

Ways and Means Reference Material

2023-2025 Budget Presentation



OREGON
WATERSHED
ENHANCEMENT BOARD

TABLE OF CONTENTS

1. Mission, Goals, and Historical Context.	3
2. Summary of agency programs, services, and organizational structure.	4
3. Overview of agency performance and outcome measures	5
4. Programs, clients, numbers served, and key partners	6
5. Significant issues that remain unresolved for 2021-2023	9
6. Major agency changes, budget drivers, and risks	9
7. Important changes to the agency’s budget and/or operations in the past 6 years	10
8. Budget issues related to COVID-19, wildfires and/or other natural disasters, and emerging issues	11
9. Legislation necessary to implement the Governor’s Budget proposals for the agency.	11
10. Summary of 15% reduction options and impact of any reductions included in the Governor’s Budget	11
11. Summary of long-term vacancy information requested by LFO	11
12. Actions to create savings and efficiencies without affecting services.	11
13. Summary of the Governor’s Budget	12
14. Key Performance Measures	13
15. OWEB Governor’s Budget.	13
16. Audits	13
17. How the budget affected agency operations	13
18. Supervisory Span of Control Report.	13
19. Proposed information technology projects.	14
20. Proposed capital construction projects	14
21. Program Prioritization for 2023-2025	14
22. Other funds and ARPA ending balance forms	14
APPENDIX A: STRATEGIC PLAN	15
APPENDIX B: OWEB BOARD MEMBERS	17
APPENDIX C: ORGANIZATIONAL CHARTS	18
APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT.	21
APPENDIX E: AGENCY REDUCTION OPTIONS.	40
APPENDIX F: OTHER FUNDS AND ARPA ENDING BALANCE	44
APPENDIX G: GOVERNOR’S BUDGET SUMMARY	45
APPENDIX H: PROGRAM PRIORITIZATION	47

OWEB Ways and Means Reference Materials

Contact: Lisa Charpilloz Hanson, Executive Director

Cell : 971-345-7022

Email : lisa.charpilloz-hanson@oweb.oregon.gov

1. Mission, Goals, and Historical Context

Mission

The mission of the Oregon Watershed Enhancement Board (OWEB) is to help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies. OWEB fulfills this mission by administering grant programs. OWEB programs enable partner organizations to implement voluntary conservation actions that improve overall watershed health and provide habitat restoration.

Strategic Plan

OWEB adopted its [current strategic plan](#) in 2018 and will be updating the plan in accordance with Governor Kotek's expectations of state agencies. The current strategic plan objectives are:

1. Broad awareness of the relationships 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

History

OWEB has been in existence since the 1990s to conduct this work, first as the Governor's Watershed Enhancement Board and then as OWEB. OWEB was created to administer lottery dollars for watershed restoration, address declining salmon runs, and help the state implement the Oregon Plan for Salmon and Watersheds.

Today, OWEB's funding sources have diversified and include lottery, general fund, federal fund, and other fund dollars. The grants remain focused on watershed enhancement, benefiting the people of Oregon. Recent legislative investments have added post-wildfire recovery, drought relief, and farm and rangeland protection grants to OWEB's grant programs.

OWEB has experienced significant growth during the 2021-2023 biennium, leading the agency to pursue a new organization structure. The Governor's Budget helps OWEB partially attain the needed organization structure to continue the agency's excellent track record of grant administration.

2. Summary of agency programs, services, and organizational structure, including organizational charts, as well as any proposed organizational changes

OWEB's budget is divided into two programs, Operations and Grants.

Operations

The operations program includes all agency staff, the operations of the agency board, and supporting services such as contracting and services and supplies. The operations program experienced significant growth in the 2021-2023 biennium with the establishment of several new grant programs relating to the protection of farm and ranchlands, disaster recovery, and resiliency.

The operations program staff administer grants, develop, and maintain in-house software systems used by grantees and staff, maintain relationships with grantees, track and report project accomplishments, evaluate project outcomes, provide leadership and support to the agency, and support the operations of an 18-member board.

Grants

OWEB maintains a rigorous grant administration process to ensure accountability of public dollars. The agency operates its grant programs on a reimbursement basis. Grantees must provide reimbursement requests and attach documentation of expenditures. Due to the complex nature of the projects that OWEB funds, the project management and reimbursement process for any given project may continue for several years until the project is complete and the grantee has completed all required reporting. OWEB staff work closely with grantees and provide a variety of information resources to help grantees provide the correct information.

The [18-member board](#) is responsible for developing and tracking the agency's spending plan for grant awards and approving grants awarded by OWEB. The board also provides agency policy direction.

