

HB 5043 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Linnea Wittekind, Department of Administrative Services

Reviewed By: Matt Stayner, Legislative Fiscal Office

Water Resources Department

2019-21

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 33,503,512	\$ 34,710,206	\$ 37,158,507	\$ 3,654,995	10.9%
Lottery Funds Debt Service	\$ 3,953,969	\$ 8,493,320	\$ 8,493,320	\$ 4,539,351	114.8%
Other Funds Limited	\$ 66,864,861	\$ 44,268,986	\$ 55,415,794	\$ (11,449,067)	(17.1%)
Federal Funds Limited	\$ 1,905,917	\$ 876,734	\$ 876,734	\$ (1,029,183)	(54.0%)
Total	\$ 106,228,259	\$ 88,349,246	\$ 101,944,355	\$ (4,283,904)	(4.0%)

Position Summary

Authorized Positions	170	169	177	7
Full-time Equivalent (FTE) positions	167.59	164.51	171.79	4.20

⁽¹⁾ Includes adjustments through December 2018

* 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 2019-21 biennium, General Fund accounts for 36.4 percent. Other Funds comprise 54.4 percent, but roughly \$42 million of the \$55.4 million in Other Funds resources are from Lottery Bond proceeds carried forward into the 2019-21 biennium from issuance in prior biennia. Lottery Funds, equaling 8.3 percent of total funding, are exclusively for debt service. Federal Funds revenues are specific to cooperative studies and monitoring in addition to providing some position support.

Summary of Natural Resources Subcommittee Action

The Department 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. WRD 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 recommended a total funds budget of \$101,944,355, including \$37,158,507 General Fund, \$8,493,320 Lottery Funds for debt service, \$55,415,794 Other Funds expenditure limitation, \$876,734 Federal Funds expenditure limitation, and 177 positions (171.79 FTE). The total funds budget is a 4.0 percent decrease from the 2017-19 biennium Legislatively Approved Budget.

Administrative Services Division

This program provides fiscal, human resources, and business support services for the 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 recommended a total funds budget of \$57,462,529 and 13 positions (12.50 FTE). The Subcommittee also recommended the following packages:

Package 101, Place-Based Planning Community Support. This package provides a General Fund appropriation of \$550,000 to provide financial and technical assistance to the four planning groups participating in a pilot, place-based integrated water resources planning project. The funding is provided in conjunction with the four-year extension of the statutory sunset of the program contained in House Bill 2084. The participating basins are: Upper Grand Ronde, Lower John Day, Malheur Land, and the Mid-Coast. The funding will be used by the Water Resources Department and the participating groups to complete the planning phase and transition to plan implementation.

Package 112, Continuing Payroll Shared Services. This package provides Other Funds expenditure limitation of \$143,208 and authorizes the establishment of a permanent Accounting Tech 3 position (1.00 FTE). During the initial pilot phase of the shared payroll services project, the position was limited duration. The shared payroll team is currently supporting 550 employees in six agencies.

Package 801, LFO Analyst Adjustments. This package re-establishes \$11.0 million Other Funds expenditure limitation phased out of the Department's budget at the current service level for the expenditure of bond proceeds for Umatilla basin water supply projects anticipated to be distributed in the 2017-19 biennium, but were not. This will allow the Department to distribute the funding in the 2019-21 biennium instead.

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 recommended a total funds budget of \$15,045,005 and 61 positions (58.71 FTE).

Technical Services Division

The Technical Services Division 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 recommended a total funds budget of \$15,500,739 and 51 positions (50.28 FTE). The Subcommittee also recommended the following packages:

Package 102, Groundwater Data. This package includes a \$1,659,740 General Fund appropriation and authorizes the establishment of six permanent positions (5.28 FTE) for the evaluation of groundwater basin studies in cooperation with the U.S. Geological Society and the Oregon Department of Geology and Mineral Industries. Each basin study takes between five to six years to complete. This package will double the Department's capacity to conduct the studies. In addition to the funding included in this package, the Department will be using existing Other Funds expenditure limitation of \$300,000 for cost-sharing expenses related to the studies from exempt well use fee funds.

Package 112, Continuing Payroll Shared Services. For the Technical Services Division, this package provides Other Funds expenditure limitation of \$3,600 for IT equipment needed to support the shared payroll services program in the Administrative Services Division.

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 also for the negotiation of Native American reserved water rights. The Subcommittee recommended a total funds budget of \$8,853,268 and 38 positions (37.17 FTE).

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 recommended a total funds budget of \$5,082,814 and 14 positions (13.13 FTE). The Subcommittee approved the following Budget Note:

Budget Note:

The department is directed to compile information regarding actions that the agency has taken that resulted in the agency being party to a contested case hearing or legal action since 2015. This includes past, current, and pending items as of July 1, 2019. For each case, the department must identify the legal question being addressed, the underlying statute(s) or administrative rule(s) that were, or are, the basis for the action that the agency undertook, and the fundamental basis or reasoning for the dispute against the agency's actions. If a statute or administrative rule is identified as being foundational to actions taken by the agency that are subject to multiple contested cases or other legal proceedings, the agency must provide a statement regarding the purpose for the statute or rule, what the agency is attempting to achieve by taking action on the statute or rule, and how future litigation regarding those actions might be avoided in the future. The agency is directed to report this information to the Joint Committee on Ways and Means in a format approved by the Legislative Fiscal Office by January 1, 2020.

