



2023-2025

Joint Committee on Ways and Means
Subcommittee on Natural Resources

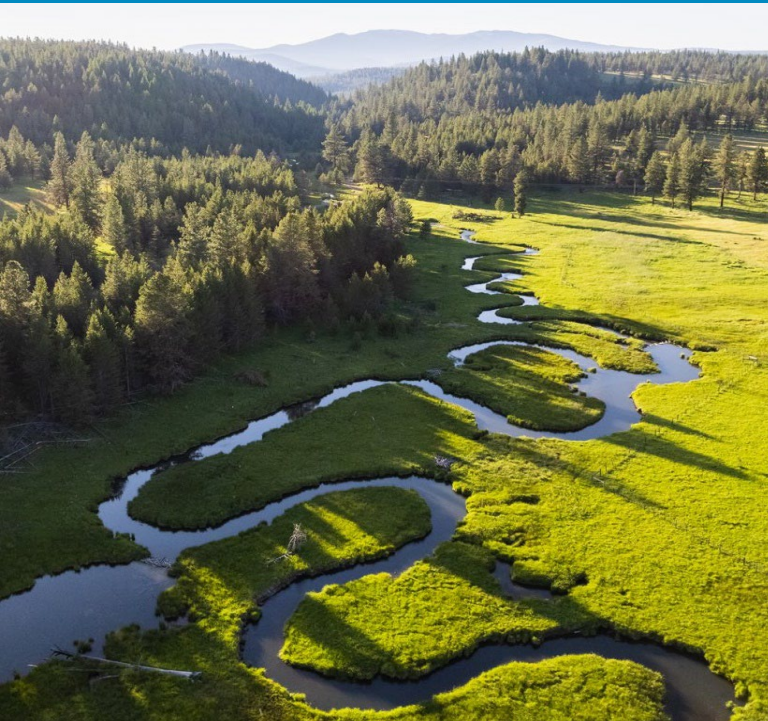
Agency Budget Presentation



OREGON WATERSHED ENHANCEMENT BOARD



OWEB Mission



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



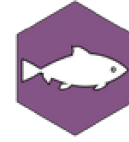
OWEB Strategic Plan Goals and Objectives



Broad awareness



Funding



Monitoring



Diversity



Working lands



Bold and innovative actions



Capacity and partnerships



Haley Construction



CTWS Tribal Ceremony



PCSRF meeting in Washington DC



OAHP tour, TSWCD



North Fork John Day WC Monitoring



Historical Context



IDEA
Voluntary Restoration –
Cooperative Conservation

GWEB
Modest Investment

M66
(1998)
Time-limited Funding

M76
(2010)
Permanent Funding

20 Years
(2019)

GENERAL FUND PROGRAMS
OAHF, Drought, Wildfire



Summary of Agency Programs and Services



Operate grant programs for watershed restoration & enhancement



Establish **grant program rules**



Maintain in-house **grant systems**



Run **technical review processes**



Award grants and create **grant agreements**



Track investments to show outputs and outcomes



Summary of Agency Programs and Services



Administer grants for watershed restoration & enhancement



Grantee and applicant **consultations and assistance**



Project manage awarded grants



Ensure consistency with grant conditions



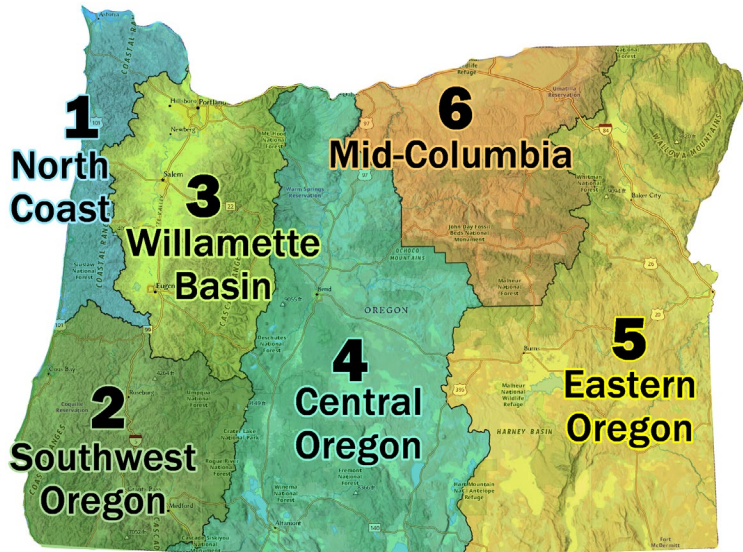
Issue payments for grantee expenses (advances/reimbursements)



Fund monitoring & evaluation of results



Agency Staff Roles



46 total budgeted FTE in 21-23 biennium
(16 are Limited Duration FTE)

5 functional groups

Map of Project Regions



Grant Programs & Regional Program Representative staff



Financial, Accounting, & IT staff



Monitoring & Reporting staff



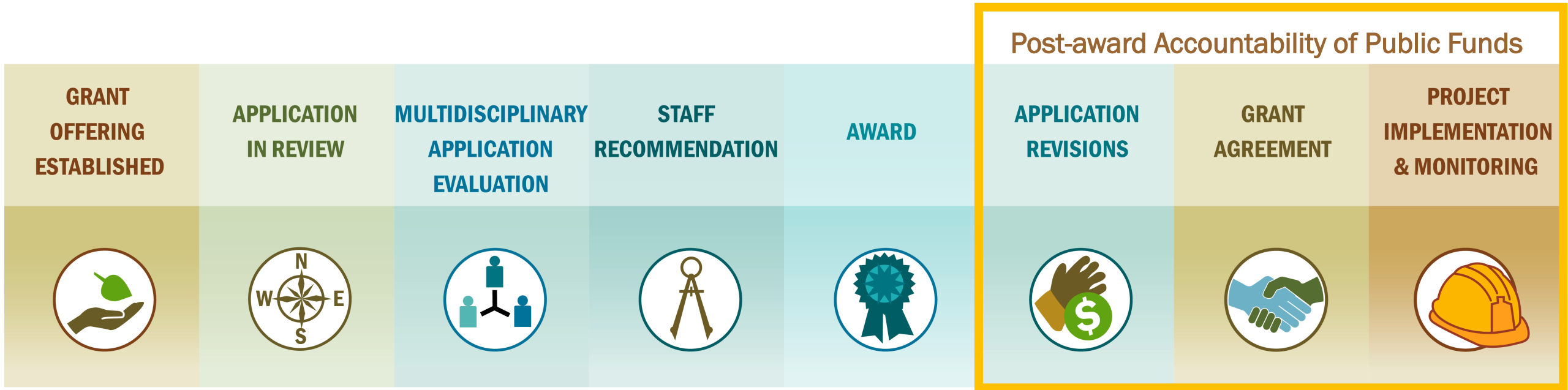
Post-emergency Recovery & Resiliency staff



