

Co-Chair Senator Frederick
Co-Chair Representative Levy
Committee Members

Re: HB 5009 & HB 2342

My name is Dana Roberts and I'm here to comment on ODFW's budget and related fee bill.

ODFW will start the 25/27 biennium with \$40+ million more in their checkbook than the beginning balance shown in the Governor's Budget. The March 2025 Financial Statement with actuals through January 2025 shows \$133.9 million in their checkbook (Attachment A). The highest revenue month of May has yet to occur (Attachment B). Revenues will exceed \$150 million to start the new biennium. The Governor's Budget assumes a \$109.9 million beginning balance (Attachment C). This is \$40.1 million above the Governor's Budget.

The Governor's Budget accepted ODFW's Agency Request revenue projections that were developed based on the first 8 months of the biennium. That revenue forecast is now a year old and actuals have been coming higher than forecast. A new revenue forecast based on actuals through March 2025, with projections for the remaining 5 months of 23/25 biennium, will show higher levels of revenue for the 25/27 biennium before you consider the recreational fee increases (projected to be \$18.1 million).

ODFW wants you to believe the 3-month operating reserve must only come from recreational license fees, so you need to increase recreational fees. This is a fallacious assumption. I was a member of the citizen review group when the Legislative Approved 2015 fee increases. Total projected checkbook revenues from all sources were \$26.1 million (License, Obligated & Dedicated) (Attachment D) and (Attachment E). I agree ODFW needs a reasonable operating reserve but it must include revenues from all sources. Having \$133 million (soon to be \$150+ million beginning balance coupled with a new revenue forecast for the 25/27 biennium will show you do not need to increase license fees. The Governor's Budget seems to agree with this since the ending fund balance is \$68.4 million from all sources of funds (Attachment F).

Up-dated revenues projections will allow you to:

- **Reject the request to Increase license fees**
- **Not close hatcheries and restore the \$2 million in staff reductions**
- **Have funds to increase smolt releases on the Siletz and re-start the summer steelhead program on the North Umpqua**

I also question ODFW's priorities:

- **ODFW has been spending general obligation bond funding through-out the State on regional offices. They continue this trend by asking for \$5.2 million for a new two-story regional office in central point. The new regional offices are being built while hatchery infrastructure continues to deteriorate.**
- **There are no increased fishing opportunities; just the status quo**
- **There is little being done to address predation in the fisheries and wildlife**

Thank you for the opportunity to comment on ODFW's budget. Requiring ODFW to up-date it's revenue projections will give you a more informed picture to make the important policy changes to increase recreational fishing opportunities and maintain hatchery production.



Memorandum

Oregon Department of Fish and Wildlife

Date: March 10, 2024
To: Fish and Wildlife Commissioners
From: Ken Loffink, Chief Operating Officer
Subject: March 2025 Financial Report