The Subcommittee recommended the following package:

Package 101, Place-Based Planning Community Support. This package provides a \$238,561 General Fund appropriation and authorizes the establishment of a limited-duration Natural Resources Specialist 4, Planning Coordinator position (1.00 FTE) to help support planning groups participating in a pilot, place-based integrated water resources planning project. The position is provided in conjunction with the four-year extension of the statutory sunset of the program contained in House Bill 2084. The participating basins are; Upper Grand Ronde, Lower John Day, Malheur Land, and the Mid-Coast.

Summary of Maximum Supervisory Ratio

The Subcommittee reviewed the agency’s proposed Maximum Supervisory Ratio of 1:8.

Summary of Performance Measure Action

See attached “Legislatively Approved 2019-2021 Key Performance Measures.”

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Water Resources Department
Linnea Wittekind -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2017-19 Legislatively Approved Budget at Dec 2018 *	\$ 33,503,512	\$ 3,953,969	\$ 66,864,861	\$ -	\$ 1,905,917	\$ -	106,228,259	170	167.59
2019-21 Current Service Level (CSL)*	\$ 34,710,206	\$ 8,493,320	\$ 44,268,986	\$ -	\$ 876,734	\$ -	88,349,246	169	164.51
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 010-01 - Administrative Services									
Package 101: Place-Based Planning Community Support									
Special Payments (6085 Other Special Payments)	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	550,000		
Package 112: Continuing Payroll Shared Services									
Personal Services	\$ -	\$ -	\$ 132,926	\$ -	\$ -	\$ -	132,926	1	1.00
Services and Supplies	\$ -	\$ -	\$ 10,282	\$ -	\$ -	\$ -	10,282		
Package 801: LFO Analyst Adjustments									
Special Payments (6085 Other Special Payments)	\$ -	\$ -	\$ 11,000,000	\$ -	\$ -	\$ -	11,000,000		
SCR 010-04 - Technical Services									
Package 102: Groundwater Data, Management & Protection									
Personal Services	\$ 1,159,740	\$ -	\$ -	\$ -	\$ -	\$ -	1,159,740	6	5.28
Services and Supplies	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	500,000		
Package 112: Continuing Payroll Shared Services									
Services and Supplies (IT Expendable Property)	\$ -	\$ -	\$ 3,600	\$ -	\$ -	\$ -	3,600		
SCR 010-07 - Director's Office									
Package 101: Place-Based Planning Community Support									
Personal Services	\$ 214,546	\$ -	\$ -	\$ -	\$ -	\$ -	214,546	1	1.00
Services and Supplies	\$ 24,015	\$ -	\$ -	\$ -	\$ -	\$ -	24,015		
TOTAL ADJUSTMENTS	\$ 2,448,301	\$ -	\$ 11,146,808	\$ -	\$ -	\$ -	13,595,109	8	7.28
SUBCOMMITTEE RECOMMENDATION *	\$ 37,158,507	\$ 8,493,320	\$ 55,415,794	\$ -	\$ 876,734	\$ -	101,944,355	177	171.79
% Change from 2017-19 Leg Approved Budget	10.9%	114.8%	(17.1%)	0.0%	(54.0%)	0.0%	(4.0%)	4.1%	2.5%
% Change from 2019-21 Current Service Level	7.1%	0.0%	25.2%	0.0%	0.0%	0.0%	15.4%	4.7%	4.4%

*Excludes Capital Construction Expenditures

Legislatively Approved 2019 - 2021 Key Performance Measures

Published: 6/6/2019 8:54:15 AM

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 2020	Target 2021
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	26%	32%	32%
2. PROTECTION OF INSTREAM WATER RIGHTS - Ratio of regulatory orders issued to protect senior water rights when the senior water right is an instream right to all regulatory orders issued to protect senior water rights.		Approved	No Data	50%	50%
3. MONITOR COMPLIANCE - Percent of total regulatory actions that found water right holders in compliance with water rights and regulations.		Approved	98%	99%	99%
4. STREAM FLOW GAGING - Percent change from 2001 in the number of WRD operated or assisted gauging stations.		Approved	20%	22%	23%
5. ASSESSING GROUND WATER RESOURCES - Percent change from 2001 in the number of wells routinely monitored to assess ground water resources.		Approved	10%	10%	10%
7. EQUIP CITIZENS WITH INFORMATION - Number of times water management related data was accessed through the WRD's Internet site.		Approved	3.70	4	4.30
8. NUMBER OF SIGNIFICANT DIVERSIONS WITH MEASUREMENT DEVICES INSTALLED - To fully implement the Water Resources Commission's 2000 Water Measurement Strategy		Approved	1,059	1,265	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%	100%	100%
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	14%	55%	55%
11. PROMOTE EFFICIENCY IN TRANSFER APPLICATION PROCESSING - Percent of transfer final orders issued within 120 days of application filing.		Approved	22%	40%	40%
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%	85%	85%
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	64%	90%	90%
	Expertise		80%	90%	90%
	Helpfulness		81%	90%	90%
	Accuracy		83%	90%	90%
	Availability of Information		72%	90%	90%
	Overall			76%	90%

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Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
2. PROTECTION OF INSTREAM WATER RIGHTS - Ratio of the streams regulated to protect instream water rights to all streams regulated.		Legislatively Deleted	0.82	0.85	0.85
6. EQUIP CITIZENS WITH INFORMATION - Percent of water management related datasets collected by WRD that are available to the public on the internet.		Legislatively Deleted	98%	TBD	TBD
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.		Legislatively Deleted	2,361	TBD	TBD

LFO Recommendation:

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

SubCommittee Action:

The Subcommittee approved the Key Performance Measures and targets as recommended by LFO

PRELIMINARY