

**SB 5539 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Reardon

**Joint Committee On Ways and Means**

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**Action Date:** 06/14/19

**Action:** Do Pass the A-Eng bill.

**House Vote**

**Yeas:** 9 - Gomberg, Holvey, McLain, McLane, Nosse, Piluso, Rayfield, Smith G, Stark

**Senate Vote**

**Yeas:** 12 - Beyer, Boles, Frederick, Girod, Hansell, Heard, Johnson, Manning Jr, Roblan, Steiner Hayward, Thomsen, Wagner

**Exc:** 1 - Baertschiger Jr

**Prepared By:** Linnea Wittkind, Department of Administrative Services

**Reviewed By:** Paul Siebert, Legislative Fiscal Office

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**Oregon Watershed Enhancement Board**

**2019-21**

## **Budget Summary\***

|                       | 2017-19 Legislatively<br>Approved Budget <sup>(1)</sup> | 2019-21 Current Service<br>Level | 2019-21 Committee<br>Recommendation | Committee Change from 2017-19 Leg.<br>Approved |             |
|-----------------------|---|----------------------------------|-------------------------------------|--|-------------|
|                       |   |                                  |                                     | \$ Change                                      | % Change    |
| General Fund          | \$ 190,000  | \$ -                             | \$ -                                | \$ (190,000)                                   | (100.0%)    |
| Lottery Funds         | \$ 6,995,159  | \$ 7,585,317                     | \$ 8,326,314                        | \$ 1,331,155                                   | 19.0%       |
| Other Funds Limited   | \$ 3,009,486  | \$ 1,670,646                     | \$ 3,070,646                        | \$ 61,160                                      | 2.0%        |
| Federal Funds Limited | \$ 41,759,143   | \$ 28,044,683                    | \$ 45,310,763                       | \$ 3,551,620                                   | 8.5%        |
| <b>Total</b>          | <b>\$ 51,953,788</b>                                    | <b>\$ 37,300,646</b>             | <b>\$ 56,707,723</b>                | <b>\$ 4,753,935</b>                            | <b>9.2%</b> |

## **Position Summary**

|                                      |       |       |       |      |
|--------------------------------------|-------|-------|-------|------|
| Authorized Positions                 | 33    | 31    | 34    | 1    |
| Full-time Equivalent (FTE) positions | 33.00 | 31.00 | 34.00 | 1.00 |

<sup>(1)</sup> Includes adjustments through December 2018

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Oregon Watershed Enhancement Board (OWEB) is funded primarily with Measure 76 Lottery Funds and federal Pacific Coastal Salmon Recovery Funds. OWEB also receives revenues from the sales of salmon license plates.

## **Summary of Natural Resource Subcommittee Action**

OWEB promotes and implements programs that restore, maintain, and enhance Oregon watersheds. The Subcommittee recommended a total funds budget of \$138,938,915 for the Department, with \$56,707,723 total funds and 34 positions (34.00 FTE) approved in Senate Bill 5539, and the remaining \$82,231,192 total funds approved in Senate Bill 5540.

## **Operations**

This program includes planning, coordination, assessment, implementation activities, monitoring activities, and education efforts. The Subcommittee recommended a total funds budget of \$10,817,937 and 34.00 FTE. This includes \$8,326,314 in Measure 76 Lottery Funds allocation. The Subcommittee recommended the following packages:

**Package 100, Program Continuity.** This package continues two positions (2.00 FTE): a Conservation Outcome Coordinator (Natural Resources Specialist (NRS) 4) and a Conservation Outcome Specialist (NRS 3) that were approved as limited duration positions in the 2017-19 biennium.

The Conservation Coordinator is made permanent with Pacific Coastal Salmon Recovery Federal Funds and the Conservation Specialist continues as limited duration and is supported by dedicated Lottery Funds for the 2019-21 biennium.

Package 110, Program Enhancement. This package funds one limited duration NRS 4 position (1.00 FTE) to manage work associated with the Focused Investment Partnership (FIP) program. FIP program grants are for 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.

### **Grants**

This program is also addressed in Senate Bill 5040, which provides six-year limitation for grants funded with Measure 76 Lottery Funds. The In Senate Bill 5539 the Subcommittee recommended a total funds budget of \$45,889,786 and no FTE. The Subcommittee recommended the following packages:

Package 200, Carryforward. This package provides one-time expenditure limitation for grant funding approved as part of the 2017-19 Legislatively Adopted Budget and are projected to remain unspent at the end of the current biennium. Carry forward Federal Funds expenditure limitation is provided for a Pacific Coastal Salmon Recovery Funds grant (\$13 million) and U.S. Fish and Wildlife Service grants (\$2 million). Other Funds carried forward for grants include Salmon Plate grants (\$600,000), Forest Collaborative grants (\$200,000), and Intensively Monitored Watersheds grants (\$100,000).

