

2025-27 Budget Review

Marine Board

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
Other Funds	\$28,641,245	\$33,822,059	\$35,408,466	\$36,755,918
Federal Funds	\$5,110,240	\$6,993,480	\$7,322,061	\$7,022,955
Total Funds	\$33,751,485	\$40,815,539	\$42,730,527	\$43,778,873
Positions	40	45	45	46
FTE	39.50	42.50	42.50	43.50

* Includes legislative and administrative actions through December 2024.

PROGRAM DESCRIPTION

The Oregon State Marine Board (OSMB) is responsible for registering and titling all recreational motorized boats and sailboats 12 feet and longer in the state; providing boater education, marine law enforcement, and facility access; and mitigating the effects of invasive species on native waters. The Board, consisting of five members appointed by the Governor for four-year terms, appoints a director who serves at the Board's discretion.

The Board's programs support over 140,000 registered boats, 300,000 nonmotorized boats, and 1,500 licensed outfitters and guides. The Board is organized according to four major program areas:

- The Administration and Education program contains all costs directly associated with the work of the actual Board, as well as performing a variety of administrative and registration functions.
- The Law Enforcement program contracts with 32 county sheriff offices and the Department of State Police for marine law enforcement services.
- The Facility Grants program offers assistance and awards grants to federal, state, and local governments for the design and construction of marine access facilities across the state.
- The Aquatic Invasive Species Prevention program prevents the spread of invasive species through education, enforcement, inspection, and decontamination services.

BUDGET ENVIRONMENT

OSMB is experiencing a 6% decline in motorized boat registration revenue for the 2023-25 biennium. This decline is driven by an 15% drop in motorized boat registrations since 2014 (172,000 registered boats).

In 2024, customer satisfaction with the timeliness of titling and registration (KPM #9) increased to 56%, up from 39% in 2023. This improvement addresses delays in completing registration applications, which have averaged 70-110 days. The five-year average customer rating for timeliness remains at 60%.

Concurrently, revenue from the Waterway Access Program continues to grow. Sales of Waterway Access Permits, required for nonmotorized boats 10 feet and longer, are projected to reach \$3 million in the current biennium. These revenues support the Waterway Access Grant Program and the Aquatic Invasive Species Prevention program.

Fuel transfer revenue, which makes up 27% of the 2023-25 legislatively approved budget (LAB), is generated from a \$0.40 per gallon fuel-use tax collected by the Oregon Department of Transportation. OSMB's allocation is based on estimates of fuel consumption by active vessels in the state, which could decrease if boat registrations continue to decline. The current fuel consumption factor will remain in effect in the 2025-27 biennium and will be re-evaluated in 2026.

The Guides and Outfitters program accounts for 2% of the agency's revenue. A fee restructuring package is planned for the 2025 legislative session to bring fee structures into compliance with interstate commerce regulations. Non-resident guides, who make up 7% of all guides, contribute to over 40% of the program's revenue. Guide Registration Fees for both Oregon residents and non-residents have not been adjusted since 2014, and program expenditures continue to exceed revenues. The number of registered outfitter guides has increased by 30%, from 1,170 in 2014 to 1,520 in 2023.

CURRENT SERVICE LEVEL

The 2025-27 current service level reflects a 5% increase in overall expenditures compared to the 2023-25 LAB, attributed to standard growth in personal services and above-standard inflation for services and supplies. The budget includes the phase-out of the American Rescue Plan Act (ARPA) funds, which previously supported abandoned and derelict vessel removal.

GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's budget for OSMB is \$43.8 million in total funds, an increase of \$1 million, or 2.5%, from current service level. The budget reduces the Federal Fund expenditure limitation for special payments to counties for law enforcement by \$300,000, along with the following policy option packages:

- **Waterway Access Program Limitation Increase** – an additional \$1 million in Other Funds expenditure limitation for the Waterway Access Grant program to fund developments for nonmotorized boating access.
- **Registration Section Position Authority** – expands the current position authority for the Administration and Education Program, Titling and Registration section, by 1.00 FTE to support customer service objectives.
- **Outfitters and Guides Fee Restructure** – raises existing fees for the Outfitter Guide Program. These fee increases are estimated to raise an additional \$475,000 over the 2025-27 biennium to

support program costs and special payments to the Department of State Police for guide enforcement.

OTHER SIGNIFICANT ISSUES

In 2021, OSMB received \$1 million Other Funds for a member ARPA allocation to remove abandoned and derelict vessels from state waterways (HB 5006). OSMB anticipated spending \$250,000 in the 2021-23 biennium but only spent \$237,317, primarily because vessels were either removed or submerged before their contracts could be executed. Since invoices had not been received prior to budget development for the 2023-25 biennium, the agency only requested a \$750,000 Other Funds expenditure limitation for vessel removal and did not include the cancelled \$12,683 in invoices.

The May 2024 Emergency Board approved adjustments to OSMB's Other Funds expenditure limitations. This included an additional \$750,000 for the Waterway Access Grant Program and \$12,683 for the continued removal of abandoned and derelict vessels.

KEY PERFORMANCE MEASURES

A copy of the Marine Board Annual Performance Progress Report can be found on the LFO website:

https://www.oregonlegislature.gov/lfo/APPR/APPR_OSMB_2024-09-24.pdf

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