Agency Leadership & Support staff



OWEB's Grant Process



FUNDING MADE AVAILABLE ►

PROJECTS EVALUATED ►

PROJECTS AWARDED ►

INVESTMENTS TRACKED ►



OWEB Reimbursement Process



Many OWEB-funded projects are **complex, multi-year projects**

Year 1

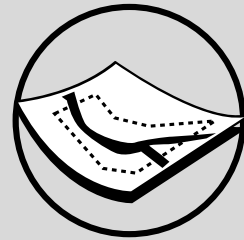


Grant Awarded



Grant Agreement
Developed

Year 2



Grantee completes design,
permitting, and procurement for
supplies & services

Year 3



Grantee completes
on-the-ground work

Year 4

Year 5



Grantee requests reimbursements as needed throughout project



OWEB's Long-term Investment Strategy



+



+



+



Operating Capacity

OWEB supports the operating costs of effective watershed councils and Soil and Water Conservation Districts

Open Solicitation

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities

Focused Investments

OWEB helps landscape-scale collaborative partnerships achieve prioritized ecological outcomes

Effectiveness

Monitoring

OWEB evaluates and reports on the progress and outcomes of watershed work it supports



OWEB Core Grant Programs



OWEB Core Programs

Cycles a Biennium

Open Solicitation

21 +

Restoration

Technical Assistance

Stakeholder Engagement

Monitoring

Land Acquisition

Water Acquisition

Small Grants (*open throughout the biennium)

Focused Investment Partnerships (FIPs)

12+

New FIPs

Existing FIPs

Operating Capacity

7+

Local Partner Capacity



Additional Grant Administration Responsibilities



Monitoring Grants

- 💧 Includes additional technical review for monitoring design
- 💧 Assist with project identification and scoping

Land Acquisition Grants

- 💧 Permanent monitoring responsibilities, involvement in land transactions and management plan approval

Water Acquisition Grants

- 💧 Involvement in water transactions

Focused Investment Partnership Grants

- 💧 Engagement with local partnership; run technical review teams; assist with goals & long-term monitoring plan development



New OWEB Grant Programs



Oregon Agricultural Heritage Program

- 💧 Easements and covenants
- 💧 Conservation plans and practices
- 💧 Succession planning
- 💧 Technical assistance



Post-wildfire Recovery

- 💧 2020 wildfires
- 💧 2021 wildfires



Drought Relief

- 💧 Livestock off-stream watering in Klamath County
- 💧 Klamath and Jefferson County drought resiliency
- 💧 Jefferson County soil stewardship
- 💧 Irrigation modernization – North Unit ID and statewide



Grants

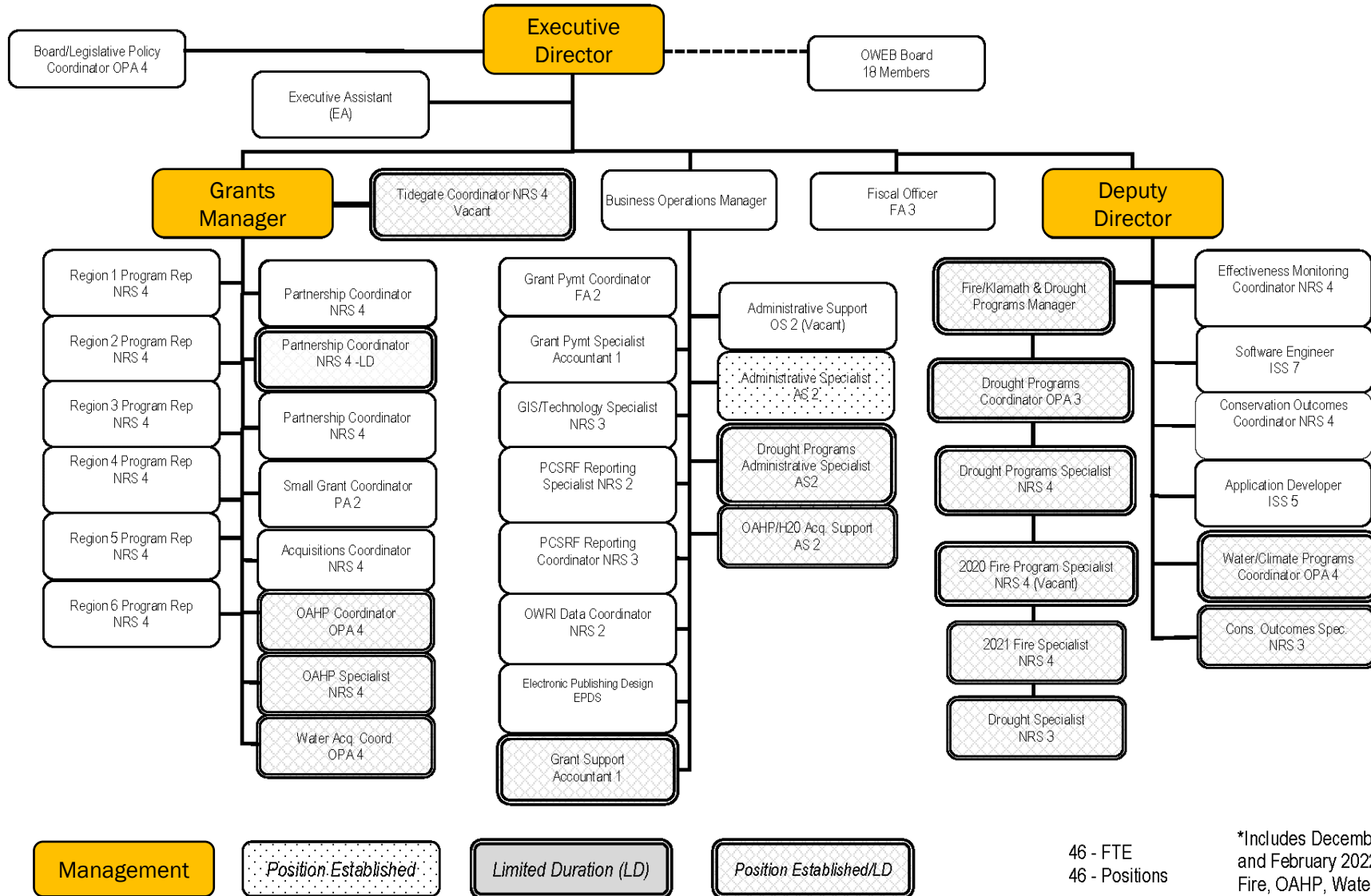
- ✓ Grant spending plan approved by OWEB board
- ✓ Budgeted and allocated through spending plan
- ✓ Grants executed through grant agreements

