



2023-25 BUDGET PRESENTATION

REFERENCE MATERIALS

MARCH 2023

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ABOUT THE DEPARTMENT OF STATE LANDS

Our History, Mission and Vision, Strategic Goals, and Link to Governor's Budget

Established by the Oregon Constitution in 1859, the State Land Board oversees the Common School Fund, which sends millions of dollars every year to Oregon's K-12 public schools – \$64.2 million in 2022. The Land Board has been composed of the Governor, Secretary of State and State Treasurer throughout its history.

The Department of State Lands is the Land Board's administrative agency, carrying out the day-to-day work of managing the school lands that contribute revenue to the Common School Fund and overseeing the state's publicly owned waterways. Over time, the Oregon Legislature has expanded the Department's responsibilities. In addition to ensuring a legacy for Oregonians and their public schools and waterways, DSL's work today includes protection of wetlands and waters, and oversight of Oregon's national estuarine research reserve.

MISSION AND VISION

The mission of the Department of State Lands is to ensure Oregon's school land legacy and protect waterways and wetlands of the State through superior stewardship and service. We seek to realize the following vision as our mission is achieved:

- Oregon sets the national standard for superior public agency stewardship of lands, waterways, wetlands, and Common School funds.
- Oregon's lands, waterways, and wetlands are healthy and resilient.
- Oregon's public schools forever benefit from Common School Fund distributions.
- Oregonians are served with utmost professionalism, integrity, and fairness.
- The Department of State Lands is a great place to work.

STRATEGIC GOALS

The Department's 2022-27 Strategic Plan provides a practical framework for continually improving service by setting four strategic goals that every DSL program contributes to achieving. Near-term projects are identified in a companion two-year Strategic Action Plan. Key Performance Measures align with the strategic goals; additional progress indicators have been developed for specific goals. Proposed 2023-25 policy packages also significantly advance these goals. The Department's four strategic goals are:

Supporting Schools Goal. *We continually seek opportunities to increase revenue to the Common School Fund, and regularly demonstrate the results of our efforts at efficiency, innovation, and effective service delivery.* Current Supporting Schools strategic projects include transforming the Elliott State Forest into a publicly owned, world-class research forest overseen by a new independent state agency and managed by Oregon State University; creating a framework for managing Common School Fund land assets that includes metrics for evaluating performance and value of school lands; and securing school lands still owed Oregon by completing in-lieu land transfer acquisitions from the federal Bureau of Land Management.

Thriving Oregon Goal. *We are dedicated stewards of lands and waters, ensuring those vital resources contribute to a vibrant, healthy Oregon now and forever.* Current Thriving Oregon strategic projects include addressing abandoned and derelict vessels; ensuring removal-fill permitting and waterway use programs protect Oregon’s wetlands and waters without subsidy by the Common School Fund; and the South Slough Wasson Creek Watershed restoration, which will restore more than 500 acres of forest and wetlands to improve forest health and stream habitat, reestablish native plants, and protect cultural resources.

Exceptional Service Goal. *We are fair and thoughtful problem-solvers, embracing best practices for public service, engaging widely to increase awareness and share information, and striving to exceed expectations in every interaction.* Current Exceptional Service strategic projects include replacing a badly outdated information and permitting system with a powerful database and easy-to-use online portal for better service and improved accountability; redesigning the Department website; and developing customer and staff guides to waterway lease and use authorizations.

Great Workplace Goal: *We are proud to be members of the DSL team, and all do our part to model our shared values, seek and encourage professional growth, and make DSL a great place to work.* Current Great Workplace strategic projects include developing job shadowing and cross-training opportunities; creating training plans for new and current employees; and increasing opportunities for work-life balance.

FULL DSL BUDGET REQUEST

The Department of State Lands Governor’s Budget is available here:

<https://www.oregon.gov/dsl/About/Pages/BudgetLeg.aspx>

OUR WORK FOR OREGON

Services Delivered with the Governor’s Budget, Who DSL Serves and How, Progress on Key Performance Measures, and Organizational Details

The Governor’s 2023-25 budget supports the Department of State Lands’ work for Oregon:

Managing land to benefit education – Real Property Program. Oregon’s school lands have helped fund public education since statehood. The Real Property Program manages approximately 772,000 acres of Common School Fund lands and assets and the activities – such as land and mineral resource sales, leasing of rangelands, agricultural

lands and commercial properties, and harvesting timber – that produce revenue for the Fund.

Protecting waters and wetlands – Aquatic Resource Management Program. Oregon’s waters and wetlands are protected for their many contributions to Oregon’s environment and economy. The Aquatic Resource Management Program oversees the state’s removal-fill and wetlands conservation laws, and related permitting and land-use notice processes. The program also oversees Oregon’s publicly owned waterways to preserve “public trust” uses of navigation, fishing, commerce, and recreation, and manages waterway leases and authorizations.

Understanding and exploring estuaries – South Slough National Estuarine Research Reserve. South Slough National Estuarine Research Reserve was established in 1974 as the first in a national network of estuarine habitats protected and managed for long-term research, education, and coastal stewardship. Located on the South Slough inlet of the Coos Estuary in Charleston, the Reserve manages nearly 7,000 acres of open water, wetlands, rivers and forests – a rich environment for scientific research, classes aimed at everyone from kids to elected officials to teachers, and recreation of all kinds. DSL is the state partner for administering South Slough Reserve; the National Oceanic and Atmospheric Administration is the federal partner.

Providing exceptional public service – Administration and Director’s Office. The Director’s Office and Administration teams ensure DSL meets the expectations of the Land Board, the Legislature, and all Oregonians. The Director’s Office team ensures overall accountability through leadership, human resources, policy, communication, and legislative work. The Administration team supports the Department’s business operations, ensuring efficient, effective service through financial, information technology, and administrative work.

HOW SERVICE IS DELIVERED

All programs provide services that contribute to one or more of the Department’s strategic goals:

Supporting Schools: Seeking opportunities to increase Common School Fund revenue

Who is Served: All Oregon communities and their public schools directly benefit from DSL’s work in this area. In 2022, the Common School Fund distributed \$64.2 million to Oregon’s 197 public school districts. Additionally, businesses, organizations, agencies, and individuals are served through the economic benefits associated with school land leases and sales. Many Department initiatives in this area also result in service improvements for all DSL customers along with positive results for Fund revenue.

How Service is Delivered: DSL works with the Oregon Department of Education to send twice-yearly distributions to school districts. The Real Property program issues leases, easements, rights-of-way, licenses, and other authorizations for use of state- owned

land, and works with local communities, real estate professionals, and potential buyers to identify development and sale opportunities. The Fund's real property assets are currently valued at an estimated \$596 million. In FY21, these lands generated gross program revenues of \$4.8 million.

Thriving Oregon: Protecting the contributions of public lands and waters

Who is Served: DSL's stewardship of waters, wetlands, and land benefits all Oregonians and their communities.

The permitting and authorization processes overseen by the Aquatic Resource Management Program also support landowners, developers, businesses, governments, consultants in minimizing impacts to aquatic resources. Additionally, DSL provides local governments with technical and planning assistance to protect wetlands as required by Oregon's land-use goals.

The benefits of South Slough Reserve's work to enhance scientific and public understanding of estuaries and improve estuarine management extend statewide, and often reach nationally and even globally. Oregonians are directly served by the Reserve through education provided to a wide variety of groups, including coastal decision makers, students and teachers, interns and volunteers, community members and natural resource professionals. All programs at the Reserve provide data and information to statewide, national, and regional organizations.

How Service is Delivered: Aquatic Resource Management Program field operations teams deliver service to specific regions of the state, supporting communities and landowners in protecting aquatic resources and ensuring staff knowledge of local conditions and issues. Each regional team oversees:

- Permitting removal-fill activities in wetlands and waters of the state. Projects requiring removal-fill permits range widely, from stream restoration projects to housing developments. In FY21, DSL processed 615 removal-fill permit applications.
- Issuing leases, registrations, easements, and other authorizations for use of Oregon's publicly owned waterways. Marinas, docks, and floating homes are among the activities required to obtain authorization for use of the public's waterways. In FY21, there were approximately 5,000 active authorizations for waterway uses.
- Helping property owners determine whether permits are needed. Local governments submit wetland land-use notices when wetlands may be present in a project area, and property and project owners request assistance in following the state's removal-fill law. In FY21, staff provided 318 delineation report reviews, 339 wetland determinations, and reviewed 1,180 wetland land use notices.
- Ensuring compliance with permits, leases, and other authorizations through ongoing monitoring, and enforcement actions when necessary.

The Aquatic Resource Management Program's stewardship of waters and wetlands is also supported by:

- A planning and policy team that develops and implements the plans, policies, and tools that support effective service delivery and protection of waters and wetlands.
- Management of the state's waterway and wetland mitigation programs, including mitigation banks and payment-in-lieu programs. These programs offer options for permittees that must replace lost wetland and waterway functions.

