

# Oregon State Marine Board

## Joint Committee of Ways and Means

### 2021-23 Budget Presentation



## Background

Agency Mission: Serving recreational boating public through education, enforcement, access, and environmental stewardship for a safe and enjoyable experience.

## Historical Perspective

- OSMB was created in 1959.
- Boating Facility grants started in the 70's.
- OSMB starts to receive marine fuel tax revenue in 1985.
- Mandatory boating safety education for motorboat operation passed in 1999.
- Invasive Species Prevention Program started in 2009.
- Federal grant programs added along the way.
- Waterway Access Program to increase access for non-motorized boating became effective in 2019.

## Strategic Plan Goals:

During the 2017-19 biennium the agency developed a new strategic plan and began working with stakeholders to create new initiatives to carry the agency through 2022. The initiatives currently under way fall under six objectives:

- 1) Reduce causal factors for boater conflict considering areas, activities and competing interests on Oregon's waterways.
- 2) Improve recreational boating access for all user types on Oregon's waterways.
- 3) Improve collaboration between law enforcement and boaters on Oregon's waterways.
- 4) Improve the proficiency and confidence of boaters on Oregon's waterways.
- 5) Establish baseline knowledge and skills of boaters who rent from liveries and build a program to attain the baseline level prior to rental.
- 6) Facilitate improved two-way dialogue with current and prospective boaters and other stakeholder groups through face-to-face interactions and social media.

## 2021 – 2023 Budget

The agency is requesting its 2021-23 budget to be approved at the Continuing Service Level (CSL) based on the 2019-2021 Legislatively Approved Budget:

- No major changes in expenditure level (only inflation adjustments in selected items)
- No new hiring or staff reductions.

Keeping the same level of expenditure will guarantee the agency can continue serving boaters by:

- Maintaining law enforcement activities
- Continuing to grant funds to entities for new boating facility projects and to maintain their current boat facilities.
- Providing training and education to boaters, partners, and law enforcement officers.
- Implementing and improving boating regulations.

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**Key Performance Measures**

	Key Performance Measure	Target	Actual	% of Achievement
1	Number of boat patrol hours conducted on the water	34,650	23,006	66%
2	Number of boat operators arrested for boating under the Influence of Intoxicants (BUII)	100	44	44%
3	Boating fatalities per 100,000 registered boats	6.5	13.25	204%
4	Percent of inspected boaters who are in compliance with the requirement to carry a Mandatory Boater Education Card	95%	96%	101%
5	Number of gallons of boater generated-sewage not deposited in Oregon waters as a result of Marine Board facilities	750,000	623,280	83%
6	Ratio of matching funds from other sources to Marine Board funds	2.10	1.89	90%
7	Average number of days it takes to process and award grant funds	20.00	34.59	73%
8	Average number of days it takes to process requests for grant reimbursements	8	7	88%
9	Customer Service - Percent of customers rating their satisfaction with the agency's customer service	95%	80%	84%
10	Percent of total best practices met by the Board	100%	100%	100%
11	Number of boat Inspections for aquatic invasive species with actual inspections	15,500	20,573	133%

The COVID-19 pandemic is generally credited with encouraging people to look for simple and creative ways to social distance. Because schools and organized community activities were closed or heavily restricted starting in March 2020, people looked for alternate activities. KPM 3, Boating Fatalities per 100,000, was particularly off target this year. Eight fatalities occurred between March 21 and May 25 as people flocked to cold, swift waterways without good preparation. Deputies reported historic levels of water-based recreation. Two fatalities involved boats striking non-boaters - a very concerning anomaly. Many involved falls overboard or simple paddle craft capsizing. Half of all the boating deaths were on non-motorized boats, which has been a consistent trend for years. Measuring deaths per 100,000 *motorized* boat registrations does take into account the entire boating population, therefore the agency is exploring slightly different metrics that would consider measures of the number of non-motorized boats on the water.

The agency is also exploring new measures of boater “satisfaction.” Instead of just measuring customer’s satisfaction with their transaction experience, the agency would like to move towards measuring current boater retention, new boater recruitment, and lapsed boater re-engagement. The agency feels that these measures would be more broadly meaningful as an indicator of Oregonian’s approval of their boating experience – appropriate regulations, lack of user conflict, sufficient and pleasing boating access facilities – and as an indicator of any barriers to participation. For example, if the

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agency was to notice that if retention (year over year renewal of motorboat registration or of waterway access permit) was lagging for a particular user group, the agency could further investigate the reason – cost, poor experience on the water, lack of access, etc.