Operations

- ✓ Approved through legislative budgeting process
- ✓ Staff and supporting costs to administer grant processes



2021-2023 Legislatively Adopted Budget



Management

Position Established

Limited Duration (LD)

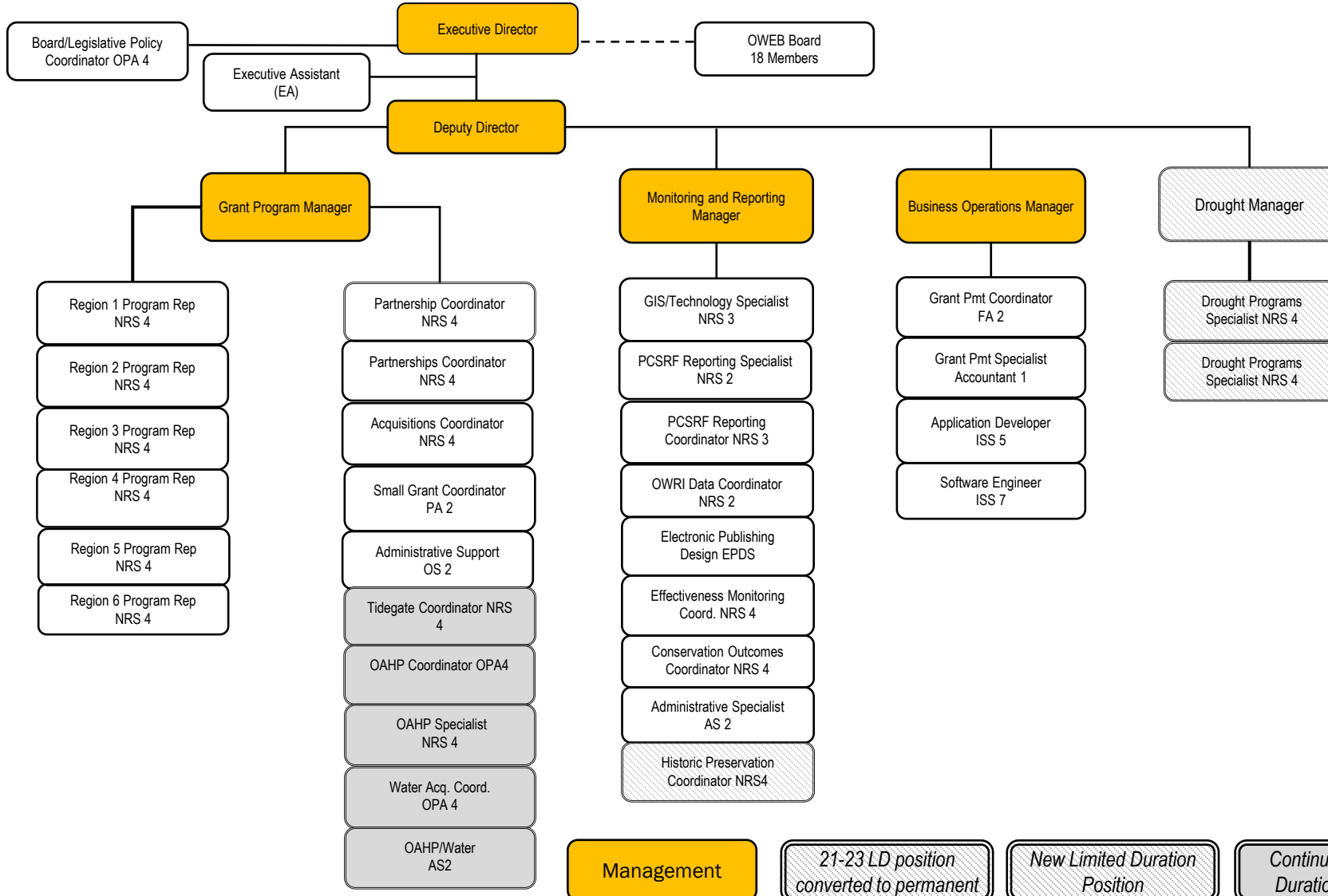
Position Established/LD

46 - FTE
46 - Positions

*Includes December 2022 Special Session Drought and February 2022 short session positions (Drought, Fire, OAHP, Water Acquisitions, Conservation Outcomes Specialist)



2023-2025 Governor's Budget



Management

21-23 LD position converted to permanent

New Limited Duration Position

Continuing Limited Duration Position

34 – Permanent; 5 FTE – 23/25 Limited Duration
39 – FTE total



Board Structure





Grantees, Partners, and Other Key Participants



Grantees and Partners

- Watershed Councils
- Soil & Water Conservation Districts
- Tribes
- Non-profit organizations
- Schools and universities
- Land Trusts
- Local governments



Wallowa Dam



Klamath Dam



Greenbelt Land Trust and private landowners at Bald Hill Farm

Other Key Participants

- State and federal agencies
- Private landowners and managers
- Not directly grant eligible, but critical project partners



