



## AGENDA ITEM SUMMARY

### BACKGROUND

The Oregon Department of Fish and Wildlife must submit its 2027-29 Agency Request Budget (ARB) to the Governor by August 31, 2026. The ARB describes the finances for the department for the 24-month period from July 1, 2027, through June 30, 2029. The Commission is required to review the agency's requested budget before it is submitted.

The budget documentation that must be submitted to the Governor and the Department of Administrative Services (DAS) is highly detailed, large in size, and cannot be finalized until several technical audit processes have been completed. The information presented to the Commission summarizes this detailed budget (Attachment 2), proposed new investments (called Policy Option Packages, POPs, Attachment 3), statutorily required budget reduction options (Attachment 4), and required list of program priorities (Attachment 5).

The proposed ARB reflects the department's intentional approach to:

- Advancing the resiliency of species, lands and waters consistent with the Governor's Executive Order 25-26,
- Anticipating climate impacts and implementing landscape-scale, forward thinking solutions,
- Building on working lands partnerships,
- Serving all who live and recreate in Oregon,
- Leveraging existing frameworks and plans for success, and
- Remaining grounded in collaboration.

Note that all figures included in this exhibit and documents are preliminary, as some adjustments may still be necessary to ensure consistent application of statewide budget instructions and ensure accuracy with expected costs of programs and positions.

Once submitted to the Governor, the Governor will use the ARB as a starting point for developing the Governor's Recommended Budget. The Governor's Recommended Budget will be submitted to the Legislature for their consideration in developing the Legislatively Adopted Budget. The Legislature sets the final budget for the State.

### PUBLIC INVOLVEMENT

The department relies heavily on public input in developing its proposed budget each biennium. For the 2027-29 budget development, the department hosted two open house meetings. Both were hybrid meetings that allowed for interaction in person and submittal of questions or comments by virtual participants. A press release was developed for both meetings, and members

of the former External Budget Advisory Committee, interested parties, and stakeholders on the Conservation Leaders email list were sent notices of each meeting.

Recordings and materials for each open house were posted following the meeting and available on the agency's [Budget web page](#). At these meetings the department provided expenditure and revenue information, budget instructions from the DAS Chief Financial Officer (CFO) and Governor's Office, and its proposed strategies for building the 2027-29 Agency Request Budget, including the use of new revenue through HB 4134 (2026 Legislative Session).

The department set up an online form to allow the public to ask questions and provide comments on the 2027-29 ARB. The comments received through the online form are summarized in Attachment 6. In addition to the open house gatherings, the Director's Office and the Fish, Wildlife, and Habitat Divisions reached out directly to many stakeholder representatives to discuss the agency request budget development. Other materials (letters, emails, etc.) received during the public engagement period are compiled in Attachment 6 as well. Since May 29 the public has been asked to direct comments through the Commission agenda item comment form, and these submissions are also included in Attachment 6.

To date, the agency received positive support for most items in the ARB, including new investments from HB 4134. With respect to POP 101, there were numerous concerns raised regarding use of Transient Lodging tax dollars to pay for hatchery salmon production for Southern Resident Orcas. The draft provided in Attachment 3 does not include that expenditure and the Department is exploring other options for funding that work. Multiple comments were received, some in favor of, and some opposed to, POP 117 Sustainable Hatchery Capacity in the Umpqua Basin package, which includes insurance proceeds to rebuild a portion of Rock Creek Hatchery which was lost in the 2020 wildfires.

## **ISSUE**

Approval of ODFW's proposed 2027-29 Agency Request Budget

## **BUILDING THE 2027-29 BUDGET REQUEST**

### **SUMMARY OF THE 2027-29 REQUEST**

Attachment 2 summarizes the total revenues and expenditures proposed in the 2027-29 Agency Request Budget. Overall, the 2027-29 ARB is \$835.7 million. The ARB carries forward existing permanent programs in the base budget.

The proposed budget is \$224.9 million higher than 2025-27 biennium funding levels. This increase is primarily due to several capital construction POPs totaling \$129.5 million:

- One-time packages for priority infrastructure projects that include the department’s investment in hatchery infrastructure resilience and office infrastructure by use of general obligation bonds (\$45 million including debt service),
- One-time costs associated with rebuilding sustainable hatchery capacity in the Umpqua Basin (\$70 million),
- One time funding from the Yurok Tribe to increase capacity at the Klamath Hatchery (\$5.5 million), and
- Continued use of lottery revenue bonds for fish passage infrastructure (\$9 million).

The increase also includes investment of new funding from the passage of HB 4134 (\$65 million).

The increase also includes adjustments to current service levels to reflect inflation on personal services and services and supplies set by DAS and changes in government service charges set by DAS, Department of Justice, and the Secretary of State.

