

# Natural Resources

## PROGRAM AREA AGENCIES

DEPARTMENT OF AGRICULTURE .....	F-4
COLUMBIA RIVER GORGE COMMISSION.....	F-6
DEPARTMENT OF ENERGY .....	F-8
DEPARTMENT OF ENVIRONMENTAL QUALITY.....	F-10
DEPARTMENT OF FISH AND WILDLIFE.....	F-12
STATE FORESTRY DEPARTMENT .....	F-15
DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES .....	F-18
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT .....	F-20
LAND USE BOARD OF APPEALS.....	F-22
DEPARTMENT OF STATE LANDS .....	F-24
MARINE BOARD .....	F-26
PARKS AND RECREATION DEPARTMENT .....	F-28
WATER RESOURCES DEPARTMENT .....	F-30
OREGON WATERSHED ENHANCEMENT BOARD .....	F-32

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$115,267,211	\$125,098,102	\$175,976,406
Lottery Funds	107,656,329	159,417,845	201,214,743
Other Funds	536,159,968	605,450,820	671,512,210
Federal Funds	203,198,406	230,368,315	230,501,863
Other Funds (Nonlimited)	252,357,451	247,855,819	272,621,125
Federal Funds (Nonlimited)	0	0	0
<b>Total Funds</b>	<b>\$1,214,639,365</b>	<b>\$1,368,190,901</b>	<b>\$1,551,826,347</b>
Positions	5,463	5,395	5,487
Full-time Equivalent	4,215.27	4,286.00	4,396.23

### Overview

The agencies within the Natural Resources Program Area manage Oregon’s natural resources for present and future generations while supporting a growing and sustainable economy. This program area represents about 2.5 percent of the state’s combined General Fund and Lottery Fund budgets. Natural Resource agencies provide a variety of services, including pollution, land use and water use control, consumer protection, and natural resource product promotion.

While all work to conserve and enhance Oregon’s environment, Natural Resource agencies have diverse roles. The Department of Agriculture, for example, helps protect water quality through agricultural water quality planning and monitoring of Combined Animal Feeding Operations. It also works to promote Oregon agriculture in existing and new markets, and protects consumers by conducting food safety inspections and checking weights and measures used in business transactions. The Department of

# Natural Resources

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Forestry assists forest landowners with forest stewardship, enforces Forest Practices Act guidelines, leads the effort to prevent and combat forest fires and works with the timber industry to assure a viable forest products sector as part of Oregon's economy. The Department of Fish and Wildlife regulates the catch of sport and commercial fishers, but also works to assure that there are fish to catch.

In addition to traditional work protecting the environment, promoting Oregon natural resource products, and promoting consumer safety, many Natural Resource agencies participate in the Oregon Plan for Salmon and Watersheds. The Plan, in effect since 1997, is an effort to restore the health of watersheds. Plan activities include developing water quality plans, conducting scientific surveys of fish health, assisting landowners and volunteer citizen groups to restore watersheds, enhancing critical habitat for fish and wildlife, and monitoring watershed health and fish population trends. The funding for these efforts comes mainly from General Fund, Lottery Funds, and Federal Funds.

Revenues to support Natural Resources agency work comes from fees, contracts, payments for services, grants, federal grants, federal contracts, and Lottery Funds dedicated by constitutional amendment in 1998. Current fees and fee increases are set to support basic services for which fees are charged and are not used to support unrelated programs. Proposals for new or increased fees are developed in consultation with those who pay the fees as well as other interested stakeholders. The Oregon Plan for Salmon and Watersheds continues to be a major natural resource priority and increasing Lottery Funds will enable this program to expand its benefits even further.

Another important funding source for natural resource agencies is Lottery Funds, which were dedicated to parks and to salmon and watershed restoration by a constitutional amendment approved in 1998. The amendment dedicates 15 percent of net lottery proceeds to the natural resources program area in the Parks and Natural Resources fund. This is further split so parks programs receive half and fish and watersheds receive half of the 15 percent dedication. Further restrictions on the fish and watershed Lottery Funds require that no more than 35 percent pay for operations. No less than 65 percent must pay for capital expenditures. The recommended budget includes a greater amount of capital projects expenditure authority than in the 2005-07 biennium, largely due to the growth of Lottery Funds. The amendment to the constitution requires reconsideration of the Lottery Funds dedication to Parks and fish and watershed restoration in 2014.

## Recommended Budget

The Governor's recommended budget for this policy area is \$1.6 billion total funds, which is a 13.4 percent increase from the 2005-07 Legislatively Approved Budget. It funds the Governor's renewable energy initiative, the water conservation and supply initiative, and focuses on cleaning up the Willamette River Basin.

The renewable energy initiative provides funding to the Department of Energy for several new programs. Resources are provided for grants to schools for installing solar energy. The recently created Renewable Energy Division at the Department of Energy will receive increased funding, and energy audit teams will work to ensure that state government meets the Governor's conservation goals of capturing a 20 percent energy savings by 2010. Other investments in the Governor's renewable energy initiative include funding for Department of Forestry biomass generation projects and the Department of Agriculture biofuels projects.

## Natural Resources

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The water conservation and supply initiative addresses long-term water supply issues in Oregon. It includes a statewide future water needs assessment, completion of a statewide inventory of potential storage sites, statewide investigations of basin yield estimates, statewide assessment and inventory of conservation projects, and funding for community and regional supply planning (which would be matched by the communities).

Efforts to cleanup the Willamette Basin include funding to begin a program of water quality monitoring and adding resources to existing permitting and regulatory programs. The new water quality program will enable the Department of Environmental Quality to assess if the new standards are being met, if there are areas where toxics are of concern and where tighter management is required. The Governor's previous budget was very successful in reducing the backlog of expired wastewater discharge permits and in establishing new standards for discharge of treated water into state waterways. Building on this success, the 2007-09 budget again places emphasis on water quality by increasing funding for water quality monitoring. Of special importance will be the analysis of bodies like the Willamette where there are many authorized point source discharges of treated water.

The Governor's budget restores lost services to private landowners who need assistance managing forestlands. It enhances the state's efforts to maintain clean air and focuses specifically on improving air quality to reduce health risks. The budget targets air quality and visibility problems in the Columbia River Gorge National Scenic Area, and it restores reductions in prior biennia at the Department of Environmental Quality and the Water Resources Department.

