



## LEGISLATIVE WATER CAUCUS

Joint Committee on Ways and Means  
Oregon State Capitol  
900 Court Street NE  
Salem, Oregon 97301

Co-Chairs Lieber and Sanchez; Vice-Chairs Girod, Gomberg, and Smith; and members of the Joint Committee on Ways and Means:

February 3, 2026

We are writing to convey Water Caucus principles and priorities as it relates to water-related budget reductions for the 2026 legislative session. Thank you for taking the time to consider our perspective as you weigh the many different interests and priorities of Oregonians in maintaining a balanced budget.

Firstly, we would like to express strong support for the proposed reductions put forward by the co-chairs of the Natural Resources Subcommittee of Joint Ways and Means as the starting point. Senator Neron Misslin and Representative Levy have very thoughtfully balanced the proposed reductions put forth by the agencies with broad input from their colleagues and stakeholders along with their knowledge of the needs of these agencies and the Oregonians they serve. We trust that their proposals minimize reductions to water and natural resources in a way that would protect public health and safety and ensure continued effectiveness of programs necessary for achieving long-term water security in Oregon.

Natural resources in general and water in particular are the cornerstone of Oregon's economy, public health, and livability. A conservative estimate from the Business Case Water in Oregon<sup>1</sup> indicated that Oregon businesses depending on **water for production and output contribute approximately half (48%) of the state's total economic output and close to half (44%) of the state's employment**. It is worth noting that the fourteen Natural Resources agencies make up less than 3% of the General Fund budget. Only a fraction of that goes towards water. A relatively small budget reduction at a small Natural Resources agency can have a disproportionate effect to agency operations with relatively little gain to the state budget. Furthermore, as we are likely heading into a drought year for Oregon, it is critical that we seek to proactively consider the funding needs associated with water security for Oregonians.

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<sup>1</sup> Pilz et al (2023) Business Case for Investing in Water in Oregon. Link: [https://www.oregon.gov/owrd/WRD Publications/230721\\_FINAL\\_Business\\_Case\\_for\\_Water\\_in\\_OR.pdf](https://www.oregon.gov/owrd/WRD Publications/230721_FINAL_Business_Case_for_Water_in_OR.pdf)

The Water Caucus supports reduction options that 1) minimize permanent reductions to agency staff and programs, 2) capitalize on vacancy savings and other means of minimizing impacts to current operations of agency programs, 3) balance reductions between agency functions and programs that benefit communities, such as grant programs, 4) minimize reductions to water-related program investments from the 2021-2025 sessions, and 5) minimize reductions to Water Caucus priority areas. Additionally, the Caucus strongly supports continued investments in collaboratively forged bipartisan agreements that fall outside of the purview of a single agency. For instance, the Caucus supports continued investment in the Private Forest Accord, which has the potential to yield significant, broadly supported water-related benefits if funding is maintained. Finally, the Water Caucus also opposes reductions in direct allocations to communities unless there is consent from the community.

As a Caucus we have identified the following urgent priorities – 1) Drinking Water Security and 2) Water Infrastructure. It is imperative that we retain funding for these urgent priorities as the lives and livelihoods of Oregonians depend on basic water and wastewater services. Furthermore, we must continue to understand and elevate the needs of small and very small community water systems and self-supplied water users that lack the capacity to effectively self-advocate, including the following:

- Preservation of the Well Abandonment Repair and Replacement Fund (WARRF);
- \$2 million in gap funding for the DEQ Clean Water Loan Program administered by the Community Development Financial Institution (CDFI) Craft 3 that provides financial assistance for septic systems; and,
- \$300,000 in gap funding to the Oregon Association of Water Utilities to continue to provide assistance to small community water systems facing potential system failure.

The Caucus has identified the following important priorities that require sustained investments over time – 3) Water Data, 4) Water Planning, 5) Water Projects, 6) Groundwater Management, 7) Water Permitting, and 8) Basin-Specific Investments. These priorities have a clear nexus with Housing, Wildfire, and Transportation. Water data, which comprises a minuscule proportion of the state budget, oftentimes sustains significant reductions during budget shortfalls.

Reductions to water data limits our ability to develop long-term records for water decisions. The Caucus would support delayed implementation without permanent cuts to water data.

As a state we are beginning to make up for the unintended consequences associated with chronic underinvestment in water resources. Over the past year we have been building a comprehensive system to track and report on the outcomes associated with water-related investments since 2013, including historic investments made in 2021-2025. As you contemplate the costs and benefits of various investments and reductions we hope that you will capitalize on the expertise of Water Caucus members and staff to aid in your decision-making. We stand ready to support your deliberations with well researched, comprehensive, bi-partisan information.

*Signed by the following members of the Oregon Legislative Assembly:*



Representative Ken Helm (D) – HD 27



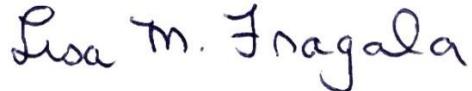
Kathleen Taylor (D) – SD 21



Representative Farrah Chaichi (D) – HD 35



Representative Emerson Levy (D) – HD 53



Representative Lisa Fragala (D) – HD 08



Senator Khan Pham (D) – SD 23



Senator Jeff Golden (D) – SD 03



Representative Tom Andersen (D) – HD 19



Representative Annessa Hartman (D) – HD



Representative Mark Owens (R) – HD 60



Senator Todd Nash (R) – SD 29



Representative Anna Scharf (R) – HD 23



Representative Bobby Levy (R) – HD 58



Representative Darcey Edwards (R) – HD 31



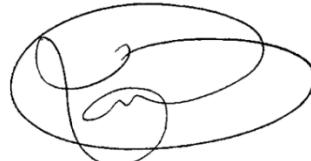
Senator Suzanne Weber (R) – SD 16



Representative Court Boice (R) – HD 01



Representative Boomer Wright (R) – HD 09



Representative Emily McIntire (R) – HD 56