Package 210, Forest Collaborative Grants. This package adds \$500,000 Other Funds expenditure limitation to accommodate funds transferred from the 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 the Department of Forestry is supported within ODF's 2019-21 base budget. This expenditure limitation increase is intended to add to the base budget in the future.

Package 230, Additional Grant Funds. This package increases Federal Funds expenditure limitation by \$2,000,000, enabling OWEB to receive additional funds via a cooperative agreement with the Natural Resources Conservation Service. These funds are focused on providing grants to support local technical and administrative activities. They are not eligible for on-the-ground restoration projects. 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.

### **Summary of Performance Measure Action**

See attached "Legislatively Approved 2019-2021 Key Performance Measures."

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Watershed Enhancement Board  
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 * | \$ 190,000   | \$ 6,995,159        | \$ 3,009,486        | \$ -        | \$ 41,759,143        | \$ -        | \$ 51,953,788        | 33        | 33.00        |
| 2019-21 Current Service Level (CSL)*                | \$ -         | \$ 7,585,317        | \$ 1,670,646        | \$ -        | \$ 28,044,683        | \$ -        | \$ 37,300,646        | 31        | 31.00        |
| <b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>          |              |                     |                     |             |                      |             |                      |           |              |
| <b>SCR 69100-010 - Operations</b>                   |              |                     |                     |             |                      |             |                      |           |              |
| Package 100: Program Continuity                     |              |                     |                     |             |                      |             |                      |           |              |
| Personal Services                                   | \$ -         | \$ 177,363          | \$ -                | \$ -        | \$ 223,130           | \$ -        | \$ 400,493           | 2         | 2.00         |
| Services and Supplies                               | \$ -         | \$ 17,950           | \$ -                | \$ -        | \$ 42,950            | \$ -        | \$ 60,900            |           |              |
| Package 110: Program Enhancement                    |              |                     |                     |             |                      |             |                      |           |              |
| Personal Services                                   | \$ -         | \$ 199,634          | \$ -                | \$ -        | \$ -                 | \$ -        | \$ 199,634           | 1         | 1.00         |
| Services and Supplies                               | \$ -         | \$ 346,050          | \$ -                | \$ -        | \$ -                 | \$ -        | \$ 346,050           |           |              |
| <b>SCR 69100-020 - Grants</b>                       |              |                     |                     |             |                      |             |                      |           |              |
| Package 200: Carryforward                           |              |                     |                     |             |                      |             |                      |           |              |
| Special Payments                                    | \$ -         | \$ -                | \$ 900,000          | \$ -        | \$ 15,000,000        | \$ -        | \$ 15,900,000        |           |              |
| Package 210: Forest Collaborative Grants            |              |                     |                     |             |                      |             |                      |           |              |
| Special Payments                                    | \$ -         | \$ -                | \$ 500,000          | \$ -        | \$ -                 | \$ -        | \$ 500,000           |           |              |
| Package 230: Additional Grant Funds                 |              |                     |                     |             |                      |             |                      |           |              |
| Special Payments                                    | \$ -         | \$ -                | \$ -                | \$ -        | \$ 2,000,000         | \$ -        | \$ 2,000,000         |           |              |
| <b>TOTAL ADJUSTMENTS</b>                            | <b>\$ -</b>  | <b>\$ 740,997</b>   | <b>\$ 1,400,000</b> | <b>\$ -</b> | <b>\$ 17,266,080</b> | <b>\$ -</b> | <b>\$ 19,407,077</b> | <b>3</b>  | <b>3.00</b>  |
| <b>SUBCOMMITTEE RECOMMENDATION *</b>                | <b>\$ -</b>  | <b>\$ 8,326,314</b> | <b>\$ 3,070,646</b> | <b>\$ -</b> | <b>\$ 45,310,763</b> | <b>\$ -</b> | <b>\$ 56,707,723</b> | <b>34</b> | <b>34.00</b> |
| <br>  |              |                     |                     |             |                      |             |                      |           |              |
| % Change from 2017-19 Leg Approved Budget           | -100.0%      | 19.0%               | 2.0%                | 0.0%        | 8.5%                 | 0.0%        | 9.2%                 | 3.0%      | 3.0%         |
| % Change from 2019-21 Current Service Level         | 0.0%         | 9.8%                | 83.8%               | 0.0%        | 61.6%                | 0.0%        | 52.0%                | 9.7%      | 9.7%         |

\*Excludes Capital Construction Expenditures

# Legislatively Approved 2019 - 2021 Key Performance Measures

Published: 6/11/2019 10:27:38 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 Approved 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                  | 228.20      | 203         |
| 9. UPLAND HABITAT - Acres of upland habitat restored or enhanced as a result of OWEB funded grants.   |                             | Approved       | 42,984               | 50,800      | 50,015      |
| 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               | 125.50      | 113.90      |
| 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 Key Performance Measures and targets.

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**SubCommittee Action:**

The Natural Resources Subcommittee approved the Legislative Fiscal Office recommendation.