

SB 5521 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Smith DB

Joint Committee On Ways and Means

Action Date: 05/10/19

Action: Do Pass the A-Eng bill.

House Vote

Yeas: 8 - Gomberg, Holvey, McLain, Nosse, Piluso, Rayfield, Smith G, Stark

Exc: 1 - McLane

Senate Vote

Yeas: 7 - Beyer, Frederick, Johnson, Manning Jr, Roblan, Steiner Hayward, Wagner

Exc: 2 - Hansell, Winters

Abs: 3 - Girod, Heard, Thomsen

Prepared By: Breanna McGehee, Department of Administrative Services

Reviewed By: Tim Walker, Legislative Fiscal Office

Marine Board

2019-21

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
Other Funds Limited	\$ 27,142,592	\$ 27,428,626	\$ 28,328,771	\$ 1,186,179	4.4%
Federal Funds Limited	\$ 6,633,313	\$ 6,260,265	\$ 6,320,265	\$ (313,048)	(4.7%)
Total	\$ 33,775,905	\$ 33,688,891	\$ 34,649,036	\$ 873,313	2.6%

Position Summary

Authorized Positions	39	38	39	0
Full-time Equivalent (FTE) positions	39.00	38.00	38.75	(0.25)

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon State Marine Board (OSMB) is primarily funded by three major revenue sources: business licenses and fees, fuel tax revenues, and federal grant funds. On average, Other Funds have accounted for nearly 82 percent of revenue and Federal Funds account for the remaining 18 percent. In terms of Other Funds, boat registrations and titling account for more than 43 percent of all revenue. The registration fees are set by statute and vary based on the type and size of a vessel. Just over 23 percent of all revenue, or approximately \$8.0 million, comes from fuel tax, which is determined by the Oregon Motorboat Fuel Use Survey. The OSMB also collects fees to support the Aquatic Invasive Species program and annual fees for operators of boat liveries; these revenues are deposited into a dedicated account. In terms of Federal Funds, the Board receives funding from the U.S. Coast Guard's Recreation Boating Safety grant program, the Boating Infrastructure Grant program, and the Clean Vessel Act program.

In the 2019-21 biennium, OSMB is raising Vessel fees, Boat Certificate of Title fees, and Mandatory Boater Education Card fees, which will total \$3.1 million in additional revenue. The fee increases are expected to fund OSMB for two biennia. The OSMB is also raising fees and establishing a permit for non-motorized boaters, totaling \$1.7 million in additional revenue in the full 2021-23 biennium.

The OSMB's ending balance is projected to be \$4.0 million, which is equivalent to approximately three months of operating costs.

Summary of Natural Resources Subcommittee Action

Established in 1959, OSMB promotes the safe and enjoyable use of state waters for recreational boating through education, enforcement, access, and environmental stewardship. The Board is responsible for registering and titling all recreational motorized and sailboats, 12 feet and longer, in the state; providing boater education; marine law enforcement; facility access and mitigating the effects of invasive species on native waters.

The Subcommittee approved a total funds budget of \$34,649,036 and 39 positions (38.75 FTE). The total funds budget is an increase of 2.6 percent from the 2017-19 Legislatively Approved Budget. The budget includes \$28,328,771 Other Funds expenditure limitation and \$6,320,265 Federal Funds expenditure limitation.

Administration and Education Program

The Administration and Education Program is the boater services component of the Marine Board and is mainly responsible for vessel titling and registration, administration, and education. The Program administers state boating laws, develops waterway management plans, serves as liaison with other government units, conducts boating accident analyses and boater surveys, coordinates the Adopt-a-River program, and provides the Board's central business functions. The Subcommittee approved a total funds budget of \$7,511,392 and 23.60 FTE. This budget includes \$7,277,632 Other Funds and \$223,760 Federal Funds.

The Subcommittee recommends the following packages for this program:

Package 101, Fee Changes to Maintain Current Operations – increases Other Funds expenditure limitation by \$338,827 and two permanent positions (2.00 FTE). This policy package increases revenue by raising existing fees and reinstates reductions made in Policy Package 070. The revenues are projected to increase by \$3,147,956 in the 2019-21 biennium and the fee increase will fund the Board for two biennia.

The registered vessel fees will increase from \$4.50 per foot to \$5.95 per foot. The boat Certificate of Title fees will go from \$50 to \$75. The mandatory Boater Education Card fees will go from \$10 to \$20 and duplicate cards from \$8 to \$16. When the last fee increase passed in 2015, the Board saw a 10 percent reduction in registered boats. Based on that history, another reduction in registrations will be a potential risk of any fee increase.

Package 102, Waterway Access Account – increases Other Funds expenditure limitation by \$80,000 to implement a new program and fee focusing on the needs of non-motorized boaters. Non-motorized boaters make use of Marine Board resources such as law enforcement and facilities, but do not pay any fees to support operations. The Waterway Access Account (WAA) would mimic the current Aquatic Invasive Species (AIS) permit program by unifying the AIS tag with the new non-motorized access tag and the new fee into one tag for both purposes.

