

ANALYSIS

Item 28: Marine Board Waterway Access and Derelict Vessels

Analyst: Twais Broadus

Request: Increase Other Funds expenditure limitation by \$762,683 for Waterway Access projects and removal of abandoned and derelict vessels.

Analysis: The Oregon State Marine Board (OSMB) administers the Waterway Access Grant Program, gathering fees from permit sales for nonmotorized boats 10-feet and over, to fund efforts focused on water access and invasive species prevention. Grants are provided to public entities, federally recognized Indian tribes, and federal agencies. The funds pay for acquiring land for waterway access, building public boating facilities, and establishing parks for nonmotorized boat activities.

The Waterway Access Grant Program's revenue exceeded initial estimates of \$1 million per biennium for both the 2019-21 and 2021-23 biennia. Waterway access permit sales are currently forecasted to reach \$2.8 million in the 2023-25 biennium. Additionally, the program has received more grant requests than the Marine Board's current expenditure authority allows it to fund. To expend the available program revenue carried over from the prior biennium, the Marine Board requests an expenditure limitation increase of \$750,000 Other Funds. This increase would be one-time, aligned with the projected revenue collected under the program, and support eight additional grant applications in 2023-25.

The agency also requests a one-time expenditure limitation increase of \$12,683 Other Funds to expend available American Rescue Plan Act (ARPA) funds for removal of abandoned and derelict vessels from state waterways. HB 5006 (2021) dedicated \$1 million of ARPA State Fiscal Recovery Funds for this purpose. The Marine Board anticipated spending \$250,000 in the 2021-23 biennium but only spent \$237,317, primarily because vessels were either removed or submerged before their contracts could be executed. OSMB requested \$750,000 in Other Funds expenditure limitation in its 2023-25 budget to expend the remaining ARPA balance based on its initial expenditure projections, which did not include the \$12,683 in cancelled invoices identified later. Increasing the agency's expenditure limitation by this amount will allow it to fully expend available ARPA resources for the intended purpose of removing abandoned and derelict vessels.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board increase the Other Funds expenditure limitation for the State Marine Board by \$762,683 for Waterway Access projects and removal of abandoned and derelict vessels.

Request: Increase Other Funds expenditure limitation by \$762,683 for a one-time Waterway Access Grant Program (\$750,000) funding and American Rescue Plan Act (\$12,683) funding.

Recommendation: Approve the request.

Discussion: The Oregon State Marine Board (OSMB) administers the Waterway Access Grant Program (WAG), which was created by Senate Bill 47 (2019). WAG provides grant funds to local, state, and federal agencies, and Oregon's nine federally recognized Tribal Governments for development and improvements of nonmotorized boating access. OSMB also provides grant funds to non-governmental organizations to increase opportunities for underserved communities to experience kayaking, canoeing, rafting, and standup paddle boarding. These grants are made available in three cycles over each biennium, with larger projects often captured in Cycle 1 (early in the biennium) or Cycle 2, with small projects that can be completed in the last few months of the biennium captured in Cycle 3. In December 2023, OSMB closed Cycle 2 grant application opportunities: the grant applicants requested 10 times the amount of funding available.

The grants administered by OSMB are supported by Waterway Access permit revenue, which is generated by the purchasing of permits by nonmotorized boaters. In the current biennium, these revenues have exceeded agency expectations and spending authority. Waterway Access revenue has accumulated \$1.9 million in the waterway access fund, with current expenditure limitation around \$900,000. OSMB is requesting a one-time increase of \$750,000 Other Funds expenditure limitation to fund eight additional grant applications and provide funding for Cycle 3 grant application opportunities, including the completion of accessible kayak launches and restrooms, as well as the improvement of waterway access and accessibility for nonmotorized boaters. OSMB's portion of these eight grants is \$506,035 total, with applicants providing various levels of matching funds totaling \$1.2 million. The agency intends to put forward a policy package for the 2025-27 biennium for \$1.0 million Other Funds expenditure limitation to align expenditures with current revenue projections in future biennia.

The second portion of OSMB's request is for an increase of \$12,683 Other Funds expenditure limitation to fully utilize the American Rescue Plan Act (ARPA) funds that were received in 2021 for the removal of derelict vessels from the Portland Waterways. OSMB received \$1.0 million in ARPA funds, of which \$237,317 were expended in the 2021-23 biennium and \$750,000 carried over for the 2023-25 biennium. OSMB's current request is to increase expenditure limitation by \$12,683 to reflect the entirety of remaining ARPA funds.