Numbers Served



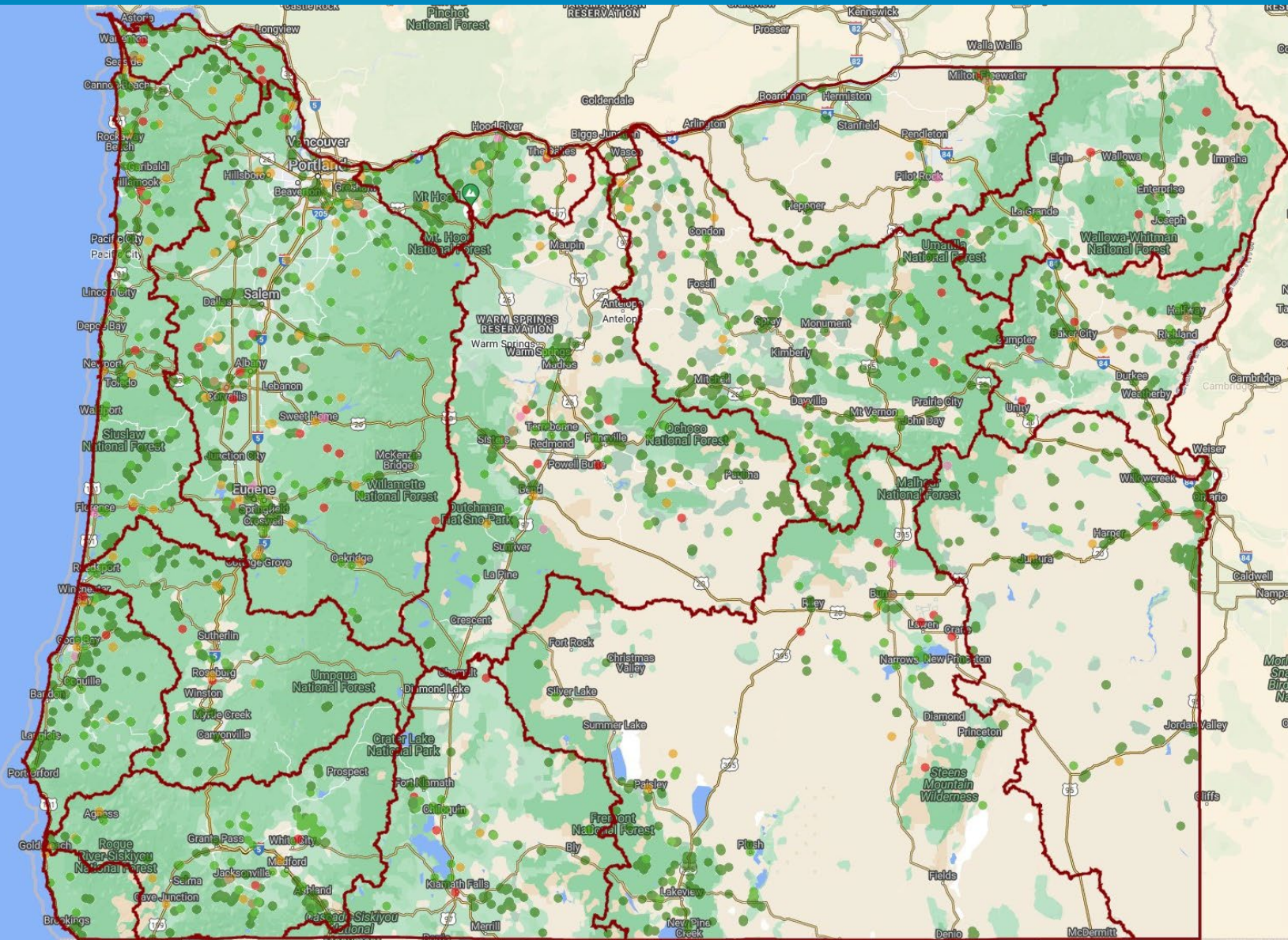
During the current biennium to date, OWEB

- 💧 Offered about **30 grant types** altogether
- 💧 Some types include **multiple cycles in the biennium**
- 💧 Managed approx. **1,143 open grants***
- 💧 Processed approx. **1,015 new grant applications**
- 💧 Held easements or 3rd party rights for **over 100 acquisitions**
- 💧 Launched a **new online payment** request process

*as of March 27, 2023



Grants Awarded



2,150 projects in Oregon within the last 5 years.



OWEB Grant Funding Trend

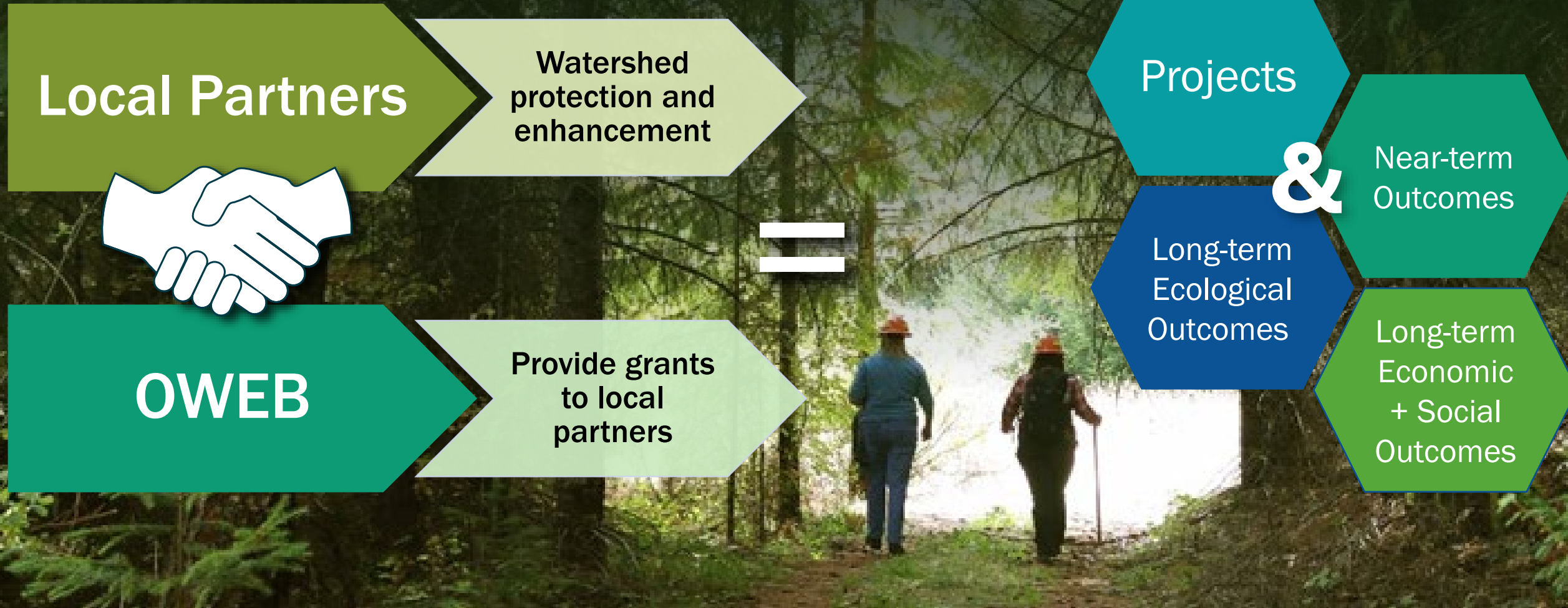


Growth in Total Grant Funding





What do Oregonians Get for the State's Investment?





