

Oregon State Marine Board
Ways and Means Presentation Summary Page

Budget presentation for the Oregon State Marine Board is scheduled for Monday February 20th at 1:00pm with the Joint Committee on Ways and Means Subcommittee on Natural Resources.

Presenters to the Joint Committee on Ways and Means Subcommittee on Natural Resources are:

Larry Warren, Director

Laura Jackson, Chair, Marine Board

Christy Cornish, Business Services Manager

The following materials are provided in this document:

1. Ways and Means Subcommittee presentation slide deck
2. Reference document
3. Other Funds and ARPA ending balance forms



Background

Agency Mission: Serving recreational boating public through education, enforcement, access, and environmental stewardship for a safe and enjoyable experience.

Historical Perspective

- OSMB was created in 1959.
- Boating Facility grants started in the 70's.
- OSMB starts to receive marine fuel tax revenue in 1985.
- Mandatory boating safety education for motorboat operation passed in 1999.
- Invasive Species Prevention Program started in 2009.
- Federal grant programs added along the way.
- Waterway Access Program to increase access for non-motorized boating became effective in 2019.

Strategic Plan Goals:

During the 2021-23 biennium the agency developed a new strategic plan to create new initiatives to carry the agency through 2028. The initiatives currently under way fall under three main objectives:

- 1) Ensuring boaters have the resources and information they need so they can have a positive boating experience.
 - Develop and implement an education and outreach strategy for nonmotorized boaters.
- 2) Ensuring boating is viable and public access is available in the future.
- 3) Ensuring staff is supported, trained, and provided with the tools needed to fulfill duties and the agency mission.

2023 – 2025 Budget

The agency is requesting its 2023-25 budget to be approved at Continuing Service Level (CSL) plus three policy option packages:

- Selected expenditure levels adjusted for inflation.
- Policy Option Packages:
 - Hiring five seasonal boating advocates and adding .5 FTE for Portland Waterways Engagement Coordinator position to make it full time.
 - Pass through of one time ARPA funds from 2021-23 budget for derelict vessels.
 - Two positions align to correct classification. No additional funding needed.

Limiting expenditures to a slight increase will guarantee the agency can continue serving boaters by:

- Maintaining law enforcement activities.
- Continuing to grant funds to entities for new boating facility projects and to maintain their current boat facilities.
- Providing training and education to boaters, partners, and law enforcement officers.
- Implementing and improving boating regulations.



Key Performance Measures

	Key Performance Measure	Target	Actual	% of Achievement
1	Number of boat patrol hours conducted on the water	34,650	15,795	46%
2	Number of boat operators arrested for boating under the Influence of Intoxicants (BUII)	100	14	14%
3	Boating fatalities per 100,000 registered boats	6.5	11.53	177%
4	Percent of inspected boaters who are in compliance with the requirement to carry a Mandatory Boater Education Card	95%	96%	101%
5	Number of gallons of boater generated-sewage not deposited in Oregon waters as a result of Marine Board facilities	750,000	281,730	38%
6	Ratio of matching funds from other sources to Marine Board funds	2.10	2.10	100%
7	Average number of days it takes to process and award grant funds	20.00	19.00	95%
8	Average number of days it takes to process requests for grant reimbursements	8	8	100%
9	Customer Service - Percent of customers rating their satisfaction with the agency's customer service	95%	77%	81%
10	Percent of total best practices met by the Board	100%	100%	100%
11	Number of boat inspections for aquatic invasive species with actual inspections	15,500	12,600	81%

Oregon continues to see growth and participation in outdoor recreation, including boating and more specifically non-motorized boating. This contributes to the continued high number of boating fatalities, increased user conflict, conflict between boating and non-boating user groups, and a higher level of public interest and expectation in Marine Board enforcement strategies and actions. Boater inexperience, especially on cold and hazardous waterways, continues to be a large factor of boating fatalities. Balancing available resources with an increase in use, managing user conflict, effectively enforcing new regulations, and working to educate and prevent boating-related fatalities will be the primary focus of the Marine Board in 2023-25. This will require continued modernization of our boater education resources, and improved outreach efforts to engage all boaters in propagating the boating safety mission.

