

2025-2027 Legislatively Adopted Budget

	2023-25 Legislatively Adopted	2025-27 Current Service Level	2025-27 Governor's Recommended	2025-27 Legislatively Adopted*
General Fund (GF)	\$81,331,457	\$80,870,715	\$88,047,620	\$100,967,253
Other Funds (OF) including Fees	\$34,866,859	\$18,203,884	\$21,984,845	\$20,373,083
Other Funds - Grants/Loans	\$139,200,425	\$107,400,000	\$127,400,000	\$122,900,000
Lottery Funds - Debt Service	\$15,856,857	\$24,352,512	\$24,352,512	\$21,605,821
Federal Funds	\$703,315	\$2,190,179	\$2,190,179	\$2,190,179
Total Funds	\$271,958,913	\$233,017,290	\$263,975,156	\$268,036,336
Positions / Full-Time Equivalent (FTE)	258/246.63	248/245.25	250/246.63	247/244.25

*Numbers subject to change with further reconciliation.

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With some exceptions, most budgetary changes are contained in OWRD's budget bill.

General Fund = GF, OF=Other Funds, IWRS = 2017 Integrated Water Resources Strategy, FTE= Full-Time Equivalent.

OWRD Budget Reductions and Additions

Senate Bill 5543 – OWRD Budget Bill

Effective on Governor's signature.

Package 101 / House Bill 2808 – Maintain well construction services - \$920k OF Revenue – Increases the Start Card fee by 40% and Well Driller Licensing and Landowner Permit fees by 10%. This fee increase will maintain existing staffing levels that support well inspections, licensing, permitting and customer service for the 2025-2029 period. *IWRS Actions: 7.C, 10.G, 12.A and 13.B*

Package 102 / House Bill 2803 – Maintain water right transaction and dam safety services – \$1.42M OF Revenue; \$1.69m Total Funds (\$1.3m GF; \$375k OF); adds back 7.0 FTE – Increases Dam Safety Annual Fees by 56% to maintain existing service levels and Water Right Transaction Fees by 50% for the 2025-2029 period; the remainder of revenue shortfall for water right transaction fees have been backfilled with permanent general funds. *IWRS Actions: 7.C, 10.G, and 13.B*

Package 106 - American Rescue Plan Act Carryover - \$3.2m OF - Carries forward American Rescue Plan Act funding authorized in 2021-2023 for those efforts to be completed. 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) Ordinance 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 110 - State Scenic Waterway Revenue Gap – \$0 Total Funds (\$290k GF; - \$290k OF) - Backfills growing funding gaps for six existing positions (partial FTE) with GF in the amount above the existing contracted amount with the Oregon State Parks Department for Scenic Waterway work. These positions are currently funded with a blend of Scenic Waterway funds and general fund. *IWRS Actions: 11.B and 13.B*

OWRD Budget Reductions and Additions

Package 801 - Additions, Carryover and Adjustments

- 1) \$4.74m one-time GF for Department legal expenses.
- 2) \$182k repurposed ARPA OF for fish passage projects to the Water Well Abandonment, Repair and Replacement Fund.
- 3) \$4.6m one-time carryforward GF for water projects:
 - City of Sodaville - Water system expansion and water hauling - \$370k
 - Rogue River Irrigation District - Fourmile Creek project - \$1.5 million
 - City of Monroe - Water, prefilter and automated control infrastructure - \$1.5 million
 - Deschutes River Conservancy - Piping, monitoring and measurement - \$1.24 million

Reductions Package 801 – \$682k GF; 2.5 FTE / 3 positions – Eliminates vacant positions, 1.00 FTE NRS 5 and 0.5 FTE AS2 in the Director’s Office and 1.00 FTE AS2 in the Field Services Division, plus associated Services and Supplies.

NEW Key Performance Measure - #13 Temporary Transfers – Percentage of temporary transfers with final orders issued within 120 days. Goal: 75% by 2026; 90% by 2027.