What do Oregonians Get for the State's Investment?



Outputs - examples

- ✓ Grants to local groups
- ✓ Streamside plantings
- ✓ Fish passage improvements
- ✓ Local project design expertise
- ✓ Juniper removal
- ✓ Invasive weed control
- ✓ Forest thinning
- ✓ Monitoring data

Outcomes - examples

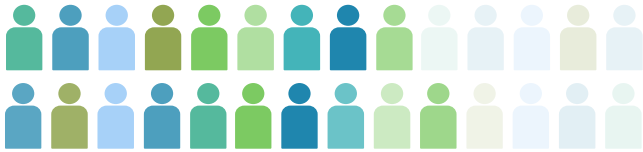
-  Fish and wildlife habitat
-  Species recovery
-  Clean water
-  Flood reduction
-  Fire resilient communities
-  Climate resiliency
-  Local jobs
-  Outdoor Opportunities



Major Agency Changes, Budget Drivers, and Risks



2020 steep decline in lottery revenues



2020 OWEB reduced staffing by one-third



2021 OWEB began to rebuild



2021-2023 OWEB experienced unprecedented growth



Major Agency Changes, Budget Drivers, and Risks



Cougar Peak post-fire



New Deputy Director



New Executive Director



Drought off channel watering



New OWEB program staff

During the 2021-2023 biennium, OWEB

- 💧 On-boarded new Director, Deputy Director, and Fiscal Officer
- 💧 Received a total of \$52.527 million in new General Fund for grants and associated staffing
- 💧 Increased from 30 budgeted positions to 46
- 💧 16 of those positions are limited duration (LD) positions
- 💧 Conducted 21 recruitment, hiring, and on-boarding processes



Major Agency Changes, Budget Drivers, and Risks



Since the beginning of the biennium, OWEB acted quickly on new investments

- 💧 Launched 12 new fire and drought grant programs
- 💧 Initiated first Oregon Agricultural Heritage Program grant offerings for farm and ranchland protection
- 💧 Re-started water acquisitions grant program



Improving Service Delivery



Andrew Reasoner Preserve



Welcome to the Oregon Water Data Portal
Scoping Project
Listening Session Oct. 12, 2022

2021-2023 accomplishments

- 💧 Initiated online payment requests
- 💧 Review of grant applications for streamlining
- 💧 Engaged in collaborative interagency processes
 - Interagency fire resiliency planning
 - Interagency water data transparency project
 - Interagency water policy & operations coordination
- 💧 Implementing tribal grantmaking report recommendations
- 💧 Reconnected with partners in person

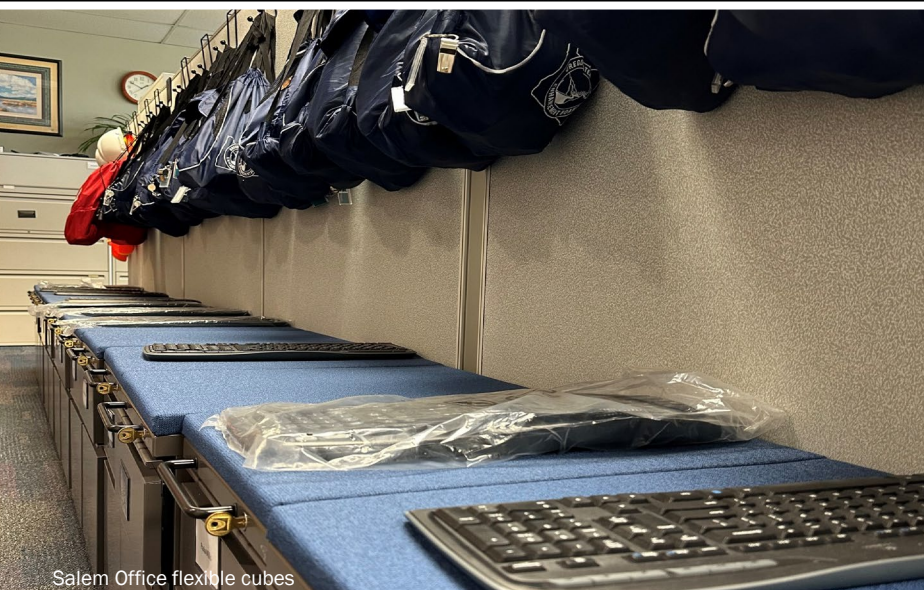


Containing Costs and Increasing Efficiencies



2021-2023 actions

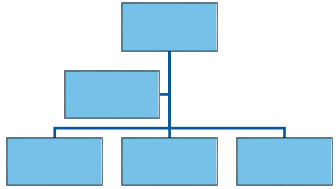
- Adopted virtual and in-person board meeting schedule
- Reduced board committees from 7 to 3
- Reduced office footprints
- Expanded shared services with OWRD
- Holding lottery funded limited duration positions vacant



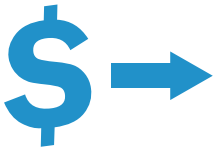
Salem Office flexible cubes



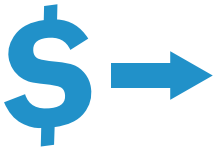
Major Budget and Organization Issues



Organization structure and staff capacity needs



Continuity of general funded emergency programs for post-fire recovery and drought relief



