database Application Developer, which will be responsible for supporting development of structures for storing and querying data across the Department, with a primary focus on groundwater and surface water data. In addition to the requested increase in staffing, this package requests general fund appropriations each biennium to pay for cost-match to conduct basin studies with partners and equipment for study activities, such as the installation and maintenance of dedicated observation wells (\$100k in cost-share for DOGAMI, \$400k for Observation wells, and \$300k in cost-share for the U.S. Geological Survey). To ensure more timely processing of groundwater permit applications and other transactions, the package also includes a NRS 3 Hydrogeologist Groundwater Reviewer and one NRS 2 Water Right Application caseworker.

In regards to supporting the Well Inspection Program to prevent problems that arise from improper well construction, maintenance, or abandonment, this package includes several proposals. First, in order to stabilize the Start Card Fund, the package proposes to move one NRS 3 hydrogeologist from Start Card to General Fund. Second, given that the Well Inspection Program has no General Fund support, the package proposes to add one NRS 2 General Fund Well Inspector, which will help to prevent loss of artesian pressure, contamination, or waste by providing timely inspections of well construction, review of well logs, and education of drillers and pump installers to ensure construction standards are met. This will help provide some stability to the program by diversifying funding sources. Finally, many of the areas in the state that have seen significant groundwater level declines and other issues due to improperly constructed wells are within sensitive Columbia River Basalt (CRB) aquifer systems. The Department has issued special standards for some of these areas; however, further work and special attention is needed to ensure

BUDGET NARRATIVE

proper well construction, alteration, and abandonment of water wells in these areas. As a result, the Department proposes to add one NRS 2 Well Inspector and one NRS 3 Well Construction Specialist that will specifically work on Columbia River Basalts.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------------|--|-------------------------------------|---------------|---------------|-----------------|-----------------------|----------------------|
| 9919002 | C0872 AP | Operations & Policy Analyst 3 | Public Engagement Coordinator | PF | 21 | 0.88 | \$187,584 | \$212,807 |
| 9919003 | C8502 AP | Natural Resource Specialist 2 | CRB Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919004 | C8502 AP | Natural Resource Specialist 2 | Well Inspector | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919005 | C8503 AP | Natural Resource Specialist 3 | CRB Well Construction Specialist | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919006 | C8502 BP | Natural Resource Specialist 2 | Project Hydrogeologist 2 | PF | 21 | 0.88 | -\$180,305 | \$202,917 |
| 9919007 | C8503 AP | Natural Resource Specialist 3 | Project Hydrogeologist 3 | PF | 21 | 0.88 | \$202,655 | \$228,460 |
| 9919008 | C8504 AP | Natural Resource Specialist 4 | Senior Hydrogeologist 4 | PF | 21 | 0.88 | \$222,572 | \$251,220 |
| 9919009 | C8503 AP | Natural Resource Specialist 3 | Hydrogeologist 3 GW Reviewer | PF | 21 | 0.88 | \$202,651 | \$228,460 |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | (1.00) | \$(235,608) | \$(235,608) |
| 4000010 | C8503 BP | Natural Resource Specialist 3 | Hydrogeologist 3 | PF | 24 | 1.00 | \$235,608 | \$235,608 |
| 9919010 | C1486 AP | Info Systems Specialist 6 | Database/Application Developer | PF | 21 | 0.88 | \$196,483 | \$221,187 |
| 9919011 | C8502 AP | Natural Resource Specialist 2 | Hydrographer 2 | PF | 21 | 0.88 | \$180,304 | \$202,917 |
| 9919012 | C8503 AP | Natural Resource Specialist 3 | Hydrographer 3 | PF | 21 | 0.88 | \$196,820 | \$221,790 |
| 9919013 | C8504 AP | Natural Resource Specialist 4 | Hydrologist 4 | PF | 21 | 0.88 | \$215,531 | \$243,175 |
| 9919014 | C8502 AP | Natural Resource Specialist 2 | WR Caseworker | PF | 21 | 0.88 | -\$180,305 | \$202,917 |

Quantifying Results: This package will allow the Department to conduct an additional groundwater basin study every five years. This study would be in addition to the ongoing work in the Greater Harney Valley. Information obtained through studies is 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 future basin studies include the Umatilla and its Walla Walla subbasin, as well as the Hood, Powder, and Grande Ronde basins. 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. The Department would increase the number of observation wells in the state, which would lead to increases in KPM #5 (Assess Groundwater Resources). In addition, the Department anticipates a reduction in groundwater application review and processing timelines, which are in part measured by KPMs #10 and #11, (Promote Efficiency in Water Right and Transfer Application Processing).

BUDGET NARRATIVE

In regards to protecting groundwater through the well construction program, metrics would include: Are well inspectors on-site and actively observing when the seal is placed in the well? Are well inspectors available to answer driller questions and technical requests the same day the requests are made? Are there more high-quality inspections made overall? Of the wells inspected, are there fewer deficiencies / construction mistakes over time?

Funding Source:

General Fund: ~~\$3,558,247~~ \$2,837,027

Staffing Costs: ~~\$2,758,247~~ \$2,037,027

Geological Mapping: \$100,000

Observation Wells: \$400,000

USGS Study Funds: \$300,000

Other Funds: ~~(\$235,608)~~ Start Card

Staffing Costs: ~~(\$235,608)~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes funding for the Public Engagement Coordinator (OPA3) position in the Director's Office. The remainder of the funding proposed for this package is in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 102 - Groundwater Data, Management & Protection

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 184,584 | - | - | - | - | - | 184,584 |
| Total Revenues | \$184,584 | - | - | - | - | - | \$184,584 |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | 114,282 | - | - | - | - | - | 114,282 |
| Empl. Rel. Bd. Assessments | 53 | - | - | - | - | - | 53 |
| Public Employees' Retire Cont | 19,394 | - | - | - | - | - | 19,394 |
| Social Security Taxes | 8,743 | - | - | - | - | - | 8,743 |
| Worker's Comp. Assess. (WCD) | 51 | - | - | - | - | - | 51 |
| Flexible Benefits | 30,786 | - | - | - | - | - | 30,786 |
| Total Personal Services | \$173,309 | - | - | - | - | - | \$173,309 |
| Services & Supplies | | | | | | | |
| Instate Travel | 2,120 | - | - | - | - | - | 2,120 |
| Employee Training | 1,000 | - | - | - | - | - | 1,000 |
| Office Expenses | 1,260 | - | - | - | - | - | 1,260 |
| Telecommunications | 2,395 | - | - | - | - | - | 2,395 |
| Employee Recruitment and Develop | 500 | - | - | - | - | - | 500 |
| Dues and Subscriptions | 500 | - | - | - | - | - | 500 |
| Other Services and Supplies | 1,000 | - | - | - | - | - | 1,000 |
| Expendable Prop 250 - 5000 | 2,500 | - | - | - | - | - | 2,500 |
| Total Services & Supplies | \$11,275 | - | - | - | - | - | \$11,275 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 102 - Groundwater Data, Management & Protection

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|-----------------------------|------------------|---------------|-------------|---------------|------------------------|--------------------------|------------------|
| Total Expenditures | | | | | | | |
| Total Expenditures | 184,584 | - | - | - | - | - | 184,584 |
| Total Expenditures | \$184,584 | - | - | - | - | - | \$184,584 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |
| Total Positions | | | | | | | |
| Total Positions | | | | | | | 1 |
| Total Positions | - | - | - | - | - | - | 1 |
| Total FTE | | | | | | | |
| Total FTE | | | | | | | 0.88 |
| Total FTE | - | - | - | - | - | - | 0.88 |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 REPORT NO.: PDPDFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:69000 DEPT OF WATER RESOURCES
 SUMMARY XREF:010-07-00 Director's Office

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM
 PACKAGE: 102 - Groundwater Data, Management &

PAGE
 2019-21
 PROD FILE
 PICS SYSTEM: BUDGET PREPARATION

| 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 |
|--------------------------------|------------|----------------------------------|---------|-----|-------|------|----------|-------------------|------------|------------|------------|-------------------|
| 9919002 | OAS C0872 | AP OPERATIONS & POLICY ANALYST 3 | 1 | .88 | 21.00 | 02 | 5,442.00 | 114,282 59,027 | | | | 114,282 59,027 |
| TOTAL PICS SALARY | | | | | | | | 114,282 | | | | 114,282 |
| TOTAL PICS OPE | | | | | | | | 59,027 | | | | 59,027 |
| TOTAL PICS PERSONAL SERVICES = | | | 1 | .88 | 21.00 | | | 173,309 | | | | 173,309 |

BUDGET NARRATIVE

Policy Option Package #103: Resolving Complex Water Issues

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. These issues often involve 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 species under the Endangered Species Act. The Department believes that collaborative solutions yield better outcomes than litigation; however, these efforts often require significant investments of time from 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. These multifaceted water challenges occur 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 collaborative process and potential to work through these challenging issues.

While the Department anticipates that these positions may be able to assist in other parts of the state, the three basins of priority for this package are the Willamette, Deschutes, and Umatilla Basins. The Willamette has a multitude of issues around the implementation of the federal reallocation of stored water in the Willamette Valley Reservoir Project to municipal/industrial, agricultural irrigation, and fish-flow needs; these include the conversion of minimum perennial streamflows to instream water rights, the state/federal nexus on stored water contracts, and protection of stored water releases. The Deschutes Basin is grappling with the need to identify solutions for groundwater mitigation, endangered species requirements, growing cities, and flows necessary to address water quality concerns. The Umatilla Basin has a long history water challenges and has been proactively looking for solutions to the areas water needs. Towards that end, efforts in the Umatilla Basin include working with the Confederated Tribes of the Umatilla Reservation and other partners in the basin on a water settlement; working with the Northeast Oregon Water Users Association and others on water supply projects; and collaborating on water supply issues with the State of Washington and addressing limited groundwater supplies in the Walla Walla Subbasin. This package supports Recommended Action 9.C of the Integrated Water Resources Strategy.

How Achieved: The Department proposes to add three positions that would be responsible for working with parties involved in complex water management issues to assist in developing solutions. Given the number and complexity of policy issues that need to be resolved within the Willamette Basin, Deschutes Basin, and the Umatilla Basin, along with ongoing issues in other parts of the state, including the Klamath Basin, the Department has determined that at least one position per basin is needed. These positions would be responsible for providing timely and accurate

BUDGET NARRATIVE

information to the public and parties to ensure transparency and build trust necessary for building consensus. These positions would also brief and advise the Director on progress made, solutions being proposed, and research and resolve policy issues. These positions would ultimately help the basin resolve problems and move forward solutions. Funding has also been included to provide contract funds to engage facilitators and experts as needed to resolve these issues.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|----------------|----------------------------|------|--------|----------|-----------|-----------|
| 9919015 | C8505-AP | Nat Res Spec 5 | Regional Basin Coordinator | PF | 21 | 0.88 FTE | \$204,003 | \$231,286 |
| 9919016 | C8505-AP | Nat Res Spec 5 | Regional Basin Coordinator | PF | 21 | 0.88 FTE | \$204,003 | \$231,286 |
| 9919017 | C8505-AP | Nat Res Spec 5 | Regional Basin Coordinator | PF | 21 | 0.88 FTE | \$204,003 | \$231,286 |

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 or problems 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.

Revenue Source:

General Fund: ~~\$1,362,009~~
 Staffing Cost: ~~\$612,009~~
 Facilitation and Contracting: \$750,000

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not contain funding for this package in the Director’s Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 103 - Resolving Complex Water Issues

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Professional Services | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 103 - Resolving Complex Water Issues

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

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

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #105: Addressing Increasing Legal Expenses

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. This is due in large part to an increase in litigation in the Klamath Basin.

Between July 2011 and June 2013, four new cases were filed. In contrast, 13 new cases were filed between July 2013 and June 2015, while an additional 25 new cases were filed between July 2015 and June 2017. Between July 2017 and June 2018, 14 new cases were filed. 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. As a result, as shown in the table below, the Department’s costs for attorney services have increased, far exceeding the \$835,628 in the Department’s base budget.

Table of Water Resources Department Line Item Budget and Costs for Department of Justice Services as of June 2018

| Biennium | Average Monthly | | Biennial | | |
|-----------|-----------------|------------|-----------|-------------------------------|---|
| | Budget | Expenses | Budget | Expenses | Budget Shortfall |
| 2011-2013 | \$31,942 | \$39,332 | \$766,606 | \$943,958 | \$177,352 |
| 2013-2015 | \$30,815 | \$50,721 | \$739,561 | \$1,217,297 | \$477,736 |
| 2015-2017 | \$33,479 | \$75,203 | \$803,502 | \$1,804,872 | \$1,001,370* |
| 2017-2019 | \$34,818 | \$84,687** | \$835,628 | \$1,016,243 as of June 2018** | \$180,615 to June 2018** ~\$1.39 m biennium projected*** |

* The 2015-2017 shortfall was addressed administratively, primarily by vacancy savings. The 2017-19 LAB included about \$1 million in administrative savings for the net hiring slowdown/cost containment – therefore, the Department is already holding positions open to achieve those savings.

** Expenses to date are based on costs incurred between July 2017 and June 2018, which totaled \$1,016,243.

*** Projections for the remainder of the biennium based on the average spend of \$84,687/month plus an additional \$200k for new cases.

BUDGET NARRATIVE

Litigation can be broken into sub-categories: 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 illegally or inconsistent with the conditions and limitations contained in a water right.

Transactions include decisions made on water right applications, requests for 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. It is much more difficult to manage litigation costs than other legal services expenses, particularly since the Department rarely initiates the litigation. Since July 2011, 42 cases have been resolved. The courts have dismissed 32 of the 42 cases as a result of the petitioner withdrawing the case or the signing of a settlement agreement. Additionally, for litigation that went forward during this period, the Department prevailed on 12 of the cases and did not prevail on three.

The projected shortfall for the 2017 -19 biennium is \$1,396,857. The Department will be submitting a request to the Emergency Board; however, there is evidence of a longer-term need to adjust the Department’s budget given the sustained increased costs that have continued to exceed the Department’s base budget over multiple biennia, with no signs of decreasing.

How Achieved: This package proposes to address the increased Department of Justice costs through an additional allocation of \$1 million in General Fund.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|------------|---------------|------|--------|-----|---------|---------|
| N/A | | | | | | | | |

BUDGET NARRATIVE

Quantifying Results: There are currently 26 cases before Oregon State Courts or Federal Courts. All of these court filings were initiated by individuals or entities other than the Department. The Department has in the past made up the costs of legal expenses 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. Increasing funds for legal expenses would reduce the uncertainty for the Department, and allow for work to proceed as expected and authorized.

Funding Source:

General Fund: \$1,000,000

Attorney General: \$1,000,000

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes an additional \$1,000,000 for this package in the Director's Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 105 - Addressing Increasing Legal Expenses

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------------|---------------|-------------|---------------|------------------------|--------------------------|--------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 1,000,000 | - | - | - | - | - | 1,000,000 |
| Total Revenues | \$1,000,000 | - | - | - | - | - | \$1,000,000 |
| Services & Supplies | | | | | | | |
| Attorney General | 1,000,000 | - | - | - | - | - | 1,000,000 |
| Total Services & Supplies | \$1,000,000 | - | - | - | - | - | \$1,000,000 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 1,000,000 | - | - | - | - | - | 1,000,000 |
| Total Expenditures | \$1,000,000 | - | - | - | - | - | \$1,000,000 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #107: Investing in Projects to Meet Water Needs

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 of water, as well as increase the incidence of droughts. To adequately meet Oregon’s instream and out-of-stream water demands now and into the future, Oregon needs to invest in efforts to evaluate and implement projects. That means looking more closely at innovative water conservation and reuse projects, environmentally sound storage projects, and other water projects.

The costs of the numerous feasibility studies and environmental analyses that must be conducted before a project can be built frequently 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 or Feasibility Study Grants), 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 2017 Integrated Water Resources Strategy’s Recommended Action 13.D identifies the need to continue to provide 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.

In addition to the need to identify and evaluate projects, there is also a high demand for funding to implement water infrastructure projects. In a 2016 survey of member cities, the League of Oregon Cities projected a need of \$7.6 billion to address water and wastewater infrastructure needs for their member cities over the next 20 years. The American Society of Civil Engineers (ASCE) has estimated similar costs. In the 2017 Infrastructure Report Card for Oregon, ASCE estimates Oregon’s infrastructure need in the drinking water sector at about \$5.6 billion and in the wastewater sector, about \$3.89 billion, for a total of \$9.49 billion. These surveys demonstrate a high need to investment in water infrastructure but do not provide a complete assessment of the need. In addition to drinking water and wastewater infrastructure needs, agriculture also has significant water infrastructure needs particularly as many farmers and districts seek to install more efficient irrigation systems and implement other conservation projects. Further work is needed to understand the status of water supply infrastructure across the state.

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 grants and loans for water resources development projects that have economic, environmental and community benefits. To date, demand has far exceeded the amount of funding available each cycle. In 2013 and 2015 the Legislature authorized a total of \$14 million for projects in lottery revenue bond funding (bonds issued in spring of 2015 and 2017). 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 \$8.9 million, leaving \$5.1 million for the 2017 funding cycle.

BUDGET NARRATIVE

In 2017, Department received 32 applications and \$34 million in grant and loan requests. An additional \$15 million was authorized for the 2017-2019 biennium. The Commission awarded funding to the top four projects for a total of about \$6.2 million. This allowed the Commission to have approximately \$13.8 million in funding for the 2018 and 2019 funding cycles. In 2018, another 19 applications were received requesting nearly \$16 million.

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: continuing the Water Resources Development Program (#10.E); improving access to built storage (#10.B); improving water use efficiency and water conservation (#10.A); encouraging water reuse (#10.C); determining and protecting flows needed to support instream needs (#3.A and #11.B); and investing in water resources projects (#13.E).

This policy option package also requests a full time Program Analyst 3 position. This position is necessary for proper oversight of the program as well as to help manage sources of capital for sustainable investment in projects in both the near and long-term.

How Achieved: This request includes funding to better understand the current status of our water infrastructure, as well as invest in evaluating the feasibility and implementation of projects.

\$250,000 is proposed to conduct a water infrastructure inventory to better understand the status and condition of Oregon's water infrastructure, and anticipated needs for investments. The funding will support a contractor to collect and compile existing information to develop a comprehensive statewide inventory of the status and condition of water supply infrastructure, maintenance costs, and potentially an estimate of the value of operation. This complements a proposal in Oregon Department of Environmental Quality's Agency Request Budget (Package #161) that would assemble comparable information on Oregon's wastewater and stormwater infrastructure needs.

There is currently \$400,000 General Fund in the Department's base budget for grant awards in the Water Conservation, Reuse and Storage Grant program (also called Feasibility Study Grants). With communities more regularly experiencing water shortages, there is increased interest in pursuing conservation, storage, and reuse projects. This proposal would provide an additional \$1 million in General Fund to provide grants to investigate the viability of these projects.

In addition, this request would recapitalize the Water Supply Development Account with \$30 million in Lottery Bond Revenue in order to fund grants and loans for water projects that provide economic, environmental, and social benefits to meet Oregon's ongoing instream and out-of-stream water needs.

This policy option package also requests a full time Program Analyst 3 position. This position is necessary for proper oversight of the program as well as to help manage sources of capital for sustainable investment in projects in both the near and long-term. The position would understand the

BUDGET NARRATIVE

various funding options, including other grant and loan opportunities to help the state, individuals, and communities obtain and leverage these funds. The position would conduct financial modeling and financial analysis to facilitate identification of sources of capital and manage Department funds for investment in water projects and studies. This position would also be responsible for the origination, structuring, negotiation, and closing of project financing and investments, including auditing grants and loans. The analyst would also provide guidance to individuals and communities developing financing plans for projects.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------|--------------------------------------|------|--------|----------|-----------|-----------|
| 9919027 | C0862 AP | Program Analyst 3 | Water Project Grant And Loan Analyst | PF | 21 | 0.88 FTE | \$183,962 | \$196,596 |

Quantifying Results: The long-term goal is to better meet instream and out-of-stream needs for Oregonians 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. In order to develop new or secure existing water supplies, communities must investigate which projects are feasible to meet the need and then pursue implementation of those projects. Oregon will be better informed and a more strategic and effective investor in projects with a statewide inventory of current water supply infrastructure, as future grant and loan investments will be prioritized and carried out with a more comprehensive baseline understanding of water infrastructure needs.

Feasibility Study Grants and Water Project Grants and Loans are two ways the State of Oregon can partner with communities to invest in water supply projects. Both competitive grant programs require cost-match for grants and loans awarded, allowing state funds to be leveraged and ensuring that only serious applicants apply. Feasibility Study Grants requires a dollar-for-dollar match and Water Project Grants and Loans requires the applicant to cover no less than 25% of the total project cost.

In addition to awarding and managing the grants, the Program Analyst 3 position would be responsible for leveraging state dollars for additional federal, local, or private investment. The position will promote greater access to the funding opportunities through outreach to and guidance for potential applicants across Oregon. It will also help Water Project Grants and Loans to develop into a sustainable revolving fund.

BUDGET NARRATIVE

Funding Source:

General Fund: ~~\$1,433,962~~

Staffing Costs: ~~\$183,962~~

Infrastructure Assessment: ~~\$250,000~~

Feasibility Study Grants: ~~\$1,000,000~~

Other Funds: ~~\$30,733,733~~ \$15,278,251

Lottery Revenue Bonds

Water Projects: ~~\$30,000,000~~ \$15,000,000

Cost of Issuance: ~~\$733,733~~ \$278,251

Lottery Funds: ~~\$2,004,623~~

Debt Service: ~~\$2,004,623~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget does not include funding for this package in the Director's Office. However the funding for this package, \$15,000,000 in Lottery Revenue Bond proceeds for Water Projects Grants and Loans as well as \$278,251 Lottery Revenue Bond proceeds for the cost of issuance is proposed in the Administrative Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 107 - Investing in Projects to Meet Water Needs

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Professional Services | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 107 - Investing in Projects to Meet Water Needs

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

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

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #109: Increase Access to Data for Decision Making

Purpose: The Department generates a lot of water-related data. However, it often requires technical expertise to analyze and package that data and to make it meaningful for members of the public, local governments, and others that seek to use that information to make decisions. Counties need more information about water availability at specific locations, when making decisions about appropriate locations for development. Similarly, recent local water planning efforts have highlighted needs for water data. In particular, communities have asked for information about surface water supplies, groundwater supplies, climate impacts on water resources, and instream flow needs.

The purpose of this package is to: develop statewide data products and tools to use in local planning; increase accessibility of existing data; and perform additional needed analysis. This package supports Recommended Actions 1.C, 5.B, 5.5A, 6.A, 9.A and 13.C of the Integrated Water Resources Strategy.

