



**STATE OF OREGON  
WATERSHED ENHANCEMENT BOARD**

2021-23 Budget Presentation

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## **A. Agency Overview**

### **A.1 OWEB's Mission & Strategic Plan Priorities**

Mission: To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

The agency's 2018 Strategic Plan outlines the following priorities. Detailed information about each of the priorities can be found here (<https://www.oregon.gov/oweb/Documents/Strategic%20Plan%202018-2010%2c%20bundled.aspx>) :

1. Broad awareness of the relationship between people and watersheds
2. Leaders at all levels of watershed work reflect the diversity of Oregonians
3. Community capacity and strategic partnerships achieve healthy watersheds -
4. Watershed organizations have access to a diverse and stable funding portfolio
5. The value of working lands is fully integrated into watershed health
6. Coordinated monitoring and shared learning to advance watershed restoration effectiveness
7. Bold and innovative actions to achieve health in Oregon's watersheds

### **A.2 Historical Perspective**

The mission of the Oregon Watershed Enhancement Board is to help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies. To achieve this mission, OWEB invests in local communities through a grant program that helps Oregonians take care of local streams, rivers, wetlands, and natural habitat from ridge-top to ridge-top across the state. Community members and landowners use scientific criteria to decide jointly what needs to be done to conserve and improve habitat in the places where they live.

The agency provides watershed grants and funding to support the capacity of watershed councils and soil and water conservation districts. The agency is funded primarily through the Lottery as a result of a constitutional ballot initiative passed by voters twice, in 1998 and again in 2010. The 2010 initiative made permanent the funding for watershed restoration programs and operations to support their implementation.

OWEB partners, with other agencies and organizations, monitors and manages restoration accomplishments; reports on implementation of the Oregon Plan for Salmon and Watersheds; and works with partners and citizens to increase the public's understanding of healthy watersheds. OWEB's mission and work supports voluntary, locally based, on-the-ground efforts to

improve watershed health and resilience, which will become increasingly important to address the effects of climate change. OWEB's funding is a key driver to create jobs in Oregon's restoration economy by supporting 15-24 jobs per \$1 million in grant investments. The jobs typically benefit small, local businesses in communities throughout the state. Analyses show that 90 cents of every dollar invested in restoration projects is spent within the state.

Clients and partners include hundreds of local stewardship organizations including watershed councils, soil and water conservation districts, land trusts and other non-governmental organizations; landowners; tribal governments; cities and counties; and schools and universities.

Prior to the downfall in Lottery revenues that began in March 2020, over the past decade, OWEB's programs have experienced steady growth as a result of increasing Lottery revenues. In addition, the agency has seen a growing portfolio of open grants, an increasing number of grant applications to process and review, added emphasis on leveraging OWEB dollars through proactive partnerships with other funding entities, and a greater number of largescale and complex projects. Together this has led to increased staff workload and responsibilities. Currently, across all programs, OWEB staff administer more than 1,315 open grants and agreements and process nearly 1,500 grant applications per biennium. While Lottery revenues have declined precipitously since March 2020, the workload of the agency to administer existing grants has not changed.

## **B. How the requested budget will achieve desired program results**

OWEB's budget and programs are broken into two key components, operations, and grants. Descriptions of both are provided in Section E. The following are initiatives OWEB will address in its 2021-23 budget:

1. Continue to support a portion of OWEB's base capacity to successfully implement its grant programs—thanks to the agency's recent progress on efficiency and technological improvements such as streamlined business processes and agency workflow—in ways that provide important environmental benefits around the state (Unit 010, POP 125). (All KPMs and all Strategic Plan Priorities)
2. With the resources available in OWEB's base budget, continue the agency's effectiveness monitoring program efforts to better evaluate and document the ecological return on restoration project investments within an adaptive management framework. Work to communicate the ecological, social, and economic results of OWEB's investments, including increasing public awareness about the relevance of conservation and restoration to the citizens of Oregon. Continue to improve the agency's ability to use data and results to inform decision-making about future investments, including opportunities to address equitable access to OWEB programs by ensuring diverse representation at all levels of watershed work. (KPMs 5 and 8-11; Strategic Plan Priority 1, 2 and 6)
3. With the resources available in OWEB's base budget, work with OWEB's local, state, federal, and tribal government partners to continue to ensure that OWEB's permanent lottery dedicated funds lay the foundation for long-term local cooperative conservation funding strategies. (KPMs 2, 3, 4 and 12; Strategic Plan Priorities 3, 4 and 7)
4. Expand participation and investment in partnership programs that enable strong public-private funding partnerships to advance specific ecological goals for watershed restoration and protection. This will be accomplished through the addition of a federally funded NRS-4 Tide Gate Coordinator position (Unit 010, POP 120). Funds for this position have already been secured through a cooperative agreement with NRCS. (KPMs 2, 5, 10 and 11; Strategic Plan Priorities 3, 4, and 5)
5. Enhance the agency's ability to partner with state and federal agencies and local partners to address natural resource conservation issues related to water and climate, both of which are natural resources priorities for Governor Brown, while considering issues of equity and environmental justice. Strategic conservation investments, such as those made by OWEB and others, enable conservation solutions that support healthy communities, vibrant local economies, and a resilient environment. OWEB will contribute to such efforts through a new OPA-4 position that supports both OWEB's and the state-agency enterprise's efforts on water (e.g., Oregon's 100-year Water Vision) and climate (e.g., the Governor's Executive Order 20-04 on Climate) (Unit 010, POP 110) through a newly focused equity lens. (KPMs 2, 3, 5 and 8-12; Strategic Plan Priorities 2, 3, 4 and 7)

6. Build and strengthen effective partnerships through the leveraging of OWEB's grant-making infrastructure for additional investments in on-the-ground restoration, technical assistance and/or local capacity by other funders. This work will be supported by approval of additional Federal Funds and Other Funds limitation that will allow the agency to receive funds and administer grants on behalf of other entities promoting resilient ecosystems and support important salmonid monitoring work in the Upper Klamath Basin. OWEB has demonstrated itself as a highly capable, accountable, and efficient grant administrator, which is resulting in federal, state, and private-sector entities looking to OWEB to serve in this capacity (Unit 020, POPs 200, 210 and 220). (KPMs 1-5 and 7-12; Strategic Plan Priorities 3, 4 and 6)
7. Provide opportunities for farm and ranch landowners to access voluntary tools that maintain land as action farms and ranches while providing incentives and support for conservation on those lands. This work will be supported by the proposed funding for Oregon Agricultural Heritage Program grants (Unit 020, POP 230). (KPMs 2, 3 and 8-10; Strategic Plan Priorities 3 and 5)

## **C. Overview of OWEB's Performance and Outcome Measures**

### **C.1 Agency performance and outcome measures and how they are used**

OWEB utilizes a variety of approaches to monitor agency performance. These range from the agency's Key Performance Measures that address the agency's internal operations and the agency's 'continuous improvement' goals to ecological monitoring on specific projects and outcome-based monitoring focused on suites of projects. Key performance measure results are provided below in Section C.2. In addition, OWEB has identified the following priorities as part of 2018 strategic plan. Each priority has identified long-term outcomes and associated key performance measures (KPMs). The agency has initiated a board-level process to identify ways to best track progress toward the strategic plan priorities. Examples are outlined below.

#### **Strategic Plan Priority 1: Broad awareness of the relationship between people and watersheds.**

- Non-traditional partners are involved and engaged in strategic watershed approaches, and
- More Oregonians are aware of the impacts of their investment in their watershed and understand why healthy watersheds matter to their family and community.
- Associated KPM - #3.

#### **Strategic Plan Priority 2: Leaders at all levels of watershed work reflect the diversity of Oregonians.**

- Grantees and partners actively use diversity, equity and inclusion tools and resources to recruit a greater diversity of staff, contractors, board members and volunteers, and
- Increased engagement of under-represented communities in OWEB grant programs and programs of our stakeholders. Currently, OWEB is tracking a near-term measure of hours of diversity, equity and inclusion training for staff and board members. Agency board members and staff are scoping impact measures such as increased awareness by grantees of gaps in community representation and subsequent increased diversity on their organizations' boards; and increased grant funding to culturally diverse stakeholders and populations with baseline information gathered through surveys.

#### **Strategic Plan Priority 3: Community capacity and strategic partnerships achieve healthy watersheds.**

- Partners utilize identified best practices and approaches to support community capacity, and
- Lessons learned from past capacity investments inform future funding decisions.
- Associated KPM - #6.

**Strategic Plan Priority 4: Watershed organizations have access to a diverse and stable funding portfolio.**

- Agencies have a shared vision about how to invest strategically in restoration, and
- Foundations and corporations are partners in watershed funding efforts.
- Associated KPM - #2.

**Strategic Plan Priority 5: The value of working lands is fully integrated into watershed health.**

- Current and future generations of landowners continue to integrate conservation on their working lands while maintaining economic sustainability, and
- Fully functioning working landscapes remain resilient into the future.
- Associated KPMs - #8, #9, and #10.

**Strategic Plan Priority 6: Coordinated monitoring and shared learning to advance watershed restoration effectiveness.**

- Decision-making at all levels is driven by insights derived from data and results, and
- Evaluation of impact, not just effort, is practiced broadly.
- Associated KPMs - #5, #8, #9, #10, and #11.

**Strategic Plan Priority 7: Bold and innovative actions to achieve health in Oregon's watersheds.**

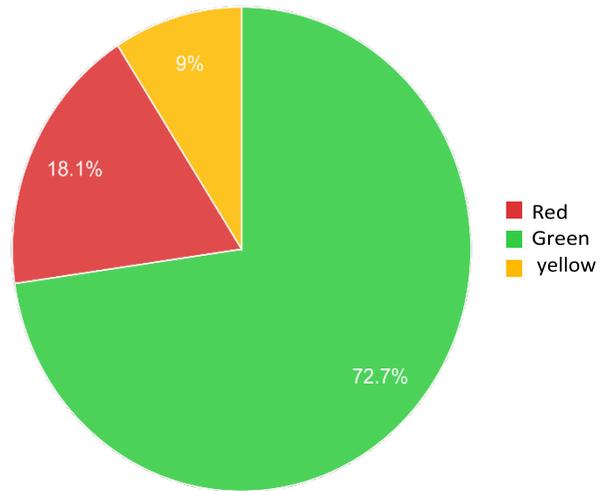
- Multi-phased, high-complexity, and large geographic footprint restoration projects are underway, and
- Conservation communities' value an experimental approach to learning and innovation.
- Currently, OWEB is tracking a near-term measure of the percentage of Oregon's geography for which a strategic action plan has been developed to inform implementation actions. Agency board members and staff are considering impact measures such as increased funding from diverse funding sources for innovative watershed initiatives, and a growing collection of learnings from bold and innovative projects that will increase the ability to address root causes of challenges to watershed health.

## **C.2 Progress made toward achieving performance goals**

OWEB's progress toward achieving performance goals is outlined in the Key Performance Measure (KPM) information contained on the following pages. In addition to KPMs, as noted in C1 above, the agency tracks outcomes related to restoration work through what is called "Telling the Restoration Story," and staff report on specific accomplishments related to the agency's strategic plan. Information related to both approaches is reported quarterly to the OWEB board. As an example, OWEB partners with other agencies and with local implementation partners to develop case studies and 'Telling the Restoration Story' publications. Two examples of these publications, along with the latest quarterly strategic plan tracking report, are included in this document following the KPM summary.

| <b>KPM #</b> | <b>Approved Key Performance Measures (KPMs) Summary (full document was provided with Governor's Recommended Budget)</b>   |
|--------------|---|
| 1            | OPERATIONS - The percentage of total funding used in agency operations. - <b>8.79% (target 11%)</b>   |
| 2            | FUNDING FROM OTHER SOURCES - The percent of funds contributed from other sources on OWEB funded restoration projects. - <b>62.74% (target 50%)</b>  |
| 3            | GRANT-MAKING ACROSS OREGON - Percent of Oregon's 76 sub-basins (defined as 8-digit hydrologic unit code areas) within which Oregonians benefit from OWEB's grant programs – <b>93.42% (target 90%)</b> .  |
| 4            | TIMELINESS OF GRANT-MAKING - The percent of open solicitation grant agreements executed within one month after Board award. – <b>16.18% (target 75%)</b>  |
| 5            | FISH POPULATIONS - The percentage of monitored native fish species that exhibit increasing or stable levels of abundance. – <b>84% (target 75%)</b>   |
| 6            | WATERSHED COUNCIL GOVERNANCE - Percent of OWEB funded watershed councils that demonstrate effective organizational governance and management using OWEB merit criteria. – <b>100% (target 100%)</b>   |
| 7            | PAYMENTS - The percentage of complete grant payment requests paid within 24 days. - <b>100% (target 100%)</b>   |
| 8            | STREAMSIDE HABITAT - The number of riparian stream miles restored or enhanced as a result of OWEB funded grants. – <b>300.65 miles (target 228.20 miles)</b>  |
| 9            | UPLAND HABITAT - Acres of upland habitat restored or enhanced as a result of OWEB funded grants. – <b>44,685 acres (target 50,800 acres)</b>  |
| 10           | NATIVE SPECIES HABITAT AND WATER QUALITY - Percent of restoration, acquisition or technical assistance funding invested to address habitat for threatened, endangered or species of concern, or water-quality concerns identified on 303(d) listed streams. – <b>92.3% (target 90%)</b> |
| 11           | NATIVE FISH HABITAT QUANTITY - Miles of fish habitat opened as a result of completed fish passage projects funded through OWEB grants. – <b>73.17 miles (target 125.50 miles)</b>   |
| 12           | CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information. - <b>91.8% (target 91%)</b>                     |

| Performance Summary | Green                     | Yellow                        | Red                       |
|---------------------|---------------------------|-------------------------------|---------------------------|
| Summary Stats:      | = Target to -5%<br>72.73% | = Target -5% to -15%<br>9.09% | = Target > -15%<br>18.18% |



## Telling the Restoration Story – Example 1: Working together for watershed health in Prairie Creek



### CONSERVATION effectiveness partnership

OREGON  
DEPARTMENT  
OF AGRICULTURE

OREGON  
DEPARTMENT OF  
ENVIRONMENTAL  
QUALITY

USDA NATURAL  
RESOURCES  
CONSERVATION  
SERVICE, OREGON

OREGON  
WATERSHED  
ENHANCEMENT  
BOARD

**CONSERVATION EFFECTIVENESS PARTNERSHIP**  
PULLING TOGETHER TO IMPROVE NATURAL RESOURCE  
INVESTMENTS IN OREGON

### Working together for Watershed Health in Prairie Creek

**WALLOWA COUNTY** - Between Joseph and Enterprise, Oregon, the Prairie Creek watershed offers prime agricultural land. But it wasn't always this way. The watershed was a dry alkali flat before Wallowa Lake was dammed in 1917 to provide more water for crops and livestock. To get the water where it needed to go, a series of ditches crisscrossed the landscape, increasing flows in Prairie Creek. With the increased lake level came a series of ditches that crisscrossed the landscape, bringing water to crops and livestock. As agriculture and economy flourished with the reliable flow of water, so too did bacteria and nutrients in Prairie Creek. But, landowners recognized the links between the health of Prairie Creek, healthy fish and watersheds, and a healthy community.

**FOR CREEK AND COMMUNITY**  
Beginning in the 1980s, farmers and ranchers took it upon themselves to work with conservation and natural resource agencies to voluntarily protect and improve Prairie Creek while maintaining agricultural growth. Wallowa Soil and Water Conservation District worked with landowners to implement conservation actions and to look at the results of those actions over time.

Improving irrigation efficiency, reducing runoff and eliminating ditches that potentially carry runoff into Prairie Creek were the primary goals of their conservation work. Farmers also worked to reduce livestock feedlots along the creek; provide alternative water sources to livestock; plant cover crops; and use proper fertilizer timing and application techniques.

Over three decades, water quality monitoring shows Prairie Creek's health is improving thanks to the cooperative conservation efforts of Wallowa County's conservation community. Now the community is looking to the future. As farmers work to improve remaining areas that lack irrigation efficiencies, they are also working to keep the stream habitat healthy for native fish like steelhead.

**MEASURING CONSERVATION IMPACT**  
The [Conservation Effectiveness Partnership \(CEP\)](#) is a collaboration of natural resource agencies including Oregon Watershed Enhancement Board, USDA Natural Resources Conservation Service, Oregon Department of Environmental Quality and the Oregon Department of Agriculture. In addition, the Oregon Department of Fish and Wildlife provides guidance about fish habitat. CEP works together to understand, optimize and communicate the benefit of conservation investments throughout Oregon.

May 2018

**FRUITS OF THEIR LABOR**  
The risks posed to Prairie Creek prompted Wallowa Soil and Water Conservation District to measure bacteria and pollution levels in the creek from 1991-1993 and again from 2012-2015. This crucial move made smart conservation planning and sustained improvement possible in the Prairie Creek watershed.

