

HB 5037 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Anderson

Joint Committee On Ways and Means

Action Date: 06/11/21

Action: Do pass the A-Eng bill.

Senate Vote

Yeas: 10 - Anderson, Frederick, Golden, Gorsek, Hansell, Johnson, Knopp, Lieber, Steiner Hayward, Taylor

Nays: 2 - Girod, Thomsen

House Vote

Yeas: 8 - Bynum, Gomberg, McLain, Nosse, Rayfield, Sanchez, Smith G, Sollman

Nays: 3 - Drazan, Leif, Stark

Prepared By: Linnea Wittekind, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Oregon Watershed Enhancement Board

2021-23

Joint Committee on Ways and Means

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Agency
Oregon Watershed Enhancement Board

Biennium
2021-23

Budget Summary*

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				\$ Change	% Change
Lottery Funds	\$ 8,626,098	\$ 8,851,500	\$ 8,990,705	\$ 364,607	4.2%
Other Funds Limited	\$ 19,070,646	\$ 2,263,984	\$ 14,863,984	\$ (4,206,662)	-22.1%
Federal Funds Limited	\$ 45,427,240	\$ 32,677,681	\$ 48,127,768	\$ 2,700,528	5.9%
Total	\$ 73,123,984	\$ 43,793,165	\$ 71,982,457	\$ (1,141,527)	-1.6%

Position Summary

Authorized Positions	41	32	33	-8
Full-time Equivalent (FTE) positions	35.75	32.00	33.00	-2.75

⁽¹⁾ Includes adjustments through January 2021

* 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 sale of salmon license plates.

Summary of Natural Resource Subcommittee Action

OWEB promotes and implements programs to restore, maintain, and enhance Oregon watersheds in order to protect the economic and social wellbeing of the state and its citizens. The Subcommittee recommended a total funds budget of \$157,452,490 for the Department, with \$71,982,457 total funds and 33 positions (33.00 FTE) approved in House Bill 5037 and the remaining \$85,470,033 total funds approved in House Bill 5038.

Operations

This program includes planning, coordination, assessment, implementation activities, monitoring activities, and education efforts. The Subcommittee recommended a total funds budget of \$12,148,559 and 33 positions (33.00 FTE). This includes \$8,990,705 in Measure 76 Lottery Funds allocation. The Subcommittee recommended the following packages:

Package 070, Revenue Shortfalls. This package reduces Lottery Funds by \$1,095,037, increases Federal Funds by \$17,109, and eliminates three positions (3.00 FTE) due to assumed shortfalls in lottery revenues beginning in the 2019-21 biennium and anticipated to continue into the

2021-23 biennium. The reductions made in this package are in alignment with the September 2020 lottery revenue forecast. Specifically, the reductions are as follows:

- Reclassifies a Business Operations Manager (Principal Executive Manager (PEM) E) to a Fiscal Analyst 3,
- Eliminates an Administrative Manager (PEM A),
- Eliminates a Federal Funded Grant Support Specialist (Procurement & Contract Assistant) and 40% of the Executive Director is shifted from Lottery Funds to Federal Funds,
- Eliminates a vacant Office Specialist 2 position,
- Shifts 40% of the Capacity Coordinator (Operations and Policy Analyst 4) from Lottery Funds to Federal Funds, and
- Reduces Lottery Funds for professional services.

Package 099, Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 21-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 100, Program Continuity. This package continues one of two limited duration positions from the 2019-21 biennium. The position continued is a limited duration Natural Resource Specialist 4 (NRS4), serving as the Partnerships Coordinator managing work associated with the Focused Investment Partnership program. In addition, \$15,988 Lottery Funds and \$6,999 Federal Funds is added to cover Office 365 and State Data Center charges. Both of these are new charges, which have not been previously budgeted. Finally, an existing NRS3 position is reclassified to an ISS5, due to the primary role of the position evolving over time and now focuses the Department's business needs related to information systems and technology. This results in no net budget change. The second position not continued is a limited duration Natural Resource Specialist 3, serving as the Conservation Outcomes Specialist assisting with monitoring and reporting on watershed restoration. This position was not continued due to revenue concerns. The Department will determine if enough revenue will be available to request the second position, during the 2022 Regular Legislative Session.