South Slough Reserve has two core areas of service delivery: Research and Education.

The **Research and Monitoring Program** at South Slough Reserve is focused on understanding estuarine and forest functions, processes, and ecological communities, as well as links between watersheds, estuaries, and nearshore marine environments. The program's goal is to provide science-based information that improves coastal zone and watershed management. The Reserve monitors and reports on long-term water quality and weather data. Additionally, staff, visiting researchers, and students examine impacts of climate change and work closely with staff from the Reserve's Stewardship, Education, and Coastal Training programs to conduct applied research around invasive species and restoration of habitats and native species. In FY21, the Reserve team worked on 37 research and monitoring projects.

The **Education Program** provides teacher trainings, trainings for best practices in natural resource management, internship opportunities, interpretive experiences for local residents, and programs for Oregonians of all ages. Despite myriad challenges related to the COVID-19 pandemic, the Reserve provided programming to school children, teachers, adults, and families, both in-person and remotely throughout 2020 and 2021. For example, in FY21 the Reserve increased the frequency of community classes offered from four to about ten classes per month to provide more safe, accessible programming for locals and visitors against the backdrop of COVID. Classes were hosted at various locations throughout the area, taking the Reserve's offerings beyond its boundaries to serve community members where they were located. As a result of these efforts, a total of 657 adults and children were able to engage with more than 50 of the Reserve's community classes and summer camps.

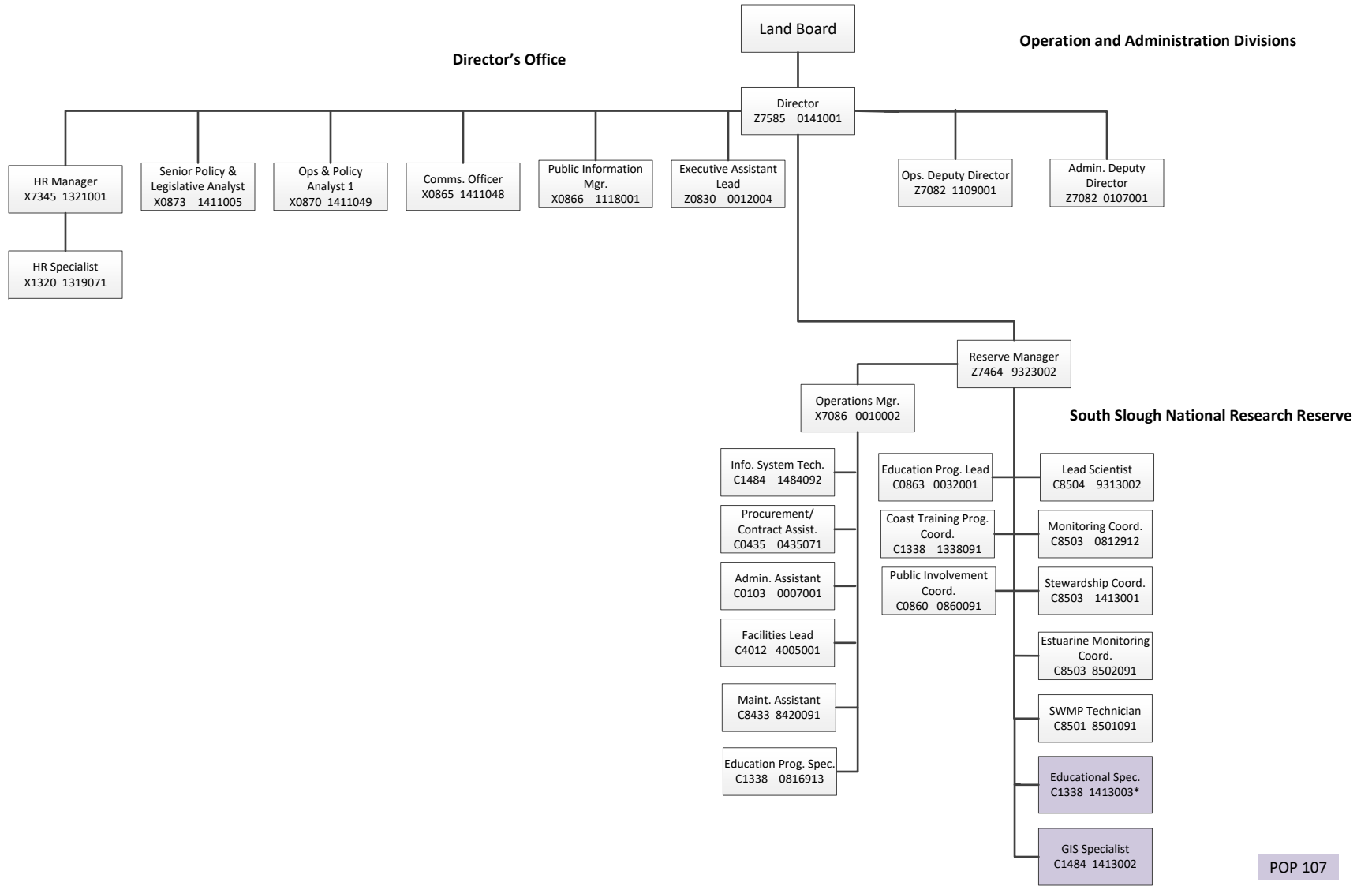
South Slough Reserve also provides training for managers and decision-makers whose activities affect the natural and cultural resources of Oregon's coastal zone. During FY21, the Reserve offered five trainings attended by a total of 83 participants. Topics explored included cultural resource protections and tribal artifacts, guidance on how to host virtual meetings and available tools, and training on how to collect eDNA lamprey samples.

Exceptional Service: Working for all Oregonians and their communities

Who is Served: Exemplary public service benefits all Oregonians – whether receiving direct program services or realizing the results DSL achieves for schools, lands, wetlands, and waterways.

How Service is Delivered: DSL identifies and implements best practices for business operations, communications and engagement efforts, and transparent, accountable public service. Though all DSL programs strive to set a standard for service, the Director’s Office provides overall leadership for the strategic, budgetary, policy, and planning processes that guide the Department’s work. The Administration team supports consistent agencywide excellence through oversight of DSL-managed funds, audits, and properties; maintaining and protecting computer information systems, database systems, and websites; and providing essential administrative support.