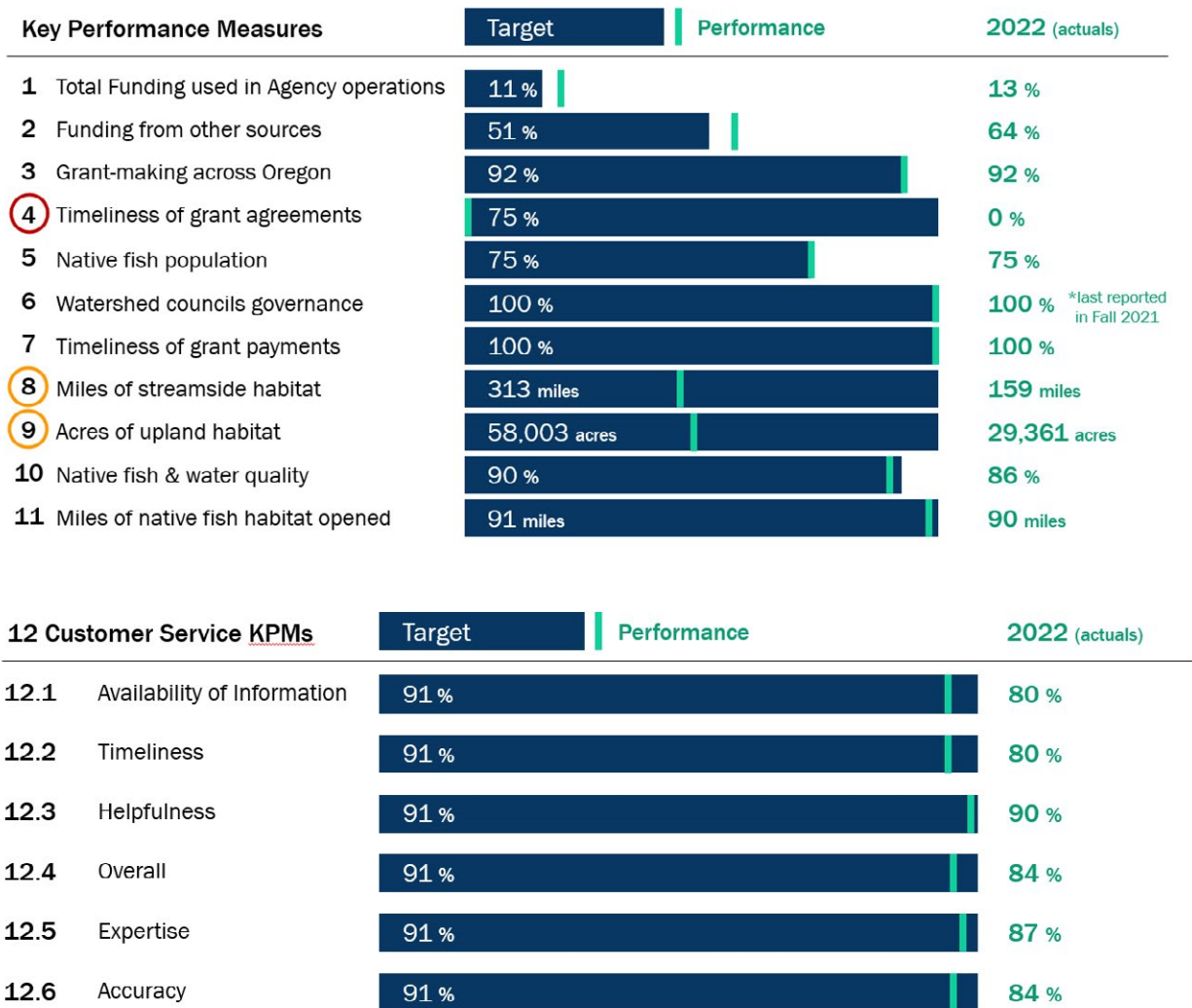
The grants program within OWEB's budget consists of the funds that OWEB delivers to grant recipients. OWEB grants support on-the-ground restoration, monitoring, assessment, partner capacity, and farm and ranchland protection across the state.

OWEB has experienced a significant increase in workload due to new legislative funding allocations, new state requirements, and growth in new and existing grant programs. As a result, OWEB identified a new organizational structure to fulfill its agency responsibilities and its mission to administer grants for watershed enhancement.

OWEB's [current](#) and [proposed organizational charts](#) are included in this reference document. OWEB's 2023-2025 Governor's Budget (GB) includes policy packages that will build part of the organization structure needed for OWEB to effectively conduct its work.

