

## Agenda Item Summary

### BACKGROUND

The Oregon Department of Fish and Wildlife (ODFW) must submit its 2017-19 Agency Request Budget (ARB) to the Governor by September 1, 2016. The request lays out the finances for the department for the 24-month period from July 1, 2017 through June 30, 2019. The Commission is required to take official action on the budget before it can be submitted.

The department is not presenting its requested budget in the format as it will be submitted to the Governor and the Department of Administrative Services (DAS). The formal budget document is quite detailed, large in size, and cannot be finalized until several technical audit processes have been completed. The information presented to the Commission represents summary budget information for the next biennium, including a look at continuing program levels, program priorities, and budget reduction options.

The 17-19 biennium is the 2<sup>nd</sup> of three biennia under a six-year budget planning cycle started in the 15-17 biennium. As such, this budget is largely a continuation of that initial effort resulting in primarily a Current Service Level budget, with the exception of continuation, General Fund asks, and some other minor Policy Option Packages.

### PUBLIC INVOLVEMENT

In March, the department began meeting with its External Budget Advisory Committee (EBAC) to develop its 2017-19 budget proposal. EBAC includes conservation groups, local government, sports groups, commercial fishing representatives, and other interested parties. EBAC meetings were held on March 29 and June 7. The presentation for the March 29<sup>th</sup> meeting is provided as Attachment 7. Written notes of that meeting are provided as Attachment 8, along with a current list of EBAC members.

Town Hall meetings were hosted at nine locations across the state to gather public input on the budget proposal and fee adjustments. Minutes from these Town Hall meetings are provided in Attachment 10. The presentation shared at the Town Hall meetings is provided as Attachment 9.

In addition to public comments received at Town Hall meetings, the department received numerous written comments. Written comments received from April 27 through June 6 are provided in Attachment 11.

### ANALYSIS

Attachment 2 summarizes the total revenues and expenditures for the 2017-19 Agency Request Budget. Overall, the 2017-19 ARB is 18% higher for revenues and 11% higher on expenditures than the 2015-17 funding levels. This is primarily due to the General Fund Policy Option Packages (POPs) and the higher than projected ending cash balances.

The requested budget reflects the department's ongoing strategy to align program work with appropriate funding as well as increasing revenues to address lower than ideal operational reserve cash balance levels.

**Policy Option Packages**

The department must include POPs for any proposed enhancements to its base budget and to cover fund shifts between fund types. The department is proposing 29 POPs in its 2017-19 requested budget. Attachment 4 provides a detail listing of those POPS, while Attachment 5 lists draft narratives for each package. 10 of the POPs are continuation of programs funded in the 2015-17 budget with federal and other grants and contacts.

Over 75% of the department’s total requested POP funding amount comes in the form of new General Fund dollars that are closely aligned with the Governor’s five primary Focus Areas for state agencies.

**Program Priorities & Reduction Options**

As part of its budget package, each agency must prioritize its current programs. Attachment 6 provides a ranking of programs for the department. It is important to note that this prioritization is for the department’s Current Service Level and does not include POP requests.

In addition to program priorities, all agencies must submit 10 percent reduction options across all fund types. The reduction lists must be based on "modified current service level." Consistent with prior budget proposals, the department's reduction options for 2015-17 will be prorated across divisions based on funding and will be based on program priorities. These options are included in Attachment 3. The department will continue to keep the Commission, staff, the public, and interested parties informed of the department's budget as it works its way through the process.

All figures included in these presentations and documents are preliminary, as some adjustments may still be necessary to ensure consistent application of statewide budget instructions.

**OPTIONS**

- Option 1: Approve the department's 2017-19 Agency Request Budget
- Option 2: Amend and Approve the department's 2017-19 Agency Request Budget
- Option 3: Reject the department's 2017-19 Agency Request Budget

**STAFF  
RECOMMENDATION**

Option 1

<b>DRAFT MOTION</b>	
<b>EFFECTIVE DATE</b>	