

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2010 - 6**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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Date: June 8, 2023

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**Measure Description:**

Establishes programs related to water quality and drought.

**Government Unit(s) Affected:**

Board of Geologist Examiners, Counties, Department of Agriculture, Department of Fish and Wildlife, Department of Human Services, Department of Revenue, Higher Education Coordinating Commission, Oregon Business Development Department, Oregon Watershed Enhancement Board, Special Districts Association of Oregon, Water Resources Department, Board of Examiners for Engineering and Land Surveying, Cities, Department of Administrative Services, Department of Environmental Quality, Department of Forestry, Department of Land Conservation and Development, Department of State Lands, Legislative Policy and Research Office, Oregon Health Authority, Parks and Recreation Department

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Water Resources Department</b>		
General Fund	\$3,284,641	\$978,651
Other Funds*	\$2,000,000	\$0
<i>Total Funds</i>	\$5,284,641	\$978,651
<i>Positions</i>	7	5
<i>FTE</i>	5.08	5.50
<b>Oregon Watershed Enhancement Board</b>		
General Fund	\$1,324,989	\$77,940
Other Funds*	\$1,000,000	\$0
<i>Total Funds</i>	\$2,324,989	\$77,940
<i>Positions</i>	2	0
<i>FTE</i>	1.13	0.00
<b>Higher Education Coordinating Commission</b>		
General Fund	\$4,020,581	\$3,450,581
<i>Total Funds</i>	\$4,020,581	\$3,450,581
<i>Positions</i>	0	0
<i>FTE</i>	0.00	0.00
<b>Oregon Department of Agriculture</b>		
General Fund	\$269,762	\$259,740
<i>Total Funds</i>	\$269,762	\$259,740
<i>Positions</i>	1	1
<i>FTE</i>	0.88	1.00
<b>Department of Environmental Quality</b>		
General Fund	\$679,084	\$480,979
<i>Total Funds</i>	\$679,084	\$480,979
<i>Positions</i>	3	2
<i>FTE</i>	2.38	2.00
<b>Department of Administrative Services</b>		
General Fund	\$4,235,000	\$0
<i>Total Funds</i>	\$4,235,000	\$0
<i>Positions</i>	0	0
<i>FTE</i>	0.00	0.00
<b>Oregon Business Development Department</b>		
General Fund	\$3,271,188	\$0
Other Funds*	\$3,000,000	\$0
<i>Total Funds</i>	\$6,271,188	\$0
<i>Positions</i>	1	0
<i>FTE</i>	0.88	0.00
<b>Total Fiscal Impact</b>	<b>\$23,085,245</b>	<b>\$5,247,891</b>
<i>Total Positions</i>	14	8
<i>Total FTE</i>	10.35	8.50

\*Represents General Fund expended as Other Funds

**Analysis:**

HB 2010 - 6 includes numerous provisions related to water quality and drought. Portions of the measure with a fiscal impact are grouped by topic area and outlined in more detail below. The measure declares an emergency and takes effect on passage.

**Source Drinking Water Protection**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Oregon Watershed Enhancement Board</b>		
<b>General Fund</b>		
Personal Services	\$201,296	\$0
Services and Supplies	\$45,753	\$0
Special Payments	\$1,000,000	\$0
<b>Total General Fund</b>	<b>\$1,247,049</b>	<b>\$0</b>
<b>Other Funds*</b>		
Special Payments	\$1,000,000	\$0
<b>Total Other Funds</b>	<b>\$1,000,000</b>	<b>\$0</b>
<b>Total Fiscal Impact</b>	<b>\$2,247,049</b>	<b>\$0</b>
<i>Total Positions</i>	1	0
<i>Total FTE</i>	0.88	0.00

The measure directs the Oregon Watershed Enhancement Board (OWEB) to establish a program to provide grants of up to \$3 million to water suppliers to protect, restore, or enhance sources of drinking water. Grants can be used to acquire lands; enter into covenants, easements, or similar agreements; or to repay loans used to finance projects that protect, restore, or enhance lands for the benefit of a source of drinking water. OWEB is to report on the program to the interim committees of the Legislative Assembly related to water no later than April 1 of each even numbered year, with the first report submitted by April 1, 2025, other reporting requirements notwithstanding.

This measure establishes the Community Drinking Water Enhancement and Protection Fund with moneys in the fund continuously appropriated to OWEB for the purposes of carrying out this measure; and appropriates \$1 million to OWEB to deposit in the fund.

