



Oregon

Tina Kotek, Governor

Department of State Lands

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State Land Board

To: Senate Committee on Natural Resources: Senator Jeff Golden, Chair;
Senator Fred Girod, Vice-Chair; Senator Floyd Prozanski; Senator David
Brock Smith; Senator Kathleen Taylor

Tina Kotek
Governor

From: Department of State Lands: Christopher Castelli, Legislative & Government
Affairs Coordinator; Allison Daniel, Policy & Legislative Analyst

Shemia Fagan
Secretary of State

Re: **Follow-up on House Bill 2238 -A3**

Tobias Read
State Treasurer

The Department of State Lands appreciated the opportunity to provide testimony on HB 2238 -A3 on Wednesday, April 26 and is pleased to offer additional information regarding the Common School Fund's ongoing subsidy of Oregon's removal-fill permitting process.

Current fees related to adding and removing materials in wetlands and waters of the state are a removal-fill permit fee and a wetland delineation report fee. HB 2238-A3 would allow the DSL Director to establish these fees via a rulemaking process and adopt new fees in rule.

Common School Fund Subsidy of Removal-Fill Permits

The maximum removal-fill permit fee is currently \$1,470. On average, the Common School Fund expends \$1.65 million annually to cover the cost of processing removal-fill permits. Average cost recovery is 25 percent.

Revenue and expense data for the past six years is below.

Fiscal Year	Program	Total Revenue	Total Expense	Revenue Less Expense	Percent Cost Recovery
2022	Removal-Fill	\$ 561,370	\$ 2,453,209	\$ (1,891,839)	23%
2021	Removal-Fill	\$ 575,119	\$ 2,471,593	\$ (1,896,474)	23%
2020	Removal-Fill	\$ 617,054	\$ 2,339,627	\$ (1,722,573)	26%
2019	Removal-Fill	\$ 592,121	\$ 2,212,902	\$ (1,620,781)	27%
2018	Removal-Fill	\$ 511,201	\$ 1,874,059	\$ (1,362,858)	27%
2017	Removal-Fill	\$ 500,421	\$ 1,915,727	\$ (1,415,306)	26%
6-Yr Average:	Removal-Fill	\$ 559,548	\$ 2,211,186	\$ (1,651,639)	25%

Common School Fund Subsidy of Wetland Delineation Reports

Wetland delineations precisely map the boundaries of wetlands or waterways to identify areas where removing or filling materials will require a DSL permit. A DSL-approved wetland delineation report is a required element of most removal-fill permit applications.

The wetland delineation report fee is currently \$540. On average, the Common School Fund expends \$673,000 annually to cover the cost of processing wetland delineation reports. Average cost recovery is 18 percent.

Revenue and expense data for the past six years is below.

Fiscal Year	Program	Total Revenue	Total Expense	Revenue Less Expense	Percent Cost Recovery
2022	Wetlands	\$ 171,525	\$ 732,587	\$ (561,062)	23%
2021	Wetlands	\$ 152,496	\$ 879,315	\$ (726,819)	17%
2020	Wetlands	\$ 137,778	\$ 877,031	\$ (739,253)	16%
2019	Wetlands	\$ 139,478	\$ 887,778	\$ (748,300)	16%
2018	Wetlands	\$ 152,067	\$ 1,035,591	\$ (883,525)	15%
2017	Wetlands	\$ 223,103	\$ 994,431	\$ (771,328)	22%
6-Yr Average:	Wetlands	\$ 162,741	\$ 901,122	\$ (738,381)	18%
					Average Federal Funds Received: \$ 65,117
					Average Cost to CSF: \$ 673,264

Total Common School Fund Subsidy of the Removal-Fill Permitting Process

In total, DSL's administration of removal-fill permits and wetland delineation reports costs the Common School Fund an average of \$2.3 million annually. Fees charged cover, on average, 23 percent of the annual cost to administer the regulatory removal-fill permitting process.

The total combined revenue and expense costs for the past six years are below.

Fiscal Year	Program	Total Revenue	Total Expense	Revenue Less Expense	Percent Cost Recovery
2022	Regulatory	\$ 732,895	\$ 3,185,796	\$ (2,452,901)	23%
2021	Regulatory	\$ 727,615	\$ 3,350,908	\$ (2,623,293)	22%
2020	Regulatory	\$ 754,832	\$ 3,216,658	\$ (2,461,825)	23%
2019	Regulatory	\$ 731,599	\$ 3,100,679	\$ (2,369,081)	24%
2018	Regulatory	\$ 663,268	\$ 2,909,651	\$ (2,246,383)	23%
2017	Regulatory	\$ 723,524	\$ 2,910,158	\$ (2,186,634)	25%
6-Yr Average:	Regulatory	\$ 722,289	\$ 3,112,308	\$ (2,390,020)	23%
					Average Federal Funds Received: \$ 65,117
					Average Cost to CSF: \$ 2,324,903

Thank you for the opportunity to provide this information. We are happy to answer any questions you may have or provide additional information.