

ANALYSIS

Item 18: Oregon Department of Human Services Drought Assistance

Analyst: Gregory Jolivette

Request: Allocate \$5 million General Fund from the special purpose appropriation made to the Emergency Board to the Oregon Department of Human Services (ODHS) for assistance to drought-impacted counties.

Analysis: Last year, when severe drought conditions in southwest Oregon caused residential and municipal wells to run dry, ODHS' Office of Resiliency and Emergency Management (OREM) procured 350 water storage tanks with a 500-gallon capacity. Most of the tanks have been delivered to Klamath County for distribution to local residences and the final batch is expected next week. About 160 storage tanks have yet to be distributed. OREM also contracted with a water tender to fill and replenish tanks with potable water. The agency estimates the Klamath County response has cost approximately \$500,000.

The requested \$5 million General Fund allocation would allow the agency to engage in similar activities during the 2022 drought season. Although the agency does not currently have a detailed spending plan for this funding, the funds are anticipated to be directed to designated drought counties mostly to cover water hauling costs. As of May 19, 2022, for the 2022 calendar year, the Governor has declared drought conditions in 15 counties. This number may continue to grow. In 2021, a total of 26 counties had a drought declaration with the final declaration occurring in November 2021. Approving this request will allow the agency to respond quickly to the unique needs of each county as they are identified.

Since the agency's plan for emergency drought response is still being developed and uncertainty exists about how the funds will ultimately be used, the Legislative Fiscal Office (LFO) recommends approval of the request with the understanding the Department of Administrative Services Chief Financial Office (CFO) will unschedule \$4 million until ODHS provides LFO and CFO a spending plan.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate \$5 million General Fund from the special purpose appropriation made to the Emergency Board for state's natural disaster prevention, preparedness, response, and recovery activities to the Oregon Department of Human Services for drought response efforts with the understanding the Department of Administrative Services Chief Financial Office will unschedule \$4 million until the agency provides the Legislative Fiscal Office and Chief Financial Office a spending plan.

18
Oregon Department of Human Services
Webb

Request: Allocate \$5.0 million from the State Emergency Fund to the Oregon Department of Human Services for water hauling efforts related to drought response in affected Oregon counties.

Recommendation: Approve the request.

Discussion: In calendar year 2021, the Oregon Department of Human Services (ODHS) Office of Resilience and Emergency Management responded to a request from the Oregon Office of Emergency Management (OEM) on behalf of Klamath County for water distribution assistance to county residents due to drought conditions. ODHS purchased 350 water tanks with a 500-gallon capacity to meet Klamath County’s anticipated water needs. Of the 350 tanks purchased by ODHS, 336 tanks were supplied to Klamath County Public Works and 193 have been subsequently delivered to residents. The rest of the tanks are scheduled to be delivered to Klamath County next week. In addition to providing water tanks, ODHS contracted with water tanker truck companies to refill deployed tanks on an ongoing basis until a longer-term solution is found, to ensure water access to residents. Most of the expenses incurred by ODHS are for water refilling costs, rather than the purchase of water tanks. ODHS has expended approximately \$500,000 General Fund to date to meet Klamath County’s water distribution needs.

As of May 11, 2022, the Governor has declared drought conditions in 11 Oregon counties, including Klamath County. To meet the immediate anticipated water distribution response needs, ODHS is requesting \$5.0 million General Fund to ensure county residents have access to water. Uncertainty exists as to the potential water distribution needs of each county, as well as the total number of counties that will experience drought conditions in the 2022 calendar year; however, ODHS requires lead time to prepare its efforts to ensure quick water distribution to counties, once assistance is requested. If the requested \$5.0 million General Fund amount is distributed equally to individual counties, approximately \$450,000 would be distributed to each county currently assigned a drought declaration; however, the needs of each county is not yet known and the actual amount distributed to each county could be different.

Legal Reference: Allocation of \$5,000,000 from the State Emergency Fund to supplement the appropriation made by chapter 606, section 1(1), Oregon Laws 2021, for the Department of Human Services, Central Services program for the 2021-23 biennium.



Oregon

Kate Brown, Governor

Department of Human Services

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April 29, 2022

Senator Peter Courtney, Co-Chair
Representative Dan Rayfield, Co-Chair
Joint Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301



Re: Requested investment in ODHS drought response

Dear Co-Chairs:

As Oregon continues to face severe drought conditions, Oregon Department of Human Services (ODHS) Office of Resilience and Emergency Management (OREM) is requesting a \$5 million General Fund to offset water procurement and hauling costs incurred as part of last year's drought response effort, and to invest in drought preparedness for the years ahead.

Nature of the Emergency

Last year, severe drought conditions in Southwest Oregon caused residential and municipal wells to run dry, triggering efforts by ODHS OREM to restore critical water supply to the region. This year's drought indicates that water scarcity trends will continue in 2022 and beyond, creating even more challenging conditions than last year. OREM staff in the region report that 200 residential wells have already run dry, with estimates indicating that number could double within one year.

Agency Action

OREM works in partnerships with Oregon counties to respond to water needs. For example, in 2021, OREM procured and delivered nearly 250 500-gallon water tanks to Klamath County Public Works for dissemination to local residences. OREM has also contracted with a water tender to fill and replenish these tanks on an ongoing basis. ODHS's budget did not include funding for these activities nor is there currently a line item to fund water response needs.

Action Requested

ODHS Office of Resilience and Emergency Management requests \$5 million General Fund to support future water hauling efforts and to recover past expenses related to its 2021 Southwest Oregon drought response. These investments will bolster Oregon's drought resilience, helping to protect drought-vulnerable communities through timely and effective emergency response.

Legislation Affected

Oregon Laws 2021, Chapter 606, section 1, subsection 1, \$5,000,000

If you have questions, please contact Rob Kodiriy at 503-689-7554.

Sincerely,



Fariborz Pakseresht, ODHS Director

cc: Amanda Bietel, Legislative Fiscal Office
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