How Achieved: Engage communities around Oregon in the co-production of tools and analysis with outreach and technical staff. Develop user-friendly tools within the agency (i.e., an online platform) in order to make data and analysis accessible to communities for use in answering key questions about water supplies and future needs. Develop an easy-to-use public interface to help individuals, businesses, local governments, collaborative planning groups, and others access and understand the Department’s data such as: the availability of water resources (groundwater and surface water); any restrictions that have been placed on those sources; aquifer systems and geology that may be difficult for well construction or have limited supplies; locations of scenic waterways; and locations vulnerable to extreme events such as flood and drought. To develop these data tools, a team of one NRS 4 Hydrologist, one NRS 3 Hydrographer, one NRS 3 Hydrogeologist, one ISS 4 Information Specialist, and one PAS 3 Publication/Outreach Specialist would be charged with analyzing and interpreting data, as well as providing data in a format and manner that can easily be utilized both within and outside of the agency. The team would develop these tools with input from and coordination with users of the data. In addition, the package includes funds to allow the Department to contract or partner with other entities to leverage resources and technical expertise in the development of these tools to support decision-making.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------|---------------------------------|------|--------|------|-----------|-----------|
| 9919035 | C0866 AP | Program Analyst 3 | Publication/Outreach Specialist | PF | 21 | 0.88 | \$196,623 | \$222,852 |
| 9919036 | C8503 AP | NRS 3 | Hydrogeologist 3 | PF | 21 | 0.88 | \$196,819 | \$221,790 |
| 9919037 | C1484 IP | ISS 4 | Information Specialist 4 | PF | 21 | 0.88 | \$173,716 | \$195,166 |
| 9919038 | C8504 AP | NRS 4 | Hydrologist 4 | PF | 21 | 0.88 | \$215,513 | \$243,175 |
| 9919039 | C8503 AP | NRS 3 | Hydrographer 3 | PF | 21 | 0.88 | \$196,819 | \$221,792 |

BUDGET NARRATIVE

Quantifying Results: The metric is a Y/N question: is there a publicly accessible platform where the public, local governments, planning groups, and others can go to find clear, useful information, written in layman’s terms, about the status of water resources in their basin?

Funding Source:

General Fund: ~~\$1,579,508~~

Staffing Costs: ~~\$979,508~~

Statewide Supply Studies and Development Tools: ~~\$600,000~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Director’s Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 109 - Increase Access to Data for Decision Making

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Professional Services | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
 Pkg: 109 - Increase Access to Data for Decision Making

Cross Reference Name: Director's Office
 Cross Reference Number: 69000-010-07-00-00000

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

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #110: Increasing Understanding of Water Laws and Tools

Purpose: The purpose of this package is to improve awareness of Oregon’s water laws, data, and water management and conservation tools, by generating and improving Departmental outreach and informational materials. The Department does not have an individual that works specifically on developing informational materials, creating content for and updating the website, and developing and implementing materials to communicate new policies or Department activities. This leaves outreach to occur ad-hoc or as staff time allows, making it difficult to ensure that materials are consistent and written in a manner that is easily understandable for all audiences. Policy and technical staff are often pulled off other tasks when a specific urgent outreach need is identified. The Department’s website often lacks timely information and the Department has few outreach materials that help the public to understand complex water laws and tools.

Given these challenges, the Department is seeking resources to be more proactive in its outreach efforts in a manner that would benefit the public, water users, staff, stakeholders, and elected officials. Recommended Action 5.5A of the Integrated Water Resources Strategy suggests that increased outreach is needed to better plan and prepare for drought, while IWRS Action 8.C stresses the importance of community outreach and education in stewarding our water resources. Outreach and education was also highlighted as key in drought preparedness and response in Recommendation E of the 2016 Report of Task Force on Drought Emergency Response.

Improved outreach about Oregon’s water laws and the status of water resources across the state would help the public, businesses, and communities make informed decisions and engage with the Department and Commission in decision-making. In addition, increasing Oregonian’s understanding of water laws can proactively help to reduce instances of illegal water use, while increasing compliance with Oregon’s water laws. In addition, having more education and outreach materials would help watermasters and other line staff be more efficient by providing them more tools to assist the public, water users, and others in understanding water law and water management options.

How Achieved: This package proposes to add one outreach coordinator position to increase awareness of water issues, laws, and management tools. The position would add consistency to agency informational materials and ensure that materials are written in a manner that is easily understandable. Specifically, this position would:

- Develop or update one-pagers and other informational resources for public use. This includes one-pagers on various topics that the agency commonly receives questions about including but not limited to: water right transactions (transfers, leases, allocations of conserved water, etc.), exempt uses, dry wells, Department data resources, forfeiture, water use measurement and reporting, watermaster responsibilities and workloads, state scenic waterways and water law, instream water rights, storage permitting requirements, backflow prevention, the legality of rainwater harvesting.
- Assist with outreach and promoting water conservation as needed during drought, and develop a water conservation toolkit for small water providers.

BUDGET NARRATIVE

- Develop informational materials and distribute to public, press, elected officials, and stakeholders to ensure that the public is informed about upcoming Department meetings, rulemakings, workgroups, task forces, and other issues.
- Help improve communication across the agency, both internally and externally, by developing information and outreach strategies that ensure the public, staff, stakeholders, water users, and elected officials are informed about Department activities.
- Ensure that the Department’s website is updated regularly to help improve awareness of Department activities.
- Assist all divisions of the agency in better serving the public by evaluating and improving outreach procedures and content.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|--------------------|----------------------|------|--------|------|-----------|-----------|
| 9919040 | C0866-AP | Pub Affairs Spec 3 | Outreach Coordinator | PF | 21 | 0.88 | \$196,623 | \$222,852 |

Quantifying Results: This position’s efforts can be monitored through increases in: (1) the number of handouts and other informational materials developed, (2) the number of press releases issued, and (3) other outreach practices that are improved. Over the long-term, the Department may also see an increase in KPM #14, related to availability of information and overall customer service.

Funding Source:

General Fund: ~~\$196,623~~
 Staffing Costs: ~~\$196,623~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Director’s Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 110 - Increase Understanding of Water Law and Tools

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

| <i>Description</i> | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | - | - | - | - | - |
| Empl. Rel. Bd. Assessments | - | - | - | - | - | - | - |
| Public Employees' Retire Cont | - | - | - | - | - | - | - |
| Social Security Taxes | - | - | - | - | - | - | - |
| Worker's Comp. Assess. (WCD) | - | - | - | - | - | - | - |
| Flexible Benefits | - | - | - | - | - | - | - |
| Total Personal Services | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Instate Travel | - | - | - | - | - | - | - |
| Employee Training | - | - | - | - | - | - | - |
| Office Expenses | - | - | - | - | - | - | - |
| Telecommunications | - | - | - | - | - | - | - |
| Employee Recruitment and Develop | - | - | - | - | - | - | - |
| Dues and Subscriptions | - | - | - | - | - | - | - |
| Other Services and Supplies | - | - | - | - | - | - | - |
| Expendable Prop 250 - 5000 | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 110 - Increase Understanding of Water Law and Tools

Cross Reference Name: Director's Office
Cross Reference Number: 69000-010-07-00-00000

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

____ Agency Request
 2019-21 Biennium

____ Governor's Budget
 Page _____

____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

Policy Option Package #113: Supporting Agency Functions

Purpose: In order for the Department to achieve its mission, the agency must ensure that it provides the underlying support for staff to succeed in their day-to-day responsibilities and for the agency to function well. Accounting, procurement, public records, information technology and human resources professionals enable other staff across the agency to focus on the work of protecting and promoting sustainable management of Oregon's water resources. In recent years, the Department has identified a need to help these foundational staff succeed in several areas as outlined below.

Loans/Procurement: The Department has had a loan specialist associated with the Water Development Loan Fund (WDLF); although the Department has over the years received limitation authority for loans, in recent biennia none have been issued. As a result, this position, budgeted to be funded by the WDLF, has been paid for by General Fund savings to focus on compliance with contracting and procurement requirements, as well as the Water Projects Grants and Loans funding opportunity. Contracting and procurement is essential to the work of the agency, and the Department has no other staff that perform this work.

Accounting: The Department is experiencing an increase in the volume of accounting transactions as well as an increased complexity in fiscal tracking and reporting. In recent biennia the Department has received over \$50 million in Lottery Revenue Bond funding for the Water Resources Development Program which requires specialized reporting and tracking. Recent changes to the statewide reporting requirements for accounts receivable have resulted in additional tracking needs for fiscal staff. There is a need for the Department to review and update its internal fiscal processes and policies to ensure compliance with statewide guidance. Fiscal staff have begun efforts to map and streamline processes; however, the increasing workloads have limited progress.

Human Resources: Human Resources is a strategic asset to improve performance and efficiency across the Department through increased training and development opportunities. The Department currently has two positions dedicated to supporting and managing the HR functions for both the Department and the Oregon Watershed Enhancement Board. These positions support approximately 200 employees throughout the state. In the last two years, there has been a steady increase in workload at the higher level due to complex employee and labor relation issues, required safety training compliance and monitoring, performance management, affirmative action and equity responsibilities, and supporting the implementation of employee initiatives. There are also increased workloads due to recent requirements to implement wellness, diversity and inclusion, and emergency preparedness actions. One position also oversees the Shared Services Payroll Team, which currently provides payroll and benefit administration for six agencies.

IT Life Cycle Replacement: The Department's computers and servers are nearing or have passed their end-of-life. This includes file servers, database servers, domain controllers, and other specialized servers as well as personal computers. These machines are managed by the Department's IT staff. Laptop and desktop computers also require replacement as new technological advances in equipment are released that will aid staff in accessing information as they perform their duties. The replacement of these machines has been done on an as-needed basis, typically with vacancy or other accrued savings, usually at the end of the biennium. The Department believes that a better approach would be to establish a

BUDGET NARRATIVE

dedicated budget for life-cycle replacement, technology upgrades, and licensing for Department's computer servers, personal computers, and software applications. Additionally, the Department would like to move its computer servers off-site to the State Data Center. Having the servers located off-site will better enable the Department to provide service to internal and external customers, as well as be better prepared for an emergency. This project is in alignment with IWRS Recommended Action 1C.

Public Records: Public record requests are now taking a considerable amount of staff time. The agency received approximately 89 public records requests in 2015, 133 in 2016, and 143 in 2017, and more than 100 as of August 1, 2018. Part of the reason for the increase is that the agency began ensuring that public records requests were submitted to one person to ensure that the request was properly fulfilled. The agency needs to process public records requests timely in accordance with the law, while also ensuring that all staff that may have the records are contacted to fulfill the request, that all records are found and reviewed for sensitive information, and that the request is properly fulfilled. Current public records workloads have reduced staff's time available to spend on rules coordination, Director's office projects, and other responsibilities.

Internal Audit: The Department met the criteria in 1(c) of Oregon Administrative Rule 125-700-0125 as of Fiscal Year 2016, requiring an internal auditing function (ORS 184.360). The Department received a waiver for fiscal years 2015 through 2017, while exploring options for meeting this requirement. The Department has spoken with DAS to determine its options and has decided that the preferred choice is to hire a position to undertake the internal auditing function to comply with the requirements.

How achieved:

- *Loans and Procurement:* This package proposes to shift the Water Development Loan Specialist from the Water Development Loan Fund to General Fund to allow the Department to continue to comply with procurement requirements and contracting needs, as well as conduct work associated with the Water Project Grants and Loans Program.
- *Accounting:* This package proposes to add an Accountant 1 to assist in daily processing of accounting transactions. This position will assist fiscal staff in the updating and training of Department staff on fiscal policies. Adding this position will allow the senior accounting staff to focus on higher level accounting work as well as reviewing agency procedures to ensure compliance with all statewide fiscal policies, refine management reports which are used by senior management for decision making and focus on streamlining fiscal processes.
- *Human Resources:* In order to meet these increased demands and ensure compliance with employment contracts and policies, the Department proposes to create capacity by rebalancing the workload and shifting lower level human resources work to a third position classified as an HR Analyst 1. With this adjustment, the HR Section will be better positioned to proactively manage human resources functions for two agencies and payroll and benefit functions for six.
- *Information Technology/Lifecycle Replacement:* The Department has reached out to the State Data Center (SDC) to determine the cost to migrate servers and firewalls over to the SDC in a phased approach over the course of the 19-21 biennium. This package proposes funding

BUDGET NARRATIVE

to cover those costs, which include computing and storage, off-site back up, and setup charges. In addition, funding is also included to upgrade outdated personal computing technology.

- *Public Records:* The Department is proposing a position to address public records coordination to ensure timely and accurate responses to public records requests. This position will also help to streamline records storage and retention to help make public records requests easier to process.
- *Internal Auditor:* The Department is proposing to add one internal auditor position to allow WRD to meet the Internal Auditing Requirement, which is anticipated to help the agency further identify opportunities for improvement on a continuous basis. Based on discussions with DAS, one auditor can likely support two agencies. The Department of State Lands has expressed an interest in sharing this position, as have other agencies. The Department proposes to enter into a shared-services agreement with another agency (likely DSL).

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|-------------------------|----------------------------|------|--------|------|-------------|-------------|
| 9919047 | C1215 AP | Accountant 1 | Accountant 1 | PF | 21 | 0.88 | \$ 137,001 | \$ 141,924 |
| 9919048 | X5618 AP | Internal Auditor 3 | Shared Services Auditor | PF | 21 | 0.88 | \$ 211,290 | \$ 221,731 |
| 9919049 | X1320 AP | Human Resource Analyst | Human Resource Spec 1 | PF | 21 | 0.88 | \$ 154,118 | \$ 161,486 |
| 9919050 | C8504 AP | Natural Resource Spec 4 | Public Records Coordinator | PF | 21 | 0.88 | \$ 215,530 | \$ 215,530 |
| 7000004 | C1003 AP | Loan Specialist | Loan Specialist | PF | (24) | 1.00 | \$(262,610) | \$(262,610) |
| 7000004 | C1003 AP | Loan Specialist | Loan Specialist | PF | 24 | 1.00 | \$ 262,610 | \$ 262,610 |
| 9919052 | X5617 AP | Internal Auditor 2 | Shared Services Auditor | PF | 21 | 0.88 | \$186,350 | \$186,350 |

Quantifying Results:

- The work of the Loans and Procurement Specialist is measured by the number of contracts executed and managed annually. In regards to the loans program, the work will be measured by (1) the launching of the loan program; (2) the number of loan applications; (3) the number of loans administered.
- Accounting: Adding this position will allow the fiscal department to be timelier, more efficient and ensure the agency is in compliance with statewide policies.
- Human Resources: Required training and development activities will be better monitored and enforced. Some of the most critical work for the department is done in our Field Services Division. Because these employees are geographically spread out, Human Resources staff have not had the capacity to have a presence in these offices. This added capacity would help ensure that employees in field offices feel supported and more connected with Human Resources, the agency, and the state as a whole.

BUDGET NARRATIVE

- Information Technology: The Department will work with the State Data Center (SDC) to develop a timeline for migrating services to the SDC in three main phases. Success will be measured by completion of each of these phases and the transition.
- Public Records: The work of this position will be monitored by the number of public record requests received, and the number of days that it takes to fulfill the request. The Department will also monitor the progress of this position in terms of identification of best practices, and the streamlining of information that is stored so that it is easier to fulfill public records timely and accurately.
- Internal Auditor: Funding this position will result in an initial risk assessment of each agency supported to determine what areas should be audited. After that, the Department would anticipate one audit to be completed each calendar year for each agency the position supports. The Department would then track improvements made as a result of the audits.

Funding Source:

Total General Fund: ~~\$1,314,904~~ \$93,175

Staffing Costs: ~~\$874,904~~ \$93,175

IT Server and PC Life Cycle Replacement: ~~\$440,000~~

Total Other Fund: ~~\$(156,965)~~ \$90,176

Fund Shift off WDLF ~~\$(262,610)~~

Shared Services Agreement ~~\$105,645~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor's Budget proposes \$90,175 General Fund and \$90,176 Other Funds for an Internal Auditor 2. The remaining \$3,000 is proposed in the Technical Services Division.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 113 - Supporting Agency Functions

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 |
|----------------------------------|-----------------|---------------|-----------------|---------------|------------------------|--------------------------|------------------|
| Revenues | | | | | | | |
| General Fund Appropriation | 90,175 | - | - | - | - | - | 90,175 |
| Total Revenues | \$90,175 | - | - | - | - | - | \$90,175 |
| Personal Services | | | | | | | |
| Class/Unclass Sal. and Per Diem | 52,836 | - | 52,836 | - | - | - | 105,672 |
| Empl. Rel. Bd. Assessments | 26 | - | 27 | - | - | - | 53 |
| Public Employees' Retire Cont | 8,966 | - | 8,967 | - | - | - | 17,933 |
| Social Security Taxes | 4,042 | - | 4,042 | - | - | - | 8,084 |
| Worker's Comp. Assess. (WCD) | 25 | - | 26 | - | - | - | 51 |
| Flexible Benefits | 15,393 | - | 15,393 | - | - | - | 30,786 |
| Reconciliation Adjustment | 2,009 | - | 2,006 | - | - | - | 4,015 |
| Total Personal Services | \$83,297 | - | \$83,297 | - | - | - | \$166,594 |
| Services & Supplies | | | | | | | |
| Instate Travel | 1,810 | - | 1,810 | - | - | - | 3,620 |
| Employee Training | 1,250 | - | 1,250 | - | - | - | 2,500 |
| Office Expenses | 630 | - | 630 | - | - | - | 1,260 |
| Telecommunications | 1,198 | - | 1,197 | - | - | - | 2,395 |
| Employee Recruitment and Develop | 250 | - | 250 | - | - | - | 500 |
| Dues and Subscriptions | 250 | - | 250 | - | - | - | 500 |
| Agency Program Related S and S | - | - | - | - | - | - | - |
| Other Services and Supplies | 240 | - | 242 | - | - | - | 482 |

Agency Request
 2019-21 Biennium

Governor's Budget
 Page _____

Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 113 - Supporting Agency Functions

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 |
|--------------------------------------|-----------------|---------------|-----------------|---------------|------------------------|--------------------------|------------------|
| Services & Supplies | | | | | | | |
| Expendable Prop 250 - 5000 | 1,250 | - | 1,250 | - | - | - | 2,500 |
| Total Services & Supplies | \$6,878 | - | \$6,879 | - | - | - | \$13,757 |
| Total Expenditures | | | | | | | |
| Total Expenditures | 90,175 | - | 90,176 | - | - | - | 180,351 |
| Total Expenditures | \$90,175 | - | \$90,176 | - | - | - | \$180,351 |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | (90,176) | - | - | - | (90,176) |
| Total Ending Balance | - | - | (90,176) | - | - | - | (90,176) |
| Total Positions | | | | | | | |
| Total Positions | - | - | - | - | - | - | 1 |
| Total Positions | - | - | - | - | - | - | 1 |
| Total FTE | | | | | | | |
| Total FTE | - | - | - | - | - | - | 0.88 |
| Total FTE | - | - | - | - | - | - | 0.88 |

Agency Request
2019-21 Biennium

Governor's Budget
Page _____

Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

01/08/19 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:69000 DEPT OF WATER RESOURCES
 SUMMARY XREF:010-07-00 Director's Office

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM
 PACKAGE: 113 - Supporting Agency Functions

PAGE 1
 PROD FILE
 2019-21
 PICS SYSTEM: BUDGET PREPARATION

| 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 |
|--------------------------------|-------|-------|-----------------------|------------|-----|-------|------|----------|------------------|------------------|---------------|---------------|-------------------|
| 9919052 | MMC | X5617 | AA INTERNAL AUDITOR 2 | 1 | .88 | 21.00 | 02 | 5,032.00 | 52,836 28,452 | 52,836 28,455 | | | 105,672 56,907 |
| TOTAL PICS SALARY | | | | | | | | | 52,836 | 52,836 | | | 105,672 |
| TOTAL PICS OPE | | | | | | | | | 28,452 | 28,455 | | | 56,907 |
| TOTAL PICS PERSONAL SERVICES = | | | | 1 | .88 | 21.00 | | | 81,288 | 81,291 | | | 162,579 |

BUDGET NARRATIVE

Policy Option Package #115: Updating the Integrated Water Resources Strategy

Purpose: Oregon’s Integrated Water Resources Strategy (IWRS) provides a framework for improving our understanding of Oregon’s water resources and needs, while also meeting both instream and out-of-stream needs. Development of this comprehensive Strategy included input from multiple state and federal agencies, as well as input from the public and an 18-citizen member Policy Advisory Group. The Water Resources Department is required by statute to update the state’s Integrated Water Resources Strategy every five years. The first IWRS was adopted in 2012 and was revised and formally adopted again in December 2017.

The Department began work in 2015 on the 2017 IWRS. During 2016, the Department held several discussions with the Policy Advisory Group, and held open houses to obtain public input from around the state. The Department did not have a budget to support public outreach events, advisory group meetings, and other costs associated with production of the 2017 IWRS. Stakeholders expressed support for the Department to acquire facilitation services for the next update to the IWRS, allowing for further discussion of more complex issues.

How Achieved: Oregon’s next IWRS will be due in 2022. The Department anticipates taking a collaborative approach to this update, incorporating new analysis and tackling issues not fully discussed in previous iterations. As a result, work on the 2022 update will begin in 2019. Consistent with Recommended Action 13.A of the IWRS, this package proposes \$50,000 in funding for facilitation, public involvement, and printing/distribution related-costs for the 2022 IWRS. Given that the IWRS must be updated every five years, the Department anticipates an ongoing need for this work.

Staffing Impact:

| Position | Class/Pay Opt | Class Desc | Working Title | Type | Months | FTE | 2019-21 | 2021-23 |
|----------|---------------|------------|---------------|------|--------|-----|---------|---------|
| N/A | | | | | | | | |

Quantifying Results: This package provides resources necessary to engage Oregonians in the management of the state’s water resources through the development of the IWRS. Funds will be used to solicit and gather public input through the use of public meetings, stakeholder discussions, and other formats.

Funding Source:

General Fund: ~~\$50,000~~

Facilitation, printing and public involvement costs: ~~\$50,000~~

The numbers above represent the total package value. Breakdown of the impact to this specific Division can be found in the following reports.