The Parks and Recreation Department budget increases acquisition funding to help meet the Governor's goal of a new park a year, and adds funding to continue or start development of existing properties. It adds funding for heritage preservation programs, including a new Main Street program that preserves historic downtown business districts. The budget also increases resources for initiatives to encourage youth to participate in outdoor recreation, which could help with long-term health and obesity issues.

Parks and Natural Resource Fund Lottery Funds are distributed among Natural Resource agencies as the law prescribes, including paying for park maintenance and construction, land acquisition, local grants, and watershed protection and improvement. These additional revenues are allocated to the Parks and Recreation Department and the Oregon Watershed Enhancement Board as required by law.

# Natural Resources

## DEPARTMENT OF AGRICULTURE

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$11,204,657	\$14,082,794	\$18,820,314
Lottery Funds	7,467,285	11,240,762	12,790,339
Other Funds	39,840,385	46,762,046	48,770,535
Federal Funds	5,936,307	5,240,812	4,527,315
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$64,448,634	\$77,326,414	\$84,908,503
Positions	604	520	531
Full-time Equivalent	376.67	368.93	379.05

### Overview

The Oregon Department of Agriculture (ODA) works to ensure food safety, provide consumer protection, protect agricultural natural resources, and promote economic development in the agricultural industry. The Department's budget includes four policy areas:

- The Administration and Support policy area manages the policy direction of the agency through the Director's Office, provides information and publication services, farm mediation, finances, develops and maintains the Department's computer system, and manages personnel, purchasing, buildings, and automobiles.
- The Food Safety policy area protects the food supply, keeps livestock healthy, and ensures measurement device accuracy. It also maintains fertilizer and pesticide standards. This is done through laboratory testing of food, animal feeds, and other items. Employees inspect food processing plants, grocery stores, and in-store delis. Staff also record livestock brands to help identify and deter theft of animals.
- The Natural Resources policy area conserves, protects, and develops natural resources. The program includes efforts to control and exclude foreign pests and plant diseases. Employees inspect and certify nursery stock, Christmas trees, and seed crops. The program controls the use of pesticides and fertilizers. Under the Oregon Plan, the program helps to protect water quality to assist in the restoration of salmon/steelhead runs and watersheds.

## Natural Resources

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- The Agricultural Development and Marketing policy area staff work to foster a sustainable Oregon economy in a global marketplace through product and market development of high value and value-added food and agricultural products. Commodity Inspection Division staff provide sampling, inspection, and verification services that promote the economic development of Oregon's agriculture industry and promote the movement of Oregon's agricultural products throughout the world.

### Recommended Budget

The recommended budget of \$84.9 million total funds is about a 10 percent increase from the 2005-07 Legislatively Approved Budget.

The recommended budget continues all core services. It adds resources to enable the agency to carry out its consumer protection mission by preventing fraud through transaction verification and checking packaged products for correct net contents and labeling. It restores funding which was eliminated during the 2003-05 biennium for the Eastern Oregon Entomologist, the state's chief grasshopper specialist. It provides funding to assist the State Invasive Species Council and for efforts related to renewable energy production. It provides resources to support the Oregon Sustainable Agriculture Resource Center (OSARC), which was an Oregon Solutions project, as well as resources to establish two certification experts within the agency. The recommended budget also adds revenue from fee increases for livestock identification, weights and measures, pesticides, and shipping point programs.

The budget includes \$12.8 million Lottery Funds to support the Oregon Plan, weed control, and soil and water activities.

### Revenue

General Fund, Lottery Funds, Other Funds, and Federal Funds support the Department. General Fund comprises 22 percent of the recommended budget. Lottery Funds, at 15 percent, support the Oregon Plan activities and county fair administration. Other Funds is the largest revenue component, supplying 57 percent of the agency's income. Sources include fees for licenses, registrations, inspections, certifications, and reimbursements under federal service contracts. The recommended budget includes fee increases for the Livestock Identification Program, Weights and Measures Program, Pesticides Program, and the Shipping Point Program. The U.S. Department of Agriculture and other federal agencies provide the remaining 5.0 percent of agency revenue.

# Natural Resources

## COLUMBIA RIVER GORGE COMMISSION

	2003-05 Actuals	2005-07 Leg Approved Budget	2007-09 Governor's Recommended Budget
General Fund	\$615,706	\$864,694	\$902,863
Lottery Funds	0	0	0
Other Funds	0	0	0
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$615,706	\$864,694	\$902,863
Positions	0	0	0
Full-time Equivalent	0.00	0.00	0.00

### Overview

The Columbia River Gorge Commission is charged with protecting the scenic, cultural, recreational, and natural resources while encouraging compatible growth and economic development within the Scenic Area. Created in 1987 by interstate compact and authorized by the 1986 Columbia River Gorge National Scenic Area Act, the Commission consists of thirteen members: six appointed by the counties located in the Columbia River Gorge, three appointed by the Oregon Governor, three appointed by the Washington Governor, and one appointed by the U.S. Secretary of Agriculture. It is the regional land use policy entity for the 292,615 acre Scenic Area, which consists of Multnomah, Hood River, and Wasco counties in Oregon; Clark, Skamania, and Klickitat counties in Washington; and thirteen designated urban areas.

### Recommended Budget

The Governor's recommended budget of \$902,863 General Fund is 4.4 percent higher than the 2005-07 Legislatively Approved Budget. The budget maintains current levels of services.

The Commission's staff members are administered by the Washington personnel system, although they are employees of neither state. Each of the two states pays one-half of the Commission's joint operating expenses and the full cost of commissioners who represent their respective state. The Governor's recommended budget includes only Oregon's half of the Commission's operating expenses and expenses relating to Oregon's Commission members.

# Natural Resources

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## Revenue

The Commission's budget officially resides in the state of Washington. The Oregon budget reflects payments to Washington state from the General Fund.