Continuity of acquisitions workload

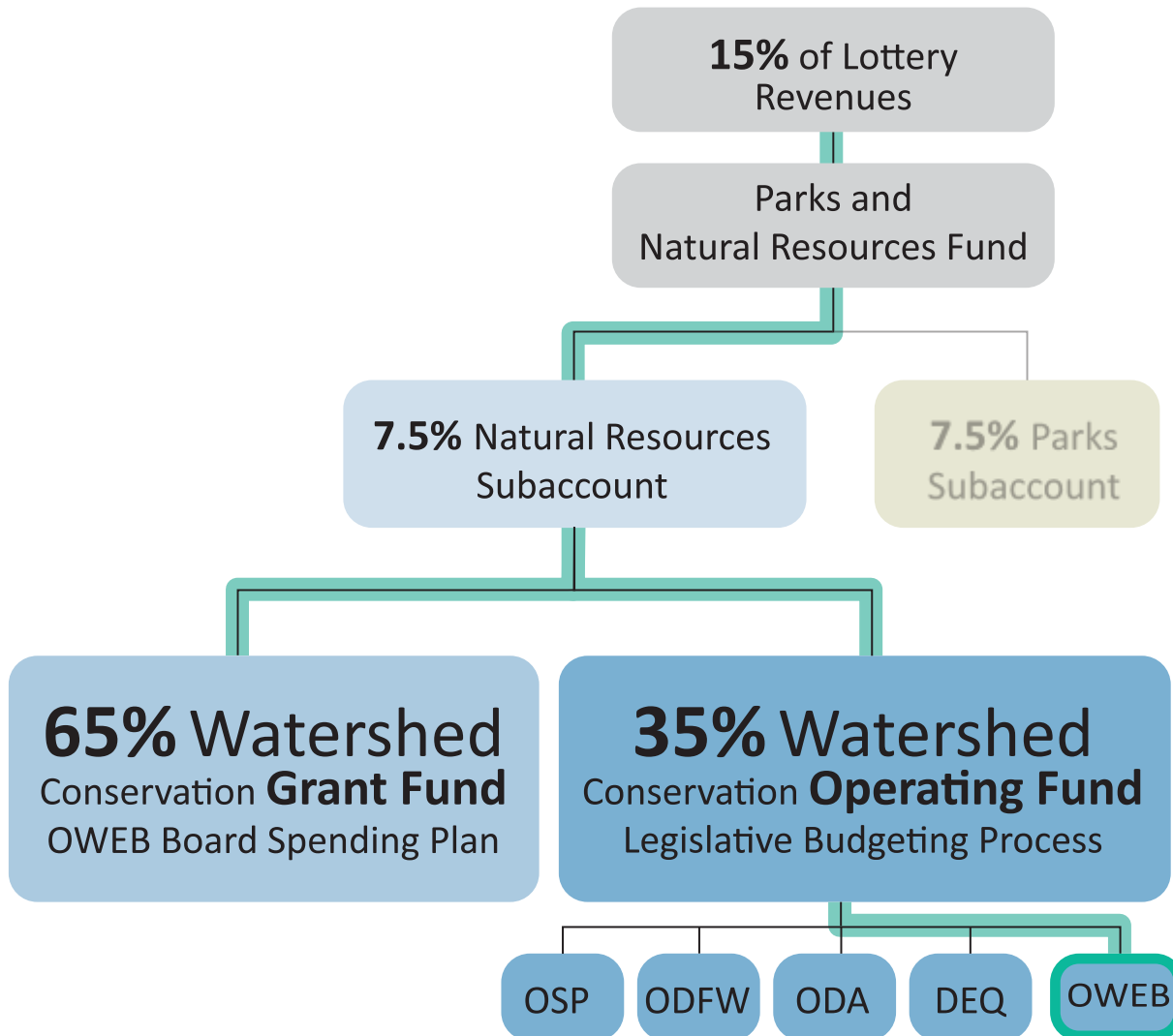
- 💧 Acquisitions program
- 💧 Oregon Agricultural Heritage Program (OAHP)



Constitutionally directed change in grants-operations split



Lottery Fund Allocation



15% of Lottery Revenues are split between:

- **7.5%** Natural Resources
- 7.5% Parks

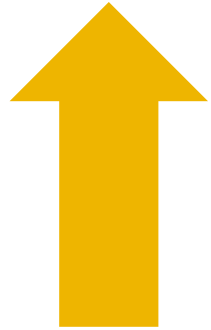
65% of Natural Resources funds allocated to OWEB are spent on watershed **Grant Funds** according to the biennial spending plan adopted by the OWEB board.

35% of Natural Resource funds are legislatively allocated for the **Operating Funds** between five state agencies. The agencies are as follows:

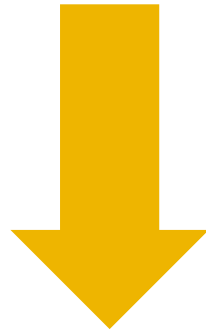
- Oregon State Police
- Oregon Department of Fish and Wildlife
- Oregon Department of Agriculture
- Oregon Department of Environmental Quality
- **OWEB** (approximately **19%** of operation funding in 2021-2023)



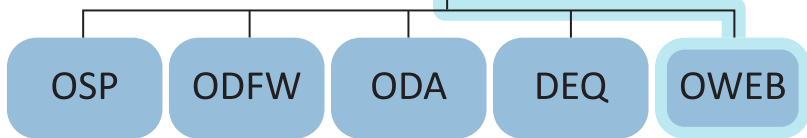
Lottery Fund Allocation



70% Watershed
Conservation **Grant Fund** OWEB
Board Spending Plan



30% Watershed
Conservation **Operating Fund**
Legislative Budgeting Process



Based on projected lottery revenues received during 2021-2023, the allocation **will shift to 70% Grants/30% Operations**

(In the 2023-2025 biennium in accordance with Article XV, Section 4b of the Oregon State Constitution and ORS 541.942.)

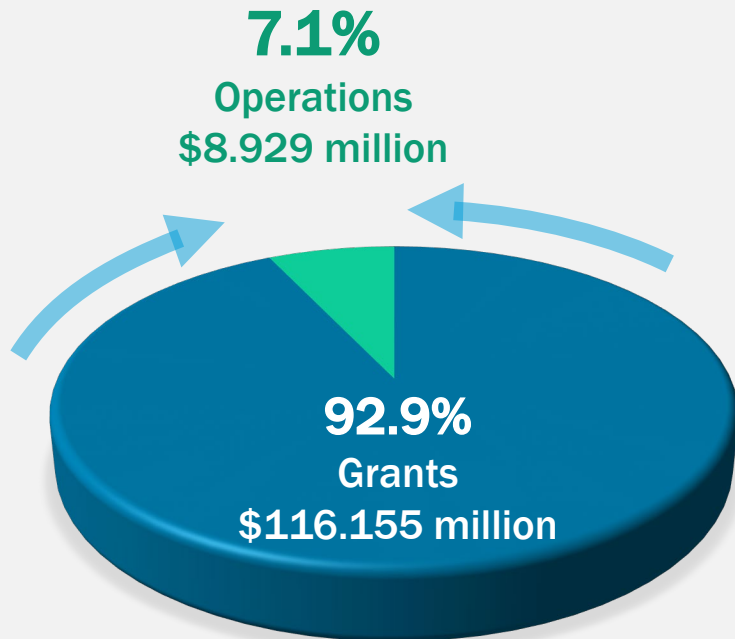
The Governor's Budget includes this shift.