\$1 million General Fund is appropriated by this measure for grants. The agency requires \$247,049 for program administration. This grant program will be administered in the same way as other OWEB grants, with grantees paying initial costs out of pocket before being reimbursed by the agency; grants are likely to be administered under this program towards the end of the 2023-25 biennium.

The agency will need Other Funds expenditure limitation for distribution of General Fund moneys appropriated under this measure that will be expended as Other Funds, though the amount of Other Funds expenditure limitation necessary is unknown at this time. The measure includes \$1 million in limitation.

Administrative costs total \$247,049 General Fund and include one full-time Natural Resources Specialist 4 position (0.88 FTE in 2023-25) to oversee the grant program, and \$15,753 for position-related Services and Supplies, as well as \$30,000 for additional program costs such a legal services for rulemaking. This fiscal impact statement does not assume the same level of funding is appropriated in subsequent biennia so no costs are reflected in the table above for the 2025-27 biennium. Because grant administration is likely to continue into the 2025-27 biennium, OWEB will need to request additional position authority and funding as part of the 2025-27 budget development process.

The Legislative Fiscal Office (LFO) notes that it is not clear how many grants could be made given the funding available, and what the demand for these grants will be.

**Chewaucan River Watershed**

	2023-25 Biennium	2025-27 Biennium
<b>Higher Education Coordinating Commission</b>		
<b>General Fund</b>		
Special Payments	\$570,000	\$0
<b>Total General Fund</b>	\$570,000	\$0
<b>Total Fiscal Impact</b>	<b>\$570,000</b>	<b>\$0</b>
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

The measure directs the Oregon Consensus at Portland State University (PSU) and Oregon State University (OSU) to establish a collaborative process to develop a shared understanding of water management in the Chewaucan River watershed; and identify broadly supported actions related to the Chewaucan River watershed that will strive to meet water needs, address the ecological health of Lake Abert and the entire Chewaucan River watershed, and consider social, economic and environmental benefits and impacts. These portions of the measure are repealed June 30, 2025. The measure appropriates \$420,000 General Fund to the Higher Education Coordinating Commission (HECC) for distribution to PSU to carry out this work and award as grants and stipends to participants in the collaborative process; and \$150,000 General Fund to HECC to distribute to OSU.

Higher Education Coordinating Commission

The Higher Education Coordinating Commission (HECC) would distribute funds appropriated under this measure to OSU and PSU. There is a minimal fiscal impact for distribution of funds.

PSU would use the funds appropriated under this measure to support four positions in the 2023-25 biennium, including a Project Manager (0.25 FTE), Project Associate (0.30 FTE), Program Director (0.02 FTE) and an administrative support position (0.03 FTE), largely related to stakeholder facilitation work. In addition to the costs of these positions, \$220,000 would be used for a Senior Facilitator and participant stipends and expense reimbursements.

OSU would use the funds appropriated under this measure to support a Lead Professor specializing in transboundary water conflicts and conflict resolution (0.08 FTE), one Associate Professor (0.08 FTE) specializing in ecohydrology, watershed and riparian systems management, and two graduate students (totaling 0.49 FTE) to conduct research and collate data.

These positions are not included in the table above as the Legislature does not authorize positions within universities.

**Integrated Water Resource Strategy**

	2023-25 Biennium	2025-27 Biennium
<b>Oregon Watershed Enhancement Board</b>		
<b>General Fund</b>		
Personal Services	\$74,095	\$74,096
Services and Supplies	\$3,845	\$3,844
<b>Total General Fund</b>	\$77,940	\$77,940
<i>Total Funds</i>	\$77,940	\$77,940
<i>Positions</i>	1	0
<i>FTE</i>	0.25	0.00

The measure adds the Oregon Watershed Enhancement Board (OWEB) and the Oregon Department of Agriculture (ODA) to the list of agencies that the Water Resources Department (WRD) is to work with in developing an integrated state water resources strategy. ODA is also added to the list of agencies WRD is to work

with to develop data to forecast Oregon’s water needs. The topics the water resources strategy should describe is expanded, to include critical water issues at the state level and within basins; actions concerning water-related natural hazards; provisions to ensure public engagement, meaningful engagement with environmental justice communities, and partnerships with tribes and public bodies; how the integrated state water resources strategy will be implemented at multiple scales in a balanced, equitable and integrated manner; how to support implementation of priority actions recommended in other relevant state-developed or state-recognized plans or strategies; provisions to achieve interagency, federal agency, and neighbor state coordination; and processes for development and implementation of a biennial work plan. The strategy is to be updated at least every eight years. These provisions are operative on the first date after the effective date of the measure on which WRD adopts updates to the integrated state water resources strategy.