# Natural Resources

## DEPARTMENT OF ENERGY

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$0	\$0	\$8,900,000
Lottery Funds	0	0	0
Other Funds	15,210,637	17,846,378	20,531,525
Federal Funds	3,893,848	5,425,892	5,533,258
Other Funds (Nonlimited)	88,282,607	139,717,257	158,006,507
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$107,387,092	\$162,989,527	\$192,971,290
Positions	87	86	99
Full-time Equivalent	84.71	84.71	98.38

### Overview

The mission of the Oregon Department of Energy is to ensure Oregon has an adequate supply of reliable and affordable energy and is safe from nuclear contamination, by helping Oregonians save energy, develop clean energy resources, promote renewable energy and clean up nuclear waste.

The Department's work falls into four primary program areas:

- Encouraging individuals and businesses to invest in energy conservation.
- Siting new energy facilities that are safe and environmentally acceptable.
- Promoting development of new energy resources and technologies that show promise of being cleaner than conventional resources, and that have the potential to provide economic development opportunities.
- Protecting Oregonians from the hazards of radioactive wastes.

The energy conservation program provides information to consumers, demonstrates new energy-saving technologies and offers a variety of programs encouraging Oregonians to conserve energy. The siting program reviews energy siting applications and works with the various involved and affected parties to ensure that the site is both safe and environmentally sound. The new energy resources program offers tax credits and loans for renewable resource projects. The program also provides information and technical advice to individuals, businesses and power-plant developers on specific technologies and applications. The radioactive wastes program ensures that radioactive wastes are cleaned up, stored, and transported

## Natural Resources

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safely. The Department is also responsible for the state's emergency preparedness in the event of an accident involving radioactive materials.

### **Recommended Budget**

The Governor's recommended budget for the Department of Energy is \$193.0 million. This is an 18.4 percent increase from the 2005-07 Legislatively Approved Budget. Much of the increase is associated with staff growth. Ten positions are added in the recommended budget to handle the agency's workload growth. Eight positions are added to create an energy audit team that will assess energy use by state agencies and ensure that agencies meet the Governor's conservation goals of capturing 20 percent energy savings by 2010. One limited duration position is added to head a grant program that will support installation of solar energy demonstration systems in schools and perform energy audits at schools. Finally, the recommended budget includes \$4.6 million to assist the Oregon Museum of Science and Industry (OMSI).

### **Revenue**

Other Fund revenues for the Oregon Department of Energy are from assessments on energy and petroleum suppliers, energy facility site application and certificate renewal fees, and contracts primarily for emergency response planning, energy conservation achievement, energy education programs, and hazardous waste cleanup. The largest source of Other Funds (Non-Limited) is from the State Energy Loan Program, which generates revenue from General Obligation bond sales, loan repayments, and interest earnings.

The Department also receives money from the U.S. Department of Energy for several programs. These programs provide grants to improve the energy efficiency of public and private buildings, promote alternative fuels, and demonstrate new energy-saving technologies; support business projects that reduce waste, cut pollution and save energy; fund the Department of Energy's activities to ensure the safe cleanup at the Hanford Nuclear Site; and provide energy audits of federal buildings. The Department of Energy also receives funding from the National Renewable Energy Laboratory for expanding wind resource sites in Oregon and developing a model ordinance for siting locally regulated energy facilities. The Federal Highway Administration provides funding to establish technology centers in rural Oregon communities.

# Natural Resources

## DEPARTMENT OF ENVIRONMENTAL QUALITY

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$22,190,558	\$22,661,089	\$39,734,399
Lottery Funds	3,308,381	3,683,380	3,794,870
Other Funds	101,399,775	114,269,930	125,734,265
Federal Funds	47,702,736	37,883,426	30,523,391
Other Funds (Nonlimited)	92,567,141	86,740,767	98,513,167
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$267,168,591	\$265,238,592	\$298,300,092
Positions	832	808	815
Full-time Equivalent	812.45	776.57	788.64

### Overview

The Department of Environmental Quality leads efforts to restore, enhance, and maintain the quality of Oregon's air, water, and land. The agency administers the state's pollution laws. It also manages several federally delegated programs. The Environmental Quality Commission's five-member board sets policy direction for the Department. The Department operates six major programs. These are:

- Air Quality, which regulates air pollutants, detects and monitors pollutant levels, analyzes data, provides education and business assistance, and enforces pollution laws.
- Water Quality, which monitors and regulates the discharge of water and wastewater to ensure water quality goals are met. The program has identified standards for water quality and monitors those regularly.
- Land Quality, which works to reduce hazardous and solid waste, regulates underground storage tank use, responds to hazardous substance spills, and cleans up contaminated sites.
- Cross Media, which helps manage issues that cover more than one of the previous programs.
- Agency Management, which contains the Director's Office, public affairs, and management services. These centralized functions provide leadership, coordination, and support.
- Loan programs, which have used the sale of Pollution Control Bonds to provide capital for wastewater revolving loan funds and orphan site cleanup work in the past. The Orphan Site Cleanup program conducts assessment and cleanup when the owner of a contaminated site is unknown, unwilling, or unable to pay for the cleanup.

# Natural Resources

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## Recommended Budget

The Governor's recommended budget is \$298.3 million total funds. This is a 12.5 percent increase from the 2005-07 Legislatively Approved Budget. It restores reductions taken in prior biennia, including funding for air quality standards, air pollution toxics, air pollution discharge permits, and Columbia River Gorge air quality. Orphan site cleanup work is funded through a new bond sale for the first time in two biennia.

Funding is provided for initiatives to reduce diesel emissions, toxics monitoring in the Willamette watershed, and regulating stormwater run-off from urban and rural land when it rains. The budget enhances the onsite septic system program and adds resources for certification of water-related dredging operations. It also adds funding for efforts to improve agency operations in grants coordination, records management, and other areas. Resources are added for the asbestos health protection program. The budget provides Liquefied Natural Gas corporations with the opportunity to pay for department work on necessary permits.

The recommended budget continues funding for air contaminant discharge permit work, vehicle inspections, drinking water protection, coastal beach monitoring, Total Maximum Daily Load (water quality), the low emissions vehicle program, homeland security chemical analysis and clean water loans to municipalities. The second phase of investments in reducing the wastewater permitting work backlog is also included. The underground injection control program, which strives to keep aquifers and other underground water storage clean, is funded with a proposed fee.

