

HB 5039 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: April McDonald, Legislative Fiscal Office

**Oregon Watershed Enhancement Board
2025-27**

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 40,770,232	\$ -	\$ 2,739,667	\$ (38,030,565)	(93.3%)
Lottery Funds Limited	\$ 10,255,573	\$ 11,120,937	\$ 11,599,080	\$ 1,343,507	13.1%
Lottery Funds Debt Service Limited	\$ -	\$ 711,079	\$ 711,079	\$ 711,079	0.0%
Other Funds Limited	\$ 45,819,445	\$ 4,050,459	\$ 45,490,044	\$ (329,401)	(0.7%)
Federal Funds Limited	\$ 56,787,165	\$ 36,831,423	\$ 61,591,577	\$ 4,804,412	8.5%
Total	\$ 153,632,415	\$ 52,713,898	\$ 122,131,447	\$ (31,500,968)	(20.5%)

Position Summary

Authorized Positions	49	33	48	(1)
Full-time Equivalent (FTE) positions	45.91	33.00	47.50	1.59

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Watershed Enhancement Board (OWEB) is funded primarily with Measure 76 Dedicated Lottery Funds and federal Pacific Coast Salmon Recovery funds. OWEB also receives funding from the sale of the salmon license plates. OWEB is receiving a one-time General Fund appropriation for grants awarded through the Oregon Agricultural Heritage Program.

Summary of Natural Resources Subcommittee Action

OWEB promotes and implements programs to restore, maintain, and enhance Oregon watersheds to protect the economic and social wellbeing of the state and its citizens. OWEB provides grants to restore and preserve local streams, rivers, wetlands, and natural habitat. OWEB is led by an 18-member citizen board that meets four times a year to act on applications for grant funding to accomplish watershed restoration activities and establish Oregon's long-term strategy for achieving sustainable watershed health. The Subcommittee's recommended budget is \$122.1 million total funds, which includes \$2.7 million General Fund, \$12.3 million Lottery Funds, \$45.5 million Other Funds expenditure limitation, and \$61.6 million Federal Funds expenditure limitation.

Operations

This program includes planning, coordination, assessment, implement activities, monitoring activities, and education efforts. The Subcommittee recommended a total funds budget of \$21.4 million and 48 positions (47.50 FTE). This includes \$12.3 in Lottery Funds allocation. The Subcommittee recommended budget includes the following packages:

Package 100: Acquisition & Special Program Manager. This package provides equal amounts of General Fund, Lottery Funds, and Other Funds expenditure limitation totaling \$509,001 to convert an existing limited duration management position to permanent and provide associated services and supplies. The position will oversee OWEB's land and water acquisitions, stewardship activities, the Oregon Agricultural Heritage Program, and the Drinking Water Source Protection program. This permanent, full-time Natural Resource Protection and Sustainability Manager (1.00 FTE) will serve as the Acquisition and Special Programs Manager for the agency.

Package 101: Core Grant Program Staffing Capacity. This package provides \$286,813 Lottery Funds to establish one permanent, full-time Natural Resource Specialist 4 (1.00 FTE), as well as associated services and supplies. This position will provide proactive and ongoing support to grant making programs throughout the agency, including partnership coordination on streamflow restoration, sage-grouse recovery, forest health, and salmon and steelhead recovery projects.

Package 102: Land Acquisition Stewardship & Compliance. This net-zero package establishes a Natural Resources Specialist 3 (1.00 FTE) by shifting \$279,777 Lottery Funds from services and supplies to establish the position. The permanent, full-time position will coordinate engagement with grantees about stewardship and compliance and fulfill the agency's responsibilities related to baseline documentation and management plan review for land acquisitions.

Package 104: Communications Staffing Realignment. This package provides \$21,663 Lottery Funds to reclassify an Electronic Publishing and Design Specialist 2 to an Electronic Publishing and Design Specialist 3 to better align the position classification to the body of work assigned.

Package 105: OAHP Staffing Continuity. This package provides \$455,555 in one-time Other Funds expenditure limitation to reauthorize two limited duration positions (1.00 FTE) supporting the Oregon Agricultural Heritage Program (OAHP) for the first year of the biennium. Positions include an Operations and Policy Analyst 4 (0.50 FTE) to continue serving as the OAHP Coordinator, and a Natural Resource Specialist 4 (0.50 FTE) to continue serving as the Easements Specialist. The package request aligns with the available ending balance in the Oregon Agricultural Heritage Program Fund.