## Programs

The **Administration and Education program** area includes the Office of the Director, Titling and Registration, Boater Education, Business Services, and the Policy & Environmental sections.

The Director's Office is responsible for providing overall leadership and direction for the agency and is responsible for state boating law administration.

The Policy and Environmental section developments and coordinates rulemaking, advisory groups, and stakeholder engagements. The section develops waterway management plans and special studies and maintains liaison with other government units and interest groups. Environmental programs such as Clean Marina and abandoned and derelict boat removal activities fall within the Policy and Environmental section.

The Titling and Registration section is responsible for the major agency business activity of titling and registering approximately 155,267 recreational boats. This section also titles approximately 2,783 floating homes and boathouses. It prepares and processes approximately 70,000 annual boat registration renewal notices and provides support for online services. The Registration Section publishes annual boat registration data, provides annual reports to the U.S. Coast Guard, and generates monthly registration statistics and active boat records for the national Vessel Identification System (VIS).

The Business Services section provides agency-wide business functions including accounting, budgeting, procurement, federal grant administration, inventory control, and cash management. The section also provides support for all building facility management information technology and security within the agency. Business Services conducts the statutorily mandated triennial boating survey and fuel use survey. This section also manages external agency communication to assist boaters with knowledge of waterway obstructions, construction, marine events, clean marinas, ethanol free gasoline, boat ramps, and updates to boating regulations.

The Education section is responsible for implementing the statewide mandatory boater education program. It provides leadership and coordination for statewide water and boating safety through mandatory boater education campaigns and school programs. The Education section develops and distributes materials to promote safe boating including brochures, videos, and public service announcements, as well as providing grants to non-profits for boater safety training.

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The **Law Enforcement Program** provides funding and training support for 32 county sheriffs' offices and the Oregon State Police to enforce boating laws and safe boating practices. This program promotes boating safety through the active management of contracts with county sheriffs' offices and the State Police to patrol Oregon's waterways and enforce relevant laws. This program provides funding and subject matter expertise for marine patrol boat purchasing, maintenance, and repair. The program provides relevant training to marine officers, gathers, and analyzes law enforcement statistics, and participates in national programs to reduce accidents and fatalities.

The **Boating Facilities Program** provides grants and technical assistance for the maintenance and improvement of public recreational boating facilities statewide. Boating facilities grants are available to cities, counties, ports, park districts, state agencies, federal agencies, and Oregon's nine federally recognized Tribal governments. Boating facility grants can be used for the acquisition, development, and improvement of public boating access. The program administers federal grants available through Boating Infrastructure Grants and Clean Vessel Act programs. Private marinas can apply for grants to improve vessel waste collection facilities. Annual grants are also available to cities, counties, ports, park districts and state agencies to augment the maintenance of public boating access sites. Engineering, design, and project administration services, including project planning and needs assessments, are part of this program. Program staff also provides technical assistance in acquiring environmental permits and review projects for impacts to navigation.

The **Aquatic Invasive Species Protection Program** became an independent budget structure during the 2011 Legislative session and is implemented under the Policy and Environmental Section. This program was created as a result of a law enacted by the 2009 Legislature with the intent of protecting the state from invasive species. This program manages the permitting process and education and outreach efforts which impact nonmotorized boaters, motorized boaters, and out of state visitors bringing their boats to recreate on Oregon waterways. Funding from the program is also provided to ODFW through an interagency agreement to perform roadside boat inspections for aquatic invasive species (AIS).