**DEPARTMENT OF STATE LANDS
AGENCY WIDE 2023-2025**

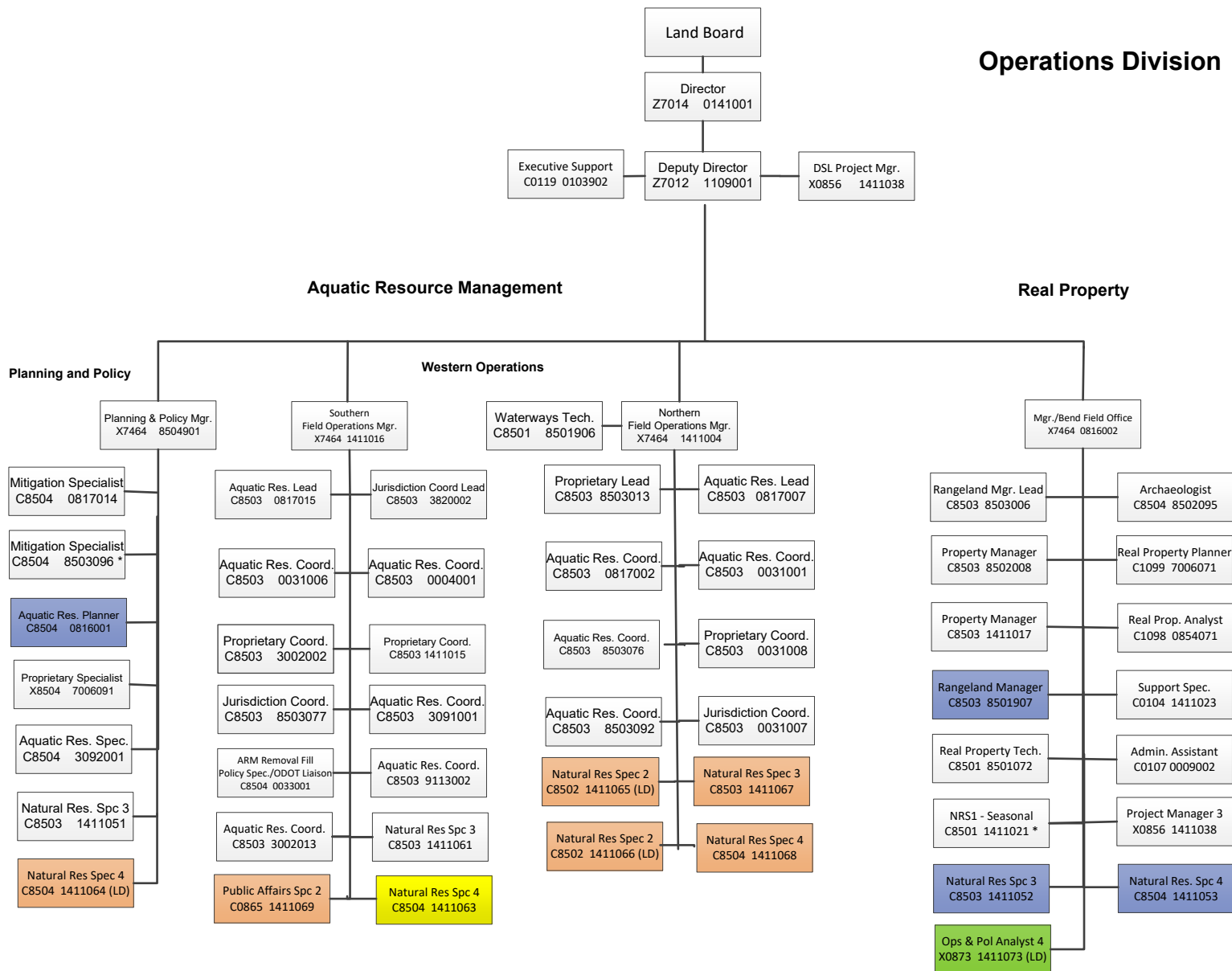


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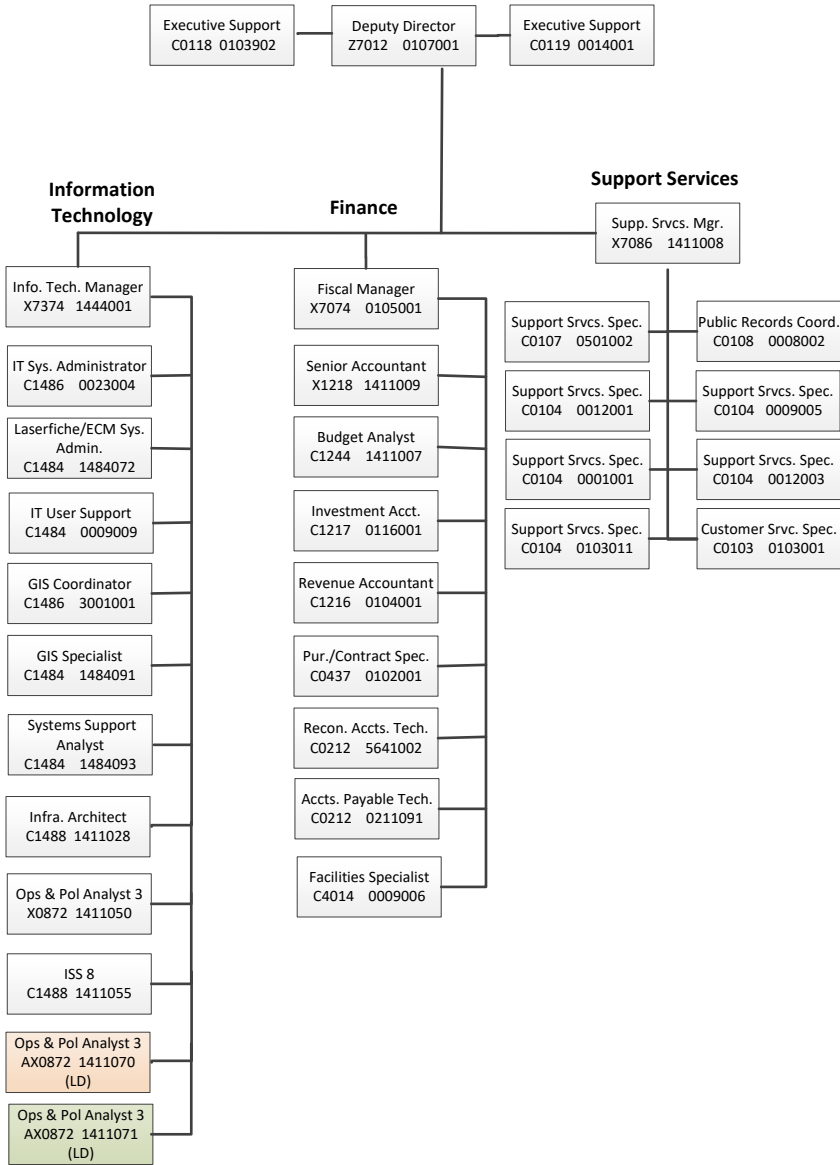
DEPARTMENT OF STATE LANDS AGENCY WIDE 2023-2025

Operations Division



**DEPARTMENT OF STATE LANDS
AGENCY WIDE 2023-2025**

**Administration Division
Business Operations and Support Services**



POP105

POP106

PERFORMANCE AND PROGRESS

Agency Performance, Budget Development, Budget Drivers and Risks, Planned Service Improvements

KEY PERFORMANCE MEASURES

Key Performance Measures (KPMs) are mapped to the Department's strategic goals, providing the long-term metrics for evaluating success in each of those areas.

In 2023-25, the Department is proposing one new KPM:

- **People served at South Slough Reserve.** This proposal replaces existing *KPM #16 – Percentage of South Slough Reserve education programs that use a structured assessment process to provide information and services responsive to audience needs*, with proposed new *KPM #16 – Total number of people served annually at South Slough Reserve*. This proposed KPM offers a meaningful, straightforward metric to capture the direct reach of educational programs and the South Slough Visitor Center. The new KPM will be a count of the total number of individuals who participated in an education or coastal training program offered by the Reserve, as well as visitors to South Slough Visitor Center. The proposed target is 10,000.

Progress on Legislatively Approved KPMS

The Department has 15 existing Legislatively approved KPMs. For FY22, DSL met expectations – exceeded, met, or was within 5 percent of the performance target – for seven of those KPMs. DSL was more than 15 percent from meeting the performance target for the remaining eight KPMs.

Supporting Schools Goal – KPM Progress

Meeting Expectations

KPM #1 – Percent annual increase in cash generated by Department activities deposited to the Common School Fund. DSL exceeded the 2022 target of 10 percent, increasing deposits to the Fund by 97.4 percent from the previous year. The increase reflects several significant deposits, particularly the \$121 million in General Funds provided by the Legislature to decouple the Elliott State Forest from the Common School Fund.

KPM #3 – Increase in revenues generated by all land management activities, excluding timber harvest receipts. DSL exceeded the 2022 target of 3 percent, with a 25.6 percent increase.

Sale of the South Tongue Point property, approximately 83 acres on the Columbia River in Astoria, for \$1.3 million contributed to this result. The Department anticipates continued steady revenue from current leases and authorizations and will continue to pursue opportunities to increase revenue – for example, we are currently updating communication site leasing rules, with the aim of aligning lease rates with market value.

KPM #15 – Percentage of South Slough Reserve operations funded from non-Common School Fund sources, including grants, fees, program revenues, and gifts. DSL exceeded the 2022 target of 25 percent, with outside sources funding 47 percent of Reserve operations.

Staff are continually seeking grants and other funding opportunities to support Reserve operations and projects. Successful applications for grants and awards in the past year has allowed the Reserve to use state budget funds as match, thereby leveraging funding. While grant and award opportunities are highly unpredictable, the Reserve was fortunate to have an increased level of funding within its Federal Fund operations budget, which will continue into the next reporting period.

The COVID-19 pandemic affected building rental revenue for the reporting period. The Reserve reopened to the public on May 1, 2022, but did not immediately experience a resurgence of building reservations.

Not Meeting Expectations

KPM #2 – Percent of program revenue streams used to cover administrative and operational costs of programs for forest and non-forestlands.

The target is 45 percent for both forestlands and non-forestlands. FY22 performance for forestlands, at 114 percent, did not meet the target. The non-forestlands performance was 65 percent.

The primary factor affecting forestland performance is the Elliott State Forest, which no longer produces revenue for the Common School Fund due to harvest limitations prompted by a lawsuit over federally protected species. Decoupling the Elliott from the Common School Fund, completed in December 2022 as part of ongoing work to transform the Elliott into a research forest, will make the KPM target more attainable. The research forest exploratory work has also increased expenses, as has the ongoing cost of the Elliott maintenance contract. Those costs will cease when the Elliott's transition to an OSU-managed research forest is completed.

Operations costs also increased for non-forestlands. The cost of ongoing work to develop large lot industrial land in Redmond particularly contributed to higher expenses. Costs associated with waterway cleanups, including removal of abandoned and derelict vessels, also contributed to expenses outpacing revenue.

Thriving Oregon Goal – KPM Progress

Meeting Expectations

KPM #16 – Percentage of South Slough Reserve education programs that use a structured assessment process to provide information and services responsive to audience needs. The target is 90 percent. 100 percent of South Slough Reserve

programs are currently using some form of structured needs assessment and/or evaluation surveys to identify audience-driven needs for program development, information, and services. During the reporting period, the Reserve continued its ongoing assessments for K-12 education audiences, outreach/public involvement, and interpretive programs.

