



2025-2027 Governor's Recommended Budget

	2023-25 Legislatively Adopted	2023-25 Legislatively Approved (Feb 24)	2025-27 Current Service Level	2025-27 Governor's Recommended Budget
General Fund (GF)	\$81,331,457	\$88,114,428	\$80,870,715	\$88,047,620
Other Funds (OF) including Fees	\$34,866,859	\$40,381,452	\$18,203,884	\$21,984,845
Other Funds - Grants/Loans	\$139,200,425	\$139,200,425	\$107,400,000	\$127,400,000
Lottery Funds - Debt Service	\$15,856,857	\$14,102,838	\$24,352,512	\$24,352,512
Federal Funds	\$703,315	\$2,153,385	\$2,190,179	\$2,190,179
Total Funds	\$271,958,913	\$283,952,528	\$233,017,290	\$263,975,156
Positions / Full-Time Equivalent (FTE)	258/246.63	259/248.71	248/245.25	250/246.63

Legislation

HB 2801 – Klamath Leases and Temporary Transfers Sunset Date

The Department's authority to approve temporary transfers and leases for determined claims in the Upper Klamath Basin, which is undergoing an active adjudication, sunsets in January 2026. If this authority sunsets, the Department will not be able to approve leases or temporary transfers until the adjudication is completed, which limits water users' ability to use their water rights. Because it is unclear when the adjudication will be completed, the Department proposes to extend the current sunset date and insert language to repeal the program upon completion of the adjudication.

HB 2803 – Water Right Transaction and Dam Safety Fees

This bill accompanies package 102. 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. This bill increases Water Right Transaction Fees by 135% and Dam Safety Annual Fees by 56% to maintain existing service levels.

HB 2808 – Well Construction Program Fees

The Department's well construction program is 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 fees and Well Driller Licensing and Landowner Permit fees. The bill increases the Start Card fee by 40% and Well Driller Licensing and Landowner Permit fees by 10%.

HB 2813 – Harney Conservation Reserve Enhancement Program Other Funds Transfer

This bill accompanies package 103. The Harney Valley CREP is a voluntary program operated

through the USDA Farm Service Agency (FSA) in partnership with OWRD that seeks to improve groundwater conditions in the Harney basin by incentivizing landowners to voluntarily cancel groundwater rights within the Greater Harney Valley Groundwater Area of Concern. The bill proposes a technical change that would allow the unspent general fund allocation to roll into an "other funds" account each biennium, which would allow for the Department to commit to longer term or lump sum contracts to meet the needs of the participants enrolling in the program. Longer-term contracts (up to 15 years) would allow OWRD to enroll more participants and to better meet the needs of individual participants as the funding would be available beyond the current biennium.

Budget Packages

Package 102 - Maintain Water Right & Dam Safety Services - \$1.7m OF Revenue - \$1.7m OF – 7.00 FTE / 7 Positions - *IWRS recommended actions 7.C, 10.G, and 13.B.*

This package accompanies HB 2803. The current fee schedule provides \$330k to support 0.95 FTE in the Dam Safety program and \$2.35 million to fund 14.93 FTE (12.43 FTE in the Water Right Services Division, 0.5 FTE in the Groundwater Section, and 2.0 FTE Water Right Data Techs). To maintain current service levels for the 2025-2029 biennia, increases are needed to water right transaction fees by approximately 135% percent and annual dam safety fees by 56%. The fee increase will allow the Department to continue to serve farmers, water supply providers, entities seeking to restore streamflows, and others needing decisions on water rights and to support the dam safety program. Package 102 adds back and retains the 7 FTE reduced in Package 070 due to revenue shortfalls.

Package 103 - Harney Conservation Resource Enhancement Fund - \$544k OF Expenditure Limitation

This package accompanies HB 2813 that allows the unspent general fund allocation to roll into an "other funds" account each biennium. This is not a new appropriation of funds, just a technical change. This would allow for the Department to commit to longer term contracts and increase enrollment, while structuring payments to meet the needs of the participants enrolling in the program.

