

SB 1561 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: April McDonald, Legislative Fiscal Office

Oregon Watershed Enhancement Board

2023-25

Department of Environmental Quality

2023-25

Department of Fish and Wildlife

2023-25

State Treasurer

2023-25

PRELIMINARY

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2024 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
			\$ Change	% Change
Oregon Watershed Enhancement Board				
Other Funds	\$ -	\$ 1,322,956	\$ 1,322,956	100.0%
Total	\$ -	\$ 1,322,956	\$ 1,322,956	100.0%
Department of Environmental Quality				
Other Funds	\$ -	\$ 141,727	\$ 141,727	100.0%
Total	\$ -	\$ 141,727	\$ 141,727	100.0%
Department of Fish and Wildlife				
Other Funds	\$ -	\$ 137,568	\$ 137,568	100.0%
Total	\$ -	\$ 137,568	\$ 137,568	100.0%
State Treasurer				
Other Funds	\$ -	\$ 175,221	\$ 175,221	100.0%
Total	\$ -	\$ 175,221	\$ 175,221	100.0%

Position Summary

Oregon Watershed Enhancement Board

Authorized Positions	0	5	5
Full-time Equivalent (FTE) positions	0.00	3.15	3.15

Department of Environmental Quality

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.50	0.50

Department of Fish and Wildlife

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.50	0.50

State Treasurer

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.54	0.54

⁽¹⁾ Includes adjustments through January 2024

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Senate Bill 1561 allocates the remainder of revenues derived from the Monsanto Settlement Agreement, currently deposited in the Polychlorinated Biphenyls Remediation and Restitution Account (PCB Remediation Account), where \$5,000,000 is allocated to the Oregon Watershed Enhancement Board (OWEB) for administrative costs associated with the provisions of the measure in the 2023-25 and 2025-27 biennia and the remainder is to be deposited into the Oregon Environmental Restoration Fund (OERF), which is established by the bill. The bill also establishes the Environmental Restoration Council within OWEB and provides authority for the council to establish rules for approving allocations from the OERF to the State Agency Program Fund, the Disproportionately Impacted Community Fund, and the Tribal Nation Natural Resource Program Fund, also established in the measure. Beginning in the 2027-29 biennium, the bill allows administration costs to be supported using up to 0.25% of the OERF balance at the end of the prior fiscal year, unless a greater amount is approved by the Environmental Restoration Council.

Summary of Natural Resources Subcommittee Action

Senate Bill 1561 establishes the OERF, establishes the Environmental Restoration Council (ERC), and makes requirements of the council to distribute moneys from the fund. The bill also allocates \$5,000,000 Other Funds revenues from the PCB Remediation Account to OWEB for administrative costs in the 2023-25 and 2025-27 biennia, and deposits the funds remaining in the PCB Remediation Account into the OERF.

Oregon Environmental Restoration Fund Establishment and Establishment of the Environmental Restoration Council

Senate Bill 1561 establishes the OERF with the intent to receive Monsanto Settlement Agreement proceeds; provide for the investment of settlement funds and expenditure of earnings in an equitable, transparent, and accountable manner; and ensure that, consistent with the terms of the Monsanto Settlement Agreement, earnings are used to supplement efforts by recognized tribal governments, executive branch agencies, and disproportionately impacted communities for environmental remediation or restitutionary projects or purposes having a nexus with environmental harms to air, water, soil, other natural resources, or human health caused by environmental contamination, particularly the presence of polychlorinated biphenyls (PCB). The bill establishes the ERC to determine project eligibility for use of moneys transferred from the OERF to the State Agency Program Fund, the Disproportionately Impacted Community Fund, and the Tribal Nation Natural Resource Program Fund. The bill permits the use of revenues from the OERF for staff support and other administrative expenses up to 0.25% of the balance of the OERF at the end of the previous fiscal year, beginning in the 2027-29 biennium.

PCB Remediation Account

The bill allocates \$5,000,000 in Other Funds revenue from the PCB Remediation Account to OWEB, deposits the remainder of the fund into the OERF, and abolishes the PCB Remediation Account.