Water Resources Department

Further modifications to the integrated state water resources strategy are anticipated to require one permanent, full-time Program Analyst 4 to lead integrated state water resources strategy development, develop biennial progress reports and work plans, and coordinate with federal, tribal governments, legislators, and neighboring states. This position was included in the 2023-25 Legislative Fiscal Office recommended budget for the agency.

Oregon Watershed Enhancement Board

OWEB anticipates that the agency may need 0.25 FTE of an Operations and Policy Analyst 4 position to assist with development of the integrated state water resources strategy, as OWEB is newly named as a cooperating state agency. OWEB would use an existing position to perform this work but would need General Fund to match Federal Funds used to pay for position costs. Total costs of this position are estimated at \$77,940 General Fund, which includes \$74,095 in personal services and the remainder in services and supplies.

**Agricultural Water Technical Assistance**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Higher Education Coordinating Commission</b>		
<b>General Fund</b>		
Special Payments	\$3,085,581	\$3,085,581
<b>Total General Fund</b>	<b>\$3,085,581</b>	<b>\$3,085,581</b>
<b>Total Fiscal Impact</b>	<b>\$3,085,581</b>	<b>\$3,085,581</b>
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

The measure directs the Oregon State University (OSU) Extension Service and the OSU Agricultural Experiment Station to jointly establish a voluntary and incentive-based agricultural water management technical assistance program. This may include:

- Staffing of agricultural water management specialists in different regions of the state to build relationships with water and land managers and develop research-based water management programs.
- Connecting agricultural producers to resources to improve water management practices and outcomes.
- Creating a voluntary demonstration network of agricultural producers.
- Organizing workshops and tours.
- Establishing and maintaining or supporting publicly available weather and irrigation information systems.
- Contracting with an organization that provides publicly accessible satellite-based evapotranspiration data, in consultation with the Water Resources Department (WRD).
- Partnering with agricultural producers and other subject matter experts on use of tools, accuracy of data, and best management practices.
- Performing and publishing research related to agricultural water management.
- Developing and updating Oregon-specific guides, manuals and other resources, with a focus on resources that will increase the likelihood of securing federal funding and assistance and increase the effective delivery of desired outcomes.

- Providing technical assistance to small farmers or ranchers to access state and federal assistance programs.

OSU Extension Service and the OSU Agricultural Experiment Station may acquire and maintain equipment for the collection of data, and form partnerships with agricultural producers to site data collection equipment and use the data collected in on-farm management practices. They may also form partnerships and enter into cost sharing agreements with institutions capable of maintaining data collection equipment and processing data, and convene advisory or work groups. OSU Extension Service and the OSU Agricultural Experiment Station are to prepare an annual report describing climate-related impacts on agricultural producers, including, but not limited to, flood and drought impacts, and recommendations to increase agricultural resilience; and submit the report to the interim committees of the Legislative Assembly related to agriculture no later than September 15 of each year. They are also to jointly report on the progress of the technical assistance program to the interim committees of the Legislative Assembly related to agriculture by September 15 of each even-numbered year.

Oregon State University

OSU costs are anticipated to total \$3.1 million in the 2023-25 biennium which includes:

- \$1.4 million for eight positions, including six Faculty Research Assistants to provide data collection and training workshops, and to prepare the annual report on climate impacts on agricultural producers; and two Professors of Practice to coordinate this work in Eastern and Western Oregon. Positions are not included in the table above as the Legislature does not authorize positions within universities.
- \$550,000 to contract for evapotranspiration and weather data.
- An estimated \$200,000 for farmer incentives.
- Approximately \$210,000 for travel costs.
- \$362,209 for indirect costs. OSU defines indirect costs as facilities and administrative costs including the cost of work space and laboratory maintenance, computer services, energy and utilities expenses, safety and security costs, and other federally mandated expenses for conducting research programs.
- \$400,000 for other equipment and contracting costs.