The agency continues to explore new measures of boater “satisfaction.” Instead of just measuring customer satisfaction with their transaction experience, the agency would like to move toward measuring current boater retention, new boater recruitment, and lapsed boater reactivation. The agency feels that these measures would be a more meaningful indicator of Oregonian’s approval of their boating experience – appropriate regulations, reducing user conflict, safe and accessible boating access facilities – and to use customer satisfaction as an indicator to any barriers for participation. For example, if the



agency notices lagging in retention (year over year renewal of motorboat registration or of waterway access permit) for a particular user group, the agency could further investigate the reason – cost, poor experience on the water, lack of access, etc.

Programs

The **Administration and Education program** area includes the Office of the Director, Titling and Registration, Boater Education, Business Services, and the Policy & Environmental sections.

The Director’s Office is responsible for providing overall leadership and direction for the agency and is responsible for state boating law administration.

The Policy and Environmental section develops and coordinates rulemaking, advisory groups, and stakeholder engagement. The section develops waterway management plans, special studies and serves as a liaison with other government organizations and interest groups. Environmental programs such as Clean Marina and Abandoned and Derelict boat removal activities fall within the Policy and Environmental section.

The Titling and Registration section is responsible for the majority of the agency’s business activity by titling and registering approximately 158,570 recreational boats. This section also titles approximately 2,764 floating homes and boathouses. The section staff receive an average of 2,400 calls a month and respond to an average of 500 emails. The Registration Section publishes annual boat registration data, provides annual reports to the U.S. Coast Guard, and generates monthly registration statistics and active boat records for the national Vessel Identification System (VIS).

The Business Services section provides agency-wide business functions including accounting, budgeting, procurement, federal grant administration, inventory control, and cash management. The section also provides support for all building facility management, information technology and security within the agency. Business Services conducts the statutorily mandated triennial boating survey and quadrennial fuel use survey. This section also manages external agency communication to inform boaters about waterway obstructions, construction, marine events, clean marinas, boating facilities and boatable waterways, and updates to boating regulations through digital assets. Business Services communications also collaborates with other agency and organization communications staff to amplify messaging and partner on outdoor recreation initiatives.

The Education section is responsible for implementing the statewide mandatory boater education program. It provides leadership and coordination for statewide water and boating safety through mandatory boater education campaigns and school programs. The Education section develops and distributes print materials to promote safe boating as well as providing grants to non-profits for boater safety training or expanding life jacket loaner stations near waterways.



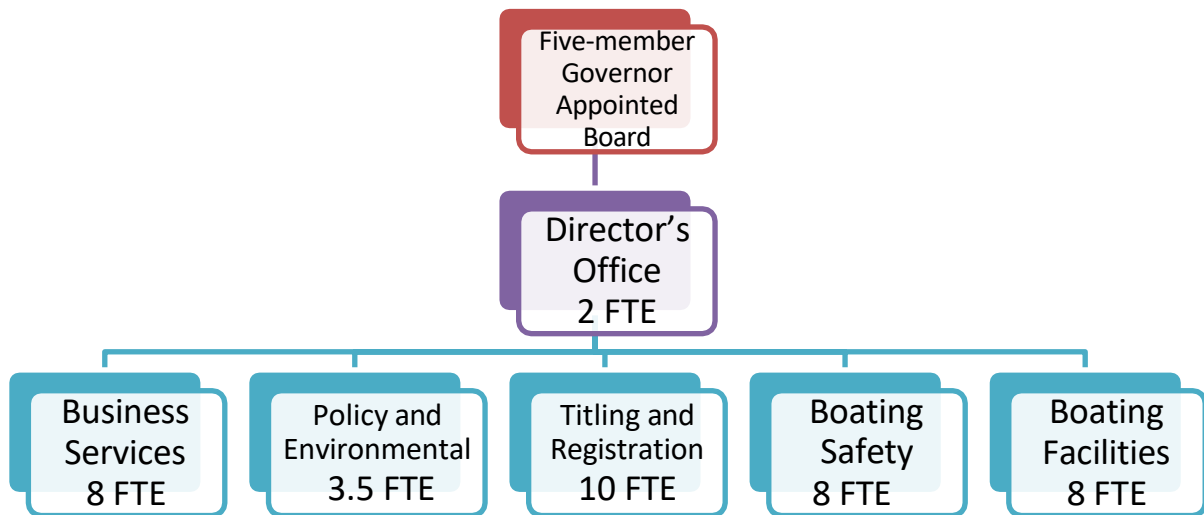
The **Law Enforcement Program** provides funding and training support for 31 county sheriffs' offices and the Oregon State Police to enforce boating laws and safe boating practices. This program promotes boating safety through the active management of contracts with county Sheriffs' Offices and the State Police to patrol Oregon's waterways and enforce boating laws. This program provides funding and subject matter expertise for marine patrol boat purchasing, maintenance, and repair. The program provides relevant training to marine officers, gathers, and analyzes law enforcement statistics, and participates in national programs to reduce incidents and fatalities.