3. Overview of agency performance and outcome measures, how measures are used by the agency, and progress toward achieving goals

OWEB’s key performance measures evaluate the agency’s effectiveness as a grant administrator as well as the outcomes the agency’s investments. Graphic summaries of OWEB’s Key Performance Measures are included below.



While OWEB is meeting most of its key performance measure targets, it is not meeting the targets in two key areas related to customer service. OWEB is not meeting its target for timeliness of grant agreements. This measure reflects the changes to OWEB in recent years, including 2020 staffing reductions related to the COVID-19 public health emergency followed by rapid growth in new programs and agency staffing.

In addition, while OWEB’s customer service ratings remain high, they are below targets. The narrative comments in OWEB’s most recent customer service survey indicate that OWEB customers appreciate the friendly and helpful attitude of OWEB staff, but also note that the many transitions at the agency have affected service.

[OWEB's 2022 annual performance progress report](#) has highlighted the need to focus on customer service and where possible, streamline OWEB's applications and systems. OWEB has convened a staff team that is identifying opportunities to streamline OWEB's application process, while still gathering the information needed to ensure accountability of public dollars and report accomplishments to federal funding agencies.

4. Summary of programs, clients, numbers served, and key partners

Grant Programs and Grant Types:

Open Solicitation: (\$63.5 million in the 2021-2023 Board Spending Plan)



Restoration Grants are OWEB's primary method to support projects that restore watershed function. They have served a primary role since the beginning of OWEB.



Technical Assistance Grants play a key role to develop future restoration action and increase the capacity of local partners to engage in project development, planning, design, coordination, and permitting.



Stakeholder Engagement Grants are awarded for landowner and community engagement activities that are necessary to protect or restore native fish and wildlife habitat, water quality, or stream flows.



Monitoring Grants help local partnerships determine the quality of watershed environments; identify causes for declines in habitat, fish, wildlife, and water quality; and develop adaptive restoration and protection plans.



Land and Water Acquisition Grants acquire land and water to maintain or restore watersheds and habitats for native fish or wildlife. OWEB-funded interests may be held by local, state, and federal agencies, tribes, not-for-profit conservation organizations, and land trusts.



Weed Grants assist with the prevention and control of invasive and noxious weeds—a critical element and often the first step to restoring watershed health. The Oregon Department of Agriculture (ODA) and OWEB partner to support the implementation of weed control statewide.



Small Grants fund small, straightforward restoration projects that are less than \$15,000. In some cases, these are the first grants a landowner may implement, leading to future restoration investments.



Quantifying Outputs and Outcomes Grants fund effectiveness monitoring efforts at a large scale.

Focused Investment Partnership Grants: (\$32.391 million in the 2021-2023 Board Spending Plan)



Focused Investment Partnership Grants address one of seven ecological priorities identified by the board: sagebrush/sage-steppe habitat, closed lakes basin wetlands, dry-type forests, oak woodland, and prairies, coho salmon, aquatic habitat for native fish, and coastal estuaries. They support large-scale restoration—up to \$4 million per biennium over three consecutive biennia—for projects that achieve clear and measurable outcomes through a strategic action plan that is implemented by a high-performing partnership.



Focused Investment Partnership Effectiveness Monitoring Grants evaluate the focused investment concept of dedicating long-term funding to specific actions in a particular geographic area.

Operating Capacity Grants: (\$19.671 million in the 2021-2023 Board Spending Plan)



Watershed Council Capacity Grants help support the operations of effective watershed councils that engage people and communities in their watershed to participate in collaborative, voluntary restoration and protection of native fish or wildlife habitat and natural watershed functions to improve water quality or stream flows.



Soil and Water Conservation District Capacity Grants provide funding for soil and water conservation districts to work with landowners and partners to protect and improve Oregon's water quality and local renewable natural resources.



Conservation Partnership Grants help support the Network of Oregon Watershed Councils, Oregon Association of Conservation Districts, Coalition of Oregon Land Trusts, and Oregon Conservation Education and Assistance Network which support the work of councils, districts, and land trusts which have complementary restoration and conservation objectives across the landscape, through technical training, capacity building, and networking opportunities.



Organization Collaboration Grants support new or expand existing, strategic collaborations to build resilient, sustainable, local organizations that achieve ecological outcomes and engage communities.



Partnership Technical Assistance Grants support the operations of existing partnerships, or collaborating groups to enhance partnership capacity, and develop, share, and implement a strategic action plan.

General & Other Fund Programs: (\$45.584 million in the 2021-2023 Board Spending Plan)



Oregon Agricultural Heritage Program provides funding for conservation easements, development and implementation of conservation management plans, and succession planning. These voluntary programs are designed to help farmers and ranchers maintain or enhance both agriculture and natural resources such as fish and wildlife on agricultural lands.



