

# Legislative Fiscal Office

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## Budget Information Brief / 2005-4

### OWEB's Restoration and Protection Research Fund

The Restoration and Protection Research Fund was created by the 1999 Legislature in HB 3225. The fund is to be used for the purpose of funding research and other activities related to the restoration and protection of native salmonid populations, watersheds, fish and wildlife habitats, and water quality, including but not limited to research, monitoring, evaluation, and assessment related to the Oregon Plan. All interest earnings on the Restoration and Protection Subaccount, the Watershed Improvement Operating Fund (WIOF), and the Watershed Improvement Grant Fund (WIGF) are to be credited to the Restoration and Protection Research Fund. The Attorney General has advised the Oregon Watershed Enhancement Board (OWEB) that expenditures of interest earned on the WIOF and WIGF are constrained in the same manner as expenditures from each of these funds are constrained. This means only interest on the Operation Fund can be used for expenditures not tied to a specific capital project.

#### Past Uses of the Research Fund

With no viable proposals for the use of the Restoration and Protection Research Fund, the 1999 and 2001 Legislatures included expenditure limitation of \$1 Lottery Funds in OWEB's legislatively adopted budgets. In order to spend from the fund, the agency was required to request additional Lottery Funds expenditure limitation from the Emergency Board. During the 2001-03 interim, the Emergency Board provided OWEB a total of \$0.8 million expenditure limitation for a study of fish deformities in the Newberg pool of the Willamette River and for a Department of Forestry study on the effectiveness of state required forest practices. The 2003-05 legislatively adopted budget included about \$0.4 million to complete the study of Willamette River Toxins and continue the Hinkle Creek Paired Watershed study on the effectiveness of Oregon's forest practices regulations. The adopted budget also included \$650,000 for continuation of the Conservation Hatchery Improvement Program and allocated \$1.2 million on a one-time basis directly to the Department of Fish and Wildlife to convert the Fall Creek Hatchery into a Hatchery Research Center. The Hatchery Research Center is designed to provide valuable insight into the interaction of hatchery reared salmonids with wild fish and to investigate methods of raising fish that will mitigate any negative impacts on wild fish populations.

#### 2005-07 Legislatively Adopted Budget

The 2005-07 adopted budget for OWEB includes \$500,000 carry forward expenditure limitation for continuation of the Conservation Hatchery Improvement Program, using unexpended project funds initially provided for expenditure in 2003-05. Expenditure limitation for additional projects could be approved by the Emergency Board during the interim. Approximately \$1.6 million is estimated to be available in the fund by the end of the 2005-07 biennium, for which the Legislature provided no expenditure limitation. The majority of this interest is from the WIGF and therefore limited to on-the-ground capital type expenditures.

Projects can be funded with money from the Restoration and Protection Research Fund through grant applications to OWEB. OWEB staff then review the application and make funding recommendations to the OWEB Board at an upcoming meeting. The Board could, under extraordinary circumstances, consider a grant request at a special meeting. If the Board approves a grant using monies from the Research Fund, OWEB would need to seek expenditure limitation from the Emergency Board for the grant to be paid. If the Emergency Board does not authorize additional expenditure limitation, the grant could not be paid since there is a separate expenditure limitation line in the OWEB budget bill (HB 5172) for expenditures from the Restoration and Protection Research Fund.

During a regular or special legislative session, the Legislature can directly allocate money from the Restoration and Protection Research Fund to specific state agencies for individual projects, as long as the allocation complies with the previously mentioned constraints.

**For additional information, contact: Paul Siebert, 503-986-1843**