

BUDGET ISSUES Note: This list contains an initial brainstorming of budget issues collected to date from WRD staff as of March 13, 2024. Input from the Department was informed by the Integrated Water Resources Strategy and the Department's Strategic Plan. This draft is for the purposes of discussion and feedback. Issues will be added, modified, and refined over time with input. Items have been categorized as 1) Critical to Agency Operations and Customer service, 2) Supporting/Enhancing Execution of Existing Program, and 3) Addressing Critical Need to Build Greater Landscape Resiliency.

Topic	Issue Statement
Critical to Agency Operations/Customer Service	
Budget Shortfall: Well Construction-Related Fees Shortfalls	The Department's well construction programs are almost entirely funded by fees. The ability for the agency to inspect wells to protect public health and safety and to prevent groundwater contamination and waste of groundwater resources requires (1) inspections of wells; (2) well log technical reviews; (3) licensing of well drillers. The Department is facing shortfalls to support staff funded by Start Card fund and for Well Driller Licensing and Landowner Permit fees. Has accompanying LC.
Budget Shortfall: Water Right Transactions and Dam Safety Fee Shortfalls	Staff in both the Dam Safety and Water Right Transactions Division are partially supported by fees. These programs are core to the Department's mission of responsibly managing Oregon's water resources and maintaining public safety. The Department is facing shortfalls to support staff funded by dam safety annual fees and water right transaction fees. Additional policy work with stakeholders and internal staff to streamline processes and policies will accompany this work.
Budget Shortfall: HB 3315 ODFW Reviews for Water Right Transactions	House Bill 3315 (2015) required the ODFW to recoup costs incurred for providing certain services beginning July 1, 2019. WRD is required to pay for funding for ODFW work on fee-based programs via HB 3315 (2015) but has not been provided additional funding in order to pay for ODFW expenses that began to be incurred in the last several biennia.
Package 070: Fee Shortfall Reduction Package	Several fee-supported programs at the Department, well construction, dam safety, water rights, are facing a revenue shortfall if left unaddressed. A reduction package will be needed to offset the costs related to the revenue deficiencies.
Budget Shortfall: State Scenic Waterways	OPRD currently provides funding to OWRD for scenic waterway work. Over the last several biennia, contract inflationary increases have not kept pace with state employee personal services costs for the Department's six positions that provide support for the State Scenic Waterways program, which is administered in conjunction with OPRD.
Budget Gap: Internal Audit Function	The Department met the criteria in 1(c) of Oregon Administrative Rule 125-700-0125 as of Fiscal Year 2016, requiring an internal auditing function (ORS 184.360). DAS has informed both OWEB and OWRD of the need to have an internal auditing function. Both agencies have continued to obtain waivers, while attempting to get resources to do this work.
Information Technology Package	The IT Strategic Plan identified key IT initiatives that will advance the agency's IT maturity from being a reactive Firefighter to a more proactive Trusted Operator. IT maturity will be key to the agency's ability to execute on many of its desired goals and strategic priorities. IT is a foundational piece of agency operations and at its current maturity level, many agency strategic objectives are at risk. Currently, well construction information systems are not meeting needs and creating productivity losses in staff workflows. Systems like the Field Operations Database need resources to continue modernization efforts. Lastly, the Department does not have a formal system for managing its 6 funding opportunities and direct appropriations; this is currently done through a series of Word forms and excel spreadsheets.
EJ/Equity work Communications and Access to Information for	OWRD has been working to integrate best practices across programs to advance DEI and EJ work in the agency. In addition, the agency is seeking to better support its DEI team, provide resources to advance their work, and also to implement enterprise DEI objectives. There is also a need to engage with diverse communities using appropriate languages, formats