The **Boating Facilities Program** provides grants and technical assistance for the maintenance and improvement of public recreational boating facilities statewide. Boating facilities grants are available to cities, counties, ports, park districts, state agencies, federal agencies, and Oregon's nine federally recognized Tribal governments. Boating facility grants can be used for the acquisition, development, and improvement of public boating access. The program administers federal grants available through Boating Infrastructure Grants and Clean Vessel Act programs. Private marinas can apply for grants to improve vessel waste collection facilities. Annual grants are also available to cities, counties, ports, park districts and state agencies to augment the maintenance of public boating access sites. Engineering, design, and project administration services, including project planning and needs assessments, are part of this program. Program staff also provides technical assistance in acquiring environmental permits and review projects for impacts to navigation.

The **Aquatic Invasive Species Protection Program** became an independent budget structure during the 2011 Legislative session and is implemented under the Policy and Environmental Section. This program was created as a result of a law enacted by the 2009 Legislature with the intent of protecting state waterways from aquatic invasive species. This program manages the permitting process and education and outreach efforts which impact nonmotorized boaters, motorized boaters, and out-of-state visitors bringing their boats to recreate on Oregon waterways from other states. Funding from the program is also provided to ODFW through an interagency agreement to perform roadside boat inspections for aquatic invasive species (AIS).



Agency Organization



Marine Board members are five volunteers who are appointed by the Governor and confirmed by the Senate. They represent different geographic regions of the state and different boating activities, serve four-year terms, and may apply for a second term of service.

The **Business Services Section** handles all administrative agency functions – budget, finance, procurement, information technology, building and fleet maintenance, and internal/external communications.

The **Policy and Environmental Section** is responsible for rulemaking, the Aquatic Invasive Species Program, the Abandoned and Derelict Vessel Removal Program, and the Clean Marina Program. These programs primarily interact with stakeholders and partner agencies.

The **Titling and Registration Section** is the customer service provider for the agency and the primary contact point for the boating public. The public service representatives are part of the agency call center and process boating title transactions, registrations, and other boating permit and ownership documents.

The **Boating Safety Section** coordinates the law enforcement contracts with the County Sheriff's and Oregon State Police, coordinates marine law enforcement training, manages the Mandatory Boater Education Program, and manages the Outfitter Guide registration program.



The **Boating Facilities Section** provides design, engineering, and technical assistance to aid in the development of boating facilities. The section also distributes federal and state grant funds through the Boating Facility Grant program and state funds to the Waterway Access Grant program and the Maintenance Assistance Program.

Budget Drivers

The main cost drivers for the agency are any change in construction cost and boating safety enforcement. Regarding construction cost, increases in materials, labor and permit compliance are the main factor. For boating safety enforcement, personnel and cost of equipment and supplies.

On the revenue side, the main drivers that are affecting the agency are the number of registered boats, the amount of fuel use calculated in the quadrennial fuel use survey (Performed by OSU), and the assigned/awarded Federal Funds by the U.S. Coast Guard and U.S. Fish and Wildlife Services.

Major Changes in the past three biennia

2019- 2021 The only programmatic change in the last three biennia was the addition of the Waterway Access Permit program with the passage of SB 47 in 2019. In 2020, in part due to the increase in outdoor recreation associated with COVID, waterway access permit sales surpassed those forecasted. During the 2021-2023, the agency awarded 30 Waterway Access Grant funds totaling \$1,512,355. The agency has awarded \$251,482 to non-governmental organizations to increase opportunities for underserved communities to experience nonmotorized boating, safely.

