



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

MEMORANDUM

TO: Water Resources Commission

FROM: Brenda Bateman, Senior Policy Coordinator and
Tracy Louden, Administrative Services Administrator

SUBJECT: Agenda Item F, June 4, 2010
Water Resources Commission Meeting

Water Resources Department's 2011-13 Budget Development

I. Issue Statement

The Department is preparing its 2011-2013 Budget which is to be submitted by August 2, 2010. During the June 3, 2010 Water Resources Commission meeting, staff will present an overview of how state agencies build their budgets, and will demonstrate how the Department's proposed budget policy option packages to further the Department's mission. The Department will also review a preliminary list of reduction options that are required to be submitted as part of the overall budget process.

II. Background and Discussion

During May 2010, the Water Resources Department conducted an electronic survey of key stakeholder groups, to get input on the development of the Department's 2011-13 budget. During the June 4 Water Resources Commission meeting, staff will present the results of this survey.

The Department will be limiting its budget request to maintaining base budget, reinstatement of positions that were removed during the 2009 Legislature, and priority initiatives that enjoy significant support from the Governor's Office and key stakeholders.

Before each Legislative Session, the Governor's office asks agencies to arrange their budget requests in priority order. Staff has conducted one round of prioritization already, as indicated by the package numbers themselves, numbered 101 through 110.

During the June 4, 2010 meeting, there will be an opportunity to discuss the package priorities. Commissioners are asked to familiarize themselves with the attached budget packages and think about the order that best reflects the stated priorities of the Commission and the mission of the Department.

During a meeting with the Governor and other Agency Heads in March 2010, projections for the State's General Fund indicated that there would be a \$2.5 billion shortfall; a 13% reduction of the State's Current Service Level budget.

The Governor's office, as part of its development of the 2011-13 budget, has asked all state agencies to plan their next biennial budgets as though they could expect reductions in their General Fund budgets of up to 25 percent. Department staff looked at a variety of scenarios in an attempt to meet this 25 percent target (\$5.9 million) including the reduction of Regions from five to three, the merger of the Field and Technical Service Divisions, a continued "thinning" of programs, and deletion of some programs entirely.

The Department will review the list of reduction options with the Commission to receive input and familiarize members with the possible effect of reductions that could be made in the Department's budget by the Legislature for 2011-13.

III. Conclusion

No formal Commission action is necessary, but the Department welcomes commission input into the prioritization process. The Department budget is due to the Oregon Department of Administrative Services on August 2, 2010. Staff will continue to finalize budget details throughout the summer.

Attachment 1: Water Resources Department's 2011-13 Proposed Budget
Policy Option Packages Summary

Brenda Bateman
(503) 986-0879
Tracy Loudon
(503) 986-0920