The revenues from the new fee will go to the Facilities program for specialized non-motorized boating access projects. This will include smaller access projects, such as bathrooms and parking near launches designated for non-motorized users, which will open access to new bodies of water.

Public bodies, Tribal Governments, and non-profit entities will be able to obtain grants for boater safety education courses and purchasing boat equipment to use for projects. The grants are estimated at \$80,000, and will be used to buy boats and provide scholarships and education for underprivileged groups. The administration of the grants will be absorbed by current staff.

The fee types parallel the existing Aquatic Invasive Species Program (Annual, Two-Year, Liveries, Out-of-State) with a new weekly permit. A non-motorized boat of more than 10 feet would get a yearly permit for \$17, a two-year permit for \$30, and a one week permit for \$5. The permits are transferrable to other boats for owners with more than one non-motorized vessel.

The revenues are expected to be around \$991,000 in 2019-21 with the new fee taking effect in January 2020; the fee would provide \$1.37 million in new revenue during the full 2021-23 biennium.

Law Enforcement

The Law Enforcement Program provides statewide boating law administration and contracts for boating law enforcement and related services on over 600 boatable lakes, 75 major rivers, and 15 estuaries totaling more than 787,000 acres of water. The Program also provides public education services, which includes a variety of school education programs. The services are provided through contracts with county sheriffs and the Oregon Department of State Police (OSP). Lastly, the Program provides patrol boats and specialized enforcement equipment, develops and offers basic and advanced training for county marine patrol officers, maintains a marine law enforcement database and reporting system, performs contract administration functions, and retains responsibility for the waterway marking system. The Subcommittee approved a total funds budget of \$14,874,688 and 5.20 FTE. This budget includes \$10,839,113 Other Funds expenditure limitation and \$4,035,575 Federal Funds expenditure limitation.

The Subcommittee recommends the following policy package:

Package 201, Fee Changes to Maintain Current Operations – this package uses increased revenues from Policy Package 101 to reinstate \$983,000 Other Funds in reductions made in Policy Package 070. This restores funding to county sheriff departments and OSP and increases enforcement hours on the water and at access points. The package also provides additional expenditure limitation for equipment purchases, maintenance, and repairs.

Facility Grants

The Boating Facilities Program provides grants and technical assistance for the maintenance and improvement of public recreational boating facilities statewide. Eligible projects include boat launch ramps, parking, restrooms, courtesy docks, transient tie-up facilities, and other boating-related facilities. The grants rely on partnerships and the leveraging of other financial resources such as Federal Funds, private funds and donations, and other local and state funds. The Subcommittee approved a total funds budget of \$10,554,388 and 8.75 FTE. The budget includes \$8,563,458 Other Funds expenditure limitation and \$1,990,930 Federal Funds expenditure limitation.

The Subcommittee recommends the following policy packages:

Package 301, Fee Changes to Maintain Current Operations – this package uses increased revenues from Policy Package 101 to reinstate reductions made in Policy Package 070. Without these funds, OSMB would reduce available funding for engineering assistance and would eliminate six grants and a major portion of the Maintenance Assistance Program, which supports over 80 municipal boat access facilities. This package includes an increase of \$789,587 Other Funds expenditure limitation and an increase of \$49,000 Federal Funds expenditure limitation.

Package 302, Waterway Access Account – this package includes a transfer of \$820,145 Other Funds from Policy Package 102 to provide for grants specifically meeting the needs of the non-motorized boaters through improving water access sites and maintenance of boating facilities. The anticipated uses are for facility grants to state, federal, local government, parks organizations, and tribal nations to acquire property or leases, easements, construction, and maintenance of boating access sites. This will expand the Boating Facility grants to address the access needs of non-motorized boaters at existing boating facilities, and potential development of new access. This package includes an increase of \$820,145 Other Funds expenditure limitation from Policy Package 102 and one position (0.75 FTE). This position will phase-in six months into the biennium.

Aquatic and Invasive Species

The Aquatic Invasive Species (AIS) Program's purpose is to mitigate the effects of invasive species on native waters through inspecting and decontaminating watercraft. The AIS Program was created as a result of a law enacted by the Legislature in 2009, with the intent of protecting the state from invasive species. This program manages the permitting process and the education and outreach efforts, which impact non-motorized boaters, motorized boaters, and out of state visitors bringing their boats to recreate on the Oregon waterways. The Subcommittee approved an Other Funds budget of \$1,708,568 and 1.20 FTE.

The Subcommittee recommends the following policy packages:

Package 402, Waterway Access Account – This package is revenue only. Non-motorized boaters with vessels over 10 feet will continue to pay \$5 annually, towards the aquatic invasive species if they purchase a one or two year permit. Boaters will now have the option to purchase a one-

week permit of which \$1 of every \$5 will be transferred to the Aquatic Invasive Species program. This is projected to increase revenues by \$8,516.

