



Oregon

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MEMORANDUM

TO: Water Resources Commission

FROM: Phillip C. Ward, Director

SUBJECT: Agenda Item J, April 20, 2012
Water Resources Commission Meeting

Budget Update – 2011-13 Biennium and 2013-15 Budget Preparation

I. Issue Statement and Background

The revenue forecast released just prior to the February 2012 session of the Legislature indicated a projected reduction in overall State General Fund revenue of \$28 million. The Legislature took action to reduce agency budgets accordingly; Water Resources received a \$247,871 reduction which is expected to carry forward into the budget development discussions for 2013-15, as the Governor and Legislature identify ways to balance a shrinking General Fund revenue picture. The Commission will be asked to approve the budget requests for further development.

II. Discussion

Development of the 2013-15 budget for the Agency Request Budget and the Governor's Budget is being done differently for this upcoming biennium. The Governor is focusing on outcomes grouped in five program areas: Education, Healthy People, Economy & Jobs, Healthy Environment, and Safety. Budget requests focus on prioritizing investments within these five areas and delivering services that can deliver clear and sustainable outcomes. This effort includes identifying how government can work more efficiently with the goal of delivering shared outcomes across agency lines both in administrative and program areas.

The Water Resources Department programs are distributed in five divisions, which have been assigned to statewide program areas:

1. **Field Services:** *Economy and Jobs* – The protection of senior water rights ensures that water supplies will be available for Oregon's economic health. This program consists primarily of Watermasters who regulate and distribute water based upon the water rights of record; inspect the construction and maintenance of wells for the protection of the groundwater resource and the public; inspect the construction and maintenance of dams for the protection of public safety and environment; and collect hydrologic data which, is made available to staff and the public for a variety of purposes.
2. **Technical Services:** *Healthy Environment* – Our scientific corps, comprised of surface water hydrologist, groundwater hydrogeologists, and information system specialists, collect and process the data necessary to make science-based water resource management

decisions. This program includes surface and groundwater investigations, stream gaging, groundwater data collection, dam safety, geographic information systems, data entry, information systems management, well construction standards, well constructor licensing, and regulatory compliance.

3. **Water Rights:** *Economy and Jobs* – the establishment of new water rights or transfer of existing water rights is primarily for the economic benefit of the applicant. Under Oregon law, almost all water users, including agricultural enterprises, cities, state and federal agencies, must apply for and receive a water right before initiating their water use. This program evaluates applications for new or transfer water rights to determine that they meet standards set by statute and rule.
4. **Director's Office:** *Healthy Environment* – the implementation of water policy promotes responsible water management and addresses Oregon's water supply needs through restoration and maintenance of a healthy environment. This program implements Oregon Water Law, houses the Department's environmental justice program, interfaces with Oregon's tribes and develops the Integrated Water Resources Strategy.
5. **Administration / Water Development Loan Fund:** *Economy and Jobs* – the administrative functions assure an efficient allocation and expenditure of resources to employees, vendors, and other state agencies. This program area also provides grants for feasibility studies and loans for water development projects that have significant economic impact for Oregon.

Overall, the Department is grouped with other state agencies that have a Natural Resource mission into the "Healthy Environment" program area. Each of the programs listed above will go through a process of presentation to a Program Funding Team that is responsible for one of the five statewide program areas. The Water Resources Department will make presentations to the "Healthy Environment" and "Economy and Jobs" teams.

III. Conclusion

The new process for development of the budget for 2013-15 differs significantly from the past and will involve additional discussions with a new group of individuals called Program Funding Teams. These teams will develop recommendations to the Governor for a budget that is oriented toward long-term, sustainable outcomes. The process continues to evolve; updates will be provided at the April 2012 and subsequent Commission meetings.

Attachment: Initial Draft of Budget Packages for 2013-15

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