The following map shows data collected from water quality monitoring locations throughout Prairie Creek.

P

**PHOSPHORUS**

N

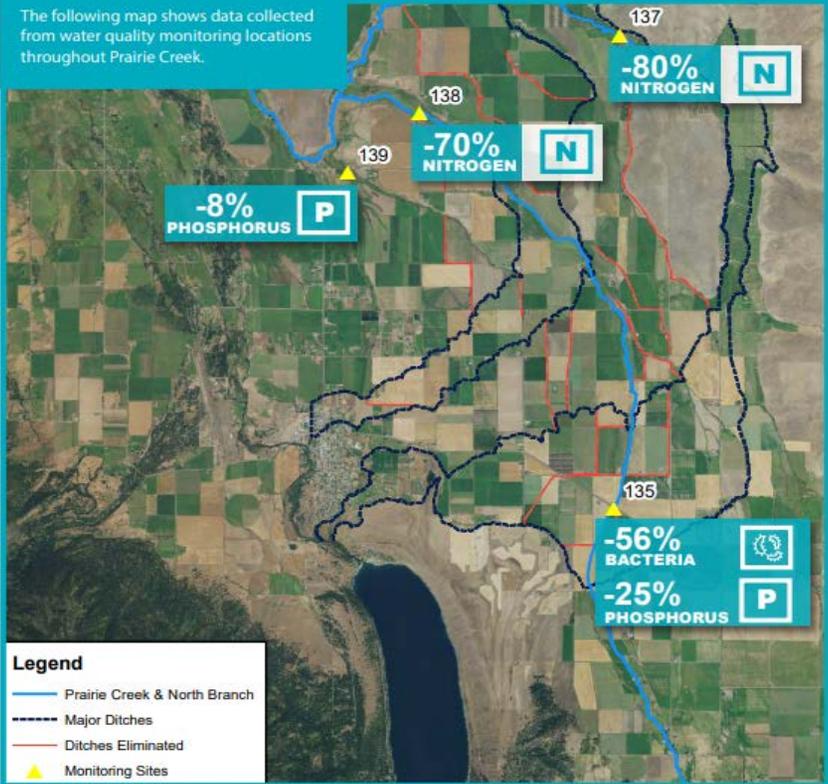
**NITROGEN**



**BACTERIA**

**PHOSPHORUS and NITROGEN**  
are key nutrients in fertilizer. They're also found in livestock waste along with high amounts of **BACTERIA**. When water runs off fields into streams, a cocktail of nutrients and bacteria can harm fish and other aquatic life.

No-till farming and healthy vegetation along streams can reduce runoff and filter nutrients before water reaches streams.



**REDUCTIONS** in bacteria, phosphorus and nitrogen at some monitoring sites are a great start to stream recovery, and overall, the data shows a trend toward water quality improvement. However, there's still work to be done. Data at some monitoring sites showed significant increases in bacteria and nitrogen.

The SWCD and partners are working with landowners to find and address the source of the increase. Now the community continues to use results from water quality monitoring as they look ahead to keep farms and natural areas resilient.

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## Telling the Restoration Story – Example 2: Salmon Rebound in the West Fork Smith River

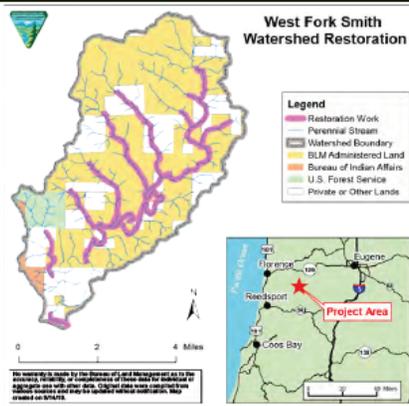
### Salmon Rebound in the West Fork Smith River

Douglas County, Oregon

60 years of Oregon Department of Fish & Wildlife monitoring data confirms the positive effects of investments in habitat restoration.

**Summary**  
Long-term investments by multiple partners in stream restoration in the West Fork Smith River are bringing back native fish. Adult Coho Salmon (*Oncorhynchus kisutch*) have increased by 1,780% since the late 1970s. Chinook Salmon (*Oncorhynchus tshawytscha*) abundance has increased by 300% and Lamprey (*Entosphenus tridentatus*, *Lampetra richardsoni*) numbers are also increasing.\*

\* As indicated by measurements observed at ODFW monitoring station.



The West Fork Smith (West Fork) River is a 15-mile-long tributary to the Smith River that drains 17,045 acres of land. The Smith River's headwaters begin in the Coast Range near Eugene and reach the ocean through the Umpqua River estuary at Winchester Bay, the second largest estuary on the Oregon Coast.

-  Over 40 years of investment results in watershed-scale restoration to improve salmon habitat.
-  13,000 boulders positioned
-  2,000 trees and logs placed
-  40 culverts replaced or removed
-  450 habitat structures installed

**Changes to the River**  
Beginning in the late 1800s, land management activities began impacting the river, and indirectly the fish. Early logging operations and splash dams flushed logs downstream for transport. While an efficient means of transporting logs at the time, it had a dramatic impact on the physical condition of the river, scraping away important river features. Stream cleaning commonly occurred from 1972-1994 and removed more submerged wood needed by fish. By the 1980s, Coho Salmon had reached historically low levels.



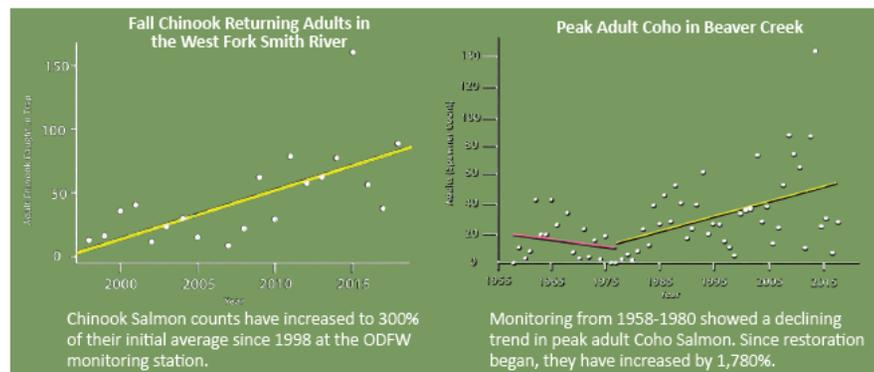
**Restoration Over Time**  
The first efforts to restore the stream began. The Coos Bay District of the Bureau of Land Management (BLM) wrote an aquatic habitat management plan detailing the human impacts to aquatic habitat and outlining measures to restore fish populations. Throughout the 1990s, the BLM placed boulders and large wood in the stream, increasing deep gravel beds that salmon quickly used for spawning. Culverts were replaced to increase fish passage. With Oregon Watershed Enhancement Board support, the Partnership for Umpqua Rivers received funding in 2010 to work with Roseburg Forest Products and the BLM to do large-scale restoration. The investment resulted in the placement of thousands of boulders and pieces of large wood back into the river and its tributaries, restoring 23 miles of stream.

September 2019

**Long-term Monitoring Provides Valuable Data**  
Oregon Department of Fish & Wildlife (ODFW) has monitored salmon in Beaver Creek, a tributary to the West Fork, since 1958. It is one of the longest running annual Coho Salmon surveys in the state. Data collected shows that Coho Salmon have increased by 1,780% in Beaver Creek from 1970's spawning levels. In 1998, as part of the Oregon Plan for Salmon and Watersheds, ODFW began a program to monitor survival and downstream migration of salmon in select watersheds, including the West Fork. The Salmonid Life Cycle Monitoring Project has provided a unique and rich data set to evaluate population trends over time. Both these data sets reveal one measure of the success of the decades-long restoration efforts.



**Promising Rebounds in Native Fish**  
Restoration of spawning habitat was successful for all target species. Since a major flood event in 2007/08 and subsequent restoration treatments, lamprey also show improving trends. Though the winter steelhead population remains stable, Coho and Chinook Salmon populations have continued to increase.



### Next Steps

Scientists have determined that Chinook Salmon could still benefit from additional spawning habitat in the West Fork. Research also reveals that summer and winter rearing habitats are now the most significant limiting factors for Coho, steelhead and lamprey recovery. In response, the Smith River Watershed Council is working with partners to design phased-restoration that uses traditional approaches, like instream wood and boulder placement, as well as streamside forest restoration. By improving the forest structure and allowing timber to mature, trees will fall into the stream naturally over time allowing the system to self-sustain.

### Partners



# Oregon Watershed Enhancement Board (OWEB) Strategic Plan Progress

**Quarterly Strategic Plan Progress Update: December 2020-February 2021**

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## Priority 1 – Board awareness of the relationship between people and watersheds

**Strategy: Develop and implement broad awareness campaigns and highlight personal stories to tell the economic, restoration, and community successes of watershed investments**

**In The Last Quarter, We Did This: (Actions)**

✓ N/A

**Strategy: Increase involvement of non-traditional partners in strategic watershed approaches**

**In The Last Quarter, We Did This: (Actions)**

✓ N/A

**So That: (Outputs)**

- Oregon Lottery media campaigns have new stories every year of watershed work and progress.
- Local partners are trained and have access to media and tools.
- Local conservation organizations have meaningful connection to local media.
- Each region has access to public engagement Strategy that reach non-traditional audiences.

**To Make This Difference: (Outcomes)**

- Successes are celebrated at the local and state level through use of appropriate tools.
- More Oregonians:
  - o are aware of the impacts of their investment in their watershed;

- understand why healthy watersheds matter to their family and community;
- understand their role in keeping their watershed healthy.
- Non-traditional partners are involved and engaged in strategic watershed approaches.

#### Near-Term Measure:

- Fall 2018 Oregon Lottery campaign featured 6 partners from 5 OWEB regions with cumulative reach of 2,347 YouTube views, 30-second feature on watershed restoration has 2,003 YouTube views (accessed 12/10/2019).
- 54 articles featured partners and OWEB in the news (January -November 2019).

#### Potential Impact Measure:

- Increase in public conversation about watersheds and people's role in keeping them healthy.
- Increase recognition of landowner connection to healthy watersheds.
- Broader representation/greater variation of populations represented in the Oregon watershed stories.

## Priority 2 – Leaders at all levels of watershed work reflect the diversity of Oregonians

### **Strategy: Listen, learn, and gather Information about diverse populations**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ Engaged Tribes in providing input to Natural and Cultural Resources Recovery Task Force’s assessment synthesis of wildfire impacts and priority actions
- ✓ Completed the Interagency Climate Justice Survey for the Interagency Workgroup on Climate Impacts on Impacted Communities.
- ✓ Sent survey to board members to better understand their current perspectives on Diversity, Equity, and Inclusion.

### **Strategy: Create new opportunities to expand the conservation table**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ N/A

### **Strategy: Develop funding Strategy with a lens toward diversity, equity, and inclusion (DEI)**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ Convened DEI ad hoc committee to provide survey to board members to understand their current perspectives on diversity, equity, and inclusion. If funding is available next biennium, this work will set the baseline to engage the board in DEI and develop potential investment strategies that fit the sideboards of OWEB funding.

#### **So That: (Outputs)**

- OWEB board and staff have been trained in diversity, equity, and inclusion (DEI).
- OWEB has DEI capacity.
- OWEB staff and board develop awareness of how social, economic, and cultural differences impact individuals, organizations, and business practices.

- OWEB staff and board share a common understanding of OWEB's unique relationship with tribes.
- OWEB grantees and partners have access to DEI tools and resources.
- DEI are incorporated into OWEB grant programs, as appropriate.
- Board and staff regularly engage with underrepresented partnerships and stakeholder groups to support DEI work.

### To Make This Difference: (Outcomes)

- New and varied populations are engaged in watershed restoration.
- Grantees and partners actively use DEI tools and resources to recruit a greater diversity of staff, board members and volunteers.
- Increased engagement of under-represented communities in OWEB grant programs and programs of our stakeholders.
- OWEB, state agencies, and other funders consider opportunities to fund natural resource projects with a DEI lens.

### Near-Term Measure:

- Staff has participated in 365 hours of training (July 2018-August 2020).

### Potential Impact Measure:

- ✓ Increased awareness by grantees of gaps in community representation.
- ✓ Increased representation of grantees and partners from diverse communities on boards, staff and as volunteers.
- ✓ Increased funding provided to culturally diverse stakeholders and populations.

## Priority 3 – Community capacity and strategic partnerships achieve healthy watersheds

### **Strategy: Evaluate and identify lessons learned from OWEB’s past capacity funding**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ N/A (on hold due to funding shortages)

### **Strategy: Champion best approaches to build organizational, community and partnership capacity**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ N/A (on hold due to funding shortages)

### **Strategy: Accelerate state/federal agency participation in partnerships**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ N/A

#### **So That: (Outputs)**

- Data exists to better understand the impacts of OWEB’s capacity investments.
- Help exists for local groups to define their restoration ‘community’ for purposes of partnership/community capacity investments.
- Local capacity strengths and gaps are identified to address and implement large-scale conservation solutions.
- A suite of alternative options exists to invest in capacity to support conservation outcomes.
- New mechanisms are available for watershed councils and soil and water conservation districts to report on outcomes of capacity funding.
- A set of streamlined cross-agency processes exist to implement restoration projects more effectively.

### To Make This Difference: (Outcomes)

- Partners access best community capacity and strategic practices and approaches.
- OWEB can clearly tell the story of the value of capacity funds.
- Lessons learned from past capacity investments inform funding decisions.
- Funders are aware of the importance of funding capacity.
- Restoration projects involving multiple agencies are implemented more efficiently and effectively.
- State-federal agencies increase participation in strategic partnerships.

### Near-Term Measure:

- Under Development.

### Potential Impact Measure:

- Increase in indicators of capacity for entities.
- Increased restoration project effectiveness from cross-agency efforts.
- Increase in funding for capacity by funders other than OWEB.

## Priority 4 – Watershed organizations have access to a diverse and stable funding portfolio

### **Strategy: Increase coordination of public restoration investments and develop funding vision**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ Coordinated discussions among agency water infrastructure funders and organizations representing community infrastructure providers to initiate a process to determine specific ways to improve access to water infrastructure funding and coordination among funding agencies.

### **Strategy: Align common investment areas with private foundations**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ N/A

### **Strategy: Explore creative funding opportunities and partnerships with the private sector**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ N/A

### **Strategy: Partner to design Strategy for complex conservation issues that can only be solved by seeking new and creative funding sources**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ OWEB continues to serve as co-convener of the Natural and cultural Resource Recovery Task Force, using recently completed post-fire assessments to prioritize key actions on natural resources recovery. A series of funding packages are in development for state and federal consideration.

## So That: (Outputs)

- OWEB has a clear understanding of its role in coordinating funding.
- OWEB and other state and federal agencies have developed a system for formal communication and coordination around grants and other investments.
- OWEB and partners have a coordinated outreach strategy for increasing watershed investments by state agencies, foundations, and corporations.
- Foundations and corporations are informed about the important restoration work occurring in Oregon and understand the additional community benefits of restoration projects.
- Foundations and corporations know OWEB, how the agency's investments work, and how they can partner.
- Foundations and corporations understand the importance of investing in healthy watersheds.
- Foundations and corporations consider restoration investments in their investment portfolios.
- Oregon companies that depend on healthy watersheds are aware of the opportunity to invest in watershed health.

## To Make This Difference: (Outcomes)

- Agencies have a shared vision about how to invest strategically in restoration.
- Oregon has a comprehensive analysis of the state's natural and built infrastructure to direct future investments.
- Foundations and corporations are partners in watershed funding efforts.
- Foundations and corporations increase their investment in restoration.
- Natural resources companies are implementing watershed health work that is also environmentally sustainable.

## **Near-Term Measure:**

- Increase in the use of new and diverse funding sources by grantees.

## **Potential Impact Measure:**

- Increase in grantees cash match amount and diversity of cash match in projects.
- Increase in new and diverse funding sources.
- Increase in creative funding mechanisms and Strategy.
- Increased high-quality conservation and restoration projects are funded without OWEB investment.
- Increased funding for bold and innovative, non-traditional investments.

## Priority 5 – The value of working lands is fully integrated into watershed health

### **Strategy: Implement the Oregon Agricultural Heritage Program (OAHP)**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ Received approval through the Governor's budget to move forward the OAHP policy option package requesting \$5 million in other funds, allowing the agency to seek outside funding for OAHP.

### **Strategy: Strengthen engagement with a broad base of working landowners**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ Completed a survey regarding natural and working lands climate solutions to timber and agricultural landowners along with conservation and natural resource organizations to better understand drivers for landowners/managers to sequester carbon/adapt to climate change.

### **Strategy: Enhance the work of partners to increase working lands projects on farm, ranch, and forestlands**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ Developed a strategy to continue to engage with landowners/managers after completion of the climate survey to engage in focused discussions to increase carbon sequestration projects on working lands.