Legal Reference: Increase the Other Funds expenditure limitation established by chapter 473, section 1(3), Oregon Laws 2023, for the Oregon State Marine Board, Facilities construction and maintenance, by \$750,000 for the 2023-25 biennium.

Increase the Other Funds expenditure limitation established by chapter 473, section 3, Oregon Laws 2023, for the Oregon State Marine Board, by \$12,683 for the 2023-25 biennium.



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April 29, 2024

Senator Rob Wagner, Co-Chair
Representative Julie Fahey, Co-Chair
Joint Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs

Nature of the Request

The Oregon State Marine Board (OSMB) is requesting an increase of \$750,000 Other Funds expenditure limitation in the Facilities allotment. The funds are from the sale of Waterway Access Permits for nonmotorized boats a minimum of 10-feet in length.

OSMB is also requesting a limitation increase of \$12,683 of the American Rescue Plan Act (ARPA) grant funds.

Agency Action

OSMB administers the Waterway Access Grant Program (WAG) created in the 2019 Legislative session in SB47. The WAG provides grant funds to local, state and federal agencies and Oregon's nine federally recognized Tribal Governments for development and improvements of nonmotorized boating access. Additionally, OSMB provides grant funds to non-governmental organizations to increase opportunities for underserved communities to experience kayaking, canoeing, rafting and standup paddle boarding.

In December 2023, OSMB closed Cycle 2 grant application opportunities and received Small Grant requests this biennium. The grant applicants requested ten times the amount of funding available.

OSMB underestimated the amount of waterway access permits purchased by nonmotorized boaters and have collected more revenue than we currently have the authority to spend. The increase in limitation will allow OSMB to fund eight additional grant applications (listed below) and have funding for Cycle 3 grant application opportunities to complete accessible kayak

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launches, restrooms, design and engineering and improve waterway access and accessibility for nonmotorized boaters.

Applicant	Project Description	WAG Requested Funds	OSMB Motorized Funds	Applicant Match	Project Total
Bend Park & Rec. Dist.	Miller's Landing nonmotorized launch facility	\$300,000	\$0	\$395,734	\$695,734
City of Tigard	Cook Park dock replacement	\$51,465	\$22,035	\$388,700	\$462,200
Port of Bandon	New restroom and shower facility	\$27,000	\$100,000	\$224,597	\$351,597
Port of Columbia County	Scappoose Bay nonmotorized launching dock	\$65,000	\$0	\$100,000	\$165,000
Tualatin Riverkeepers	Lake Oswego Dam portage design & engineering concept	\$10,000	\$0	\$4,000	\$14,000
Life Expanding Adventure Program	Nonmotorized boating opportunity and equipment purchase	\$7,570	\$0	\$20,000	\$27,570
Willamette Riverkeepers	Learn how to boat-in camp and equipment purchase	\$30,000	\$0	\$20,000	\$50,000
City of Siletz	Mill Park wetland delineation	\$15,000	\$5,000	\$6,000	\$26,000
Total		\$506,035	\$127,035	\$1,159,031	\$1,792,101

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Action Requested

OSMB respectfully requests a \$750,000 increase in Other Fund expenditure limitation in the Facilities allotment because of exceeding budget estimates and having grant applications from local governments and nonprofit organizations for improved waterway access and accessibility.

OSMB received \$1,000,000 in American Rescue Plan Act (ARPA) in 2021 for removing derelict vessels from the Portland Waterways. OSMB expended \$237,317 in the 2021-23 biennium and phased out and phased in \$750,000 for the 2023-25 biennium. Due to the timing of phasing in and out of funds over the biennium there was an additional \$12,683 not included in this biennium's 2023-25 limitations. We would like to request an increase in limitations for \$12,683 to fully utilize the entire \$1,000,000 grant.

Legislation Affected

Chapter 473, Section 1, Oregon Laws 2023, for the Oregon State Marine Board for the 2023-25 biennium.

Sincerely,

Larry Warren

Director, Oregon State Marine Board

Ec. Twais Broadus, Legislative Fiscal Analyst, LFO
Kendra Beck, Assistant Policy and Budget Analyst, CFO