House Bill 3544 – **Contested case process improvements; \$226k GF; 0.75 FTE / 1 position** – Directs OWRD and the OAH to establish a default hearing schedule for contested cases in order to complete hearing process within 180 days of referral; establishes preferences for oral testimony and remote hearings; allows for assignment of settlement judge to resolve case in 60 days; establishes standards for what must be included in a protest and requires a protest to raise all issues; clarifies a hearing is not required if the protest is settled, withdrawn or the protestant defaults; establishes requirements to request party status and streamlines process; allows proposed final order to become final order as a matter of law if no protests are received. *IWRS Actions: 10.G and 13.B Effective January 1, 2026.*

House Bill 3806 – **Deschutes basin water banking - \$216k OF; 0.75 FTE / 1 position** – Provides authority for the Commission to approve a pilot program in the Deschutes River for surface water banking. The bank must also be approved by the Warm Springs Tribe. OWRD will be responsible for distributing and legally protecting portions of water loaned through the bank. The bill also establishes new type of lease/transfer/forbearance agreement, including split rate and duty water use, provided the duty applied does not exceed 4.2-acre feet per acre. The bill allows entities in the Deschutes Basin to fund a position at the Department to support this work. Pilot program sunsets January 2, 2034. *IWRS Actions: 10.D Effective January 1, 2026.*

OWRD Grant Programs

Senate Bill 5531/ House Bill 5006- **Water Project Grants - \$8m LRB** - Invests in the Water Projects Grants and Loans funding program to meet the water needs of Oregonians. *IWRS Actions: 5.B, 7.A, 10.E, and 13.E*

House Bill 5006 - **Feasibility Studies & Wells - \$2m GF** - Invests in several funding programs to meet the water needs of Oregonians, including Feasibility Study Grants (\$1m GF) and the Well Abandonment, Repair, and Replacement Fund (\$1m GF). *IWRS Actions: 5.B, 7.A, 12.A, 13.D, and 13.E*

Direct Appropriations

Senate Bill 5531/ House Bill 5006 – **City of Oregon City Henrici Reservoir Project - \$6.5m LBR**

House Bill 5006 – **Water projects - \$7.5m GF**

- City of Dayton Fisher Farm Well Improvements - \$1.2m
- City of Tualatin Seismic Valving at Six Water Reservoirs - \$1.75m

OWRD Budget Reductions and Additions

- City of Sublimity Well #5 Improvement - \$280k
- City of Maupin Water Lines Distribution System Improvements - \$1.5m
- City of Central Point Gebhard Road Waterline Extension - \$258k
- Washington Department of Ecology for projects in the Walla Walla basin - \$2.5m

Water-Related Legislation

[House Bill 2169](#) – **Interagency water reuse coordination and improvement** – Directs DEQ to lead an interagency reuse team in partnership with OWRD, OHA and ODFW to educate and train state agency staff on water reuse; identify internal barriers to water reuse and what internal agency or regulatory changes are needed to overcome barriers. Provides 1 FTE to DEQ. *IWRS Actions: 10.C and 13.B*

Effective on Governor's signature.

[House Bill 2801](#) – **Klamath leases and temporary transfers** – Makes authority for OWRD to process temporary transfers and instream leases for determined claims in the Upper Klamath Basin permanent and repeals the authority upon completion of the adjudication.

Effective January 1, 2026.

[House Bill 3342](#) – **Water right transaction process improvements** – Defaults to electronic documentation, removes newspaper notice; allows OWRD to pass along credit card fees; allows OWRD to refuse to accept applications for water right in areas that are closed to future appropriations, requires affirmative confirmation from applicant to move forward with application and fee payment; allows proposed final order to become final order as a matter of law if no protests are received; streamlines standing statement process. Provides technical fixes to the withdrawal statutes; clarifies a hearing is not required if the protest is settled, withdrawn or the protestant defaults. Removes extensions process for all permits, except municipalities, quasi-municipalities, and group domestic; caps extensions for quasi-municipalities at 20 years and 10 years for group domestic. Adds that OWRD may deny a groundwater point of appropriation transfer if the point of appropriation is in an area that is closed. *IWRS Actions: 10.G and 11.E*

Operative April 1, 2026.

[House Bill 3364](#) – **Feasibility Study and Water Project Grants and Loans (WPGLS) program improvements** – Feasibility Study Grants: Removes funding cap, reduces cost-share requirements and expands eligible projects to align with WPGLs. WPGLs: Expands allowable projects, changes timing for Water Management Conservation Plan submission, reduces public comment period and directs the Technical Review Team to make funding recommendations to OWRD, rather than the Commission. *IWRS Actions: 13.D and 13.E*

Effective 91st day sine die.

[House Bill 3372](#) – **Exempt groundwater use expansion for ½ acre commercial garden** – Allows up to 3,000 gallons per day from that well to irrigate a half-acre of lawn, personal garden, or commercial garden from an exempt well. Caps the total use when combined with commercial or industrial exempt uses at 5,000 gallons per day. This does not apply to watering marijuana. This does not apply in the Lower Umatilla Groundwater Management Area until January 2, 2028.

Effective January 1, 2026.

