



OREGON
WATERSHED
ENHANCEMENT BOARD

Agenda Item N

Review of Draft Policy Option

Packages for 2025-2027 Agency

Request Budget

Board Meeting April 22-24, 2024



Oregon

Tina Kotek, Governor



OREGON
WATERSHED
ENHANCEMENT BOARD

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

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Stephanie Page, *Acting Executive Director*
Miriam Scharer, *Fiscal Officer/Business Operations Manager*
Eric Hartstein, *Senior Policy Coordinator*

SUBJECT: Agenda Item N – Review of Draft Policy Option Packages for 2025-2027 Agency Request Budget
[April 22-24, 2024, Board Meeting](#)

I. Introduction

As OWEB develops the agency's 2025-2027 biennium budget request, staff are seeking the board's feedback. Staff propose to focus on critical agency operations and customer service, enhanced implementation of existing program authorities, and critical needs to build greater landscape resiliency under changing climate conditions. This proposed budget request is in draft form and subject to further changes pending feedback from the Governor's Office and Department of Administrative Services.

II. Budget Preparations for the 2025 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 2025-2027 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).

By statute, agencies are also required to submit reduction options of 10 percent. Generally, these are presented in 5% increments.

III. Budget Proposals for the 2025-2027 Biennium

OWEB's proposed 2025-2027 POPs address agency challenges associated with a workload that has increased over time, and that much of this work is being accomplished with limited duration staff. The central objectives in OWEB's proposed POPs are to establish long-term staffing stability to fulfill existing responsibilities,

enhance customer service, enhance implementation of responsibilities as directed by state leaders, and support climate resiliency.

The OWEB proposed 2025-2027 POP list is attached. These POPs have been shared with the Governor's Office and Chief Financial Office at the Department of Administrative Services. The Governor's Office will be providing a response to OWEB's proposed POPs at an earlier stage in the budget process than in the past. This response will be based on prioritizing requests across agencies and economic and revenue forecasts. At the time of writing this staff report, OWEB POPs have not been fully reviewed by the Governor's Office, and there is no certainty that all the proposed POPs will be included in a final Agency Request Budget later this year.

IV. Recommendation and Next Steps for Budget Development

Staff requests board feedback on the attached proposed POP summary. After further engagement with the Governor's Office and external interested parties, staff will bring an updated list of POPs to the July 2024 board meeting.

V. Attachment A

- A. Draft Proposed Policy Option Packages for OWEB's 2025-2027 Agency Request Budget

2025-27 Draft Agency Request Budget Summary

Overview

- OWEB's 2025-27 Overarching Challenges: OWEB's core grant administration workload has grown over time and the agency has also received several new allocated grant programs between 2020 and 2023. One-third of the agency's budgeted positions are limited duration (LD), which is a significant risk to the agency's ability to continue to administer the programs that exist within the agency's portfolio.
- OWEB's 2025-27 Objectives: Enhance OWEB's resiliency and ability to provide customer assistance and support. Build capacity to take on additional responsibilities as requested by state leaders. Eliminate or significantly reduce the percentage of LD positions and increase the number of permanent positions to support stability and capacity. Enhance OWEB's ability to support climate resiliency through strategic investments in key programs.
- The list below is preliminary and subject to change pending on-going conversations with the Governor's Office and the Department of Administrative Services, Chief Financial Office.
- *Italicized text represents policy packages related to the newly established Environmental Restoration Council which will oversee the administration of the Environmental Restoration Fund. These funds are not under the purview of the OWEB board but are being included here for reference.*

Policy Packages - Grants	Critical to Agency Operations/ Customer Service	Supports/ Enhances Execution of Existing Program Authority	Addressing Critical Need to Build Greater Landscape Resiliency
Lottery funds Grant Program Expenditure Limitation - 70% of Lottery appropriation to the Watershed Conservation Grant Fund. Amount TBD based on revenue forecasts.	XX	X	X
Standard Grant Program Expenditure Limitation Continuity (Federal funds) - This policy option package will include continuity in expenditure limitations for existing PCSRF, BLM, NRCS and other federal programs. Amount TBD.	X	XX	X
Standard Grant Program Expenditure Limitation Continuity (Other funds) - This policy option package will include continuity in expenditure limitations for existing OAHP, Water Acquisitions, PacifiCorp IM11, Salmon Plate, ODF Forest Collaborative and other funded programs classified within Other Funds. Amount TBD.	X	XX	X
Oregon Agricultural Heritage Program Grant Investment General fund investment to support protection and stewardship of working farms and ranches for future generations - \$20 million.	X	XX	X
<i>Environmental Restoration Council (ERC) - Disproportionately Impacted Community Fund (Other funds)</i> <i>In accordance with SB 1561, 25% of funds distributed from the Oregon Environmental Restoration Fund (as determined by the State Treasurer) will be allocated to the Disproportionately Impacted Community Fund. The ERC may contract with a third-party entity to implement and serve as the administrator of the grant program. This policy package assumes the grant program remains with the agency to manage and will request additional Other Funds expenditure limitation with an estimated distribution to this fund of \$14 million.</i>			X

Additional Grant Program limitation (Federal & Other funds) - OWEB may request additional federal fund and other fund limitation to be able to receive and expend grant funds beyond current service level. Amount TBD.		X	
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Policy Packages - Operations	Critical to Agency Operations / Customer Service	Supports/Enhances Execution of Existing Program Authority	Addressing Critical Need to Build Greater Landscape Resiliency
Agency Staffing Continuity (Lottery, General, Federal and Other funds) OWEB will request to <i>continue</i> several existing positions either by converting them to permanent positions or by continuing the limited duration status. Positions include: Acquisition & Special Programs Manager; OAHP staffing (2.5 positions); Water Acquisition staffing (1.5 positions); fiscal analyst; climate policy coordinator; tidegate coordinator; cultural resources specialist; federal program specialist; drinking water source protection specialist; <i>and ERC staffing (continuity of 2 positions approved as limited duration in 2024 short session. NOTE: 3 other positions were established as permanent positions and will be included in OWEB's current service level).</i>	X	X	X
Contracted Services - Lottery funds OWEB will request a permanent addition to the contracted services budget to ensure ongoing program effectiveness and outcomes.	X	XX	X
Agency Staffing Capacity (Lottery, General, Federal and Other funds) OWEB will request several <i>new</i> positions and reclassifications to further develop a sustainable organizational structure: Reclassifications include reclassification of existing staffing to provide software/systems and communications development and enhancements (3 positions impacted). New positions include: partnership coordinator; partner organization technical assistance; additional OAHP staffing (1 <i>new</i> natural resource specialist position, contingent upon additional general fund investment of \$20 million for grants); <i>additional ERC staffing (3 new positions - accounting technician, natural resource specialist and information systems specialist).</i>	X	XX	X
Agency Staffing Capacity - Compliance (Lottery and General funds) Internal Audit Function - OWEB will request additional funding to support an Internal Auditor position shared with Water Resources Department as part of our shared services agreement (Lottery funds). Asset & Acquisition Stewardship and Compliance Monitoring - OWEB will request a <i>new</i> position to coordinate OWEB's acquisition responsibilities including baseline documentation, management plan review and approval, and routine compliance monitoring of easements and other land protection instruments (General & Lottery funds).	X	XX	X

X-POP would meet criteria identified

XX-POP demonstrates more connection to criteria identified