



April 13, 2014

**Senate Committee on Environment and Natural Resources**

Senator Chris Edwards, Chair  
Senator Alan Olsen, Vice-Chair  
Senator Michael Dembrow  
Senator Floyd Prozanski  
Senator Chuck Thomsen

**RE: Oppose SB 952, restructuring funding of natural resources agencies**

Dear Chair Edwards, Vice-Chair Olsen and members of the committee:

On behalf of the undersigned organizations, we would like to express some concerns about Senate Bill 952, which creates a task force to study funding of Oregon's natural resources agencies.

We appreciate that the Committee is concerned with the funding of our natural resource (NR) agencies. In total, making up less than 2% of the general fund (G/F) budget, it seems that our NR agencies are consistently not prioritized in the budgeting process. We welcome a look at how these agencies are funded and are ready for a broader conversation about the benefits they provide for all Oregonians.

NR agencies are already heavily funded by fees, yet the current language of SB 952 puts the focus of the task force primarily on how fees can be further leveraged for NR funding.

It may be instructive to look at how two NR agencies are proposed to be funded in the Governor's Budget. The Oregon Department of Agriculture (ODA) would receive only 22% of their budget from general funds. The majority of their funding comes from fees which make up 56% of their proposed budget. The Oregon Department of Forestry (ODF) is also largely funded with non G/F monies. For ODF, only 19% of its budget is G/F. Much of the remainder is already paid by private timber landowners who contribute 40% towards the Private Forest program from Forest Products Harvest Tax and 50% of the fire protection funds through landowner assessments.

While there is clearly a role for fees and assessments in funding our NR agencies, there needs to be a recognition that the wider public benefits significantly from the work of these agencies and general funds should be a large part of the overall funding for them.

Unfortunately as currently written, SB 952 presupposes what the answer to the lack of funding stability for NR agencies is—more fees. We believe that any evaluation of future funding for NR agencies should have all options on the table.

We as Natural resources stakeholder groups oppose SB 952 because:

**Increased reliance on Other Funds is inappropriate**

Regulatory fees are not an appropriate source of funding for public services. There is no better example of this fact than with the Oregon Department of Fish and Wildlife (ODFW) and the impact that declining Other Funds revenues have had on the department's budget. This biennium, ODFW faces a budget shortfall of over \$30 million due to an over-reliance on regulatory fees.

**The state should pay its share**

Regulatory fees are inappropriate sources of funding to pay for the services that the public enjoys. Individual beneficiaries of the state's natural resources permitting programs pay for administration of the agency oversight, which essentially benefits the public.

**The issue is systemic**

Many of our NR agencies operate under dual missions: providing a service to stakeholders and supporting the public benefit. Today, several of the state's natural resources agencies are in a funding shortfall due to an over-reliance on user fees or Other Funds that support the services provided by the agencies, coupled with a lack of General Fund support. These agencies must support both missions and should not be put in the difficult position of relying predominantly on user fees to pay for programs that also benefit the general public.

We support taking a look at how we fund NR agencies sustainably into the future, but cannot support a bill which places increased fees as the primary, if not exclusive, way to do that.

Please oppose SB 952.

Respectfully,

Jeff Stone, Executive Director  
**Oregon Association of Nurseries**

Kristina McNitt, President  
**Oregon Forest Industries Council**

Scott Dahlman, Policy Director  
**Oregonians for Food and Shelter**

Jerome Rosa, Executive Director  
**Oregon Cattlemen's Association**

Katie Fast, Vice President of Public Policy  
**Oregon Farm Bureau**

Roger Beyer  
**Oregon Seed Council**