Important Changes to Agency Budget Grants to Operations Comparison

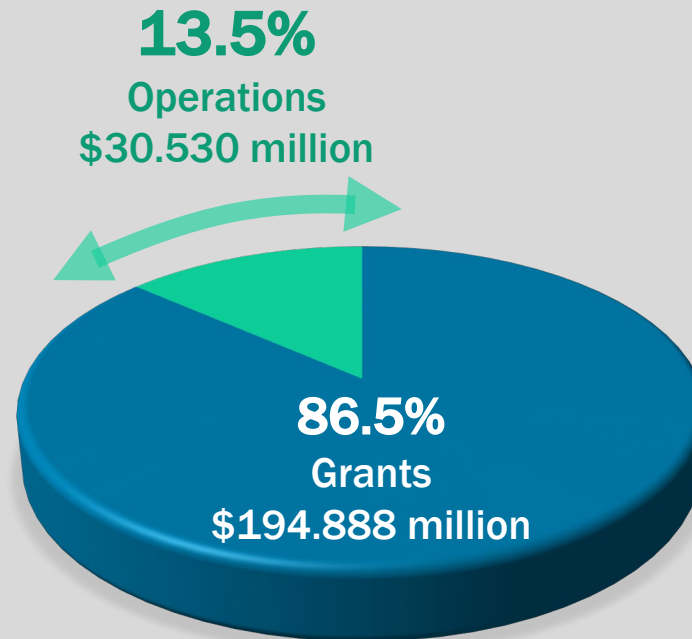


2019-2021 Actuals (Covid Reductions)



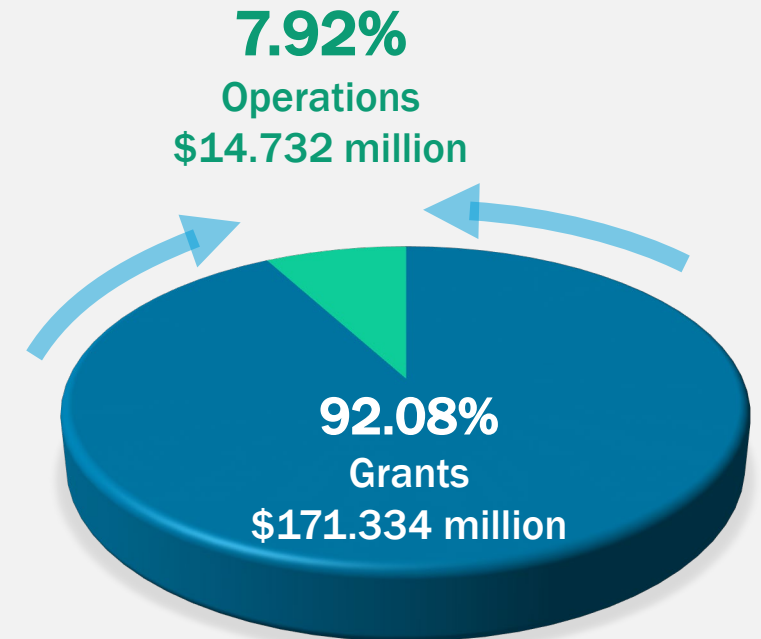
Total = \$125.084 million

2021-2023 LAB



Total = \$225.418 million

2023-2025 GB



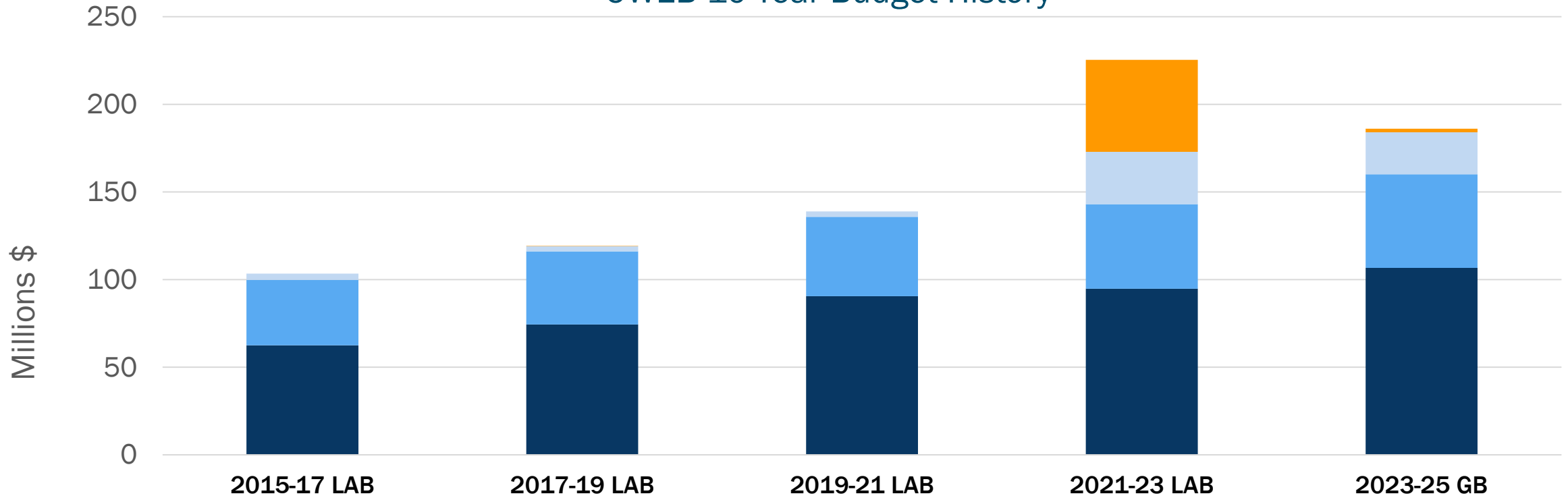
Total = \$186.066 million



Governor's Budget - Summary



OWEB 10-Year Budget History



Lottery Funds

- Watershed Restoration
- Fish & Wildlife Habitat
- Land Acquisitions
- Clean Water

Federal Funds

Other Funds

- OAHP
- Water Acquisition
- ODF Forest Collaboratives
- PacifiCorp

General Funds

- Drought Resiliency
- Post-wildfire Recovery



2023-2025 Governor's Budget Summary






	General Funds	Lottery Funds	Other Funds	Federal Funds	Total	Position/FTE
OWEB Administration (Program 010)	\$695,879	\$9,180,336	\$1,201,628	\$3,653,606	\$14,731,449	39/39.00
OWEB Grants (Program 020)	\$1,304,121	\$97,494,353	\$22,791,026	\$49,744,889	\$171,334,389	
TOTAL	\$2,000,000	\$106,674,689	\$23,992,654	\$53,398,495	\$186,065,838	39/39.00



