

Natural Resources

OREGON WATERSHED ENHANCEMENT BOARD

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$2,198,212	\$875,000	\$1,036,753	\$101,280
Lottery Funds	13,773,426	48,585,907	48,787,734	32,303,598
Other Funds	1,826,468	2,274,939	2,274,939	1,826,568
Federal Funds	4,156,795	17,165,875	23,965,600	22,580,000
Other Funds (Nonlimited)	0	0	0	0
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$21,954,901	\$68,901,721	\$76,065,026	\$56,811,446
Positions	18	23	23	20
Full-time Equivalent	18.10	23.00	23.00	20.00

Overview

The Oregon Watershed Enhancement Board (OWEB) promotes and implements programs that restore, maintain, and enhance Oregon watersheds to protect the economic and social well being of the state and its citizens. The agency mainly provides grants for volunteer efforts to improve fish habitat. In 1998, voters approved Ballot Measure 66, which dedicated 15 percent of net Lottery proceeds to natural resource efforts. The funds are split evenly between state parks and watershed restoration. The 1999 Legislature established OWEB to administer the salmon and watershed portion of the dedicated Lottery revenues.

Balanced Budget

The Governor's balanced budget is \$56.8 million total funds. This is a 25 percent decrease from the 2001-03 Legislatively Approved Budget through the Fifth Special Session. General Fund declines with the phase-out of one-time projects that ended during the 2001-03 biennium. Lottery Funds decrease mainly as a result of spending funds that were carried forward from the 1999-2001 biennium. Also, the Lottery revenues generated during the 2003-05 biennium are expected to be less than in the 2001-03 biennium.

Of the Ballot Measure 66 Lottery Funds, 35 percent are dedicated to agency operations and 65 percent support capital expenditures. Because operating costs are rising faster than the resource, the balanced budget cuts operating expenses, but maintains a manager to oversee grants made to other entities during each biennium since 1999. Capital expenditures are increased to revenues available. Other agencies that receive Measure 66 Lottery Funds also have adjustments to bring operating and capital expenditures in line with the requirements. These adjustments are likely to continue in future biennia, because operating expenditures have historically grown faster than capital expenditures.

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The budget includes \$12 million of Pacific Coastal Salmon Recovery Funds (PCSRF) from the National Marine Fisheries Service. PCSRF replaced General Fund during the 2002 Second Special Session. The balanced budget does not propose to continue using PCSRF to cover General Fund reductions at this time. OWEB would use the PCSRF funds for watershed improvement grants. Whether to use the PCSRF for grants or to support current Oregon Plan activities is an ongoing issue that will be explored further.

The balanced budget maintains much of the work of the agency. The Willamette Restoration Initiative, effectiveness monitoring, and data oversight are continued, but at a reduced level.

Revenue

The 2003-05 budget is supported by Lottery Funds, Other Funds, and Federal Funds. Other Fund revenues come from a surcharge on salmon license plates, interest, and other charges for services. Federal Fund revenues are from the National Marine Fisheries Service, U.S. Department of Commerce. Oregon received \$17 million during Federal Fiscal Year 2002, and used about \$5 million of that amount during the 2001-03 biennium. Another \$14 million may become available for Federal Fiscal Year 2003, depending on congressional action.