## **Strategy: Support technical assistance to work with owners/managers of working lands**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ Nine Strategic Implementation Area (SIA) teams worked collaboratively with Oregon Department of Agriculture and other partners to define develop local monitoring plans and those plans have been approved by the Statewide Monitoring Advisory Group.
- ✓ Eleven Strategic Implementation Area (SIA) teams worked collaboratively with Oregon Department of Agriculture and other partners to define goals and submit applications for technical assistance funding through OWEB's targeted SIA grant offering.

## **Strategy: Develop engagement Strategy for owners and managers of working lands who may not currently work with local organizations**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ Executive Director participated in annual Sage Grouse Conservation (SageCon) meeting with a focus on continuing to increase private landowner participation in conservation that improves sage-steppe habitat while supporting the local agricultural economy.

### **So That: (Outputs)**

- Local organizations have the technical assistance to address gaps in implementing working land conservation projects.
- Examples of successful working lands conservation projects are available for local organizations to use.
- New partners are engaged with owners and operators of working lands to increase conservation.
- Strategy and stories are being utilized to reach owners and managers of working lands who are not currently working with local organizations.
- Landowner engagement Strategy and tools are developed and used by local conservation organizations.
- The Oregon Agricultural Heritage Commission has administrative rules and stable funding for the OAHP to protect working lands.
- Local capacity exists to implement the Oregon Agricultural Heritage Program.

### To Make This Difference: (Outcomes)

- Generations of landowners continue to integrate conservation on their working lands while maintaining economic sustainability.
- Across the state, local partners have the resources necessary to better facilitate why and where restoration opportunities exist on working lands.
- Fully functioning working landscapes remain resilient into the future.
- Sustained vitality of Oregon's natural resources industries.

### Near-Term Measure:

- Percentage of landowners identified within Strategic Implementation Areas that receive technical assistance.

### Potential Impact Measure:

- Increased conservation awareness amongst owners and managers of working lands.
- A better understanding of conservation participation, barriers, and incentives for working lands owners.
- Expanded relationships with agriculture and forestry associations.
- Increased engagement of owners and managers of working lands conservation projects.
- Increased working lands conservation projects on farm, ranch, and forest lands.
- Expanded working lands partnerships improve habitat and water quality.
- Expanded funding opportunities exist for working lands conservation.

# Priority 6 – Coordinated monitoring and shared learning to advance watershed restoration effectiveness

## **Strategy: Broadly communicate restoration outcomes and impacts**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ Finalized Cohort 2 FIP Progress Tracking Reports and presented to OWEB Board in December 2020.
- ✓ Completed Conservation Effectiveness Partnership fact sheets about Whychus Creek and Willow Creek case studies, quantitatively describing the outcomes of restoration and conservation investments in these two watersheds.

## **Strategy: Invest in monitoring over the long term**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ N/A

## **Strategy: Develop guidance and technical support for monitoring**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ Local teams for the Thirtymile, Eightmile, and Lower North Fork Malheur SIAs convened to develop specific monitoring proposals to understand the impacts of SIA projects.
- ✓ Offered a training webinar about OWEB's revised monitoring grant application, which reflects new requirements under revised administrative rules adopted in 2020.

## **Strategy: Increase communication between and among scientists and practitioners**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ Convened the Stage 0 restoration monitoring workshop, which brought together approximately 100 scientists, practitioners, researchers, managers, and funders to discuss state of the knowledge regarding Stage 0,

information gaps, and opportunities for communication and coordination on future monitoring and implementation.

## **Strategy: Define monitoring priorities**

### **In The Last Quarter, We Did This: (Actions)**

✓ N/A

## **Strategy: Develop and promote a monitoring framework**

### **In The Last Quarter, We Did This: (Actions)**

✓ N/A

### **So That: (Outputs)**

- Additional technical resources—such as guidance and tools—are developed and/or made accessible to monitoring practitioners.
- A network of experts is available to help grantees develop and implement successful monitoring projects.
- A dedicated process exists for continually improving how restoration outcomes are defined and described.
- Strategic monitoring projects receive long-term funding.
- Information is readily available to wide audiences to incorporate into adaptive management and strategic planning at the local level.
- Priorities are proactively established and clearly articulated to plan for adequate monitoring resources that describe restoration investment outcomes.
- Monitoring practitioners focus efforts on priority monitoring needs.

### **To Make This Difference: (Outcomes)**

- Partners are using results-based restoration ‘stories’ to share conservation successes and lessons learned.
- Limited monitoring resources provide return on investment for priority needs.
- Local organizations integrate monitoring goals into strategic planning.
- Limited monitoring resources are focused on appropriate, high-quality, prioritized monitoring being conducted by state agencies, local groups, and federal agencies conducting monitoring.

- Evaluation of impact, not just effort, is practiced broadly.
- Impacts on ecological, economic, and social factors are considered as a part of successful monitoring efforts.
- Monitoring frameworks are developed and shared.
- Monitoring results that can be visualized across time and space are available at local, watershed and regional scales.
- Decision-making at all levels is driven by insights derived from data and results

#### Near-Term Measure:

- 14 outreach products were developed through staff, grants, or partnerships (January-December 2019)

#### Potential Impact Measure:

- Increased public awareness about the outcomes and effects of watershed restoration and why it matters to Oregonians.
- Increased utilization of effective and strategic monitoring practices by grantees and partners.
- Improved restoration and monitoring actions on the ground to meet local and state needs.
- Increase in local organizations that integrate monitoring goals into strategic planning.
- Increased engagement and support of restoration and conservation activities.
- Increased decision-making at all levels is driven by insights derived from data and results.
- Increased ability to evaluate social change that leads to ecological outcomes.

## Priority 7 – Bold and innovative actions to achieve health in Oregon’s watersheds

### **Strategy: Invest in landscape restoration over the long term**

#### **In The Last Quarter, We Did This: (Actions)**

- ✓ Held a quarterly call with the seven recipients of Partnership Technical Assistance grants, who are laying the groundwork for addressing landscape scale restoration.
- ✓ Bonneville Environmental Foundation completed progress tracking reports for each of the new cohort of FIPs.

## **Strategy: Develop investment approaches in conservation that support healthy communities and strong economies**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ Brought on board a tide gate coordinator with NRCS funding to provide overall coordination for the tide gate partnership and associated work; announced at a tide gate partnership meeting.
- ✓ Supported the Tide Gate Partnership by continuing funding for a pipe-sizing tool to aid in the development of tide gate designs that meet regulatory requirements for fish passage.
- ✓ Supported the Tide Gate Partnership by continuing funding for the development of a funding decision support tool to help optimize funding for tide gate repair and replacement projects.

## **Strategy: Foster experimentation that aligns with OWEB's mission**

### **In The Last Quarter, We Did This: (Actions)**

- ✓ Climate committee is in the process of drafting questions for consideration in new grant applications to help better understand how grantees are connecting their work to climate adaptation and sequestration

### **So That: (Outputs)**

- OWEB works with partners to share results of landscape scale restoration with broader conservation community.
- OWEB's landscape-scale granting involves effective partnerships around the state.
- OWEB and partners have a better understanding of how restoration approaches can be mutually beneficial for working lands and watershed health.

### **To Make This Difference: (Outcomes)**

- Multi-phased, high-complexity, and large geographic footprint restoration projects are underway.
- Conservation communities' value an experimental approach to learning and innovation.
- Conservation communities become comfortable with properties and projects that show potential, even if the work is not demonstrated based on demonstrated past performance.
- OWEB encourages a culture of innovation.

- OWEB investment approaches recognize the dual conservation and economic drivers and benefits of watershed actions, where appropriate.
- Diverse, non-traditional projects and activities that contribute to watershed health are now funded that weren't previously.
- OWEB becomes better able to evaluate risk.

#### Near-Term Measure:

- 16.98% of Oregon is covered by a Strategic Action Plan associated with a FIP or Coho Business Plan.

#### Potential Impact Measure:

- Increased strategic watershed restoration footprint statewide.
- Increased money for innovative watershed work from diverse funding sources.
- Increased learning from bold and innovative actions so future decisions result in healthy watersheds in Oregon.
- New players or sectors—such as healthcare providers—engaged to invest in watershed restoration, enhancement, and protection.

## **D. Program Summaries**

### **Program – Agency Operations and Agency Grants**

The primary role of OWEB is to provide grants to support fish and wildlife habitat and water quality. As a result, the work of the staff (Agency Operations Program) and the grants the agency invests in on behalf of Oregonians (Agency Grant Program) are inextricably intertwined. Since much of the language overlaps, in this summary, we have chosen to combine the two programs. Individual descriptions are provided in the full budget document, and the bills for each (grants and operations) are considered as two separate bills, HB 5-37 and 5038.

#### **Agency Operations and Agency Grants Program Description**

OWEB's operations funding provides the delivery mechanism for grants to help Oregonians take care of local streams, rivers, wetlands, uplands, forests and other natural habitat from ridge-top to ridge-top across the state. In coordination with other federal and local natural resource agencies, OWEB staff lead competitive grant programs that invest in the most effective, science-based actions to support habitat improvements for clean water and healthy natural resources, track results of the projects, and report on results.

The largest number of grant types is offered every six months on a statewide basis, with rigorous technical review from panels of experts. In addition, staff work with specific program areas, including Focused Investment Partnerships around the state, to make large-scale, longer term grants on an even more flexible schedule to match watershed investment priorities and timelines. Another example is the Small Grant program that processes small grants year-round in 30 days or less. In all, OWEB provides 17 different grant offerings that address restoration and conservation needs around the state. These are described in more detail under the Agency Grants Program below.

OWEB staff take a lead role in monitoring and reporting results of agency investments and actions undertaken in support of the Oregon Plan for Salmon and Watersheds across state natural resource agencies. Staff work jointly with federal and state agencies to coordinate effectiveness monitoring at a watershed scale, providing both funding and internal analysis functions to deliver effective, cross-agency monitoring. Staff also develop web-based tools and information about actions, results and outcomes.

#### **Number of People Served**

As noted in the KPM #3 description above, OWEB's grants are investments are best tracked by the number of watersheds served, rather than number of individuals. This is because the watershed benefit of a project extends well beyond the

individual landowner or land manager implementing the project. Grants can improve water quality for small communities, make habitat available for some of Oregon's most cherished species, and increase small business restoration work across the state. In 2020, nearly 95% of watersheds in Oregon were served by an OWEB grant. The agency also tracks the number of open grants and the funding amount. Over the past three years, the number of open grants and agreements being managed by the agency has increased. In 2007, OWEB staff managed a high of 1,060 open grants and agreements. That number has since trended upward, with 1,315 open grants and agreements in 2020—a 24 percent increase over 2007. At the same time, complexity and size of restoration applications received and funded by OWEB has trended upward. In 2001, the average restoration grant award was approximately \$54,000. By 2007 the average award was nearly \$118,000. The average restoration grant award in 2019 increased to nearly \$250,000 due in large part to a few, large restoration investments.

### **Who is served**

Since 1999, OWEB has provided grants to support more than 10,150 projects to improve fish and wildlife habitat and water quality. The agency administers both Lottery funds and federal Pacific Coastal Salmon Recovery Fund (PCSRF) grant funds, along with funding from other sources. OWEB awards these funds through its competitive grant programs to support habitat improvements and help recover threatened and endangered species. Clients and partners include hundreds of local organizations such as watershed councils, soil and water conservation districts, land trusts and other non-governmental organizations; landowners; tribal governments; cities and counties; and universities.

As noted above, OWEB's investments are in service to the health of the watersheds in which people throughout Oregon live. Below is a summary from the agency's strategic plan that provides a description about how these investments are linked to Oregonians across the state.

*The Oregon Watershed Enhancement Board cares about and invests state funding in the health of the land in Oregon's watersheds and the water that flows through it.*

*Everyone in the world lives in a watershed. Watersheds encompass every square inch of land on the planet, starting at the very top of the highest ridge. They include every place from which water flows as it enters creeks, then streams, then rivers, then the ocean and lakes. A watershed is as much about the land across and through which water flows as it is about the water itself. Urban, rural, desert, rainforest – every part of the landscape is in a watershed, and every part of the landscape matters when we talk about watershed health.*

*Healthy watersheds work hard. They move sediment from the mountains to their ultimate destination, beaches and bays, sorting it along the way to create diverse landscapes and habitats. They cycle nutrients and convert them into forms that living organisms can use. They purify and store water, and then meter its release into streams to reduce flooding and damaging erosion in the winter and to sustain flows and cool temperatures during the dry season. Watersheds even improve air quality by absorbing pollutants and greenhouse gases.<sup>1</sup>*

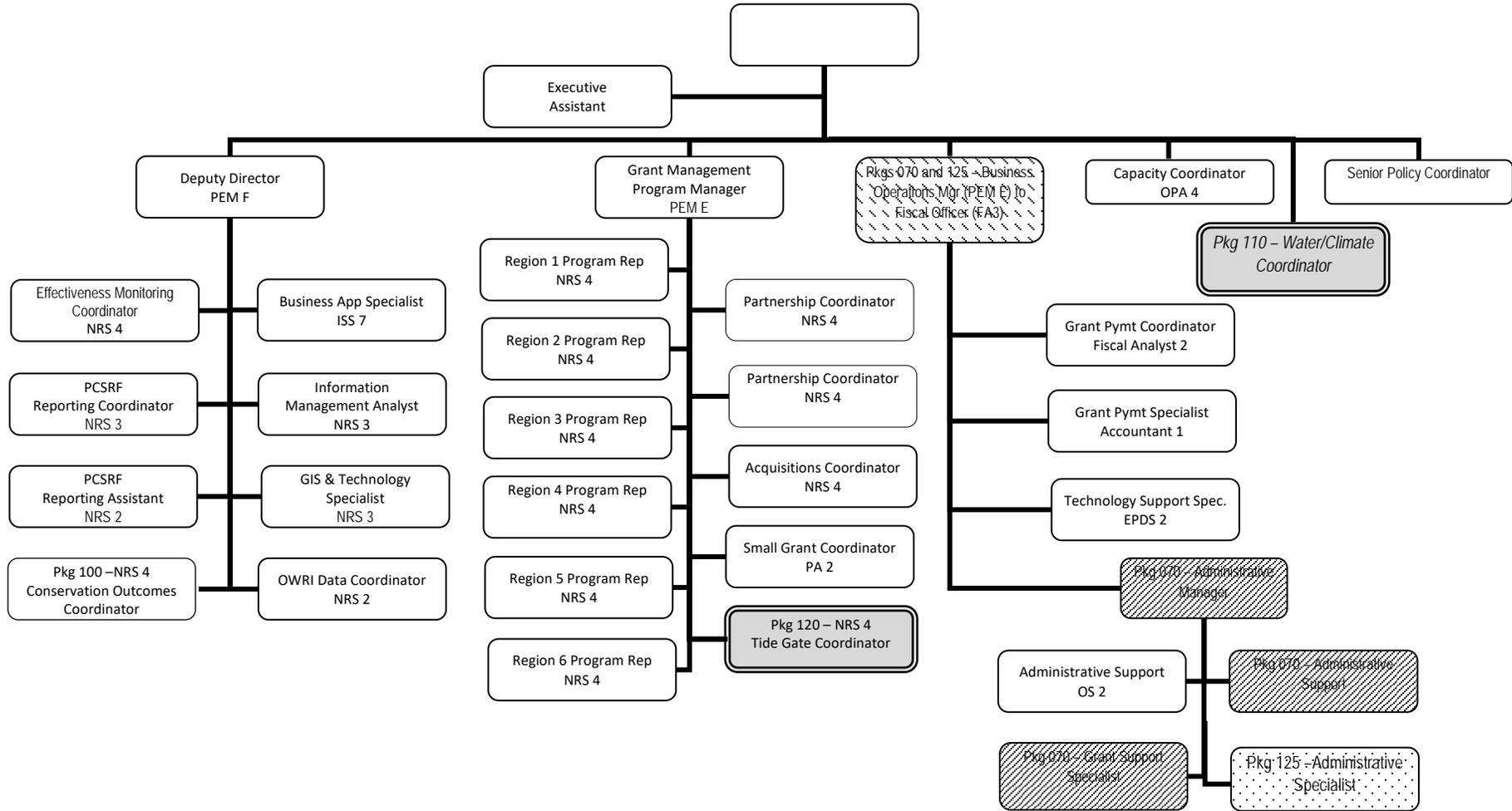
*In addition to environmental benefits, healthy watersheds matter for our state's economy and communities. A watershed that is healthy can grow big trees. When managed with care, those trees support a sustainable timber harvest. At the same time, they provide homes for owls and support habitat for salmon in the streams. A healthy watershed grows sagebrush where birds nurture and protect their young, and a place for ranchers to raise cattle that thrive. Water that runs through lands that are cared for and managed is cleaner, requiring less treatment for a family's drinking water. Clean water and healthy forests and deserts create spaces for those families to swim, camp, hike, fish, and hunt.*

*We care about watersheds – those lands and water that sustain us. A healthy watershed provides enough food, water, and shelter for the people, plants, fish and wildlife that inhabit it – not just for Oregonians now, but for future generations as well. In return, healthy watersheds are supported by people who reflect the diversity of their communities. OWEB will seek out and develop leaders that reflect the diversity of Oregon to engage them in the rewarding work of watershed restoration.*

*When the watershed and its water are vibrant and healthy, we are too.*

# E. OWEB Organizational Information

## E.1 2021-2023 Governor’s Recommended Budget proposed organizational chart:



## **E.2 How services are delivered**

Agency services are delivered in two program areas. As above, the summary below encapsulates both grants and operations.