The Department proposed changing KPM #16 during the previous Legislative session and is again proposing a change. Educational efforts at Sough Slough Reserve aim to improve the stewardship and understanding of Pacific Northwest estuaries and coastal watersheds. The wide array of education programs, the diverse audiences the Reserve serves, and the dynamic nature of the education can create a complex matrix of measuring success that is better captured by the proposed KPM of people served annually.

Not Meeting Expectations

KPM #4 – DSL-managed lands and waterways with completed area management plans or policies. The target is 95 percent. In FY20, 89 percent of Department-managed lands and waterways had plans or policies.

The Department has developed management plans for the largest and highest value school land parcels. The remaining lands without management plans consist primarily of small, scattered parcels, so the return on investment in developing plans is low. The Department's Real Property program has begun developing a new school lands management plan with a goal of completion in FY24. With creation of that plan, the Department will create an overarching statewide management plan, and move away from creating area plans.

KPM #5 – No net loss of wetlands. The target is zero; in FY22 there was a net loss of 26 acres of wetland through permitted impacts, enforcement actions, compensatory mitigation, voluntary restoration, and one new mitigation bank.

This measure varies greatly from year to year; however, there has been a net gain of 1,607 acres of wetlands tracked under the Department's regulatory program since 2005.

Losses and gains are also captured at different times as part of different processes. The Department applies mitigation requirements based upon its regulatory authorities and responsibilities. Additionally, wetlands are gained from voluntary restoration projects conducted by private organizations and agencies. Gains from mitigation banks are counted in the year of bank approval.

KPM #11 – Percent of Mitigation Bank Fund money obligated and committed within one year. The target is 100 percent; no funds were committed in FY22. The Department received \$100,924 into the fund in FY21 that should be committed to projects within one year i.e., during FY22. Expenditures occurred in FY22 for previously funded projects, but no new projects were funded.

Identifying projects and committing funding can take multiple years. For example, in FY22, DSL issued request for proposals for the Rogue Basin, which did not result in responses from qualified partners. DSL will continue to reach out to potential project partners this biennium. Staff capacity to seek new mitigation projects has also been constrained by the need to respond to new private sector mitigation bank proposals submitted for review in FY22. More mitigation banks will reduce the need for these payments to the mitigation fund in high-demand areas.

Exceptional Service Goal – KPM Progress

Meeting Expectations

KPM #8 – Percent of removal-fill violations that have a final resolution in place within 12 months of receipt of a complaint that results in determination of a violation. In FY22 the Department exceeded the target of 50 percent. The Department closed 15 enforcements for unauthorized activities during the reporting period. Of the 15 violations, 10 (67 percent) were resolved within 12 months.

KPM #10 – Average number of days for a response to wetland land use notices. During FY22 the average Department response time was 23 days, which is one day more than the 22-day target. This review time is one day less than FY21.

The number of wetland land use notices received is affected by economic factors, as well as DSL’s effectiveness in encouraging local governments to submit notices. The Department responded to 1,228 notices in FY22. That is a 4 percent increase from FY21 and a 53 percent increase from FY20. The Department anticipates continuing efforts will help reduce response times. Efforts include improvements to how notices are distributed among staff, revisions to the online submittal form, and ongoing outreach to local county and city planners.

KPM #17 – Percentage of best practices met by the State Land Board. The 2020 percentage is 93. The target is 95 percent.

Not Meeting Expectations

KPM #6 – Average number of days for an agency permit decision after receipt of a complete application. The Department averaged 106 days to make a permit decision in FY22. This does not meet the target of 60 days or less.

The statutory requirement for reaching a permit decision is 120 days. It is clear from multiple years of data that the aspirational goal of an average of 60 days is not attainable. In 2021, DSL proposed to change this KPM to better align with the permitting process and the statutory timelines, but this change was not advanced by the Legislature. DSL will continue the conversation with the Legislative Fiscal Office to consider changes to this KPM.

KPM #7 – Percent of removal-fill permit noncompliance conditions that have a final resolution in place within 12 months from date noncompliance is determined. The Department recorded one permit noncompliance case in FY22, and it was not resolved within 12 months from the date noncompliance was determined. Out of approximately 811 active permits, only one noncompliance instance was identified. The Department continually seeks to achieve greater clarity and consistency in permits. Time needed to pursue and resolve permit noncompliance can depend on many factors, including the number of pending agency actions, landowner cooperation, and the specifics of each situation.

KPM #9 – Average number of days for the agency initial review and response to a complete wetland delineation report. The target of 60 days or less. The average agency response time for FY22 was 103 days. The statutory requirement is 120 days; the Department has met that requirement since FY09.

The complexity and number of delineation reports submitted for review affects the average review time. Reports for complex projects can significantly extend review times. The number of reports in FY20, FY21, and FY22 were 296, 318, and 344, respectively. Other factors include a continuing high number of wetland land use notices (see KPM #10), which are reviewed by the same staff reviewing wetland delineation reports. A rulemaking effort in FY23 aims to clarify report requirements, thereby resulting in reduced review times.

KPM #13 – Percentage of customers rating their satisfaction with DSL services as excellent or good. Multiple areas are rated, including overall satisfaction, timeliness, accuracy, helpfulness, expertise and availability of information. 2022 percentages ranged from 77 to 86 percent. The overall satisfaction percentage was 80 percent. The target for all areas is 95 percent.

Multiple initiatives in the Exceptional Service goal are expected to help improve customer satisfaction ratings, particularly implementing a new online permitting and information system that is easy for customers to use, updating the Department's website, and developing and implementing customer service plans for each agency program. The Department will also examine current approaches to equity and inclusion across agency operations and develop a plan to improve service to all Oregonians.

BUDGET DEVELOPMENT AND DRIVERS

DSL developed this budget considering the Governor's priorities; State Land Board policies; Key Performance Measures; and emerging issues identified by staff and partners.

This budget also supports implementation of the 2022-27 Strategic Plan. Budget drivers and other factors were therefore identified and considered in the context of each strategic goal:

Supporting Schools: Seeking opportunities to increase Common School Fund revenue

Factors Considered: Factors included need to identify efficiencies and improve processes; establishing partnerships; and exploring potential revenue streams and funding alternatives. Cost containment is a perpetual consideration, and key to DSL’s stewardship of the Common School Fund. An estimated 20 percent of the Department operating budget is funded by Fund investment earnings. Activities that may result in less funds going to schools are evaluated through cost-benefit analysis and other methods.

Budget Drivers: Multiple factors affect DSL’s efforts to increase revenue to the Common School Fund. The expense of maintaining land, for example, is affected by natural hazards such as wildfire and drought, as well as increased public use. External economic factors affect land leasing and sales. Reducing operational costs across the Department, seeking to increase the revenue that supports Legislatively directed DSL programs and services, and exploring outside funding sources such as grants all support increased Fund revenue.

Thriving Oregon: Protecting the contributions of school lands, wetlands, and waters

Factors Considered: Factors included principles of sound natural resource stewardship; principles of environmental justice; and DSL’s ongoing role in environmental cleanups and waterway health and safety issues.

Budget Drivers: Increased use of school lands and waterways directly affects the costs related to managing those natural resources. This includes public use, recreation and commercial uses that increase demand for leases and authorizations, as well as illegal uses that negatively impact other users and the environment. Costs associated with waterway cleanups are also variable and unpredictable, and the Department will begin addressing this issue with the Safe, Healthy Waterways Package (POP 113). The Department is also actively examining the fees associated with removal-fill and waterway programs – see discussion under Budget Risks below.

Exceptional Service: Working for all Oregonians and their communities

Factors Considered: Factors included best practices for transparent, accountable service; diversity, equity, and inclusion; engaging Oregon communities in DSL initiatives and decision-making; and increasing access to services and information.

Budget Drivers: Increased demand for DSL services directly impacts the cost of maintaining exceptional service. For example, during times of economic prosperity, more permit and authorization applications are received. Adding additional resources to deliver service – and meet statutory timelines – increases costs.

BUDGET RISKS

Risks to the Department budget include:

- **Expense of waterway cleanups.** Abandoned and derelict vessel (ADV) cleanups present an ongoing risk to the Department budget and the Common School Fund. For years, the Department has been working with state, federal, and local partners to clean up and remove commercial and recreational ADVs. While collaborative efforts have resulted in removing hazardous vessels from waterways, lack of a statewide ADV program with dedicated funding has led to the Common School Fund, and Oregon's schoolkids, footing the bill for these cleanups. Since 2017, the Common School Fund has expended more than \$16.4 million removing vessels from public waterways.

The Governor's Budget includes \$18.76 million in Other Funds, a one-time allocation from the Monsanto settlement, for the Safe Healthy Waterways Policy Package (POP 113). These funds would be used to remove ADVs currently in Oregon's waterways, as well as to support the Department leading collaborative efforts to address the issue long-term by developing and proposing a statewide ADV program.