Department Financial Report

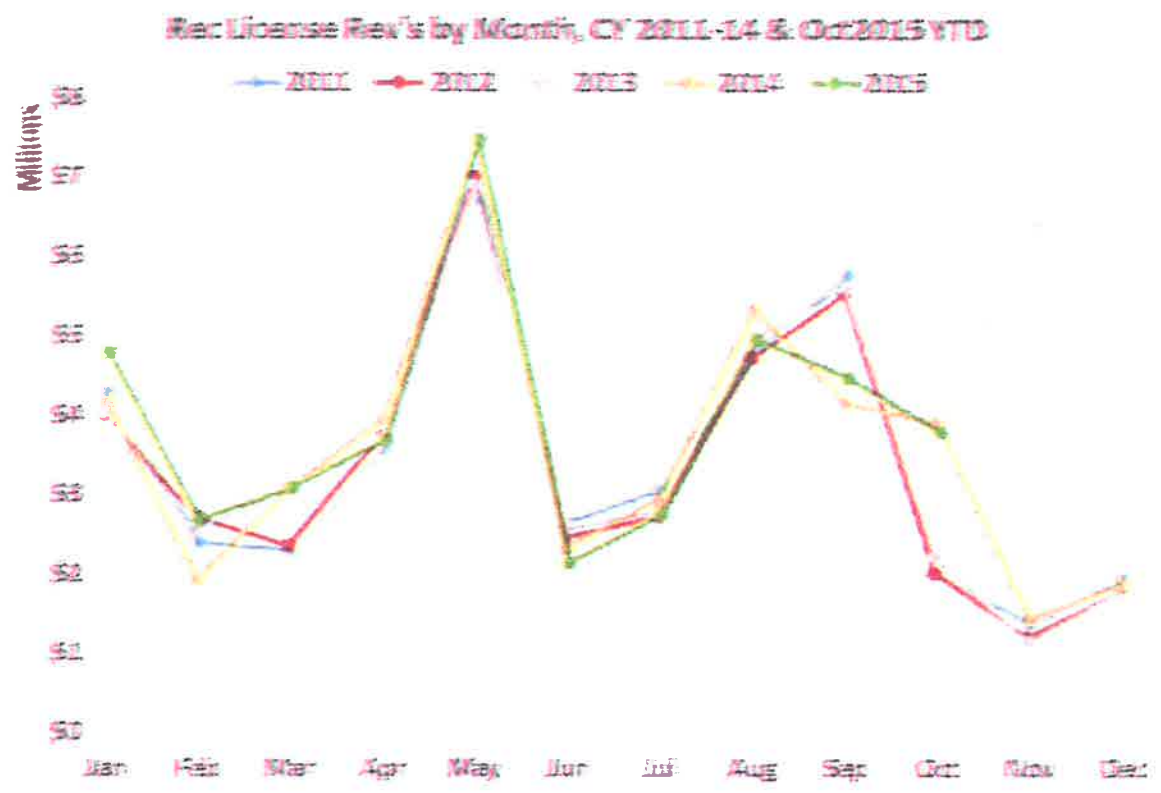
For the month ending January 31, 2024, the department's unrestricted cash balance finished at \$61 million and restricted cash came in at \$72.9 million, for a total of \$133.9 million in custody at State Treasury. The unrestricted cash total includes \$22 million in insurance funds for damages incurred from the 2020 wildfires. The total insurance settlement was \$26 million, and ODFW has started drawing down these funds at Klamath Hatchery, and for other miscellaneous equipment and facility damages. Minus insurance funds, the available unrestricted cash balance of \$39 million is consistent with our budget forecast.

For 2023-25 biennium, all expenditures and revenues are tracking as expected. Agency expenditures through January 2025, are approximately 60% of our legislatively approved budget limitation. Spending rates will likely increase slightly in the latter stages of the biennium, but we expect that expenditures will continue to track at or slightly below our approved expenditure limitation for the remainder of the biennium.