### **Agency Operations and Grant Service Delivery**

OWEB implements grant programs to improve and enhance Oregon's clean water, native fish and wildlife habitat, and large, connected natural areas. OWEB's operations funding supports delivery of grants that help local community organizations across Oregon as they implement, track and monitor science-based projects with private landowners that restore land, water and fish and wildlife habitat, and provide jobs throughout Oregon communities.

OWEB's staff effectively deliver grants, manage the operations of an 18-member board and stay abreast of emerging funding opportunities while reporting accomplishments to the sources of OWEB funding – both federal and state. Budgeted staff and support costs for OWEB's budgeted grant programs makes up just over nine percent of OWEB's full budget based on a ratio of the operations program budget to the total budget. This is a very efficient grant delivery system as compared with private foundations nationally. OWEB's operations funding is based on a model that has been successful in both agency and foundation settings – combining both staff and contracted services to deliver services effectively and efficiently. The agency utilizes staff for those positions that need strong institutional knowledge and mission focus. Contracted services are recommended where specific expertise is needed to quickly address key needs with lower overhead costs.

Regional staff work closely with local citizens, watershed councils, and other agencies to coordinate restoration investments and manage grants. Agency staff also track restoration activities and provide guidance for local watershed assessments, monitoring, and restoration planning. The agency has a network of six regional offices statewide, with the Willamette regional office and agency headquarters located in Salem.

The 18-member board has 11 voting members, including five public-at-large members, five members from other state natural resource boards/commissions, and a member representing tribes. In addition, seven non-voting members serve on the board representing Oregon State University's Extension Service and six federal natural resource and regulatory agencies. Public members are appointed by the Governor and confirmed by the Senate to serve staggered four-year terms. The board is responsible for setting agency policy consistent with state law, and for establishing and tracking the agency's spending plan, through which the agency establishes grant programs and investment areas. The agency's executive director is also appointed by the Governor and confirmed by the Senate to a four-year term. Sixty-five percent of the Ballot Measure 76 (2010) Lottery Funds is constitutionally directed for conservation grants, with the remaining 35 percent of the funds (Operations) supporting agencies and other related conservation activities.

## **F. Major Budget Drivers, Budget Risks and Environmental Factors**

### **F.1. Major Budget Drivers, Budget Risks & Environmental Factors**

#### **Budget Drivers**

The success of the agency in achieving the policy objectives established by the Legislature and OWEB's board is largely dependent on sufficient resources to support the agency grant program along with strong local organizations to implement voluntary conservation projects in local communities. OWEB's grant program is the primary activity for the agency. Grant program funding supports local restoration and conservation projects, technical assistance and design, watershed council capacity, soil and water conservation district capacity, monitoring, resource assessment and planning, and stakeholder engagement activities, among others. The effectiveness of these functions, and the local infrastructure that supports them, is dependent on strong and consistent funding from OWEB's grant program and the ability to leverage OWEB investments with other conservation funders.

Ballot Measure 76 (2010) constitutionally dedicates 65 percent of the Lottery Funds to conservation grants. This budget uses \$76.2 million of revenues from the December 2020 lottery forecast, interest earnings, and beginning balance. There is \$7.8 million ending balance. As noted above, Measure 76 revenues have been negatively affected by impacts of coronavirus, which are anticipated to continue through next biennium, resulting in reductions of approximately 7% to OWEB's budget for the 2021-23 biennium.

In addition, this budget unit is funded with federal Pacific Coastal Salmon Recovery Funds (PCSRF), Salmon License Plate revenues, funds transferred from the Oregon Department of Forestry, National Coastal Wetlands Conservation Grant funds from the U.S. Fish and Wildlife Service, Pacific States Marine Fisheries Commission funds, federal funds from Natural Resources Conservation Service and the Bureau of Land Management, and a variety of Other Funds funding sources. Collectively, these funds provide grants to support watershed councils, soil and water conservation districts and forest collaboratives, and other local partners via grants for technical assistance, monitoring, outreach, assessment, organizational capacity, restoration, and land and water protection that conserve habitat for native fish and wildlife, improving water quality and benefiting natural watershed functions.

#### **Budget Risks**

During the 2019-21 biennium, Measure 76 revenues were negatively affected by the video lottery impacts of bar and restaurant closures and restrictions due to coronavirus. This situation already has resulted in OWEB having a significantly

reduced amount of lottery funds for use in grant-making, along with a reduction of approximately one-third of OWEB's staff through the remainder of the 2019-21 biennium. With an 11% reduction proposed for the 2021-23 biennium, agency impacts are substantial and are expected to continue through the next biennium. At the same time, OWEB's existing grant workload has not changed, as it is a result of grants awarded prior to the steep revenue declines.

On the federal front, while Pacific Coastal Salmon Recovery funds remain a stable part of annual Congressional appropriations, each year there is a risk that Congress will not award those funds. Given that over the years, these funds represent approximately one-third of the agency's grant and operating funds, the agency works closely with other western states to ensure funds continue to be allocated to this important program.

## **Environmental Factors**

In addition to the reduction in Lottery revenues, several other factors influence OWEB's ability to successfully achieve its mission. One factor is the level of awareness and understanding by Oregonians of what voluntary actions can be taken to protect and restore healthy watersheds and natural habitats, and the opportunities for more Oregonians to get involved in conservation activities in their communities. The more awareness, understanding and participation that exists, the more successful OWEB and its local and state partners will be. In addition, the success of OWEB's investments in local communities is dependent on close coordination between regulatory agencies and local grantees. Overcoming regulatory hurdles and simplifying regulatory reviews of restoration activities required by state and federal agency partners is another environmental factor affecting the ability of OWEB and its local partners to achieve its policy objectives. Finally, the quality of OWEB's investments is dependent on the participation of partner agencies in the review of grant applications. OWEB operates as a granting agency. To keep the agency's staffing levels small, the agency utilizes the technical expertise of other state and federal agencies and tribes to review grants. These partners serve on OWEB's regional and technical review teams and the OWEB Board to ensure the best possible grants are funded and agency policies are developed in context of the work of other local, state and federal counterparts. As other state agencies proceed through the 2021-23 budgeting process and determine constraints on their budgets and/or staffing, OWEB will stay in close communication with our partner agencies with which we collaborate on these important grant review functions.

## **F.2 Major Changes to OWEB in the Past 6 Years and Program Changes in the 2019-21 biennium**

As an agency focused on continuous improvement to better serve our applicants, grantees and Oregonians in all of the state's watersheds, OWEB has established a number of processes to improve both efficiency and effectiveness. In the last six years, major changes have included the following:

## Agency Reorganization

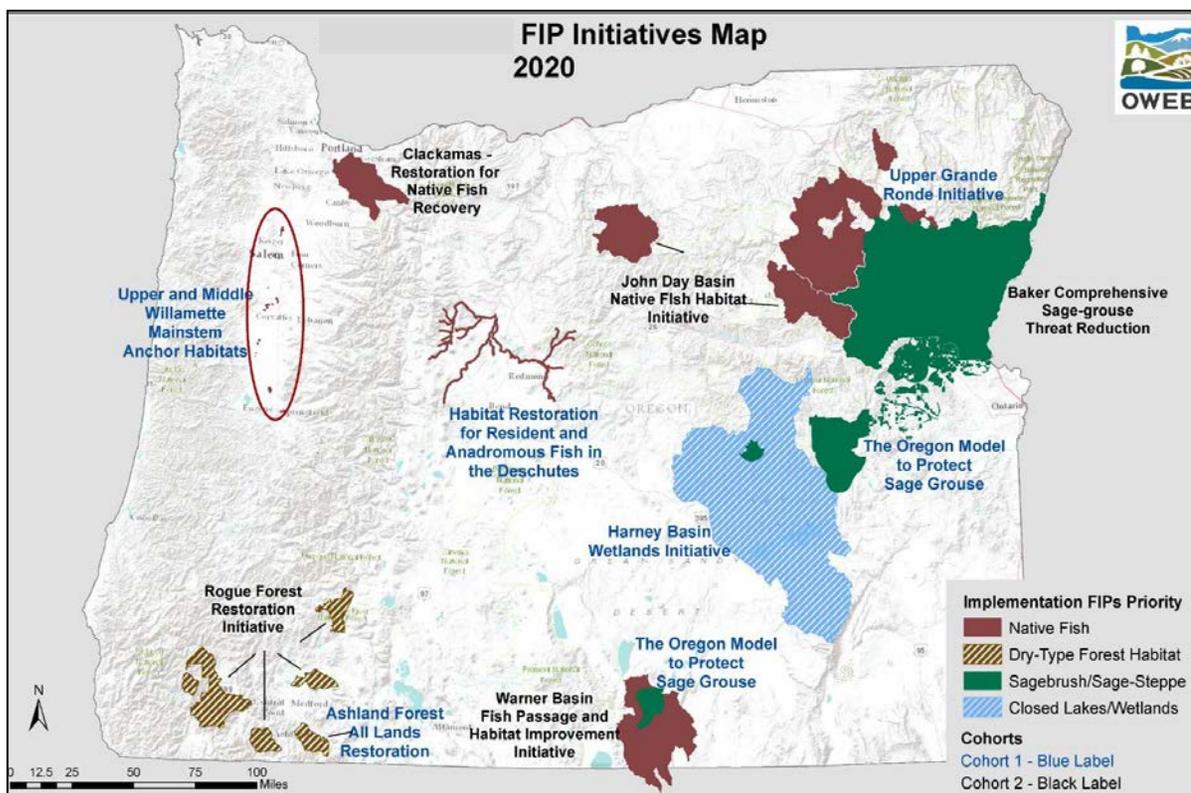
In 2015, the agency completed a full reorganization into its current structure as shown in the organizational chart. The agency evaluates the structure annually in a survey of staff. Given shifts in the 2021-23 budget, the agency will complete a full assessment of its current structure to determine its effectiveness in serving the agency's needs.

## Focused Investment Partnerships

In 2016, OWEB initiated its first formal solicitation for Focused Investment Partnerships (FIP). These investments now make up approximately 25% of the agency's spending plan. Investments are competitive within board-identified priorities. Successful FIPs engage a high performing partnership with a strategic action plan that meets one of the board's priorities. The agency has invested in 11 FIPs since the program's inception.

## Online grant application process

OWEB has worked extensively with staff and applicants to deliver an effective grant application process online. This move reduced the agency's physical paper use by over 90%, and greatly reduced grantee paper use as well. In addition, some grantees would *physically* drive their applications to the office on the due date prior to the shift to the online system, so grantees have reduced their carbon footprint in other ways as well. Now that this process is complete, new grant types can be easily added by staff, and grantee-proposed improvements to the system are tracked in real time. The shift has led to more work around what the agency calls its Project Life Cycle, as the agency looks for ways to move the entire process from application to payments and final reporting – online.



## **Strategic Plan**

In 2018, the OWEB board finalized a 10-year strategic plan. The plan was a major overhaul to the agency's previous plan, which was developed at a time of uncertainty for the agency about whether Lottery funding would be made constitutionally permanent. The new plan is summarized under Section C1 above and reflects the board's interest in ensuring investments are strongly connected to the environment, communities, and local economies.

## **New board committee structure**

Following the strategic plan completion, the board turned its focus to establishing a committee structure that was reflective of the plan's priorities and other critical issues around OWEB and its triple-bottom-line approach to investing. The board committees reflect both the type of grants the agency invests in (monitoring, open solicitation, focused investments, acquisitions), and critical policy issues that have a nexus with agency funding (diversity, equity, and inclusion; climate, strategic plan, and water).

## **Climate, water, and fire**

While climate, water, and fire have always been major drivers of the agency's environmental investments, the 2019-21 biennium brought these topics into sharp focus for the agency. OWEB was part of the leadership team that worked with the Governor's office to develop the first draft of Oregon's 100-Year Water Vision. While budget and COVID precluded this work going forward in a manner that was anticipated in 2020, many components are still a priority for the state, and agencies continue to coordinate around funding and other key water investment issues.

OWEB is a part of Governor Brown's Climate Executive Order, particularly in relationship to the natural and working lands components of the order. The agency is working closely with the Global Warming Commission and other natural resource agencies to identify voluntary incentives, actions, and policy changes that will increase natural and working land carbon sequestration across the state.

The 2020 fire season highlighted OWEB's ability to make flexible, small-scale investments to help communities quickly receive funding that focused on high-priority recovery needs. In addition, the agency joins the Department of Environmental Quality and Department of Forestry in leading work related to Natural and Cultural Resource Recovery Task Force (known as State Recovery Function-7).

### **Food Security and Farmworker Safety Investments**

OWEB again had an opportunity to showcase its granting effectiveness by working with sister agencies in natural resources, health, and housing to quickly design and implement a model program that provided grants to farmers with farmworkers to increase their safety during the 2020 harvest season. Funds were invested in personal protective equipment, housing, transportation, and sanitation needs. In all, the OWEB and its agency partners delivered \$4.85 million dollars either directly through grants or through PPE purchases to keep farmworkers in Oregon safe.

## **G. OWEB's Actions to Contain Costs and Improve Programs & Services**

### **G.1 Program consolidation and reducing duplications**

OWEB has taken a number of steps to both realign programs and eliminate or reduce duplications in this and previous biennia. With the agency's move to online applications and associated review processes, administrative workload has been greatly reduced. This has resulted in OWEB's current budget request, which replaces three administrative positions with one that is more suited to the current needs of the agency.

While administrative functions have been reduced, the agency remains committed to providing exceptional customer service to applicants, grantees, and other stakeholders. This requires that the agency maintain a strong staff presence in our range of granting programs so customers can continue to receive timely and accurate responses to requests.

### **G.2. Proposed changes to statutes, rules, or processes**

For the 2021-23 biennium, OWEB does not propose any changes to the agency statutes. There are no major rules changes proposed, though OWEB will continue to follow its established 5-year rule review process to make any necessary rule updates. Finally, given that OWEB fully invests in a continuous improvement approach to improving customer service and program delivery to its grantees, the agency will continue to update processes increase effectiveness.

## H. Major Budget Information

### H.1 Caseloads

Over the past three years, the number of open grants and agreements being managed by the agency has increased. In 2007, OWEB staff managed a high of 1,060 open grants and agreements. That number has since trended upward, with 1,315 open grants and agreements in 2020—a 24 percent increase over 2007. At the same time, complexity and size of restoration applications received and funded by OWEB has trended upward. In 2001, the average restoration grant award was approximately \$54,000. By 2007 the average award was nearly \$118,000. The average restoration grant award in 2019 increased to nearly \$250,000 due in large part to a few, large restoration investments.

### H.2 Summary of revenues

OWEB's primary funding sources are Lottery revenues and federal Pacific Coastal Salmon Recovery Funds. From its inception, OWEB has explored opportunities to leverage other funding to increase the conservation benefits from state Lottery Funds. The amount of other funds leveraged has become significant. Current partnerships leverage federal funds from the U.S. Departments of Agriculture, Interior, and Commerce, and Bonneville Power Administration (BPA), among others.

#### Source of funds for Unit 010, Operations

Lottery Funds [dedicated by Ballot Measure 76 (2010)]; and Federal Funds [Pacific Coastal Salmon Recovery Fund (PCSRF) (NOAA Fisheries); and Natural Resources Conservation Service (NRCS), specifically in support of POP 120)]. Proposed changes in sources: POP 120 is proposed to be funded with federal funds from NRCS.

#### Source of funds for Unit 020, Grants

Lottery Funds [dedicated by Ballot Measure 76 (2010)]; Federal Funds [Pacific Coastal Salmon Recovery Fund (NOAA Fisheries), U.S. Fish and Wildlife Service, Natural Resources Conservation Service, Bureau of Land Management]; and Other Funds [Salmon Plate funds, Pacific States Marine Fisheries Commission, Oregon Department of Forestry funds, PacifiCorp, Idaho Power Company, and public/private other fund sources for OAHP]. Proposed changes in sources: Fund types (i.e., Lottery, Federal, and Other Funds) remain the same, but two new funding sources — PacifiCorp and Idaho Power—are included in this budget request.