Post-wildfire Recovery Grants include riparian, upland, and floodplain restoration and reconnection for areas affected by 2020 and 2021 wildfires.



Drought Resilience Grants were legislatively allocated statewide and specifically for Jefferson and Klamath Counties to support soil stewardship and invasive weed control, off-stream livestock watering, and irrigation modernization.



Water Acquisition Grants, an OWEB open solicitation grant program, received an additional \$10 million in legislatively allocated funding during the 2022 regular session. These grant funds will complement lottery dollars allocated for grants in this program.

Other Programs (\$7.93 million in the 2021-2023 Board Spending Plan)



Conservation Reserve Enhancement Program is a cooperative venture between the State of Oregon and the federal Farm Service Agency, with support from soil and water conservation districts, watershed councils, and resource conservation and development councils. The program restores, maintains, and enhances streamside areas along agricultural lands to benefit fish, wildlife, and water quality.



Oregon Plan-Governor's Priorities addresses broad-scale initiatives through multi-organizational collaborations to support particularly complex natural resource challenges and opportunities that are identified by the Governor's Office.



Strategic Implementation Areas Grants provide local partner capacity support to work with landowners and managers on voluntary projects to provide additional water quality benefits. This program helps implement the Oregon Department of Agriculture's Agricultural Water Quality Program.

Numbers Served

OWEB's portfolio of open grant-funded projects is currently over 1,143 grants and agreements with a balance of over \$126 million. OWEB offers over 45 grant programs and processes an average of 1,322 applications per biennium. During the 2019-2021 biennium, OWEB opened 1,164 grant agreements to support projects in communities across the state of Oregon.

Key Partners

OWEB programs enable partner organizations to implement voluntary conservation actions that improve overall watershed health and provide on-the-ground habitat restoration across the state. Partners include hundreds of local stewardship organizations:

- Watershed Councils
- Soil and Water Conservation Districts
- Tribal Governments
- Land Trusts
- Schools and Universities
- Other non-governmental organizations

In addition, while not eligible to directly receive OWEB grants, state and federal agencies as well as private landowners are critical partners in OWEB-funded grant projects.

5. Significant issues that remain unresolved for 2021-2023

Disaster Recovery

OWEB does not have significant unresolved issues for 2021-2023 but does have an unresolved issue related to disaster recovery grant programs funded with general fund investments during the 2021-2023 biennium.

General fund grant programs in OWEB's 2021-2023 budget include post-fire recovery and drought relief grants. These dollars were allocated to OWEB during the 2021 regular legislative session, the December 2021 special legislative session, and the February 2022 regular session. Much of this funding is encumbered in grant agreements but will not be spent/reimbursed by the end of the 2021-2023 biennium. This is because of OWEB's robust grant administration process that operates on a reimbursement basis, with documentation of expenses required in order to reimburse grantees.

OWEB's 2023-2025 Governor's Budget does not include reversion and reallocation of these funds to provide continuity for grantees into the 2023-2025 biennium, but OWEB has been advised that this issue will be addressed in the legislative budgeting process.

6. Major agency changes, budget drivers, and risks

Growth

OWEB has experienced a significant increase in workload due to new legislative funding allocations, new state requirements, and growth in new and existing grant programs. Over the past decade, OWEB's programs have grown and diversified. Traditionally, OWEB has received Lottery Revenues, Federal Funds, and Salmon License Plate dollars for its programs. During the 2021-2023 biennium, OWEB received \$52.5 million in General Funds. \$37.5 million to establish disaster relief grant programs for fire and drought, \$5 million for the Oregon Agricultural Heritage Program (OAHP) in the 2022 legislative session, and \$10 million for water acquisitions.

OWEB also experienced significant changes and growth in staffing during the 2021-2023 biennium. OWEB's executive team experienced a 50% change during the 2021-2023 biennium. At the same time, the agency received new legislatively allocated programs and hired and on-boarded the staff to run the new programs. OWEB's 2021-2023 budget includes 46 positions with 16 of those positions being limited duration.

The combination of new responsibilities and growth in existing programs has increased agency and staff workload. Workload includes continuous improvement efforts in existing programs, renewed focus on excellent customer service, expanded outreach and engagement, new grant program development, grant application review and evaluation, and ongoing grant administration.