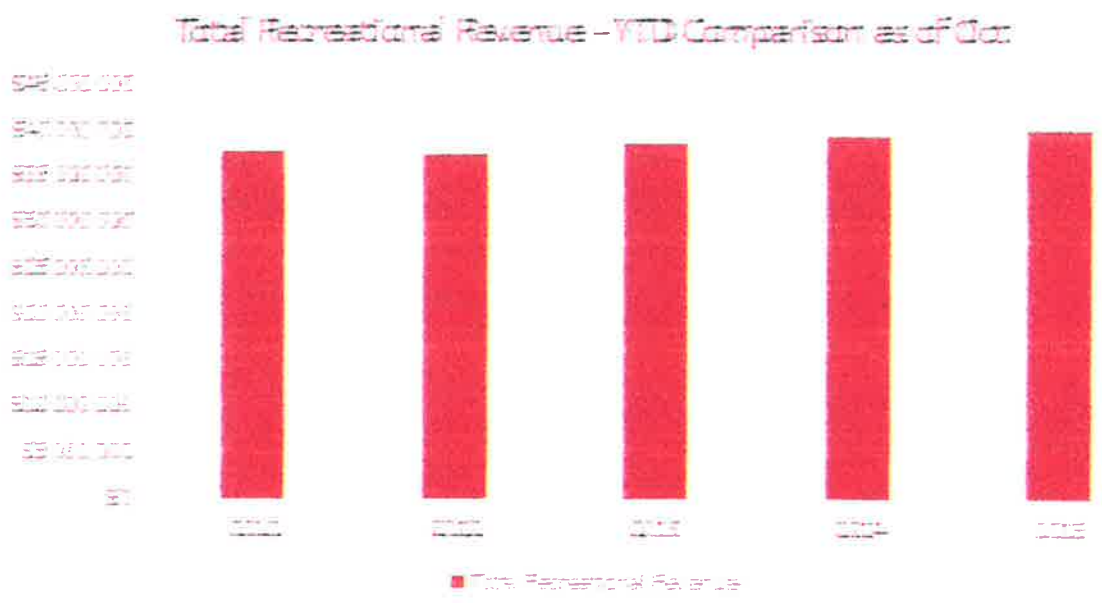
2025-27 Budget Development

The agency is scheduled to present on the Governor's Recommended Budget (GRB) on March 31st and April 1st. April 2nd is reserved for public testimony relating to the agency's budget bill, House Bill 5009. The Agency's GRB includes revenues associated with recreational and commercial fee increases. Agency fees are set by Oregon Revised Statute, and fee adjustments must be passed into law by the legislature for any changes in fees to take effect. The agency's fee bill is House Bill 2342, and the bill had a public hearing on February 24th in the House Committee on Agriculture, Land Use, Natural Resources, and Water. A work session for the fee bill has yet to be scheduled.

**Recreational License Revenue by Month
Complete Year 2011-2014, Year-to-Date 2015 as of October 2015**



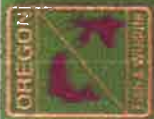
Total Recreational Revenue – Year-to-Date Comparison as of October for Last 5 Years



