



Oregon

Tina Kotek, Governor

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MEMORANDUM

TO: Water Resources Commission
FROM: Bryn Hudson, Legislative Coordinator
SUBJECT: Agenda Item D, November 16, 2023
Water Resources Commission

2025 Session - Legislative and Budget Preparation

I. Introduction

During this informational report, the Department will discuss its intended approach for legislative and budget development for the 2025 legislative session and seek feedback on the approach.

II. Integrated Water Resources Strategy Recommended Action

- 13.B Fund water resources management activities at state agencies

III. Background

In both the 2021 and 2023 legislative sessions, the Department received significant investments, in addition to being directed to undertake a numerous new tasks and projects. The Department is actively working to hire and train staff, as well as plan and execute projects.

Of the new initiatives, several are high priority multi-year projects, such as backlog reductions associated with water right transactions, developing water budgets, implementing funding programs and concurrent rulemakings, and updating the Water Availability Reporting System. These activities are in addition to the Governor's January 2023 Expectations, and other significant work being undertaken by the agency, such as the Groundwater Allocation Rulemaking, and the Integrated Water Resources Strategy Update.

IV. Discussion

Preparations for the 2025 legislative session and development of the 2025-2027 biennial Agency Request Budget are in the initial phases.

The Department's top priority for the 2025 session will be addressing revenue shortfalls for fee-based programs. The Governor's Office will also be leading conversations around 2025 water legislative agenda. The Department anticipates having minimal staff bandwidth to take on additional legislative concepts for the 2025 session beyond this planned work.

In recognition of the need to be strategic and efficient with our resources, and to focus staff time on implementing work from the 2021 and 2023 sessions, the Department is using the following principles to guide our work:

- For legislative proposals, focus on urgent issues, such as program sunset dates or critical budget issues (fee-funded program revenue shortfalls), that need addressing before the end of the 2025 calendar year.
- Proposed investments should implement IWRS recommended actions, be aligned with 2019-2024 strategic plan priorities, and do one of the following: 1) fill staffing or resource gaps that sustain progress on existing programs and projects, or 2) benefit the development of internal structures that build strong programmatic foundations.
- Consideration should be given to:
 - Balancing realistic timelines and staff capacity given implementation of the new work from the 2021 and 2023 session.
 - Potential impacts on diversity, equity and inclusion, environmental justice, and underserved communities.
 - The connection of water to the Governor's priority issues.

The goal of the principles is to focus our work and create the space for the Department to implement the significant number of new programs and projects from the past several years. The Department welcomes feedback on these guiding principles, as well as input on any issues Commissioners are interested in the Department considering as it develops legislative concepts and budget proposals.

V. Conclusion

The Department is awaiting further guidance on the legislative and budget process and timelines from the Department of Administrative Services. Current work is in the initial phases. Once agencies have received further instructions, the Department will begin engagement with tribes and stakeholders, as well as continue discussions with the Commission.

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