The growth in OWEB budget and staffing has led to a review of the agency's current organizational and management structure. OWEB's 2023-2025 Governor's Budget will help the agency partially attain the

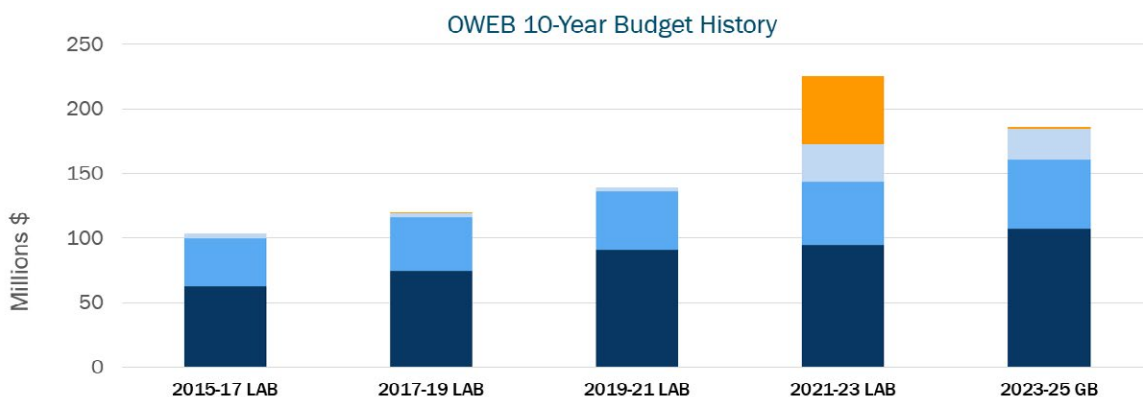
organization structure that is needed for OWEB to fulfill its mission and continue its excellent track record of grant administration.

Lottery revenue supports OWEB’s core work to administer watershed restoration and acquisition grants, as well as grants supporting implementation of these projects. The Oregon Constitution dedicates 7.5% of lottery revenues to support watershed work. Currently, 65 percent of the funds allocated to OWEB are constitutionally directed to grants. The remaining 35 percent of the funds are allocated through the legislative budgeting process to support agency operations for five natural resource agencies (including OWEB). OWEB and other state agencies share this funding to support programs that protect and enhance watersheds and fish and wildlife habitat.

The Constitution provides that once lottery revenues reach 150% of 2009-2011 levels, the grants-operations funding split will change from 65% grants-35% operations to 70% grants-30% operations. The Governor’s Budget reflects the shift in funding split.

7. Important changes to the agency’s budget and/or operations in the past 6 years, broken down by biennia, with an emphasis on programs initiated in 2021-2023

The graph below illustrates the changes to OWEB’s budget in the past few biennia and highlights the significant general fund investments into OWEB’s budget during the 2021-2023 biennium.



General fund investments in OWEB’s budget during the 2021-2023 biennium include grants and associated staffing for post-wildfire recovery for 2020 and 2021 wildfires, drought relief and resiliency, farm and rangeland protection, and water acquisitions.

During the 2021-2023 biennium, OWEB hired the staff to stand up and administer these new programs and launched the programs. As noted earlier in this document, general fund grants from these programs are committed in grant agreements but will not be fully expended by June 30, 2023. The Governor’s Budget does not include carryover/allocation of these funds, but OWEB has been advised that this issue will be addressed in the legislative budgeting process.

8. Budget issues related to COVID-19, wildfires and/or other natural disasters, and emerging issues not captured in the Governor’s Budget, if applicable.

OWEB does not have outstanding budget issues related to COVID-19. However, OWEB is still experiencing indirect impacts from the COVID-19 public health emergency and associated drop in lottery revenues in 2020. The temporary reduction in lottery revenues during 2020 caused OWEB to reduce staffing by approximately one-third during the 2019-2021 biennium. OWEB has rebuilt its staffing and has experienced growth during the 2021-2023 biennium due to new legislatively allocated programs.

Customer service survey results note the reductions and subsequent growth that the agency has experienced. Customers appreciate the friendly and helpful attitude of OWEB staff but also note that these staffing changes have impacted customer service. OWEB’s Governor’s Budget includes additional management resources that will begin to meet the agency’s organizational structure needs and help the agency renew its focus on excellent customer service.

9. Legislation necessary to implement the Governor’s Budget proposals for the agency

No legislation is needed to implement the Governor’s Budget proposals for OWEB.

10. Summary of 15% reduction options and impact of any reductions included in the Governor’s Budget

[OWEB’s 15% reduction options](#) are attached to this document in the appendices.

11. Summary of long-term vacancy information requested by LFO, including number of vacancies, related budget by fund source, and length of time vacant

OWEB has no vacant permanent positions.