[House Bill 3525](#) – **Landlord water quality reporting for drinking water wells** – Requires landlords to collect and test samples of drinking water for certain contaminants if the dwelling unit has one or more exempt wells as a source of drinking water and is located within a groundwater management area under ORS 468B.150, requires landlords to provide test results to the tenant and to the OHA and establishes requirements for associated testing laboratories and the OHA. Specifies information that must be provided by landlord to tenants. *IWRS Actions: 12.A*

Operative June 1, 2026.

[House Bill 3932](#) – **Protecting beavers** - Prohibits the taking of beavers in designated areas and

Water-Related Legislation

requires ODFW to publish a map identifying these areas. It allows federal or state land management agency employees to take beavers only when necessary to address damage or an imminent threat to infrastructure, agricultural crops, or private property adjacent to public lands, and only with authorization from ODFW. It establishes that the measure does not supersede the treaty, statutory, regulatory, or aboriginal rights of federally recognized Tribes, nor interfere with Tribal harvest activities or cooperative management agreements between Tribes and ODFW.

Effective January 1, 2026.

Senate Bill 761 – **Walla Walla Irrigation District split instream leases pilot** – Authorizes an irrigation district within the Walla Walla basin to lease all or a portion of an existing water right for temporary conversion to an in-stream water right, by splitting the rate and duty of the water right between an existing use and in-stream use. Pilot program sunsets on January 2, 2030. *IWRS Actions: 10.D*

Effective January 1, 2026.

Senate Bill 1154 – **Groundwater quality management** – Modifies processes for managing ground water quality contamination concerns, including the declaration of ground water quality concern areas and ground water quality management areas (GWMA) and related responsibilities; requires coordination among state agencies and local entities to address these areas, including monitoring, action planning, and remediation strategies; authorizes the Governor to appoint a lead agency and an interagency team to develop an assessment, prepare an action plan, implement regulations, and take necessary actions to address ground water quality, while allowing for increased monitoring, reporting, and coordination to protect public health and water resources. Directs lead agencies to report to and seek resources needed to implement that action plan from the legislature. OWRD specific authorities: Commission may declare a serious water management problem area based on groundwater quality considerations and adopt rules requiring backflow prevention devices where surface water is the source of water; OWRD shall inspect backflow prevention devices in GWMA and may issue water rights in a GMA for public water systems to offset the amount of water provided by abandoned wells. *IWRS Actions: 1.C, 10.G 11.E, and 12.A*

Effective 91st day sine die.

Senate Bill 162 – **Cannabis policy omnibus** - Authorizes destruction of hoop houses used in unlawful production of marijuana when executing a search warrant, expands agencies' access to a map of licensed marijuana and industrial hemp operations, including OWRD, removes proximity prohibitions for marijuana retailers near prekindergarten or kindergarten programs, and permits inspection of industrial hemp biomass.

Effective on Governor's Signature.

Senate Bill 347 – **Farm use land used for illegal growing of marijuana** – Disqualifies land from farm use special assessments upon a final civil penalty or judgment of conviction for the illegal growing of marijuana against the landowner or person in possession and control of the land. There is an exception for a landowner or other obligated taxpayer who lacked knowledge of the illegal growing of marijuana or notified a law enforcement agency of the illegal growing of marijuana.

Effective 91st day sine die.

Senate Bill 830 – **Onsite septic fund expansion** - Modifies provisions of the on-site septic system loan program to allow grants or other financial assistance, in addition to loans, to be provided to eligible applicants and extends eligibility to residential housing providers. *IWRS Actions: 7.A*

Effective 91st day sine die.

Senate Bill 845 – **Sale of water utilities** - Authorizes the Public Utilities Commission to order the sale of an incumbent water utility if it cannot reasonably be expected to provide safe and/or adequate service to customers and establishes conditions for acquisition approval. *IWRS Actions: 12.A*

Effective January 1, 2026.

Senate Bill 1189 – **North Santiam Basin public works** - Authorizes the construction and installation of a new publicly owned treatment works facility within the North Santiam Basin prior to the issuance of a DEQ water quality permit, provided construction begins between April 15 and June 6, 2025.

Effective on Governor's Signature.

