



Oregon

Tina Kotek, Governor

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

(503) 986-5200

FAX (503) 378-4844

www.oregon.gov/dsl

State Land Board

Tina Kotek

Governor

Tobias Read

Secretary of State

Elizabeth Steiner

State Treasurer

October 27, 2025

Senator Kate Lieber, Co-Chair
Representative Tawna Sanchez, Co-Chair
Joint Interim Committee on Ways and Means
900 Court Street NE
Room H-178
Salem, OR 97301-4048

Dear Co-Chairs:

Nature of the Request

The Department of State Lands (Agency) was asked to develop 5% budget reductions options to be submitted to the Joint Interim Committee on Ways and Means. Oregon's State Land Board oversees the Common School Fund, which sends millions of dollars every year to our K-12 public schools. As the State Land Board's administrative agency, the Department of State Lands manages lands to benefit schools, protects waterways and wetlands, and oversees South Slough National Estuarine Research Reserve and the Elliott State Research Forest.

Agency Action

The Agency's budget is primarily Other Funds with a small amount of General and Federal Funds. The total Other Fund Budget is \$91,961,197, which includes \$2,086,084 Federal Funds as Other Funds. To determine our 5% target, that amount was subtracted for a total Other Fund Budget of \$89,875,113. Our 5% target for Other Funds is \$4,493,756. Total General Fund Budget is \$442,576 and our 5% target for General Fund is \$22,129.

The Agency analyzed multiple options to achieve the 5% reductions, evaluating each against our overall goal of limiting impacts to core services and essential projects already in progress. This included examining what could be achieved through vacancy savings, delaying work, or reducing funds available for specific work. While no options examined were without impacts or risks, the reduction options outlined below are believed to be least impactful to services and projects.

Other Fund Reduction Options:

- ***Option 1 – 2.5% reduction of \$2,246,878 in the Geologic Carbon Sequestration Project.***
The project, which will gather data and information necessary to pursue geologic carbon

sequestration opportunities on state-owned lands, was budgeted for up to \$10 million and is a joint project with Department of Geology and Mineral Industries (DOGAMI). In conversations with DOGAMI we have determined that this project can be sequenced to occur across biennia. We do not have final estimates of resources necessary in 2025-27 but believe that taking this reduction will not put overall project outcomes at risk.

- ***Option 2 – 2.5% reduction of \$2,246,878 in the Abandoned and Derelict Vessel (ADV) Program.*** The hundreds of hazardous boats and ships in Oregon's public waterways are an ongoing threat to the health and safety of our rivers, lakes, and ocean. The Agency leads efforts to address these vessels through implementation of the statewide ADV program. This reduction would impact the number and size of vessels the program could help remove in 2025-27 and could also potentially impact available funds for proactive initiatives such as a state-assisted vessel turn-in program or partnerships with vessel dismantlers. However, work and expenses can be sequenced across biennia to ensure effective program operations and results this biennium.

General Fund Reduction Options:

- General Fund reduction options are in the Planner & Housing Permitting Program, which advances Governor Kotek's Housing and Homelessness Initiative by improving service delivery in two key areas – supporting local government planning with technical assistance and timely review of local wetlands inventories; and facilitating removal-fill permitting for housing.
- ***Option 1 – 2.5% reduction of \$11,064 to Services and Supplies expenditures.*** This will impact staff's ability to work with local governments in their communities and conduct site visits.
- ***Option 2 – 2.5% reduction of \$11,064 to delay the hiring of a Housing Project Specialist until January 2026.*** Holding open this position will save \$4,097 and reduce Services and Supplies expenditure by \$6,967. Because this position is dedicated to reviewing permit applications related to housing projects, this reduction will impact timeliness of application review for such projects in the near-term.

Thank you for your interest and assistance. If you have any questions, please contact Jean Straight at 503-689-3957.

Sincerely,



Kaitlin Lovell, Director

Cc: Amanda Beitel, Legislative Fiscal Officer
Katie Bannikov, LFO Analyst
Sione Filimoehala, CFO Analyst

Department of State Lands (DSL)

2025-27 Biennium

| | | | | | | | |
|-------------|---------|---|------------|------------|-----------|---|-------------|
| 2025-27 LAB | 442,576 | - | 89,875,113 | 20,749,534 | 4,442,918 | - | 115,510,141 |
|-------------|---------|---|------------|------------|-----------|---|-------------|

| |
|--|
| Detail of Reductions to 2025-27 Legislatively Adopted Budget |
|--|

[illegible]

22,129

4,493,756

0

—

0

| | |
|---|--|
| Department of State Lands (DSL) 2025-27 Biennium | |
|---|--|

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| Detail of Programs in the 2025-27 Legislatively Approved Budget that have been established or expanded since 2021-23 | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|--------|-----|-----------------------------------|----------------|---|-------------------------------|----|----|------------|-------|----|-------|---------------|------|-------|--|
| Agency | SCR | Program Establishment / Expansion | | | Program Description | GF | LF | OF | NL-OF | FF | NL-FF | TOTAL FUNDS | Pos. | FTE | Implementation Status |
| | | Biennium | Effective Date | Authorization | | | | | | | | | | | |
| 14100 | 015 | 2025 | 7/1/2023 | HB 2914; ORS 274; ORS 830.908 | Abandoned and Derlict Vessels | | | 11,151,895 | | | | \$ 11,151,895 | 4 | 3.76 | The program has been established, staff are hired and vessels are being removed from waterways. |
| 14100 | 016 | 2027 | 7/1/2025 | SB 1546 (2022); ORS 30.949; 283.085; 530.450; 530.480; 530.490, 530.510; 530.520; SB 161 (2023); SB 147 (2025); SB 5539 (2025); | Elliot State Research Forest | | | 12,086,084 | | | | \$ 12,086,084 | 9 | 8.52 | The program has been established, staff are hired and grants to begin research have gone out of proposals. |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | | | | | | | | | \$ - | | | |
| | | | | TOTAL | | - | - | 23,237,979 | - | - | - | \$ 23,237,979 | 13 | 12.28 | |

Instructions

Column (5) - Authorization should identify the source of the new program or program expansion, which could include enabling legislation, approved policy option package, or administrative establishment.

Column (6) - Program description should include a summary of the program and the expansion (if applicable), including any partner state agencies.

Column (16) - Current status of program implementation should be summarized, including any future budget requests anticipated upon full program implementation.