12. Actions the agency is taking or plans to create savings, contain costs, improve services, or create other efficiencies without affecting services

Online Payment Request Function

This year, OWEB launched a new online payment function that is receiving very positive feedback from grantees. OWEB grantees must submit requests for reimbursements and attach documentation of all costs in order to receive payment. The new online system simplifies the payment request form that grantees must complete and allows them to upload documentation of all costs. The system eliminates several common sources of error and reduces email communication of attachments.

Reconnecting with Customers and Partners

OWEB is also focused on reconnecting with customers and partners in person to better understand their needs and continue improving customer service. OWEB's executive director and other executive team members have participated in several project tours with grantees. OWEB's board has participated in virtual and in-person tours of grant-funded projects.

Streamline Grants

OWEB staff have initiated efforts to streamline OWEB's grant applications, with a focus on eliminating redundancies while still gathering the information OWEB needs to report to federal funding agencies. Staff are also working to implement recommendations from a 2021 report on OWEB's grantmaking to Tribes, and have scheduled a training in April 2023 to cover much of the material recommended for enhanced training in the report.

Interagency Collaboration

OWEB participates in several collaborative interagency processes that facilitate coordinated investing, policymaking, and service delivery to Oregonians. OWEB is part of a shared forest fire resiliency planning effort between state and federal agencies; an interagency team focused on improving accessibility to water data; and the interagency Water Core Team that promotes coordination on water quantity and quality policy, budget, and operations.

Additional Savings

During the current biennium, OWEB created savings by keeping one limited duration lottery funded position open and by holding a few general funded positions open as they became vacant. OWEB saved some board meeting costs by holding 5 virtual board meetings and plans to continue holding at least one virtual board meeting per year. However, OWEB sees extensive value in holding in-person meetings around the state to maintain connections with grantees and communities where our grant funds are invested. OWEB reduced the number of board committees from 7 to 3 and holds all committee meetings virtually.

OWEB reduced its office footprint during 2021-2023, allowing the agency to save on rent costs. OWEB also expanded the agency's shared services agreement with the Oregon Water Resources Department (OWRD), and now receives additional information technology support from OWRD. OWEB also receives human resources, payroll, and payment support from OWRD.

13. Summary of the Governor's budget by fund source, policy option package, reductions, and other major changes

[OWEB's Governor's Budget summary](#) is attached to this document as an appendix. The Governor's Budget does not include any reductions to OWEB's Current Service Level. The Governor's Budget includes additional management resources that will begin to meet the agency's organizational structure needs, provides modest new investments in drought relief and provides continuity of farm and ranchland

protection and water acquisition staffing without new investments in these programs. The Governor’s Budget also includes two federally funded positions focused on tide gate coordination and federal cultural resource requirements.

14. Requested changes to KPMs or any KPM that the agency is not achieving

OWEB is not requesting changes to any of its KPMs. Targets for three agency key performance measures (8, 9, 11) are re-calculated on a rolling basis, so OWEB has submitted revised targets for 2024 and 2025 for those KPMs. These KPMs look at rolling averages of streamside habitat, upland acres, and instream habitat restored. OWEB may pursue changes to these KPMs in the future to eliminate the need for ongoing revisions to the KPM targets.

15. [OWEB Governor’s Budget](#)

16. Results of all audits on the agency conducted by the Secretary of State under ORS 297.070 during the current biennium and/or an external audit firm

No applicable audits were conducted for OWEB during the 2021-2023 biennium, but a [2020 audit report published by the Oregon Secretary of State](#) is included with these reference materials because it provides a helpful summary of the way OWEB administers Measure 76 lottery dollars. The report highlights OWEB’s grantmaking processes on pages 5-6.

17. Description of how recent changes to agency budget and/or management flexibility affected agency operations.

As described earlier in this document, OWEB experienced a significant increase in workload during the 2021-2023 biennium and received new limited duration positions to administer new legislatively allocated programs. These changes to OWEB’s budget and responsibilities led the agency to pursue a new organization structure. OWEB’s Governor’s Budget includes new management positions that will begin to meet the agency’s organization structure needs.

18. Supervisory Span of Control Report from the Department of Administrative Services, Chief Human Resources Office, for agencies with more than 100 employees

Not applicable to OWEB – OWEB has less than 100 employees.

19. Summary of proposed information technology projects

No information technology projects are proposed.

20. Summary of proposed capital construction projects

No capital construction projects are proposed.

21. Program prioritization for 2023-2025

[OWEB's 2023-2025 program prioritization](#) is attached.

22. Other funds and ARPA ending balance forms

OWEB's [Other funds ending balance form](#) is attached. OWEB did not receive ARPA funds.