The recommended budget also continues funding for the following programs using fees or a combination of fees and other fund types: underground tank assistance and oversight, hazardous waste compliance, heating oil tank decommissioning and cleanup, and marine spill prevention.

Payment of debt service for prior sales of bonds to cleanup orphan sites is funded with existing Hazardous Substance Possession Fee balances. Rent for the new laboratory is also funded.

## Revenue

Over 40 different fees support the Department's activities, along with Federal Funds and General Fund. Fees are charged for the three major programs: Air, Water, and Land Quality. The recommended budget depends on ratification of previously approved fee increases for various water pollution control permits and low vehicle emissions. It also depends on legislative bills that would increase fees for industrial air quality permits, hazardous waste disposal permits, underground storage tank permits, oil spill prevention, and heating oil tank decommissioning and cleanup. The budget also depends on a new underground injection control fee. This would help protect ground water resources from contamination. Federal Funds are expected to continue to decline, resulting in a need for more General Fund and Other Funds from fees to maintain current levels of service.

# Natural Resources

## DEPARTMENT OF FISH AND WILDLIFE

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$10,628,378	\$10,749,697	\$18,136,719
Lottery Funds	10,171,308	6,896,737	7,851,592
Other Funds	102,979,807	121,606,897	125,129,512
Federal Funds	77,898,469	95,472,053	110,093,920
Other Funds (Nonlimited)	2,919,970	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$204,597,932	\$234,725,384	\$261,211,743
Positions	1,383	1,399	1,384
Full-time Equivalent	1,141.91	1,163.26	1,162.99

### Overview

The Department of Fish and Wildlife protects and enhances fish, wildlife, and their habitats. Its mission is to ensure fish and wildlife populations for present and future generations. The agency operates four major programs:

- **Fish Division:** This Division manages and enhances fish habitat, production, and use. The program is divided between propagation, which runs fish hatcheries and satellite rearing facilities; Natural Production, which manages trout, warm water fish, wild salmon, and steelhead populations; Marine, which monitors commercial fisheries, and Inter-jurisdictional Fisheries, which protects and enhances fish in the Columbia River Basin. Activities include technical assistance to private individuals, watershed councils, and state and federal agencies in support of the Oregon Plan for Salmon and Watersheds.
- **Wildlife Division:** This Division maintains all wildlife species at optimum levels compatible with primary land and water uses. Biologists count big game, implement species management plans, respond to damage complaints, and survey hunters. They also oversee habitat improvement work, and undertake the protection and recovery of non-game bird and animal species.
- **Administrative Services:** This is the support section for the agency. Activities include accounting and budgeting, license and tag sales, personnel management, information systems, engineering, information, and education. This program also runs the networked point of sale license and tag sales system.

## Natural Resources

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In addition to the operating divisions, the agency maintains a contract with the Oregon State Police for fish and game law enforcement. It also has a capital improvement program to maintain and repair agency property, such as fish hatcheries.

### Recommended Budget

The Governor's recommended budget is \$261.2 million total funds. This is an 11.3 percent increase from the 2005-07 Legislatively Approved Budget. The budget maintains all programs and increases department support for the Clatsop Economic Development Council Fisheries Project, which operates the South Fork Klatskanine propagation facility. It provides funding for deferred maintenance through the sale of Certificates of Participation.

The budget for fish programs provides funding for continuing groundfish sampling, adds staff to the Newport Office, and funding for staffing hatcheries night time on call requirements. It funds near-shore fisheries, halibut abundance, recreational shellfish and developmental fisheries studies. Resources are added to address penniped (sea lion) predation on threatened and endangered fish species.

The budget for wildlife programs includes funding for a wolf damage compensation fund. Funding is provided for antelope, mountain goat, and bighorn sheep research and restoration. The budget funds leasing land for upland bird hunting and habitat, and also funds waterfowl wetland restoration work.

The Oregon Department of Transportation permitting work continues, as does habitat mitigation funding from the Bonneville Power Administration. Other habitat projects include the Yoncalla Oil spill area in the Umpqua River basin, and the upper Columbia River basin through Pacific Gas Transmission mitigation funds. Access and habitat funding continues.

Oregon State Police enforcement funding is increased to fully cover the essential budget level needs of that agency. Increased commercial fishery management funding for the Oregon State Police will help lease larger fishing or patrol vessels for better enforcement capacity.

The recommended budget continues to fund the Western Oregon Stream Restoration Project and the Coastal Monitoring program with Lottery Funds. It also continues funding for a study of hatchery and wild fish impacts, and work in the lower Columbia River estuary.

### Revenue

The 2007-09 budget is supported by General Fund, Lottery Funds, Other Funds, and Federal Funds. Lottery Funds come from the Measure 66 operations portion of the Parks and Natural Resources Fund. Other Fund revenues come from three major categories: hunting and fish licenses and tags, overhead charges on federal contract work, and miscellaneous sources such as agreements with non-federal agencies, fines, and forfeitures from game law violations, and donations.

## Natural Resources

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The agency receives Federal Fund revenues from the U.S. Forest Service, Army Corps of Engineers, Bonneville Power Administration, National Marine Fisheries Service, U.S. Fish and Wildlife Service, Environmental Protection Agency, and tribal governments.

# Natural Resources

## STATE FORESTRY DEPARTMENT

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$38,795,674	\$39,701,179	\$43,906,134
Lottery Funds	0	0	0
Other Funds	161,503,006	157,983,199	181,130,571
Federal Funds	15,762,682	24,724,173	26,025,712
Other Funds (Nonlimited)	8,989,601	19,149,706	15,000,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$225,050,963	\$241,558,257	\$266,062,417
Positions	1,366	1,292	1,322
Full-time Equivalent	885.37	912.69	932.89

### Overview

The State Forestry Department works to serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability. The agency provides forest fire protection services; it provides forest management and conservation technical assistance to landowners and communities; it develops plans for habitat conservation, forest health, and timber production on state forestland; it provides high quality seedlings for reforestation; and it works with partners on practical solutions to issues like salmon habitat restoration and encroaching urbanization of wild land areas.

The Administration program leads and supports the other programs. Program staff work on policy, payroll, accounting, budget, safety, and training. They also study forest resources and do strategic planning. They maintain the computer systems, manage and maintain property, and coordinate public affairs and air operations.

The Protection from Fire program covers about 16 million acres of forestland. This program puts out forest fires and tries to prevent them. A split between General Fund and landowner assessments funds this program. The Governor's recommended budget funds the split at 50 percent General Fund and 50 percent landowner assessment.

The Protection from Fire program also includes the Emergency Fire Cost Committee (EFCC). The EFCC oversees the Oregon Forestland Protection Fund and the buying of insurance for the Fund. The Fund helps to make fire-fighting costs equal among the forest protection districts. It also makes money available to districts that spend more than their budgets on large fires. Money for the Fund comes from harvest tax, landowner assessments, surcharges, and interest earnings.

## Natural Resources

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The State Forest Lands program manages state-owned public forests. They include the Tillamook, Clatsop, Santiam, Sun Pass, and Elliott forests. The program manages approximately 780,000 acres of land. The Board of Forestry owns about 660,000 of these acres. The Common School Fund (CSF) owns the remaining 124,000 acres, but the Department manages the CSF land, as well. The program also includes the J.E. Schroeder Seed Orchard. The Orchard helps maintain the genetic quality of state and private forestland, and helps to increase the yield and quality of future forests.

The Urban Forestry program helps cities reap the economic, ecological, and social benefits of tree planting and management. The 1993 Oregon Legislature passed a bill directing the Department to assist cities to manage the trees within their urban growth boundaries.

The Private Forests program combines activities of the Forestry Assistance and Forest Practice programs and leverages the expertise and staff from both programs to more effectively accomplish program objectives. The program administers the Oregon Forest Practices Act, provides technical and financial assistance to forest landowners, provides insect and disease surveys and technical assistance statewide, and conducts effectiveness and compliance monitoring. The Forest Practices Act authorizes the Board of Forestry to develop comprehensive administrative rules that encourage economically efficient forest practices on privately owned land, while encouraging resource protection.

The Nursery program consists of a tree nursery outside of Elkton that provides seedlings for state-owned forests, non-industrial private woodland owners, and the general public. The nursery grows trees based on the estimated amount of trees to be harvested. The nursery generates all of its operating revenue through the sale of seedlings and nursery services.

The Facilities Maintenance and Development program maintains the 390 structures owned by the Department throughout the state. Many of these were built over 40 years ago, and no longer meet building codes. The Department has a long-range plan that sets priorities for projects statewide over the next 10 years.

### **Recommended Budget**

The recommended budget for the State Forestry Department is \$266.1 million total funds. This is a 10 percent increase from the 2005-07 Legislatively Approved Budget. The budget continues all existing agency programs.

In the Agency Administration program, the budget provides funding with Certificate of Participation proceeds to improve agency business systems through the use of enterprise-wide business planning, process, and technology improvement projects. The debt service would be paid with General Fund and Other Fund revenues. It also provides additional resources to keep the agency's business systems up and running.

In the Protection from Fire program, the budget adds resources to enable the funding for fire protection activities to maintain pace with expenditure levels required for fire suppression on public and private land. It adds resources to enhance and improve services in the Smoke Management program as recommended by a two plus year citizen review committee.

## Natural Resources

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In the State Lands program, the budget continues 11 positions to provide resources necessary to implement the forest management plan adopted by the Board of Forestry.

In the Urban Forestry program, the budget adds resources including eight new positions for program enhancement.

In the Private Forests program, the budget restores monitoring resources reduced in the last three biennia and adds resources to assist forest landowners to conduct active management of forested riparian areas and meet riparian protection standards. It adds three positions to conduct necessary effectiveness monitoring of Eastern Oregon water protection rules. It adds two positions to help attain the state's renewable energy goals resulting in increased independence from non-renewable energy sources while improving ecosystem health.

The budget also provides funding with Certificate of Participation proceeds for three capital construction projects. The debt service would be paid with General Fund and Other Fund revenues. These projects include the John Day Unit relocation, Sisters Sub-Unit relocation and State Forester's Office renovation and restoration.

### Revenue

General Fund, Other Funds, and Federal Funds support this budget. Other Fund revenue sources include the harvest tax, landowner assessments, and sale of timber on forestlands managed by the Department. The agency receives Federal Funds for a variety of fire program activities, and for rule effectiveness monitoring projects, forest insect and disease activities and for landowner assistance in the Private Forests and Urban Forests programs.

# Natural Resources

## DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$2,906,001	\$3,475,365	\$3,306,931
Lottery Funds	0	0	0
Other Funds	2,867,469	3,148,288	7,803,343
Federal Funds	1,287,336	2,146,476	2,219,955
Other Funds (Nonlimited)	169	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$7,060,975	\$8,770,129	\$13,330,229
Positions	39	40	36
Full-time Equivalent	35.70	36.70	34.20

### Overview

The Department of Geology and Mineral Industries (DOGAMI) gathers geologic data and maps the state's geology. The agency also regulates surface mining.

The agency's Geologic Survey unit gathers geologic data and does the mapping. This includes mineral and energy assets and geological hazards. The agency shares the information with state and local leaders. It uses the data for land use decisions, building sitings and code revisions, and emergency planning and emergency response.

The agency's Mined Land Regulation program regulates surface mining. This includes about 850 aggregate and metal mines. The program balances the economic need for minerals with conserving the resource and the environment.

DOGAMI operates the Nature of the Northwest Information Center on behalf of state natural resource agencies and in cooperation with federal agencies.

### Recommended Budget

The Governor's recommended budget is \$13.3 million total funds. This is about a 52 percent increase compared with the 2005-07 Legislatively Approved Budget. The recommended budget continues existing programs and invests in Light Detection and Ranging (LIDAR).

## Natural Resources

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This investment in LIDAR will provide highly accurate elevation data for approximately 10,000 square miles of western Oregon, including those areas with the heaviest population concentrations and greatest probable seismic/landslide hazard. LIDAR is a technique that uses light (laser) pulses emitted from aircraft; the pulses bounce back and are recorded by equipment aboard the aircraft. When used with Geographic Positioning System information, LIDAR can produce maps far more accurate than historically available. The U.S. Geological Survey no longer supports the older digital mapping techniques, so obtaining current maps for public safety and economic development purposes requires using this newer mapping technique. With LIDAR, it is possible to use software and technical expertise for different views of territory, including the ability to strip vegetation, buildings and roads to reveal the terrain beneath. Funding for this investment is from Certificates of Participation.

### Revenue

The agency is funded by a combination of General Fund, Other Funds, and Federal Funds. Other Fund revenues come from publication sales, contracts, mining fees, and gas and oil fees. The U.S. Geologic Survey, U.S. Bureau of Land Management, Federal Emergency Management Agency, National Oceanic and Atmospheric Administration, and other federal bureaus provide Federal Funds to the agency. Certificates of Participation provide funding for the LIDAR initiative.

# Natural Resources

## DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$8,433,934	\$11,539,656	\$15,984,821
Lottery Funds	0	0	0
Other Funds	746,449	897,056	799,347
Federal Funds	5,043,007	5,735,131	6,353,901
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$14,223,390	\$18,171,843	\$23,138,069
Positions	56	71	79
Full-time Equivalent	51.31	66.96	74.71

### Overview

The Department of Land Conservation and Development (DLCD) works to guide land use policy to:

- Foster livable, sustainable development in urban and rural communities.
- Protect farm and forest lands and other natural resources.
- Conserve coastal and ocean resources.
- Improve the well-being and prosperity of citizens, businesses and communities throughout Oregon including safeguarding people and property from natural hazards.

The Department's mission is to support all of its partners in creating and implementing comprehensive plans that reflect and balance the statewide planning goals, the vision of citizens, and the interests of local, state, federal and tribal governments.

### Recommended Budget

The recommended budget for the DLCD is \$23.1 million total funds. This is a 27.3 percent increase from the 2005-07 Legislatively Approved Budget.

The General Fund increases by 38.5 percent. This increase is primarily due to resources provided to the agency to handle Measure 37 claims, and for the Oregon Task Force on Land Use Planning to do a comprehensive review of the state's land use planning laws, goals, rules, and administrative processes.

## Natural Resources

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Federal Funds increase by 10.8 percent. These funds mainly support coastal planning work and cannot be used for other kinds of planning. The recommended budget allows the agency to receive and expend federal Flood Hazard Map Modernization funds to carry out the Flood Hazard Map Modernization Initiative. The agency, in its capacity as Oregon's floodplain management agency, and the Federal Emergency Management Agency (FEMA), currently work in partnership to provide flood-hazard information to local governments to support land use and development decisions.

### Revenue

The agency is funded through a combination of General Fund, Other Funds, and Federal Funds. Other Fund revenues come from charges for services, miscellaneous receipts, and transfers from other state agencies. Federal Funds come from the FEMA for flood plain management work. Federal Funds also pay for Coastal Zone Management Act work. Both flood plain and coastal funding are expected to increase.

# Natural Resources

## LAND USE BOARD OF APPEALS

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$1,176,036	\$1,282,198	\$1,405,426
Lottery Funds	0	0	0
Other Funds	45,616	64,677	75,149
Federal Funds	0	0	0
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,221,652	\$1,346,875	\$1,480,575
Positions	6	6	6
Full-time Equivalent	6.00	6.00	6.00

### Overview

The Land Use Board of Appeals (LUBA) hears appeals of state and local land use decisions. Prior to LUBA, local circuit courts resolved appeals of state and local land use decisions.

LUBA was created to improve the existing system in the following ways:

- Resolve land use disputes quickly. From the time LUBA receives the appeal, it has 77 days to issue its opinion.
- Resolve all of the issues raised on appeal.
- Be accessible to the general public, as well as the attorneys.
- Provide a single body issuing consistent opinions on a statewide basis.
- Make its opinions widely available to the public.

### Recommended Budget

The Governor's recommended budget for LUBA is \$1.5 million Total Funds. This is about a 10 percent increase over the 2005-07 Legislatively Approved Budget. The recommended budget maintains the Board's current level of operations.

## Natural Resources

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### **Revenue**

Most of LUBA's revenue is General Fund. The remaining revenue is Other Funds received from filing fees and the sale of LUBA publications. Revenues from the filing fees are transferred to the General Fund. LUBA publications are the published version of LUBA's decisions; sales proceeds are reinvested in publishing the next volume.

# Natural Resources

## DEPARTMENT OF STATE LANDS

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$124,284	\$178,807	\$587,814
Lottery Funds	0	0	0
Other Funds	14,426,053	17,188,650	19,927,421
Federal Funds	1,449,271	3,003,472	3,054,205
Other Funds (Nonlimited)	54,713,664	1,602,450	1,101,450
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$70,713,272	\$21,973,379	\$24,670,890
Positions	90	100	114
Full-time Equivalent	87.26	96.05	106.04

### Overview

The Department of State Lands carries out State Land Board policy. The State Land Board consists of the Governor, the Secretary of State, and the State Treasurer. The Board manages the Common School Fund (CSF), valued at about \$1 billion in August 2006. The State Treasurer invests CSF money for the Board. The fund includes revenue and investment earnings from land deeded in trust for education when the state was founded, as well as other lands such as submerged and submersible lands. It also includes unclaimed or forfeited property and certain lands dedicated by law. The Department distributes CSF earnings to schools twice a year.

The Department's goals are to produce income for the CSF and to manage and protect the land and water of the state. The Department also administers the state's removal-fill law and wetlands programs. It manages the South Slough National Estuarine Research Reserve (SSNERR) and supports the Natural Heritage Advisory Council (NHAC). SSNERR was the first national estuarine research reserve named in the nation. It is a natural site to conduct research of local and national importance and for the public to explore and learn about estuaries. The 1997 Legislature made SSNERR an asset of the CSF. NHAC oversees the Natural Heritage Plan and data bank. It registers and dedicates natural heritage conservation lands. It also advises the Board and others of sites for natural heritage conservation lands. In summary, the Department:

- Manages Common School Fund lands and mineral rights.
- Regulates state wetlands and waterways through the removal-fill program.
- Manages unclaimed property, estate administration, and forfeitures.
- Supports the Natural Heritage Advisory Council.

# Natural Resources

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## Recommended Budget

The Governor's recommended budget is \$24.7 million total funds. The budget also includes a \$71.5 million revenue transfer to the Department of Education for distribution to schools, which is nearly a 26 percent decrease from the 2005-07 Legislatively Approved Budget. The Common School Fund is projected to grow at a slower rate than it has in recent years, resulting in decreasing distributions to schools.

The recommended budget invests in oversight of waterway leases, management of rangeland, and provides resources for Portland Harbor cleanup issues. It moves the unclaimed property program to the Treasury Department, and it provides funding for a pilot project to make water related permit processing more efficient. The budget maintains basic support for NHAC, and continues current programs at South Slough. It adds positions to increase asset management, boosting earnings for the Common School Fund. One position continues to participate on the economic revitalization team.

## Revenue

General Fund supports NHAC, a position for economic revitalization team functions, and water related permit process streamlining efforts. General Fund is a small fraction of the total agency budget. Most of the funding comes from revenues and earnings generated from land management and unclaimed property. Revenues and earnings derive from the sale of timber, leases and royalties, land sales, permit fees, unclaimed property, donations, and publications. Investment income is generated from interest, dividends and capital gains earnings on the CSF. Federal Funds from the National Oceanic and Atmospheric Administration partially supports the South Slough and the Environmental Protection Agency provides some support for wetland projects.

# Natural Resources

## MARINE BOARD

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$0	\$0	\$0
Lottery Funds	0	0	0
Other Funds	21,407,213	23,580,047	25,241,906
Federal Funds	3,911,348	6,184,599	8,583,252
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$25,318,561	\$29,764,646	\$33,825,158
Positions	39	40	40
Full-time Equivalent	38.00	39.00	39.00

### Overview

The Marine Board promotes the safe and enjoyable use of Oregon's waters. It does this by:

- Titling and registering over 196,000 boats.
- Registering outdoor outfitters and guides.
- Developing waterway management plans.
- Educating boaters on safe boating practices.
- Contracting with 32 county sheriffs and the Oregon State Police for on-water patrols and safety services.
- Awarding facility grants to state and local agencies for boating facility development and maintenance.

### Recommended Budget

The Governor's Recommended Budget for the Board is \$33.8 million total funds. This is 13.6 percent higher than the 2007-09 Legislatively Approved Budget. The most significant reason for the increase is expansion in the facilities grant program.

## Natural Resources

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The recommended budget includes funding for additional boating safety publications and outreach materials, the installation of low power AM radio stations near coastal bars to notify boaters of hazardous conditions, providing technical advice and educational information to reduce environmental impacts of marina operations and boating, and public recognition of marinas that comply with state and federal requirements voluntarily. It also increases payments to counties for law enforcement work, and it increases expenditures for boating infrastructure grants using federal grant dollars. The budget provides resources for statewide facility improvements, including ramps, docks, restrooms, parking and other related facilities.

### Revenue

The Board has three major revenue sources. First, motorboat fuel taxes provide 34.3 percent of the agency's 2007-09 biennium budget revenue. The Department of Transportation (ODOT) collects Oregon fuel taxes. Based on an estimate of fuel taxes paid by boaters, ODOT sends a portion of those taxes to the Marine Board. The estimate is based on a boater survey taken every four years. The budget includes an estimate of \$11.2 million from this source. The actual transfer will be made on the results of the latest survey, which was completed in 2006.

The second revenue source is registration and title fees. These fees account for 37 percent of revenues. Fee revenues plus miscellaneous sales and fine receipts are estimated at \$12.7 million for 2007-09.

Federal Funds make up the Board's third major source of revenue, around 26.3 percent of 2007-09 biennium budget revenues. The Clean Vessel Act provides money to develop sewage dump stations for boats. The agency receives Boating Infrastructure Grant funds to pass through to local communities for facility projects; this program received a large grant award during the June 2006 which will be used during the 2007-09 biennium. The Coast Guard's Recreational Boating Safety program pays for on-water law enforcement activities. The agency expects to have approximately \$8.6 million in Federal Funds during the 2007-09 biennium.

# Natural Resources

## PARKS AND RECREATION DEPARTMENT

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$0	\$0	\$0
Lottery Funds	56,588,242	88,031,867	98,941,473
Other Funds	68,629,363	93,294,825	107,144,129
Federal Funds	5,699,248	8,964,578	6,493,033
Other Funds (Nonlimited)	3,975,197	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$134,892,050	\$190,291,270	\$212,578,635
Positions	788	866	884
Full-time Equivalent	528.39	570.75	599.33

### Overview

The Oregon Parks and Recreation Department provides and protects natural, scenic, cultural, historic, and recreational sites for the enjoyment and education of present and future generations. The system includes 233 parks and over 94,000 acres of land.

The Department also manages recreational and heritage programs, including ocean shores protection, scenic waterways, the Willamette Greenway, recreational trails, and historic preservation. In addition, Parks houses the Oregon Heritage Commission.

During the 2005-07 biennium, the Department started operating the annual State Fair, managing the State Fairgrounds and directing exposition center activities.

### Recommended Budget

The Governor's recommended budget for the Parks and Recreation Department is \$212.6 million total funds. This is an 11.7 percent increase over the 2005-07 Legislatively Approved Budget. The budget continues using Lottery revenues to support operations, land acquisitions, facilities improvements and heritage preservation. The recommended budget supports recent investments. It invests for the future through increased funding for acquisitions and for continued development of parks and sites around the state. It also provides funding for veterans and war memorials.

The Governor's recommended budget increases funding for recreation planning and programs, including increases in money available for local recreation programs, an initiative to interest youth in outdoor recreation, and efforts to increase trails and provide the public with more information about trails.

## Natural Resources

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An initiative to make Oregon a bicycling destination provides funding for a coordinator. This coordinator will make information about cycling opportunities more available to the public.

Heritage preservation receives funding for planning the Oregon Sesquicentennial Celebration in 2009. The Governor's budget also includes increased funding for grants to local heritage preservationists. The Oregon Historical Society is funded, as is an initiative to preserve historical downtown business districts through the new Main Street Program. The State Fair is funded at the current level of service.

