



Agenda Item O supports all of OWEB's Strategic Plan priorities.

MEMORANDUM

TO: Oregon Watershed Enhancement Board
FROM: Stephanie Page, Deputy Director
Lisa Charpilloz Hanson, Executive Director
SUBJECT: Agenda Item O – 2023-2025 Agency Request Budget
April 26-27, 2022 Board Meeting

I. Introduction

As OWEB develops the agency's 2023-2025 biennium budget request, staff are seeking the board's feedback. Staff propose to focus on OWEB's agency structure and request the resources needed to continue existing work, launch new programs, and address board and state priorities.

II. Budget Preparations for the 2023 Legislative Session

The Oregon Legislature approves budgets for state agencies on a biennial basis. First, each agency submits a requested budget. The Governor then releases a recommended budget, and the Oregon Legislature approves a final budget.

State agencies will submit requested 2023-2025 budgets later this year. Agencies must specifically request additions to the base budget and justify the need for each addition. The requested additions to an agency's base budget are called Policy Option Packages (POPs).

Agencies are also required to submit reduction options. This is typically set at 10% but may be updated as more information becomes available.

III. Budget Proposals for the 2023-2025 Biennium

OWEB needs additional resources to expand engagement and partnerships, continue new programs for disaster resiliency, administer land and water acquisition investments, and create a sustainable organization structure into the future.

The OWEB proposed 2023-2025 POP list is attached. Proposed POPs request continued funding and staffing for several new programs and initiatives. They update the agency's management structure to supervise the expanded portfolio of programs and staff. Staff also propose to add positions to support expanded outreach and engagement and provide technical assistance to local partner organizations on capacity issues.

IV. Recommendation and Next Steps for Budget Development

Staff requests board feedback on the attached proposed POP summary. Staff will bring an updated list of POPs to the July 2022 board meeting.

Attachment

- A. Draft Proposed Policy Option Packages for OWEB's 2023-25 Agency Request Budget

2023-25 Agency Request Budget Summary

Overview

- OWEB's policy packages focus on creating a sustainable organization structure to meet OWEB's needs; expanding coordination on climate and water-related work; expanding equity and inclusion efforts; managing land and water acquisitions; and continuing new programs for disaster resiliency.
- The requested packages will provide OWEB the structure to effectively administer new and existing grant programs into the future. The packages will provide the resources to ensure compliance with federal and state program requirements, including requirements related to management of easements and land acquisitions.
- The requested packages address key state priorities, goals and objectives of OWEB's strategic plan, and OWEB's climate resolution.
- Priorities, goals, and objectives addressed include building non-traditional partnerships, identifying and funding projects with climate benefits, protecting working farms and ranches, building community and partner capacity, and supporting healthy, resilient watersheds.

Policy Packages - Grants Budget Enhancements

- Ag Heritage Investment: Request an additional state investment of \$10 million for the Oregon Agricultural Heritage Program to support protection and stewardship of working farms and ranches for future generations.
- Additional limitation: OWEB may request additional federal fund and other fund limitation to be able to receive and expend grant funds beyond current service level.

Policy Packages - Operations Budget Enhancements

- Staffing requests: OWEB will request several new positions. The requested positions will support a sustainable organization structure and help the agency effectively administer new and existing grant and acquisition programs, participate in water and climate policy discussions, expand inclusive engagement and fulfill environmental justice legislation requirements, and provide technical assistance to partner organizations.
- Contracted services: Requests funding for contracted services to conduct internal audits required by law and recommended in an audit by the Oregon Secretary of State's office, and to support acquisition monitoring.

Policy Packages - Grants Budget Continuation

- Drought and post-fire recovery program continuity: Requests to continue drought and 2020/2021 post-fire recovery grant programs beyond the current biennium. These programs were received in the regular 2021, December 2021 and February 2022 legislative sessions. We expect demand for these programs to extend beyond June 30, 2023.
- Ag Heritage and Water Acquisitions continuity: Request's limitation to continue spending existing state investments in the Oregon Ag Heritage Program and Water Acquisitions Program beyond June 30, 2023.
- Standard grant program continuity: These packages include the standard request to extend expenditure limitation for non-lottery fund grants that have been awarded and continue to be active; and to bring in lottery grants expenditure limitation at the needed level for the 23-25 biennium.

Policy Packages - Operations Budget Continuation

- Program continuity: OWEB will ask to continue several existing positions to help administer new and existing grant and acquisition programs and participate in water and climate policy discussions.
- Drought and post-fire recovery program continuity: Requests to continue the limited duration positions received to administer drought and post-fire recovery grant programs.
- Program continuity - requests to continue contracted services for DEI work, effectiveness monitoring of investments, and legal services.
- Request position adjustments to account for changes in OWEB's proposed organizational structure.