Package 106: Water Acquisition Staffing Continuity. This package includes \$745,000 Other Funds expenditure limitation to convert two limited duration positions to permanent, full-time positions (2.00 FTE), and provides associated services and supplies to administer water acquisition grants at OWEB. Positions include an Operations and Policy Analyst 4 (1.00 FTE) to serve as the Grants Coordinator and an Administrative Specialist 2 (1.00 FTE) to serve as Grant Support Specialist.

Package 107: ERC Staffing Continuity. This package provides \$331,969 in one-time Other Funds expenditure limitation to reauthorize a limited duration Natural Resource Specialist 4 (1.00 FTE), including related services and supplies, and \$416,387 Other Funds expenditure limitation to establish a permanent, full-time Program Analyst 4 (1.00 FTE), including related services and supplies, to provide staffing continuity for the Environmental Restoration Council. In the 2024 legislative session, Senate Bill 1561 established the Oregon Environmental Restoration Fund (OERF) to receive and manage monies from the Monsanto settlement agreement. OWEB administers the fund and supports the Environmental Restoration Council, which oversees distribution of funds. These positions will coordinate rulemaking, assist with developing strategic priorities, provide technical support, project management, and administration of the grant program, supported by allowable administrative funding from the OERF.

Package 108: ERC Staffing Capacity. This package provides \$417,492 Other Funds expenditure limitation to establish two permanent, full-time positions (2.00 FTE), as well as associated services and supplies, to administer the OERF. Positions include an Information Systems Specialist 4 (1.00 FTE) to provide database support, and an Accounting Technician (1.00 FTE) to process grant payments and program transactions.

Package 109: NHPA Compliance Staffing Continuity. OWEB has served as the state's administrator of the Pacific Coastal Salmon Recovery Fund (PCSRF) program through National Oceanic and Atmospheric Administration for over 20 years. This package provides \$351,000 Federal Funds expenditure limitation to continue and make permanent a Natural Resource Specialist 4 position (1.00 FTE), including related services and supplies, to assure compliance with the National Historic Preservation Act under the agency's annual PCSRF award.

Package 110: Federal Programs Staffing Continuity. This package includes \$380,000 in one-time Federal Funds expenditure limitation to continue a limited duration Natural Resource Specialist 4 (1.00 FTE) and provides for position-related services and supplies. The position will continue to serve as a Federal Program Specialist, supporting administration of funding from the Bureau of Land Management for the Good Neighbor Authority program, and from the U.S. Department of Agriculture, for Farm Bill technical assistance grants.

Package 111: Core IT Infrastructure Staffing Realignment. This package provides \$29,154 Federal Funds expenditure limitation to reclassify two permanent, federally funded positions to better align the classifications to the body of work assigned.

Package 801: LFO Analyst Adjustments. On a one-time basis, this package provides \$570,000 General Fund, and \$403,515 Other Funds expenditure limitation to re-authorize two limited duration, full-time positions (2.00 FTE), including an Operations and Policy Analyst 4 (OPA 4) and a Natural Resource Specialist 4 (NRS 4). The General Fund appropriation establishes the NRS 4 and provides associated services and supplies to implement the Drinking Water Source protection program. The Other Funds expenditure limitation establishes the OPA 4 and provides associated services and supplies for the Natural and Working Lands grant program. Additionally, this package includes a one-time appropriation of \$2 million General Fund for deposit into the Oregon Agricultural Heritage Fund along with a corresponding increase of \$2

million Other Funds expenditure limitation to expend monies deposited into the Fund. Of the \$2 million Other Funds increase, \$240,000, equal to 12% of the deposit, and an additional 0.50 FTE is provided to the Operations division for program administration.

Grants

This program is also addressed in House Bill 5040 (2025), which provides six-year expenditure limitation for grants funded with Measure 76 Lottery Funds. In House Bill 5039, the Subcommittee recommends a total funds budget of \$100.7 million and no positions. The Subcommittee recommended budget also includes the following packages:

Package 200: Grant Continuity & Additional Limitation – Federal Funds. This package provides \$14 million in one-time Federal Funds expenditure limitation to support the continuity of grant funded projects awarded in previous biennia and not fully expended. The package also provides \$10 million Federal Funds expenditure limitation for additional federal grants that OWEB expects to administer, such as Pacific Coast Salmon Recovery funding from the National Oceanic and Atmospheric Administration.