Containing Costs and Improving Programs

In the 2019 -2021 biennia the agency began sending boat registration renewal notices by email instead of U.S. Mail. In the past registration cycle, 59,000 out of 99,000 renewal reminders were emailed electronically. This resulted in \$28,000 savings in printing and postage costs as well as shortening the fulfillment time from several weeks to several days for motorboat registration renewals.



Budget Information

Revenue

Fuel Tax represents 34% of the Marine Board’s revenue and has increased 8% and 5% in the last two biennia, respectively.

Registration, titling, and boater education card fees haven’t been increased since 2019. No increase is expected for the next biennium.

In the 2019-21 biennium, Waterway Access Permit sales totaled \$2,861,277. This includes sales from permits dedicated to both the Waterway Access Program and Aquatic Invasive Species. The agency is forecasting \$2,429,352 for the 2021-23 biennium.

The agency has been facing a decrease in the number of motorboat registration renewals. However, Fuel Tax revenues has been increasing due to increased consumption of fuel by boaters and the increase in gasoline tax in 2017.

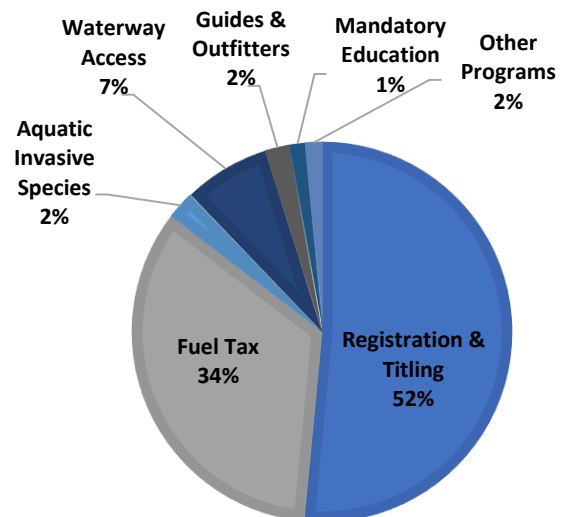
The Fuel Tax has helped offset declines in registration revenue and the agency is forecasting a 7% increase in revenue into the 2023-25 biennium.

Waterway Access sales will continue to play an important role for the agency going forward. For the 2023-25 biennium, Waterway Access revenue is expected to reach 7% of the agency’s Licenses and Fees.

2023-2025 Revenue (Millions)



- Waterway Access
- AIS
- Fuel Tax
- Registration



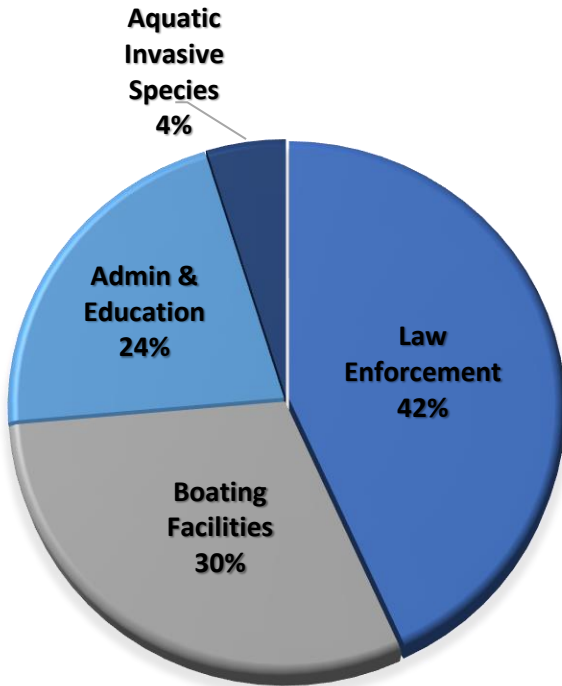


Expenditures

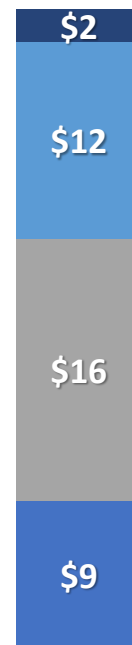
The Marine Board’s labor cost represents 25%, Services and Supplies 12%, and Distributions 63% of the total expenditures. For the past six years, this share has been consistent, and the current agency’s programs have not seen any material change.