| Detail of Lottery, Other Funds and Federal Fund Revenues | | | | | | | 2025-27 | | |
|--|------|-------------------------|------------------|--------------------------------|-------------------|-------------------|-------------------|-----------------------|--|
| Source | Fund | ORBITS Revenue Accounts | 2021-23 Actuals | 2023-25 Legislatively Approved | 2023-25 Estimated | Agency Request | Governor's Budget | Legislatively Adopted | |
| Beginning Balance | L | 0025 | - | - | - | - | - | - | |
| Beginning Balance Adjustment | L | 0030 | - | - | - | 250,000 | 250,000 | - | |
| Transfer In - Intrafund | L | 1010 | 6,642,752 | - | - | - | - | - | |
| Transfer In - Administrative Services | L | 1107 | - | - | - | 2,437,793 | 2,437,793 | - | |
| Transfer In - OR Watershed Enhancement Bd | L | 1691 | 6,666,562 | 7,253,334 | 7,253,334 | 7,315,613 | 7,315,661 | - | |
| Transfer Out - Intrafund | L | 2010 | (6,666,562) | - | - | - | - | - | |
| TOTAL LOTTERY FUNDS | | | 6,686,562 | 7,253,334 | 7,253,334 | 10,003,606 | 10,003,454 | - | |
| Beginning Balance | O | 0025 | 69,567,909 | 62,505,145 | 62,505,145 | 62,505,145 | 62,505,145 | - | |
| Beginning Balance Adjustment | O | 0030 | - | 27,344,745 | 27,344,745 | 47,435,975 | 47,435,975 | - | |
| Business License & Fees | O | 0205 | 14,190,416 | 5,996,770 | 5,996,770 | 7,399,903 | 7,399,903 | - | |
| Non-Business Licenses & Fees | O | 0210 | 11,428 | - | - | - | - | - | |
| Hunter & Angler Licenses | O | 0230 | 97,341,478 | 111,005,094 | 111,005,094 | 121,335,292 | 121,335,292 | - | |
| Non Dedicated | | | 20,372,859 | 16,090,569 | 16,090,569 | 23,513,726 | 23,513,726 | - | |
| Dedicated | | | 117,714,337 | 127,095,663 | 127,095,663 | 144,849,018 | 144,849,018 | - | |
| subtotal Hunter & Angler Licenses | | | 11,972,521 | 10,917,583 | 10,917,583 | 12,694,434 | 12,694,434 | - | |
| Commercial Fisheries Fund | O | 0235 | 1,343,568 | 1,423,554 | 1,423,554 | 1,286,625 | 1,286,625 | - | |
| Park User Fees | O | 0410 | 122,540 | 20,542,531 | 20,542,531 | 25,743,666 | 25,743,666 | - | |
| Charges for Services | O | 0505 | 2,146,375 | - | - | - | - | - | |
| Fines and Forfeitures | O | 0510 | 1,232,804 | 500,000 | 500,000 | 700,000 | 700,000 | - | |
| Rents & Royalties | O | 0555 | 5,017,413 | 2,540,000 | 2,540,000 | 25,500,000 | 25,500,000 | - | |
| General Fund Obligation Bonds | O | 0585 | - | 13,931,834 | 13,931,834 | - | - | - | |
| Lottery Bonds | O | 0605 | 4,281,474 | 397,000 | 397,000 | 1,800,000 | 1,800,000 | - | |
| Interest Income | O | 0705 | 600,770 | 3,685,405 | 3,685,405 | 225,000 | 225,000 | - | |
| Sales Income | O | 0905 | 942,545 | 1,346,736 | 1,346,736 | 491,000 | 491,000 | - | |
| Donations | O | 0910 | 8,340,956 | - | - | - | - | - | |
| Grants (Non-Fed) | O | 0975 | 6,707,496 | 12,666,363 | 12,666,363 | 50,000 | 50,000 | - | |
| Other Revenues | O | 0995 | 466,502 | - | - | - | - | - | |
| Federal Funds Revenue | O | 1010 | 218,423,532 | 64,671,222 | 64,671,222 | 80,525,805 | 80,525,805 | - | |
| Transfer In - Intrafund | O | 1020 | 26,361,960 | 24,000,000 | 24,000,000 | 25,440,000 | 25,440,000 | - | |
| Transfer In from Federal Indirect Revenue | O | 1060 | 6,000,000 | 11,000,000 | 11,000,000 | - | - | - | |
| Transfer In from General Fund | O | 1107 | - | - | - | - | - | - | |
| Transfer In - Administrative Services | O | 1137 | - | 9,944 | 9,944 | - | - | - | |
| Transfer In - Oregon Department of Justice | O | 1150 | - | 30,000 | 30,000 | 5,130,975 | 5,130,975 | - | |
| Transfer In - Oregon Department of Revenue | O | 1248 | 91,528 | - | - | - | - | - | |
| Transfer In - Oregon Military Dept | O | 1250 | 881,247 | 999,649 | 999,649 | 999,649 | 999,649 | - | |
| Transfer In - Marine Board | O | 1330 | 11,595 | 89,974 | 89,974 | 89,974 | 89,974 | - | |
| Transfer In - Department of Energy | O | 1331 | - | - | - | - | - | - | |
| Transfer In - Oregon Climate Authority | O | 1629 | - | - | - | - | - | - | |
| Transfer In - Department of Forestry | O | 1634 | - | - | - | - | - | - | |
| Transfer In - Dept of Parks & Recreation | O | 1690 | 2,405,267 | 2,906,343 | 2,906,343 | 3,139,975 | 3,139,975 | - | |
| Transfer In - Water Resources Department | O | 1691 | 12,325,303 | 14,058,804 | 14,058,804 | 15,397,868 | 15,397,868 | - | |
| Transfer In - Watershed Enhancement Board | | | - | - | - | - | - | - | |

*3109.94M
309.94M
309.94M*

Power Point Presentation to OPFD Commission
 December 4, 2015 meeting regarding
 Ending Fund Balances



Projections vs. Actuals

| | Ending Balance Projections | Ending Balance Actuals* | Variance |
|------------------------|----------------------------|-------------------------|-------------------|
| Other Fund - License | 7,198,713 | 16,345,945 | 9,147,232 |
| Other Fund - Obligated | 9,034,846 | 11,869,539 | 2,834,693 |
| Other Fund - Dedicated | 9,851,679 | 17,004,295 | 7,152,616 |
| Total OFs | 26,085,238 | 45,219,779 | 19,134,541 |

Funding Source: Revenue from the sale of hunting and fishing licenses that is NOT earmarked to a specific purpose. Federal funding from contracts, and excise taxes on the purchase of firearms, ammo, and fishing gear. Funding from other state agencies, non-government organizations, or other groups/individuals. Revenue from the sale of hunting and fishing licenses earmarked for specific purposes. General tax revenue from the State of Oregon. State lottery revenue constitutionally dedicated to specific natural resources functions.