Other Legislation

House Bill 2069 – **Tribal consultation task force** - Creates the 17-member Task Force on Tribal Consultation, which is established to identify and clarify the requirements of state agencies to engage in tribal consultation. The bill directs the Office of the Governor to provide staff for the support of the 2025 task force and includes a one-time General Fund appropriation of \$70,000 to support contract services and carry out the requirements of the task force. *IWRS Actions: 9.C Effective on Governor's Signature.*

House Bill 2347 – **Housing planning assistance to Tribes** - Authorizes DLCD to provide planning assistance for housing production to federally recognized Indian tribes. *Effective January 1, 2026.*

House Bill 2581 – **Expansion of duties of the State Resilience Officer** - Expands duties to include hazards more broadly, including but not limited to during and after earthquakes, tsunamis, wildfires, and flooding. It directs the SRO to lead statewide efforts to implement the Oregon Resilience Plan, Natural Hazard Mitigation Plan, and other state-adopted resilience plans, along with leading executive branch agencies in continuity of operations and government planning. *Effective January 1, 2026. IWRS Actions: 5.5B and 5.5C*

House Bill 3031 – **Housing Infrastructure Financing Program** - Directs the Oregon Infrastructure Finance Authority to establish a program to provide financial assistance for infrastructure projects that support housing development projects, including improvement of transportation, water, wastewater, or stormwater infrastructure, upgrades for system capacity and site development. *Effective on Governor's Signature. IWRS Actions: 7.A*

House Bill 3532 – **Addressing office geographic names** - Directs the Oregon Geographic Names Board executive secretary to compile a list of offensive geographic names in Oregon, consult with Oregon's nine federally recognized Indian tribes, county and municipal leaders, representatives of state government, local landowners, and interested parties, and submit proposals to the United States Board of Geographic Names to rename them. *Effective on Governor's Signature.*

House Bill 3569 – **Chief sponsor of legislation on rules advisory committees** – Requires an agency to invite the first chief sponsor, or another sponsor designated by the first chief sponsor, for legislation sponsored by a member, or committee chair or another member of the committee designated by the chair, for committee-sponsored legislation, to participate as a nonvoting rules advisory committee member if the agency appoints an advisory committee for rulemaking that implements enacted legislation. *Effective January 1, 2026.*

House Bill 5006

Lower Umatilla Basin Groundwater Management Area water contamination issues - \$4m GF

- Department of Human Services - \$2.5m GF
- Oregon Health Authority - \$1.5m GF

Juniper Removal - \$650k GF to Central Oregon Intergovernmental Council for dispersal to soil and water conservation districts for coordination, administrative support and monitoring and \$4.6m GF to soil and water conservation districts for western juniper removal to the following counties:

- \$1.23m Crook County
- \$715k Jefferson County
- \$585k Klamath County
- \$585k Deschutes County
- \$580k Harney County
- \$455k Lake County

Other Legislation

- \$455k Wheeler County

[Senate Bill 5531 / House Bill 5006](#)

Business Oregon Levee Project Grant Fund - \$10m OF

Business Oregon Direct Appropriations for water projects

- Portland Metro levee system improvements - \$20m OF
- Morrow County - \$2.86m OF - Clean Water Consortium Nitrate Water Project
- City of Estacada - \$5m OF - Estacada Wastewater Treatment Plant
- City of Sandy - \$5m OF - Sandy Clean Waters Project
- Oak Lodge Water Services Authority - \$3.3m OF - Inflow and Infiltration Reduction Program
- City of Eugene - \$6m OF - Clear Lake Road Economic Development Infrastructure
- South Suburban Sanitary District - \$10m OF - Waste Water Treatment Plant Upgrades
- City of Hubbard - \$2.36m OF - Wastewater Facilities Plan Projects Phase 1 and 2
- City of Burns - \$3m OF - Repair of drainage and wastewater treatment infrastructure
- City of John Day - \$5m OF - Wastewater Treatment Facility Construction
- City of Adair Village - \$4m OF - Wastewater Treatment Plant Improvements
- City of Sherwood - \$3.23m OF - Brookman Trunk Sewer Extension Project
- Confederated Tribes of Warm Springs - \$3m OF - Existing Drinking Water Treatment Plant's Filtration System
- Harney County - \$3m OF - Flooding Infrastructure Repair and Improvement
- City of Dundee - \$325k GF - 5th Street Water Line Upgrade
- City of Rainier - \$500k GF - Westside Sewer and Storm Line Rehabilitation
- City of Monmouth - \$1.4m GF - Recycled Water Use Site Development.
- City of Veneta - \$1.69m GF - Wastewater Treatment Plant Expansion Wetland Mitigation Credits
- City of Winston - \$947k GF - Abraham & Highway 42 Sewer Improvements
- City of Culver - \$380k GF - Mainline Sewer Reroute to Residential Development

Department of Administrative Services Direct Appropriations for water projects

- Union County Fair Association - \$2.5m OF - Water and wastewater improvements