Package 201: Grant Continuity & Additional Limitation – Other Funds. This package provides \$30 million in one-time Other Funds expenditure limitation to support the continuity of grant funded projects awarded in previous biennia and not fully expended, as well as funding previously received and not yet committed. Program continuity includes Water Acquisition grants, Oregon Agricultural Heritage Program grants, Drinking Water Source Protection grants, and Watershed Natural Climate Solution grants. The package also provides \$7 million Other Funds expenditure limitation to administer new grant funds anticipated from Idaho Power for water quality and salmon habitat improvement.

Package 801: LFO Analyst Adjustments. This package includes a reduction of \$0.5 million Other Funds expenditure limitation for Forest Health Collaborative Grants, which fund collaborative restoration projects on Oregon’s federal lands. The General Fund transfer from the Oregon Department of Forestry has been eliminated and this represents a commensurate reduction in OWEB’s budget. Additionally, this package includes a one-time appropriation of \$2 million General Fund for deposit into the Oregon Agricultural Heritage Fund along with a corresponding increase of \$2 million Other Funds expenditure limitation to expend monies deposited into the Fund. Of the \$2 million Other Funds increase, \$1.8 million is included in the Grants division to provide awards and \$0.2 million is provided in the Operations division for program administration.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Watershed Enhancement Board
Angela Parada – (971) 720-0987

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ 40,770,232	\$ 10,255,573	\$ 45,819,445	\$ -	\$ 56,787,165	\$ -	\$ 153,632,415	49	45.91
2025-27 Current Service Level (CSL)*	\$ -	\$ 11,832,016	\$ 4,050,459	\$ -	\$ 36,831,423	\$ -	\$ 52,713,898	33	33.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 691-010 - Operations									
Package 100: Acquisition & Special Program Manager.									
Personal Services	\$ 153,119	\$ 153,119	\$ 153,119	\$ -	\$ -	\$ -	\$ 459,357	1	1.00
Services and Supplies	\$ 16,548	\$ 16,548	\$ 16,548	\$ -	\$ -	\$ -	\$ 49,644		
Package 101: Core Grant Program Staffing Capacity.									
Personal Services	\$ -	\$ 266,813	\$ -	\$ -	\$ -	\$ -	\$ 266,813	1	1.00
Services and Supplies	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000		
Package 102: Land Acquisition Stewardship &									
Personal Services	\$ -	\$ 279,777	\$ -	\$ -	\$ -	\$ -	\$ 279,777	1	1.00
Services and Supplies	\$ -	\$ (279,777)	\$ -	\$ -	\$ -	\$ -	\$ (279,777)		
Package 104: Communication Staffing Realignment.									
Personal Services	\$ -	\$ 21,663	\$ -	\$ -	\$ -	\$ -	\$ 21,663	0	0.00
Package 105: OAHP Staffing Continuity.									
Personal Services	\$ -	\$ -	\$ 362,775	\$ -	\$ -	\$ -	\$ 362,775	2	1.00
Services and Supplies	\$ -	\$ -	\$ 92,780	\$ -	\$ -	\$ -	\$ 92,780		
Package 106: Water Acquisition Staffing Continuity.									
Personal Services	\$ -	\$ -	\$ 631,080	\$ -	\$ -	\$ -	\$ 631,080	2	2.00
Services and Supplies	\$ -	\$ -	\$ 113,920	\$ -	\$ -	\$ -	\$ 113,920		
Package 107: ERC Staffing Continuity.									
Personal Services	\$ -	\$ -	\$ 686,933	\$ -	\$ -	\$ -	\$ 686,933	2	2.00
Services and Supplies	\$ -	\$ -	\$ 61,423	\$ -	\$ -	\$ -	\$ 61,423		
Package 108: ERC Staffing Continuity.									
Personal Services	\$ -	\$ -	\$ 320,677	\$ -	\$ -	\$ -	\$ 320,677	2	2.00
Services and Supplies	\$ -	\$ -	\$ 96,815	\$ -	\$ -	\$ -	\$ 96,815		
Package 109: NHPA Compliance Staffing Continuity.									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 325,787	\$ -	\$ 325,787	1	1.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 25,213	\$ -	\$ 25,213		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 110: Federal Programs Staffing Continuity.										
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,382	\$ -	\$ 354,382	1	1.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,618	\$ -	\$ 25,618		
Package 111: Core IT Infrastructure Staffing										
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,154	\$ -	\$ 29,154	0	0.00
Package 801: LFO Analyst Adjustment.										
Personal Services	\$ 380,000	\$ -	\$ 578,418	\$ -	\$ -	\$ -	\$ -	\$ 958,418	2	2.50
Services and Supplies	\$ 190,000	\$ -	\$ 65,097	\$ -	\$ -	\$ -	\$ -	\$ 255,097		
SCR 691-020 - Grants										
Package 200: Grant Continuity & Add'l Limit - Federal										
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000,000	\$ -	\$ 24,000,000		
Package 201: Grant Continuity & Add'l Limit-Other										
Special Payments	\$ -	\$ -	\$ 37,000,000	\$ -	\$ -	\$ -	\$ -	\$ 37,000,000		
Package 801: LFO Analyst Adjustment.										
Special Payments 6060 Intr-Ag GF Transfer	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000		
Special Payments	\$ -	\$ -	\$ 1,260,000	\$ -	\$ -	\$ -	\$ -	\$ 1,260,000		
TOTAL ADJUSTMENTS	\$ 2,739,667	\$ 478,143	\$ 41,439,585	\$ -	\$ -	\$ 24,760,154	\$ -	\$ 69,417,549	15	14.50
SUBCOMMITTEE RECOMMENDATION *	\$ 2,739,667	\$ 12,310,159	\$ 45,490,044	\$ -	\$ -	\$ 61,591,577	\$ -	\$ 122,131,447	48	47.50
% Change from 2023-25 Leg Approved Budget	(93.3%)	20.0%	(0.7%)	0.0%	8.5%	0.0%	(20.5%)	(2.0%)	3.5%	
% Change from 2025-27 Current Service Level	0.0%	4.0%	1,023.1%	0.0%	67.2%	0.0%	131.7%	45.5%	43.9%	

