



Budget and Legislative Update

June 12, 2026



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Overview

- 2026 Emergency Board
- 2027-29 Policy Option Packages
- 2027 Legislative Concepts

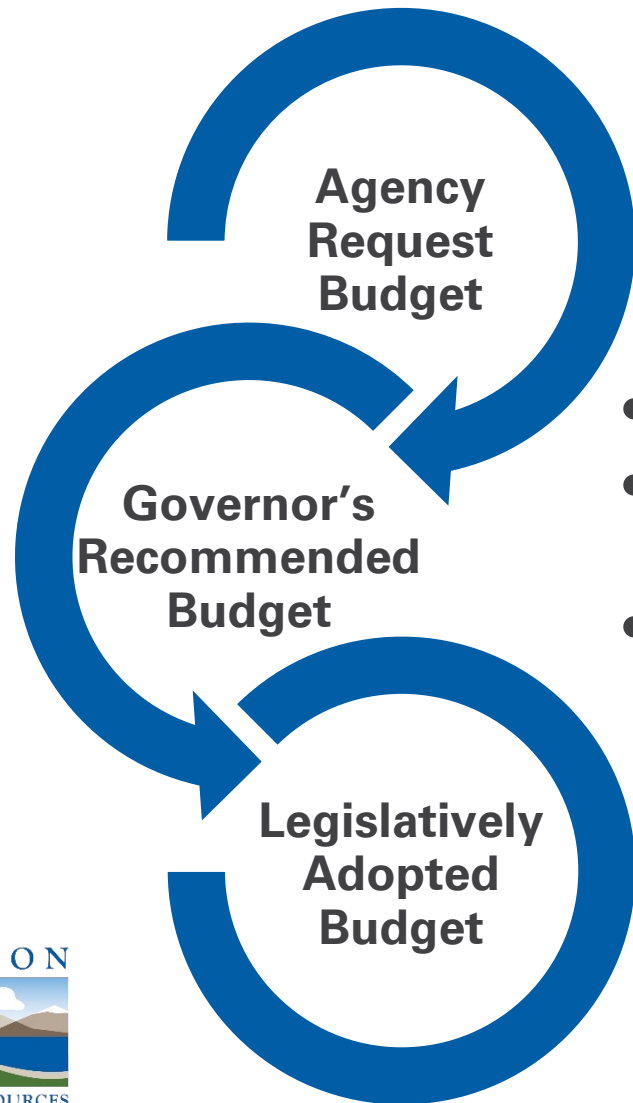
2026 Emergency Board

- \$2 million federal expenditure limitation increase: LUBGWMA groundwater investigations
- Assistant Watermaster District 18 position authority: transfer
- \$1 million GF for Well Abandonment, Repair, and Replacement Fund

2027 Budget and Legislative Development

- Long legislative sessions in odd years
 - Mid-January to end of June
 - Agency budgets
 - Policy bills
 - Key Performance Measures
- Development schedule and instructions provided by Department of Administrative Services (DAS) and Governor's Office (GO)

Budget Development



- Developed early 2026
- Agency Request Budget (ARB) submitted and published July 2026

- GO and DAS review ARB
- Use Governor's priorities, budget policies and current laws to make GRB
- Governor's Recommended Budget (GRB) published December 2026

- Legislative committees review GRB and hold public meeting
- Legislature determines and votes on final budget
- Emergency board, special sessions

Agency Request Budget Development

**January-April
2026**

Agencies
develop
POPs



May 29, 2026

POPs
approved by
DAS



**December 1,
2026**

GRB released



April 17, 2026

POPs due to
DAS



July 31, 2026

ARB due to
DAS



Policy Option Packages

Governor's Criteria

- Economic development
- Implementation of recent Executive Orders
- Improving customer service and program efficiencies
- Protecting Oregon values
- Core programs and services
- **Revenue neutral**

Policy Options Packages: Recommended for submission

Harney CREP Carryforward

- ~ \$40k GF unspent 2025-27 funds

Feasibility Study Grants Carryforward

- \$472k GF unspent 2025-27 funds

DOJ Carryforward

- ~\$1 million GF unspent 2025-27 funds; amount still under discussion

Water Projects Grants and Loans

- \$20 million LBR

Policy Options Packages: Under discussion

Re-capitalizing DOJ funding

- \$3 million GF; working to narrow scope

Information technology

- \$~1.7 million GF; working to narrow scope

Agency structure

- Revenue neutral

Legislative Concept (LC) Development

**January-
April 2026**

Agencies
develop
LCs

**May 29,
2026**

DAS
submits
LCs for
drafting

**October
23, 2026**

Drafting
completed

**April 10,
2026**

LCs due to
DAS

**July 15,
2026**

DAS
submits
placeholder
LCs

**December
11, 2026**

Pre-
session
bills filed

Legislative Concepts

Criteria

- Strategic Plan and Integrated Water Resources Strategy milestones
- Statutory sunset dates or results of court findings
- Technical issues within a program
- **Revenue Neutral**

General Spending Authority

- No clear grant, direct payment and contracting authority unless otherwise granted by a specific program or appropriation made in law
- **Solution:** Add authority to the Water Right Operating Fund to enter into grant agreements, contracts, and make direct payments
- **Approved for drafting**

Deschutes Groundwater Mitigation Program

- Program sunsets 1/1/2029, leaving approved permits in need of mitigation without ability to do so
- Confederated Tribes of the Warm Springs reserved right
- **Solution**
 - Extend sunset to 1/1/2039
 - Highlight Confederated Tribes of the Warm Springs role and their reserved right
- **Approved for drafting**

Conservation Reserve Enhancement Program Other Funds

- No distinct fund for unspent or one-time appropriations for CREP to be deposited into; creates barrier to maxing participation
- **Solution:** establish distinct other funds account
- **Not approved for drafting**

Water Management Solutions: Placeholder

- Increasing water scarcity drives a need for creative instream and out-of-stream management solutions
- **Awaiting decision from Governor's Office**

Next Steps

- ARB due end of July: working to develop narratives and further refine POPs
- Continued engagement with Deschutes basin interests on groundwater mitigation program
- Engagement on water management solutions placeholder

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Thank you!

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