**Place Based Planning**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Water Resources Department</b>		
General Fund	\$2,169,166	\$218,046
Other Funds*	\$2,000,000	\$0
<i>Total Funds</i>	\$4,169,166	\$218,046
<i>Positions</i>	1	1
<i>FTE</i>	0.75	1.00
<b>Oregon Department of Agriculture</b>		
General Fund	\$269,762	\$259,740
<i>Total Funds</i>	\$269,762	\$259,740
<i>Positions</i>	1	1
<i>FTE</i>	0.88	1.00
<b>Department of Environmental Quality</b>		
General Fund	\$387,200	\$480,979
<i>Total Funds</i>	\$387,200	\$480,979
<i>Positions</i>	2	2
<i>FTE</i>	1.50	2.00
<b>Total Fiscal Impact</b>	<b>\$4,826,128</b>	<b>\$958,765</b>
<i>Total Positions</i>	4	4
<i>Total FTE</i>	3.13	4.00

\*Represents General Fund expended as Other Funds

The measure establishes the Place-Based Water Planning Fund, which is continuously appropriated to the Water Resources Department (WRD). WRD may use funds to award grants to fund the costs of actions supporting place-based integrated water resources planning, or be used by WRD to further place-based integrated water resources planning by entering into agreements or contracting for certain efforts. The measure appropriates \$2 million General Fund for deposit in the fund.

The measure requires that before issuing funding, WRD is to consult with the Department of Environmental Quality (DEQ), Oregon Department of Fish and Wildlife (ODFW), Department of Land Conservation and Development, Oregon Health Authority, Oregon Watershed Enhancement Board, and Oregon Department of Agriculture (ODA) to understand agency capacity to participate in place-based integrated water resources planning. These agencies are also to be consulted when WRD is conducting rulemaking, and are to provide information and assistance to, and enter into contracts or agreements with, a person, public body, Indian tribe or nonprofit organization to facilitate implementation.

#### Water Resources Department

In addition to the \$2 million General Fund appropriated for this program (as well as \$2 million in Other Funds expenditure limitation needed to expend this General Fund once deposited in the Fund), WRD administrative costs are anticipated to total \$169,166 General Fund in the 2023-25 biennium and \$218,046 in the 2025-27 biennium. The agency would hire one permanent, full-time Natural Resource Specialist 2 position (0.75 FTE in 2023-25 and 1.00 FTE in 2025-27) to provide place-based planning grant support and support of other grant programs, at a cost of \$138,583 for personal services and \$30,583 for services and supplies in the 2023-25 biennium. WRD also indicated the need for a Natural Resource Specialist 4 position to serve as a planning coordinator. This position is included in the 2023-25 Legislative Fiscal Office recommended budget for the agency.

#### Oregon Department of Agriculture

ODA will likely need one permanent, full-time Natural Resource Specialist 4 (0.88 FTE in 2023-25 and 1.00 FTE in 2025-27) for support of place-based planning, as well as work related to other sections of this measure. Total costs are estimated at \$269,762 General Fund in the 2023-25 biennium and \$259,740 in the 2025-27 biennium. Costs in 2023-25 include \$203,516 for personal services, \$31,246 for position-related services and supplies, and a one-time capital outlay cost of \$35,000 General Fund for a vehicle.

#### Department of Environmental Quality

DEQ would hire two new permanent, full-time Natural Resource Specialist 3 positions (each 0.75 FTE in 2023-25 and 1.00 FTE in 2025-27) to support place-based planning projects. Total costs for these positions are estimated at \$387,200 General Fund in the 2023-25 biennium, which includes \$310,200 for personal services and \$77,000 for services and supplies; and \$480,979 in the 2025-27 biennium.

## Water Reuse and Recycling

	2023-25 Biennium	2025-27 Biennium
<b>Department of Environmental Quality</b>		
<b>General Fund</b>		
Personal Services	\$203,384	\$0
Services and Supplies	\$88,500	\$0
<b>Total General Fund</b>	\$291,884	\$0
<i>Total Funds</i>	\$291,884	\$0
<i>Positions</i>	1	0
<i>FTE</i>	0.88	0.00
<b>Water Resources Department</b>		
<b>General Fund</b>		
Personal Services	\$100,000	\$0
<b>Total General Fund</b>	\$100,000	\$0
<i>Total Funds</i>	\$100,000	\$0
<i>Positions</i>	1	
<i>FTE</i>	0.33	
Total General Fund	\$391,884	\$0
<b>Total Fiscal Impact</b>	<b>\$391,884</b>	<b>\$0</b>
<i>Total Positions</i>	2	0
<i>Total FTE</i>	1.21	0.00

The measure directs the Department of Environmental Quality (DEQ), in consultation with the Water Resources Department (WRD), to address barriers to, and develop technical assistance resources to support, expanded beneficial water reuse or recycled water programs and projects. DEQ is to submit a progress report on the resources developed to the interim committees of the Legislative Assembly related to water no later than December 31, 2023; and a final report which includes completed resources developed, to the interim committees of the Legislative Assembly related to water no later than September 15, 2024. This portion of the measure sunsets on January 2, 2025.

