

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer



**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Natural Resources Subcommittee
From: Paul Siebert, Legislative Fiscal Office
Date: June 1, 2019
Subject: SB 5539 and SB 5540 – Oregon Watershed Enhancement Board
Work Session Recommendations

Oregon Watershed Enhancement Board – Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	--	190,000	--	--
Lottery Funds	62,490,494	79,589,460	82,674,272	90,557,506
Other Funds	2,709,180	3,009,486	1,670,646	3,070,646
Federal Funds	24,324,998	41,759,143	28,044,683	45,310,763
Total Funds	\$89,524,672	\$124,548,089	\$112,389,601	\$138,938,915
Positions	35	33	31	34
FTE	34.25	33.00	31.00	34.00

The 2019-21 Legislative Fiscal Office recommended budget for the Oregon Watershed Enhancement Board is \$138,938,915 Total Funds (\$90,557,506 Lottery Funds, \$3,070,646 Other Funds, and \$45,310,763 Federal Funds) and 34 positions (34.00 FTE).

SB 5539 LFO Recommendations

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5539. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5539, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2019-21 Key Performance Measures.”

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes to SB 5539

LFO recommends a budget of \$8,326,314 Lottery Funds, \$3,070,646 Other Funds, and \$45,310,763 Federal Funds and 34 positions (34.00 FTE), which is reflected in the -1 amendment.

SB 5539 is also the Measure 76 Lottery Funds allocation bill for the 35% constitutionally dedicated to Watershed Enhancement Operating Fund. The -1 Amendment allocates Measure 76 Lottery Funds to the Oregon State Police, Oregon Department of Agriculture, Department of Environmental Quality, and Department of Fish & Wildlife.

MOTION: I move adoption of the -1 amendment to SB 5539. (VOTE)

SB 5539 Final Subcommittee Action

LFO recommends that SB 5539, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5539, as amended, to the Full Committee with a do pass recommendation. (VOTE)

SB 5540 LFO Recommendations - Capital Projects:

SB 5540 provides six-year expenditure limitation for monies from the Watershed Enhancement Grant Fund, which comprises 65% of the non – Parks dedicated Lottery Funds, to allow time for grants to be fully expended. Providing six-year expenditure limitation avoids large carryforward amounts being added to the OWEB budget every biennium.

Recommended Changes to SB 5540

Based on the constitutionally mandated split of Measure 76 Lottery Funds, LFO is recommending a budget of \$82,231,192 Lottery Funds, which is reflected in the -1 amendment to SB 5540.

SB 5540 Final Subcommittee Action

LFO recommends that SB 5540, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5540, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LFO102 - Work Session Presentation Report
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 69100-000-00-00-00000
Or Watershed Enhancement Brd

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	190,000	74,415,091	3,009,486	41,671,381	-	-	119,285,958	33	33.00
2017-19 Ebds, SS & Admin Act	-	5,174,369	-	87,762	-	-	5,262,131	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	190,000	79,589,460	3,009,486	41,759,143	-	-	124,548,089	33	33.00
2017-19 Leg Approved Budget (Base)	190,000	79,589,460	3,009,486	41,759,143	-	-	124,548,089	33	33.00
Summary of Base Adjustments	-	235,450	-	(212,511)	-	-	22,939	(2)	(2.00)
2019-21 Base Budget	190,000	79,824,910	3,009,486	41,546,632	-	-	124,571,028	31	31.00
010: Non-PICS Pers Svc/Vacancy Factor	-	165,108	-	23	-	-	165,131	-	-
020: Phase In / Out Pgm & One-time Cost	(190,000)	(72,624,519)	(1,400,000)	(15,046,450)	-	-	(89,260,969)	-	-
030: Inflation & Price List Adjustments	-	219,818	61,160	1,544,478	-	-	1,825,456	-	-
060: Technical Adjustments	-	75,088,955	-	-	-	-	75,088,955	-	-
2019-21 Current Service Level	-	82,674,272	1,670,646	28,044,683	-	-	112,389,601	31	31.00
Adjusted 2019-21 Current Service Level	-	82,674,272	1,670,646	28,044,683	-	-	112,389,601	31	31.00
Total LFO Recommended Packages	-	7,883,234	1,400,000	17,266,080	-	-	26,549,314	3	3.00
2019-21 Legislative Actions	-	90,557,506	3,070,646	45,310,763	-	-	138,938,915	34	34.00
Net change from 2017-19 Leg Approved Budget	(190,000)	10,968,046	61,160	3,551,620	-	-	14,390,826	1	1.00
Percent change from 2017-19 Leg Approved Budget	(100.0%)	13.8%	2.0%	8.5%	0.0%	0.0%	11.6%	3.0%	3.0%
Net change from 2019-21 Adj Current Service Level	-	7,883,234	1,400,000	17,266,080	-	-	26,549,314	3	3.00
Percent change from 2019-21 Adj Current Service Level	0.0%	9.5%	83.8%	61.6%	0.0%	0.0%	23.6%	9.7%	9.7%