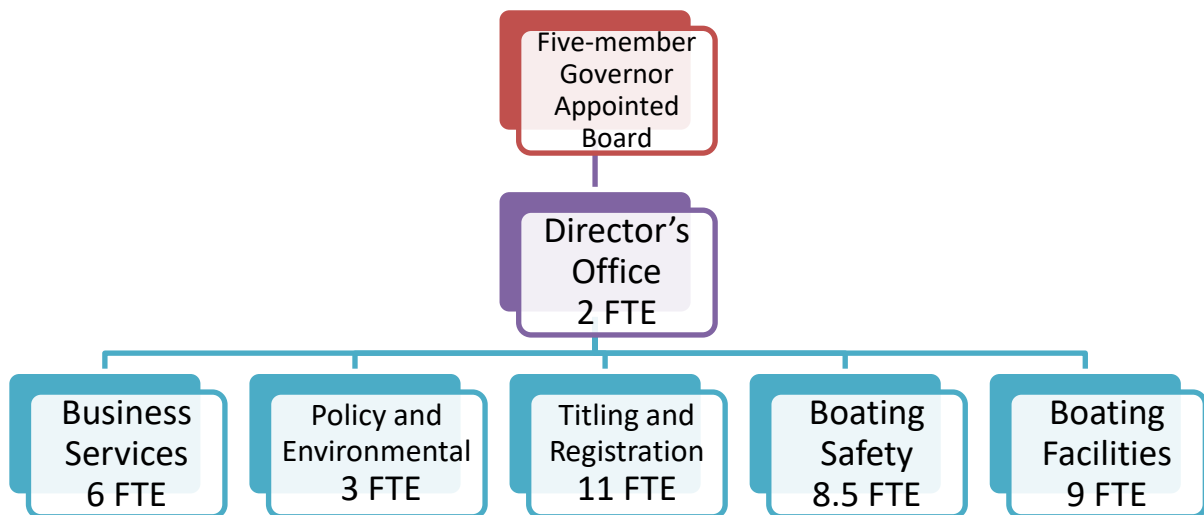
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## Agency Organization



Marine Board members are five volunteers who are appointed by the Governor and confirmed by the Senate. They represent different geographic regions of the state and different boating activities, serve four-year terms, and may apply for a second term of service.

The **Business Services Section** handles all administrative agency functions – budget, finance, procurement, information technology, building and fleet maintenance, and communication.

The **Policy and Environmental Section** is responsible for rulemaking, the Aquatic Invasive Species Program, the Abandoned and Derelict Vessel Removal Program, and the Clean Marina Program. These programs primarily interact with stakeholders and partner agencies.

The **Titling and Registration Section** is the customer service provider for the agency and the primary contact point for the boating public. The public service representatives are part of the agency call center and process the boating title transactions, registrations, and other boating permit and ownership documents.

The **Boating Safety Section** coordinates the law enforcement contracts with the County Sheriff's and Oregon State Police, coordinates marine law enforcement training, manages the Mandatory Boater Education Program, and manages the Outfitter Guide program.

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The **Boating Facilities Section** provides design, engineering, and technical assistance to aid in the development of boating facilities. The section also distributes federal and state grant funds through the Boating Facility Grant program and state funds to the Waterway Access Grant program and the Maintenance Assistance Program.

### **Budget Drivers**

The main cost drivers for the agency are any change in construction cost and boating safety enforcement. Regarding construction cost, increases in materials, labor and permit compliance are the main factor. For boating safety enforcement, personnel and cost of equipment and supplies.

On the revenue side, the main drivers that are affecting the agency are the number of registered boats, the amount of fuel use calculated in the quadrennial fuel use survey (Performed by OSU), and the assigned/awarded Federal Funds by the U.S. Coast Guard and U.S. Fish and Wildlife Services.

### **Major Changes in the past three biennia**

**2019- 2021** The only programmatic change in the last three biennia was the addition of the Waterway Access Permit program with the passage of SB 47 in 2019. In 2020, in part due to the increase in outdoor recreation associated with COVID, waterway access permit sales surpassed those forecasted. In the first round of grant funding the agency was able to approve 13 grants totaling \$554,582 for non-motorized boat facilities, access, and outreach to underserved communities.

### **Containing Costs and Improving Programs**

In the 2019 -2021 biennia the agency began delivering boat registration renewal notices by email instead of mail. In the past cycle, 35,000 out of 70,000 renewal reminders were delivered electronically. This has resulted in \$17,000 in printing and postage savings as well as shortening the fulfillment time from several weeks to several days for motorboat registration renewals.

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## Budget Information

### Revenue

Fuel Tax represents 34% of the Marine Board's revenue and has increased 5% and 2% in the last two biennia, respectively.

Registration fees were increased in 2015 and titling, registration, and boater education card fees were increased in 2019. No increase is expected for the next two biennia.