The 2027-29 ARB phases out one-time investments made by the Legislature, most notably the \$10 million in General Fund for the Private Forest Accord Grant Program. It also includes adjustments that were made during the 2026 Legislative Session, such as the transfer of \$3.1 million of Anti-Poaching General Fund from ODFW’s budget to the Oregon State Police’s (OSP) budget. These funds had previously been allotted to ODFW to pass through to OSP for anti-poaching enforcement, but now go directly to OSP.

## **REVENUE FORECASTS & RELATED POLICY OPTION PACKAGES**

The proposed 2027-29 ARB includes 18 policy option packages. The department must include POPs for any proposed enhancements to its base budget and to cover fund shifts between fund types. Inclusion of these packages is subject to guidance from the Governor’s Office and DAS CFO and available revenues. Attachment 3 provides a list of the POPs, along with detailed narratives describing each request. The following provides the revenue outlook and associated POPs for each major fund type.

### **General Fund and Lottery Fund**

Revenue Outlook: State economic forecasts indicate that General Fund and Lottery Fund revenues are balanced with projected state expenditures, but margins are small with limited opportunities for new investments for those fund types.

Policy Option Packages: Given this outlook, the Governor’s Office and DAS CFO required that all general fund and lottery fund requests be self-funded (i.e., to invest in something new agencies much cut existing GF or LF programs)

Thus, there are no proposed General Fund or Lottery Fund POPs in this ARB, except for Debt Service requests associated with bond funding packages, which are exempt from the self-funded requirement (See POPs 112 and 114).

## **Other Funds**

Revenue Outlook: Other Funds - License: Forecasts show that Other Fund - License Fund balances should remain stable through the 2029-31 biennium. This stability is partly due to passage of House Bill (HB) 2342 from the 2025 Legislative Session, which incrementally adjusted fees for certain recreational and commercial licenses, tags and permits in 2026, 2028, and 2030. At the same time, the department strategically reduced license funded programs by \$8.5 million in the 2025-27 budget. The combination of incremental fee adjustments and license fund reductions balances license fund expenditures with expected revenues through 2031.

Policy Option Packages – Other Fund License: While projected license fund expenditures and revenues are balanced, this also means that there are limited opportunities for new investments for license funds in the 2027-29 proposed budget. There is only one package included in the proposed budget using license funds. POP 118 utilizes license fund revenues to fund costs associated with hatchery resiliency and agency infrastructure capital bonding projects that are not eligible to be paid with bond funds (See related POP 111 and POP 113). This funding is needed to successfully implement priority bond funded projects without major impacts to existing program budgets.

Revenue Outlook: Other Funds – Dedicated Shellfish: Fee increases to the recreational shellfish license in 2026 are expected to produce an additional \$1.4 to \$2.3 million in the next two biennia. Further, the Dedicated Shellfish sub-account is at sufficient levels, coupled with the additional expected revenue, to support some additional investment in the Recreational Shellfish Program.

Policy Option Packages: Other Funds – Dedicated Shellfish: Given this forecast, the department is proposing POP 105 Recreational Shellfish Surveys and Public Outreach. This package will support enhanced stock assessments, estuarine habitat surveys, and improved public outreach.

Revenue Outlook: Other Funds - HB 4134: During the 2026 Legislative Session, HB 4134 was passed by the Legislature, a historic bill to provide dedicated funding for wildlife conservation. The bill increased the Transient Lodging Tax (TLT) for overnight stays by 1.25%, allocating portions of the tax to the following Department programs and with the following projected revenues:

<b>Allocation</b>	<b>Percent TLT</b>	<b>2027-29 Forecasted Other Fund – HB 4134 Revenue</b>
Recovering Oregon’s Wildlife Fund	0.9%	\$55.7 million
Oregon Conservation and Recreation Fund	0.05%	\$3.1 million
Wildlife Connectivity	0.05%	\$3.1 million
Wildlife Stewardship	0.02%	\$1.2 million

Policy Option Packages: Other Funds – HB4134: POP 101, 102, 103, and 104 are Other Fund requests to utilize funding received from the passage of HB 4134:

- POP 101 Recovering Oregon’s Wildlife supports implementation of the State Wildlife Action Plan so that Oregon’s at-risk species and their ecosystems can thrive;
- POP 102 Wildlife Stewardship helps Oregon communities thrive alongside wildlife—reducing conflict, strengthening public safety, and fostering shared stewardship.
- POP 103 Wildlife Connectivity supports actions to enhance connectivity of landscapes so species can fulfill their life history needs; and
- POP 104 Oregon Conservation and Recreation Fund supports projects that protect and enhance the species and habitats identified in the State Wildlife Action Plan and create new opportunities for wildlife watching, urban conservation, community science, and other wildlife-associated recreation;

Policy Option Packages: Other Funds – Miscellaneous: Additional Other Fund packages are included to support the following:

- POP 105, 106, and 107 utilize existing other fund revenues to support targeted species resiliency efforts throughout the state.
- POP 108 utilizes other fund revenues from the Eugene Water Electric Board and federal funds from the United States Army Corps of Engineers to fund a position that will fulfill contractual requirements for trap and haul of Chinook salmon and bull trout at hydroelectric facilities in the Mckenzie River Basin.
- POP 109 is a continuation of the Aquatic Invasive Species program and utilizes existing resources and a small amount of federal revenue to create a new position in the Aquatic Invasive Species Program.
- POP 110 utilizes revenues from the new Sauvie Island Beaches Parking Permit to implement the seasonal Sauvie Island Wildlife Area Parking Program.

