



AGENDA ITEM SUMMARY

BACKGROUND

The Oregon Department of Fish and Wildlife (ODFW) must submit its 2021-23 Agency Request Budget (ARB) to the Governor by August 31, 2020. The request lays out the finances for the department for the 24 month period from July 1, 2021 through June 30, 2023. The Commission is required to take official action on the budget before it can be submitted. ODFW will request Commission approval of its 2021-23 Agency Request Budget at the July 2020 Commission meeting.

The department is not presenting its requested budget in the same 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, as required by law.

With the health of its license fund balance following the six year budget planning cycle that ends with the 2019-21 biennium, ODFW is strategically able to delay a license fee increase. The 2021-23 budget proposal does not include a fee increase for either sport or commercial activities. In consideration of the current economic climate as Oregon recovers from the COVID-19 pandemic, this budget proposal is by design largely a Current Service Level budget, with some enhancements. The budget proposal does include several continuation policy option package (POP) requests to extend position authority and ability to spend funding committed to current program activities. The budget proposal also includes some General Fund POP requests centered on establishing a Habitat Division, Water quality and quantity, Western Oregon Stream Restoration program, Orca salmon forage, technical assistance for the Tidegate Partnership, and Marine shellfish and estuary assessments.

PUBLIC INVOLVEMENT

During a normal ODFW budget development cycle, the department holds two in-person External Budget Advisory Committee (EBAC) meetings—one in March and one in May—as well as multiple town hall meetings in April. Due to health concerns around COVID-19, and to be in compliance with the Governor’s Executive Order, the in-person EBAC meetings and Town Hall meetings were canceled.

As an alternative to the in-person meetings, ODFW set up an online comment form to allow EBAC members to share recommendations and input on the department’s 2021-23 budget

proposal. The online comment form included links to a detailed presentation which covers the current state of programs and the agency, as well as legislative updates, and a budget review. It also provides details on 2021-23 budget development, including a review of potential policy option package concepts, license sales trends, license revenue and fund balance projections.

Feedback received from EBAC members through this process has been compiled, along with a list of current EBAC members, in Attachment 6. ODFW prepared a response document to share with EBAC members as follow up to the feedback provided.

The department also received numerous written comments regarding the Agency's 2021-23 budget request. Written comments received from December 18, 2019 through May 12, 2020 are provided in Attachment 7.

ISSUE

Review of ODFW's proposed 2021-23 Agency Request Budget.

ANALYSIS

Attachment 2 summarizes the total revenues and expenditures for the 2021-23 Agency Request Budget. Overall, the 2021-23 ARB is 8.3% higher with revenues and 13.1% higher for expenditures than 2019-21 biennium funding levels. This is primarily due to increasing costs of maintaining current service level operations, General Fund POP requests, and healthy ending cash balances.

The requested budget reflects the department's ongoing strategy to align program work with appropriate funding as well as maintaining 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 24 POPs in its 2021-23 requested budget. Attachment 3 provides a detailed listing of the POPs, along with draft narratives for each package request.

There are 12 POPs that continue programs funded in the 2019-21 budget with federal and other grants and contacts. Over 70% of the department's total requested POP funding amount comes from continuation POPs.

Program Priorities & Reduction Options

As part of its budget package, each agency must prioritize its current programs. Attachment 5 provides a ranking of programs for the department. It is important to note that this prioritization is for the department's Current Service Level budget and does not include POP requests.

In addition to program priorities, all agencies must submit 10 percent reduction options across all fund types as required by law. The reduction lists must be based on "modified current service level." Consistent with prior budget proposals, the department's reduction options for 2021-2023 will be prorated across divisions based on funding and will be based on program priorities. These options are included in Attachment 4. The department will continue to keep the Commission, staff, the public, and interested parties informed of its budget as the process evolves.

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

OPTIONS

1. Approve the department's 2021-23 Agency Request Budget.
2. Amend and approve the department's 2021-23 Agency Request Budget.
3. Reject the department's 2021-23 Agency Request Budget.
4. Review the department's 2021-23 Agency Request Budget, and defer approval until the July 2020 Commission meeting.

STAFF RECOMMENDATION

4. Review the department's 2021-23 Agency Request Budget, and defer approval until the July 2020 Commission meeting.

DRAFT MOTION:

I move to review the department's 2021-23 Agency Request Budget, and defer approval until the July Commission meeting.

Effective Date: June 12, 2020