Governor's Budget - Key Policy Packages



-  091 – Analyst adjustments
-  100 – Agency organization
-  115 – OAHP Operations
-  145 – Water Acquisition Operations
-  160 – Program continuity
(tide gate coordination)
-  165 – NHPA compliance
-  200 – Standard continuity
-  215 – OAHP grants
-  245 – Water acquisition grants
-  280 – Additional OF limitation



Lottery Fund Reduction Options Operations (Program 010)



Proposed reduction	5% reduction	10% reduction	15% reduction
Rent	\$50,000	\$68,000	\$168,000
Office expenses	\$50,000	\$50,000	\$50,000
Board meeting costs	\$40,000	\$40,000	\$40,000
Professional Services	\$87,000	\$132,000	\$132,000
Personnel funding shifts/reductions	\$165,775	\$534,426	\$834,426
Other misc. supplies and services	\$63,843	\$88,810	\$145,428
Total cumulative reductions	\$456,618	\$913,236	\$1,369,854
Impacted FTE	0.65 FTE	1.95 FTE	3.45 FTE



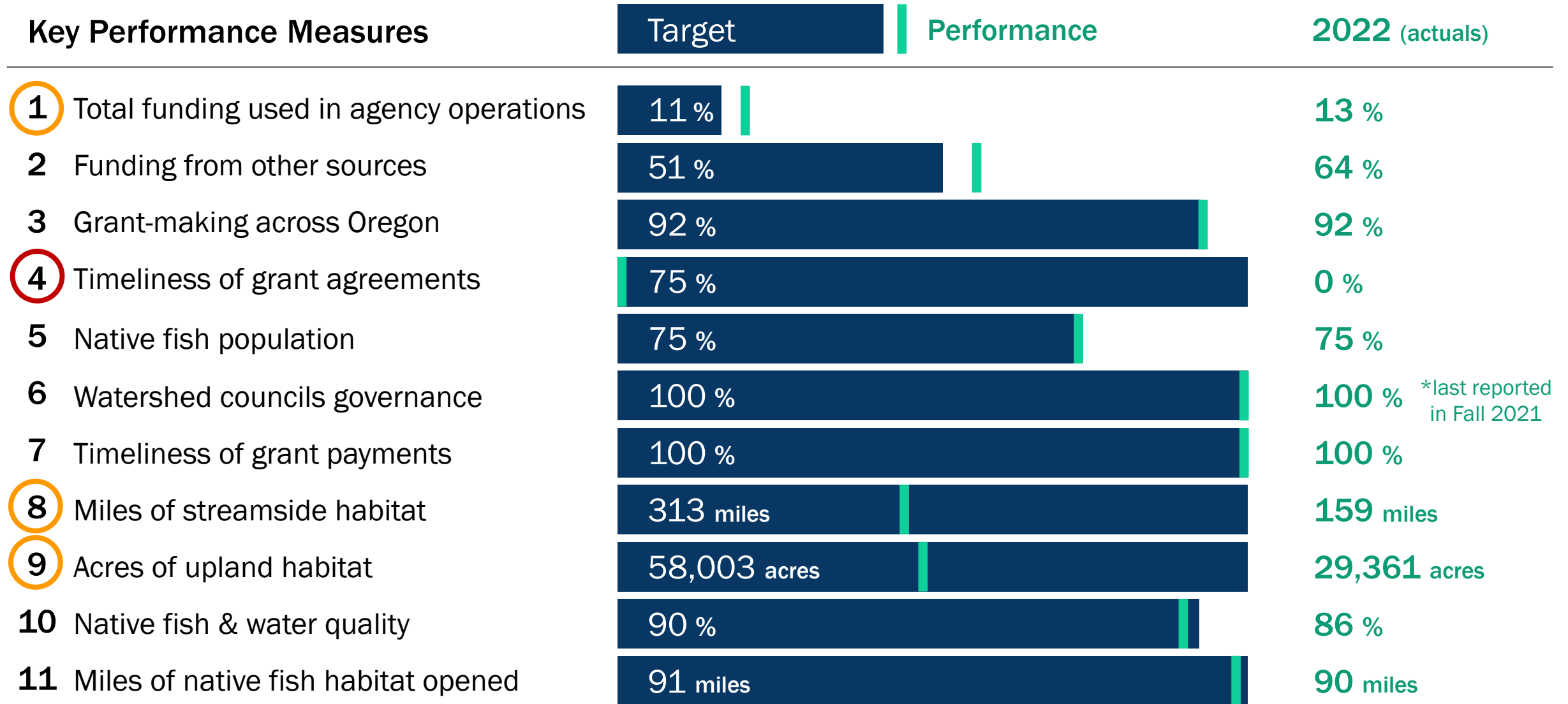
Lottery Fund Reduction Options Grants (Program 020)



Proposed reduction	5% reduction	10% reduction	15% reduction
Special Payments	\$4,874,718	\$9,749,436	\$14,624,154
Total cumulative reductions	\$4,874,718	\$9,749,436	\$14,624,154



Performance and Outcome Measures: Key Performance Measures 2022





Performance and Outcome Measures: Key Performance Measures 2022



12 Customer Service KPMs		Target	Performance	2022 (actuals)
12.1	Availability of Information	91 %		80 %
12.2	Timeliness	91 %		80 %
12.3	Helpfulness	91 %		90 %
12.4	Overall	91 %		84 %
12.5	Expertise	91 %		87 %
12.6	Accuracy	91 %		84 %



Performance and Outcome Measures: Key Performance Measures 2022



A lot of transitions... Hopefully,
new staff are able to get settled...

COVID-19 and everything OWEB went through, budget cuts, lay-offs, etc. It really slowed a lot of grant processes down.

Work to streamline applications and reporting requirements.

The website can still be difficult ...but I do think it is getting better!

Knowledgeable and helpful,
with a friendly approach.

Especially with transparency offered by public meetings...I see that OWEB is committed to making
meaningful conservation progress.





Long-term Vacancy Information / Governor's Budget-Reductions



Long-term Vacancy Information

OWEB has no vacant permanent positions.

Governor's Budget - Reductions

None of OWEB's submitted 10% reduction options were included in the Governor's Budget.



OREGON
WATERSHED
ENHANCEMENT BOARD



Thank You!