Oregon Watershed Enhancement Board 2018 Strategic Plan, At A Glance

On behalf of the board members and staff of the Oregon Watershed Enhancement Board (OWEB), we invite you to review our 2018-2028 strategic plan. This plan celebrates all we have accomplished together over the last twenty years and sets a course for the next ten.

Mission

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

About OWEB

OWEB has funded more than 8,700 grants since 1999, with which Oregonians have restored more than 5,100 miles of streams and have made more than 6,100 miles of habitat accessible for fish. The grants have helped landowners improve more than 1,135,000 upland habitat acres and restore, improve, or create more than 51,000 wetland or estuarine habitat acres. The majority of the funds invested go directly to on-the-ground improvements of land and water, such as native plantings, dam removals, irrigation efficiencies, streams and rivers made accessible to fish, and land protected for future generations.

Our current investment portfolio – ranging from our flagship Open Solicitation grants to our newly established Organizational Collaboration grants – provides the foundation to improve the health of our watersheds by investing in people in our local communities.

Who We Are

We are dedicated to the idea that...

- Healthy watersheds sustain healthy communities now and in the future.
- Every Oregonian plays a role in the health of our watersheds.
- It takes broad partnership to support resilient watersheds.
- The work to improve our watersheds requires we take the long view.

Our work is in service to...

- Healthy, resilient watersheds (Ecological)
- Broad care and stewardship of watersheds by Oregonians (Social)
- Adaptive capacity of communities to support their watersheds (Community)
- Strengthened economies emerging from healthy watersheds (Economic)
- Strong and diverse partnerships that promote and sustain healthy watersheds (Sectoral)

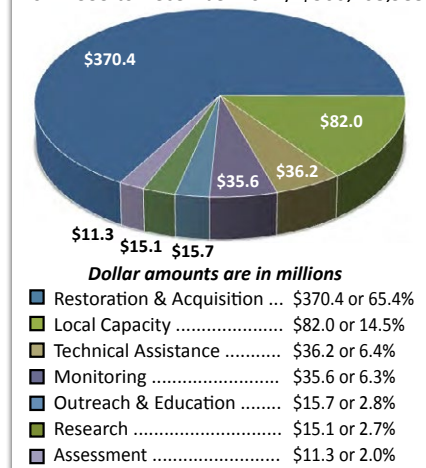
In all things, we will...

- Be bold
- Be open and transparent
- Consider future Oregonians
- Be curious

Our work is characterized by...

- Involving stakeholders broadly and in partnership
- Using best available science supported by local knowledge
- Investing with long-term outcomes in mind
- Demonstrating impact through meaningful monitoring and evaluation

Statewide Total Grants (All Fund Sources from 1999 to December 2017): \$566,268,983



Priorities & Strategies

With extensive input from our stakeholders, OWEB has designed a strategic plan to provide direction for the agency and its investments over the next 10 years.

- ◆ **Priority 1 Broad awareness of the relationship between people and watersheds**
 - Develop and implement broad awareness campaigns and highlight personal stories to tell the economic, restoration, and community successes of watershed investments
 - Increase involvement of non-traditional partners in strategic watershed approaches
- ◆ **Priority 2 Leaders at all levels of watershed work reflect the diversity of Oregonians**
 - Listen, learn, and gather information about diverse populations
 - Create new opportunities to expand the conservation table
 - Develop funding strategies with a lens toward diversity, equity, and inclusion
- ◆ **Priority 3 Community capacity and strategic partnerships achieve healthy watersheds**
 - Evaluate and identify lessons learned from OWEB's past capacity funding
 - Champion best approaches to build organizational, community, and partnership capacity
 - Continue to catalyze and increase state/federal agency participation in strategic partnerships
- ◆ **Priority 4 Watershed organizations have access to a diverse and stable funding portfolio**
 - Increase coordination of public restoration investments and develop funding vision
 - Seek alignment of common investment areas with private foundations
 - Explore creative funding opportunities/partnerships with the private sector
 - Partner to design strategies for complex conservation issues that can only be solved by seeking new and creative funding sources
- ◆ **Priority 5 The value of working lands is fully integrated into watershed health**
 - Implement the Oregon Agricultural Heritage Program
 - Strengthen engagement with a broad base of landowners
 - Enhance the work of partners to increase working lands projects on farms, ranches, and forestlands
 - Support technical assistance to work with owners/managers of working lands
 - Develop engagement strategies for owners/managers of working lands who may not currently work with local organizations
- ◆ **Priority 6 Coordinated monitoring and shared learning to advance watershed restoration effectiveness**
 - Broadly communicate restoration outcomes and impacts
 - Invest in monitoring over the long term
 - Develop guidance and technical support for monitoring
 - Increase communication between and among scientists and practitioners
 - Define monitoring priorities
 - Develop and promote a monitoring framework
- ◆ **Priority 7 Bold and innovative actions to achieve health in Oregon's watersheds**
 - Invest in landscape restoration over the long-term
 - Develop investment approaches in conservation that support healthy communities and strong economies
 - Foster experimentation that aligns with OWEB's mission