Revenue Outlook: Federal Funds: Finally, for Federal Funds, the department’s base federal funding remains stable, though some uncertainty remains, and opportunities to leverage new federal funds are reduced compared to previous biennia.

### Policy Option Packages: Federal Funds

- POP 108, 109, and 117 utilize federal funds in combination with other funds. Descriptions of these POPs are covered in the Other Funds and Capital Construction sections of this summary.

## **CAPITAL CONSTRUCTION**

In addition to setting agency budgets, the State Legislature allocates the use of general obligation bonds for capital construction. These packages utilize proceeds from the sale of bonds and are paid back with the general funds (general obligation bonds) and lottery funds (lottery revenue bonds). The department has developed a number of requests to address priority agency and state infrastructure needs.

- POPs 111, 112, 113, and 114 are General Obligation Bond Requests for hatchery resiliency, deferred maintenance, and agency office infrastructure. These packages utilize bond sale proceeds (other fund) which are paid back with General Fund revenues over a period of 10 years and are not subject to the budget neutral general fund requirement. Expenditure of the \$30M in obligation bonds for POP 111 will be informed by the Hatchery Resiliency Study that was completed in 2025. Debt service requests for General Obligation bonds are included in POPs 112 and 114.
- POP 115 utilizes one time funding from the Yurok Tribe to fund construction of new raceways at the Klamath Hatchery that will be used to expand capacity at the hatchery and help to support anadromous reintroduction efforts in the Klamath Basin. The project is consistent with the Implementation Plan for the Reintroduction of Anadromous Fishes into the Oregon Portion of the Upper Klamath Basin (Reintroduction Plan) adopted by ODFW and the Klamath Tribes in 2021.
- POP 116 is a request to utilize Lottery Revenue Bonds for the implementation of priority fish screening and passage construction projects. This request builds upon a previous successful request that was approved in the 2023 Legislative Session to fund priority fish screening and passage infrastructure projects with Lottery Revenue Bonds.
- POP 117 utilizes one-time investments from insurance funds and the Federal Emergency Management Administration (FEMA) to rebuild hatchery capacity in the Umpqua Basin that was lost when Rock Creek Hatchery burned down in 2020. This package also provides funding for continued operation of Rock Creek Hatchery in its current limited capacity, while construction occurs for a partial rebuild of Rock Creek Hatchery and for a new facility in the South Umpqua that will be co-managed by the Cow Creek Band of Umpqua Tribe of Indians.

## **REDUCTION OPTIONS**

All agencies must submit 10 percent reduction options across all fund types as required by law. The reduction lists are based on current service level estimates. Consistent with prior budget proposals, the department's reduction targets for 2027-29 are prorated across divisions based on funding. The list is provided in Attachment 4.

The department is not proposing to cut the programs on this list, rather the list is required by the Legislature in order to identify options for reductions if the state's available revenues are less than projected.

This list is most relevant to programs funded by General Funds and Lottery Funds, which are limited at the state level. The department utilized a multi-pronged approach to develop and prioritize these reduction options, with a focus on utilizing services and supply funds where possible and minimizing potential impacts to positions and core operations. However, as shown in the Reduction Options List, any of the reductions would negatively impact the agency's ability to implement its mission and its service to Oregonians.

Given restrictions on Other Funds and Federal Funds as well as revenue outlook for those funds it is unlikely that any of these reductions would occur. For these programs, the department identified 10% reduction across each program for simplicity.

## **PROGRAM PRIORITIES**

As part of its ARB, each agency must prioritize its current programs. This prioritization is for the department's Current Service Level budget and does not include POP requests.

This exercise is required and is awkward since "programs" are defined by budget category and not aligned with the actual programs within the department. "Programs" at the budget category in the state system can encompass many different areas of work for the department. Attachment 5 provides a ranking of programs for the department. This prioritization has not changed substantially from prior biennia.

## **OPTIONS**

1. Approve the department's 2027-29 Agency Request Budget.
2. Amend and approve the department's 2027-29 Agency Request Budget.
3. Reject the department's 2027-29 Agency Request Budget.

## **STAFF RECOMMENDATION**

1. Approve the department's 2027-29 Agency Request Budget.

### **DRAFT MOTION:**

I move to approve the department's 2027-29 Agency Request Budget, with recognition that further adjustments could be made by the department based on DAS Chief Financial Office or Governor's Office guidance, or as budgetary estimates are refined.