The Governor’s Budget does not propose funding for this package in the Director’s Office.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Water Resources Dept
Pkg: 115 - Updating the IWRS

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 |
|--------------------------------------|--------------|---------------|-------------|---------------|------------------------|--------------------------|-----------|
| Revenues | | | | | | | |
| General Fund Appropriation | - | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - | - |
| Services & Supplies | | | | | | | |
| Professional Services | - | - | - | - | - | - | - |
| Total Services & Supplies | - | - | - | - | - | - | - |
| Total Expenditures | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - | - |
| Ending Balance | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| Total Ending Balance | - | - | - | - | - | - | - |

____ Agency Request
2019-21 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

BUDGET NARRATIVE

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

| Source | Fund | Revenue Acct | 2015-17 Actuals | 2017-19 Legislatively Adopted | 2017-19 Estimated | 2019-21 | | |
|------------------------------------|-------|--------------|-----------------|-------------------------------|-------------------|----------------|-------------------|-----------------------|
| | | | | | | Agency Request | Governor's Budget | Legislatively Adopted |
| Non-Business Lic and Fees | OF | 0210 | 400 | - | - | - | - | - |
| Power and Water Fees | OF | 0245 | 22,050 | 49,497 | - | - | - | - |
| Federal Revenue Service Contracts | OF | 0360 | - | - | - | - | - | - |
| Charges for Services | OF | 0410 | 184,820 | - | - | 60,000 | 60,000 | - |
| Admin and Service Charges | OF | 0415 | - | - | - | - | - | - |
| Fines and Forfeitures | OF | 0505 | - | - | - | - | - | - |
| Rents and Royalties | OF | 0510 | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |
| Federal Funds | FF | 0995 | - | 25,000 | - | 25,000 | 25,000 | - |
| Total Revenue | | | 207,270 | 74,497 | - | 85,000 | 85,000 | - |
| Transfer In - Intrafund | OF | 1010 | - | - | - | - | 91,676 | - |
| 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 | - | 67,444 | - | - | - | - |
| Transfer from Watershed Enhance Bd | OF | 1691 | - | - | - | - | - | - |
| Transfer Out - Intrafund | OF | 2010 | - | (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 | - | - | - | - | - | - |
| Total Transfers | | | - | - | - | - | 91,676 | - |
| Net Revenue | | | - | - | - | - | 176,676 | - |
| | | | 207,270 | 74,497 | - | 85,000 | 176,676 | - |

BUDGET NARRATIVE

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

Water Resources Dept
2019-21 Biennium

Agency Number: 69000
Cross Reference Number: 69000-010-07-00-00000

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--------------------------------|------------------|-------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------|
| Other Funds | | | | | | |
| Non-business Lic. and Fees | 400 | - | - | - | - | - |
| Power and Water Fees | 22,050 | - | 49,497 | - | - | - |
| Charges for Services | 184,820 | - | - | 60,000 | 60,000 | - |
| Transfer In - Intrafund | - | - | - | - | 91,876 | - |
| Tsfr From Lands, Dept of State | - | 67,444 | 67,444 | - | - | - |
| Transfer Out - Intrafund | - | (67,444) | (67,444) | - | - | - |
| Total Other Funds | \$207,270 | - | \$49,497 | \$60,000 | \$151,676 | - |
| Federal Funds | | | | | | |
| Federal Funds | - | - | 25,000 | 25,000 | 25,000 | - |
| Total Federal Funds | - | - | \$25,000 | \$25,000 | \$25,000 | - |

BUDGET NARRATIVE

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
- Provide closure in protests and contested cases.
- Provide staff educational and training opportunities on technical issues

BUDGET NARRATIVE

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, Human Resource Manager
Oregon Water Resources Department
725 Summer St NE, Suite A
Salem, OR 97301
503-986-0930

BUDGET NARRATIVE

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.

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

BUDGET NARRATIVE

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 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.

BUDGET NARRATIVE

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, 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.

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)

BUDGET NARRATIVE

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.

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.

BUDGET NARRATIVE

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.

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

BUDGET NARRATIVE

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.

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.

BUDGET NARRATIVE

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

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

BUDGET NARRATIVE

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

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

- 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

- 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

- 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.

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.

BUDGET NARRATIVE

- 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

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

BUDGET NARRATIVE

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.

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.

BUDGET NARRATIVE

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?

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.

BUDGET NARRATIVE

- 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?

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?

BUDGET NARRATIVE

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.

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

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

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

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

Water Resources Department

Annual Performance Progress Report

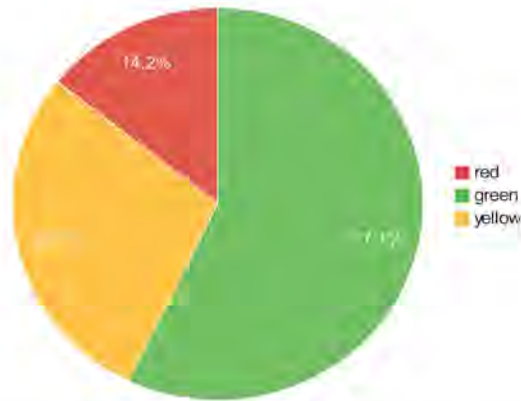
Reporting Year 2018

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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 | STREAMFLOW 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. |

| Proposal | Proposed Key Performance Measures (KPMs) |
|----------|---|
| Delete | PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated. |
| New | PROTECTION OF INSTREAM WATER RIGHTS - Number of regulatory orders issued to protect instream water rights |
| Delete | EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet. |

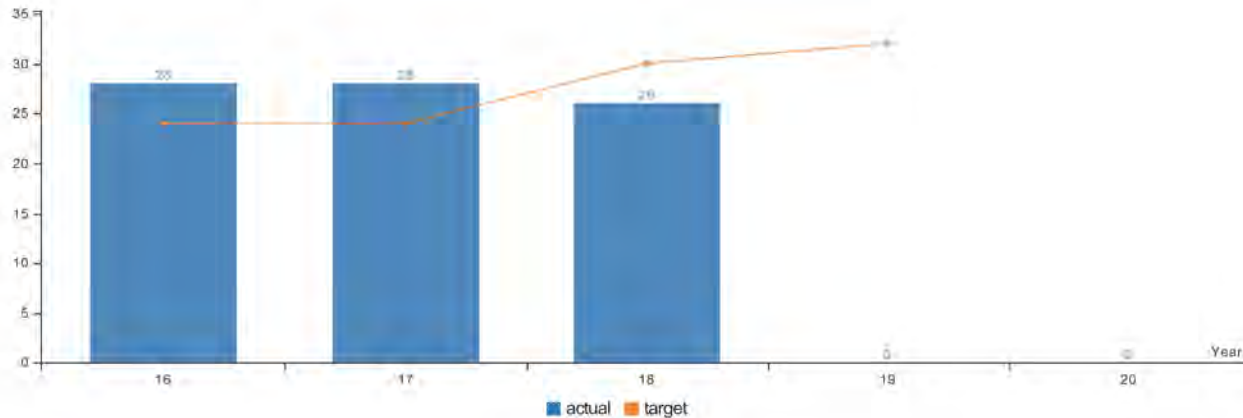


| Performance Summary | Green | Yellow | Red |
|---------------------|---------------------------|--------------------------------|---------------------------|
| Summary Stats: | = Target to -5% 57.14% | = Target -5% to -15% 28.57% | = Target > -15% 14.29% |

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

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|---------|---------|
| Percent of Watersheds That Had Flows Added Where Needed for Fish | | | | | |
| Actual | 28% | 28% | 26% | No Data | No Data |
| Target | 24% | 24% | 30% | 32% | TBD |

How Are We Doing

This KPM was created in 2002. During the 2018 reporting period, 26 percent of watersheds had flows added, where needed, for fish. Since this KPM was created, the Department has protected a total 1865 cubic feet per second (cfs). This total is comprised of the following: 1) 469 cfs in instream leases; 2) 393 cfs in instream transfers; 3) 203 cfs in allocations of conserved water; and 4) 800 cfs in converted hydroelectric rights. The reduction in the percent from the prior reporting year is due to a decline in the amount of water put instream via temporary instream leases, which can fluctuate from year to year based on water user interest leasing water instream.

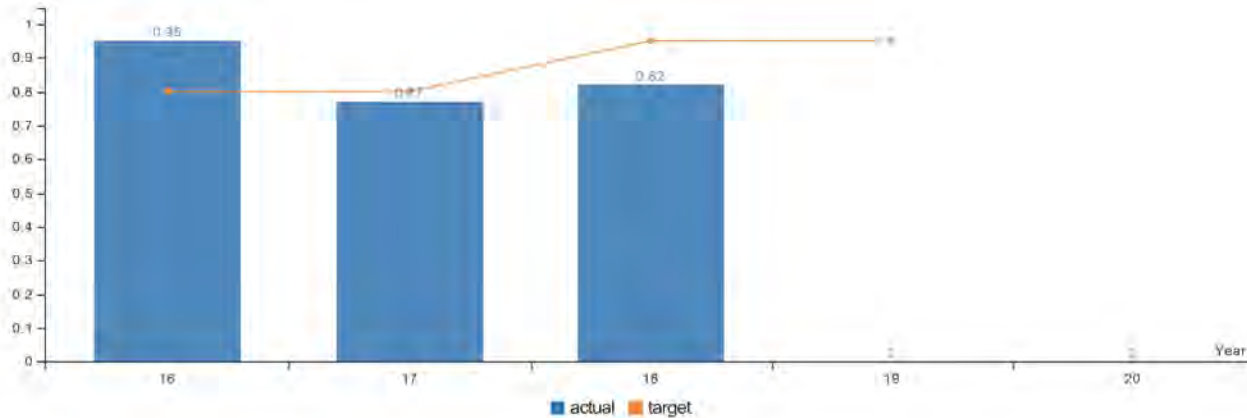
Factors Affecting Results

The 2018 reporting period was the calendar year 2017. Streamflow restoration efforts rely on the voluntary actions of water right holders to place water instream. Success on this measure results from 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. Streamflow restoration benefits from well-established, active conservation partners. Approximately 53 percent of Oregon's flow restoration transactions involve a third party such as the Oregon Fresh Water Trust, Deschutes River Conservancy, or Trout Unlimited. The remaining 47 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: Jan 01 - Dec 31

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|---------|---------|
| Ratio of Streams Regulated to Protect Instream Water Rights to All Streams Regulated | | | | | |
| Actual | 0.95 | 0.77 | 0.82 | No Data | No Data |
| Target | 0.80 | 0.80 | 0.95 | 0.95 | TBD |

How Are We Doing

During the 2018 reporting year (2017 calendar year), 370 streams were regulated, compared to 431 in the 2017 report, and 586 in the 2016 report. This decreased numbers since the 2016 reporting period was due to improved water conditions across Oregon, and less regulation of junior rights to meet the needs of senior rights. The total number of regulatory actions for instream water rights was 304, resulting in a ratio of 82 percent, higher than in the 2017 reporting period.

Factors Affecting Results

Watermasters report regulatory actions taken each calendar year for each stream. The 2018 results contain data collected from January 1, 2017 to December 31, 2017. 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. The KPM is specific to regulation for instream water rights.

The Department is proposing to delete this KPM and replace it with a new measure. Staff have determined that the method for calculating the results and the corresponding target need to be modified. 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. Regulation includes both monitoring of the stream for regulation and actually shutting off other users to meet the instream right. Regulation for instream water rights resides in more than one

BUDGET NARRATIVE

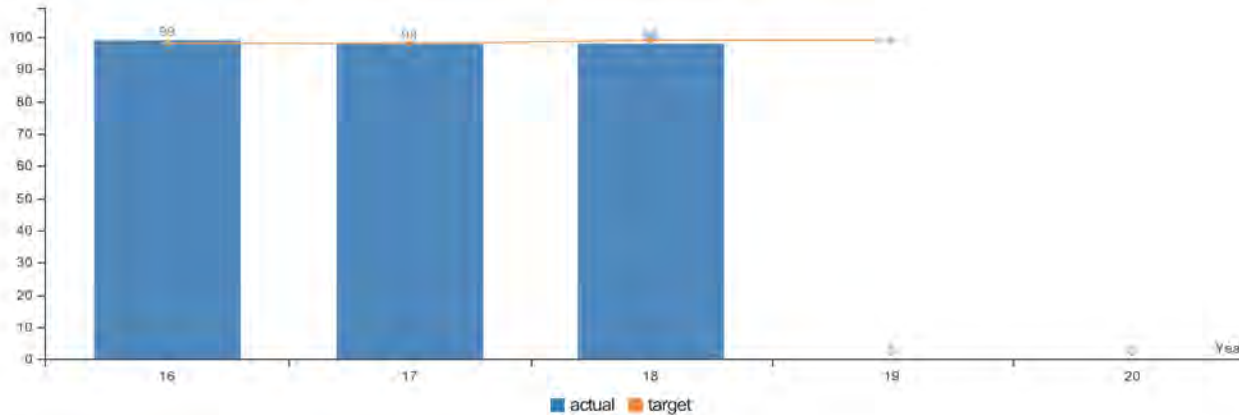
category of regulation, which results in duplicative counting. In addition, the method for calculating this KPM does not compare the same information, resulting in improper calculation of the ratio. This results in a higher reported percent for this KPM, although trends and year-to-year variation are still captured.

The Department proposes to replace this KPM with the following: Number of regulatory orders issued to protect instream water rights. Before regulating for an instream water right, the Department must first monitor the stream to determine if the right is being met. If the instream water right is not being met, the Department then determines if regulation of any junior water rights would benefit the senior instream water right. Junior water rights that would benefit the senior instream right are notified to shut-off to meet the senior instream water right. This proposed KPM would track the number of regulatory orders issued to protect instream water rights. The proposed KPM would show how the agency is protecting instream water rights and show the necessity and outcomes of monitoring streamflows. The KPM will fluctuate from year-to-year based on water conditions, the number of streams monitored, staff workloads, and the existence of junior water rights that would benefit the senior right. The Department does not currently have data on this proposed KPM, but has set up a database that will be able to record this data starting in 2019.

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: Jan 01 - Dec 31

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|---------|---------|
| Percent of Total Regulatory Actions That Found Water Rights Holders in Compliance with Water Rights and Regulations | | | | | |
| Actual | 99% | 98% | 98% | No Data | No Data |
| Target | 98% | 98% | 99% | 99% | TBD |

How Are We Doing

During the 2018 reporting period (2017 calendar year), Department Watermasters had 14,656 regulatory actions and water right holders were in compliance with 98 percent of these actions. In the 2017 report (2016 calendar year), 18,281 regulatory actions were taken by field staff, and water right holders were in compliance with 98 percent of these actions. Water conditions improved during the 2017 calendar year, which decreased the need to regulate, thereby decreasing the number of regulatory actions. The Department continues to receive a number of complaints in some areas of the state regarding marijuana operations. Overall, Department staff are 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 lack of compliance with Oregon 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, 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 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 reduces the time some watermasters spend in the field.

For this KPM, a regulatory action includes 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 enter data annually into a Surface Water Summary database that includes each stream regulated, the number of regulatory actions taken,

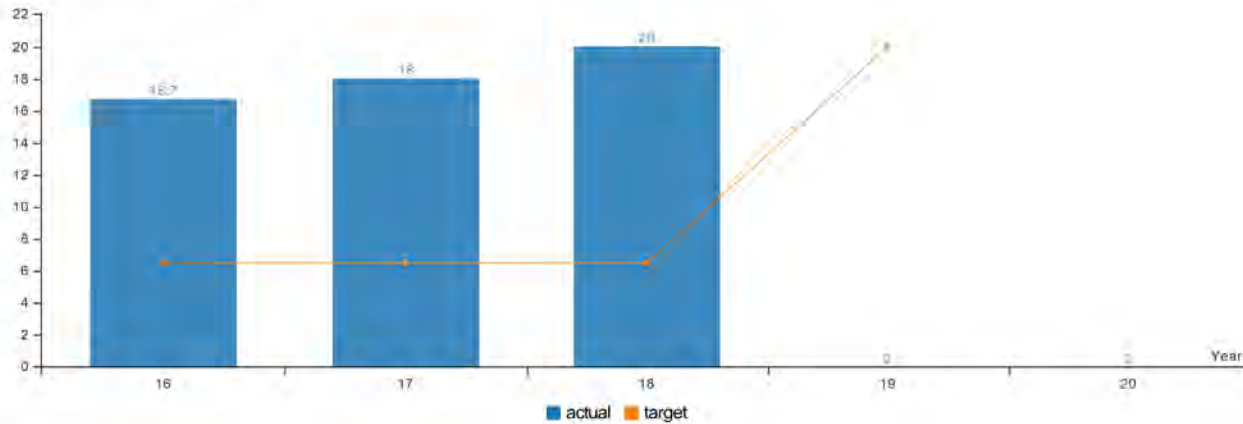
BUDGET NARRATIVE

starting and ending dates of regulation, earliest priority date regulated, and the primary reason for regulation. Informational reports are presented to the Water Resources Commission with detailed information by watermaster district and stream. Copies of these reports are made available on the agency website under Commission Staff Reports. The Department is working on modernizing the database and increasing the data tracked to improve reporting, which may result in a request for a KPM change in the future. The data do not currently include groundwater regulatory actions.

BUDGET NARRATIVE

KPM #4 STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations.
Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|--------|-------|-------|---------|---------|
| Percent Change from 2001 in Number of OWRD-Operated or Assisted Gauging Stations | | | | | |
| Actual | 16.70% | 18% | 20% | No Data | No Data |
| Target | 6.50% | 6.50% | 6.50% | 20% | TBD |

How Are We Doing

The 2001 benchmark was 215 gaging stations. The 2018 data are from the reporting period of July 1, 2017 through June 30, 2018. During the 2018 reporting period, the Department added 12 gages and dropped 4, for a net gain of 8 gages compared to the previous reporting year. The Department operated a total of 259 gages during this period, a 20 percent increase over the 2001 benchmark. While the Department is pleased with this increase in the number of stream gages, staffing levels have not kept pace with the increased workload associated with collecting, maintaining, processing and analyzing the data from these stations.

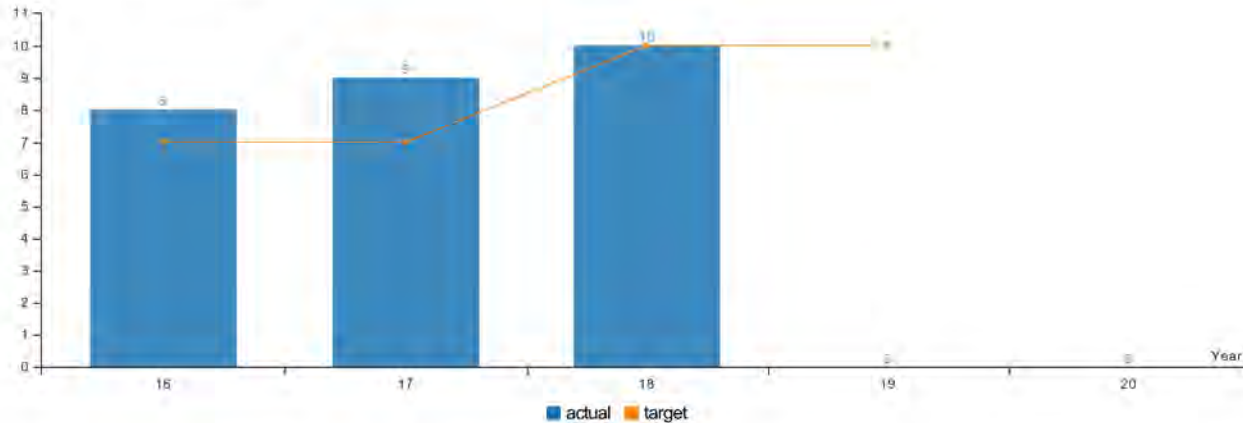
Factors Affecting Results

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 to maintain the statewide gage network. Since 2013, the Legislature has provided funding for the installation of additional stream gages, however, this funding resource was reduced by 20 percent during the 2017 Legislative Session.

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

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|---------|---------|
| Percent Change from 2001 in Number of Wells Routinely Monitored to Assess Groundwater Resources | | | | | |
| Actual | 8% | 9% | 10% | No Data | No Data |
| Target | 7% | 7% | 10% | 10% | TBD |

How Are We Doing

During the 2018 reporting cycle (July 1, 2017 to June 30, 2018), WRD staff routinely monitored 384 wells in the State Observation Well Network, compared to 350 in 2001 and 383 in the 2017 report. This is an increase of 9.7 percent over 2001, rounded to 10 percent in this report. WRD installed one dedicated observation well during the first half of the 2017-2019 biennium, with at least four more planned to be installed before the end of the biennium.

The State Observation Well Program includes designated observation wells distributed within various aquifers across the state at which the Department strives to maintain long-term water level trends. In addition to those wells in the network that are tracked by this KPM, the Department also collects data from observation wells associated with special projects (e.g., the Harney Basin Groundwater Study), groundwater administrative areas (e.g., the Stage Gulch Critical Groundwater Area), permit condition wells, and wells monitored by other science and regulatory partners. In the same reporting period, the Department collected 3153 water level measurements from 1,277 observation wells across the state, including 125 observation wells equipped with automated data-logging pressure transducers that collect and store water level data several times per day and produce high-frequency time-series data sets. Other licensed professionals collected 2,000 water level measurements at another 1,729 wells during the spring of 2018, which were reported to the Department as required by various water right permit conditions. An additional 138 water level measurements were collected at an additional 122 wells by other science and regulatory partners such as the USGS and DEQ. The Department archives and provides this and other groundwater-related data to the public via the [Groundwater Information System](#) database and web interface.

Factors Affecting Results

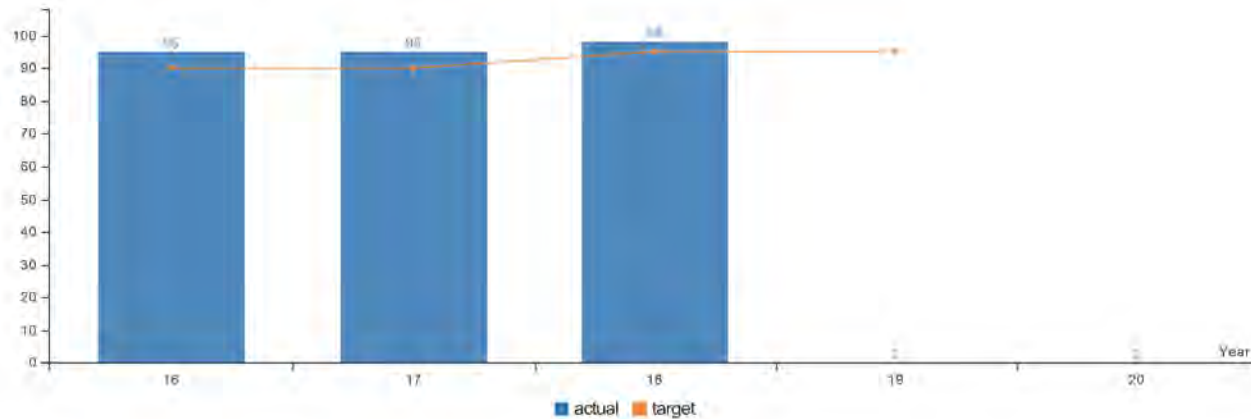
BUDGET NARRATIVE

Since 2013, the Legislature has included funding for dedicated observation wells in the Department's budget, though the observation well funds were reduced 2017. With the exception of the 22 new observation wells drilled by the Department since 2013, the state observation wells monitored by the Department were installed by private and other public entities. 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 well in the same general area targeting the same aquifer. 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 long-term groundwater level data. The Department expects to continue to make gains in this metric, though the general fund allocation for drilling observation wells was reduced by \$100,000 in the 2017-2019 biennium budget. Budget reductions can result in fewer dedicated observation wells being installed in strategic locations across the state.

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: Jul 01 - Jun 30 |

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|---------|---------|
| Percent of Water Management-Related Datasets Available to Public on the Internet | | | | | |
| Actual | 95% | 95% | 98% | No Data | No Data |
| Target | 90% | 90% | 95% | 95% | TBD |

How Are We Doing

For the 2018 reporting period, containing results from July 2017 to June 2018, the agency made 98% of the datasets it is tracking for the KPM available online. This year, the agency added the dataset for "Groundwater Level Data" to the list and completed making that available online. The agency continues to implement projects that increase the scope of datasets available to the public on the internet. The initial set of datasets to be made available that are part of the KPM goal are nearly complete.