- **Portland Harbor Superfund site cleanup.** Portland Harbor is one of the largest superfund sites in the United States and has been identified by the Environmental Protection Agency as a target for immediate and intense attention. Most of the riverbed and much of the riverbank in the 10-mile cleanup area is land that was transferred to Oregon at statehood. DSL is involved in Portland Harbor as a potentially responsible party for cleanup. Defense costs have and will continue to be substantial.

DSL also oversees most of the riverbed and riverbank where investigation and cleanup are likely to occur. Dedicated DSL staff attention is required to participate in and be responsive to the Superfund process.

- **Legal challenges related to Department decisions and management of lands.** Litigation affects costs and can also affect the revenue school lands produce. For example, legal action related to management of the Elliott State Forest has dramatically impacted Department revenue and expenditures for decades. The Elliott continues to negatively impact costs – see discussion of KPM #2.
- **Cost of delivering service is not covered by fees.** Users and customers of many DSL programs pay only a fraction of the cost of the important services provided. The remaining cost of service is covered by Common School Fund investment earnings. Ongoing demand for services has the potential to impact the long-term health of the Fund and future distributions, as well as the Department's ability to deliver services. The Department is seeking to address this in part with House Bill 2238.
- **Environmental factors such as natural hazards and presence of listed species.** Natural hazards like drought and wildfires affect the expense of maintaining school lands. Costs

related to fire suppression and rangeland management all come from Common School Fund revenue. During the 2020 wildfires, more than 1,200 school land acres burned, with an estimated lost timber value of nearly \$3 million. Maintaining a sustainable expense-to-revenue ratio is critical and requires continual monitoring, evaluation, and adaptive management. Threatened and endangered species also have the potential to affect school lands management decisions and development.

PLANNED SERVICE IMPROVEMENTS

Cost containment is a key component of protecting the Common School Fund, as is making strategic investments to increase revenue or reduce costs. Continual improvements to service delivery are also essential to DSL achieving its mission and all strategic goals. Initiatives planned for 2023-25 include:

- Improving and increasing the services and information available online, including online permitting and updating the DSL website.
- Transition of the Elliott to oversight of the new Elliott State Research Forest Authority, and management of the forest as a publicly owned research forest.
- Developing a new plan to manage school lands.
- Examining fee structures for Department permits and authorizations, collaboratively developing solutions, and proposing updates.
- Removing ADVs accumulated in Oregon waterways and leading development of a proposed statewide ADV program.
- Implementing customer service and public engagement plans that reflects the Department's values of diversity, equity, inclusion, and environmental justice.

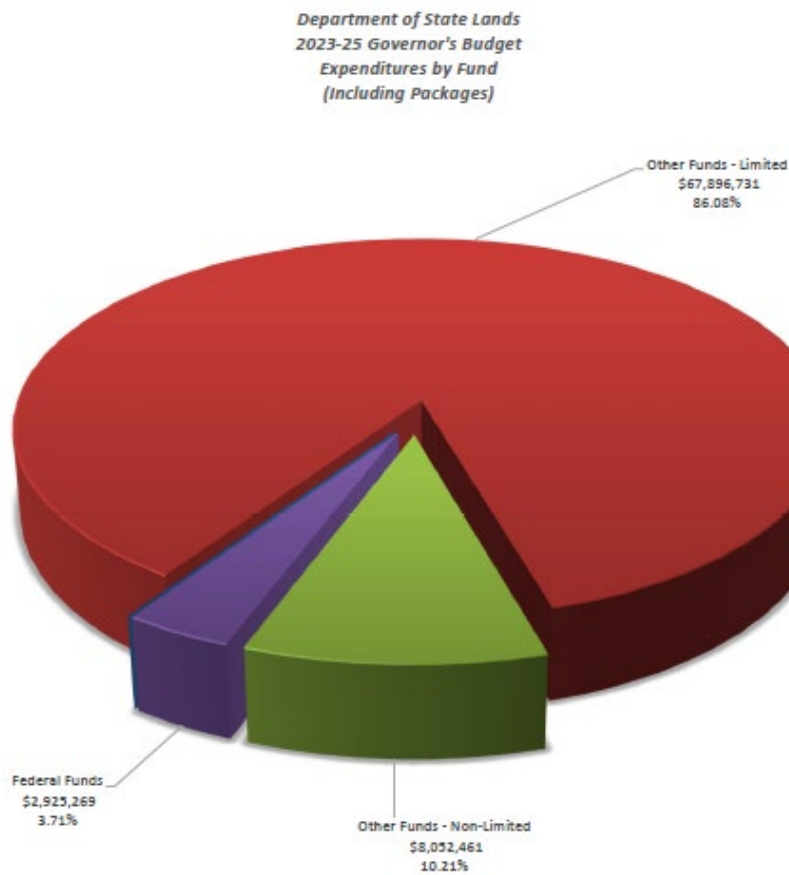
BUDGET INFORMATION

2023-25 Budget Overview

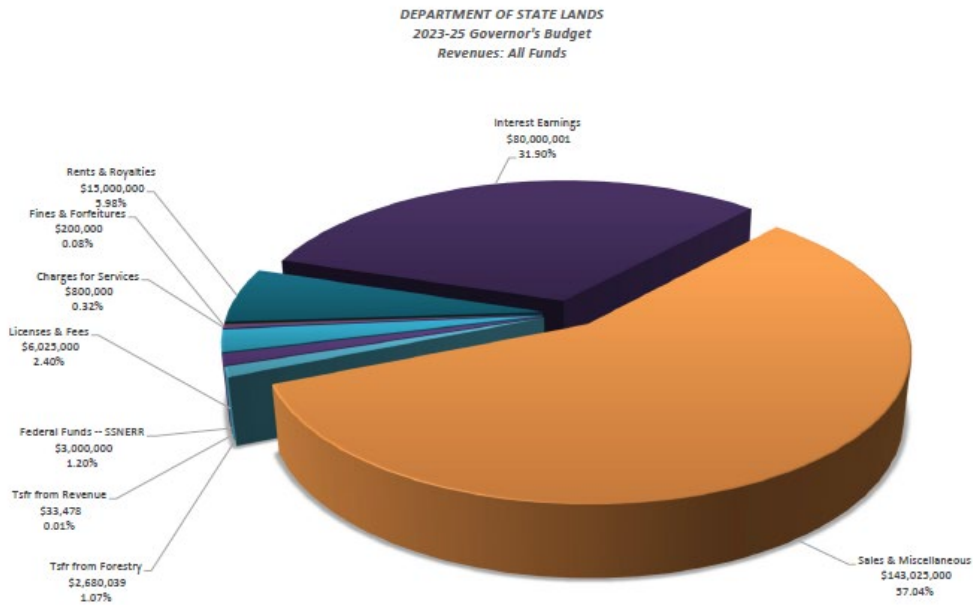
BUDGET OVERVIEW

The Department's work is carried out by 116 positions/112.82 full-time equivalent (FTE) employees with a Total Funds budget of \$78,874,461. The Department is primarily funded by Other Funds generated by program activities and Common School Fund investment returns. Some Federal Funds support Aquatic Resource Management Program projects and South Slough Reserve operations and projects.

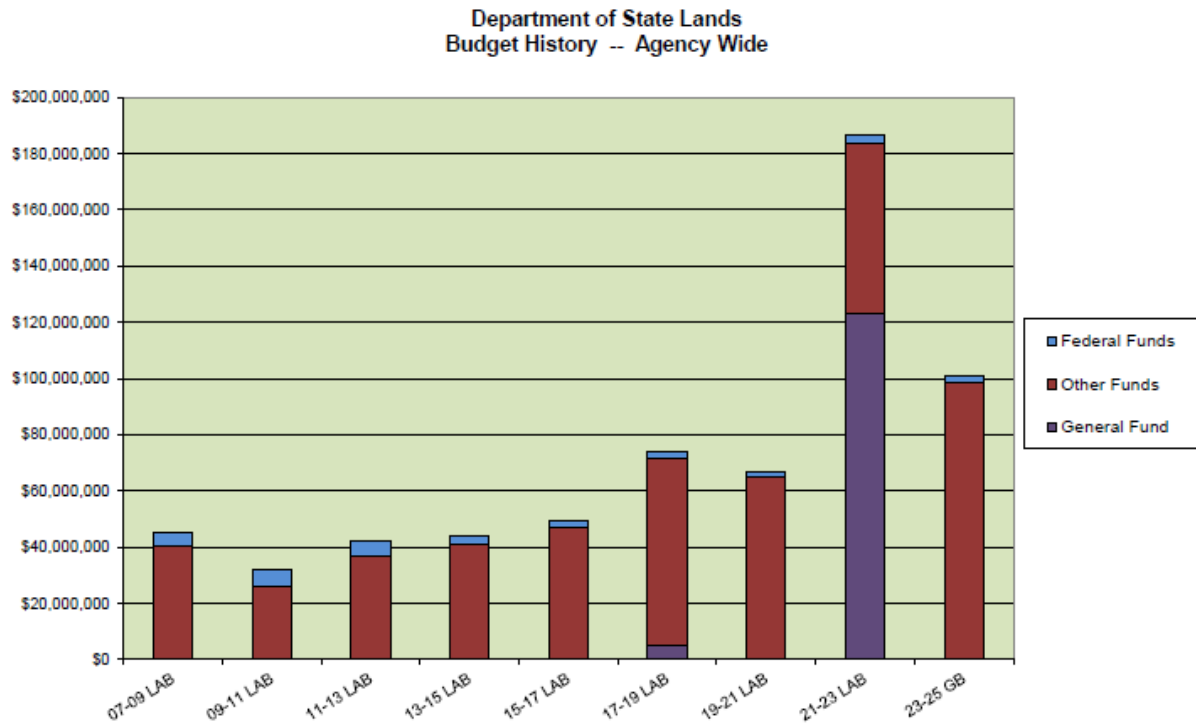
Expenditures By Fund



Revenue By Fund



Budget History



REPORTS AND FORMS

IT Project Summary, Program Prioritization for 2023-25, Other Funds Ending Balance Form, 15 percent Reduction Summary, Long-Term Vacancy Summary

