

OREGON ASSOCIATION OF CONSERVATION DISTRICTS

OREGON LEGISLATIVE RECAP

July 2021
by Jan Lee

OVERVIEW

Coming from a Difficult 2020

The 2021 session ended June 26th, the 159th day of the session and just one day before the constitutional deadline for adjournment. It was indeed a unique session with the Capitol remaining closed throughout the session due to COVID-19. That was compounded by the 2020 forecasts of projected revenue losses of up to \$1 billion, extended hardship from COVID due to statewide health and employment issues, along with recovery from major wildfire disasters burning over 1 million acres in the state. The legislature was also faced with the task of approaching redistricting since last accomplished in 2010.

Light at the End of the Tunnel

Who would guess that the projected \$1 billion in anticipated revenue loss would instead be an increase in revenue of over \$1 billion due to funds received from the federal government related to COVID recovery (ARPA) and an uptick in state revenue. Even lottery funds began to grow after the staggered reopening of businesses.

The Numbers

There were about 2500 bills that were actually written by Legislative Counsel of the nearly 4000 concepts requested. There were 55 different legislative committees hearing bills, 7 more than in 2019, with about 30 hours of committee meetings heard each day. The heavy scheduling led to cancelled and rescheduled hearings to meet the workload, requiring those following the session to remain in contact and on their toes to be able to respond quickly to moving agendas.

Virtual Hearings

The Capitol has been closed since early 2020 requiring that hearings be held virtually as much of the world went virtual then. Invited testimony was primary, leaving less time for citizen voices to be heard. Legislation moved fairly quickly without always providing the opportunity for full public input. The virtual environment delivered both procedural and political challenges. However, more people had access to the legislature than ever before. Those living in the far corners of the state were able to join virtually or by phone and did not have to drive 6 hours each way to speak to their issue. It has been suggested that future sessions may combine in-person and virtual methods to allow more participation. For lobbyists, it was a more difficult session as they could not catch up with legislators in their offices or as they walked the halls. There were still virtual meetings with legislators, but considerably less contact than usual.

Contention Resolved

Republicans demonstrated their disagreement on issues by insisting every bill be read in full on the floor before a vote for over a month's time, bringing the session's progress to a crawl. In exchange for giving up the right to read bills, a Democratic compromise was developed that provided a shared joint committee makeup for the Redistricting Committee. Two legislators lost their positions, one resigned facing possible expulsion; another was officially expelled by vote of the legislative body, the first occurrence of expulsion ever in the Oregon legislature.

Significant Revenue Increase

The Legislative Revenue Office presented a very rosy forecast in May this year showing rapid economic recovery and adding \$1 billion to state resources. Personal incomes were 20% higher than before the beginning of the pandemic. The lottery dollars increased by 40% with the last two weeks of April the highest lottery income ever recorded. Thankfully, the big recession dips and slow recovery in 2001 and 2007 did not occur during this downturn and revenue staff reported anticipating the highest economic growth since 1984.

In addition the state is to receive a total of \$2.6 billion in federal ARPA funds as Congressional compensation for COVID. The federal funds and the increase in the state's own revenue forecast led to a "high-spending" session. The "Christmas tree bill", HB 5006 (see description later in this report), identifies a number of projects from the additional funding. Oregon's approximately \$29.4 billion budget for the next two years includes general fund, lottery, and federal dollars.

WHAT'S COMING UP

Special Session and Interim Committee Meetings

A Special Session has been called for the week of September 20th to continue work on redistricting. This process occurs every 10 years and is further complicated this year by the state gaining a sixth Congressional seat. Legislators were asked to set aside the week of the 20th for redistricting work. The federal census numbers are due to be provided to Oregon August 16th and then legislators can begin finalizing maps. Final maps must be enacted by the legislature by September 27. However, there can be appeals which could extend approval of legislative districts as far out as February 1st, appeals that would include both the Secretary of State and the Oregon Supreme Court in the process. Challenges to the Congressional district maps go to federal court. If there are appeals, that will play havoc with candidates wanting to run for House or Senate seats because they possibly may not know their district boundaries until a month before the March 8 filing deadline to run for office.

Redistricting Road Show: The special Redistricting Committee legislators will be traveling around the state making presentations on the maps and seeking input. For more information and updates go to: <https://www.oregonlegislature.gov/redistricting>. [Scheduled stops on the road show: 9/8 Bend, 9/9 Eugene, 9/10 Salem, 9/10 Oregon City, 9/11 Portland, 9/11 Beaverton/Hillsboro, 9/13 Salem; Salem hearing 3 hours live.) There will also be some in between stops by individual legislators.

Interim Committee Meetings

The next state revenue forecast will be available on August 25th with a second forecast on November 17th. During the interim between sessions, the legislature convenes periodically for Legislative Committee Days. Those occur approximately every eight weeks and last for up to 4 days. During this time committees hold informational hearings on topics that may lead to legislation in upcoming sessions, hear updates on previous implementations, hear reports from state agencies and task forces, and invite selected speakers to share issues. Legislative interim committees are scheduled to meet November 15th-18th. Another set of informational hearings is set for January 15th-18th. The Joint Emergency Board also meets as necessary during the interim; it is charged with approving emergency expenditures required outside the session.

2022 Session

The 2022 short session is only 35 days long as determined by the state constitution, beginning February 1 and completed on March 7th. The agenda should be restricted primarily to funding and budget issues. We expect that the federal ARPA dollars that were sent to the state may have to be reallocated depending on the final guidelines from the federal Treasury Department. That will provide some opportunities for budget changes either in the special session or when the Joint Emergency Board meets quarterly to consider financial matters.