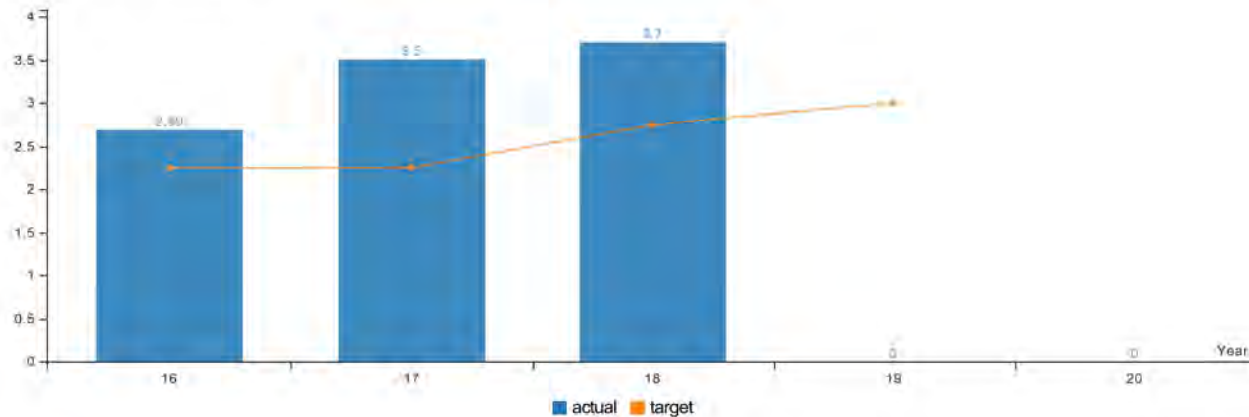
Factors Affecting Results

All but one of the datasets included in KPM 6 have been made available. The Department proposes to delete this KPM for the following reasons: (1) the initial set of data has been made available to the public (except the one); (2) the list of data and data applications are ever evolving, meaning that having a static list is less meaningful (the goal is always moving); and (3) the KPM does not address whether we have made improvements to existing databases that make them more user friendly. The agency is not proposing a new KPM at this time because we are undertaking a Strategic Planning process. Once that is completed, the agency will be looking at new metrics that align with the identified agency priorities.

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 - Jun 30

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|---------|---------|
| Number of Times Water Management-Related Data Were Accessed Through the Internet (in millions) | | | | | |
| Actual | 2.69 | 3.50 | 3.70 | No Data | No Data |
| Target | 2.25 | 2.25 | 2.75 | 3 | TBD |

How Are We Doing

We continue to increase the number of hits on our website with the applications selected for monitoring. For the 2018 reporting period, containing data from July 1, 2017 to June 30, 2018, the number of hits increased to 3.7 million.

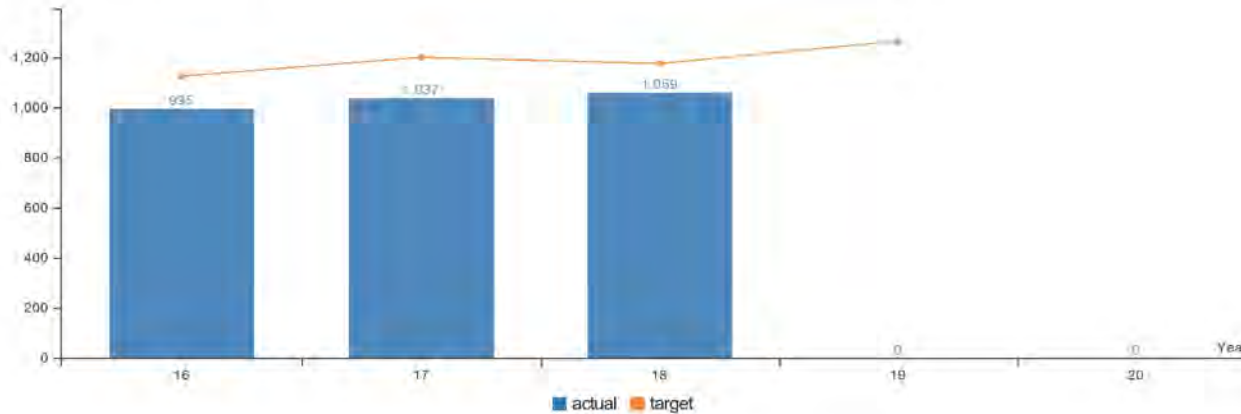
Factors Affecting Results

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. 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. The Department launched an updated website in September 2018, which may affect results in future years as users get accustomed to the new format.

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

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------|-------|-------|---------|---------|
| Number of Significant Diversions with Measurement Devices Installed | | | | | |
| Actual | 995 | 1,037 | 1,059 | No Data | No Data |
| Target | 1,125 | 1,200 | 1,175 | 1,265 | TBD |

How Are We Doing

Staff efforts, underway since 2000, have resulted in 1,059 measuring devices installed on significant points of diversion, which includes 24 devices installed or confirmed installed in the 2017 calendar year (report year 2018). In addition to the measurement devices installed on significant diversions, staff have field checked another 673 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 may require the installation of a measuring device. As a result, one significant diversion will move from the "not in use" category to the "devices installed" category. Approximately 653 of the original 2,385 significant diversions still need measuring devices installed.

Factors Affecting Results

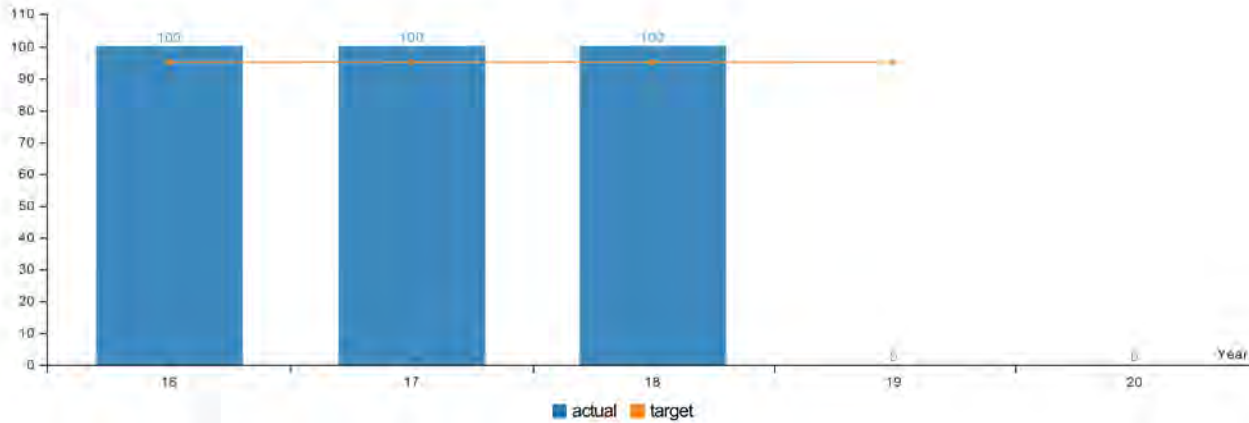
The 2018 KPM reporting cycle includes progress through calendar year 2017. Many water users have balked at the direction to install measuring devices, citing an average cost of \$1,000 per device. The Department's cost-share measurement fund facilitates the installation of measuring devices and progress on this KPM. Installation of measuring devices typically occurs before or after the irrigation season. 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 watermasters, working with landowners. In addition, as more watermaster districts complete the work monitored by this KPM, the number of devices installed under this KPM will decline reflecting the fewer staff working on it. This KPM does not account for all of the measuring devices installed annually as a result of Department actions, as the significant points of diversion are a subset. The Department is working on a new plan for increasing water use measurement, which may result in proposed changes to this KPM in the future to more broadly reflect the work of the agency on water use measurement.

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

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|---------|---------|
| Percent of Water Management and Conservation Plans That Received a Review within 90 Days of Submittal | | | | | |
| Actual | 100% | 100% | 100% | No Data | No Data |
| Target | 95% | 95% | 95% | 95% | TBD |

How Are We Doing

For water management and conservation plans received by the Department with target dates for preliminary review between July 2017 and June 2018, 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 a 100 percent success rate with the KPM. In addition, water management and conservation plan updates from municipalities continue to improve in quality, and are showing 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

The continued high performance since 2014 is a result of having two staff assigned to review the plans. In FY 2013, only one staff position was assigned to review plans. Outreach to municipalities and others has significantly helped the Department meet its performance goals for this program. 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 been collaborating with the League of Oregon Cities (LOC) on a recurring feature called "The Conservation Corner" for LOC's newsletter. These articles highlight outstanding conservation activities by Oregon cities, wise water management practices, and guidance on preparing for emergency water shortage situations. The Department also offers educational workshops that provide guidance for developing water management and conservation plans. Tools and information to assist in the preparation of agricultural and municipal water management and conservation plans are available on the Department's website. The Department also released an updated version of the Municipal Water Management and Conservation Plan Guidebook in March 2015 to provide better direction and guidance on elements that are consistently problematic or deficient in submitted plans. In 2017, the Department began a water conservation awards program to recognize achievements in water conservation, including efforts undertaken as part of implementation of water management and conservation plans. In 2018, the Department began a rulemaking to address some of the challenges faced by smaller water suppliers in

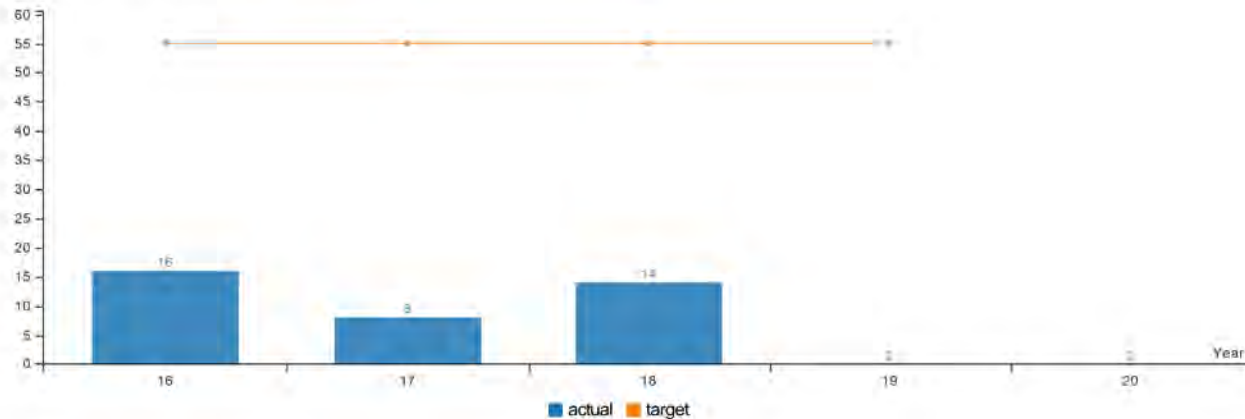
BUDGET NARRATIVE

developing water management and conservation plans. These recent efforts demonstrate the Department's continued efforts to improve water management and conservation in the state.

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

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|---------|---------|
| Percent of Water Right Applications That Receive an Initial Review within 45 Days of Application Filing | | | | | |
| Actual | 16% | 8% | 14% | No Data | No Data |
| Target | 55% | 55% | 55% | 55% | TBD |

How Are We Doing

The overall percentage increased from 8 percent to 14 percent during the 2018 reporting period (July 1, 2017 to June 30, 2018). The percentage for storage- and surface- water applications increased from a low of 10 percent in 2008 to a high of 61 percent in 2015-16. After dropping to 33 percent in the 2017 report (2016-17), in 2017-18, the total for these types of applications increased to 51 percent. Groundwater applications accounted for 75 percent of initial reviews; those completed within 45 days varied from 3 percent in 2012-13 to 9 percent in 2015-16, and down to 2 percent in 2016-17. In the current report, the percent of groundwater reviews completed in 45 days was 2 percent.

Factors Affecting Results

Since 2007, the Department has implemented streamlined procedures that have improved this metric; however, as discussed further below, the principal challenge for the Department is to complete groundwater technical reviews within the 45-day timeline due to other groundwater-related responsibilities.

Storage and Surface Water Applications: Minimizing staff turnover in this relatively small program area is good for productivity. In 2016-17, the total dropped to 33 percent due to 1) learning curves associated with new staff, 2) several unprecedented applications of high complexity, and 3) the long-term absence of 25 percent of staff (from a team of four). The Department's performance improved during 2017-18 as staffing stabilized.

Groundwater Applications: These applications require technical review by a groundwater hydrogeologist *prior* to the initial review to determine if the proposed well(s) will have an adverse impact on surface water. The low value in the KPM for groundwater applications largely reflects the demands of other programs on the Groundwater Section, including 1) staff turnover, 2) steep learning curves for newer staff, 3) extensive involvement in legal challenges, particularly as a result of regulation in the Klamath Basin, 4) the increasing complexity of application reviews, including evaluation

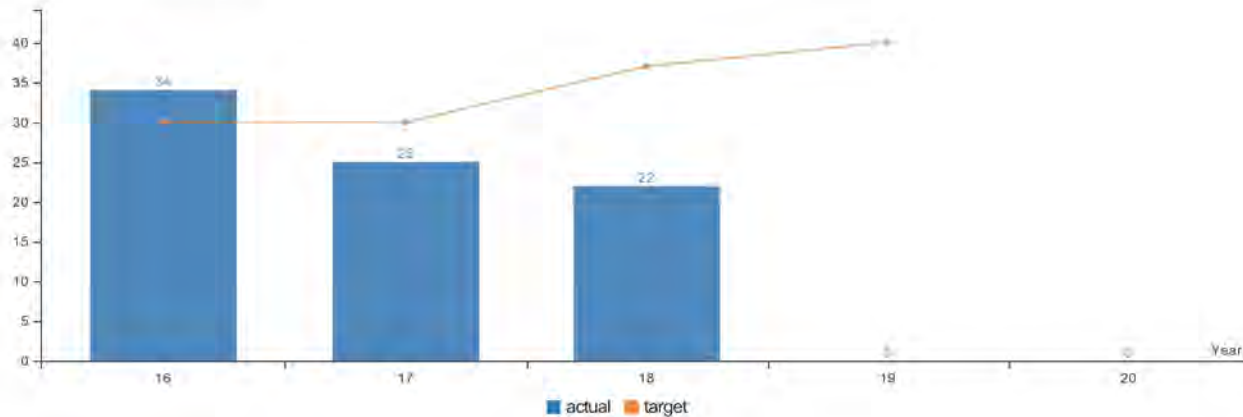
BUDGET NARRATIVE

of mitigation proposals, and 5) special projects (Mosier Well Repair Program, Harney Basin Study, etc.)

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

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|------|------|---------|---------|
| Percent of Transfer Final Orders Issued within 120 Days of Filing | | | | | |
| Actual | 34% | 25% | 22% | No Data | No Data |
| Target | 30% | 30% | 37% | 40% | TBD |

How Are We Doing

Performance on this KPM decreased to 22 percent. 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. A focus on reducing the number of pending applications (358 as of July 1, 2018) has helped to make progress on this KPM. The goal is to reduce the number of pending applications to less than 212, at which point staff will be able to take on processing of new applications as soon as they are filed. As the backlog is reduced, the percentage of final orders that can be issued within 120 days of filing will increase.

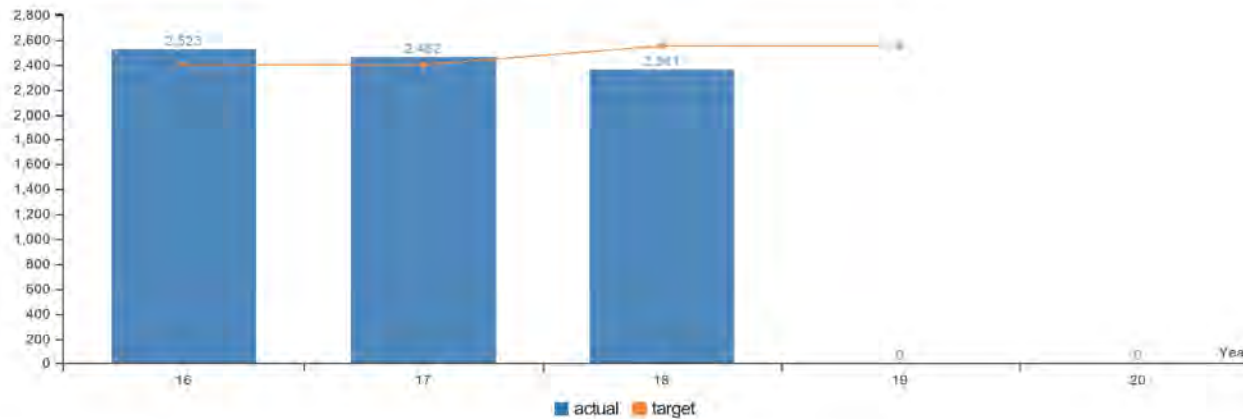
Factors Affecting Results

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 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 turnover during the 2018 reporting period has resulted in delays in processing applications within 120 days. As those positions are filled, the KPM percentage should increase. Other factors affecting the KPM percentage during the 2018 reporting period are that the timelines for completion of Watermaster and Groundwater transfer reviews have lengthened due to workload challenges in those sections.

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

* Upward Trend = negative result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------|-------|-------|---------|---------|
| Points of Diversion per FTE of Field Staff | | | | | |
| Actual | 2,523 | 2,462 | 2,361 | No Data | No Data |
| Target | 2,400 | 2,400 | 2,550 | 2,550 | TBD |

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 2,550 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 2017 and 2018 that added 736 PODs. The number of field staff at the Department increased by four as Umatilla County employees transferred to the Oregon Water Resources Department (three assistant watermasters and one office assistant), resulting in 2,361 PODs per field staff person. Although this results in a reduction in PODs per field staff person for the purposes of calculating the KPM, it does not actually result in an actual increase in capacity. At the current staffing level, it is not possible for field staff to visit all water rights within their district.

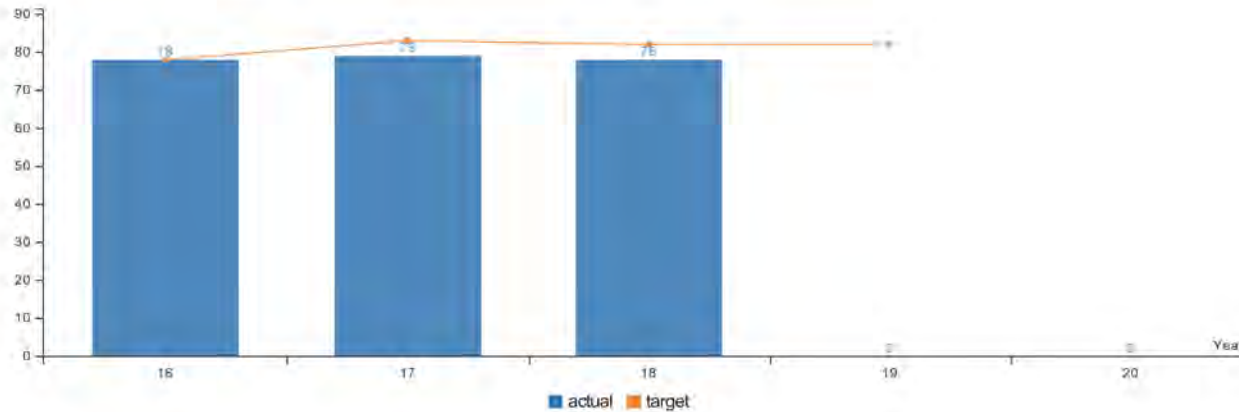
Factors Affecting Results

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 POD's 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, 2017 to September 30, 2018).

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

* Upward Trend = positive result



| Report Year | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------|------|------|---------|---------|
| Percent of water users with an annual water-use reporting requirement that have submitted reports to the Dept. | | | | | |
| Actual | 78% | 79% | 78% | No Data | No Data |
| Target | 78% | 83% | 82% | 82% | TBD |

How Are We Doing

Since re-establishment 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 for the 2018 reporting period, and five percent below the target.

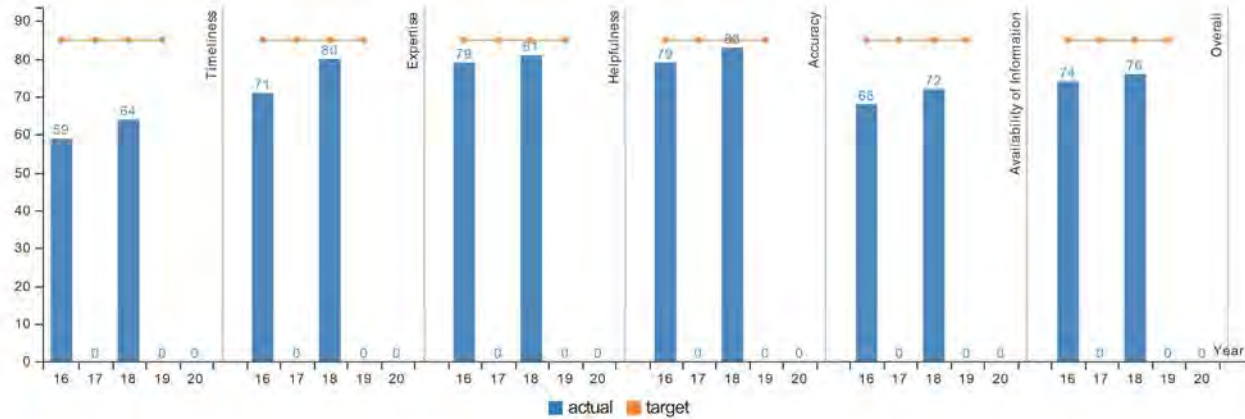
Factors Affecting Results

The 2018 reporting period contains results from the water year (October 2016 - September 2017) with reports due to the Department by the end of the 2017 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 only 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. Agency staff continues to evaluate and improve the online reporting program and user interface, which helps customers who are trying to submit 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 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|------|---------|------|---------|---------|
| Timeliness | | | | | |
| Actual | 59% | No Data | 64% | No Data | No Data |
| Target | 85% | 85% | 85% | 85% | TBD |
| Expertise | | | | | |
| Actual | 71% | No Data | 80% | No Data | No Data |
| Target | 85% | 85% | 85% | 85% | TBD |
| Helpfulness | | | | | |
| Actual | 79% | No Data | 81% | No Data | No Data |
| Target | 85% | 85% | 85% | 85% | TBD |
| Accuracy | | | | | |
| Actual | 79% | No Data | 83% | No Data | No Data |
| Target | 85% | 85% | 85% | 85% | TBD |
| Availability of Information | | | | | |
| Actual | 68% | No Data | 72% | No Data | No Data |
| Target | 85% | 85% | 85% | 85% | TBD |
| Overall | | | | | |
| Actual | 74% | No Data | 76% | No Data | No Data |
| Target | 85% | 85% | 85% | 85% | TBD |

How Are We Doing

BUDGET NARRATIVE

The Department saw improvements across all categories since the prior survey, with expertise seeing the largest increase. The Department attributes this increase to a reduction in staff turnover, which was in part due to an increase in retirements. The Department is also implementing a training program and onboarding program for staff, which will help new staff learn responsibilities more quickly. Timeliness continues to be the greatest challenge for the agency, with 64 percent of respondents ranking this as good or excellent. Some comments suggested that the Department needs to provide better information on how much time water right processing may take. This is an action that the Department has also noted internally for improvement.