### Department of Environmental Quality

Estimated costs for DEQ total \$291,884 General Fund. To implement this measure, DEQ would hire one limited duration Natural Resource Specialist 4 (0.88 FTE) to support project management, policy evaluation, stakeholder engagement and coordination, and to develop recommendations and draft the required reports. Total costs of the position are estimated at \$203,384 for personal services and \$88,500 for services and supplies.

Additional costs for DEQ are an estimated \$50,000 General Fund to contract for outreach and guidance materials that will support local communities considering water reuse projects to navigate permitting options.

DEQ notes that there may be work after the report is completed and sent to the Legislature, including work around distribution of guidance materials and outreach, which is why the Natural Resource Specialist 4 position is priced under the assumption that the position will be hired around October 2023 and phase out in June 2025.

### Water Resources Department

The measure appropriates \$100,000 to WRD to consult on the work required by DEQ under this measure.

It is not clear to what extent WRD would need to provide assistance to DEQ for this work. WRD notes that currently less than 0.1 FTE works on reclaimed municipal water use registration. WRD may need to use funding provided under this measure to hire temporary staff to participate in research, creation of materials, and review



of regulations; the agency anticipates that this funding would be sufficient to hire a limited-duration, part-time Operations and Policy Analyst 3 for 14 months, until this portion of the measure sunsets.

**Small Community Water Systems**

	2023-25 Biennium	2025-27 Biennium
<b>Department of Administrative Services</b>		
<b>General Fund</b>		
Special Payments	\$1,000,000	\$0
<b>Total Fiscal Impact</b>	<b>\$1,000,000</b>	<b>\$0</b>
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

The measure appropriates \$1,000,000 General Fund to the Department of Administrative Services (DAS) for the 2023-25 biennium to contract with the Oregon Association of Water Utilities to:

- Perform or subcontract to perform a study of the vulnerabilities and needs of small and very small community systems.
- Provide technical, financial, and managerial support and resources to small and very small community water systems.
- Hire and employ one training specialist and two technical assistance providers to address the identified needs and vulnerabilities.

The Oregon Association of Water Utilities is to report to the interim committees of the Legislative Assembly related to water by December 31, 2024.

**Water Supply Development Account Grant Frequency & Water Well Abandonment, Repair and Replacement Fund Program Changes**

	2023-25 Biennium	2025-27 Biennium
<b>Water Resources Department</b>		
<b>General Fund</b>		
Personal Services	\$655,077	\$655,077
Services and Supplies	\$105,528	\$105,528
<b>Total General Fund</b>	<b>\$760,605</b>	<b>\$760,605</b>
<b>Total Fiscal Impact</b>	<b>\$760,605</b>	<b>\$760,605</b>
<i>Total Positions</i>	4	4
<i>Total FTE</i>	3.50	3.50

The measure directs the Water Resources Commission to make grant and loan funding decisions for awards from the Water Supply Development Account at least twice per year, instead of once per year. Applications that pass preliminary review are forwarded to a technical review team with representatives from the Water Resources Department (WRD), Oregon Department of Fish and Wildlife (ODFW), Oregon Business Development Department (OBDD), Department of Environmental Quality (DEQ), and Oregon Department of Agriculture (ODA).

Adding additional grant funding cycles will increase the administrative work done by WRD, including review of applications, coordination of the review team, preparation of materials, and development and administration of grant agreements. Included here are the positions that would perform this work, as well any additional work related to expansion of qualification for funding from the Water Well Abandonment, Repair and Replacement Fund outlined in section 5 of this measure, and any additional grant-related administration needed under this measure. WRD would hire three permanent, full-time positions (all 1.00 FTE), including a Program Analyst 4 to perform increased work related to additional grant cycles. The agency would also hire one Accountant 1 position and one Accounting Technician position to process and finalize grant agreements and distribute and track funds.

