

ANALYSIS

Item 43: Department of Fish and Wildlife

Klamath Hatchery

Analyst: Katie Bannikov

Request: Increase Other Funds expenditure limitation for the Department of Fish and Wildlife by \$1,502,845 for the construction of the Klamath Hatchery hatch house.

Analysis: The Klamath Hatchery hatch house was destroyed in a 2020 wildfire, and the Oregon Department of Fish and Wildlife (ODFW) received \$7.8 million in insurance settlement proceeds during the 2023-25 biennium. The hatchery has continued to operate post fire with modified operations requiring raising fish at other facilities and then, bringing the fish to the Klamath Hatchery where they finish growing to the correct size until release.

Construction of a new hatch house at the Klamath Hatchery began in summer 2024. Total costs to replace the hatch house is approximately \$8.1 million. This includes construction, permitting and design, equipment replacement, and site clean-up costs. The difference between total costs and insurance proceeds is covered with existing resources and Federal Emergency Management Agency funding.

The majority of project costs were realized during the 2023-25 biennium resulting in a project balance of \$1.5 million. ODFW is requesting \$1.5 million in Other Funds expenditure limitation to complete this project, with completion expected in January 2026.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$1,502,845 in Other Funds expenditure limitation for the Department of Fish and Wildlife in a budget reconciliation bill during the 2026 legislative session for construction of the Klamath Hatchery hatch house.

Request: Increase Other Funds expenditure limitation by \$1,502,845 for the replacement of the Klamath Fish Hatchery Hatch House.

Recommendation: Approve the request during the 2026 Legislative Session.

Discussion: The Department of Fish and Wildlife (ODFW) is appearing before the committee to request an increase in Other Funds expenditure limitation to spend insurance settlement revenues that will be used for the replacement of the Klamath Fish Hatchery Hatch House, which was destroyed in the 2020 wildfire season.

ODFW received \$7,825,074 in insurance settlement proceeds and began construction on the Klamath Fish Hatchery Hatch House Replacement Project during the 2023-25 biennium. To complete the project, ODFW will require an additional \$1,502,845 Other Funds expenditure limitation in the 2025-27 biennium to expend the balance of the settlement proceeds and complete the project.

Legal Reference: Increase the Other Funds expenditure limitation established by chapter 520, section 2(4) Oregon Laws 2025, for the Department of Fish and Wildlife, Capital improvement, by \$1,502,845 for the 2025-27 biennium.



Oregon

Tina Kotek, Governor

December 8, 2025

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



RE: Other Fund Limitation Increase Associated with Insurance Revenues

Dear Senator Lieber and Representative Sanchez:

Nature of the Request

The Oregon Department of Fish and Wildlife (ODFW) respectfully requests permission to appear before the Joint Interim Committee on Ways and Means at its January 2026 meeting for the purpose of requesting an Other Funds limitation increase of \$1,502,845 associated with insurance revenues for the Klamath Fish Hatchery Hatch House Replacement Project.

Agency Action

ODFW received \$7,825,074 in insurance settlement proceeds to rebuild the Klamath Fish Hatchery hatch house, which was destroyed in a 2020 wildfire. ODFW received the insurance settlement payment in July of 2024 and began construction of the new hatch house during the 2023-25 biennium. Significant progress was made on construction of the facility during the 2023-25 biennium, but additional work is needed in the current 2025-27 biennium to complete construction. In order to utilize the remaining insurance fund proceeds, the agency will need to increase Other Funds limitation by \$1,502,845. There are no positions or FTE needed as a part of this request.

Action Requested

ODFW respectfully requests additional Other Funds expenditure limitation in the amount of \$1,502,845 to utilize insurance settlement proceeds to complete the Klamath Fish Hatchery Hatch House Replacement Project. The replacement project is in progress and currently scheduled to be completed in 2026.

Legislation Affected

Oregon Laws HB 5009, Chapter 520, Section 2(4), Oregon Laws 2025

Sincerely,

Debbie Colbert
Director