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

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Agency: Oregon Watershed Enhancement Board

Mission Statement:

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. OPERATIONS - The percentage of total funding used in agency operations.		Approved	12.23	12	12
2. FUNDING FROM OTHER SOURCES - The percent of funds contributed from other sources on OWEB funded restoration projects.		Approved	55.13%	60%	60%
3. GRANT-MAKING ACROSS OREGON - Percent of Oregon's 76 sub-basins (defined as 8-digit hydrologic unit code areas) within which Oregonians benefit from OWEB's grant programs.		Approved	92.10%	92%	92%
4. TIMELINESS OF GRANT-MAKING - The percent of open solicitation grant agreements executed within one month after Board award.		Approved	48%	50%	50%
5. FISH POPULATIONS - The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.		Approved	94%	95%	95%
6. WATERSHED COUNCIL GOVERNANCE - Percent of OWEB funded watershed councils that demonstrate effective organizational governance and management using OWEB merit criteria.		Approved	96%	100%	100%
7. PAYMENTS - The percentage of complete grant payment requests paid within 24 days.		Approved	94.67%	100%	100%
8. STREAMSIDE HABITAT - The number of riparian stream miles restored or enhanced as a result of OWEB funded grants.		Approved	167.14	241	241
9. UPLAND HABITAT - Acres of upland habitat restored or enhanced as a result of OWEB funded grants.		Approved	39,582	48,727	48,727
10. NATIVE SPECIES HABITAT AND WATER QUALITY - Percent of restoration, acquisition or technical assistance funding invested to address habitat for threatened, endangered or species of concern, or water-quality concerns identified on 303(d) listed streams.		Approved	89%	90%	90%
11. NATIVE FISH HABITAT QUANTITY - Miles of fish habitat opened as a result of completed fish passage projects funded through OWEB grants.		Approved	124.45	157.20	157.20
12. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved	78%	90%	90%
	Timeliness		86.50%	90%	90%
	Helpfulness		93.55%	90%	90%
	Overall		88%	90%	90%
	Expertise		90%	90%	90%
	Accuracy		86%	90%	90%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed key performance measures and targets.

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SubCommittee Action:

The Natural Resources Subcommittee approved the Key Performance Measures and targets as recommended by the Legislative Fiscal Office.

PRELIMINARY