Package 104 - Feasibility Studies, Water Projects, & Wells - \$22.2 million Total Funds (\$20.2m LRB; \$2m GF) - *IWRS recommended actions 5.B, 10.E, 12.A, 13.D, and 13.E.*

This proposal includes investment in several funding programs to meet the water needs of Oregonians, including, Feasibility Study Grants (\$1m GF); Water Projects Grants and Loans (\$20m LRB proceeds); and the Well Abandonment, Repair, and Replacement Fund (\$1m GF).

Package 106 - American Rescue Plan Act Carryover - \$3.35 million OF

This package carries forward American Rescue Plan Act funding authorized in the 2021-2023 budget for those efforts to be completed and to have desired outcomes be achieved. The federal requirements state that these dollars must be obligated by December 31, 2024, and expended by 2026 for the following: 1) place-based planning; 2) Ordnance Project in Umatilla County; 3) engineering services for flood methodology & inundation assessments; 4) surface water and groundwater data collection field equipment; and 5) funding for the water measurement cost share program.

Package 107 - Strategic Modernization of IT Systems & Tools - \$251k GF; 0.88 FTE / 1 Position

This package adds a business analyst to the IT section. The Department needs to modernize its IT functions, and the first start is to invest in business analysis and project management to ensure that the agency can successfully scope and execute much needed modernization projects.

Package 110 - State Scenic Waterway Revenue Gap – \$0 Total Funds (\$290k GF; (\$290k OF)) - *IWRS recommended actions 10.G and 13.B.*

This proposal will backfill growing funding gaps for six existing positions (partial FTE) with General Fund in the amount above the existing contracted amount with the Oregon Parks and

Recreation Department for Scenic Waterway work. These positions are currently funded with a blend of Scenic Waterway funds and general fund.

Package 111 – Improving Accessibility of Agency Website - \$128k GF – 0.5 FTE / 1 Position

This package would add a 0.5 FTE part-time web coordinator responsible for ensuring the Department's website is up to date with information desired by the public, while also considering ease of use, transparency, and website accessibility. Content updates would be conducted by the position to ensure consistency of design, content, methods, and accessibility.

Package 090 Additions / Carryover

1) Planning funds in the amount of \$100k GF (one-time) in Information Technology for a Water Use Tracking and Reporting System; 2) One-time GF investment of \$4.36 million to assist the department with legal cost overruns anticipated to carry forward from the current biennium; 3) One-time carryforward of GF for projects:

- City of Sodaville - Water System Expansion - \$370k
- Rogue River Irrigation District - Fourmile Creek Project - \$1.5m
- City of Monroe - Water, Prefilter and Automated Control Infrastructure - \$1.5m

REDUCTIONS

Package 090 Reductions

This package includes the following general fund base reductions:

- \$200k in services & supplies reductions
- \$114k in evapotranspiration funding (leaves \$200k)
- \$100k in Agrimet funding (leaves \$125k)
- \$796k in groundwater investigations funding (leaves \$500k)
- \$272k in gaging station funding (leaves \$150k)
- \$1m in complex facilitation funding (leaves \$526k)
- \$66k in Water Measurement Cost Share funds (leaves \$50k GF)
- \$200k in Feasibility Study Grants funds (leaves \$276k GF)

Package 092 & 093 Reductions - \$574k GF; \$15k OF

This package represents adjustments to the Attorney General rates, the Department of Administrative Services State Government Service Charges and the Department of Administrative Services pricelist charges for services to reflect adjustments made in the Governor's Recommended Budget.

Package 070 – See reference above in Package 102.

For additional information please contact:

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With some exceptions, most budgetary changes are contained in OWRD's budget bill.
General Fund = GF, OF=Other Funds, IWRS = [Integrated Water Resources Strategy](#), FTE= Full-Time Equivalent