DSL | Land Administration System Replacement (OWLS)

Stage Gate	Stage Gate 2	Fund Type Mix	100% OF	Agency Score	82
Magnitude	Medium (\$5-10M)	Agency Governance	Agency executives	EIS Score	82
Modernization	Yes	Project Focus	Service Delivery and Integration	Alignment	Yes

Project Purpose

The current Land Administration System (LAS) system went into service in late 1999 and is now in its twenty-third year of use at the Department of State Lands (DSL). It is based on 1990’s-era client server technology, which is designed to run in an office setting hosted on premises. LAS was built using PowerBuilder, a development tool and platform technology that has been at the end of its life cycle and unsupported for more than a decade. Unfortunately, the system cannot be upgraded to leverage modern technologies and must be replaced to fulfill the current needs of the agency.

Goal one of DSL’s 2017 -2021 Strategic Plan is to “improve customer service by enabling staff to work more efficiently, work in the field more, and allow the public to do business with the agency online.” This goal cannot be met using the current system. LAS can only be accessed within the DSL network, has limited capabilities to allow the customer to interact with DSL, and limits DSL’s ability to perform core business functions and assist customers. Problems are further compounded when staff engages in commonplace out-of-office tasks such as working with applicants in the field, doing site visits, performing inspections, investigating violations, and engaging in follow-up monitoring. As the agency continues to absorb more State Land oversight responsibilities, the current system puts the management of those programs at risk.

Technology and Strategic Alignment (35%)

Alignment to Strategic Plans

Score of 2 is supported.

- Investment aligns to the Governor’s Strategic Plan and most of the Enterprise strategies.
- Investment optimizes service delivery to the public and supports Agency’s strategic plan.

Technology Best Practices and Priorities

Score of 3 is supported.

- Based on functional requirements and the solicitation of a viable vendor, this investment is alignment with all technology best practices.

Business and People-Centered Approach (25%)

People-Centered Approach

Score of 2 is supported.

- This investment puts people first who rely on essential services and those working to provide them.
- The LAS Replacement project will reduce and eliminate administrative burdens.

Business Process Transformation

Score of 2 is supported.

- This investment will significantly transform DSL’s business processes and improves service delivery to customers, partners, and other stakeholders

Investment Risk

Score of 2 is supported.

- The project is a medium risk if not implemented. The risk will continually increase as the system’s technology ages and becomes more difficult to support.

Agency Readiness and Solution Appropriateness (40%)

Organizational Change Management (OCM)

Score of 3 is supported.

- The agency has procured an OCM vendor for this project since this project will significantly impact operations, and is currently in the evaluation phase.

Solution Scale and Approach

Score of 3 is supported.

- The scale and approach of this project is in full alignment and the agency has done a great amount of outreach to understand the business problem(s) identified to move forward with this project.

Capacity

Score of 3 is supported.

- The agency has hired 3 additional staff to support this project and is in full alignment with the criteria expected within this section.

Governance and Project Management Processes

Score of 2 is supported.

- The governance practices of this agency have matured over the last two years. However, according to the Natural Resources ASCIO are still a work in progress.
- DEI staff is engaged in the IT Governance and prioritization process.
- The agency has acquired PM resources who follow PMBOK PM practices.

EITGC Project Prioritization | 2023–25

LAS Replacement

			TOTAL PROJECT SCORE (0-100)	82
CRITERIA	WEIGHT	SCORING GUIDE		
Technology and Strategic Alignment	35%	WEIGHTED SUBTOTAL	29	
Alignment to Strategic Plans				
<ul style="list-style-type: none"> Does this investment adhere to the Governor's Strategic Plan (Action Plan: User Friendly, Reliable and Secure: Modernizing State Information Technology Systems and Oversight) Does this investment align with and support the vision, goals, and guiding principles outlined in the EIS Strategic Framework, Cloud Forward: A Framework for Embracing the Cloud in Oregon, Oregon's Data Strategy: Unlocking Oregon's Potential, and the Modernization Playbook? Does this investment align with and support the State of Oregon, Diversity, Equity, and Inclusion (DEI) Action Plan: A Roadmap to Racial Equity and Belonging, the sponsor's agency-specific Racial Equity Plan, and ethical use of data—investing in data justice and representation, visibility, and ethics to serve all Oregonians? Does this investment optimize service delivery to the public and/or internally by modernizing agency-specific and cross-agency systems? Does this investment align with and support the agency's IT and business strategic plans, including strategies for modernizing legacy systems? Does this investment fulfill a legislative mandate, enable compliance with current State or Federal law, or address specific audit findings? 		<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	2	
Technology Best Practices and Priorities				
<ul style="list-style-type: none"> Does this investment align with and support the following enterprise information technology priorities? <ul style="list-style-type: none"> - Information Security . Improving the security and resilience of the state's systems - Modernization . Optimizing service delivery through resilient, adaptive, secure, and customer-centered digital transformation - A Better Oregon Through Better Data . Leveraging data as a strategic asset—improving data analysis, data quality, information-sharing, decision-making, and ethical use. - Cloud Forward . Enabling Oregon to conduct 75% of its business via cloud-based services and infrastructure Does this investment align with IT best practices (e.g., cloud-first, modular implementation, agile practices, configuration over customization, open systems, transparency and privacy by design, security principles, and other modern hosting technologies)? For system modernizations that include data or data systems, has the agency evaluated the current data being collected, its overall quality, and a migration approach if relevant? Has there been evaluation of the data contained within the system to see if changes need to be made to the data collection itself? 		<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	3	
Business and People-Centered Approach	25%	WEIGHTED SUBTOTAL	17	
People-Centered Approach				
<ul style="list-style-type: none"> Does this investment put people first—the people who rely on essential services and those working to provide those services? Does this investment help to eradicate racial and other forms of disparities in state government? Does this investment improve equitable access to services, programs, and resources, or make the agency's overall service portfolio more accessible or usable for diverse populations? Does the agency intend to strengthen public involvement through transformational community engagement, access to information, and decision-making opportunities? Does this investment reduce or eliminate administrative burdens* that have created barriers to access or reinforced existing inequalities for historically underserved and underrepresented communities? Has the agency utilized the Racial Equity Toolkit within the DEI Action Plan in assessing and planning the project? If the investment is for agency use, does it improve the agency users' experience? 		<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	2	