In January 2020 the Waterway Access Permit became effective and for the 2019-2021 biennium, the agency has forecasted revenue for \$1,364,420.

On average, the agency faces a decrease in the number of motorboat registration renewals of 10% annually. On the other hand, because of the methodology that is used to assess the fuel tax and the increase in the gasoline tax in

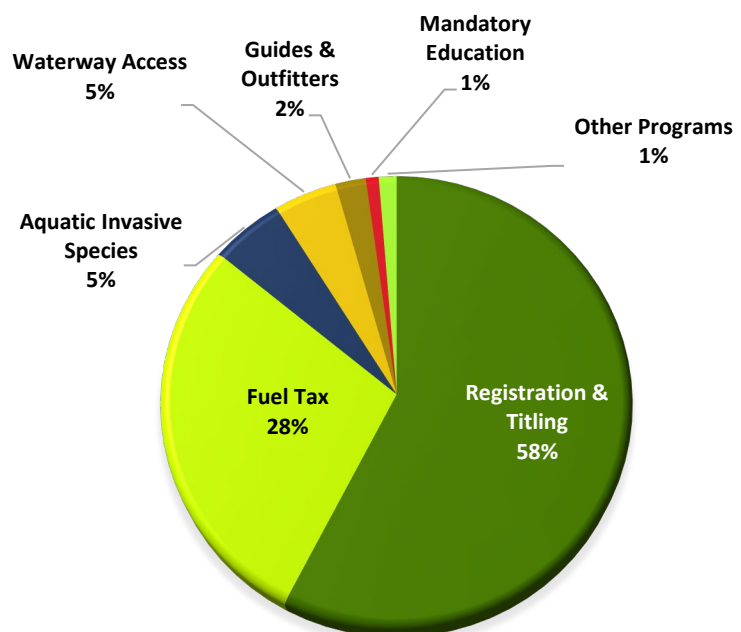
2017, revenue from this string has been increasing in the past two biennia. However, because of the economic environment, an opposite trend is expected starting in 2024.

New sources of revenue, such as the Waterway Access, will play an important role for the agency going forward. For the biennium 2021-23, the Waterway Access revenue is expected to reach 6% of the agency's Licenses and Fees, and in terms of revenue, it almost equals the AIS program.

### Revenue 2021-23 Budget



■ Registration ■ Fuel Tax ■ AIS ■ Waterway Access



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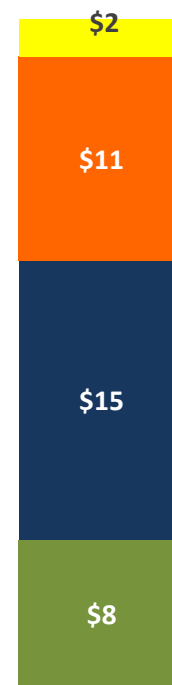


#### Expenditures

The Marine Board’s labor cost represents 25%, Services and Supplies 10%, and Distributions 65% of the total expenditures. For the past six years, this share has been consistent, and the current agency’s programs have not seen any material change.

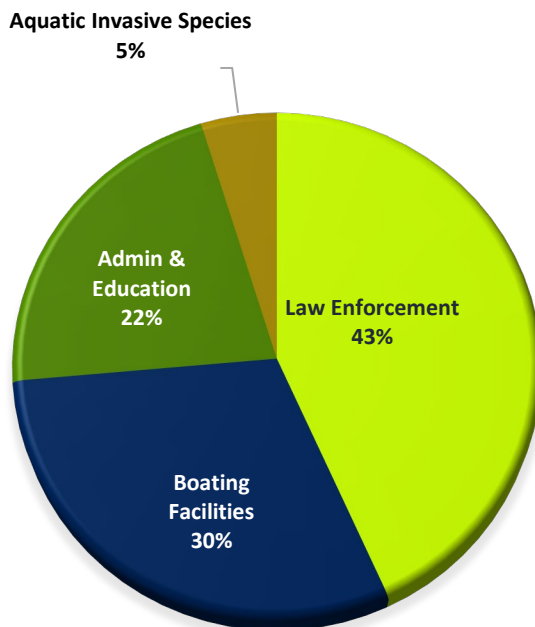
Total expenditures for the 2021-2023 biennium amount \$36,246,911, which compared to the 2019-2021 Legislative Approved Budget (LAB), represents an increase of 4%.