Package 110, Program Enhancement. This package increases Lottery Funds by \$326,653 and adds one limited duration position (1.00 FTE) to provide staff and contracting resources to assist with coordination of Oregon's 100-year Water Vision and the Governor's climate initiative outlined in Executive Order 20-04. The limited duration position, a Water/Climate Coordinator (Operations & Policy Analyst 4), will plan and implement water and climate related initiatives while also considering issues of equity and environmental justice through engagement with impacted communities.

Package 120, NRCS Tidegate Program. This package increases Federal Funds by \$297,174 and adds one limited duration position (1.00 FTE). Using Federal funding secured by OWEB in 2020, through a partnership with the Natural Resources Conservation Service, OWEB is proposing to create a new limited duration Tide Gate Coordinator (Natural Resource Specialist 4) position that will assist landowners with the planning, design, permitting, and implementation of tide gate repair and replacement projects on the Oregon Coast and Lower Columbia River Basin.

Package 125, Restoration Package. This package offsets some of the reductions made in Package 070, through establishing a new, permanent Administrative Specialist 2 to assist with work previously completed by three positions eliminated in Package 070, and also restores \$504,682 Lottery Funds for services and supplies, including professional services costs.

Grants

The Grant program is also addressed in House Bill 5038, which provides six-year limitation for grants funded with Measure 76 Lottery Funds. In House Bill 5037 the Subcommittee recommends a total funds budget of \$59,833,898 and no positions. The Subcommittee recommended the following packages:

Package 200, Carryforward. This is the funding for OWEB's Measure 76 grant program, which seeks to improve and enhance Oregon's clean water, native fish and wildlife habitat and large, connected natural areas. Measure 76 constitutionally dedicates 65% of the natural resource Lottery Funds for watershed grants. This package provides limitation for grants committed in previous biennia, but not yet spent. As of July 2020, OWEB has committed the full \$15.0 million Federal Funds through the Pacific Coastal Salmon Recovery Fund (PCSRF) requested in this package, as well as \$0.6 million Other Funds also part of the request as carryforward from Salmon Plate grants, Intensively Monitored Watershed grants, and Forest Collaborative grants.

Package 210, Additional Federal Grants. This package increases Federal Funds by \$134,500, allowing OWEB to receive and expend funding from PCSRF to support the monitoring work by the Oregon Department of Fish and Wildlife in the Upper Klamath Basin. Each year, OWEB applies and receives PCSRF from the federal National Oceanic and Atmospheric Administration (NOAA) in support of salmon recovery activities associated with implementing the Oregon Plan for Salmon and Watersheds.

Package 220, Additional Grant Other Funds. This package provides additional \$6,000,000 Other Funds expenditure limitation for grant funding from PacifiCorp from the 2016 Klamath Hydroelectric Settlement Agreement. The funds are intended to address water-quality improvements in the Klamath River. The package also adds \$1,000,000 Other Funds expenditure limitation from the Idaho Power Company related to relicensing of the Hells Canyon dam complex. The funds are intended to address water-quality and salmonid habitat improvements in the lower sections of the Malheur and Owyhee river basins.

Package 230, OR Agricultural Heritage Grants. This package increases Other Funds by \$5,000,000 for the Oregon Agriculture Heritage Program (OAHP) grants. OAHP will provide resources to help farmers and ranchers voluntarily keep their land in agriculture and maintain or improve fish

and wildlife and other natural resources. Through OAHP, grants will be offered for conservation management plan management, working land conservation covenants and easements, technical assistance for organizations holding conservation plans, and to assist organizations supporting agricultural owners and operators.