Annual Meeting Advocacy Workshop

As part of the November 9th and 10th OACD Annual Meeting, live in Central Oregon, there will be two workshops on November 10th. One of the workshops will be on Working Lands and one on Advocacy. The Advocacy workshop will include anyone interested in taking part to learn more about current and future anticipated issues.

SIGNIFICANT ISSUES AND FUNDING THIS SESSION

Water and Infrastructure

The budget for the biennium, fiscal years July 1, 2021, through June 30, 2023, provided a monumental [\\$411,457,518 package](#) (link to table) to invest in water and water infrastructure. The Water Resources Department budget has been substantially below need for almost a decade, but in this budget, funds were made available for expansion of a number of programs:

- *Planning:* Funds for regional water planning, place-based planning, the integrated water strategy, and the long-term Water Vision program were provided.
- *Backlog:* More staff were provided to expedite permitting procedures and funding, providing support for a long-term sustainable water right system. Funds to remove the backlog of legal cases was provided.
- *Grants:* Funding for feasibility studies for water conservation, reuse and storage were funded, as well as water supply development grants and funding for specific water projects, including \$900,000 for Wasco SWCD for restoration of conjoined groundwater wells.
- *Groundwater Management:* Funding for data collection for groundwater studies, data collection equipment, and a contract with USGS to produce ground water budgets for all major hydrologic basins was part of the approved budget.
- *Water Measurement and Management:* A cost share program revolving fund was implemented for water measurement. The watermaster program capacity was expanded and dam safety was more fully funded.

Other funds went to natural resource agencies for coordinating work.

OWEB

- Staff to support the 100-year Water Vision and work on climate
- Basin planning and integrated Water Resource Strategy in coordination with ODFW
- Grant funding for water quality work in the Klamath Basin
- Funds for grants for floodplain restoration and reconnection - \$5 million
- Grants for riparian and upland restoration and protection of water quality, a total of \$10,750,000 (including wildfire restoration)

DEQ

- Scoping and design of water and infrastructure database framework
- Modernization of the Clean Water State Revolving Fund system
- TMDL implementation

ODA

- Water quality in small watersheds with landowner technical assistance
- Umatilla Basin ground water management and fertilizer research
- Reinstatement of the SWCD manager position vacated previously
- Reinstatement of two water quality positions earlier vacated

ODFW

- Establishment and funding of a new habitat division with field biologists
- Funding for Willamette Basin complex water issues
- Funding for Oregon Coast Habitat Assessment Tools
- Implementation of fish screen and fish passage projects
- Renewal of the Oregon Conservation Recreation Fund program with funding to match past contributions and funds available to match new donations up to \$1 million

A total of \$275.7 million of federal relief funding went to four dozen drinking water and wastewater projects around the state as listed in the water table. Additionally, \$50 million was provided to the Oregon Parks and Recreation Department to upgrade and repair the infrastructure in existing state parks.

Also see the detail for [HB 5006](#) (link), the “Christmas tree bill” outlining water and wildfire projects. There is generally at least one bill at the close of each session that provides funding for a series of projects not covered in other legislation entitled appropriately as the Christmas tree bill.

Wildfire

There were many different bills on wildfire, forestry and forest taxes introduced in the legislature, but the majority of those bills failed to gain the required votes including the following:

- **HB 2357** sought to disenfranchise OFRI (Oregon Forest Resources Institute) that provides forestry education and includes funding for the Envirothon program.
- Several bills recommending various forest related taxes failed to get support.

What did pass related to wildfire:

- A \$500 million wildfire package to expand wildfire and mitigation efforts and rebuild fire-affected communities
- Millions of dollars for fire districts to hire apprentices
- Dollars for recovery and rebuilding projects in communities impacted by 2020 wildfires
- Omnibus wildfire bill **SB 762** funding \$200 million of the overall wildfire package to state agencies
- Funding for a rangeland fire protection association in Lake County - \$500,000
- An emergency set aside to respond to natural disasters such as wildfire - \$150 million
- Modernization of the structure of the State Fire Marshal and Office of Emergency Management
- Support for additional rangeland protection associations - \$666,937

Climate and Environmental Justice

A broad and diverse coalition, including the investor-owned utilities (electric utilities PGE and PacifiCorp), environmental organizations, and renewable energy developers supported **HB 2021**, the Clean Energy for All legislation.

- The bill commits Oregon to have 100% clean and renewable electricity by 2040.
- This is one of the most aggressive timelines in the nation.

- The bill also includes \$50 million in funds for clean energy projects in rural, coastal and BIPOC communities to shift from fossil fuels.
- Utilities may not build new natural gas plants.

Senate Concurrent Resolution 17 calls for natural resource agencies to use an environmental justice framework in developing policies to ensure input from affected communities' impact by state agency decisions.

HB 3293 allows Oregon's natural resource agencies to make water project support available for the purpose of enabling local organizations and local governments to develop and implement community engagement plans, including funding to increase participation by representatives of disproportionately impacted communities.

Lawmaker Spending Package

Each of Oregon's 90 lawmakers selected projects in their districts for federal funded expenditures for a total of \$240 million: \$2 million for each House member and \$4 million for each Senator. Those projects are part of the funding in HB 5006. Federal treasury guidelines for the expenditure of the ARPA (COVID relief fund) have been issued just recently and now those projects will need to be weighed against the federal guidelines to determine if they all qualify. Adjustments may need to be made in the 2022 session or by the Emergency Board that makes funding adjustments between sessions.

Other Topics of Significance

Major commitment to housing, equity, clean energy, funding of mental health, and policing were also up front in the session and passed with substantial funding.

OACD's work concentrated on natural resources and issues relevant to conservation districts. The following bills represent the OACD Advocacy Committee's work this session.