Explanation: Funds ODFW's general operations. By state and federal law, it can only be spent on fish and wildlife management. This funding is also the primary source of required state match needed to receive federal funds. Revenue is received for specific purposes. The purpose is agreed to in contracts or specified in statute. Indirect revenue associated with work performed under federal contracts also comes to ODFW as Obligated Funds. Federal contract revenue is received for specific work performed. Revenue from excise taxes is received as an annual apportionment, which ODFW must match with nonfederal funds at a 3:1 ratio. License funds are the primary source of this match.

- Examples:**
- Oregon State Police Fish and Wildlife Enforcement
 - Game Damage program
 - District biologists
 - Administration of hunting and fishing license sales
 - Public information and outreach
 - Fish and wildlife biologists
 - Fish hatcheries
 - Fish and wildlife population survey and inventory
 - Angler and hunter access
 - Hunter and angler education
 - Operation and maintenance of facilities
 - OR Conservation and Recreation Fund
 - Private Forest Accord Mitigation Subaccount
 - Hatchery production
 - Restoration and recovery projects
 - Upland game bird habitat
 - Commercial fisheries management
 - Fish restoration and enhancement
 - Hunting access and habitat mgmt.
 - Recreational shellfish mgmt.
 - Game species mgmt.
 - Habitat programs
 - OR Conservation Strategy
 - Water program
 - Marine Resources
 - Fish management
 - Hatchery production
 - General administration
 - Native fish conservation
 - Wildlife conservation

Funding Amount: \$171.2 million
(2023-25 Legislatively Adopted Budget) \$54.1 million Wildlife and Sport Fish Restoration program
 \$159.4 million other federal

% of ODFW Budget: 27.8% 34.6% 15.8% 10.1% 10.6% 1.1%

Implications of budget cuts to this category: Programs that are funded by license revenue would be cut. For every \$1 of license funding cut that are match for federal funds, an additional \$3 of federal funding would be cut. Programs funded by federal contracts would be cut. Cuts to WSRF-funded programs mean Oregonians will still pay the excise taxes, but not receive any benefit. Every \$3 cut of WSRF funding will only save \$1 of license funding. Cutting this spending has no impact on License-funded programs. Requires a change in statute to spend funding for a different purpose. Cutting this spending has no impact on License-funded programs. Impact on License-funded programs. Cutting this spending has no impact on License-funded programs.



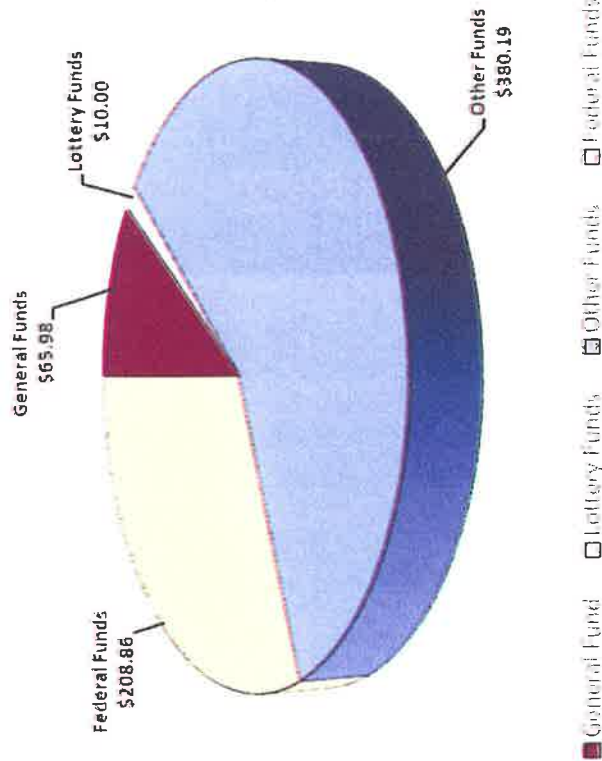
ODFW Budget 101 An overview of Oregon's complex fish and wildlife conservation funding

Attachment

16

2025-27 Governor's Recommended Budget

Revenue: \$665.04 million



Revenue → *665.04 million*
Expenses → *596.60 million*
68.44 Ending Fund Balance

Expenditures: \$596.60 million