<p>Business Process Transformation</p> <ul style="list-style-type: none"> • Does this investment contribute to business process improvement/transformation? • Does this investment improve service delivery to customers, partners, or other stakeholders? • Has the agency done public engagement, outreach, or an internal evaluation to identify which populations are most highly impacted (positively and negatively) by these business process changes (e.g., considering populations without home internet in creating a digital application process)? • Have measurable business outcomes and benefits been established, including the return on investment if applicable? 	<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	<p>2</p>
<p>Investment Risk</p> <ul style="list-style-type: none"> • Would inaction impact systems or solutions that support critical business functions? • Would inaction increase risk to continuity of services to customers, particularly vulnerable or underserved populations? • Are there community impacts of not undertaking this project? • Has the agency identified an inequity or imbalance in service provision that this initiative would resolve? • Is there increased risk if investment is not addressed during this budget cycle (e.g., security, safety, legal, funding source, or any other related risk)? • Does the investment address non-compliance of federal or state requirement, audit finding, or mandate? • Does this investment address an identified and documented highly probable agency risk? 	<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	<p>2</p>
<p>Agency Readiness and Solution Appropriateness</p>	<p>40%</p>	<p>WEIGHTED SUBTOTAL</p> <p>37</p>
<p>Organizational Change Management (OCM)</p> <ul style="list-style-type: none"> • Does the investment significantly impact operations throughout the organization? • Does the agency have, or intend to acquire, OCM resources with the skillsets and experience for the size and complexity of the project? • Does the agency plan to address and mitigate impact or adoption risks through a change management plan or intend to follow a formal OCM methodology? • Has the agency identified community engagement or community involvement as a component of the change management process? • Is external outreach or training planned to implement this change with constituents? 	<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	<p>3</p>
<p>Solution Scale and Approach</p> <ul style="list-style-type: none"> • Has the agency engaged customers, partners, and communities to understand and structure the business problem, benefits, and outcomes? • Does the investment fully address the agency's business problem, benefits and outcomes? • Is the solution of the appropriate size and scale? • Does this investment adhere to principles in <i>EIS Cloud Forward</i> (p.4) or <i>Modernization Playbook</i> (p.6), etc.? • Will the agency continue to engage customers and communities to inform design, approach, and usability of the solution? 	<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	<p>3</p>
<p>Capacity</p> <ul style="list-style-type: none"> • Has the agency considered skillsets and capacity requirements needed to effectively resource this initiative? • Does the agency have resources with the necessary skillsets and knowledge, or can the agency acquire the resources? • Will this investment impact the agency's ability to deliver on its core business functions? • Has the agency considered capacity for various non-technical resources, including organizational change management, project management, business analysis, testing, communication and community engagement activities? • Does the agency or project environment foster an inclusive workplace culture and promote equitable hiring, retention, and promotion practices? 	<p>3 - Fully Aligned (all applicable criteria addressed)</p> <p>2 - Mostly Aligned (most applicable criteria addressed)</p> <p>1 - Partially Aligned (some applicable criteria addressed)</p> <p>0 - Not Aligned (no or very few applicable criteria addressed)</p>	<p>3</p>

Governance and Project Management Processes

- Does the agency have formal IT governance in place that will oversee this investment?
- Does the investment have executive sponsorship and steering committee in place?
- Does the agency employ adequate project governance structure and practices to oversee vendor/contract management, change control, quality control and quality assurance, and data management and usage?
- For projects that impact data or data systems, is there a data governance body or other body responsible for data management that is engaged in the process? Is there an agency data lead who is engaged as part of the project?
- Are agency DEI staff involved in the IT Governance and prioritization process?
- Does the agency intend to involve customer or partner representation on project forums (i.e. steering committees, advisory boards, etc.)?
- Has the agency established processes for community outreach, feedback, engagement, or advice in accordance with the Racial Equity Framework and DEI Action Plan?
- Does the agency have, or intend to acquire, project management resources with the skillsets and experience for the size and complexity of the project?
- Does the agency use mature project management practices (PMBOK)?

3 - Fully Aligned (all applicable criteria addressed)

2 - Mostly Aligned (most applicable criteria addressed)

1 - Partially Aligned (some applicable criteria addressed)

0 - Not Aligned (no or very few applicable criteria addressed)

2

References:

*Administrative burdens include learning costs, such as finding out whether one is eligible for a program; compliance costs, such as burdensome paperwork and documentation; and psychological costs, such as the stress and stigma that people feel when interacting with government programs. Health Affairs, Herd, P., Moynihan, D. (2020, October 2). *How Administrative Burdens Can Harm Health*. www.healthaffairs.org. Retrieved February 9, 2022, from

Scores

3
2
1
0

Program Prioritization for 2023-25

Agency Name: DEPARTMENT OF STATE LANDS																											
2023-25 Biennium																			Agency Number: 14100								
AGENCY WIDE																											
Program/Division Priorities for 2023-25 Biennium																											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22						
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request							
Agcy	Prgm/ Div																										
1	1	DSL	Common School Fund	Umbrella program encompassing real property, removal fill permitting and enforcement, and wetlands technical assistance.	14100-1 through, 14100-13, and 14100-17	7	-	-	31,112,260	8,052,461	47,884	-	39,212,605	84	83.00	Y	Y	C	Oregon Admissions Act Sections 1,2 & 4; Oregon Constitution Article VIII, Sections 2.4.5 & 7, ORS 327403-494								
2	1	DSL	Capital Improvements	Protection of Common School Fund real property assets to optimize return on those assets.	14100-1, 14100-2b, 14100-3,	6	-	-	572,116	-	-	-	572,116	-	-	N	Y	C	327.403-484								
3	1	DSL	South Slough National Estuarine Research Reserve	SSNERR provides educational, recreational and research opportunities for coastal wetlands and other ocean issues/resources. Provides an avenue for economic development projects to proceed and comply with the mitigation requirements while conserving the functions of wetlands.	14100-13, 14100-15, 14100-16	9	-	-	2,913,819	2,237,623	-	5,151,442	18	17.00	N	Y	S	ORS 273.553-558									
4	1	DSL	Oregon Removal Fill Mitigation Fund	development projects to proceed and comply with the mitigation requirements while conserving the functions of wetlands.	14100-5, 14100-11, 14100-13	6	-	-	2,181,141	-	-	-	2,181,141	-	0.50	N	Y	S	ORS 196.600-692								
							0	0	36,779,336	8,052,461	2,285,507	0	47,117,304	102	100.50												

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

PROGRAM PRIORITIZATION FOR 2023-25

Agency Name: DEPARTMENT OF STATE LANDS																			Agency Number: 14100		
2023-25 Biennium																					
Program 1																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/Div																				
1	1	DSL	Proprietary Resource Management	Manages CSF land holdings to produce revenue for the Common School Fund. Earnings provide distribution twice annually to Oregon's K-12 Public Schools. In accordance with AG Opinions in 1991, 2002, and 2003 all expenses of managing land are constitutional.	14100-1, 14100-2a & 2b, 14100-3, 14100-4, 14100-13	6		6,545,949	749,534			\$ 7,295,483	13	13.50	N		C	Oregon Admissions Act Sections 1.2 & 4; Oregon Constitution Article VIII, Sections 2.4, 5 & 7, ORS 327.403 & 484, ORS 273, ORS 274, ORS 530.	The Oregon Constitution Article VIII, Section 5,(2) requires the Land Board to manage lands under its jurisdiction in such a manner as to obtain the best benefit for the people of the state.		
1	4	DSL	Regulatory Resource Management	Oversees the fill and removal of material from Oregon streams, lakes, estuaries, and wetlands. Protects waters of the state from uncontrolled alteration.	14100-1, 14100-2b, 14100-5, 14100-6, 14100-7, 14100-8, 14100-13.	9		7,404,316		47,884		\$ 7,452,200	25	24.00	N		S	ORS 196.600-.692			
1	5	DSL	Wetland Technical Assistance	Provides assistance to property owners, developers, and government agencies in complying with Oregon's wetlands laws. Aides in expediting land development processes. Provides review and concurrence of wetland delineations.	14100-1, 14100-2b, 14100-9, 14100-10, 14100-11, 14100-13	9		1,881,454				\$ 1,881,454	7	6.50	N		S	ORS 215.418, ORS 227.350			
N/R	N/R	DSL	Centralized Administrative Costs	Administrative Services assisting a agency programs, including the Director's Office, Human Resources, Public Information, Centralized Support Staff Services, Fiscal & Audit, and Information Technology	N/R	N/R		15,280,541	7,302,927			\$ 22,583,468	39	39.00	N		C	Admissions Act Sections 1.2 & 4, Oregon Constitution Article VIII, Sections 2.4, 5 & 7			
							0	0	31,112,260	8,052,461	47,884	0	\$ 39,212,605	84	83.00						

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

PROGRAM PRIORITIZATION FOR 2023-25

Agency Name: DEPARTMENT OF STATE LANDS																					
2023-25 Biennium																			Agency Number: 14100		
Program 2 - Capital Maintenance/Improvement																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div																				
2	1	DSL	Capital Improvements	Protection of Common School Fund real property assets to optimize return on those assets.	14100-1, 14100-2b, 14100-3, 14100-4	6		572,116				\$ 572,116	0	0.00	N	Y	C	327.403-484			
												\$ -									
												\$ -									
												\$ -									
												\$ -									
												\$ -									
												\$ -									
												\$ 572,116	0	0.00							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

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- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

PROGRAM PRIORITIZATION FOR 2023-25

Agency Name: DEPARTMENT OF STATE LANDS																						
2023-25 Biennium																			Agency Number: 14100			
Program 3 - South Slough National Estuarine Research Reserve																						
Program/Division Priorities for 2023-25 Biennium																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request		
Agcy	Prgm/ Div																					
3	1	DSL	South Slough National Estuarine Research Reserve	SSNERR provides educational, stewardship and research opportunities for coastal watersheds and other ocean issues/resources	14100-13, 14100-15, 14100-16	9		2,913,819		2,237,623		\$ 5,151,442	18	17.00	N	Y	S	ORS 273.553-558				
												\$ -										
												\$ -										
												\$ -										
												\$ -										
								2,913,819		2,237,623		\$ 5,151,442	18	17.00								