Summary of Performance Measure Action

See attached Legislatively Approved 2021-23 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Watershed Enhancement Board
Linnea Wittekind - 971-900-9992

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ -	\$ 8,626,098	\$ 19,070,646	\$ -	\$ 45,427,240	\$ -	\$ 73,123,984	41	35.75
2021-23 Current Service Level (CSL)*	\$ -	\$ 8,851,500	\$ 2,263,984	\$ -	\$ 32,677,681	\$ -	\$ 43,793,165	32	32.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 010 - Operations									
Package 070: Revenue Shortfall									
Personal Services	\$ -	\$ (590,355)	\$ -	\$ -	\$ 17,109	\$ -	\$ (573,246)	-3	-3.00
Services and Supplies	\$ -	\$ (504,682)	\$ -	\$ -	\$ -	\$ -	\$ (504,682)		
Package 099: Microsoft 365 Consolidation									
Services and Supplies	\$ -	\$ (16,549)	\$ -	\$ -	\$ (7,435)	\$ -	\$ (23,984)		
Package 100: Program Continuity									
Personal Services	\$ -	\$ 228,091	\$ -	\$ -	\$ -	\$ -	\$ 228,091	1	1.00
Services and Supplies	\$ -	\$ 39,792	\$ -	\$ -	\$ 8,739	\$ -	\$ 48,531		
Package 110: Water Vision & Climate Change									
Personal Services	\$ -	\$ 245,453	\$ -	\$ -	\$ -	\$ -	\$ 245,453	1	1.00
Services and Supplies	\$ -	\$ 81,200	\$ -	\$ -	\$ -	\$ -	\$ 81,200		
Package 120: NRCS Tidagate Program									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 209,814	\$ -	\$ 209,814	1	1.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 87,360	\$ -	\$ 87,360		
Package 125: 070 Restoration Package									
Personal Services	\$ -	\$ 151,573	\$ -	\$ -	\$ -	\$ -	\$ 151,573	1	1.00
Services and Supplies	\$ -	\$ 504,682	\$ -	\$ -	\$ -	\$ -	\$ 504,682		
SCR 020 - Grants									
Package 200: Carryforward									
Special Payments	\$ -	\$ -	\$ 600,000	\$ -	\$ 15,000,000	\$ -	\$ 15,600,000		
Package 210: Additional Grant Federal Funds									
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 134,500	\$ -	\$ 134,500		
Package 220: Additional Grant Other Funds									
Special Payments	\$ -	\$ -	\$ 7,000,000	\$ -	\$ -	\$ -	\$ 7,000,000		
Package 230: OR Agricultural Heritage Grants									
Special Payments	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000		
TOTAL ADJUSTMENTS	\$ -	\$ 139,205	\$ 12,600,000	\$ -	\$ 15,450,087	\$ -	\$ 28,189,292	1	1
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ 8,990,705	\$ 14,863,984	\$ -	\$ 48,127,768	\$ -	\$ 71,982,457	33	33.00
% Change from 2019-21 Leg Approved Budget	0.0%	4.2%	-22.1%	0.0%	5.9%	0.0%	-1.6%	-19.5%	-7.7%
% Change from 2021-23 Current Service Level	0.0%	1.6%	556.5%	0.0%	47.3%	0.0%	64.4%	3.1%	3.1%

*Excludes Capital Construction Expenditures

Legislatively Approved 2021 - 2023 Key Performance Measures

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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 2022	Target 2023
1. OPERATIONS - The percentage of total funding used in agency operations.		Approved	8.79	11	11
2. FUNDING FROM OTHER SOURCES - The percent of funds contributed from other sources on OWEB funded restoration projects.		Approved	62.74%	51%	51%
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%	92%	92%
4. TIMELINESS OF GRANT-MAKING - The percent of open solicitation grant agreements executed within one month after Board award.		Approved	16.18%	75%	75%
5. FISH POPULATIONS - The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.		Approved	84%	75%	75%
6. WATERSHED COUNCIL GOVERNANCE - Percent of OWEB funded watershed councils that demonstrate effective organizational governance and management using OWEB merit criteria.		Approved	100%	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	300.65	313	324
9. UPLAND HABITAT - Acres of upland habitat restored or enhanced as a result of OWEB funded grants.		Approved	44,685	58,003	53,660
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	92.30%	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	73.17	91	91
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	81.30%	91%	91%
	Timeliness		89%	91%	91%
	Helpfulness		94.50%	91%	91%
	Overall		91.80%	91%	91%
	Expertise		91.80%	91%	91%
	Accuracy		94%	91%	91%

LFO Recommendation:

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

SubCommittee Action:

The Natural Resources Subcommittee adopted the LFO recommendation on Key Performance Measures.