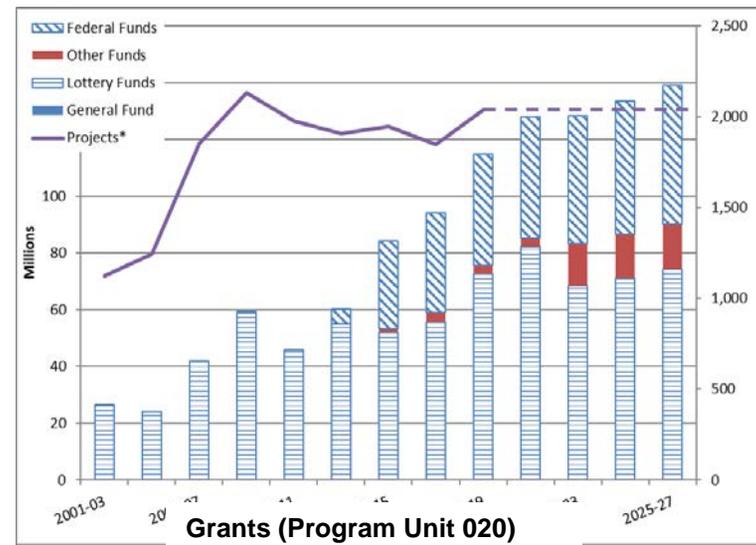
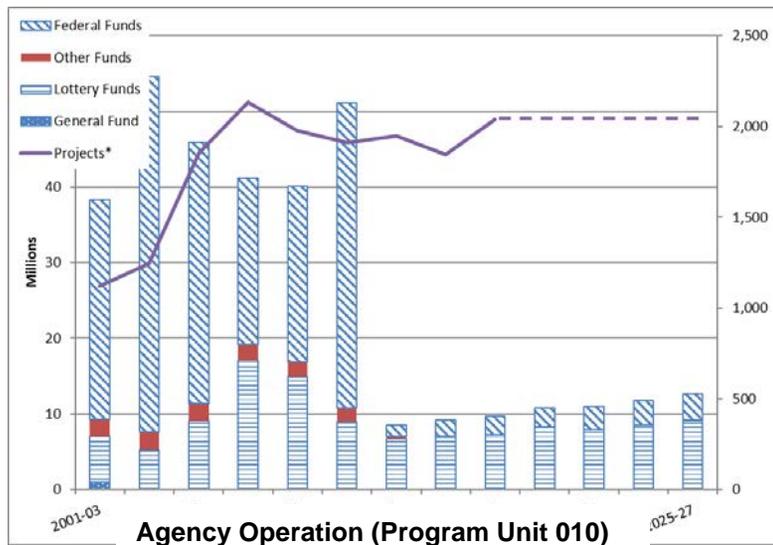
### H.3 Proposed changes in revenue sources or fees

As noted above, OWEB proposes two additional revenue sources in 2021-23.

Package 220 allows OWEB to receive and expend as grants other funds from two sources. First, PacifiCorp would provide funds related to the 2016 Klamath Hydroelectric Settlement Agreement. The funds are intended to address water-quality improvements in the Klamath River, as part of the process by which four hydroelectric facilities, currently operated by PacifiCorp, would be removed. OWEB will serve as grant administrator for these funds, which will be expended as grants to local partners, such as watershed councils and soil and water conservation districts, among others, in the Upper Klamath Basin.

Second, Idaho Power Company Funds would provide funds related to relicensing of the Hells Canyon dam complex. The funds are intended to address water-quality and salmonid habitat improvements in the lower sections of the Malheur and Owyhee river basins. OWEB will serve as grant administrator for these funds, which will be expended as grants to local partners, such as watershed councils and soil and water conservation districts, among others.

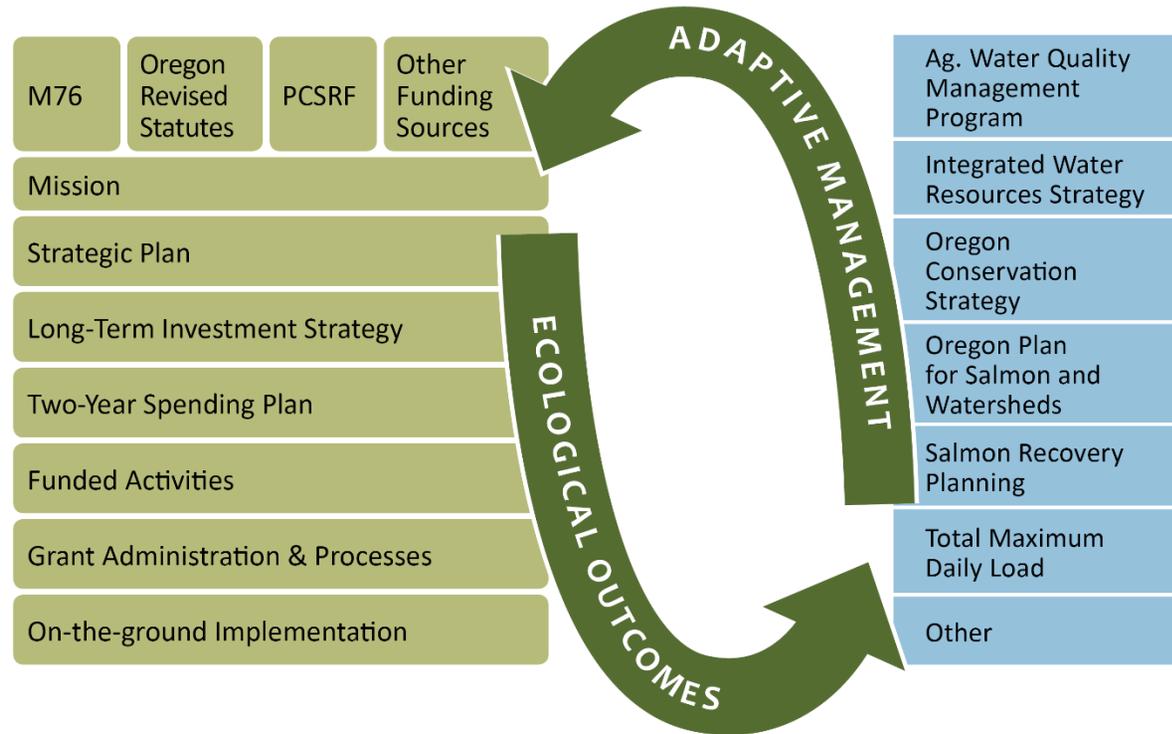
### H.4 Historical and projected program spending



## I. Description of Programs that are shared with or dependent on other agencies

OWEB's investments are all made in full partnership with other state and federal agencies. OWEB's granting programs support priorities across the natural resource agencies including the Oregon Conservation Strategy, Integrated Water Resources Strategy, Agriculture Water Quality Management Program, and others. The graphic on the shows how programs and OWEB's investment approach are connected.

The quality of OWEB's investments is dependent on the participation of partner agencies in the review of grant applications. OWEB operates as a granting agency. To keep the agency's staffing levels small, the agency utilizes the technical expertise of other state and federal agencies and tribes to review grants. These partners serve on OWEB's regional and technical review teams and the OWEB Board to ensure the best possible grants are funded and agency policies are developed in context of the work of other local, state and federal counterparts. As other state agencies proceed through the 2021-23 budgeting process and determine constraints on their budgets and/or staffing, OWEB will stay in close communication with our partner agencies with which we collaborate on these important grant review functions.



## J. Summary of Proposed Legislation Affecting Agency Operations

| Bill Number | Bill Summary  | Status of Bill*   | Budgetary Impact to OWEB  |
|-------------|---|---|---|
| HB 2170     | Authorizes provider of water project support to make support available to local organizations and local governments for purpose of developing local community engagement plans for water projects.  | Referred to House Water.  | No budgetary impact   |
| HB 2598     | Imposes severance tax on all timber harvested from public and private forestland.   | Referred to House Ag and NR, with subsequent referral to Revenue.                         | Five percent of the Oregon Wildfire Preparedness and Community Protection Fund created by this bill would be administered by OWEB to provide grant funding for communities to protect their forest-sourced water supply.                            |
| HB 3160     | Establishes Oregon Wildfire Preparedness and Community Protection Fund and directs State Fire Marshal, State Forestry Department and Oregon Watershed Enhancement Board to make expenditures from fund for various activities related to restoration, protection and recovery from wildfires. | Referred to Veterans and Emergency Management with subsequent referral to Ways and Means. | Twenty-five percent of the Timber Tax Fund created by this bill would be administered by OWEB to provide grant funding for post-fire recovery activities related to watershed rehabilitation and drinking water protection, among other activities. |
| HB 3293     | Authorizes provider of water project support to make support available to local organizations and local governments for purpose of developing local community engagement plans for water projects.  | First reading. Referred to Speaker's desk.  | No budgetary impact   |

\* Bill status as of 3/2/21

## **K. Budgetary impact**

### **K.1 Program and Service Reductions in Governors Budget**

Due to anticipated reductions in lottery revenues, Package 070 reductions of \$1.1 million resulted in a modified Current Service Level. By restoring key aspects of OWEB's staff capacity, the agency will have more capacity to deliver on existing responsibilities. However, lack of restoration of services and supplies funding in this package presents ongoing challenges for the agency associated with fulfilling some grant management responsibilities, statutory and funding related requirements.

During the 2019-21 biennium, Measure 76 revenues were negatively affected by the video lottery impacts of bar and restaurant closures and restrictions due to coronavirus. This situation already has resulted in OWEB having a significantly reduced amount of lottery funds for use in grant-making, along with a reduction of approximately one-third of OWEB's staff through the remainder of the 2019-21 biennium. With an 11% reduction proposed for the 2021-23 biennium, agency impacts are substantial and are expected to continue through the next biennium. At the same time, OWEB's existing grant workload has not changed, as it is a result of grants awarded prior to the steep revenue declines.

Package 070 and statewide reductions include: abolishing the agency's business operations manager position and replacing it with a fiscal analyst position; abolishing a procurement assistant, an administrative manager, and an office specialist and replacing those positions with a single administrative support specialist. In addition, a total reduction of \$322,838 in contracted services, \$176,514 in various S&S accounts, \$120,906 in DAS and other fees, and \$155,870 in vacancy savings are included in the Governor's Budget.



### K.3 Vacant position information

| <b>Position Title</b>      | <b>Classification</b> | <b>Months Vacant</b> | <b>Anticipated Fill Date</b> | <b>Narrative reason</b>  |
|----------------------------|-----------------------|----------------------|------------------------------|--|
| Fiscal Manager             | PEME                  | 7                    | 7/1/2021                     | Laid off 7/15/20, retired Fiscal Manager hired as 1/2 time temp.   |
| Admin Svc Mgr              | PEMA                  | 9                    | n/a                          | Position on proposed layoff list. Employee left for another agency. Held vacant for savings. Position not in 2021-23 budget. |
| Info Mgmt Spec             | NRS3                  | 6                    | 7/1/2021                     | Employee left for another agency. Held vacant for savings.   |
| Office Support             | OS2                   | 20                   | n/a                          | Position vacant since 7/1/19, held vacant for savings. Position not in 2021-23 budget.                                       |
| Partnership Coord          | NRS4                  | 7                    | n/a                          | Position on proposed layoff list. Limited duration employee left for federal agency. Held vacant for savings.                |
| Conservation Outcomes Spec | NRS3                  | 2                    | n/a                          | Position on proposed layoff list. Limited duration employee left for another agency. Held vacant for savings.                |

## **L. Pandemic/Coronavirus Relief Fund Issues**

In 2020, OWEB managed the Food Security and Farmworker Safety Program on behalf of the state. The purpose of the program was to: (insert details here). The program was finalized in December 2020. There are no outstanding issues associated with the program. A summary of program accomplishments is contained on the following pages.



## PROTECTING THE HARVEST - WORKING TOGETHER TO KEEP FARMWORKERS HEALTHY IN OREGON

**Oregon's Food Security and Farmworker Safety (FSFS) Program** provided \$5.1 million in CARES funding to Oregon's agricultural producers in order to help secure Oregon's food supply chain and protect essential agricultural workers from COVID-19 exposure and illness during the 2020 harvest season.

The FSFS Program provided financial assistance to comply with increased safety measures during peak harvest. This report describes the program's highlights and outcomes.



### PROGRAM HIGHLIGHTS

- Over \$1.85 million in direct payments to producers during the 2020 harvest season (Jun – Nov 2020)
- Coordinated with local partners to distribute 4.2 million KN95 masks, and invested \$3 million in FSFS funding for mask purchases
- 228 producers participated, resulting in 305 FSFS projects
- Producers estimated 21,000+ farmworkers benefitted from the enhanced safety measures
- Assistance for housing, transportation, and field sanitation to protect farmworkers from COVID-19, including face coverings
- Coordinated inter-agency approach to develop the program, informational resources, and provide information under the emerging COVID-19 pandemic
- 33 agricultural producers were connected with Oregon Health Authority coordinators/Community Based Organizations through the FSFS Program
- Cost to deliver program < 7%. Total administrative costs: \$335,000

## STATE AGENCIES AND NON-PROFITS WORK TOGETHER TO ACHIEVE RESULTS

The COVID-19 emergency caused Oregon's Occupational Safety and Health Administration (OR-OSHA) to issue temporary rules requiring increased field sanitation measures and more stringent labor housing and transportation regulations.

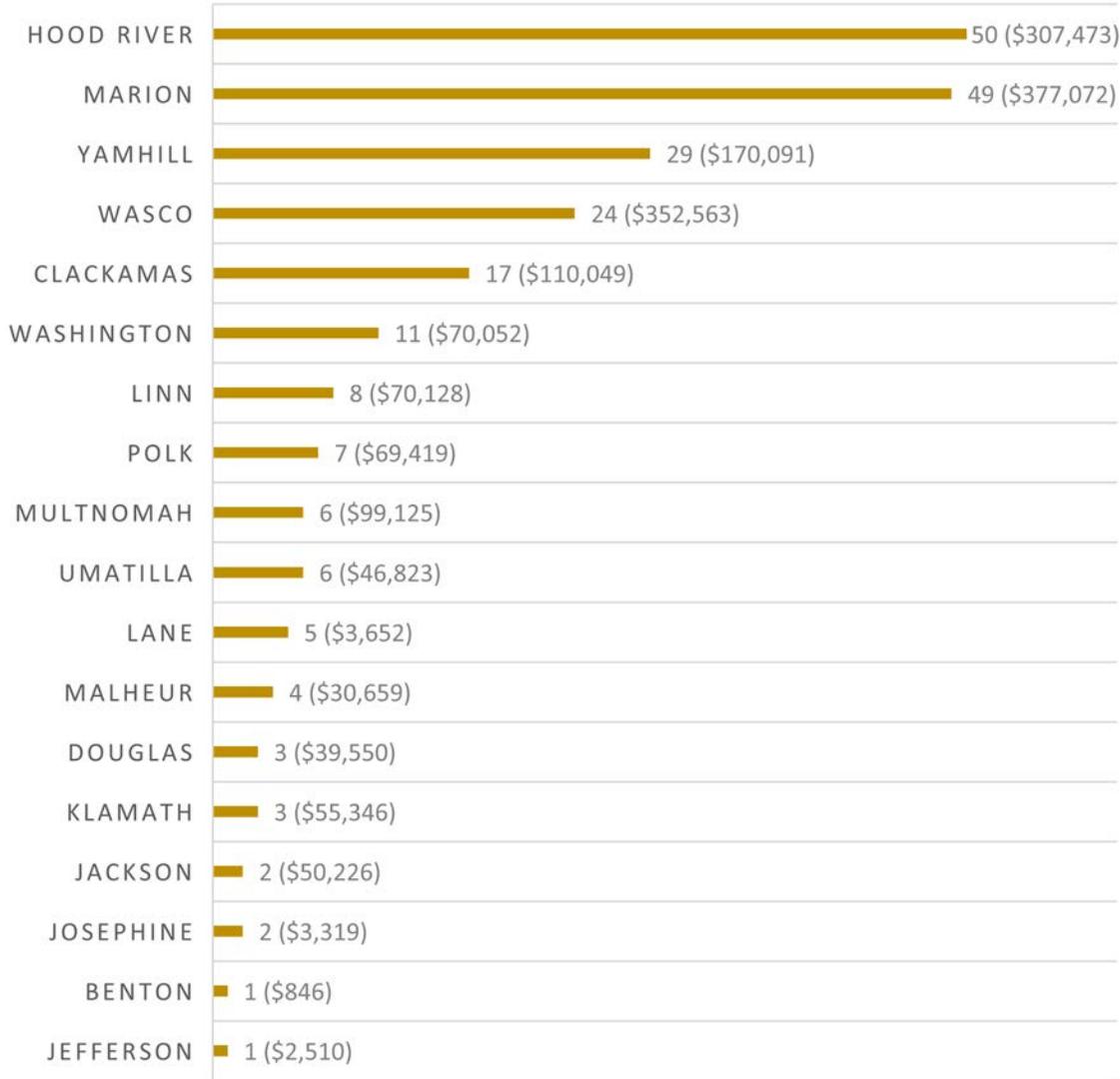
When Governor Kate Brown announced the temporary OR-OSHA rule, five state agencies came together to proactively help Oregon's agricultural producers have the resources they needed to comply and keep farmworkers healthy.