Factors Affecting Results

The Department conducted the survey from mid-July to mid-August in 2018. Staff made improvements to the approach used to conduct the survey. Instead of sending a generic email with a link to the survey, the Department, with assistance from its information services staff, sent an email with specific information about the water right decision and service the individual had received from the Department. As a result of this approach, the Department received more timely responses to the survey and did not need to follow up with phone calls as has been necessary in the past. The Department sent out surveys to 530 emails and received 139 survey responses.

BUDGET NARRATIVE



PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, Oregon Water Resources presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2019-2021 biennium.

Supervisory Ratio for the last quarter of 2017-2019 biennium for budgeted positions is 1:9.6.

The agency exempted supervisory ratio as of 12/01/2017 was 1:11. The actual supervisory ratio as of 12/01/17 was 1:9.

The Agency actual supervisory ratio as of Current Service Level (CSL) is calculated using the following calculation:

$$\frac{16}{\text{(Total supervisors)}} = \frac{17}{\text{(Supervisory Positions)}} - \frac{1}{\text{(Agency head)}}$$

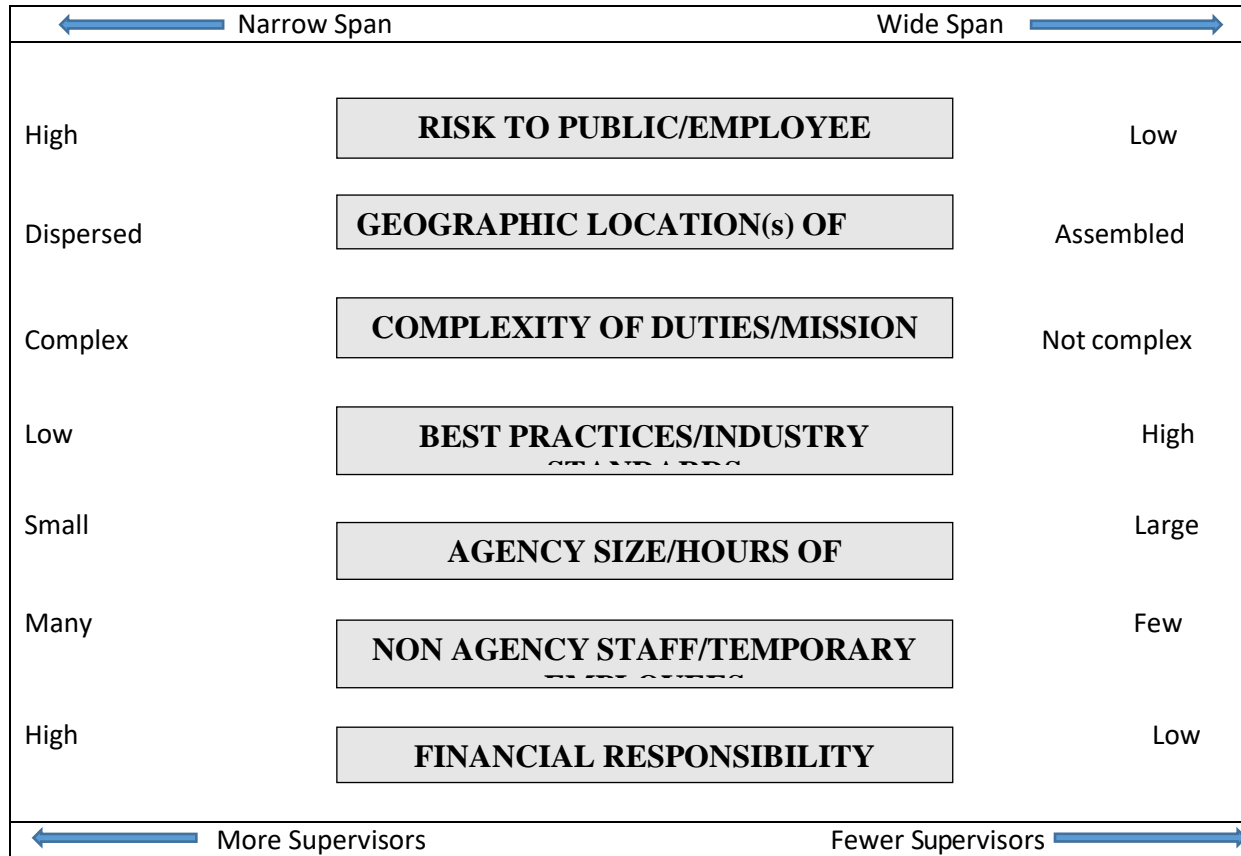
$$\frac{152}{\text{(Total non-supervisors)}} = \frac{152}{\text{(Non-Supervisory Positions)}}$$

The agency has a current service level (CSL) actual supervisory ratio of-

$$1:\frac{9.5}{\text{(Actual span of control)}} = \frac{152}{\text{(Total non - Supervisors)}} / \frac{16}{\text{(Total Supervisors)}}$$

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.

BUDGET NARRATIVE



BUDGET NARRATIVE

Ratio Adjustment Factors

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio? Explain how and why this factor impacts the agency maximum ratio upwards or downwards from 1:11.

Yes, safety is a high concern. The Department houses staff in 22 offices across the state. The Department has divided the state into 21 watermaster districts, which are then rolled up into five regions. Watermasters, assistant watermasters, and other staff travel year round to remote locations, collecting field data, regulating water use and occasionally interacting with landowners or other public that are angry and threatening. Staff are frequently out of cell coverage during their field assignments. In the five field-office regions, four have one supervisor each and one has two supervisors. When a supervisor is absent from the office, local staff must work with a supervisor outside of their region, who may be a great distance away and unfamiliar with specific issues or safety matters in that region.

A concern for staff safety impacts the ratio downwards (fewer staff per supervisor). It is important that staff have reasonable access to a supervisor when conditions or circumstances warrant supervisory attention.

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? Explain how and why this factor impacts the agency maximum ratio upwards or downwards from 1:11.

Yes, the agency is dispersed. Geographic location of field offices places a downward pressure on the span of control. As noted above, the Department has divided the state into 21 watermaster districts (non-supervisory staff), which are then compiled into five regions with one supervisor each in four of those regions and two in the fifth. The geographic area of these Regions is extensive and the Department feels that there should be adequate supervisory management assigned to each of these regions in order to respond to the needs of the public and department's employees.

Two examples: The East Region spans 34,251 square miles and has 14 staff distributed across seven communities. This region has two existing supervisors.

The South Central Region spans approximately 21,900 square miles. The region is comprised of 13 represented staff and one supervising manager with offices located in Bend, Klamath Falls and Lakeview. As it is currently, the Lakeview office is a three hour drive one-way, and the Klamath Falls office is a two-and-a half hour drive for the Bend-located region manager. This supervisory position is already included in our base budget. The Department is proposing a policy option package to add a second supervisory manager for this region.

Prior to the supervisory limitation, the Department's span of control was 1:6. Several positions with supervisory authority were modified to non-supervisory, placing additional duties on remaining supervisors, particularly across the region offices.

BUDGET NARRATIVE

Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? Explain how and why this factor impacts the agency maximum ratio upwards or downwards from 1:11.

Yes, highly complex. Workloads are increasing statewide due to the increasing number of water rights, wells, population, homes, and changing water management needs. The State's 21 watermasters, with the help of state and other-funded assistant watermasters, are responsible for management of more than 89,000 water rights in the state, more than 230,000 wells, dam safety inspections, injury analysis of water right transactions, participation in local planning efforts, and many other activities.

The agency is responsible for many technical aspects of water management, such as groundwater hydrology, surface water hydrology, dam safety, well construction and enforcement, etc. These technical sections may only include a handful of staff but require a manager with subject-area expertise and supervisory authority to manage the program. For example, having a HR Manager supervise Hydrology staff would be inappropriate and inefficient, as the HR Manager would not have the technical foundation to understand whether the work was being completed properly. This issue presents itself for all of these sections that are small but highly specialized.

Oregon water law statutes date to 1909 and have been amended and appended ever since. This has created a complex and sometimes conflicting body of law that requires astute interpretation. Litigation against the agency and staff is on the rise and results in more of management's attention in resolving lawsuits and other threats against agency actions. This takes attention away from manager's supervisory duties. The Department seeks to reduce the management ratio to allow for more flexibility in supervisory duties.

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? Explain how and why this factor impacts the agency maximum ratio upwards or downwards from 1:11.

Not applicable.

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio? Explain how and why this factor impacts the agency maximum ratio upwards or downwards from 1:11.

This is generally not applicable, as our agency commonly adheres to standard business hours. The exception is for staff conducting field assignments that require extended work hours. Supervisory managers are knowledgeable of staff work assignments and need to be available after hours in the event staff needs assistance.

BUDGET NARRATIVE

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? Explain how and why this factor impacts the agency maximum ratio upwards or downwards from 1:11.

Yes, many. The Water Resources Department's use of interns, temporary, and county-funded employees should be considered as a factor in determining the agency maximum supervisory ratio, as well as the use of the Department's managers to assist with other agencies.

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 and they support the water-management business of the agency. Counties provide much of the budget for the locally-funded positions. 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. Currently there are approximately 18 locally-funded staff who are supervised by Department managers.

The Department also relies on interns during short periods of time to assist with special projects as funding allows. Currently there are three interns who are supervised by Department managers.

The Department provides Information Services, Human Resources, Payroll and Fiscal support to the Oregon Watershed Enhancement Board. While the agency is not supervising staff at OWEB, managers and staff provide support to the OWEB that represents another workload and demand on management staff.

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? Explain how and why this factor impacts the agency maximum ratio upwards or downwards from 1:11.

Yes, high responsibility. In recent years, the agency has seen a consistent authorization of Lottery Backed Bonds totaling at least \$10 million dollars to issue grants, which has increased the financial responsibility and accounting for the agency to ensure that grants are properly administered. This additional fiscal workload takes management's attention away from supervisory duties. The Department seeks to reduce the management ratio to allow for more flexibility in supervisory duties.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1:8.

BUDGET NARRATIVE

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BUDGET NARRATIVE

Water Resources Dept

**Summary Cross Reference Listing and Packages
2019-21 Biennium**

**Agency Number: 69000
BAM Analyst: Wittekind, Linnea
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 | 033 | 0 | Exceptional Inflation | Essential Packages |
| 010-01-00-00000 | Administrative Services | 040 | 0 | Mandated Caseload | Essential Packages |
| 010-01-00-00000 | Administrative Services | 060 | 0 | Technical Adjustments | Essential Packages |
| 010-01-00-00000 | Administrative Services | 081 | 0 | September 2018 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 | 101 | 0 | Place-Based Planning Community Support | Policy Packages |
| 010-01-00-00000 | Administrative Services | 107 | 0 | Investing in Projects to Meet Water Needs | Policy Packages |
| 010-01-00-00000 | Administrative Services | 112 | 0 | Continuing Payroll Shared Services | Policy Packages |
| 010-01-00-00000 | Administrative Services | 113 | 0 | Supporting Agency Functions | 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 | 033 | 0 | Exceptional Inflation | Essential Packages |

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Page 1 of 6

Summary Cross Reference Listing and Packages
BSU-003A

BUDGET NARRATIVE

Water Resources Dept

**Summary Cross Reference Listing and Packages
2019-21 Biennium**

**Agency Number: 69000
BAM Analyst: Wittekind, Linnea
Budget Coordinator: Snyder, Lisa - (503)986-0921**

| Cross Reference Number | Cross Reference Description | Package Number | Priority | Package Description | Package Group |
|------------------------|-----------------------------|----------------|----------|---|--------------------|
| 010-03-00-00000 | Field Services | 040 | 0 | Mandated Caseload | Essential Packages |
| 010-03-00-00000 | Field Services | 050 | 0 | Fundshifts | Essential Packages |
| 010-03-00-00000 | Field Services | 060 | 0 | Technical Adjustments | Essential Packages |
| 010-03-00-00000 | Field Services | 081 | 0 | September 2018 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 | 102 | 0 | Groundwater Data, Management & Protection | Policy Packages |
| 010-03-00-00000 | Field Services | 106 | 0 | Supporting Water Management in the Field | Policy Packages |
| 010-03-00-00000 | Field Services | 108 | 0 | Improving Water Use Measurement & Reporting | Policy Packages |
| 010-03-00-00000 | Field Services | 111 | 0 | Marijuana & Compliance With Water Laws | 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 |
| 010-04-00-00000 | Technical Services | 032 | 0 | Above Standard Inflation | Essential Packages |
| 010-04-00-00000 | Technical Services | 033 | 0 | Exceptional Inflation | Essential Packages |
| 010-04-00-00000 | Technical Services | 040 | 0 | Mandated Caseload | Essential Packages |
| 010-04-00-00000 | Technical Services | 050 | 0 | Fundshifts | Essential Packages |
| 010-04-00-00000 | Technical Services | 060 | 0 | Technical Adjustments | Essential Packages |
| 010-04-00-00000 | Technical Services | 081 | 0 | September 2018 Emergency Board | Policy Packages |
| 010-04-00-00000 | Technical Services | 090 | 0 | Analyst Adjustments | Policy Packages |

01/08/19
2:18 PM

Page 2 of 6

Summary Cross Reference Listing and Packages
BSU-003A

BUDGET NARRATIVE

Water Resources Dept

**Summary Cross Reference Listing and Packages
2019-21 Biennium**

Agency Number: 69000

BAM Analyst: Wittekind, Linnea

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> |
|-------------------------------|------------------------------------|-----------------------|-----------------|---|----------------------|
| 010-04-00-00000 | Technical Services | 091 | 0 | Statewide Adjustment DAS Chgs | Policy Packages |
| 010-04-00-00000 | Technical Services | 092 | 0 | Statewide AG Adjustment | Policy Packages |
| 010-04-00-00000 | Technical Services | 101 | 0 | Place-Based Planning Community Support | Policy Packages |
| 010-04-00-00000 | Technical Services | 102 | 0 | Groundwater Data, Management & Protection | Policy Packages |
| 010-04-00-00000 | Technical Services | 103 | 0 | Resolving Complex Water Issues | Policy Packages |
| 010-04-00-00000 | Technical Services | 104 | 0 | Protecting the Public Through Dam Safety | Policy Packages |
| 010-04-00-00000 | Technical Services | 106 | 0 | Supporting Water Management in the Field | Policy Packages |
| 010-04-00-00000 | Technical Services | 107 | 0 | Investing in Projects to Meet Water Needs | Policy Packages |
| 010-04-00-00000 | Technical Services | 108 | 0 | Improving Water Use Measurement & Reporting | Policy Packages |
| 010-04-00-00000 | Technical Services | 109 | 0 | Increase Access to Data for Decision Making | Policy Packages |
| 010-04-00-00000 | Technical Services | 110 | 0 | Increase Understanding of Water Law and Tools | Policy Packages |
| 010-04-00-00000 | Technical Services | 111 | 0 | Marijuana & Compliance With Water Laws | Policy Packages |
| 010-04-00-00000 | Technical Services | 112 | 0 | Continuing Payroll Shared Services | Policy Packages |
| 010-04-00-00000 | Technical Services | 113 | 0 | Supporting Agency Functions | Policy Packages |
| 010-04-00-00000 | Technical Services | 114 | 0 | Mitigation to Allow for New Water Uses | Policy Packages |
| 010-06-00-00000 | Water Right Services Division | 010 | 0 | Non-PICS Psnl Svc / Vacancy Factor | Essential Packages |
| 010-06-00-00000 | Water Right Services Division | 021 | 0 | Phase - In | Essential Packages |
| 010-06-00-00000 | Water Right Services Division | 022 | 0 | Phase-out Pgm & One-time Costs | Essential Packages |
| 010-06-00-00000 | Water Right Services Division | 031 | 0 | Standard Inflation | Essential Packages |
| 010-06-00-00000 | Water Right Services Division | 032 | 0 | Above Standard Inflation | Essential Packages |
| 010-06-00-00000 | Water Right Services Division | 033 | 0 | Exceptional Inflation | Essential Packages |
| 010-06-00-00000 | Water Right Services Division | 040 | 0 | Mandated Caseload | Essential Packages |

01/08/19
2:18 PM

Page 3 of 6

Summary Cross Reference Listing and Packages
BSU-003A

BUDGET NARRATIVE

Water Resources Dept

**Summary Cross Reference Listing and Packages
2019-21 Biennium**

**Agency Number: 69000
BAM Analyst: Wittekind, Linnea
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> |
|-------------------------------|------------------------------------|-----------------------|-----------------|---|----------------------|
| 010-06-00-00000 | Water Right Services Division | 060 | 0 | Technical Adjustments | Essential Packages |
| 010-06-00-00000 | Water Right Services Division | 081 | 0 | September 2018 Emergency Board | Policy Packages |
| 010-06-00-00000 | Water Right Services Division | 090 | 0 | Analyst Adjustments | Policy Packages |
| 010-06-00-00000 | Water Right Services Division | 091 | 0 | Statewide Adjustment DAS Chgs | Policy Packages |
| 010-06-00-00000 | Water Right Services Division | 092 | 0 | Statewide AG Adjustment | Policy Packages |
| 010-06-00-00000 | Water Right Services Division | 102 | 0 | Groundwater Data, Management & Protection | Policy Packages |
| 010-06-00-00000 | Water Right Services Division | 114 | 0 | Mitigation to Allow for New Water Uses | 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 |
| 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 | 033 | 0 | Exceptional Inflation | Essential Packages |
| 010-07-00-00000 | Director's Office | 040 | 0 | Mandated Caseload | Essential Packages |
| 010-07-00-00000 | Director's Office | 060 | 0 | Technical Adjustments | Essential Packages |
| 010-07-00-00000 | Director's Office | 081 | 0 | September 2018 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 | 101 | 0 | Place-Based Planning Community Support | Policy Packages |
| 010-07-00-00000 | Director's Office | 102 | 0 | Groundwater Data, Management & Protection | Policy Packages |
| 010-07-00-00000 | Director's Office | 103 | 0 | Resolving Complex Water Issues | Policy Packages |

01/08/19
2:18 PM

Page 4 of 6

Summary Cross Reference Listing and Packages
BSU-003A

BUDGET NARRATIVE

Water Resources Dept

**Summary Cross Reference Listing and Packages
2019-21 Biennium**

Agency Number: 69000

BAM Analyst: Wittekind, Linnea

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 | 105 | 0 | Addressing Increasing Legal Expenses | Policy Packages |
| 010-07-00-00000 | Director's Office | 106 | 0 | Supporting Water Management in the Field | Policy Packages |
| 010-07-00-00000 | Director's Office | 107 | 0 | Investing in Projects to Meet Water Needs | Policy Packages |
| 010-07-00-00000 | Director's Office | 109 | 0 | Increase Access to Data for Decision Making | Policy Packages |
| 010-07-00-00000 | Director's Office | 110 | 0 | Increase Understanding of Water Law and Tools | Policy Packages |
| 010-07-00-00000 | Director's Office | 113 | 0 | Supporting Agency Functions | Policy Packages |
| 010-07-00-00000 | Director's Office | 115 | 0 | Updating the IWRS | 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 | 033 | 0 | Exceptional Inflation | Essential Packages |
| 020-00-00-00000 | Water Development Loan Program | 040 | 0 | Mandated Caseload | Essential 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 | 033 | 0 | Exceptional Inflation | Essential Packages |
| 089-00-00-00000 | Capital Construction | 040 | 0 | Mandated Caseload | Essential Packages |
| 089-00-00-00000 | Capital Construction | 060 | 0 | Technical Adjustments | Essential Packages |

01/08/19
2:18 PM

Page 5 of 6

Summary Cross Reference Listing and Packages
BSU-003A

BUDGET NARRATIVE

Water Resources Dept

**Summary Cross Reference Listing and Packages
2019-21 Biennium**

Agency Number: 69000

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Snyder, Lisa - (503)986-0921

| Cross Reference Number | Cross Reference Description | Package Number | Priority | Package Description | Package Group |
|-------------------------------|------------------------------------|-----------------------|-----------------|--------------------------------|----------------------|
| 089-00-00-00000 | Capital Construction | 081 | 0 | September 2018 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 |

BUDGET NARRATIVE

Water Resources Dept

Policy Package List by Priority
2019-21 Biennium

Agency Number: 69000

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Snyder, Lisa - (503)986-0921

| Priority | Policy Pkg Number | Policy Pkg Description | Summary Cross Reference Number | Cross Reference Description |
|-----------------|-------------------------|--------------------------------|--------------------------------|-------------------------------|
| 0 | 081 | September 2018 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 Right Services Division |
| | | | 010-07-00-00000 | Director's Office |
| | | | 089-00-00-00000 | Capital Construction |
| | | | 010-01-00-00000 | Administrative Services |
| | 090 | Analyst Adjustments | 010-03-00-00000 | Field Services |
| | | | 010-04-00-00000 | Technical Services |
| | | | 010-06-00-00000 | Water Right Services Division |
| | | | 010-07-00-00000 | Director's Office |
| | | | 089-00-00-00000 | Capital Construction |
| | | | 010-01-00-00000 | Administrative Services |
| | | | 010-03-00-00000 | Field Services |
| | 091 | Statewide Adjustment DAS Chgs | 010-04-00-00000 | Technical Services |
| | | | 010-06-00-00000 | Water Right Services Division |
| | | | 010-07-00-00000 | Director's Office |
| | | | 089-00-00-00000 | Capital Construction |
| | | | 010-01-00-00000 | Administrative Services |
| | | | 010-03-00-00000 | Field Services |
| | | | 010-04-00-00000 | Technical Services |
| 092 | Statewide AG Adjustment | 010-06-00-00000 | Water Right Services Division | |
| | | 010-07-00-00000 | Director's Office | |
| | | 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 Right Services Division | |
| 010-07-00-00000 | Director's Office | | | |

BUDGET NARRATIVE

Water Resources Dept

**Policy Package List by Priority
2019-21 Biennium**

Agency Number: 69000

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Snyder, Lisa - (503)986-0921

| <i>Priority</i> | <i>Policy Pkg Number</i> | <i>Policy Pkg Description</i> | <i>Summary Cross Reference Number</i> | <i>Cross Reference Description</i> |
|-----------------|--------------------------|---|---------------------------------------|------------------------------------|
| 0 | 092 | Statewide AG Adjustment | 089-00-00-00000 | Capital Construction |
| | 101 | Place-Based Planning Community Support | 010-01-00-00000 | Administrative Services |
| | | | 010-04-00-00000 | Technical Services |
| | | | 010-07-00-00000 | Director's Office |
| | 102 | Groundwater Data, Management & Protection | 010-03-00-00000 | Field Services |
| | | | 010-04-00-00000 | Technical Services |
| | | | 010-06-00-00000 | Water Right Services Division |
| | | | 010-07-00-00000 | Director's Office |
| | 103 | Resolving Complex Water Issues | 010-04-00-00000 | Technical Services |
| | | | 010-07-00-00000 | Director's Office |
| | 104 | Protecting the Public Through Dam Safety | 010-04-00-00000 | Technical Services |
| | 105 | Addressing Increasing Legal Expenses | 010-07-00-00000 | Director's Office |
| | 106 | Supporting Water Management in the Field | 010-03-00-00000 | Field Services |
| | | | 010-04-00-00000 | Technical Services |
| | | | 010-07-00-00000 | Director's Office |
| | 107 | Investing in Projects to Meet Water Needs | 010-01-00-00000 | Administrative Services |
| | | | 010-04-00-00000 | Technical Services |
| | | | 010-07-00-00000 | Director's Office |
| | 108 | Improving Water Use Measurement & Reporting | 010-03-00-00000 | Field Services |
| | | | 010-04-00-00000 | Technical Services |
| | 109 | Increase Access to Data for Decision Making | 010-04-00-00000 | Technical Services |
| | | | 010-07-00-00000 | Director's Office |
| | 110 | Increase Understanding of Water Law and Too | 010-04-00-00000 | Technical Services |