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
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- 12 Social Support

19. Legal Requirement Code

- C Constitutional
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- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Department of State Lands (DSL)

2023 - 2025 Biennium

0.15

Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
	14100	010-01-00	Common School Fund			4,667,408.55	1,207,869.15	7,182.60		\$ 5,882,460	13	12.45			
	14100	011-01-00	Portland Harbor Superfund							\$ -					
	14100	012-01-00	Submerged Lands Enhancement Fund							\$ -					
	14100	013-01-00	Removal Fill Revolving Fund			327,171.15				\$ 327,171		0.08			
	14100	030-00-00	South Slough National Estuarine			436,951.20		335,195.55		\$ 772,147	3	2.55			
	14100	088-01-00	Capital Improvement & Maintenance			85,817.40				\$ 85,817					
										\$ -					
										\$ -					
										\$ -					
						5,517,348	1,207,869	342,378	-	\$ 7,067,596	15	15.08			

Target
Difference \$ 7,067,596

Department of State Lands - Long-Term Vacancy Summary															
Supervisory Organization	Job Profile	Budgeted Months (Source - Budget System)	Position Worker Type (Source - Budget System)	Position Time Type (Source - Budget System)	Budgeted FTE (Source - Budget System)	Budgeted Salary (Source - Budget System)	Earliest Hire Date	Staffing Status	Position Vacated Date	Date Job Requisition Requested	Length (In Months)	Position is Open More Than 6 Months	Position is Open More Than 12 Months	Date Evaluated	
Real Property - DSL	Natural Resource Specialist 1 - SR21 - Non Exempt	24	Permanent	Full-Time	1	\$124,944.00	11/1/2022	Open	11/1/2022		1			12/31/2022	
Real Property - DSL	Natural Resource Specialist 1 - SR21 - Non Exempt	12	Seasonal	Full-Time	0.5	\$ 44,988.00	9/26/2020	Open	9/25/2020		27	Yes	Yes	12/31/2022	Exception - Seasonal Position
South Slough Operations - DSL	Training & Development Specialist 1 - SR23 - Non Exempt	12	Seasonal	Part-Time	0.5	\$ 44,988.00	10/30/2022	Open	10/29/2022		2			12/31/2022	
Real Property - DSL	Planner 3 - SR30 - Exempt	24	Permanent	Full-Time	1	\$201,384.00	6/1/2022	Open	5/31/2022		7	Yes		12/31/2022	
Real Property - DSL	Planner 4 - SR32 - Exempt	24	Permanent	Full-Time	1	\$221,256.00	3/28/2022	Open	3/28/2022		9	Yes		12/31/2022	
Support Svcs - DSL	Office Specialist 1 - SR13 - Non Exempt	24	Permanent	Full-Time	1	\$ 72,744.00	12/1/2022	Open	12/1/2022					12/31/2022	
Operations Division - DSL	Project Manager 3 - SR32 - Exempt	24	Permanent	Full-Time	1	\$165,192.00	10/1/2022	Open	10/1/2022		2			12/31/2022	
Northern Operations - DSL	Natural Resource Specialist 3 - SR27 - Non Exempt	24	Permanent	Full-Time	1	\$119,304.00	10/27/2022	Open	10/1/2022	10/25/2022	2			12/31/2022	



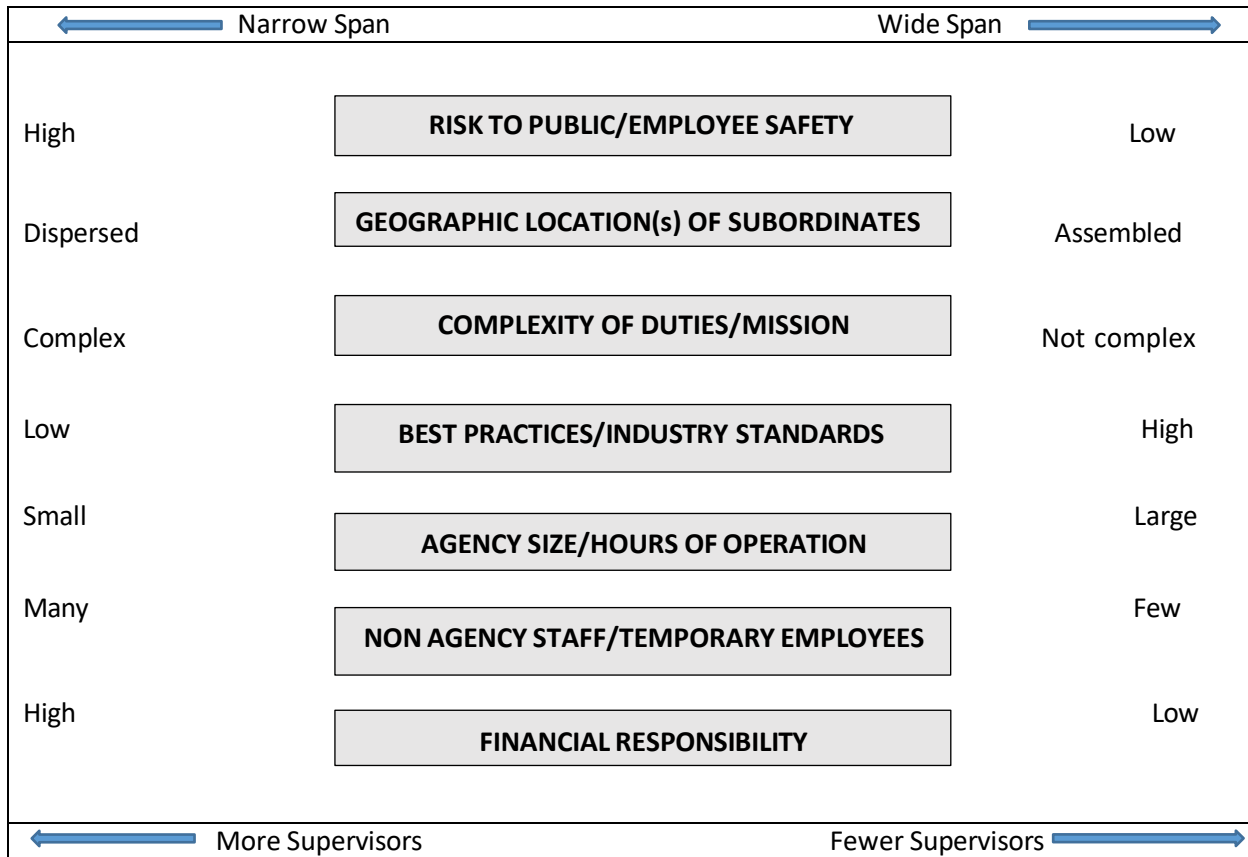
SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, The Department of State Lands presents this report to the Joint Ways and Means Committee regarding the agency’s Proposed Maximum Supervisory Ratio for the 2021-2023 biennium.

Supervisory Ratio for the last quarter of 2021-2023 biennium

The agency actual supervisory ratio as of January 31, 2023, is 1:10.85

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11 and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.



Ratio Adjustment Factors

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio?
Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

Although our agency is not considered to have a traditional public safety mission, our work does impact the safety of Oregonians in relation to their use and enjoyment of our state's natural resources. We are responsible for the sound management of the state's navigable waterways. This includes partnering with other agencies for environmental considerations. We manage state forestlands. This also requires partnership with other agencies to ensure the safety of Oregonians when they visit public forests.

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

Approximately 44 DSL staff members are in field offices in Bend and Coos Bay. In addition, many of our staff members conduct site and field visits to geographic locations spanning the entire state of Oregon. While some functions are managed by onsite supervisors at field offices, the diversity of our programs requires that there are more managers and supervisors available to oversee these remote locations and workers.

Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

The agency is responsible for very complex programs and often competing priorities. State Lands manages Common School Fund real property to meet trust obligations, consistent with the conservation of the resource under sound techniques of management. To accomplish this goal, along with many others, we employ highly qualified industry experts in fields such as marine and wildlife biology, forestry, finance, trust property, and others. This level of complexity requires additional management and supervisory engagement to ensure we meet our goals.

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

Industry best practices and standards are not factors impacting the agency maximum supervisory ratio.

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio?
Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-
Size and hours of operation are not factors impacting the agency maximum supervisory ratio.

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

The agency uses volunteer and seasonal employees in a variety of capacities primarily in the South Slough National Estuarine Research Reserve. These volunteers require additional supervision and oversight, thus impacting the number of supervisors required for effective operations.

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

The agency is responsible for ensuring a Common School Fund legacy through sound management of our trust responsibilities and protection of waters of the state. This is clearly a significant responsibility. The financial scope and responsibility of the agency requires additional oversight by highly skilled management and supervisors to achieve these results.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1: 8.

Unions Requiring Notification. AFSME

Date unions notified. March 2, 2023

Submitted by: Jean Straight

Date: March 2, 2023