LFO102 - Work Session Presentation Report
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 69100-010-00-00-00000
Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	190,000	6,820,790	17,270	2,348,573	-	-	9,376,633	33	33.00
2017-19 Ebds, SS & Admin Act	-	174,369	-	87,762	-	-	262,131	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	190,000	6,995,159	17,270	2,436,335	-	-	9,638,764	33	33.00
2017-19 Leg Approved Budget (Base)	190,000	6,995,159	17,270	2,436,335	-	-	9,638,764	33	33.00
Summary of Base Adjustments	-	235,450	-	(212,511)	-	-	22,939	(2)	(2.00)
2019-21 Base Budget	190,000	7,230,609	17,270	2,223,824	-	-	9,661,703	31	31.00
010: Non-PICS Pers Svc/Vacancy Factor	-	165,108	-	23	-	-	165,131	-	-
020: Phase In / Out Pgm & One-time Cost	(190,000)	(30,218)	-	(46,450)	-	-	(266,668)	-	-
030: Inflation & Price List Adjustments	-	219,818	656	30,220	-	-	250,694	-	-
2019-21 Current Service Level	-	7,585,317	17,926	2,207,617	-	-	9,810,860	31	31.00
Adjusted 2019-21 Current Service Level	-	7,585,317	17,926	2,207,617	-	-	9,810,860	31	31.00
Total LFO Recommended Packages	-	740,997	-	266,080	-	-	1,007,077	3	3.00
2019-21 Legislative Actions	-	8,326,314	17,926	2,473,697	-	-	10,817,937	34	34.00
Net change from 2017-19 Leg Approved Budget	(190,000)	1,331,155	656	37,362	-	-	1,179,173	1	1.00
Percent change from 2017-19 Leg Approved Budget	(100.0%)	19.0%	3.8%	1.5%	0.0%	0.0%	12.2%	3.0%	3.0%
Net change from 2019-21 Adj Current Service Level	-	740,997	-	266,080	-	-	1,007,077	3	3.00
Percent change from 2019-21 Adj Current Service Level	0.0%	9.8%	0.0%	12.1%	0.0%	0.0%	10.3%	9.7%	9.7%

**LFO102 - Work Session Presentation Report
2019-21 Biennium**

**Version: L - 01 - LFO Analyst Recommended
Cross Reference: 69100-010-00-00-00000
Operations**

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 100 Program Continuity

Package Description Continues two positions, a Conservation Outcome Coordinator (NRS 4) and a Conservation Outcome Specialist (NRS 3), that were approved as limited duration in the 2017-19. The Conservation Coordinator is made permanent with PCSRF Federal Funds and the Conservation Specialist continues as limited duration supported by dedicated Lottery Funds for the 2019-21 biennium.

LFO Recommendation Approve

LFO Recommended	-	195,313	-	266,080	-	-	461,393	2	2.00
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LFO102 - Work Session Presentation Report
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 69100-010-00-00-00000
Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 110 Program Enhancement

Package Description Funds one limited duration NRS 4 position (1.00 FTE) to manage work associated with the Focused Investment Partnership program (FIP). FIP grants are long-term, large scale, investments in restoration and conservation that leverage other funding partners. In addition, \$325,000 Lottery Funds are added for professional services on an on-going basis. Contracted services are utilized where specific expertise is needed to quickly address key needs with lower overhead costs.

LFO Recommendation Approve

LFO Recommended	-	545,684	-	-	-	-	545,684	1	1.00
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LFO102 - Work Session Presentation Report
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 69100-020-00-00-00000

Grants

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	67,594,301	2,992,216	39,322,808	-	-	109,909,325	-	-
2017-19 Ebds, SS & Admin Act	-	5,000,000	-	-	-	-	5,000,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	72,594,301	2,992,216	39,322,808	-	-	114,909,325	-	-
2017-19 Leg Approved Budget (Base)	-	72,594,301	2,992,216	39,322,808	-	-	114,909,325	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2019-21 Base Budget	-	72,594,301	2,992,216	39,322,808	-	-	114,909,325	-	-
020: Phase In / Out Pgm & One-time Cost	-	(72,594,301)	(1,400,000)	(15,000,000)	-	-	(88,994,301)	-	-
030: Inflation & Price List Adjustments	-	-	60,504	1,514,258	-	-	1,574,762	-	-
060: Technical Adjustments	-	75,088,955	-	-	-	-	75,088,955	-	-
2019-21 Current Service Level	-	75,088,955	1,652,720	25,837,066	-	-	102,578,741	-	-
Adjusted 2019-21 Current Service Level	-	75,088,955	1,652,720	25,837,066	-	-	102,578,741	-	-
Total LFO Recommended Packages	-	7,142,237	1,400,000	17,000,000	-	-	25,542,237	-	-
2019-21 Legislative Actions	-	82,231,192	3,052,720	42,837,066	-	-	128,120,978	-	-
Net change from 2017-19 Leg Approved Budget	-	9,636,891	60,504	3,514,258	-	-	13,211,653	-	-
Percent change from 2017-19 Leg Approved Budget	0.0%	13.3%	2.0%	8.9%	0.0%	0.0%	11.5%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	7,142,237	1,400,000	17,000,000	-	-	25,542,237	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	9.5%	84.7%	65.8%	0.0%	0.0%	24.9%	0.0%	0.0%