#### 2019-2021 Expenditures (Millions)



- AIS
- Facilities
- Law Enforcement
- Admin & Education

#### EXPENDITURES 2021-23 BUDGET





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#### Main Shared Programs

**Oregon State Police (OSP).** The Marine Board and OSP have an ongoing interagency agreement to partially fund Fish and Wildlife troopers to enforce boating laws across the state. For the 2021-2023 biennium, the agency budgeted transfers to OSP of \$ 2,099,945 (\$1,501,740 and \$598,205 of Other and Federal Funds, respectively).

**Oregon Department of Fish and Wildlife (ODFW).** The Marine Board transfers the majority of the funds deposited in the Aquatic Invasive Species account to ODFW to run the six boat inspection stations located on Oregon's borders. The agency will provide funds to ODFW for \$ 999,649 during the 2021-2023 biennium.

**Oregon Parks and Recreation Department (OPRD).** As part of the Facilities' Maintenance and Assistance Program (MAP), the agency provides both Other Funds and Federal Funds to OPRD. For the 2021-2023 biennium, the agency budgeted transfers to OPRD of \$ 400,000 (\$325,000 and \$75,000 of Other and Federal Funds, respectively).

#### Fiscal Impact of New Legislation

For the current session, there is no legislation that could impact the agency's budget for the 2021-23 biennium.

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## Reduction Options

This is a summary of the 10% reduction option for the 2021-23 biennium:

Program	Program Unit/Activity Description	Other Funds	Federal Funds	Total Funds	Pos.	FTE
Facilities	Boating Facilities/Reduction of non-federal match to the federal funding.	\$ 925,000		\$ 925,000	-	-
Facilities	Boating Facilities/Reduction of federal funding from USFWS		\$ 204,000	\$ 204,000	-	-
Law Enforcement	Law Enforcement/Reduction on funding to county sheriff departments and the Oregon State Police.		\$ 432,000	\$ 432,000	-	-
Law Enforcement	Law Enforcement/Reduction of non-federal match funding to county sheriff departments and the Oregon State Police.	\$ 1,253,000		\$ 1,253,000	-	-
Business Services	Administration & Education/Reduce accounting and IT staff and discretionary cost.	\$ 280,850		\$ 280,850	2	2
Law Enforcement	Administration & Education/Reduce educational grants and supplies		\$ 24,000	\$ 24,000	-	-
Law Enforcement	Administration & Education/Reduction of non-federal match to the federal funding.	\$ 62,500		\$ 62,500	-	-
Boat Registration	Administration & Education/Reduce postage and eliminate the contract.	\$ 168,700		\$ 168,700	1	1
Law Enforcement	Law Enforcement/Guides and Outfitters Intergovernmental Agreements.	\$ 76,000		\$ 76,000	-	-
Aquatic Invasive Species	Aquatic Invasive Species/Elimination of program analyst and accounting staff, and transfer program management to ODFW.	\$ 269,800		\$ 269,800	1	1
		\$ 3,035,850	\$ 660,000	\$ 3,695,850	4	4

## COVID-19 Impact

### Agency Impacts.

- The agency's office remains closed to the public.
- Staff has been working on reaching out boaters and finding alternative ways to communicate with them.
- Registration renewals and other duties have not been impacted for the office closure. 99% of the fees that the agency collects are processed either by mail or online.
- The agency adapted quickly to the State guidelines and most of the staff has been able to telework and/or perform their job duties in the workplace under safe conditions.

### Coronavirus Relief Fund (CRF)

- The agency did not claim any Direct Response Cost reimbursement.
- The amount of In Relation to Cost expended since the beginning of the pandemic amounts \$13,124 (cell phone service and IT equipment).

The agency does not foresee any extraordinary or additional cost related to COVID-19 for the 2021-23 biennium.

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However, since the impact of the pandemic in the Country and State's economy is still hard to estimate, the agency could see an unexpected decrease in registration renewals and other fees revenue because of a challenging economic environment.

**Technology and Capital Construction Projects.**

The agency does not have any IT or capital project considered for the 2021-2023 biennium.

**Other Public Information**

A summary of the agency's Governor's Budget is also available on the agency's website or by accessing the following link:

<https://www.oregon.gov/osmb/info/Pages/Business-Services.aspx>