

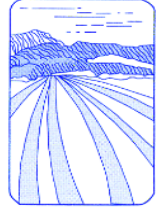


Oregon

Theodore R. Kulongoski, Governor

Department of Agriculture

635 Capitol Street NE
Salem, OR 97301-2532



February 27, 2013

Senator Chris Edwards and Representative Ben Unger, Co-Chairs
Joint Ways and Means Subcommittee on Natural Resources
900 Court St. NE, Room 453
Salem, Oregon 97301

Dear Co-Chairs Edwards and Unger:

Thank you for your thoughtful questions and interest during the Oregon Department of Agriculture's budget hearings. We have responded to your questions from Day 2 of the hearings below, and have included two attachments with supplemental information.

1. Questions related to Key Performance Measures 12a, 12b, and 12c

Several questions were raised yesterday related to the ODA Key Performance Measures that rely on Oregon Water Quality Index scores and trends for agriculturally influenced sites.

- Do Oregon Department of Agriculture (ODA) performance targets match Oregon Department of Environmental Quality (DEQ) water quality trend targets?
- How do the trends at agriculturally influenced monitoring sites match with all DEQ ambient monitoring sites?
- What is causing the variability in trends over time?
- Why are conditions not improving?

The Oregon Water Quality Index (OWQI) analyzes a defined set of water quality variables, including bacteria, temperature, dissolved oxygen, and others, and produces a score describing general water quality. This method was developed by the Oregon Department of Environmental Quality and acknowledges that different water quality parameters will pose differing significance to overall water quality at different times and locations. To calculate the scores, DEQ uses water quality data that are gathered from the network of monitoring sites, which are generally monitored six times per year.

Oregon Water Quality Index scores and trends have been used in the strategic review of the Agricultural Water Quality Management Program. They are one reason we are working with our partners to identify focus areas and move towards more strategic implementation of the program. We are also analyzing each of the agriculturally influenced monitoring sites to better understand the variability and identify the potential issues causing the variability. We recognize that the Oregon Water Quality Index is not perfect, but it does

provide information that reflects our knowledge that conditions are not responding as quickly as we would like.

Oregon Department of Agriculture performance targets are not the same as the targets that DEQ uses. DEQ's targets are 10% of monitored stream sites with significantly increasing trends in water quality (ODA target is 33%); 0% of monitored stream sites with significantly decreasing trends in water quality (ODA target is 8%), and 40% of monitored stream sites with Oregon Water Quality Index scores in good to excellent condition (ODA target is 60%).

ODA established the water quality performance targets in 2004. ODA based the targets on our understanding that agricultural areas reflect lands that have been highly modified and have different trend expectations than the broader landscape that DEQ is monitoring and evaluating.

In 2010, the total number of DEQ ambient monitoring sites was 130. Of those, only a portion reflect predominantly agriculture lands. The number of sites reflecting agriculture lands prior to 2012 varied from 39 to 42. The number of sites changed as land use changed, as evaluation of land use associated with an ambient site resulted in a classification change, and as DEQ dropped ambient sites for technical or financial reasons.

Performance Measure 12b looks at annual Oregon Water Quality Index scores rather than the ten-year trends evaluated in 12a and 12c. Annual variability is expected to be significant, so it is important to look at trends over periods of 10 years or more in addition to the scores for a particular year.

The annual OWQI scores for the sites on agricultural lands may be more variable than the broader DEQ network of sites due to smaller sample size (39-42 agricultural sites compared with 130 sites across all land uses) but also due to other factors. Other potential factors include vulnerability to climatic variability, land use changes, and management variability that occurs on an annual basis on agricultural lands compared with longer rotations observed on forest lands.

In 2011, the Oregon Legislature authorized additional funding for ODA to augment the network of agriculturally influenced ambient water quality monitoring sites. ODA, in cooperation with DEQ, established 19 additional sites to help evaluate conditions. Since these sites are new, trends will not become apparent for several years, and are therefore not reflected in the 2012 performance measure report.

Note that the target percentage across all three Key Performance Measures (sites with improving water quality, sites with good to excellent Oregon Water Quality Index score, and sites with decreasing water quality) exceeds 100%. This is because sites with good to excellent Oregon Water Quality Index scores could also have improving or decreasing trends. This could be the result of climatic conditions, catastrophic events (floods), or changes in management.

2. Oregon Department of Agriculture budget during past 5 biennia

Attachment A shows a graph of the Legislatively Adopted Budget for the Oregon Department of Agriculture, broken out by funding source, over the past 5 biennia. The graph also shows the Legislatively Adopted Budget for the current biennium and the Governor's Recommended Budget for the 2013-2015 biennium.

In addition, slide 47 in the department's PowerPoint presentation (page 48 in the pdf presentation document) includes a graph of full-time equivalent staff at the department over the past six biennia.

3. Past two years of funding for the Wolf Depredation Compensation Program

Attachment B provides a summary of funding provided to counties over the past 2 years through the Wolf Depredation Compensation Program.

If you would like additional information about any of these responses, please contact me. I look forward to continued discussions with you this afternoon regarding the Oregon Department of Agriculture's budget.

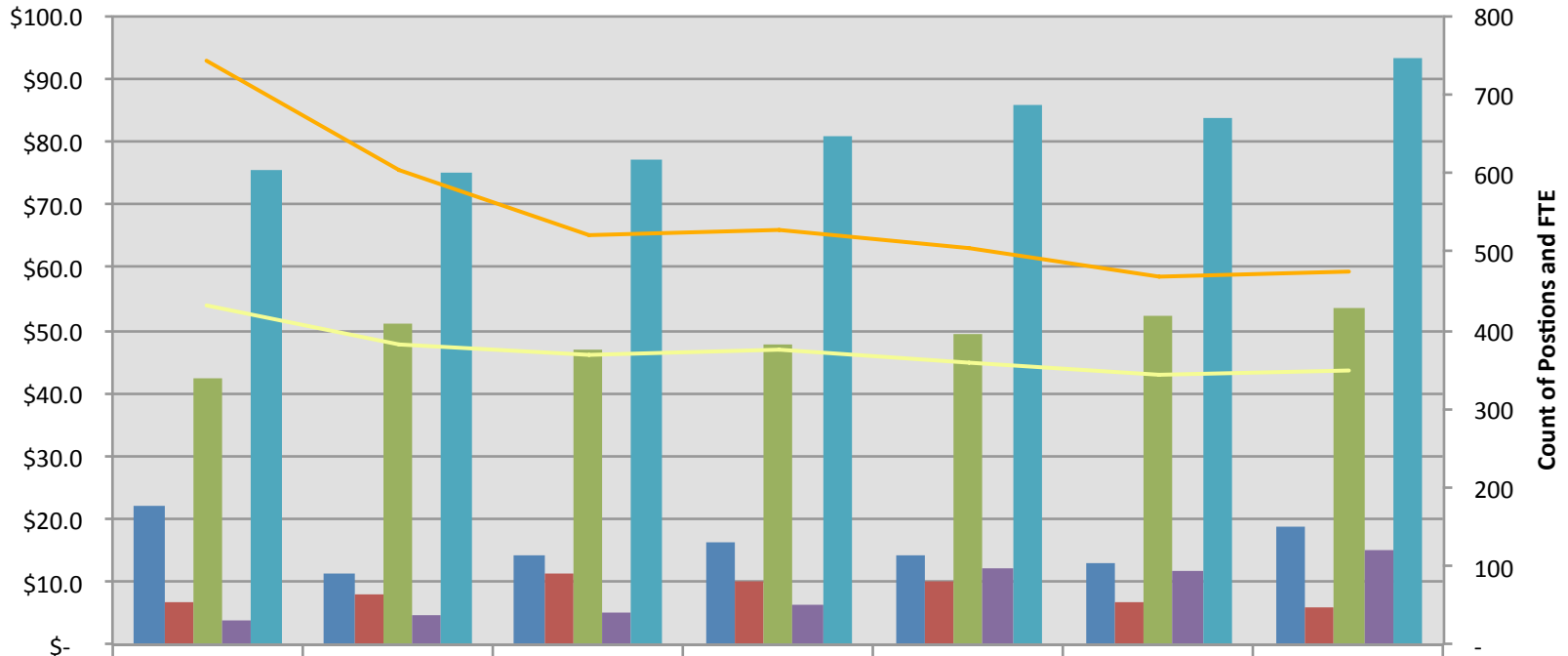
Sincerely,



Katy Coba
Director

Oregon Department of Agriculture Comparison of Legislatively Adopted Budgets

(Dollar amounts in millions)



	2001-03	2003-05	2005-07	2007-09	2009-11	2011-13	2013-15*
General Fund	\$22.2	\$11.3	\$14.1	\$16.5	\$14.3	\$12.9	\$18.7
Lottery Funds	\$6.9	\$7.8	\$11.2	\$10.2	\$10.1	\$6.9	\$5.8
Other Funds	\$42.5	\$51.1	\$46.8	\$47.9	\$49.2	\$52.1	\$53.4
Federal Funds	\$3.8	\$4.8	\$5.1	\$6.3	\$12.3	\$11.9	\$15.1
All Funds	\$75.4	\$75.1	\$77.2	\$80.9	\$85.9	\$83.9	\$93.0
Positions	744	604	520	527	503	468	476
FTE	432.88	382.36	368.93	375.05	357.02	343.29	349.02

Attachment B
Fact Sheet
ODA Wolf Depredation Compensation and
Financial Assistance Grant Program
(Updated 2/22/13)

Background

On 08/02/11, the Governor signed into effect HB 3560 which created and appropriated \$100,000 to the ODA Wolf Depredation Compensation and Financial Assistance County Block Grant Program.

In year one of this grant program (2012), a total of four counties had been confirmed by ODFW to have a sustained wolf presence (wolf activity), and this still holds true as of today (2/22/13):

- Wallowa
- Union
- Umatilla
- Baker

During the initial grant application and award process, which concluded in March 2012, eight counties formed County Advisory Committees and requested grant funds from ODA:

County	Amount Requested
Wallowa	\$37,230
Union	\$30,000
Baker	\$7,500
Umatilla	\$30,000
Grant	\$20,000
Crook	\$2,520
Jefferson	\$24,286
Malheur	\$3,900
Total	\$155,436

Grant requests from these eight counties totaled \$155,436.

At the time that initial awards were made, (March 2012), Wallowa County was the only county that had experienced confirmed/probable wolf kills/injuries to livestock according to the Oregon Department of Fish and Wildlife (ODFW). Since

that time, both Umatilla (05/02/12 & 05/12/12) and Baker County (08/31/12) have experienced confirmed/probably wolf depredation cases. The table below lists the grant amounts that were awarded to each county by award type:

County	Death/Injury	Missing	Prevention	Implementation	Totals
Wallowa	\$13,230	\$0	\$25,000	\$495	\$38,725
Union	\$0	\$0	\$9,000	\$0	\$9,000
Baker	\$0	\$0	\$7,500	\$495	\$7,995
Umatilla	\$0	\$0	\$15,000	\$495	\$15,495
Grant	\$0	\$0	\$3,000	\$495	\$3,495
Crook	\$0	\$0	\$1,000	\$270	\$1,270
Jefferson	\$0	\$0	\$3,000	\$495	\$3,495
Malheur	\$0	\$0	\$3,000	\$495	\$3,495
Totals	\$13,230	\$0	\$66,500	\$3,240	\$82,970

(Note: Even though the fiscal impact for HB 3560 estimated \$15,000 per year of ODA administrative expense to administer this grant program, for 2012, ODA charged \$5,347.86 of administrative expense against the Fund (for a planning meeting in Pendleton and DOJ legal bills, but no personnel or supply charges.) ODA is anticipating \$9,500 of administrative costs for 2013.)

In reaching the 2012 award determinations, the Grant Awards Committee (ODA) considered information from the following sources:

- Stakeholder meetings and conference calls
- Annual reports, monthly wolf updates, livestock loss investigation reports, maps and GPS Radio-Collared location reports – ODFW
- Professional knowledge and experience from the State Veterinarian and State Predator Control Officer
- County Grant Application Requests and follow-up phone conversations
- Other state wolf depredation programs within the U.S. (Montana, Idaho, New Mexico, etc.)
- Governor’s Office

2012 Unspent Grant Funds

The following is a list of Counties that had unspent 2012 Grant Funds, and have sent those monies back to ODA in order to be available for the 2013 grant period:

- Union - \$9,000
- Baker - \$3,534
- Grant - \$3,495
- Jefferson - \$1,816
- Malheur - \$24

- **Total \$17,869**

With the addition of the 2012, unspent grant funds, ODA is anticipating that it will have approximately \$21,000 available to award for the 2013 grant cycle.

2013 Grant Applications

As of 02/22/13, the following is a breakdown of 2013 grant requests:

County	Death/Injury	Missing	Prevention	Implementation	Totals
Wallowa	\$5,396	\$0	\$6,000	\$350	\$11,746
Union	\$0	\$0	\$2,500	\$0	\$2,500
Crook	\$0	\$0	\$1,200	\$0	\$1,200
Malheur	\$0	\$0	\$5,000	\$2,250	\$7,250
Jefferson	\$750	\$750	\$2,000	\$0	\$3,500
Umatilla	\$1,250	\$4,500	\$30,000	\$675	\$36,425
Klamath	\$4,000	\$0	\$1,200	\$0	\$5,200
Morrow	\$6,000	\$2,000	\$10,000	\$1,000	\$19,000
Totals	\$17,396	\$7,250	\$57,900	\$4,275	\$86,821

The grant application and review process will start the first of March 2013, with awards being made by 03/15/13. ODA will have at least \$50,396 worth of award requests and only \$21,000 to award.

Klamath and Morrow Counties are new to the grant application request process while Grant and Baker Counties decided not to re-apply for 2013.

The following is a breakdown of confirmed/probable wolf depredation cases in Oregon since 2011:

2011

Date	County	Animal	Status
6/4/11	Wallowa	Calf	Dead
9/7/11	Wallowa	Cow	Dead
9/22/11	Wallowa	Calf	Dead
10/8/11	Wallowa	Calf	Dead
10/25/11	Wallowa	Cow	Injured
11/26/11	Wallowa	Cow	Dead
11/26/11	Wallowa	Cow	Dead
12/11/11	Wallowa	Cow	Dead
12/14/11	Wallowa	Cow	Dead

Note: For 2011, ODFW conducted 32 Livestock Loss Investigations with the above 9 being confirmed or probable wolf depredation cases.

2012

Date	County	Animal	Status
1/7/12	Wallowa	Cow	Dead
1/10/12	Wallowa	Cow	Injured
1/14/12	Wallowa	Mule	Dead
3/8/12	Wallowa	3 Cows	2 Injured, 1 Euthanized
5/2/12	Umatilla	4 sheep	Dead
5/12/12	Umatilla	1 sheep	Dead
7/26/12	Wallowa	Calf	Injured
8/31/12	Baker	Cow	Dead
9/3/12	Wallowa	Calf and Cow	Injured
9/11/12	Wallowa	Calf	Dead
9/14/12	Wallowa	Calf	Dead
9/14/12	Wallowa	Calf	Dead

Note: For 2012, ODFW conducted 33 Livestock Loss Investigation cases with the above 12 being confirmed or probable wolf depredation cases.

2013

Date	County	Animal	Status
1/28/13	Wallowa	Cow	Dead