Grants

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 200 Carryforward

Package Description This package provides one-time expenditure limitation for grant funding approved as part of the 2017-19 legislatively approved budget that are projected to remain unspent at the end of the current biennium. Carry forward federal funds expenditure limitation is provided for Pacific Coastal Salmon Recovery Funds grant (\$13 million) and US Fish and Wildlife Service grants (\$2 million). Other Funds carry forward expenditure limitation for grants includes Salmon Plate grants (\$600,000), Forest Collaborative grants (\$200,000), and Intensively Monitored Watersheds grants (\$100,000).

LFO Recommendation Approve

LFO Recommended	-	-	900,000	15,000,000	-	-	15,900,000	-	-
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Grants

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 210 Forest Collaborative Grants

Package Description This package requests an increase in \$500,000 Other Funds expenditure limitation from Oregon Department of Forestry (ODF) for the implementation of competitive grants under the Oregon Federal Forest Health Program. These grants are designed to increase the number, acreage and complexity of collaboratively planned restoration projects on federal lands in Oregon. The transfer to OWEB from Department of Forestry is supported within ODF's 2019-21 base budget. This expenditure limitation increase is intended to added to the base budget in the future.

LFO Recommendation Approve

LFO Recommended	-	-	500,000	-	-	-	500,000	-	-
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Grants

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 230 Additional Grant Funds

Package Description This package requests an increase in Federal Funds expenditure limitation of \$2,000,000 enabling OWEB to receive additional funds via a cooperative agreement with the Natural Resources Conservation Service (NRCS). These funds are focused on providing grants to support local technical and administrative support. They are not eligible for on-the-ground restoration. The funds would complement grants currently being made to address capacity, technical assistance and design needs that are necessary as part of the development of restoration projects. This is added on a one-time basis.

LFO Recommendation Approve

LFO Recommended	-	-	-	2,000,000	-	-	2,000,000	-	-
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LFO102 - Work Session Presentation Report
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 69100-020-00-00-00000

Grants

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package updates the dedicated Lottery Funds amount for grants based on the May 2019 Lottery Forecast for the 2019-21 biennium. The June 2018 forecast amount was used during budget development.

LFO Recommendation Approve

LFO Recommended	-	7,142,237	-	-	-	-	7,142,237	-	-
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Legislatively Proposed 2019 - 2021 Key Performance Measures

Published: 3/7/2019 8:36:16 AM

Agency: Watershed Enhancement Board

Mission Statement:

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. OPERATIONS - The percentage of total funding used in agency operations.		Approved	10.30	11	11
2. FUNDING FROM OTHER SOURCES - The percent of funds contributed from other sources on OWEB funded restoration projects.		Approved	66.80%	50%	50%
3. GRANT-MAKING ACROSS OREGON - Percent of Oregon's 76 sub-basins (defined as 8-digit hydrologic unit code areas) within which Oregonians benefit from OWEB's grant programs.		Approved	93.42%	90%	90%
4. TIMELINESS OF GRANT-MAKING - The percent of open solicitation grant agreements executed within one month after Board award.		Approved	18.13%	75%	75%
5. FISH POPULATIONS - The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.		Approved	71%	75%	75%
6. WATERSHED COUNCIL GOVERNANCE - Percent of OWEB funded watershed councils that demonstrate effective organizational governance and management using OWEB merit criteria.		Approved	91.50%	100%	100%
7. PAYMENTS - The percentage of complete grant payment requests paid within 24 days.		Approved	100%	100%	100%
8. STREAMSIDE HABITAT - The number of riparian stream miles restored or enhanced as a result of OWEB funded grants.		Approved	242	233.70	233.70
9. UPLAND HABITAT - Acres of upland habitat restored or enhanced as a result of OWEB funded grants.		Approved	42,984	47,560	47,560
10. NATIVE SPECIES HABITAT AND WATER QUALITY - Percent of restoration, acquisition or technical assistance funding invested to address habitat for threatened, endangered or species of concern, or water-quality concerns identified on 303(d) listed streams.		Approved	89.34%	90%	90%
11. NATIVE FISH HABITAT QUANTITY - Miles of fish habitat opened as a result of completed fish passage projects funded through OWEB grants.		Approved	179.21	138.50	138.50
12. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved	80.30%	91%	91%
	Timeliness		88%	91%	91%
	Helpfulness		95.60%	91%	91%
	Overall		93%	91%	91%
	Expertise		94.50%	91%	91%
	Accuracy		91.30%	91%	91%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed changes and targets for Key Performance Measures.

SubCommittee Action: