

Agenda Item No:	5
Title and # of Issue:	Strategic Planning, Implementation and Monitoring Work Plan 1 – Intermediate Issue 5, Strengthen Links to Forestry Work Outcomes, <u>Biennial Budget Update</u>
Date of Presentation:	March 4, 2009
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SUMMARY

Mirroring the national situation, the Oregon economy continues to be depressed and the outlook for the future continues to be of great concern. The situation is presenting significant organizational and budget challenges for both the current 2007-09 biennium as well as planning for the next 2009-11 biennium. With the convening of the 2009 Oregon Legislative Assembly, the current biennial situation will now be addressed legislatively and the 2009-11 biennial budget process now enters the third phase.

CONTEXT, BACKGROUND AND ANALYSIS

Development of the agency's 2009-11 budget proposal and legislative concepts proceeded throughout 2008, leading to Board final review and approval of the Agency Request Budget in July 2008, and submittal of that budget and of a set of legislative concepts in the fall of 2008. The Governor crafted his recommended budget in late fall as the state's economic situation rapidly deteriorated, and released his budget on December 1, 2008, in the midst of the worsening economy. The economic conditions now present significant challenges for state services and financing during both the final six months of the 2007-09 biennium and the entire 2009-11 biennium.

RECOMMENDATION

At the Board meeting, staff will provide an update of the general economic and revenue situation for the state (including a summary of the State Economist's March 2009 Forecast which will be released February 20, 2009), the current status of Department revenues and expenditures, the status of 2007-09 budget reduction planning efforts, an update on the 2009-11 budget development process and actions, and the state and federal economic stimulus actions. Information only, no action required.

NEXT STEPS

The Department will remain engaged with legislators, the Governor's Office and stakeholders as the Legislature considers actions for both the 2007-09 biennium and the 2009-11 biennium. Between Board meetings, as needed, staff will keep Board members informed as the processes and results progress.