Oregon Watershed Enhancement Board

The bill establishes the ERC within OWEB, which is made up of the Governor or a designee of; the Director of DEQ or a designee of; the Director of the Department of Fish and Wildlife or a designee of; the Director of Oregon Health Authority or a designee of; the Attorney General or a designee of; and six members appointed by the Governor who have expertise and demonstrated interest in environmental remediation. A non-voting advisory member is appointed from each legislative chamber. The Council is directed to establish rules for distributions into three distinct funds for projects for remediation efforts, the State Agency Program Fund, the Disproportionately Impacted Community Fund, and the Tribal Nation Natural Resources Program Fund. The funds are available to make distributions to state agencies, non-profit organizations, and tribal governments, respectively. The bill requires the Council to make a report to the to the Governor and the Legislature on the purposes for fund allocations once each biennium. Additionally, the Council is required to report to the interim committees of the Legislature related to the environment by September 15, 2073, with recommendations on the long-term distribution strategy of the OERF.

The bill increases Other Funds expenditure limitation for OWEB by \$1,322,956 and establishes five positions (3.15 FTE) to provide administrative support to the Council and implement the provisions of the measure. OWEB would also act as the fiscal agent for the distribution of moneys derived from the OERF. The bill establishes the following five positions: one permanent full-time Natural Resources and Sustainability Manager 3 position (0.63 FTE), one permanent full-time Executive Assistant position (0.63 FTE), one permanent full-time Accountant 2 position (0.63 FTE), one limited duration Operations and Policy Analyst 4 position (0.63 FTE), and one limited duration Natural Resources Specialist 4 position (0.63 FTE). The bill also provides Other Funds expenditure limitation of approximately \$300,000 for legal expenses for the development of rules and programs, and \$170,000 for administrative services such as HR, payroll, and IT support.

Department of Environmental Quality

The bill increases Other Funds expenditure limitation by \$141,727 and establishes one permanent full-time Operations and Policy Analyst 3 position (0.50 FTE) to provide technical assistance for drafting rules; developing criteria for funding; supporting the development of strategic priorities; and later supporting determinations on the environmental outcomes from OERF funds expended by DEQ's Environmental Cleanup Program.

Department of Fish and Wildlife

The bill increases Other Funds expenditure limitation by \$137,568 and establishes one permanent full-time Operations and Policy Analyst 3 position (0.50 FTE) to provide subject matter expertise related to fish, wildlife, and habitat for development and analysis of strategic priorities, eligibility criteria, and project outcomes.

State Treasurer

The measure directs the State Treasurer to advise the ERC on the establishment of a long-term distribution policy for the OERF and provide accounting services specific to the Fund. The bill increases Other Funds expenditure limitation for the State Treasurer by \$175,221 and

establishes one permanent full-time Investment Analyst 3 position (0.54 FTE) to implement these provisions. This position would prepare financial statements, monitor cash flows and transactions, and communicate about investments, among other duties.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Various Agencies
 Sione Filimoehala CFO Analyst -- (971)707-8779

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
Oregon Watershed Enhancement Board									
SCR 010 - Operations									
Personal Services	\$ -	\$ -	\$ 797,856	\$ -	\$ -	\$ -	\$ 797,856	5	3.15
Services and Supplies	\$ -	\$ -	\$ 460,100	\$ -	\$ -	\$ -	\$ 460,100		
Special Payments	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000		
Department of Environmental Quality									
SCR 003 - Land Quality									
Personal Services	\$ -	\$ -	\$ 122,477	\$ -	\$ -	\$ -	\$ 122,477	1	0.50
Services and Supplies	\$ -	\$ -	\$ 19,250	\$ -	\$ -	\$ -	\$ 19,250		
Department of Fish and Wildlife									
SCR 060 - Habitat Division									
Personal Services	\$ -	\$ -	\$ 122,568	\$ -	\$ -	\$ -	\$ 122,568	1	0.50
Services and Supplies	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000		
State Treasurer									
SCR 070 - Administrative Services									
Personal Services	\$ -	\$ -	\$ 149,895	\$ -	\$ -	\$ -	\$ 149,895	1	0.54
Services and Supplies	\$ -	\$ -	\$ 25,326	\$ -	\$ -	\$ -	\$ 25,326		
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 1,777,472	\$ -	\$ -	\$ -	\$ 1,777,472	8	4.69

% Change from 2023-25 Leg Approved Budget 0.0% 0.0% 100.0% 0.0% 0.0% 0.0% 100.0% 100.0% 100.0%

*Excludes Capital Construction Expenditures