In addition to these positions, the agency would hire one permanent, part-time Administrative Specialist 2 (0.50 FTE in 2023-25 and 2025-27) to perform work related to the Water Well Abandonment, Repair and Replacement Fund.

The budget bill for the Water Resources Department also included a Program Analyst 4 position to support grant programs agencywide.

**Aquifer Recharge Due Diligence Grant Program**

	2023-25 Biennium	2025-27 Biennium
<b>Oregon Business Development Department</b>		
<b>General Fund</b>		
Personal Services	\$211,730	\$0
Services and Supplies	\$59,458	\$0
Special Payments	\$3,000,000	\$0
<b>Total General Fund</b>	<b>\$3,271,188</b>	<b>\$0</b>
<b>Other Funds*</b>		
Special Payments	\$3,000,000	
<b>Total Other Funds</b>	<b>\$3,000,000</b>	<b>\$0</b>
<b>Total Fiscal Impact</b>	<b>\$6,271,188</b>	<b>\$0</b>
<i>Total Positions</i>	1	0
<i>Total FTE</i>	0.88	0.00

*\*Represents General Fund expended as Other Funds*

This measure directs the Oregon Business Development Department (OBDD) to establish and administer the Aquifer Recharge Due Diligence Grant Program. Grants may be awarded to perform certain due diligence activities related to aquifer recharge, and aquifer storage and recovery. The measure also directs OBDD to establish and administer an Aquifer Recharge Testing Forgivable Loan Program for certain costs associated with aquifer recharge, storage, and recovery testing. Grant and loan funded activities must be at least partially in basins or aquifers where waters have been restricted in use and quantity of use as classified by the Water Resources Commission, withdrawn from further groundwater appropriation, or designated as critical. Various public bodies may apply for funding, including municipalities, port districts, tribal governments, cities, and counties.

Projects qualifying for loans require a valid limited license to conduct aquifer recharge testing, storage, and recovery testing issued by the Water Resources Department (WRD). Loans may be made in the principal amount equal to 100% of the costs set forth in the application for that license over a period, not to exceed five years, of the limited license issued by the WRD. Loan forgiveness is predicated on the completion of activities for which loans were made and documentation that 100% of the water placed in recharge went into the available waters of the state. Loan amounts and interest are to be credited to the Aquifer Recharge Fund.

OBDD and recipients of funding are to report on these programs to the interim committees of the Legislative Assembly related to water by September 15 of each year. The measure also establishes the Aquifer Recharge Fund, which is continuously appropriated to OBDD for use of the Oregon Infrastructure Finance Authority to carry out this work. These programs are repealed January 2, 2032, an all money remaining in the Aquifer Recharge Fund at that time are to be transferred to the Administrative Services Economic Development Fund.

The measure appropriates \$3 million General Fund for deposit in the Aquifer Recharge Fund. The measure also provides Other Funds expenditure limitation to expend this General Fund as Other Funds. This fiscal impact statement assumes that this is a one-time appropriation, and the same amount will not be appropriated in subsequent biennia.

OBDD costs are estimated at \$271,188 in the 2023-25 biennium. Funding would be used to hire one limited duration, full-time Program Analyst 3 (0.88 FTE in 2023-25) to develop and implement program policies, act as the program lead, administer the program and coordinate the technical review. Additional costs include position-related services and supplies and legal costs for program implementation. There may be significant additional direct and indirect costs associated with the program including, at a minimum, agency administrative support, professional services, state agency coordination, and legal costs associated with civil actions for collections.

**Juniper Removal Program**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Department of Administrative Services</b>		
<b>General Fund</b>		
Special Payments	\$2,235,000	\$0
<b>Total General Fund</b>	<b>\$2,235,000</b>	<b>\$0</b>
<i>Total Funds</i>	\$2,235,000	\$0
<i>Positions</i>	0	0
<i>FTE</i>	0.00	0.00
<b>Higher Education Coordinating Commission</b>		
<b>General Fund</b>		
Special Payments	\$365,000	\$365,000
<b>Total General Fund</b>	<b>\$365,000</b>	<b>\$365,000</b>
<i>Total Funds</i>	\$365,000	\$365,000
<i>Positions</i>	0	0
<i>FTE</i>	0.00	0.00
Total General Fund	\$2,600,000	\$365,000
<b>Total Fiscal Impact</b>	<b>\$2,600,000</b>	<b>\$365,000</b>
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

The measure directs the Department of Administrative Services (DAS) to provide grants to soil and water conservation districts and counties for treatment of western juniper. Eight percent of grant funds may be used for grant recipient administrative costs. Grant applicants may consult with Oregon State University (OSU) or local governments to identify treatment areas; must work with OSU to track and monitor the effects of the program, and must report to OSU at two and five years after receiving a grant; must provide quarterly and annual reports to DAS; and must work with a local workforce development board or other organizations to create or expand an existing workforce program that provides services to individuals performing western juniper treatment. OSU is to work with grant recipients to establish monitoring areas in central Oregon, Harney County, and Klamath County with certain types of monitoring occurring for at least five years.