01/08/19
2:18 PM

Page 2 of 3

Policy Package List by Priority
BSU-004A

BUDGET NARRATIVE

Water Resources Dept

Policy Package List by Priority
2019-21 Biennium

Agency Number: 69000

BAM Analyst: Wittekind, Linnea

Budget Coordinator: Snyder, Lisa - (503)986-0921

| <i>Priority</i> | <i>Policy Pkg Number</i> | <i>Policy Pkg Description</i> | <i>Summary Cross Reference Number</i> | <i>Cross Reference Description</i> |
|-----------------|--------------------------|---|---------------------------------------|------------------------------------|
| 0 | 110 | Increase Understanding of Water Law and Too | 010-07-00-00000 | Director's Office |
| | 111 | Marijuana & Compliance With Water Laws | 010-03-00-00000 | Field Services |
| | | | 010-04-00-00000 | Technical Services |
| | 112 | Continuing Payroll Shared Services | 010-01-00-00000 | Administrative Services |
| | | | 010-04-00-00000 | Technical Services |
| | 113 | Supporting Agency Functions | 010-01-00-00000 | Administrative Services |
| | | | 010-04-00-00000 | Technical Services |
| | | | 010-07-00-00000 | Director's Office |
| | 114 | Mitigation to Allow for New Water Uses | 010-04-00-00000 | Technical Services |
| | | | 010-06-00-00000 | Water Right Services Division |
| | 115 | Updating the IWRS | 010-07-00-00000 | Director's Office |

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| BEGINNING BALANCE | | | | | | |
| 0025 Beginning Balance | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 3,146 | - | - | - | - | - |
| 3230 Other Funds Debt Svc Non-Ltd | 15 | - | - | - | - | - |
| 3400 Other Funds Ltd | 11,686,066 | 3,461,046 | 3,461,046 | - | - | - |
| 6400 Federal Funds Ltd | 29,651 | - | - | - | - | - |
| All Funds | 11,718,878 | 3,461,046 | 3,461,046 | - | - | - |
| 0030 Beginning Balance Adjustment | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | - | 4,970 | 4,970 | - | - | - |
| 3400 Other Funds Ltd | - | 29,155,893 | 29,155,893 | 35,099,308 | 35,099,308 | - |
| All Funds | - | 29,160,863 | 29,160,863 | 35,099,308 | 35,099,308 | - |
| BEGINNING BALANCE | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 3,146 | 4,970 | 4,970 | - | - | - |
| 3230 Other Funds Debt Svc Non-Ltd | 15 | - | - | - | - | - |
| 3400 Other Funds Ltd | 11,686,066 | 32,616,939 | 32,616,939 | 35,099,308 | 35,099,308 | - |
| 6400 Federal Funds Ltd | 29,651 | - | - | - | - | - |
| TOTAL BEGINNING BALANCE | \$11,718,878 | \$32,621,909 | \$32,621,909 | \$35,099,308 | \$35,099,308 | - |
| REVENUE CATEGORIES | | | | | | |
| GENERAL FUND APPROPRIATION | | | | | | |
| 0050 General Fund Appropriation | | | | | | |
| 8000 General Fund | 31,220,037 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| LICENSES AND FEES | | | | | | |
| 0210 Non-business Lic. and Fees | | | | | | |

01/08/19
2:20 PM

Page 1 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|--------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | 400 | - | - | - | - | - |
| 0245 Power and Water Fees | | | | | | |
| 3400 Other Funds Ltd | 9,659,959 | 9,714,740 | 11,451,864 | 9,206,975 | 9,206,975 | - |
| LICENSES AND FEES | | | | | | |
| 3400 Other Funds Ltd | 9,660,359 | 9,714,740 | 11,451,864 | 9,206,975 | 9,206,975 | - |
| TOTAL LICENSES AND FEES | \$9,660,359 | \$9,714,740 | \$11,451,864 | \$9,206,975 | \$9,206,975 | - |
| FEDERAL FUNDS AS OTHER FUNDS | | | | | | |
| 0360 Federal Revenues - Svc Contracts | | | | | | |
| 3400 Other Funds Ltd | 149,076 | 714,039 | 714,039 | 1,162,073 | 1,162,073 | - |
| CHARGES FOR SERVICES | | | | | | |
| 0410 Charges for Services | | | | | | |
| 3400 Other Funds Ltd | 1,735,304 | 1,710,818 | 1,725,160 | 1,753,732 | 1,753,732 | - |
| FINES, RENTS AND ROYALTIES | | | | | | |
| 0505 Fines and Forfeitures | | | | | | |
| 8800 General Fund Revenue | 7,725 | - | - | 8,250 | 8,250 | - |
| 0510 Rents and Royalties | | | | | | |
| 3400 Other Funds Ltd | 13,502 | 13,000 | 13,000 | 13,000 | 13,000 | - |
| FINES, RENTS AND ROYALTIES | | | | | | |
| 3400 Other Funds Ltd | 13,502 | 13,000 | 13,000 | 13,000 | 13,000 | - |
| 8800 General Fund Revenue | 7,725 | - | - | 8,250 | 8,250 | - |
| TOTAL FINES, RENTS AND ROYALTIES | \$21,227 | \$13,000 | \$13,000 | \$21,250 | \$21,250 | - |
| BOND SALES | | | | | | |
| 0665 Lottery Bonds | | | | | | |

01/08/19
2:20 PM

Page 2 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|-------------------------------------|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | - | - | 5,269,633 | - | - | - |
| 0570 Revenue Bonds | | | | | | |
| 3400 Other Funds Ltd | 22,091,394 | 22,622,536 | 22,622,536 | 30,733,733 | 15,278,251 | - |
| BOND SALES | | | | | | |
| 3400 Other Funds Ltd | 22,091,394 | 22,622,536 | 27,892,169 | 30,733,733 | 15,278,251 | - |
| TOTAL BOND SALES | \$22,091,394 | \$22,622,536 | \$27,892,169 | \$30,733,733 | \$15,278,251 | - |
| INTEREST EARNINGS | | | | | | |
| 0605 Interest Income | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 8,533 | - | - | - | - | - |
| 3400 Other Funds Ltd | 292,212 | 275,000 | 275,000 | 117,502 | 117,502 | - |
| All Funds | 300,745 | 275,000 | 275,000 | 117,502 | 117,502 | - |
| SALES INCOME | | | | | | |
| 0705 Sales Income | | | | | | |
| 3400 Other Funds Ltd | 962 | - | - | - | - | - |
| OTHER | | | | | | |
| 0975 Other Revenues | | | | | | |
| 3400 Other Funds Ltd | 12,749 | 55,000 | 55,000 | 34,000 | 34,000 | - |
| FEDERAL FUNDS REVENUE | | | | | | |
| 0995 Federal Funds | | | | | | |
| 6400 Federal Funds Ltd | 664,364 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| TRANSFERS IN | | | | | | |
| 1010 Transfer In - Intrafund | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 38,330 | - | - | - | - | - |

01/08/19
2:20 PM

Page 3 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|--------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | 2,602,236 | 2,120,270 | 2,120,270 | - | 91,676 | - |
| All Funds | 2,640,566 | 2,120,270 | 2,120,270 | - | 91,676 | - |
| 1040 Transfer In Lottery Proceeds | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | - | - | - | 2,004,623 | - | - |
| 1060 Transfer from General Fund | | | | | | |
| 3400 Other Funds Ltd | 103,000 | - | - | - | - | - |
| 1107 Tsfr From Administrative Svcs | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 2,504,732 | 3,948,999 | 3,948,999 | 8,493,320 | 8,493,320 | - |
| 1141 Tsfr From Lands, Dept of State | | | | | | |
| 3400 Other Funds Ltd | - | 67,444 | 67,444 | 76,212 | 76,212 | - |
| 1248 Tsfr From Military Dept, Or | | | | | | |
| 3400 Other Funds Ltd | 20,565 | - | - | - | - | - |
| 1691 Tsfr From Watershed Enhance Bd | | | | | | |
| 3400 Other Funds Ltd | 144,640 | 158,670 | 158,670 | 179,297 | 179,297 | - |
| TRANSFERS IN | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 2,543,062 | 3,948,999 | 3,948,999 | 10,497,943 | 8,493,320 | - |
| 3400 Other Funds Ltd | 2,870,441 | 2,346,384 | 2,346,384 | 255,509 | 347,185 | - |
| TOTAL TRANSFERS IN | \$5,413,503 | \$6,295,383 | \$6,295,383 | \$10,753,452 | \$8,840,505 | - |
| REVENUE CATEGORIES | | | | | | |
| 8000 General Fund | 31,220,037 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| 4430 Lottery Funds Debt Svc Ltd | 2,551,595 | 3,948,999 | 3,948,999 | 10,497,943 | 8,493,320 | - |
| 3400 Other Funds Ltd | 36,825,999 | 37,451,517 | 44,472,616 | 43,276,524 | 27,912,718 | - |
| 8800 General Fund Revenue | 7,725 | - | - | 8,250 | 8,250 | - |

01/08/19
2:20 PM

Page 4 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|-------------------------------------|----------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 6400 Federal Funds Ltd | 664,364 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| TOTAL REVENUE CATEGORIES | \$71,269,720 | \$74,763,859 | \$82,478,518 | \$106,171,164 | \$76,185,506 | - |
| TRANSFERS OUT | | | | | | |
| 2010 Transfer Out - Intrafund | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | (38,330) | - | - | - | - | - |
| 3400 Other Funds Ltd | (2,602,236) | (2,120,270) | (2,120,270) | - | (91,676) | - |
| All Funds | (2,640,566) | (2,120,270) | (2,120,270) | - | (91,676) | - |
| 2060 Transfer to General Fund | | | | | | |
| 8800 General Fund Revenue | (7,725) | - | - | (8,250) | (8,250) | - |
| 2340 Tsfr To Environmental Quality | | | | | | |
| 3400 Other Funds Ltd | (722,335) | (681,921) | (681,921) | (714,000) | (714,000) | - |
| 2635 Tsfr To Fish/Wildlife, Dept of | | | | | | |
| 3400 Other Funds Ltd | (1,791,067) | (1,847,549) | (1,847,549) | (1,976,000) | (1,976,000) | - |
| TRANSFERS OUT | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | (38,330) | - | - | - | - | - |
| 3400 Other Funds Ltd | (5,115,638) | (4,649,740) | (4,649,740) | (2,690,000) | (2,781,676) | - |
| 8800 General Fund Revenue | (7,725) | - | - | (8,250) | (8,250) | - |
| TOTAL TRANSFERS OUT | (\$5,161,693) | (\$4,649,740) | (\$4,649,740) | (\$2,698,250) | (\$2,789,926) | - |
| AVAILABLE REVENUES | | | | | | |
| 8000 General Fund | 31,220,037 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| 4430 Lottery Funds Debt Svc Ltd | 2,516,411 | 3,953,969 | 3,953,969 | 10,497,943 | 8,493,320 | - |
| 3230 Other Funds Debt Svc Non-Ltd | 15 | - | - | - | - | - |
| 3400 Other Funds Ltd | 43,396,427 | 65,418,716 | 72,439,815 | 75,685,832 | 60,230,350 | - |

01/08/19
2:20 PM

Page 5 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 6400 Federal Funds Ltd | 694,015 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| TOTAL AVAILABLE REVENUES | \$77,826,905 | \$102,736,028 | \$110,450,687 | \$138,572,222 | \$108,494,888 | - |
| EXPENDITURES | | | | | | |
| PERSONAL SERVICES | | | | | | |
| SALARIES & WAGES | | | | | | |
| 3110 Class/Unclass Sal. and Per Diem | | | | | | |
| 8000 General Fund | 14,685,915 | 16,676,437 | 17,211,943 | 22,674,056 | 18,712,900 | - |
| 3400 Other Funds Ltd | 4,436,891 | 5,891,493 | 6,407,480 | 6,168,489 | 6,338,278 | - |
| 6400 Federal Funds Ltd | 354,446 | 414,074 | 417,653 | 209,553 | 209,553 | - |
| All Funds | 19,477,252 | 22,982,004 | 24,037,076 | 29,052,098 | 25,260,731 | - |
| 3160 Temporary Appointments | | | | | | |
| 8000 General Fund | 126,624 | 13,865 | 13,865 | 14,392 | 14,392 | - |
| 3400 Other Funds Ltd | 128,036 | 40,387 | 40,387 | 41,905 | 41,905 | - |
| 6400 Federal Funds Ltd | 32,377 | - | - | - | - | - |
| All Funds | 287,037 | 54,252 | 54,252 | 56,297 | 56,297 | - |
| 3170 Overtime Payments | | | | | | |
| 8000 General Fund | 2,997 | - | - | - | - | - |
| 3400 Other Funds Ltd | 494 | - | - | - | - | - |
| All Funds | 3,491 | - | - | - | - | - |
| 3180 Shift Differential | | | | | | |
| 8000 General Fund | 18 | - | - | - | - | - |
| 3400 Other Funds Ltd | 35 | - | - | - | - | - |
| All Funds | 53 | - | - | - | - | - |

01/08/19
2:20 PM

Page 6 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3190 All Other Differential | | | | | | |
| 8000 General Fund | 72,529 | 7,191 | 7,191 | 7,464 | 7,464 | - |
| 3400 Other Funds Ltd | 8,609 | - | - | - | - | - |
| 6400 Federal Funds Ltd | 1,656 | - | - | - | - | - |
| All Funds | 82,794 | 7,191 | 7,191 | 7,464 | 7,464 | - |
| SALARIES & WAGES | | | | | | |
| 8000 General Fund | 14,888,083 | 16,697,493 | 17,232,999 | 22,695,912 | 18,734,756 | - |
| 3400 Other Funds Ltd | 4,574,065 | 5,931,880 | 6,447,867 | 6,210,394 | 6,380,183 | - |
| 6400 Federal Funds Ltd | 388,479 | 414,074 | 417,653 | 209,553 | 209,553 | - |
| TOTAL SALARIES & WAGES | \$19,850,627 | \$23,043,447 | \$24,098,519 | \$29,115,859 | \$25,324,492 | - |
| OTHER PAYROLL EXPENSES | | | | | | |
| 3210 Empl. Rel. Bd. Assessments | | | | | | |
| 8000 General Fund | 4,643 | 6,526 | 6,526 | 9,646 | 7,547 | - |
| 3400 Other Funds Ltd | 1,859 | 2,893 | 2,893 | 3,230 | 3,291 | - |
| 6400 Federal Funds Ltd | 106 | 215 | 215 | 83 | 83 | - |
| All Funds | 6,608 | 9,634 | 9,634 | 12,959 | 10,921 | - |
| 3220 Public Employees' Retire Cont | | | | | | |
| 8000 General Fund | 2,155,279 | 2,471,870 | 2,562,740 | 3,844,354 | 3,172,144 | - |
| 3400 Other Funds Ltd | 622,104 | 795,721 | 885,048 | 1,046,799 | 1,075,612 | - |
| 6400 Federal Funds Ltd | 50,659 | 58,356 | 61,949 | 35,561 | 35,561 | - |
| All Funds | 2,828,042 | 3,325,947 | 3,509,737 | 4,926,714 | 4,283,317 | - |
| 3221 Pension Obligation Bond | | | | | | |
| 8000 General Fund | 876,902 | 958,720 | 947,815 | 981,037 | 981,037 | - |

01/08/19
2:20 PM

Page 7 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| <i>Description</i> | <i>2015-17 Actuals</i> | <i>2017-19 Leg Adopted Budget</i> | <i>2017-19 Leg Approved Budget</i> | <i>2019-21 Agency Request Budget</i> | <i>2019-21 Governor's Budget</i> | <i>2019-21 Leg. Adopted Audit</i> |
|--|------------------------|---------------------------------------|--|--|--|---------------------------------------|
| 3400 Other Funds Ltd | 269,782 | 334,986 | 334,702 | 340,404 | 340,404 | - |
| 6400 Federal Funds Ltd | 20,337 | 6,770 | 23,524 | 28,256 | 28,256 | - |
| All Funds | 1,167,021 | 1,300,476 | 1,306,041 | 1,349,697 | 1,349,697 | - |
| 3230 Social Security Taxes | | | | | | |
| 8000 General Fund | 1,125,648 | 1,273,628 | 1,324,667 | 1,732,330 | 1,429,303 | - |
| 3400 Other Funds Ltd | 343,946 | 453,791 | 503,965 | 475,090 | 488,079 | - |
| 6400 Federal Funds Ltd | 27,960 | 31,676 | 34,133 | 16,030 | 16,030 | - |
| All Funds | 1,497,554 | 1,759,095 | 1,862,765 | 2,223,450 | 1,933,412 | - |
| 3240 Unemployment Assessments | | | | | | |
| 8000 General Fund | 16,786 | 20,725 | 20,725 | 21,513 | 21,513 | - |
| 3400 Other Funds Ltd | 7,166 | 6,351 | 6,351 | 6,593 | 6,593 | - |
| All Funds | 23,952 | 27,076 | 27,076 | 28,106 | 28,106 | - |
| 3250 Worker's Comp. Assess. (WCD) | | | | | | |
| 8000 General Fund | 6,504 | 7,972 | 7,972 | 9,258 | 7,241 | - |
| 3400 Other Funds Ltd | 2,414 | 3,498 | 3,498 | 3,073 | 3,131 | - |
| 6400 Federal Funds Ltd | 158 | 259 | 259 | 79 | 79 | - |
| All Funds | 9,076 | 11,729 | 11,729 | 12,410 | 10,451 | - |
| 3260 Mass Transit Tax | | | | | | |
| 8000 General Fund | 63,335 | 98,453 | 99,120 | 104,528 | 104,528 | - |
| 3400 Other Funds Ltd | 24,254 | 32,918 | 33,573 | 36,491 | 36,491 | - |
| All Funds | 87,589 | 131,371 | 132,693 | 141,019 | 141,019 | - |
| 3270 Flexible Benefits | | | | | | |
| 8000 General Fund | 3,426,808 | 3,784,447 | 3,784,447 | 5,521,311 | 4,303,065 | - |

01/08/19
2:20 PM

Page 8 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---------------------------------------|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | 1,247,779 | 1,656,824 | 1,656,824 | 1,775,256 | 1,810,440 | - |
| 6400 Federal Funds Ltd | 76,706 | 125,841 | 125,841 | 48,093 | 48,093 | - |
| All Funds | 4,751,293 | 5,567,112 | 5,567,112 | 7,344,660 | 6,161,598 | - |
| OTHER PAYROLL EXPENSES | | | | | | |
| 8000 General Fund | 7,675,905 | 8,622,341 | 8,754,012 | 12,223,977 | 10,026,378 | - |
| 3400 Other Funds Ltd | 2,519,304 | 3,286,982 | 3,426,854 | 3,686,936 | 3,764,041 | - |
| 6400 Federal Funds Ltd | 175,926 | 223,117 | 245,921 | 128,102 | 128,102 | - |
| TOTAL OTHER PAYROLL EXPENSES | \$10,371,135 | \$12,132,440 | \$12,426,787 | \$16,039,015 | \$13,918,521 | - |
| P.S. BUDGET ADJUSTMENTS | | | | | | |
| 3455 Vacancy Savings | | | | | | |
| 8000 General Fund | - | (920,440) | (920,440) | (194,137) | (917,711) | - |
| 3400 Other Funds Ltd | - | (290,000) | (290,000) | (68,938) | (68,938) | - |
| All Funds | - | (1,210,440) | (1,210,440) | (263,075) | (986,649) | - |
| 3465 Reconciliation Adjustment | | | | | | |
| 8000 General Fund | - | (7,333) | (7,333) | - | 2,006 | - |
| 3400 Other Funds Ltd | - | 13,775 | 13,775 | - | 192,506 | - |
| 6400 Federal Funds Ltd | - | 21 | 21 | - | - | - |
| All Funds | - | 6,463 | 6,463 | - | 194,512 | - |
| P.S. BUDGET ADJUSTMENTS | | | | | | |
| 8000 General Fund | - | (927,773) | (927,773) | (194,137) | (915,705) | - |
| 3400 Other Funds Ltd | - | (276,225) | (276,225) | (68,938) | 123,568 | - |
| 6400 Federal Funds Ltd | - | 21 | 21 | - | - | - |
| TOTAL P.S. BUDGET ADJUSTMENTS | - | (\$1,203,977) | (\$1,203,977) | (\$263,075) | (\$792,137) | - |

01/08/19
2:20 PM

Page 9 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---------------------------------|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| PERSONAL SERVICES | | | | | | |
| 8000 General Fund | 22,563,988 | 24,392,061 | 25,059,238 | 34,725,752 | 27,845,429 | - |
| 3400 Other Funds Ltd | 7,093,369 | 8,942,637 | 9,598,496 | 9,828,392 | 10,267,792 | - |
| 6400 Federal Funds Ltd | 564,405 | 637,212 | 663,595 | 337,655 | 337,655 | - |
| TOTAL PERSONAL SERVICES | \$30,221,762 | \$33,971,910 | \$35,321,329 | \$44,891,799 | \$38,450,876 | - |
| SERVICES & SUPPLIES | | | | | | |
| 4100 Instate Travel | | | | | | |
| 8000 General Fund | 685,419 | 706,600 | 706,600 | 416,521 | 272,766 | - |
| 3400 Other Funds Ltd | 180,547 | 274,069 | 325,097 | 335,461 | 359,889 | - |
| 6400 Federal Funds Ltd | 35,821 | 40,695 | 40,695 | 8,375 | 8,375 | - |
| All Funds | 901,787 | 1,021,364 | 1,072,392 | 760,357 | 641,030 | - |
| 4125 Out of State Travel | | | | | | |
| 8000 General Fund | 33,184 | 16,832 | 16,832 | 17,472 | 16,843 | - |
| 3400 Other Funds Ltd | 1,902 | 78 | 78 | 78 | 78 | - |
| 6400 Federal Funds Ltd | 3,966 | - | - | - | - | - |
| All Funds | 39,052 | 16,910 | 16,910 | 17,550 | 16,921 | - |
| 4150 Employee Training | | | | | | |
| 8000 General Fund | 54,348 | 64,133 | 64,133 | 198,318 | 100,844 | - |
| 3400 Other Funds Ltd | 26,288 | 20,840 | 32,905 | 38,905 | 41,405 | - |
| 6400 Federal Funds Ltd | 805 | 9,609 | 9,609 | 3,359 | 3,359 | - |
| All Funds | 81,441 | 94,582 | 106,647 | 240,582 | 145,608 | - |
| 4175 Office Expenses | | | | | | |
| 8000 General Fund | 344,218 | 378,966 | 378,966 | 610,337 | 384,696 | - |