Package 801, LFO Adjustments – this package approves a one-time Federal Fund expenditure limitation increase of \$60,000 for specific services related to the Aquatic Invasive Species Program and for additional resources for the boat inspection programs in Brookings, Ashland, Ontario, and Umatilla.

Summary of Performance Measure Action

See attached Legislatively Adopted 2019-21 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon State Marine Board
Breanna McGehee -- (971) 301-0189

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 *	\$ -	\$ -	\$ 27,142,592	\$ -	\$ 6,633,313	\$ -	\$ 33,775,905	39	39.00
2019-21 Current Service Level (CSL)*	\$ -	\$ -	\$ 27,428,626	\$ -	\$ 6,260,265	\$ -	\$ 33,688,891	38	38.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Administration/Education									
Package 070: Revenue Shortfall									
Personal Services	\$ -	\$ -	\$ (338,827)	\$ -	\$ -	\$ -	\$ (338,827)	(2)	(2.00)
Package 101: Fee Changes									
Personal Services	\$ -	\$ -	\$ 338,827	\$ -	\$ -	\$ -	\$ 338,827	2	2.00
Package 102: Waterway Access Account									
Services and Supplies	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000		
SCR 002 - Law Enforcement Program									
Package 070: Revenue Shortfall									
Services and Supplies	\$ -	\$ -	\$ (150,000)	\$ -	\$ -	\$ -	\$ (150,000)		
Special Payments	\$ -	\$ -	\$ (833,000)	\$ -	\$ -	\$ -	\$ (833,000)		
Package 201: Fee Changes									
Services and Supplies	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000		
Special Payments	\$ -	\$ -	\$ 833,000	\$ -	\$ -	\$ -	\$ 833,000		
SCR 003 - Facility Programs									
Package 070: Revenue Shortfall									
Personal Services	\$ -	\$ -	\$ (287,087)	\$ -	\$ (49,000)	\$ -	\$ (336,087)	(1)	(1.00)
Special Payments	\$ -	\$ -	\$ (502,500)	\$ -	\$ -	\$ -	\$ (502,500)		
Package 301: Fee Changes									
Personal Services	\$ -	\$ -	\$ 287,087	\$ -	\$ 49,000	\$ -	\$ 336,087	1	1.00
Special Payments	\$ -	\$ -	\$ 502,500	\$ -	\$ -	\$ -	\$ 502,500		
Package 302: Waterway Access Account									
Personal Services	\$ -	\$ -	\$ 132,445	\$ -	\$ -	\$ -	\$ 132,445		
Services and Supplies	\$ -	\$ -	\$ 5,700	\$ -	\$ -	\$ -	\$ 5,700	1	0.75
Special Payments	\$ -	\$ -	\$ 682,000	\$ -	\$ -	\$ -	\$ 682,000		
SCR 004 - Aquatic and Invasive Species									
Package 801: LFO Adjustments									
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 900,145	\$ -	\$ 60,000	\$ -	\$ 960,145	1	0.75
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 28,328,771	\$ -	\$ 6,320,265	\$ -	\$ 34,649,036	39	38.75
% Change from 2017-19 Leg Approved Budget	0.0%	0.0%	4.4%	0.0%	(4.7%)	0.0%	2.6%	0.0%	(0.6%)
% Change from 2019-21 Current Service Level	0.0%	0.0%	3.3%	0.0%	1.0%	0.0%	2.9%	2.6%	2.0%

*Excludes Capital Construction Expenditures

Legislatively Approved 2019 - 2021 Key Performance Measures

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Agency: Marine Board

Mission Statement:

Serving Oregon's recreational boating public through education, enforcement, access, and environmental stewardship for a safe and enjoyable experience.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Number of boat patrol hours conducted on the water.		Approved	26,276	34,650	TBD
2. Number of boat operators arrested for boating under the Influence of Intoxicants (BUII).		Approved	56	100	TBD
3. Boating fatalities per 100,000 registered boats.		Approved	10.70	6.50	TBD
4. Percent of inspected boaters who are in compliance with the requirement to carry a Mandatory Boater Education Card		Approved	94%	95%	TBD
5. Number of gallons of boater generated-sewage not deposited in Oregon waters as a result of Marine Board facilities.		Approved	515,306	750,000	TBD
6. Ratio of matching funds from other sources to Marine Board funds.		Approved	1.60	2.10	TBD
7. Average number of days it takes to process and award grant funds.		Approved	5.60	20	TBD
8. Average number of days it takes to process requests for grant reimbursements.		Approved	5.30	8	TBD
9. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved	94%	95%	TBD
	Helpfulness		91%	95%	TBD
	Availability of Information		93%	95%	TBD
	Expertise		100%	95%	TBD
	Timeliness		94%	95%	TBD
	Overall		93%	95%	TBD
10. Percent of total best practices met by the Board.		Approved	90%	100%	TBD
11. Number of boat inspections for aquatic invasive species with actual inspections.		Approved	28,115	15,500	TBD

LFO Recommendation:

LFO recommends approval of the Key Performance Measures and targets as proposed.

SubCommittee Action:

The Subcommittee approved the LFO recommendation.