### Revenue

The budget is funded with Lottery revenues from the constitutionally dedicated Parks and Natural Resources Fund. The major sources of Other Fund revenues are park user fees, all-terrain vehicle permits and un-refunded fuel tax, and recreational vehicle fees. The Department of Transportation also sends funds to the Department to operate and maintain wayside rest areas. Other sources of funds include land sales proceeds, rents, royalties, and gifts. The State Fair generates operating revenues from the annual fair and exposition event activities. Federal Fund revenues support the Historic Preservation Act and various grants. These federal revenues have declined and are not expected to increase during the 2007-09 biennium.

# Natural Resources

## WATER RESOURCES DEPARTMENT

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$19,191,983	\$20,562,623	\$24,290,985
Lottery Funds	0	0	0
Other Funds	5,963,277	6,525,415	7,029,645
Federal Funds	800,717	1,137,424	1,176,003
Other Funds (Nonlimited)	909,102	645,639	1
Federal Funds (Nonlimited)	0	0	0
<b>Total Funds</b>	<b>\$26,865,079</b>	<b>\$28,871,101</b>	<b>\$32,496,634</b>
Positions	145	140	149
Full-time Equivalent	143.18	138.00	147.00

### Overview

The Water Resources Department administers laws governing surface and groundwater resources. The goal is to balance use of the state's water among current and future generations of Oregonians. Among its responsibilities, the Department:

- Processes transfers of water rights, permits, certificates, and water rights applications.
- Administers hydroelectric relicensing.
- Inspects construction and maintenance of wells and dams.
- Provides technical information and analysis on surface water and ground water availability.
- Adjudicates pre-1909 and federal reserved water rights.
- Negotiates Native American reserved water rights.
- Provides loans for various water development projects.
- Adjudicates rules on disputed water rights. The Klamath Basin adjudication is currently underway.

The Department also operates the Water Development Loan Program (WDLP). Established in 1977 to finance irrigation and drainage projects, the WDLP has provided loans for 181 projects. In addition to irrigation and drainage projects, the portfolio includes five loans for development of community water supply systems.

# Natural Resources

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## Recommended Budget

The Governor's recommended budget is \$32.5 million total funds. This is a 12.6 percent increase from the 2005-07 Legislatively Approved Budget. The budget invests in a water supply and conservation initiative, which includes statewide future water needs assessment, completion of a statewide inventory of potential storage sites, statewide investigations of basin yield estimates, statewide assessment and inventory of conservation projects, and funding for community and regional supply planning (which would be matched by the communities).

Funding is included to restore capacity lost since the 2003-05 biennium to budget reductions, including water measurement staff and stream flow data gathering equipment. The Governor's recommended budget also provides funding to restore assistant watermasters around the state. Over the past fifteen years, the number of assistant watermasters has declined as state and county resources declined.

The Klamath Basin water rights adjudications process continues, and department work on that issue is fully funded in the budget. Increased funding for water rights transfer work is also provided to reduce a work backlog. Water rights transfers have become increasingly important as the state's water supply has become almost fully appropriated.

## Revenue

General Fund supports 74.7 percent of the total budget. Other Funds from fees associated with water rights and start cards and fees received from service and interagency agreements provide most of the remaining funding. Chapter 745, Oregon Laws 2003 allows the department to contract work when an applicant is willing to pay more to receive expedited service, and more revenue is expected from this source. This option was intended to streamline some of the regulatory process, and is now established. The Water Development Loan Program includes Other Funds generated by general obligation bond proceeds, interest income, and loan repayments. The agency also receives federal grants for specific projects and for federally directed projects. A legislative concept would increase application fees for water right permit and transfer applications. The revenues from the fee increase would help reduce a water rights transfer work backlog.

# Natural Resources

## OREGON WATERSHED ENHANCEMENT BOARD

	2003-05 Actuals	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$0	\$0	\$0
Lottery Funds	30,121,113	49,565,099	77,836,469
Other Funds	1,140,918	2,283,412	2,194,862
Federal Funds	33,813,437	34,450,279	25,917,918
Other Funds (Nonlimited)	0	0	0
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$65,075,468	\$86,298,790	\$105,949,249
Positions	28	27	28
Full-time Equivalent	24.32	26.38	28.00

### 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 dedicated Lottery revenues.

### Recommended Budget

The Governor's recommended budget is \$105.9 million total funds. This is a 22.8 percent increase from the 2005-07 Legislatively Approved Budget. The increase results from projected increases in Lottery Funds, the use of research and development beginning balances, and estimated interest earnings.

Of the Ballot Measure 66 Lottery Funds, 35 percent are dedicated to agency operations and 65 percent support capital expenditures. The budget uses operations Lottery Funds to continue core agency functions, and also maintains a grants manager to oversee non-capital grants, a position that reviews capital project effectiveness, a database position to track grants over the years, and a grants payment specialist. Grant accounting and administrative support are also included in the budget.

The budget provides for a few enhancements, including a new Oregon Plan communications coordinator to increase public awareness of the plan. A regional program representative for the agency's new Columbia Plateau region is added. The budget funds a technical assistance coordinator for grant program policy and a data analyst information specialist.

## Natural Resources

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Watershed Council Support is maintained at the current level of service. This is funded with Pacific Coastal Salmon Recovery Funds (PCSRF). Non-capital grants are funded with operations Lottery Funds transferred from the research and development program and PCSRF. It is expected that the Board will consider using the non-capital grant funds as a source for any additional funding for Watershed Councils, and that it will maintain the parity that has existed between the Watershed Councils and Soil and Water Conservation Districts. The non-capital grants funding can also be used for research projects. The budget includes \$1 million of non-capital grant funding committed in the 2005-07 biennium for projects that will not be finished and paid until the 2007-09 biennium.

Capital grant funding is increased through higher capital Lottery Funds revenue projections and the use of beginning balances and interest earnings.

### Revenue

The 2005-07 budget is supported by Lottery Funds, Other Funds, and Federal Funds. Lottery Funds come from the constitutional dedication in the Parks and Natural Resources Fund for fish and watershed restoration. Other Fund revenues come from a surcharge on salmon license plates, interest, and other charges for services. Federal Fund (PCSRF) revenues are from the National Marine Fisheries Service, U.S. Department of Commerce. The budget assumes a Federal Fiscal Year 2008 allocation of \$9.4 million, with \$2 million of earmarks resulting in \$7.4 million available for agency use.

# Natural Resources

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