01/08/19
2:20 PM

Page 10 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| <i>Description</i> | <i>2015-17 Actuals</i> | <i>2017-19 Leg Adopted Budget</i> | <i>2017-19 Leg Approved Budget</i> | <i>2019-21 Agency Request Budget</i> | <i>2019-21 Governor's Budget</i> | <i>2019-21 Leg. Adopted Audit</i> |
|--|------------------------|---------------------------------------|--|--|--|---------------------------------------|
| 3400 Other Funds Ltd | 13,883 | 194,631 | 162,052 | 171,622 | 176,622 | - |
| 6400 Federal Funds Ltd | 32 | 16,266 | 16,266 | 3,766 | 3,766 | - |
| All Funds | 358,133 | 589,863 | 557,284 | 785,725 | 565,086 | - |
| 4200 Telecommunications | | | | | | |
| 8000 General Fund | 173,263 | 255,773 | 255,773 | 280,701 | 180,198 | - |
| 3400 Other Funds Ltd | 26,815 | 67,115 | 71,097 | 73,545 | 70,211 | - |
| 6400 Federal Funds Ltd | 15 | 3,072 | 3,072 | 1,822 | 1,822 | - |
| All Funds | 200,093 | 325,960 | 329,942 | 356,068 | 252,231 | - |
| 4225 State Gov. Service Charges | | | | | | |
| 8000 General Fund | 616,915 | 869,326 | 869,326 | 1,298,012 | 1,213,068 | - |
| 3400 Other Funds Ltd | 71,017 | 100,281 | 113,394 | 112,372 | 102,215 | - |
| All Funds | 687,932 | 969,607 | 982,720 | 1,410,384 | 1,315,283 | - |
| 4250 Data Processing | | | | | | |
| 8000 General Fund | 151,653 | 75,293 | 75,293 | 184,177 | 179,224 | - |
| 3400 Other Funds Ltd | 1,906 | 36,044 | 36,044 | 36,044 | 31,069 | - |
| All Funds | 153,559 | 111,337 | 111,337 | 220,221 | 210,293 | - |
| 4275 Publicity and Publications | | | | | | |
| 8000 General Fund | 26,056 | 9,824 | 9,824 | 10,198 | 9,532 | - |
| 3400 Other Funds Ltd | 47,934 | 5,144 | 37,164 | 37,164 | 37,164 | - |
| All Funds | 73,990 | 14,968 | 46,988 | 47,362 | 46,696 | - |
| 4300 Professional Services | | | | | | |
| 8000 General Fund | 408,479 | 387,375 | 387,375 | 3,384,548 | 1,174,546 | - |
| 3400 Other Funds Ltd | 72,207 | 12,862 | 23,564 | 23,564 | 23,564 | - |

01/08/19
2:20 PM

Page 11 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|-----------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 6400 Federal Funds Ltd | 10,000 | - | - | - | - | - |
| All Funds | 490,686 | 400,237 | 410,939 | 3,408,112 | 1,198,110 | - |
| 4325 Attorney General | | | | | | |
| 8000 General Fund | 1,593,294 | 803,222 | 803,222 | 1,984,991 | 1,907,574 | - |
| 3400 Other Funds Ltd | 211,578 | 32,406 | 81,903 | 81,903 | 77,030 | - |
| All Funds | 1,804,872 | 835,628 | 885,125 | 2,046,894 | 1,984,604 | - |
| 4375 Employee Recruitment and Develop | | | | | | |
| 8000 General Fund | 19,116 | 6,592 | 6,592 | 32,092 | 14,342 | - |
| 3400 Other Funds Ltd | - | 3,922 | 3,922 | 5,393 | 5,922 | - |
| 6400 Federal Funds Ltd | - | 1,500 | 1,500 | 250 | 250 | - |
| All Funds | 19,116 | 12,014 | 12,014 | 37,735 | 20,514 | - |
| 4400 Dues and Subscriptions | | | | | | |
| 8000 General Fund | 111,166 | 7,208 | 7,208 | 32,731 | 14,858 | - |
| 3400 Other Funds Ltd | 2,818 | 2,876 | 4,207 | 5,736 | 6,207 | - |
| 6400 Federal Funds Ltd | 1,395 | 1,605 | 1,605 | 355 | 355 | - |
| All Funds | 115,379 | 11,689 | 13,020 | 38,822 | 21,420 | - |
| 4425 Facilities Rental and Taxes | | | | | | |
| 8000 General Fund | 1,272,386 | 1,546,040 | 1,546,040 | 1,848,510 | 1,847,769 | - |
| 3400 Other Funds Ltd | 369,286 | 137,963 | 342,996 | 342,996 | 342,996 | - |
| All Funds | 1,641,672 | 1,684,003 | 1,889,036 | 2,191,506 | 2,190,765 | - |
| 4450 Fuels and Utilities | | | | | | |
| 8000 General Fund | 13,400 | - | - | - | - | - |
| 3400 Other Funds Ltd | 788 | - | 761 | 761 | 761 | - |

01/08/19
2:20 PM

Page 12 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

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|--|-----------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| All Funds | 14,188 | - | 761 | 761 | 761 | - |
| 4475 Facilities Maintenance | | | | | | |
| 8000 General Fund | 13,383 | 21,612 | 21,612 | 22,433 | 21,638 | - |
| 3400 Other Funds Ltd | 2,700 | 5,409 | 5,758 | 5,758 | 5,758 | - |
| All Funds | 16,083 | 27,021 | 27,370 | 28,191 | 27,396 | - |
| 4575 Agency Program Related S and S | | | | | | |
| 8000 General Fund | 117,432 | 292,800 | 292,800 | 1,504,092 | 1,027,347 | - |
| 3400 Other Funds Ltd | - | - | 10,394 | 10,394 | 10,394 | - |
| All Funds | 117,432 | 292,800 | 303,194 | 1,514,486 | 1,037,741 | - |
| 4650 Other Services and Supplies | | | | | | |
| 8000 General Fund | 1,344,755 | 824,130 | 824,130 | 1,725,044 | 1,363,093 | - |
| 3400 Other Funds Ltd | 807,919 | 1,937,764 | 1,946,144 | 2,140,708 | 1,645,823 | - |
| 6400 Federal Funds Ltd | 9,878 | 518,902 | 518,902 | 441,402 | 441,402 | - |
| All Funds | 2,162,552 | 3,280,796 | 3,289,176 | 4,307,154 | 3,450,318 | - |
| 4700 Expendable Prop 250 - 5000 | | | | | | |
| 8000 General Fund | 285,950 | 246,490 | 246,490 | 505,107 | 326,640 | - |
| 3400 Other Funds Ltd | 48,155 | 85,562 | 124,987 | 138,987 | 144,487 | - |
| 6400 Federal Funds Ltd | 2,100 | 19,000 | 19,000 | 3,250 | 3,250 | - |
| All Funds | 336,205 | 351,052 | 390,477 | 647,344 | 474,377 | - |
| 4715 IT Expendable Property | | | | | | |
| 8000 General Fund | 274,879 | 99,930 | 99,930 | 701,227 | 150,063 | - |
| 3400 Other Funds Ltd | 81,596 | 40,082 | 63,026 | 69,626 | 71,126 | - |
| 6400 Federal Funds Ltd | 1,214 | 6,000 | 6,000 | 1,500 | 1,500 | - |

01/08/19
2:20 PM

Page 13 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|--------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| All Funds | 357,689 | 146,012 | 168,956 | 772,353 | 222,689 | - |
| SERVICES & SUPPLIES | | | | | | |
| 8000 General Fund | 7,539,296 | 6,612,146 | 6,612,146 | 14,736,511 | 10,205,043 | - |
| 3400 Other Funds Ltd | 1,967,339 | 2,957,048 | 3,385,493 | 3,631,017 | 3,152,721 | - |
| 6400 Federal Funds Ltd | 65,226 | 616,649 | 616,649 | 464,079 | 464,079 | - |
| TOTAL SERVICES & SUPPLIES | \$9,571,861 | \$10,185,843 | \$10,614,288 | \$18,831,607 | \$13,821,843 | - |
| CAPITAL OUTLAY | | | | | | |
| 5150 Telecommunications Equipment | | | | | | |
| 3400 Other Funds Ltd | 16,200 | - | - | - | - | - |
| 5200 Technical Equipment | | | | | | |
| 8000 General Fund | 141,621 | - | - | - | - | - |
| 3400 Other Funds Ltd | 26,071 | - | - | - | - | - |
| All Funds | 167,692 | - | - | - | - | - |
| 5600 Data Processing Hardware | | | | | | |
| 8000 General Fund | 2,231 | - | - | - | - | - |
| 3400 Other Funds Ltd | 7,967 | - | - | - | - | - |
| All Funds | 10,198 | - | - | - | - | - |
| 5900 Other Capital Outlay | | | | | | |
| 8000 General Fund | - | 7,778 | 7,778 | 8,074 | 8,074 | - |
| 3400 Other Funds Ltd | - | 14,742 | 18,300 | 18,300 | 18,300 | - |
| All Funds | - | 22,520 | 26,078 | 26,374 | 26,374 | - |
| CAPITAL OUTLAY | | | | | | |
| 8000 General Fund | 143,852 | 7,778 | 7,778 | 8,074 | 8,074 | - |

01/08/19
2:20 PM

Page 14 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---|------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | 50,238 | 14,742 | 18,300 | 18,300 | 18,300 | - |
| TOTAL CAPITAL OUTLAY | \$194,090 | \$22,520 | \$26,078 | \$26,374 | \$26,374 | - |
| SPECIAL PAYMENTS | | | | | | |
| 6025 Dist to Other Gov Unit | | | | | | |
| 8000 General Fund | 430,477 | - | - | - | - | - |
| 3400 Other Funds Ltd | 2,558,517 | - | 5,208,253 | 58,253 | 58,253 | - |
| All Funds | 2,988,994 | - | 5,208,253 | 58,253 | 58,253 | - |
| 6030 Dist to Non-Gov Units | | | | | | |
| 8000 General Fund | 126,946 | - | - | - | - | - |
| 3400 Other Funds Ltd | 426,379 | 1 | 1 | 1 | 1 | - |
| All Funds | 553,325 | 1 | 1 | 1 | 1 | - |
| 6035 Dist to Individuals | | | | | | |
| 8000 General Fund | 87,307 | - | - | - | - | - |
| 3400 Other Funds Ltd | 5,875 | - | - | - | - | - |
| All Funds | 93,182 | - | - | - | - | - |
| 6060 Intra-Agency Gen Fund Transfer | | | | | | |
| 8000 General Fund | 103,000 | - | - | - | - | - |
| 6085 Other Special Payments | | | | | | |
| 8000 General Fund | 131,603 | 471,824 | 471,824 | 2,041,376 | 835,938 | - |
| 3400 Other Funds Ltd | 3,500 | 49,391,941 | 48,654,318 | 61,220,991 | 46,220,991 | - |
| 6400 Federal Funds Ltd | - | 625,673 | 625,673 | 75,000 | 75,000 | - |
| All Funds | 135,103 | 50,489,438 | 49,751,815 | 63,337,367 | 47,131,929 | - |
| 6635 Spc Pmt to Fish/Wildlife, Dept of | | | | | | |

01/08/19
2:20 PM

Page 15 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---------------------------------|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 8000 General Fund | 24,811 | - | - | - | - | - |
| SPECIAL PAYMENTS | | | | | | |
| 8000 General Fund | 904,144 | 471,824 | 471,824 | 2,041,376 | 835,938 | - |
| 3400 Other Funds Ltd | 2,994,271 | 49,391,942 | 53,862,572 | 61,279,245 | 46,279,245 | - |
| 6400 Federal Funds Ltd | - | 625,673 | 625,673 | 75,000 | 75,000 | - |
| TOTAL SPECIAL PAYMENTS | \$3,898,415 | \$50,489,439 | \$54,960,069 | \$63,395,621 | \$47,190,183 | - |
| DEBT SERVICE | | | | | | |
| 7100 Principal - Bonds | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 1,280,239 | 1,032,505 | 1,032,505 | 3,741,610 | 2,941,610 | - |
| 7150 Interest - Bonds | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 1,231,235 | 2,921,464 | 2,921,464 | 6,756,333 | 5,551,710 | - |
| DEBT SERVICE | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 2,511,474 | 3,953,969 | 3,953,969 | 10,497,943 | 8,493,320 | - |
| TOTAL DEBT SERVICE | \$2,511,474 | \$3,953,969 | \$3,953,969 | \$10,497,943 | \$8,493,320 | - |
| EXPENDITURES | | | | | | |
| 8000 General Fund | 31,151,280 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| 4430 Lottery Funds Debt Svc Ltd | 2,511,474 | 3,953,969 | 3,953,969 | 10,497,943 | 8,493,320 | - |
| 3400 Other Funds Ltd | 12,105,217 | 61,306,369 | 66,864,861 | 74,756,954 | 59,718,058 | - |
| 6400 Federal Funds Ltd | 629,631 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| TOTAL EXPENDITURES | \$46,397,602 | \$98,623,681 | \$104,875,733 | \$137,643,344 | \$107,982,596 | - |
| REVERSIONS | | | | | | |
| 9900 Reversions | | | | | | |
| 8000 General Fund | (68,757) | - | - | - | - | - |

01/08/19
2:20 PM

Page 16 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| <i>Description</i> | <i>2015-17 Actuals</i> | <i>2017-19 Leg Adopted Budget</i> | <i>2017-19 Leg Approved Budget</i> | <i>2019-21 Agency Request Budget</i> | <i>2019-21 Governor's Budget</i> | <i>2019-21 Leg. Adopted Audit</i> |
|-----------------------------------|------------------------|---------------------------------------|--|--|--|---------------------------------------|
| ENDING BALANCE | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 4,937 | - | - | - | - | - |
| 3230 Other Funds Debt Svc Non-Ltd | 15 | - | - | - | - | - |
| 3400 Other Funds Ltd | 31,291,210 | 4,112,347 | 5,574,954 | 928,878 | 512,292 | - |
| 6400 Federal Funds Ltd | 64,384 | - | - | - | - | - |
| TOTAL ENDING BALANCE | \$31,360,546 | \$4,112,347 | \$5,574,954 | \$928,878 | \$512,292 | - |
| AUTHORIZED POSITIONS | | | | | | |
| 8150 Class/Unclass Positions | 166 | 170 | 170 | 220 | 182 | - |
| 8180 Position Reconciliation | - | - | - | - | 2 | - |
| TOTAL AUTHORIZED POSITIONS | 166 | 170 | 170 | 220 | 184 | - |
| AUTHORIZED FTE | | | | | | |
| 8250 Class/Unclass FTE Positions | 163.43 | 167.34 | 167.34 | 209.51 | 175.71 | - |
| 8280 FTE Reconciliation | - | 0.25 | 0.25 | - | 1.88 | - |
| TOTAL AUTHORIZED FTE | 163.43 | 167.59 | 167.59 | 209.51 | 177.59 | - |

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|-----------------------------------|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| BEGINNING BALANCE | | | | | | |
| 0025 Beginning Balance | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 3,146 | - | - | - | - | - |
| 3230 Other Funds Debt Svc Non-Ltd | 15 | - | - | - | - | - |
| 3400 Other Funds Ltd | 11,686,066 | 3,461,046 | 3,461,046 | - | - | - |
| 6400 Federal Funds Ltd | 29,651 | - | - | - | - | - |
| All Funds | 11,718,878 | 3,461,046 | 3,461,046 | - | - | - |
| 0030 Beginning Balance Adjustment | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | - | 4,970 | 4,970 | - | - | - |
| 3400 Other Funds Ltd | - | 29,155,893 | 29,155,893 | 35,099,308 | 35,099,308 | - |
| All Funds | - | 29,160,863 | 29,160,863 | 35,099,308 | 35,099,308 | - |
| BEGINNING BALANCE | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 3,146 | 4,970 | 4,970 | - | - | - |
| 3230 Other Funds Debt Svc Non-Ltd | 15 | - | - | - | - | - |
| 3400 Other Funds Ltd | 11,686,066 | 32,616,939 | 32,616,939 | 35,099,308 | 35,099,308 | - |
| 6400 Federal Funds Ltd | 29,651 | - | - | - | - | - |
| TOTAL BEGINNING BALANCE | \$11,718,878 | \$32,621,909 | \$32,621,909 | \$35,099,308 | \$35,099,308 | - |
| REVENUE CATEGORIES | | | | | | |
| GENERAL FUND APPROPRIATION | | | | | | |
| 0050 General Fund Appropriation | | | | | | |
| 8000 General Fund | 31,220,037 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| LICENSES AND FEES | | | | | | |
| 0210 Non-business Lic. and Fees | | | | | | |

01/08/19
2:20 PM

Page 18 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|--------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | 400 | - | - | - | - | - |
| 0245 Power and Water Fees | | | | | | |
| 3400 Other Funds Ltd | 9,659,959 | 9,714,740 | 11,451,864 | 9,206,975 | 9,206,975 | - |
| LICENSES AND FEES | | | | | | |
| 3400 Other Funds Ltd | 9,660,359 | 9,714,740 | 11,451,864 | 9,206,975 | 9,206,975 | - |
| TOTAL LICENSES AND FEES | \$9,660,359 | \$9,714,740 | \$11,451,864 | \$9,206,975 | \$9,206,975 | - |
| FEDERAL FUNDS AS OTHER FUNDS | | | | | | |
| 0360 Federal Revenues - Svc Contracts | | | | | | |
| 3400 Other Funds Ltd | 149,076 | 714,039 | 714,039 | 1,162,073 | 1,162,073 | - |
| CHARGES FOR SERVICES | | | | | | |
| 0410 Charges for Services | | | | | | |
| 3400 Other Funds Ltd | 1,735,304 | 1,710,818 | 1,725,160 | 1,753,732 | 1,753,732 | - |
| FINES, RENTS AND ROYALTIES | | | | | | |
| 0505 Fines and Forfeitures | | | | | | |
| 8800 General Fund Revenue | 7,725 | - | - | 8,250 | 8,250 | - |
| 0510 Rents and Royalties | | | | | | |
| 3400 Other Funds Ltd | 13,502 | 13,000 | 13,000 | 13,000 | 13,000 | - |
| FINES, RENTS AND ROYALTIES | | | | | | |
| 3400 Other Funds Ltd | 13,502 | 13,000 | 13,000 | 13,000 | 13,000 | - |
| 8800 General Fund Revenue | 7,725 | - | - | 8,250 | 8,250 | - |
| TOTAL FINES, RENTS AND ROYALTIES | \$21,227 | \$13,000 | \$13,000 | \$21,250 | \$21,250 | - |
| BOND SALES | | | | | | |
| 0565 Lottery Bonds | | | | | | |

01/08/19
2:20 PM

Page 19 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|-------------------------------------|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | - | - | 5,269,633 | - | - | - |
| 0570 Revenue Bonds | | | | | | |
| 3400 Other Funds Ltd | 22,091,394 | 22,622,536 | 22,622,536 | 30,733,733 | 15,278,251 | - |
| BOND SALES | | | | | | |
| 3400 Other Funds Ltd | 22,091,394 | 22,622,536 | 27,892,169 | 30,733,733 | 15,278,251 | - |
| TOTAL BOND SALES | \$22,091,394 | \$22,622,536 | \$27,892,169 | \$30,733,733 | \$15,278,251 | - |
| INTEREST EARNINGS | | | | | | |
| 0605 Interest Income | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 8,533 | - | - | - | - | - |
| 3400 Other Funds Ltd | 292,212 | 275,000 | 275,000 | 117,502 | 117,502 | - |
| All Funds | 300,745 | 275,000 | 275,000 | 117,502 | 117,502 | - |
| SALES INCOME | | | | | | |
| 0705 Sales Income | | | | | | |
| 3400 Other Funds Ltd | 962 | - | - | - | - | - |
| OTHER | | | | | | |
| 0975 Other Revenues | | | | | | |
| 3400 Other Funds Ltd | 12,749 | 55,000 | 55,000 | 34,000 | 34,000 | - |
| FEDERAL FUNDS REVENUE | | | | | | |
| 0995 Federal Funds | | | | | | |
| 6400 Federal Funds Ltd | 664,364 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| TRANSFERS IN | | | | | | |
| 1010 Transfer In - Intrafund | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 38,330 | - | - | - | - | - |

01/08/19
2:20 PM

Page 20 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|--------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | 2,602,236 | 2,120,270 | 2,120,270 | - | 91,676 | - |
| All Funds | 2,640,566 | 2,120,270 | 2,120,270 | - | 91,676 | - |
| 1040 Transfer In Lottery Proceeds | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | - | - | - | 2,004,623 | - | - |
| 1060 Transfer from General Fund | | | | | | |
| 3400 Other Funds Ltd | 103,000 | - | - | - | - | - |
| 1107 Tsfr From Administrative Svcs | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 2,504,732 | 3,948,999 | 3,948,999 | 8,493,320 | 8,493,320 | - |
| 1141 Tsfr From Lands, Dept of State | | | | | | |
| 3400 Other Funds Ltd | - | 67,444 | 67,444 | 76,212 | 76,212 | - |
| 1248 Tsfr From Military Dept, Or | | | | | | |
| 3400 Other Funds Ltd | 20,565 | - | - | - | - | - |
| 1691 Tsfr From Watershed Enhance Bd | | | | | | |
| 3400 Other Funds Ltd | 144,640 | 158,670 | 158,670 | 179,297 | 179,297 | - |
| TRANSFERS IN | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | 2,543,062 | 3,948,999 | 3,948,999 | 10,497,943 | 8,493,320 | - |
| 3400 Other Funds Ltd | 2,870,441 | 2,346,384 | 2,346,384 | 255,509 | 347,185 | - |
| TOTAL TRANSFERS IN | \$5,413,503 | \$6,295,383 | \$6,295,383 | \$10,753,452 | \$8,840,505 | - |
| REVENUE CATEGORIES | | | | | | |
| 8000 General Fund | 31,220,037 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| 4430 Lottery Funds Debt Svc Ltd | 2,551,595 | 3,948,999 | 3,948,999 | 10,497,943 | 8,493,320 | - |
| 3400 Other Funds Ltd | 36,825,999 | 37,451,517 | 44,472,616 | 43,276,524 | 27,912,718 | - |
| 8800 General Fund Revenue | 7,725 | - | - | 8,250 | 8,250 | - |