Led by the Office of Governor Kate Brown, these state agencies rapidly developed a financial assistance program for Oregon's agricultural producers.

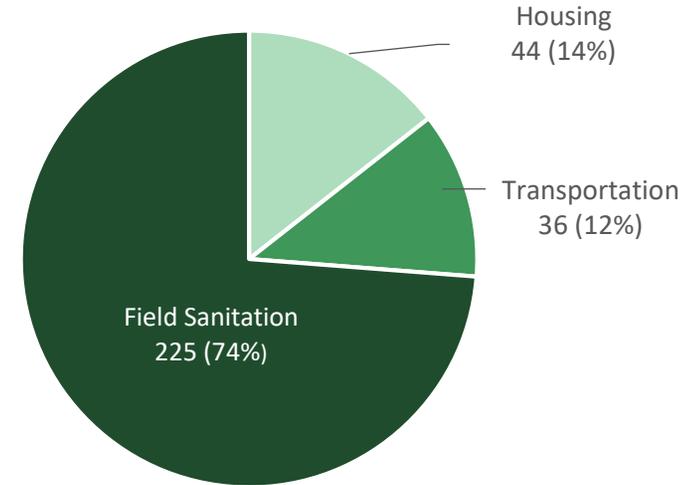
Agencies worked with farmworker advocates, Community Based Organizations, and Oregon Health Authority's Community Partner Outreach Program to identify priority needs and respond with information and resources.



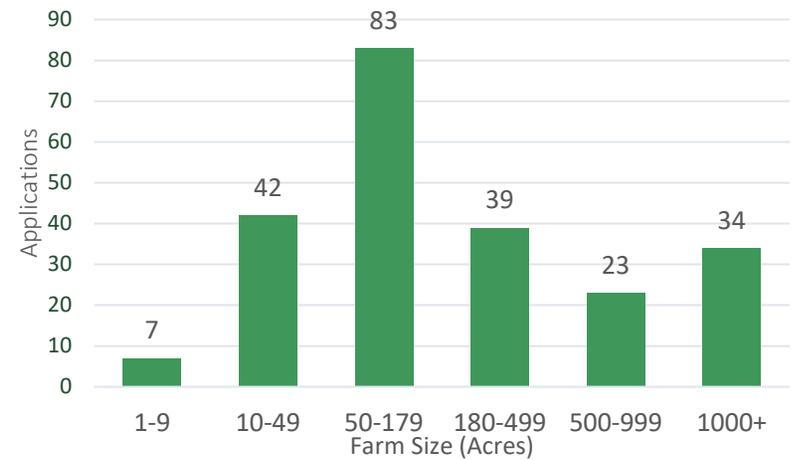
## NUMBER OF APPLICATIONS & FUNDING AWARDED BY COUNTY



## NUMBER OF PROJECTS BY FUND TYPE (Total Projects: 305)



## NUMBER OF APPLICATIONS BY FARM SIZE





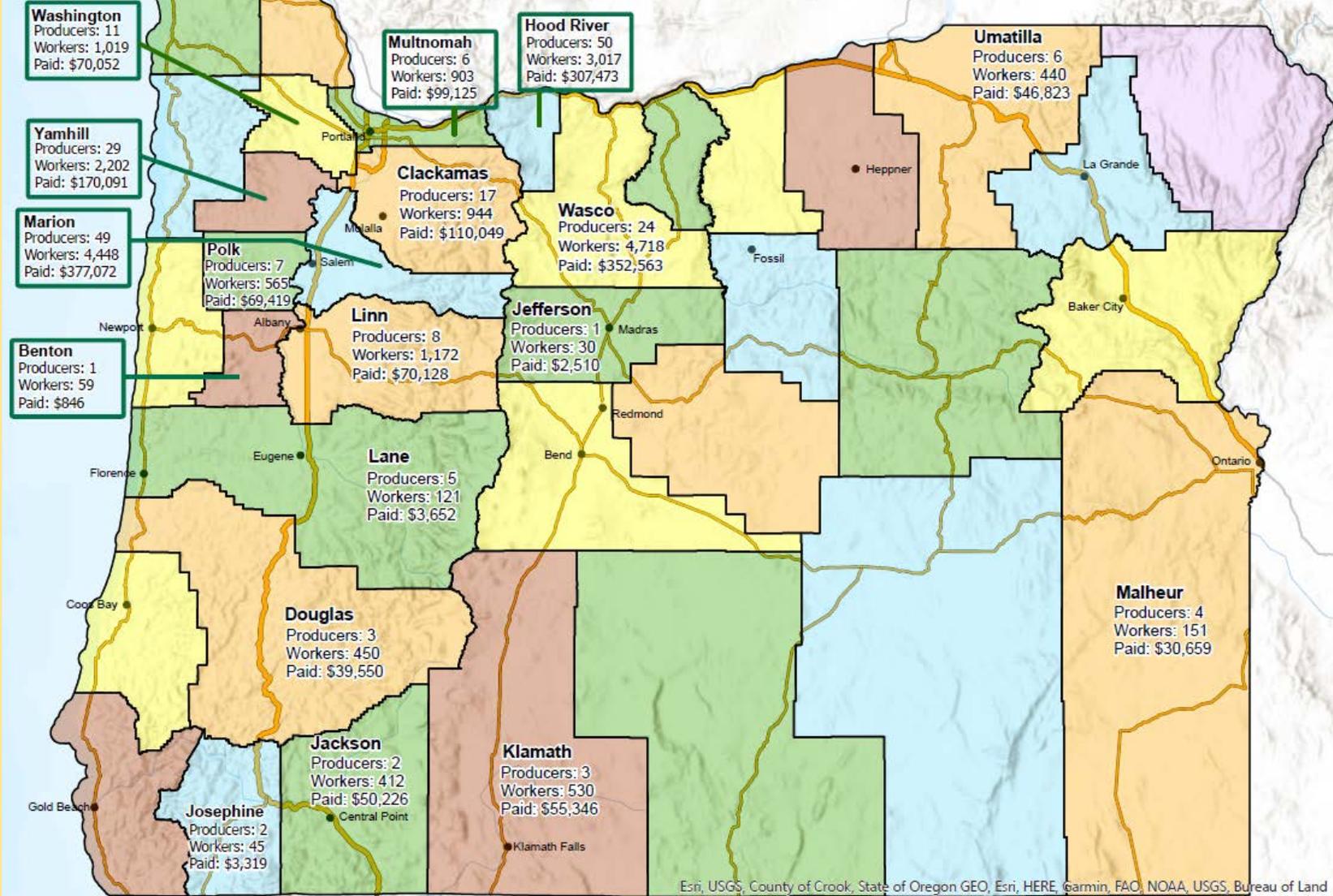
# Oregon's Food Security and Farmworker Safety Program Report

January 2021

## PRIMARY CROPS BY COUNTY

- BENTON**  
Christmas trees, berries
- CLACKAMAS**  
Berries, mixed vegetables, nursery stock
- DOUGLAS**  
Grapes, berries
- HOOD RIVER**  
Cherries, pears, apples
- JACKSON**  
Pears, grapes, mixed vegetables
- JEFFERSON**  
Carrot seed, grass seed, nursery stock
- JOSEPHINE**  
Grapes, herbs
- KLAMATH**  
Grains, potatoes, mixed vegetables
- LANE**  
Grapes, berries, mixed vegetables
- LINN**  
Hazelnuts, berries, mixed vegetables, grass seed
- MALHEUR**  
Asparagus, sweet potatoes, onions, corn, beets
- MARION**  
Berries, grapes, hazelnuts, hops, mixed vegetables, nursery stock
- MULTNOMAH**  
Trees, shrubs, hemp, berries, mixed vegetables
- POLK**  
Berries, grapes, grass seed, hazelnuts
- UMATILLA**  
Apples, pears, grapes, nursery stock
- WASCO**  
Cherries, pears
- WASHINGTON**  
Berries, grapes, nursery stock, hazelnuts
- YAMHILL**  
Grapes, hemp, berries, hazelnuts

## Number of Producers and Workers Served by County Grant Funds Paid out by County



Esri, USGS, County of Crook, State of Oregon GEO, Esri, HERE, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS

**MARION**  
Berries, grapes, hazelnuts, hops, mixed vegetables, nursery stock

**MULTNOMAH**  
Trees, shrubs, hemp, berries, mixed vegetables

**POLK**  
Berries, grapes, grass seed, hazelnuts

**UMATILLA**  
Apples, pears, grapes, nursery stock

**WASCO**  
Cherries, pears

**WASHINGTON**  
Berries, grapes, nursery stock, hazelnuts

**YAMHILL**  
Grapes, hemp, berries, hazelnuts

## **URL to OWEB's Governors' Budget**

<https://www.oregon.gov/oweb/Documents/GB-2021-2023.pdf>

## **Results of all audits in current biennium**

OWEB was audited by the Secretary of State's Office along with all other agencies receiving Measure 76 Lottery funding. The audit had no findings that warranted action. The executive summary is attached here.



# Secretary of State **Oregon Audits Division**



## Multiple Agencies **By Appropriately Administering Measure 76 Funds, Oregon Is Advancing Constitutional Goals for State Parks and Natural Resources**

December 2020  
**Report 2020-43**

Secretary of State Bev Clarno  
Audits Division Director Kip Memmott



# Executive Summary

## Why This Audit is Important

» Parks and natural resources are two of Oregon's irreplaceable assets that benefit all citizens. Voters passed Measure 76 in 2010, amending the state Constitution to protect these assets.

» Measure 76 designates 15% of Lottery revenues to a fund for that purpose. Recently, that fund has exceeded \$95 million per year.

» Much (39%) of the Measure 76 Fund is dedicated to grant programs.

» Appropriate procedures and tracking are necessary to ensure grant dollars are spent appropriately and completely.

» Measure 76 also amended the Constitution to require a regular audit of these moneys.

## Multiple Agencies By Appropriately Administering Measure 76 Funds, Oregon Is Advancing Constitutional Goals for State Parks and Natural Resources

### What We Found

1. Agencies are complying with grant expenditure requirements. ([pg. 10](#))
2. Agencies evaluate, award, and monitor grants effectively. ([pg. 10](#))
3. The Oregon Parks and Recreation Department has taken steps to prepare for a potential reallocation of funds. ([pg. 12](#))
4. Agencies' performance data demonstrates progress on constitutional achievements. ([pg. 13](#))

### What We Recommend

The Oregon Constitution requires the Secretary of State Audits Division to regularly audit any state agency that receives moneys from the parks and natural resources fund. The stated intent of the audit is to address the financial integrity, compliance with applicable laws, efficiency and effectiveness of the use of the moneys.

We found agencies receiving these funds have adequate processes and procedures in place to ensure the funds are achieving the stated constitutional purpose. As such, we have no recommendations to offer.

# Introduction

Oregon’s natural beauty and resources have long been an integral part of the state’s identity. Much of the state’s robust tourism industry relies on access to parks and outdoor recreational opportunities. The many natural resources found in the state — including timber, water, fish, and wildlife — have been the foundation of Oregon’s economy for decades. Beyond economic interests, Oregonians pride themselves on the natural beauty of the state and enjoy ready access to its many forests, hiking trails, waterways, beaches, and more. Maintaining the health and availability of the outdoors is critical to the state and its citizens.

Recognizing this fact, and desiring to continue investments in these areas, voters passed Measure 76 in 2010 and amended the Oregon Constitution. The Parks and Natural Resources Fund receives 15% of net lottery revenues, about \$100 million per year, and divides it equally between the parks and natural resources subaccounts.

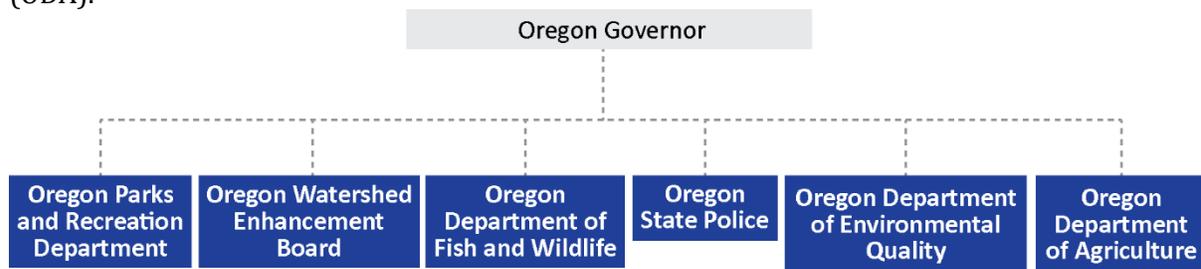


Oregon’s parks and natural resources are two of the state’s most valuable assets.  
Source: OWEB.

Parks funding is “distributed for the public purposes of financing the protection, repair, operation, and creation of state, regional and local public parks, ocean shore and public beach access areas, historic sites and recreations areas.”<sup>1</sup> Natural resource funding is for “the restoration and protection of native fish and wildlife, watersheds and water quality in Oregon.”<sup>2</sup>

Measure 76 also amended the Constitution to require a regular audit of the moneys. Per Article XV, section 4c, the Secretary of State “shall regularly audit any state agency that receives moneys from the parks and natural resources fund... to address the financial integrity, compliance with applicable laws, efficiency and effectiveness of the use of the moneys.”

Six Oregon agencies receive money from this fund and were therefore included in this audit: the Oregon Parks and Recreation Department (OPRD), the Oregon Watershed Enhancement Board (OWEB), the Oregon Department of Fish and Wildlife (ODFW), the Oregon State Police (OSP), the Oregon Department of Environmental Quality (DEQ), and the Oregon Department of Agriculture (ODA).



<sup>1</sup> Oregon Constitution, Article XV, Section 4, Paragraph 10

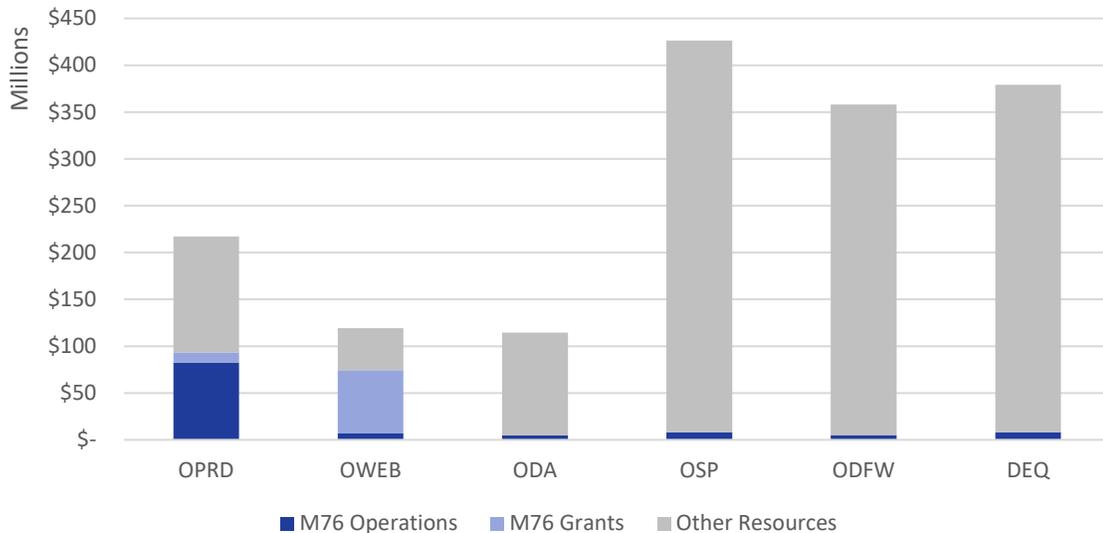
<sup>2</sup> Oregon Constitution, Article XV, Section 4, Paragraph 10

## Oregon has dedicated funding to conservation for over 20 years

The same principles in Measure 76 were first implemented in 1998, when voters passed Measure 66. The passage of Measure 76 made some changes over the previous iteration of the fund, the most significant being that, while Measure 66<sup>3</sup> required minimum amounts to be spent on capital expenditures, Measure 76 removed that requirement and replaced it with minimum amounts to be for local and regional grants.

Measure 76 is not the only funding source for park management and conservation efforts by the state. Many others exist, such as the state's General Fund and federal funds used by the six agencies receiving Measure 76 funds and by other agencies.

**Figure 1: Oregon entities receiving Measure 76 funds also receive other resources**



Source: Legislative Fiscal Office detailed analysis of the 2017-19 Legislatively Adopted Budget.

