



## AGENDA ITEM SUMMARY

### BACKGROUND

The Oregon Department of Fish and Wildlife (ODFW) must submit its 2023-25 Agency Request Budget (ARB) to the Governor by August 31, 2022. The request lays out the finances for the department for the 24-month period from July 1, 2023, through June 30, 2025. The Commission is required to take official action on the budget before it can be submitted. ODFW will request Commission approval of its 2023-25 Agency Request Budget at the June 2022 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 previous six-year budget planning cycle that ended with the 2019-21 biennium, ODFW is again able to delay a license fee increase. The 2023-25 budget proposal does not include a fee increase for either sport or commercial activities. The budget proposal includes 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 General Fund POP requests centered on enhancing the department's response and capacity related to climate change and drought, Oregon Conservation Strategy implementation, fish research and restoration, emerging species issues, and enhancing the department's diversity and inclusion efforts.

### PUBLIC INVOLVEMENT

The department held two External Budget Advisory Committee (EBAC) meetings—a virtual meeting in March and an in-person meeting in May—as well as four virtual town hall meetings in April.

Additionally, ODFW set up an online comment forum to allow EBAC members to share recommendations and input on the department's 2023-25 budget proposal. The online comment forum 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 2023-25 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. Attachment 7 includes public input received during the town hall sessions.

The department also received written comments regarding the Agency's 2023-25 budget request. Written comments received from May 15, through May 25, 2022, are provided in Attachment 8. Written comments received prior to May 15<sup>th</sup> were included in the May 13<sup>th</sup> Commission Meeting materials for the 2023-25 Budget Update and POP Prioritization agenda item.

## ISSUE

Approval of ODFW's proposed 2023-25 Agency Request Budget.

## ANALYSIS

Attachment 2 summarizes the total revenues and expenditures for the 2023-25 Agency Request Budget. Overall, the 2023-25 ARB is 15% higher with revenues and 14% higher for expenditures than 2021-23 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 38 POPs in its 2023-25 requested budget. Attachment 3 provides a detailed listing of the POPs, along with draft narratives for each package request.

### **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 2023-25 are prorated across divisions based on funding and are consider 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 2023-25 Agency Request Budget.
2. Amend and approve the department's 2023-25 Agency Request Budget.
3. Reject the department's 2023-25 Agency Request Budget.

## **STAFF RECOMMENDATION**

1. Approve the department's 2023-25 Agency Request Budget.

## **DRAFT MOTION:**

I move to approve the department's 2023-25 Agency Request Budget.

**Effective Date:** June 17, 2022