01/08/19
2:20 PM

Page 21 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|-------------------------------------|----------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 6400 Federal Funds Ltd | 664,364 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| TOTAL REVENUE CATEGORIES | \$71,269,720 | \$74,763,859 | \$82,478,518 | \$106,171,164 | \$76,185,506 | - |
| TRANSFERS OUT | | | | | | |
| 2010 Transfer Out - Intrafund | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | (38,330) | - | - | - | - | - |
| 3400 Other Funds Ltd | (2,602,236) | (2,120,270) | (2,120,270) | - | (91,676) | - |
| All Funds | (2,640,566) | (2,120,270) | (2,120,270) | - | (91,676) | - |
| 2060 Transfer to General Fund | | | | | | |
| 8800 General Fund Revenue | (7,725) | - | - | (8,250) | (8,250) | - |
| 2340 Tsfr To Environmental Quality | | | | | | |
| 3400 Other Funds Ltd | (722,335) | (681,921) | (681,921) | (714,000) | (714,000) | - |
| 2635 Tsfr To Fish/Wildlife, Dept of | | | | | | |
| 3400 Other Funds Ltd | (1,791,067) | (1,847,549) | (1,847,549) | (1,976,000) | (1,976,000) | - |
| TRANSFERS OUT | | | | | | |
| 4430 Lottery Funds Debt Svc Ltd | (38,330) | - | - | - | - | - |
| 3400 Other Funds Ltd | (5,115,638) | (4,649,740) | (4,649,740) | (2,690,000) | (2,781,676) | - |
| 8800 General Fund Revenue | (7,725) | - | - | (8,250) | (8,250) | - |
| TOTAL TRANSFERS OUT | (\$5,161,693) | (\$4,649,740) | (\$4,649,740) | (\$2,698,250) | (\$2,789,926) | - |
| AVAILABLE REVENUES | | | | | | |
| 8000 General Fund | 31,220,037 | 31,483,809 | 32,150,986 | 51,511,713 | 38,894,484 | - |
| 4430 Lottery Funds Debt Svc Ltd | 2,516,411 | 3,953,969 | 3,953,969 | 10,497,943 | 8,493,320 | - |
| 3230 Other Funds Debt Svc Non-Ltd | 15 | - | - | - | - | - |
| 3400 Other Funds Ltd | 43,396,427 | 65,418,716 | 72,439,815 | 75,685,832 | 60,230,350 | - |

01/08/19
2:20 PM

Page 22 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 6400 Federal Funds Ltd | 694,015 | 1,879,534 | 1,905,917 | 876,734 | 876,734 | - |
| TOTAL AVAILABLE REVENUES | \$77,826,905 | \$102,736,028 | \$110,450,687 | \$138,572,222 | \$108,494,888 | - |
| EXPENDITURES | | | | | | |
| PERSONAL SERVICES | | | | | | |
| SALARIES & WAGES | | | | | | |
| 3110 Class/Unclass Sal. and Per Diem | | | | | | |
| 8000 General Fund | 14,685,915 | 16,676,437 | 17,211,943 | 22,674,056 | 18,712,900 | - |
| 3400 Other Funds Ltd | 4,436,891 | 5,891,493 | 6,407,480 | 6,168,489 | 6,338,278 | - |
| 6400 Federal Funds Ltd | 354,446 | 414,074 | 417,653 | 209,553 | 209,553 | - |
| All Funds | 19,477,252 | 22,982,004 | 24,037,076 | 29,052,098 | 25,260,731 | - |
| 3160 Temporary Appointments | | | | | | |
| 8000 General Fund | 126,624 | 13,865 | 13,865 | 14,392 | 14,392 | - |
| 3400 Other Funds Ltd | 128,036 | 40,387 | 40,387 | 41,905 | 41,905 | - |
| 6400 Federal Funds Ltd | 32,377 | - | - | - | - | - |
| All Funds | 287,037 | 54,252 | 54,252 | 56,297 | 56,297 | - |
| 3170 Overtime Payments | | | | | | |
| 8000 General Fund | 2,997 | - | - | - | - | - |
| 3400 Other Funds Ltd | 494 | - | - | - | - | - |
| All Funds | 3,491 | - | - | - | - | - |
| 3180 Shift Differential | | | | | | |
| 8000 General Fund | 18 | - | - | - | - | - |
| 3400 Other Funds Ltd | 35 | - | - | - | - | - |
| All Funds | 53 | - | - | - | - | - |

01/08/19
2:20 PM

Page 23 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3190 All Other Differential | | | | | | |
| 8000 General Fund | 72,529 | 7,191 | 7,191 | 7,464 | 7,464 | - |
| 3400 Other Funds Ltd | 8,609 | - | - | - | - | - |
| 6400 Federal Funds Ltd | 1,656 | - | - | - | - | - |
| All Funds | 82,794 | 7,191 | 7,191 | 7,464 | 7,464 | - |
| SALARIES & WAGES | | | | | | |
| 8000 General Fund | 14,888,083 | 16,697,493 | 17,232,999 | 22,695,912 | 18,734,756 | - |
| 3400 Other Funds Ltd | 4,574,065 | 5,931,880 | 6,447,867 | 6,210,394 | 6,380,183 | - |
| 6400 Federal Funds Ltd | 388,479 | 414,074 | 417,653 | 209,553 | 209,553 | - |
| TOTAL SALARIES & WAGES | \$19,850,627 | \$23,043,447 | \$24,098,519 | \$29,115,859 | \$25,324,492 | - |
| OTHER PAYROLL EXPENSES | | | | | | |
| 3210 Empl. Rel. Bd. Assessments | | | | | | |
| 8000 General Fund | 4,643 | 6,526 | 6,526 | 9,646 | 7,547 | - |
| 3400 Other Funds Ltd | 1,859 | 2,893 | 2,893 | 3,230 | 3,291 | - |
| 6400 Federal Funds Ltd | 106 | 215 | 215 | 83 | 83 | - |
| All Funds | 6,608 | 9,634 | 9,634 | 12,959 | 10,921 | - |
| 3220 Public Employees' Retire Cont | | | | | | |
| 8000 General Fund | 2,155,279 | 2,471,870 | 2,562,740 | 3,844,354 | 3,172,144 | - |
| 3400 Other Funds Ltd | 622,104 | 795,721 | 885,048 | 1,046,799 | 1,075,612 | - |
| 6400 Federal Funds Ltd | 50,659 | 58,356 | 61,949 | 35,561 | 35,561 | - |
| All Funds | 2,828,042 | 3,325,947 | 3,509,737 | 4,926,714 | 4,283,317 | - |
| 3221 Pension Obligation Bond | | | | | | |
| 8000 General Fund | 876,902 | 958,720 | 947,815 | 981,037 | 981,037 | - |

01/08/19
2:20 PM

Page 24 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| <i>Description</i> | <i>2015-17 Actuals</i> | <i>2017-19 Leg Adopted Budget</i> | <i>2017-19 Leg Approved Budget</i> | <i>2019-21 Agency Request Budget</i> | <i>2019-21 Governor's Budget</i> | <i>2019-21 Leg. Adopted Audit</i> |
|--|------------------------|---------------------------------------|--|--|--|---------------------------------------|
| 3400 Other Funds Ltd | 269,782 | 334,986 | 334,702 | 340,404 | 340,404 | - |
| 6400 Federal Funds Ltd | 20,337 | 6,770 | 23,524 | 28,256 | 28,256 | - |
| All Funds | 1,167,021 | 1,300,476 | 1,306,041 | 1,349,697 | 1,349,697 | - |
| 3230 Social Security Taxes | | | | | | |
| 8000 General Fund | 1,125,648 | 1,273,628 | 1,324,667 | 1,732,330 | 1,429,303 | - |
| 3400 Other Funds Ltd | 343,946 | 453,791 | 503,965 | 475,090 | 488,079 | - |
| 6400 Federal Funds Ltd | 27,960 | 31,676 | 34,133 | 16,030 | 16,030 | - |
| All Funds | 1,497,554 | 1,759,095 | 1,862,765 | 2,223,450 | 1,933,412 | - |
| 3240 Unemployment Assessments | | | | | | |
| 8000 General Fund | 16,786 | 20,725 | 20,725 | 21,513 | 21,513 | - |
| 3400 Other Funds Ltd | 7,166 | 6,351 | 6,351 | 6,593 | 6,593 | - |
| All Funds | 23,952 | 27,076 | 27,076 | 28,106 | 28,106 | - |
| 3250 Worker's Comp. Assess. (WCD) | | | | | | |
| 8000 General Fund | 6,504 | 7,972 | 7,972 | 9,258 | 7,241 | - |
| 3400 Other Funds Ltd | 2,414 | 3,498 | 3,498 | 3,073 | 3,131 | - |
| 6400 Federal Funds Ltd | 158 | 259 | 259 | 79 | 79 | - |
| All Funds | 9,076 | 11,729 | 11,729 | 12,410 | 10,451 | - |
| 3260 Mass Transit Tax | | | | | | |
| 8000 General Fund | 63,835 | 98,453 | 99,120 | 104,528 | 104,528 | - |
| 3400 Other Funds Ltd | 24,254 | 32,918 | 33,573 | 36,491 | 36,491 | - |
| All Funds | 87,589 | 131,371 | 132,693 | 141,019 | 141,019 | - |
| 3270 Flexible Benefits | | | | | | |
| 8000 General Fund | 3,426,808 | 3,784,447 | 3,784,447 | 5,521,311 | 4,303,065 | - |

01/08/19
2:20 PM

Page 25 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---------------------------------------|---------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| 3400 Other Funds Ltd | 1,247,779 | 1,656,824 | 1,656,824 | 1,775,256 | 1,810,440 | - |
| 6400 Federal Funds Ltd | 76,706 | 125,841 | 125,841 | 48,093 | 48,093 | - |
| All Funds | 4,751,293 | 5,567,112 | 5,567,112 | 7,344,660 | 6,161,598 | - |
| OTHER PAYROLL EXPENSES | | | | | | |
| 8000 General Fund | 7,675,905 | 8,622,341 | 8,754,012 | 12,223,977 | 10,026,378 | - |
| 3400 Other Funds Ltd | 2,519,304 | 3,286,982 | 3,426,854 | 3,686,936 | 3,764,041 | - |
| 6400 Federal Funds Ltd | 175,926 | 223,117 | 245,921 | 128,102 | 128,102 | - |
| TOTAL OTHER PAYROLL EXPENSES | \$10,371,135 | \$12,132,440 | \$12,426,787 | \$16,039,015 | \$13,918,521 | - |
| P.S. BUDGET ADJUSTMENTS | | | | | | |
| 3455 Vacancy Savings | | | | | | |
| 8000 General Fund | - | (920,440) | (920,440) | (194,137) | (917,711) | - |
| 3400 Other Funds Ltd | - | (290,000) | (290,000) | (68,938) | (68,938) | - |
| All Funds | - | (1,210,440) | (1,210,440) | (263,075) | (986,649) | - |
| 3465 Reconciliation Adjustment | | | | | | |
| 8000 General Fund | - | (7,333) | (7,333) | - | 2,006 | - |
| 3400 Other Funds Ltd | - | 13,775 | 13,775 | - | 192,506 | - |
| 6400 Federal Funds Ltd | - | 21 | 21 | - | - | - |
| All Funds | - | 6,463 | 6,463 | - | 194,512 | - |
| P.S. BUDGET ADJUSTMENTS | | | | | | |
| 8000 General Fund | - | (927,773) | (927,773) | (194,137) | (915,705) | - |
| 3400 Other Funds Ltd | - | (276,225) | (276,225) | (68,938) | 123,568 | - |
| 6400 Federal Funds Ltd | - | 21 | 21 | - | - | - |
| TOTAL P.S. BUDGET ADJUSTMENTS | - | (\$1,203,977) | (\$1,203,977) | (\$263,075) | (\$792,137) | - |

01/08/19
2:20 PM

Page 26 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| <i>Description</i> | <i>2015-17 Actuals</i> | <i>2017-19 Leg Adopted Budget</i> | <i>2017-19 Leg Approved Budget</i> | <i>2019-21 Agency Request Budget</i> | <i>2019-21 Governor's Budget</i> | <i>2019-21 Leg. Adopted Audit</i> |
|---------------------------------|------------------------|---------------------------------------|--|--|--|---------------------------------------|
| PERSONAL SERVICES | | | | | | |
| 8000 General Fund | 22,563,988 | 24,392,061 | 25,059,238 | 34,725,752 | 27,845,429 | - |
| 3400 Other Funds Ltd | 7,093,369 | 8,942,637 | 9,598,496 | 9,828,392 | 10,267,792 | - |
| 6400 Federal Funds Ltd | 564,405 | 637,212 | 663,595 | 337,655 | 337,655 | - |
| TOTAL PERSONAL SERVICES | \$30,221,762 | \$33,971,910 | \$35,321,329 | \$44,891,799 | \$38,450,876 | - |
| SERVICES & SUPPLIES | | | | | | |
| 4100 Instate Travel | | | | | | |
| 8000 General Fund | 685,419 | 706,600 | 706,600 | 416,521 | 272,766 | - |
| 3400 Other Funds Ltd | 180,547 | 274,069 | 325,097 | 335,461 | 359,889 | - |
| 6400 Federal Funds Ltd | 35,821 | 40,695 | 40,695 | 8,375 | 8,375 | - |
| All Funds | 901,787 | 1,021,364 | 1,072,392 | 760,357 | 641,030 | - |
| 4125 Out of State Travel | | | | | | |
| 8000 General Fund | 33,184 | 16,832 | 16,832 | 17,472 | 16,843 | - |
| 3400 Other Funds Ltd | 1,902 | 78 | 78 | 78 | 78 | - |
| 6400 Federal Funds Ltd | 3,966 | - | - | - | - | - |
| All Funds | 39,052 | 16,910 | 16,910 | 17,550 | 16,921 | - |
| 4150 Employee Training | | | | | | |
| 8000 General Fund | 54,348 | 64,133 | 64,133 | 198,318 | 100,844 | - |
| 3400 Other Funds Ltd | 26,288 | 20,840 | 32,905 | 38,905 | 41,405 | - |
| 6400 Federal Funds Ltd | 805 | 9,609 | 9,609 | 3,359 | 3,359 | - |
| All Funds | 81,441 | 94,582 | 106,647 | 240,582 | 145,608 | - |
| 4175 Office Expenses | | | | | | |
| 8000 General Fund | 344,218 | 378,966 | 378,966 | 610,337 | 384,698 | - |

01/08/19
2:20 PM

Page 27 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| <i>Description</i> | <i>2015-17 Actuals</i> | <i>2017-19 Leg Adopted Budget</i> | <i>2017-19 Leg Approved Budget</i> | <i>2019-21 Agency Request Budget</i> | <i>2019-21 Governor's Budget</i> | <i>2019-21 Leg. Adopted Audit</i> |
|--|------------------------|---------------------------------------|--|--|--|---------------------------------------|
| 3400 Other Funds Ltd | 13,883 | 194,631 | 162,052 | 171,622 | 176,622 | - |
| 6400 Federal Funds Ltd | 32 | 16,266 | 16,266 | 3,766 | 3,766 | - |
| All Funds | 358,133 | 589,863 | 557,284 | 785,725 | 565,086 | - |
| 4200 Telecommunications | | | | | | |
| 8000 General Fund | 173,263 | 255,773 | 255,773 | 280,701 | 180,198 | - |
| 3400 Other Funds Ltd | 26,815 | 67,115 | 71,097 | 73,545 | 70,211 | - |
| 6400 Federal Funds Ltd | 15 | 3,072 | 3,072 | 1,822 | 1,822 | - |
| All Funds | 200,093 | 325,960 | 329,942 | 356,068 | 252,231 | - |
| 4225 State Gov. Service Charges | | | | | | |
| 8000 General Fund | 616,915 | 869,326 | 869,326 | 1,298,012 | 1,213,068 | - |
| 3400 Other Funds Ltd | 71,017 | 100,281 | 113,394 | 112,372 | 102,215 | - |
| All Funds | 687,932 | 969,607 | 982,720 | 1,410,384 | 1,315,283 | - |
| 4250 Data Processing | | | | | | |
| 8000 General Fund | 151,653 | 75,293 | 75,293 | 164,177 | 179,224 | - |
| 3400 Other Funds Ltd | 1,906 | 36,044 | 36,044 | 36,044 | 31,069 | - |
| All Funds | 153,559 | 111,337 | 111,337 | 220,221 | 210,293 | - |
| 4275 Publicity and Publications | | | | | | |
| 8000 General Fund | 26,056 | 9,824 | 9,824 | 10,198 | 9,532 | - |
| 3400 Other Funds Ltd | 47,934 | 5,144 | 37,164 | 37,164 | 37,164 | - |
| All Funds | 73,990 | 14,968 | 46,988 | 47,362 | 46,696 | - |
| 4300 Professional Services | | | | | | |
| 8000 General Fund | 408,479 | 387,375 | 387,375 | 3,384,548 | 1,174,546 | - |
| 3400 Other Funds Ltd | 72,207 | 12,862 | 23,564 | 23,564 | 23,564 | - |

01/08/19
2:20 PM

Page 28 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| <i>Description</i> | <i>2015-17 Actuals</i> | <i>2017-19 Leg Adopted Budget</i> | <i>2017-19 Leg Approved Budget</i> | <i>2019-21 Agency Request Budget</i> | <i>2019-21 Governor's Budget</i> | <i>2019-21 Leg. Adopted Audit</i> |
|--|------------------------|---------------------------------------|--|--|--|---------------------------------------|
| 6400 Federal Funds Ltd | 10,000 | - | - | - | - | - |
| All Funds | 490,686 | 400,237 | 410,939 | 3,408,112 | 1,198,110 | - |
| 4325 Attorney General | | | | | | |
| 8000 General Fund | 1,593,294 | 803,222 | 803,222 | 1,964,991 | 1,907,574 | - |
| 3400 Other Funds Ltd | 211,578 | 32,406 | 81,903 | 81,903 | 77,030 | - |
| All Funds | 1,804,872 | 835,628 | 885,125 | 2,046,894 | 1,984,604 | - |
| 4375 Employee Recruitment and Develop | | | | | | |
| 8000 General Fund | 19,116 | 6,592 | 6,592 | 32,092 | 14,342 | - |
| 3400 Other Funds Ltd | - | 3,922 | 3,922 | 5,393 | 5,922 | - |
| 6400 Federal Funds Ltd | - | 1,500 | 1,500 | 250 | 250 | - |
| All Funds | 19,116 | 12,014 | 12,014 | 37,735 | 20,514 | - |
| 4400 Dues and Subscriptions | | | | | | |
| 8000 General Fund | 111,166 | 7,208 | 7,208 | 32,731 | 14,858 | - |
| 3400 Other Funds Ltd | 2,818 | 2,876 | 4,207 | 5,736 | 6,207 | - |
| 6400 Federal Funds Ltd | 1,395 | 1,605 | 1,605 | 355 | 355 | - |
| All Funds | 115,379 | 11,689 | 13,020 | 38,822 | 21,420 | - |
| 4425 Facilities Rental and Taxes | | | | | | |
| 8000 General Fund | 1,272,386 | 1,546,040 | 1,546,040 | 1,848,510 | 1,847,769 | - |
| 3400 Other Funds Ltd | 369,286 | 137,963 | 342,996 | 342,996 | 342,996 | - |
| All Funds | 1,641,672 | 1,684,003 | 1,889,036 | 2,191,506 | 2,190,765 | - |
| 4450 Fuels and Utilities | | | | | | |
| 8000 General Fund | 13,400 | - | - | - | - | - |
| 3400 Other Funds Ltd | 788 | - | 761 | 761 | 761 | - |

01/08/19
2:20 PM

Page 29 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|-----------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| All Funds | 14,188 | - | 761 | 761 | 761 | - |
| 4475 Facilities Maintenance | | | | | | |
| 8000 General Fund | 13,383 | 21,612 | 21,612 | 22,433 | 21,638 | - |
| 3400 Other Funds Ltd | 2,700 | 5,409 | 5,758 | 5,758 | 5,758 | - |
| All Funds | 16,083 | 27,021 | 27,370 | 28,191 | 27,396 | - |
| 4575 Agency Program Related S and S | | | | | | |
| 8000 General Fund | 117,432 | 292,800 | 292,800 | 1,504,092 | 1,027,347 | - |
| 3400 Other Funds Ltd | - | - | 10,394 | 10,394 | 10,394 | - |
| All Funds | 117,432 | 292,800 | 303,194 | 1,514,486 | 1,037,741 | - |
| 4650 Other Services and Supplies | | | | | | |
| 8000 General Fund | 1,344,755 | 824,130 | 824,130 | 1,725,044 | 1,363,093 | - |
| 3400 Other Funds Ltd | 807,919 | 1,937,764 | 1,946,144 | 2,140,708 | 1,645,823 | - |
| 6400 Federal Funds Ltd | 9,878 | 518,902 | 518,902 | 441,402 | 441,402 | - |
| All Funds | 2,162,552 | 3,280,796 | 3,289,176 | 4,307,154 | 3,450,318 | - |
| 4700 Expendable Prop 250 - 5000 | | | | | | |
| 8000 General Fund | 285,950 | 246,490 | 246,490 | 505,107 | 326,640 | - |
| 3400 Other Funds Ltd | 48,155 | 85,562 | 124,987 | 138,987 | 144,487 | - |
| 6400 Federal Funds Ltd | 2,100 | 19,000 | 19,000 | 3,250 | 3,250 | - |
| All Funds | 336,205 | 351,052 | 390,477 | 647,344 | 474,377 | - |
| 4715 IT Expendable Property | | | | | | |
| 8000 General Fund | 274,879 | 99,930 | 99,930 | 701,227 | 150,063 | - |
| 3400 Other Funds Ltd | 81,596 | 40,082 | 63,026 | 69,626 | 71,126 | - |
| 6400 Federal Funds Ltd | 1,214 | 6,000 | 6,000 | 1,500 | 1,500 | - |

01/08/19
2:20 PM

Page 30 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Water Resources Dept

Agency Number: 69000

**Budget Support - Detail Revenues and Expenditures
2019-21 Biennium
Water Resources Program**

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

| Description | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Budget | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|--|--------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|
| All Funds | 357,689 | 146,012 | 168,956 | 772,353 | 222,689 | - |
| SERVICES & SUPPLIES | | | | | | |
| 8000 General Fund | 7,539,296 | 6,612,146 | 6,612,146 | 14,736,511 | 10,205,043 | - |
| 3400 Other Funds Ltd | 1,967,339 | 2,957,048 | 3,385,493 | 3,631,017 | 3,152,721 | - |
| 6400 Federal Funds Ltd | 65,226 | 616,649 | 616,649 | 464,079 | 464,079 | - |
| TOTAL SERVICES & SUPPLIES | \$9,571,861 | \$10,185,843 | \$10,614,288 | \$18,831,607 | \$13,821,843 | - |
| CAPITAL OUTLAY | | | | | | |
| 5150 Telecommunications Equipment | | | | | | |
| 3400 Other Funds Ltd | 16,200 | - | - | - | - | - |
| 5200 Technical Equipment | | | | | | |
| 8000 General Fund | 141,621 | - | - | - | - | - |
| 3400 Other Funds Ltd | 26,071 | - | - | - | - | - |
| All Funds | 167,692 | - | - | - | - | - |
| 5600 Data Processing Hardware | | | | | | |
| 8000 General Fund | 2,231 | - | - | - | - | - |
| 3400 Other Funds Ltd | 7,967 | - | - | - | - | - |
| All Funds | 10,198 | - | - | - | - | - |
| 5900 Other Capital Outlay | | | | | | |
| 8000 General Fund | - | 7,778 | 7,778 | 8,074 | 8,074 | - |
| 3400 Other Funds Ltd | - | 14,742 | 18,300 | 18,300 | 18,300 | - |
| All Funds | - | 22,520 | 26,078 | 26,374 | 26,374 | - |
| CAPITAL OUTLAY | | | | | | |
| 8000 General Fund | 143,852 | 7,778 | 7,778 | 8,074 | 8,074 | - |

01/08/19
2:20 PM

Page 31 of 91

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A