The appropriations for both the Measure 66 and Measure 76 Fund have generally trended upward since inception, beginning with \$111 million in the first full biennium (2001-03) and growing to \$193 million for the 2017-19 biennium. Beginning in spring 2020, the COVID-19 pandemic caused a decrease in lottery revenues, which may lead to reduced funding for the current and future biennia.

## Six agencies use Measure 76 funds for a variety of operational purposes

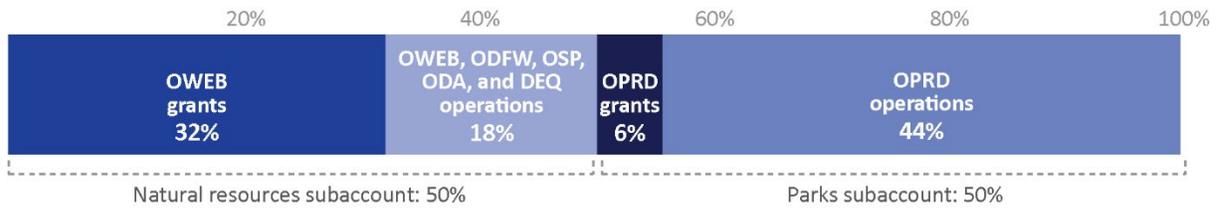
Currently, the Measure 76 Fund is dispersed to six agencies. Since it is a funding source with broad goals it allows for the participating agencies to implement unique structures and programs.

The fund is divided equally between the parks subaccount, which is allocated entirely to OPRD, and the natural resources subaccount, which is split among the remaining five agencies. The Constitution further divides these subaccounts into separate portions for grants and operations. Most of our audit procedures focused on the portions pertaining to grants as operational expenditures, which are primarily for payroll and services and supplies, appeared to have a lower risk. The grants portions generally must be awarded to entities other than the state for specific purposes, such as the construction of a local park or the completion of a wetland

<sup>3</sup> The Audits Division performed audits of Measure 66 funds. These can be found [on our website](#). They are reports no. 2010-27, 2008-20, 2007-01, 2005-17, and 2002-46.

restoration project. The operations portions have fewer restrictions and may be used by state agencies for costs such as payroll or rent.

**Figure 2: The Measure 76 Fund is allocated to several agencies for grants and operations**



Source: Oregon Constitution, Article XV, Section 4.

***OPRD uses Measure 76 funds to manage state parks and keep parks affordable and accessible***

OPRD’s mission is to provide and protect outstanding natural, scenic, cultural, historic, and recreational sites for the enjoyment and education of present and future generations. The agency focuses on protecting Oregon’s special outdoor and historic places, providing opportunities for great experiences and sustaining Oregon’s quality outdoor recreation and heritage resources for the future. OPRD is led by the seven-member Parks and Recreation Commission.

To accomplish its mission, OPRD provides one of the most popular state park systems in the nation — more than 250 properties providing more than 50 million visits a year — and manages other key recreation and heritage programs. These include Oregon’s public ocean shore, scenic waterways and bikeways, the State Historic Preservation Office, archaeology services, and historic cemeteries. OPRD programs serve Oregon communities directly with grants and guidance related to outdoor recreation, museums, and historic downtown revitalization.



Kayakers enjoy Collier Memorial State Park.  
Source: OPRD.

OPRD has about 600 full-time equivalent staff, with many employees being seasonal. In recent years, OPRD’s budget has been approximately \$100 million per year. Measure 76 funds are nearly half of OPRD’s revenues. Other significant revenues are park service fees, recreational vehicle registration fees, and federal funds.

In spring 2020, the COVID-19 pandemic caused a significant decrease in revenues, as both the Measure 76 lottery revenues and park service fees fell. This has forced OPRD

to cut costs in many areas and lay off a portion of its workforce. As of October 2020, OPRD is still responding to this budget shortfall as the situation develops.

Per the Oregon Constitution, OPRD must use at least 12% of the Measure 76 funds for grants; the remaining 88% is used by the agency for operations. All of the grant money is used for the Local Government Grant Program, which helps local governments gain or improve parklands. The grant program is described in more detail later in this report.

## **OWEB uses Measure 76 funds to help accomplish its mission to protect natural resources**



OWEB protects Oregon's streams.  
Source: OWEB.

OWEB's mission is to help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies. The agency accomplishes this largely through grants to help Oregonians take care of local streams, rivers, wetlands, and natural areas. OWEB is led by an 18-member citizen board drawn from the public at large, tribes, and federal and state natural resource agency boards and commissions.

OWEB has about 30 full-time equivalent staff operating under an annual budget of \$55 million. Measure 76 funds comprise approximately 60% of OWEB's revenues. Other significant revenues are federal funds (primarily through the Pacific Coast Salmon Recovery Fund grant program) and salmon license plate revenues.

Much like OPRD, OWEB was also affected by revenue shortfalls as a result of the COVID-19 pandemic. In response, the agency paused financial awards and budget decisions.

OWEB is required to use at least 65% of the Measure 76 funds from the natural resources subaccount for a variety of grant programs. The remainder of OWEB's portion, which is approximately 4% of the natural resources subaccount, is used for operations — which primarily consists of grant-making and coordinating conservation efforts with many stakeholders. The most significant grant type is restoration, which is for projects that improve waterway or watershed habitat in a specific area using actions like adding beneficial plants to a stream bank or removing fish passage barriers like irrigation dams. Other grant types that support restoration activities are technical assistance, monitoring, operating capacity, and stakeholder engagement. These grants are described in more detail later in this report.

### ***Four other agencies with a role in protecting natural resources also receive Measure 76 funds***

ODA's mission is to ensure healthy natural resources, environment, and economy through the inspection and certification, regulation, and promotion of agriculture and food.

ODA annually receives about \$4.1 million in Measure 76 funds, representing about 7% of its revenues. Recently, ODA used about 70% of these funds for invasive species management programs and 30% for water quality programs. ODA also provides technical advice and helps to select grantees for two Measure 76 grant programs: the Oregon State Weed Board grants and the Soil and Water Conversation District grants.



ODA fights invasive species such as spotted knapweed.  
Source: ODA.

The mission of OSP is to serve the State of Oregon with a diverse workforce dedicated to the protection of people, property, and natural resources. The agency enforces the traffic laws on the state's roadways, investigates and solves crimes, conducts post-mortem examinations and forensic analysis, and provides background checks and law enforcement data. OSP is also charged with regulating hunting, fishing, the

handling of hazardous materials and fire codes, educating the public on fire safety, and enforcing fish, wildlife, and natural resource laws.



A state trooper inspects crab pots, enforcing wildlife laws. Source: OSP.

One of the larger agencies to receive Measure 76 funds, OSP annually receives about \$4 million in Measure 76 funds, representing about 2% of OSP's revenues, all of which goes to the agency's Fish and Wildlife Division. This division is comprised of 135 troopers who enforce hunting, fishing, and other natural resource laws.

OSP's Fish and Wildlife Division is not to be confused with ODFW, which regulates the harvest, health, and enhancement of native species populations. The agency manages fish hatcheries and wildlife areas, conducts research, and educates the public.

ODFW annually receives about \$2.6 million in Measure 76 funds, representing about 1% of its revenues, and uses these funds for a variety of programs. A common theme of these programs is native species conservation, which is accomplished by monitoring, data analysis, planning, policymaking, and on-the-ground projects.

The final agency to receive Measure 76 funds is DEQ, whose mission is to be a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.

DEQ is a regulatory agency receiving annually about \$2.3 million in Measure 76 funds, representing about 1% of its revenues, all of which is used in the Water Quality Division on the Water Quality Monitoring, Water Quality Permitting, and Total Maximum Daily Load programs. These programs aim to maintain and improve the quality of Oregon's water resources.

## **Oregon uses grants as a powerful tool to fulfill the goals of Measure 76**

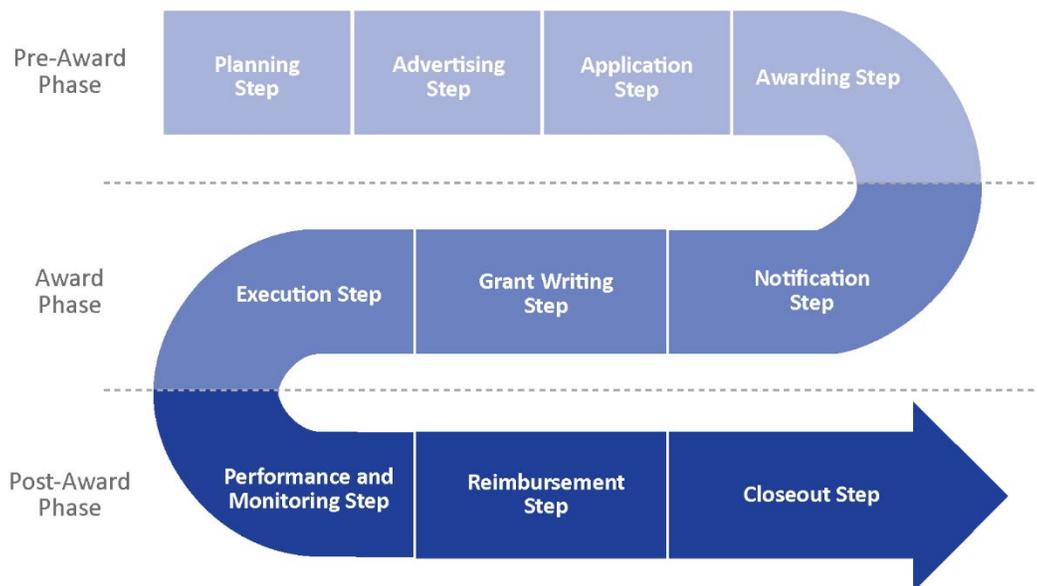
Granting is an important function to many government agencies. It helps to extend the reach of an agency's funds beyond what the government can do by itself. By granting, an agency involves more stakeholders, getting collaboration from entities with similar goals that might not have been involved in the absence of grants.

It also allows the leveraging of funds to secure "matching." For example, the grantor may contribute \$10,000 to a project contingent on a matching contribution by the grantee of \$5,000. This creates a project worth \$15,000 that fulfills the grantor's goals without having to spend as much money.

The constitutionally required Measure 76 grant programs are assigned to OPRD and OWEB. OWEB enlists the assistance of ODA in administering parts of its Measure 76 grant program. The specifics of these grants are covered in greater detail in the Audit Results section of this report.

### ***Grant offerings require planning, effort, and coordination***

A typical grant offering involves the following phases and steps. These can vary depending on the types of grants.



**Pre-Award Phase:** In planning, the grantor considers their objectives for the cycle and dedicates resources to the grant offering. The grantor also writes rules and applications to prepare. In advertising, the grantor notifies the public of the grant offering and encourages eligible entities to apply. This is followed by the application step, wherein potential grantees complete and submit applications, often using a web interface. Finally, the awarding step: The grantor reviews applications and selects awardees using a process that gives all applicants equal opportunities and funds the best grant proposals. This often involves a technical or eligibility review by staff in the grantor agency and a review by a committee of staff and volunteer stakeholders. Those reviews will result in recommendations. The ultimate selection of awardees is made by an appointed board or, if authority has been delegated, by grantor management.

**Award Phase:** This phase begins with notification, when the grantor notifies the applicant that they have selected their project for funding. This allows the applicant to begin preparing the project. The grantor will advise the grantee not to expend funds until an agreement is signed by both parties. This is followed by the grant writing step. The grantor drafts a grant agreement, which is a legally binding contract between the parties that describes the required actions for each party. Finally, the execution step is where both grantor and grantee sign the agreement and commit to the contract.

**Post-Award Phase:** Once the grant has been awarded, the grantee performs the project as written, periodically notifying the grantor of its progress. The grantor may conduct site visits and review documentation in what is considered the performance and monitoring step and is followed by the reimbursement step, where the grantee submits reimbursement requests. (This step applies to reimbursement basis grants, where the grantor only pays the grantee after the grantee incurs costs. Some grants are not on a reimbursement basis, allowing payments in advance of the time costs are incurred.) Finally, there is the closeout step. The grantee submits a final report and a final reimbursement request, if applicable. These items demonstrate completion of the project work. The grantor reviews these submissions to their satisfaction and considers the report closed.

## **Agencies use Key Performance Measures to evaluate progress for use of Measure 76 funds**

Measure 76 funds are used for operational purposes to meet constitutional achievements. Agencies use key performance measures that are reported annually to the Legislature in showing progress toward these achievements.

Key performance measures are the primary expression of an agency performance. They are high-level, outcome-oriented performance measures state agencies use to report externally to the Legislature and interested citizens. These measures communicate in quantitative terms how well the agency is achieving its mission and goals.

## Audit Results

The Oregon Constitution requires the Secretary of State Audits Division to regularly audit any state agency that receives moneys from the parks and natural resources fund to address the financial integrity, compliance with applicable laws, efficiency and effectiveness of the use of the moneys. This audit focused on grant administration as this was a recent constitutional requirement.

We found the three Oregon agencies administering grants have adequate processes in place to track grant expenditure requirements and are effectively evaluating, awarding, and monitoring these grants. We also found OPRD has taken steps to prepare for a potential reallocation of funds. Finally, we found the performance metrics of each agency demonstrate progress on constitutional achievements.

### Agencies have a process to track grant expenditure requirements

Measure 76 funds have constitutional requirements to be spent in certain ways. Of the funding received, OPRD is to spend no less than 12% for local and regional grants to either acquire property for — or to develop or improve — public parks, natural areas, or outdoor recreation areas. OWEB is to spend no less than 65% on grants to entities other than state or federal agencies for projects restoring watersheds and fish or wildlife habitats.

We found agencies have adequate processes in place to track grant expenditures to ensure they are meeting constitutional requirements. Both OPRD and OWEB use coding in the state's accounting system to track grant money to ensure the constitutional requirement is met. Both agencies also have processes to ensure that the required revenue is appropriately recorded. Expenditures are also coded to ensure the required amount of money is spent on grants.

### Agencies evaluate, award, and monitor grants effectively

#### *OPRD awards grants for local governments' park projects*

The Measure 76 allocation for OPRD grants goes entirely to the Local Government Grant Program. This program creates grants to local governments for projects that develop, rehabilitate, acquire, or plan for park and recreation facilities. Grants may be used, for example, to purchase a new city park, restripe a tennis court for pickleball, clear an overgrown trail, or engineer a plan for a city park.

The Local Government Grant Program has one grant cycle per year. Grants are typically between \$25,000 and \$1 million. In 2019, there were 33 grants awarded for a total of \$6.62 million.



Baker City residents playing on the Geiser Pollman Park Playground.  
Source: OPRD.

A technical review is completed by OPRD staff for all grant applications. Applications requesting \$75,000 or more are also reviewed by the Local Government Grant Advisory Committee, which

has 10 members. The committee scores applications using criteria based on administrative rule that includes demonstration of user benefits, public interest, conformance with local and state planning guidelines, cost/benefit, environmental assessments, project increase in outdoor recreation in the area, and accommodation for people with disabilities.<sup>4</sup> For applications requesting less than \$75,000, OPRD staff review and score using a similar process. The committee and staff present these to the OPRD director for approval and then forward them to the Parks and Recreation Commission for final approval.

Once grants are awarded and agreements are executed, projects are usually paid on a reimbursement basis, with receipts and proof of payment being required for reimbursement.

Projects typically last around two years. Grantees are often required to submit progress reports throughout the project and a final progress report at the close of the project. Reporting often includes before and after pictures of the project site.

We reviewed OPRD's processes for the Local Government Grant Program and found them sufficient to ensure grant applications are adequately evaluated, and grants are adequately awarded and monitored. We also reviewed grant documentation and found OPRD complied with its established processes.

### ***OWEB awards grants for various conservation activities with assistance from ODA***

OWEB uses Measure 76 funds for a variety of grant programs. Some of the grant types include land and water acquisition, restoration, stakeholder engagement, technical assistance, monitoring, focused investment partnership, and operating capacity.

All grant payments from the natural resource subaccount are paid through OWEB. Of the \$67.6 million for the 2017-19 biennium, \$9.75 million (14.4%) were grants processed with the assistance of ODA (\$3 million for noxious weed control grants and \$6.75 million for the Soil and Water Conservation District capacity grants).

Many of the OWEB grant applications are reviewed by one of six regional review teams, each of which consists of approximately 15 expert volunteers. This review may include an on-site visit. The regional team meets to discuss the projects and then recommends one of the following: fund, fund with conditions, do not fund, or defer. This decision is based on a variety of factors, including the criteria established in administrative rule, success of project completion, benefit to watershed function, habitat and quality, and cost/benefit.<sup>5</sup> Each team member scores each project. These scores are aggregated and a prioritized list of projects is summarized for the OWEB board. The OWEB board then votes to award the projects.

The ODA weed grants are reviewed by staff at both ODA and OWEB. The grants are then reviewed and approved by the Oregon State Weed Board. The board presents recommendations for funding to OWEB, who awards the grants based on those recommendations. Grantees receive payments of 50% at agreement, 25% at the mid-term, and 25% at final reporting. Most grant agreements have terms of about 18 months. Grantees must submit detailed invoices and reports at mid-term and closeout of the grant.