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Diverse Oregon Communities	(visual/audio, printed, gatherings /workshops), and accessibility (ADA, internet connectivity/access) that are appropriate, effective, and impactful.
Human Resources and Workplace Safety Needs	Workload and responsibilities in Human Resources have significantly increased over the last biennium, with the agency adding nearly 100 positions. Ensuring the agency is meeting the Governor’s expectations, administering the new Paid Leave Oregon program, in addition to future work associated with implementation of the agency’s Succession Plan has been taken on by the position assigned to ensuring workplace safety in the HR section. The agency now consists of nearly 250 employees, many of which work in field locations throughout the state, in all kinds of worksites and with various equipment. There is simply insufficient capacity to give the dedicated attention necessary for scaling the workplace safety program to an acceptable level to meet the new and growing demand within a reasonable time frame. Agencies are also experiencing increased safety concerns voiced by staff.
Web coordinator	The Department currently does not have a primary staff member in charge of maintaining the agency website. In addition, the Department has received feedback that the website is difficult to navigate and that information is not accessible.
Supporting/Enhances Execution of Existing Program Authority	
Harney Conservation Reserve Enhancement Fund	Allows for GF appropriations for CREP program to roll over into an “Other Funds” account to provide flexibility for the Department to meet the needs of the participants enrolling in the program. Has accompanying LC.
Grant Programs: Recapitalize Funding for Existing Grant Programs (PBP, WPGL, FSG, WARRF)	OWRD’s competitive grant programs provide direct investment in water supply solutions and frequently serve as match for federal programs: Place-based planning allows for collaborative identification of solutions, Feasibility Study Grants support investigations of project feasibility, and Water Project Grants and Loans invests in implementing solutions with public benefits. The Water Well Abandonment, Repair, and Replacement Fund (WARRF) provides financial resources for OWRD and others to restore access to water in homes and protect groundwater from contamination and co-mingling.
Restoration of Funds: Funding for groundwater studies (investigations and observation wells) and water budgets	In the 2023-25 budget development process a reduction of \$447,830 was taken from the Groundwater Investigations & Observation Wells budget. This funding supports cooperative groundwater basin studies, groundwater data, and the construction and maintenance of observation wells that assist the Department in developing a better understanding of groundwater levels statewide. The Department has contracted with the USGS to develop statewide estimates of groundwater recharge and water budgets; the first phase of this work will be complete in early-mid 2026; in order to effectively engage with communities about what these data and other data work mean an, the Department need resources to support effective outreach and community engagement.
OWRD Water Data Needs and Potential Water Data Portal Package	OWRD has significant need to address data QA/QC issues and data entry in order to make data usable both for Department programs as well as for it to be utilized in work for the Water Data Portal and other data sharing efforts. In addition, the agency needs to continue to work through data sprawl issues and data architecture. Additional Data coordination needs are required for Oregon’s Open Data and Water Data Portal work.

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CTUIR Facilitation	The Department received funding to facilitate the CTUIR settlement and other water issues in the 2023 biennium as one-time funding. It is expected that this work will take longer to complete.
Director's Office Structure	As sections within the Director's office have grown with existing and new programs, the division's two sections now total 25 staff, with another five positions that include deputies, assistants, the director, as well as two limited duration retired special assistants to the director. This is the equivalent to an entire division, yet the deputy director of strategy and administration serves as both the deputy and the Director's office administrator. This can lead to less timely attention to matters needed by the section staff. If such a section were to be established, an administrative assistant would also be needed to support the workload of the division as well as the administrator. Managers continue to report that it would be helpful to have administrative staff available that would allow them to push some lower-level responsibilities down that higher level staff currently perform.
Position Reclassifications	Placeholder for potential reclass discussion if needed. OWRD is currently working to get a meeting with DAS.
Klamath Adjudication Costs	The court has remanded the Klamath Tribes water right claims for further work by the Department. The adjudication once complete will allow people in the basin to understand what they have in terms of water rights. This will allow people to be able to make decisions in the face of climate change.
Legal Coordinator and costs	Legal issues continue to increase in the face of climate change; requiring substantial amount of time from executive managers. Currently, senior level staff are spending significant time tracking and coordinating litigation cases and costs.
Protest Backlog Reduction	General funds were appropriated during the 2021-23 biennium to reduce the water rights protest backlog. A record number of protests were resolved but more protests were filed. ARPA money was allocated to continue this work in the 23-25 biennium at a lower level of funding. The Department has one dedicated staff member who works with other agency subject area experts, DOJ and OAH to work on this issue. If the Department does not receive additional funds, backlog reduction work will stop.
AR/ASR Capacity	Storage can be a critical component to adapting to water scarcity. Aquifer Recharge and Aquifer Storage and Recovery projects are tools that can help improve groundwater levels and provide for water storage, which can benefit water users, and in some cases springs and streamflows. Oregon can and should do more to facilitate use of this tool and ensure timely processing of these applications.
Addressing Critical Need to Build Greater Landscape Resiliency	
Levee Inventory and Assessments	Currently no inventory exists for levees not regulated under the federal government. These levees may jeopardize public safety, should they fail. The Department does not have the resources necessary to inventory, inspect, classify and assign a hazard rating to these levees. Identification and assessment of the levees would help communities throughout Oregon improve their resiliency to flooding and seismic events and help mitigate the effects of climate change.
Interagency LUBGWMA	Groundwater contamination issues are severely impacting communities in the LUBGWMA. There is an interagency effort to address the issues arising, but funding is needed for additional capacity to assist with project coordination and management and technical assistance for field work and data collection in the LUBGWMA.

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