

Tina Kotek
Governor



Informational Memo

To: Michael Dembrow, ERC Co-Chair,
Chuck Sams, ERC Co-Chair,
Cheyenne Holliday, ERC Vice-Chair

From: Geoff Huntington, Governor's Senior Natural
Resource Policy Advisor

Date: March 16, 2026

Topic: Framework for Agency Program Fund
Disbursement for 2025-2027 Biennium

PURPOSE

The Governor's Office is proposing Oregon Environmental Restoration Council ("OERC") approval of an initial award from the Agency Program Fund (APF) to eligible state agencies for program funds accumulating during the 2025-2027 biennium approximating \$30 million. This allocation would utilize APF dollars accumulating and allocated during the first and second years of 2025-2027 biennium.

Given that identification of strategic priorities and program rules are at least six to ten months from completion, this allocation proposal offers the opportunity for investments now addressing critical natural resources needs throughout Oregon that meet the purposes and intent of the Monsanto Settlement Agreement and Senate Bill 1561. The Governor's Office desire is that we work together to help the Council feel comfortable moving forward with the approach outlined below.

BACKGROUND

State natural resource agencies have indicated that an APF award process that aligns with the biennial state budget process would be essential for planning and budgeting purposes. Staff are working with the Governor's office and Department of Administrative Services to identify a timeline for accomplishing this alignment. Currently, the 2029/2031 biennium appears to be a realistic target for aligning a durable ERC agency funding cycle with the executive and legislative processes for developing and approving budgets. The Governor's office is proposing an interim process for making investments until we get on cycle.

Funds from the “Year One” distribution made by ERC (\$15 million) are already in the APF and we anticipate that the Council will authorize a similar Year 2 distribution in September of 2026. In addition, program staff have indicated that the process for identifying Strategic Priorities in a collaborative process with the agencies will not be in place until at least end of Summer 2026 following a public engagement process. I am told that rulemaking for the program is expected to begin in Summer 2026 and conclude in Fall 2026 / Winter 2027.

PROPOSED STATE AGENCY FUNDING FRAMEWORK

Given the early stages of program development and the timely need for these funds to be available to agencies for work consistent with the Monsanto Settlement, the Governor’s Office would like to target an ERC award date of May 2026 in order to most readily fold into existing legislative cycle for approving agency spending requests in between legislative sessions. This timing would also fold into the development of the Governor’s budget for the 2027/29 biennium. Specifically, Council action this spring would allow agencies to meet deadlines for seeking necessary approval to put Monsanto funds to work in this biennium at the September Legislative Days. It will also position the agencies to make sure the allocated monies are included in the Governor’s Recommended Budget as needed for the next biennium.

In addition to accelerating when the ERC funds are put to work, having our office collaborate with the agency directors to construct an initial funding package will also provide a learning opportunity and point of reference for all of us (the Council, ERC staff, and the agencies) as we move into the rulemaking process to establish strategic priorities for the program.

POTENTIAL PROCESS

The Governor’s Natural Resource Team will work with the Natural Resource Director’s Cabinet to prepare a package of agency funding requests to ERC for some or all the anticipated \$30 million of anticipated APF allocations for the 2025-2027 biennium. Our office will ensure the requests are aligned with the terms of the Monsanto Settlement Agreement and articulate a set of outcomes to be achieved with these investments.

The package will include individual requests that are presented in a standard format providing information on the following:

- Requested APF amount;
- Description of the work to be completed;
- Description of how proposed work is aligned with terms of the Monsanto Settlement Agreement and statute;
- Expected implementation timeline;
- Proposed outcomes of the work;

In discussions with staff, we have also determined that the Governor’s Office should require awarded proposals submit an implementation report to OERC biennially, so compliance with statute is met.¹

Again, we anticipate proposing that the Council allocate up to \$30 million in APF dollars: \$15 million in dedicated funding requests², with up to an additional \$15 million contingent on the availability of funds following the distribution from the Environmental Restoration Fund by the Treasurer and Council to the APF that will occur in late 2026.

POTENTIAL TIMELINE FOR OERC DECISIONS

A potential process and timeline is shown below. Staff has indicated that if additional time is required to address any unanticipated issues, there is an option to extend the decision-making process of the Council to June.

The following table was produced by staff:

STEP	TIMING
Presentation of framework to OERC	March 18, 2026
Internal GNRO deadline for agency requests from APF; budget amount is \$30M contingent on OERC \$15M distribution in ~September 2026	Week of April 1st
GNRO package for APF finalized and shared with OERC	April 15, 2026
OERC meeting to preview package/ask questions	Special Meeting April 20, 2026 *Could be moved to May 6 OERC meeting if additional time is needed.
OERC meeting to vote on package & make awards to agencies	May 6, 2026

¹ [ORS 541.861](#) requires OERC to submit a report each biennium to the Governor and the Legislative Assembly describing the purposes for which moneys expended from the State Agency Program Fund, Disproportionately Impacted Community Fund, and Tribal Nation Natural Resource Program Fund were used and the outcomes achieved by funding recipients.

² \$15 million is the amount currently available in the APF.

This is an internal communication and may be confidential. Portions of this document are advisory in nature and may be exempt from public disclosure pursuant to ORS 192.355(1).

	*Could be moved to a special June 2026 meeting if additional time is needed.
Agencies work with CFO and LFO to meet Legislative Days deadlines	May-Sep 2026
E-Board opportunity for OR Legislature to approve expenditure limitations and position authorities	Sep 8-10, 2026
Fund transfer from APF to agencies (\$15M for Y1)	October 2026
Fund transfer from APF to agencies (up to \$15M for Y2)	January 2027

-

This is an internal communication and may be confidential. Portions of this document are advisory in nature and may be exempt from public disclosure pursuant to ORS 192.355(1).