Total expenditures for the 2023-2025 biennium amount \$39,207,189, which compared to the 2021-2023 Legislative Approved Budget (LAB), represents an increase of 7%.

2023-25 BUDGET



2023-2025 Expenditures (Millions)



- AIS
- Facilities
- Law Enforcement
- Admin & Education



Main Shared Programs

Oregon State Police (OSP). The Marine Board and OSP have an ongoing interagency agreement to partially fund Fish and Wildlife troopers to enforce boating laws across the state. For the 2023-2025 biennium, the agency budgeted transfers to OSP of \$2,099,945 (\$1,501,740 and \$598,205 of Other and Federal Funds, respectively).

Oregon Department of Fish and Wildlife (ODFW). The Marine Board transfers most of the funds deposited into the Aquatic Invasive Species account to ODFW to run the six boat inspection stations located on Oregon's borders. The agency will provide funds to ODFW for \$999,649 during the 2023-2025 biennium.

Oregon Parks and Recreation Department (OPRD). As part of the Facility section's Maintenance and Assistance Grants (MAG), the agency provides both Other Funds and Federal Funds to OPRD. For the 2023-2025 biennium, the agency budgeted transfers to OPRD of \$400,000 (\$325,000 and \$75,000 of Other and Federal Funds, respectively).

Fiscal Impact of New Legislation

For the current session, the agency does not see potential legislation impacting the agency's budget for the 2023-25 biennium.



Reduction Options

This is a summary of the 15% reduction option for the 2023-25 biennium:

Program	Program Unit/Activity Description	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Facilities	Boating Facilities/Reduction of non-federal match to the federal funding.	\$ 1,977,143		\$ 1,977,143	-	-
Facilities	Boating Facilities/Reduction of federal funding from USFWS		\$ 431,600	\$ 431,600	-	-
Law Enforcement	Law Enforcement/Reduction on funding to county sheriff departments and the Oregon State Police.		\$ 586,302	\$ 586,302	-	-
Law Enforcement	Law Enforcement/Reduction of non-federal match funding to county sheriff departments and the Oregon State Police,	\$ 1,820,000		\$ 1,820,000	-	-
Business Services	Administration & Education/Reduce accounting and IT staff and discretionary cost.	\$ 293,000		\$ 293,000	2	1.65
Law Enforcement	Administration & Education/Reduce educational grants and supplies		\$ 28,250	\$ 28,250	-	-
Law Enforcement	Administration & Education/Reduction of non-federal match to the federal funding.	\$ 65,000		\$ 65,000	-	-
Boat Registration	Administration & Education/Reduce postage and eliminate the contract.	\$ 176,000		\$ 176,000	1	.25
Law Enforcement	Law Enforcement/Guides and Outfitters Intergovernmental Agreements.	\$ 79,000		\$ 79,000	-	-
Aquatic Invasive Species	Aquatic Invasive Species/Elimination of program analyst and accounting staff, and transfer program management to ODFW.	\$ 281,000		\$ 281,000	2	.9
		\$ 4,691,143	\$ 1,046,152	\$ 5,737,295	5	2.80

Wildfire Impacts

The five major river basins were affected by wildfires over the last several years. There continues to be debris and boating obstructions from dead trees as expected and will persist for years. Some boating access facilities were impacted during the fires and facility owners are working with agency staff for permitting and technical assistance.

Technology and Capital Construction Projects

The agency does not have any IT or capital project considered for the 2023-2025 biennium.

Other Public Information

A summary of the agency's Governor's Budget is also available on the agency's website or by accessing the following link:

<https://www.oregon.gov/osmb/info/Pages/Business-Services.aspx>

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA

Agency: Oregon State Marine Board - 250
 Contact Name: Preston Marchant
 Contact Phone: 503-979-6945

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2021-23 Ending Balance		(g) 2023-25 Ending Balance		(i) Comments
					In LAB	Revised	In CSL	Revised	
Limited	25000-001-01-00-00000 Administration / Education	1087 - Boating Safety, Law Enforcement and Facility	Operations / Administration & Education	ORS 830.140	6,279,044	13,339,392	9,532,004	9,532,004	See 'Reconciliation' tab for revised 2021-23 ending balance
Limited	25000-002-01-00-00000 Law Enforcement Program	1087 - Boating Safety, Law Enforcement and Facility	Operations / Law Enforcement	ORS 830.140	0	0	171,045	171,045	
Limited	25000-003-01-00-00000 Facility Programs	1087 - Boating Safety, Law Enforcement and Facility	Operations / Facility Programs	ORS 830.140	0	0	0	0	
Limited	25000-004-01-00-00000 Aquatic and Invasive Species	1338 - Aquatic Invasive Species Prevention Fund	Operations / Aquatic Invasive Species	ORS 830.585	105,517	1,285,190	1,251,447	1,251,447	See 'Reconciliation' tab for revised 2021-23 ending balance

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2023-25 legislatively adopted budget.