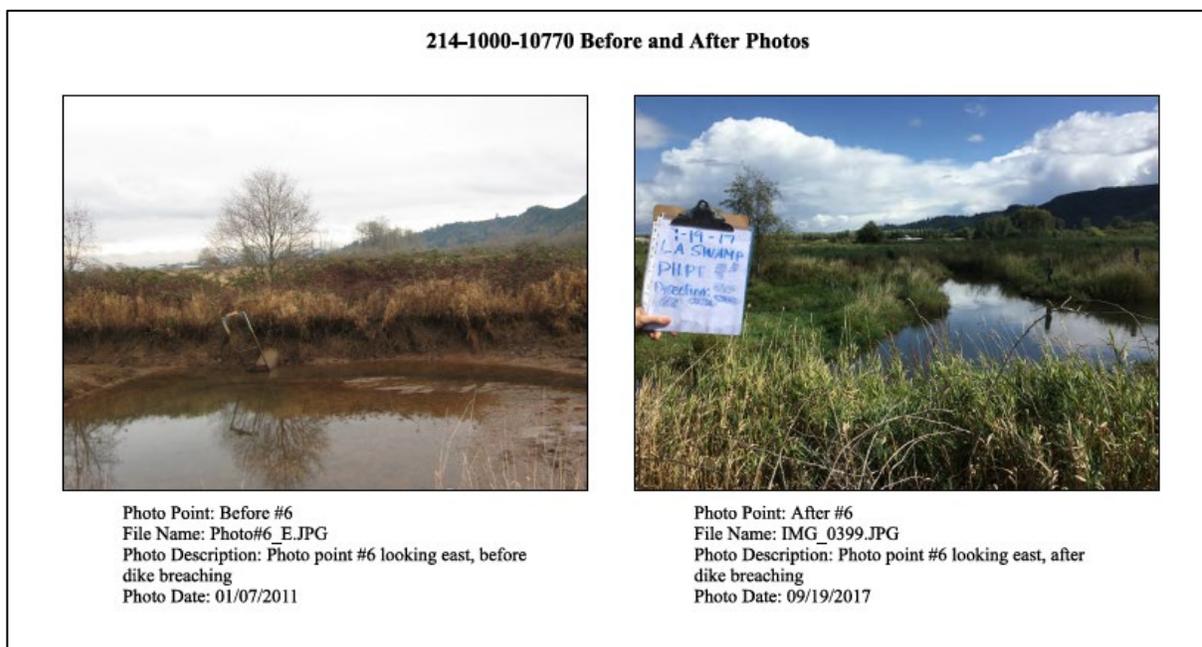
The ODA Soil and Water Conservation District grants are split into two types — district operations grants and statement of work grants. For the most part, the funds are split equally between all conservation districts in the state. The grants are paid in advance, with expenditure details due before the next payment. For monitoring, conservation districts submit various

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<sup>4</sup> See OAR 736-006-0145 for the full administrative rule.

<sup>5</sup> For the full administrative rules, see OAR 695-010-0030 and -0060.

reports to OWEB and ODA. Those reports have details about complaints, landowner interactions, projects, and conservation practices.



OWEB collects before and after photos from grantees to monitor projects. One such project restored a natural waterway by breaching of an old, unused dike.

Source: OWEB.

Some of the grants are monitored on-site each year. Grantees are often required to submit progress reports throughout the project and a final progress report is required at the close of the project. Reporting often includes before and after pictures of the project site, as well as data about the project. Examples of common types of data collected are GPS data for inclusion in the Oregon Watershed Restoration Inventory and number of acres treated for weed control.

Once awarded, most projects are paid on the reimbursement basis, although advance payments are sometimes allowed. If there are advanced payments, they are no more than 120 days in advance of project initiation and additional funding will not be provided until project support from the grantee is provided for the advance funding.

We reviewed OWEB and ODA's processes for their grant programs and found them sufficient to ensure grant applications are adequately evaluated, and grants are adequately awarded and monitored. We also reviewed grant documentation and found OWEB and ODA complied with its established processes.

### **OPRD has taken steps to prepare for a potential reallocation of funds**

A requirement of the Constitution is that the allocation for grants be increased once the fund rises above a certain threshold. That threshold is 150% over the 2009-11 biennium amount. Currently, OPRD must spend 12% of the parks subaccount and OWEB must spend 65% of the natural resources subaccount on grants. If the threshold is exceeded, these percentages increase to 25% and 70%, respectively. The increase is much more significant for OPRD (a 108% increase) than for OWEB (a 7% increase).

Forecasts made during the early stages of our audit suggested that the threshold could be exceeded as early as the 2020-21 biennium. Should this occur, OPRD will need to plan and

reallocate resources to comply with the Constitutional requirement. OPRD has initiated discussions to make the needed changes.

However, the COVID-19 pandemic in spring 2020 caused a decrease in lottery revenues, delaying the change in the grant funds reallocation. It is unclear when lottery revenues will return to pre-pandemic levels and continue growing to trigger the reallocation. We made inquiries and performed some analyses, but suspended further work since the reallocation was not forthcoming.

## Agencies' performance data demonstrates progress on constitutional achievements

As part of our review, we read the Constitution, read agencies' annual performance progress reports<sup>6</sup>, and inquired of the agencies. We compared agencies' performance data to the achievements in the Constitution.

The Constitution describes the purposes of the parks subaccount as follows:

"...[T]he legislative assembly shall appropriate all of the moneys in the parks subaccount ... to achieve all of the following:

- (a) Provide additional public parks, natural areas or outdoor recreational areas to meet the needs of current and future residents of the State of Oregon;
- (b) Protect natural, cultural, historic and outdoor recreational resources of state or regional significance;
- (c) Manage public parks, natural areas and outdoor recreation areas to ensure their long-term ecological health and provide for the enjoyment of current and future residents of the State of Oregon; and
- (d) Provide diverse and equitable opportunities for residents of the State of Oregon to experience nature and participate in outdoor recreational activities in state, regional, local or neighborhood public parks and recreation areas."<sup>7</sup>

OPRD reports to the Legislature annually using the following key performance measures:

- Park visitation: Visitors per acre of Oregon Parks and Recreation Department property.
- Heritage program benefits: Number of properties, sites, or districts that benefit from an OPRD-managed heritage program.
- Grant programs: Percent of Oregon communities that benefit from an OPRD-managed grant program.
- Property acquisition: Park lands and waters acquired by OPRD as a percentage of the total goal, otherwise known as the recreation lands index.
- Facilities backlog: Percent reduction in facilities backlog since 1999.
- Customer satisfaction: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
- Commission best practices: Percent of total best practices met by the State Parks and Recreation Commission.

We concluded these measures are adequate to demonstrate the level at which OPRD is fulfilling the constitutional achievements.

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<sup>6</sup> These reports are available at <https://www.oregonlegislature.gov/lfo/APPR/Forms/AllItems.aspx>

<sup>7</sup> Oregon Constitution, Article XV, Section 4a(1).

The Constitution describes the purposes of the Natural Resources subaccount as follows:

“...[T]he legislative assembly shall appropriate all of the moneys in the natural resources subaccount ... to accomplish all of the following:

- (a) Protect and Improve water quality in Oregon’s rivers, lakes, and streams by restoring natural watershed functions or stream flows;
- (b) Secure long-term protection for lands and waters that provide significant habitats for native fish and wildlife;
- (c) Restore and maintain habitats needed to sustain healthy and resilient populations of native fish and wildlife;
- (d) Maintain the diversity of Oregon’s plants, animals and ecosystems;
- (e) Involve people in voluntary actions to protect, restore and maintain the ecological health of Oregon’s lands and waters; and
- (f) Remedy the conditions that limit the health of fish and wildlife, habitats and watershed functions in greatest need of conservation.”<sup>8</sup>

OWEB reports to the Legislature annually using the following key performance measures:

- Operations: The percentage of total funding used in agency operations.
- Funding from other sources: The percent of funds contributed from other sources on OWEB funded restoration projects.
- Grant-making across Oregon: Percent of Oregon's 76 sub-basins within which Oregonians benefit from OWEB's grant programs.
- Timeliness of grant-making: The percent of open solicitation grant agreements executed within one month after Board award.
- Fish populations: The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
- Watershed council governance: Percent of OWEB-funded watershed councils that demonstrate effective organizational governance and management using OWEB merit criteria.
- Payments: The percentage of complete grant payment requests paid within 24 days.
- Streamside habitat: The number of riparian stream miles restored or enhanced as a result of OWEB-funded grants.
- Upland habitat: Acres of upland habitat restored or enhanced as a result of OWE- funded grants.
- Native species habitat and water quality: Percent of restoration, acquisition, or technical assistance funding invested to address habitat for threatened, endangered, or species of concern, or water-quality concerns identified.
- Native fish habitat quantity: Miles of fish habitat opened as a result of completed fish passage projects funded through OWEB grants.
- Customer service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

We concluded these measures are adequate to demonstrate the level at which OWEB is fulfilling the constitutional achievements.

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<sup>8</sup> Oregon Constitution, Article XV, Section 4b(1)

## Recommendations

The Oregon Constitution requires the Secretary of State Audits Division to regularly audit any state agency that receives moneys from the parks and natural resources fund. The stated intent of the audit is to address the financial integrity, compliance with applicable laws, efficiency and effectiveness of the use of the moneys.

We found the agencies receiving these funds have adequate processes and procedures in place to ensure the funds are achieving the stated constitutional purpose. As such, we have no recommendations to offer.

# Objective, Scope, and Methodology

## Objectives

The objectives of this audit were to:

- Determine whether granting agencies are complying with the minimum grant requirements.
- Determine whether agencies have effective grant administration processes to (1) evaluate and award grants that further the purposes outlined in Measure 76 and (2) monitor grants to ensure they are meeting the objectives of the grant award.
- Determine whether OPRD is prepared for an increase in grant funding.
- Present information on agencies' performance data used to support achievement of constitutional goals.

## Scope

Our scope was limited to the use of Measure 76 funds. Only OPRD, OWEB, and ODA are involved in the distribution of grant funds, so the majority of our work was limited to those agencies. Most of our procedures were limited to the 2017-19 biennium.

## Methodology

To address the audit objectives, we interviewed key staff, management, and board members at OPRD, OWEB, ODA, OSP, ODFW, DEQ, and the Legislative Fiscal Office.

We reviewed relevant constitutional requirements, laws, regulations, and legal opinions. We obtained and reviewed budget, accounting, and performance reports. We obtained an understanding of applicable internal controls, especially as they pertained to grant processes.

We tested to ensure that the agencies had a process to ensure the 12% and 65% grant requirements were met. We reviewed budgeted amounts and data from the state accounting system.

We did not test operational funds. Based on our interviews with agency staff and review of data, operational funds appear reasonable and allowable for the use of Measure 76.

We obtained grant data from OPRD, OWEB, and ODA, then performed limited data reliability testing. During the 2017-19 biennium, about 900 grants were awarded by these agencies. We selected random statistical and nonstatistical samples of grant applications and grant agreements.

We tested a total of 116 grant applications using the following tests:

- Was an eligibility or technical review completed?
- Was scoring criteria used? (Or, was project evaluation documentation retained?)
- Was the grant for a Measure 76 purpose?

We tested a total of 109 grant agreements using the following tests:

- Did the board approve the grant?
- Was the grant for a Measure 76 purpose?
- Was the grant agreement signed by the agency and the grantee?
- Were selected reimbursement requests for the grant payments appropriately approved (the request is related to the grant and appropriate detail is submitted)?

- Did the total payments not exceed the maximum dollars in the agreement as amended?
- Did monitoring during the project occur (or were deliverables throughout the project met)? (Or, was a progress report submitted before the end of the project?)
- Was correct closeout documentation retained (e.g. pictures, copy of deed, etc.) and were grant objectives met?

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of OPRD, OWEB, ODA, OSP, ODFW, DEQ, and the Legislative Fiscal Office during the course of this audit.



## **Audit Team**

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David Drohman, CPA, Staff Auditor

## **About the Secretary of State Audits Division**

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the elected Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

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# Program Prioritization Form

| Oregon Watershed Enhancement Board              |                |                              |  |                                     |                                       |    |            |            |            |            |            |               |                |       |                               |                                    |                              |   | Agency Number: |  | 69100 |  |
|---|----------------|------------------------------|--|-------------------------------------|---------------------------------------|----|------------|------------|------------|------------|------------|---------------|----------------|-------|-------------------------------|------------------------------------|------------------------------|---|----------------|--|-------|--|
| 2021 - 2023 Biennium Agency Request Budget      |                |                              |  |                                     |                                       |    |            |            |            |            |            |               |                |       |                               |                                    |                              |   |                |  |       |  |
| Department-Wide Priorities for 2021-23 Biennium |                |                              |  |                                     |                                       |    |            |            |            |            |            |               |                |       |                               |                                    |                              |   |                |  |       |  |
| 1   | 2              | 3                            | 4  | 5                                   | 6                                     | 7  | 8          | 9          | 10         | 11         | 12         | 13            | 14             | 15    | 16                            | 17                                 | 18                           | 19  | 20             |  |       |  |
| Priority (ranked with highest priority first)   | Dept. Initials | Program or Activity Initials | Program Unit/Activity Description  | Identify Key Performance Measure(s) | Primary Purpose Program-Activity Code | GF | LF         | OF         | NL-OF      | FF         | NL-FF      | TOTAL FUNDS   | Pos.           | FTE   | New or Enhanced Program (Y/N) | Included as Reduction Option (Y/N) | Legal Req. Code (C, F, or D) | Comments on Proposed Changes to CSL included in ARB |                |  |       |  |
| Dept  | Prgm/Div       |                              |  |                                     |                                       |    |            |            |            |            |            |               |                |       |                               |                                    |                              |   |                |  |       |  |
| 1   | Grants-1       | Grants                       | Grant Program - Grants for land and water conservation, watershed restoration, assessment, planning, design and engineering, technical assistance, monitoring and outreach | 2, 3, 5, 6, 8, 9, 10, 11            | 9                                     |    | 68,470,033 | 2,245,287  |            | 17,105,233 |            | \$ 87,820,553 |                |       |                               | N                                  | Y                            | C   |                |  |       |  |
| 2   | Grants-2       | Grants                       | Grant Program - Carryforward Funds   | 2, 3, 5, 6, 8, 9, 10, 11            | 9                                     |    | 0          | 600,000    |            | 15,000,000 |            | \$ 15,600,000 |                |       |                               | N                                  | N                            | C,F   |                |  |       |  |
| 3   | Ops-1          | OWEB                         | OWEB administration of grant funds   | 1, 2, 4, 7, 12                      | 9                                     |    | 9,406,338  | 18,697     |            | 3,144,852  |            | \$ 12,569,887 | 35             | 35.00 |                               | Y                                  | Y                            | C   |                |  |       |  |
| 4   | Grants-3       | NR Agencies                  | ODFW special payments  | n/a                                 | 9                                     |    |            |            |            | 12,883,378 |            | \$ 12,883,378 |                |       |                               | Y                                  | N                            | F   |                |  |       |  |
| 5   | Central Admin  | Central Admin                | Central Administrative Costs--to WRD   | 1, 4, 7                             | 9                                     |    | 201,889    |            |            |            |            | \$ 201,889    |                |       |                               | N                                  | N                            |   |                |  |       |  |
| 6   | Grants-4       | Grants                       | Idaho Power and Klamath Corp   | 2, 3, 5, 8, 9, 10, 11               | 9                                     |    |            | 7,000,000  |            |            |            | \$ 7,000,000  |                |       |                               | Y                                  | N                            |   |                |  |       |  |
| 7   | Grants-5       | OAHF                         | Oregon Agricultural Heritage Program grants  | 2, 3, 5, 8, 9, 10                   | 9                                     |    |            | 5,000,000  |            |            |            | \$ 5,000,000  |                |       |                               | Y                                  | N                            |   |                |  |       |  |
|   |                |                              |  |                                     |                                       |    |            |            |            |            |            | \$ -          |                |       |                               | Y                                  | N                            |   |                |  |       |  |
|   |                |                              |  |                                     |                                       |    |            |            |            |            |            | \$ -          |                |       |                               | Y                                  | N                            |   |                |  |       |  |
|   |                |                              |  |                                     |                                       |    | -          | 78,078,260 | 14,863,984 | -          | 48,133,463 | -             | \$ 141,075,707 | 35    | 35.00                         |                                    |                              |   |                |  |       |  |

Prioritize each program activity for the Department as a whole

**Document criteria used to prioritize activities:**

- Carry out constitutional and statutory mandates
- Emphasis on activities that serve the most Oregonians
- Emphasis on measuring and assuring program effectiveness
- Emphasis on core agency functions

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

- C Constitutional
- F Federal
- D Debt Service