DAS is to provide a grant to an organization formed pursuant to an intergovernmental agreement that will coordinate grant recipient activities, and coordinate efforts to identify and apply for funding for western juniper treatment or other water conservation projects. The measure appropriates \$85,000 General Fund to DAS for this grant.

The measure also appropriates to DAS specific amounts to provide as grants to soil and water conservation districts in the following counties, which are to be provided no later than 60 days after the effective date of the measure:

- \$850,000 for Crook County
- \$325,000 for Jefferson County
- \$125,000 for Klamath County
- \$125,000 for Deschutes County

- \$300,000 for Harney County
- \$125,000 for Lake County
- \$300,000 for Wheeler County

Finally, the measure appropriates \$365,000 to the Higher Education Coordinating Commission (HECC) for distribution to OSU to carry out section 35 of the measure. Funds are not appropriated to OSU for work on establishing monitoring areas under section 36 of the measure.

Department of Administrative Services

DAS anticipates that costs for distribution of grant funds can be absorbed using existing resources.

Oregon State University

The measure permits grant applicants to consult with OSU, local governments, and conservation organizations to identify areas where treatment of western juniper will provide the greatest benefit to water resources and ecological health. The measure appropriates \$365,000 to OSU to support this work. This funding amount assumes that the grant recipients are responsible for the requirements in sections 35 and 36, and may contract with OSU to serve as consultants.

Any funding for OSU can likely be phased out in the 2027-29 biennium, when five years of monitoring is completed, though that is beyond the four-year scope of this fiscal impact statement.

**Voluntary Ground Water Agreements**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Water Resources Department</b>		
<b>General Fund</b>		
Personal Services	\$125,895	\$0
Services and Supplies	\$128,975	\$0
<b>Total General Fund</b>	<b>\$254,870</b>	<b>\$0</b>
<b>Total Fiscal Impact</b>	<b>\$254,870</b>	<b>\$0</b>
<i>Total Positions</i>	1	0
<i>Total FTE</i>	0.50	0.00

The measure appropriates General Fund to the Water Resources Department (WRD) to fund a staff position or to contract with an entity to advise ground water stakeholders regarding voluntary agreements among ground water users from the same ground water reservoir in the Greater Harney Valley Groundwater Area of Concern.

WRD’s fiscal impact is estimated to total \$254,870 General Fund in the 2023-25 biennium. Because this measure provides funding on a one-time basis and does not establish an ongoing program, this fiscal impact statement assumes that costs will only be incurred in the 2023-25 biennium.

WRD believes that the measure would require the addition of one part-time Natural Resource Specialist 5 position (0.50 FTE) to work on rulemaking related to voluntary agreements, evaluate agreement proposals, and work with those involved in the voluntary agreements. Costs include \$125,895 for personal services, \$28,975 in position-related services and supplies, and \$100,000 for Department of Justice costs for review of agreements, based on WRD’s previous experience negotiating water agreements and contract review.

**High Desert Partnership Projects**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Department of Administrative Services</b>		
<b>General Fund</b>		
Special Payments	\$1,000,000	\$0
<b>Total General Fund</b>	\$1,000,000	\$0
<b>Total Fiscal Impact</b>	<b>\$1,000,000</b>	<b>\$0</b>
<i>Total Positions</i>	0	0
<i>Total FTE</i>	0.00	0.00

The measure appropriates \$1 million General Fund to the Department of Administrative Services (DAS) to distribute to the High Desert Partnership. Funds are to be used to design and implement projects on the Silvies River Floodplain, Donner und Blitzen River Floodplain, Malheur Lake, and in the Malheur National Wildlife Refuge that restore or maintain wet meadow, wetland, and lake conditions. Funds are also be used for research, public engagement, and support of collaborative partnerships related to these projects.