Instructions:

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2021-23 Legislatively Approved Budget and the 2023-25 Current Service Level at the Agency Request Budget level.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. The revised column (i) should assume 2023-25 Current Service Level expenditures, considering the updated 2021-23 ending balance and any updated 2023-25 revenue projections. Do not include adjustments for reduction options that have been submitted. Provide a description of revisions in Comments (Column (j)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2021 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

2021-23 ARPA ENDING BALANCES

Agency: OregonState Marine Board
 Contact Name: Preston Marchant
 Contact Phone #: 503-979-6945

(a) SCR	(b) Program Description	(c) 2021-23 LAB	(d) 2021-23		(f) 2023-25 POP		(g) POP #	(h) Comments
			Ending Balance	Amount Obligated	Y/N			
25000-001-01-00-00000 Administration / Education	Willamette River ADV Response Project	1,000,000	750,000	-	Y	102		

Instructions:

- Column (a): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget.
- Column (b): List American Rescue Plan Act (ARPA) balances by legislatively approved uses and/or specified transfers to agency programs.
- Column (c): Provide the expenditure limitation approved for the ARPA funds transferred to the agency in the 2021-23 Legislatively Approved Budget.
- Column (d): Enter the total estimated balance of ARPA funds that will be unspent at the close of the 2021-23 biennium.
- Column (e): Enter the amount of the unspent ARPA balance obligated to a project/program through an award, grant agreement, or other contract as of June 30, 2023.
- Column (f) and (g): Indicate whether the 2023-25 Agency Request Budget includes a policy option package (POP) to utilize the ARPA funds carrying forward into the 2023-25 biennium, and if so, provide the POP number.
- (h) Please provided any additional information related to ARPA ending balances.

Reconciliation of 2021-23 Ending Balance

1087 - Boating Safety, Law Enforcement and Facility
25000-001-01-00-00000 Administration / Education

2021-23 LAB		6,279,044
Difference in Beginning Balance		
Actuals (audited)	10,818,274	
LAB	<u>5,289,473</u>	
Savings from 2019-21 biennium	5,528,801	5,528,801
Forecast Increase Boat Fuel Tax Revenue		
2021-23 Forecast	10,486,000	
2021-23 LAB	<u>8,580,000</u>	
	1,906,000	1,906,000
Forecast Decrease Registration and Titling Revenue		
2021-23 Forecast	17,149,580	
2021-23 LAB	<u>17,435,897</u>	
	(286,317)	(286,317)
Forecast Increase Waterway Access Revenue		
2021-23 Forecast	1,789,356	
2021-23 LAB	<u>1,366,726</u>	
	422,630	422,630
September 2022 E-Board Actions		(510,766)
Estimated Expenditure Reduction / Savings		<u>-</u>
Current Estimate		<u><u>13,339,392</u></u>

Reconciliation of 2021-23 Ending Balance

1338 - Aquatic Invasive Species Prevention Fund
25000-004-01-00-00000 Aquatic Invasive Species

2021-23 LAB		105,517
Difference in Beginning Balance		
Actuals (audited)	1,303,237	
LAB	<u>222,857</u>	
Savings from 2019-21 biennium	1,080,380	1,080,380
Forecast Decrease Registration and Titling Revenue		
2021-23 Forecast	790,598	
2021-23 LAB	<u>909,228</u>	
	(118,630)	(118,630)
Forecast Increase Waterway Access Revenue		
2021-23 Forecast	881,324	
2021-23 LAB	<u>663,401</u>	
	217,923	217,923
Estimated Expenditure Reduction / Savings		<u>-</u>
Current Estimate		<u><u>1,285,190</u></u>