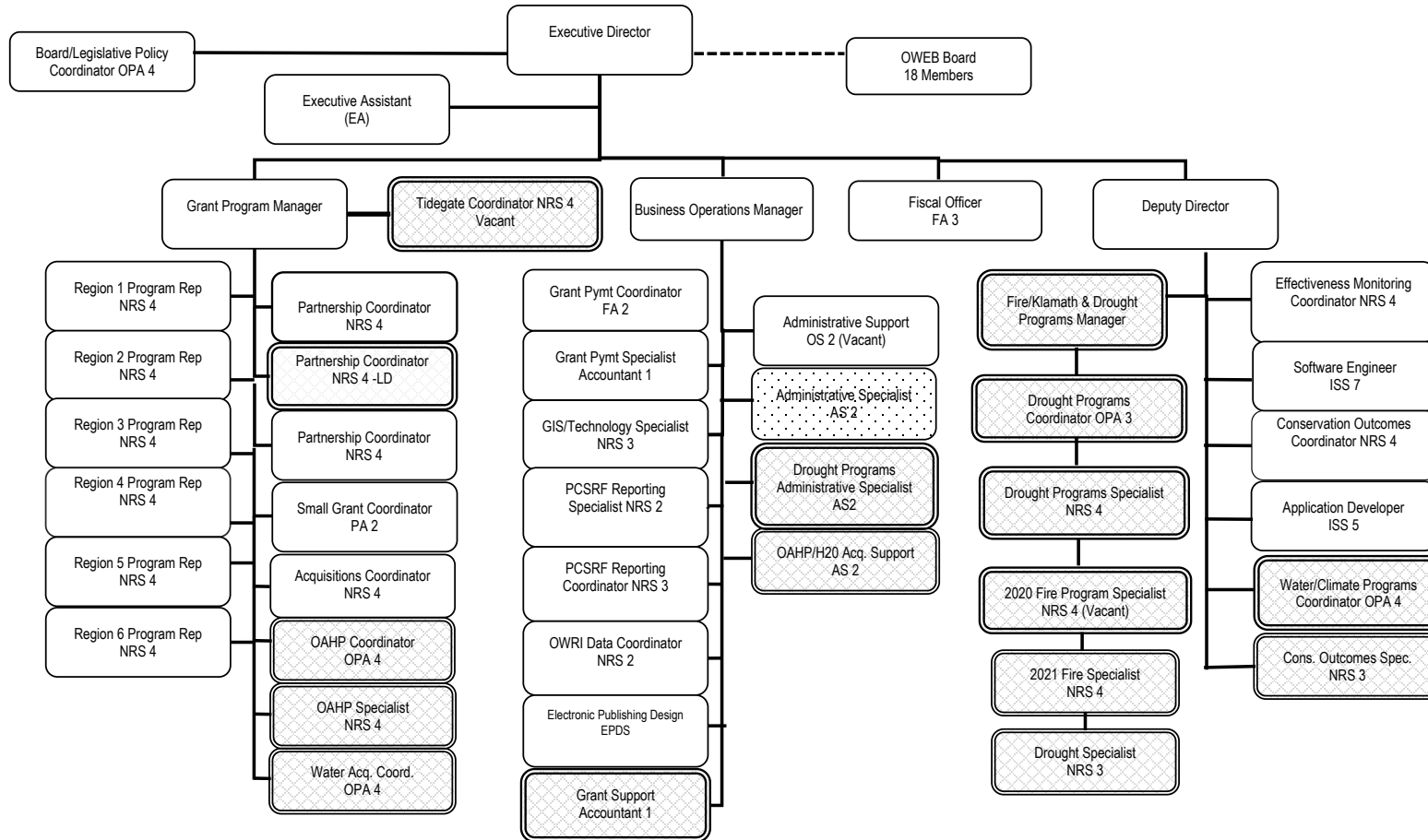


APPENDIX B: OWEB BOARD MEMBERS

Dan Brown	US Environmental Protection Agency	Non-voting member
Dan Shively	USDA Forest Service	Non-voting member
Aaron Curtis	USDI Bureau of Land Management	Non-voting member
Cory Owens	USDA Natural Resources Conservation Service	Non-voting member
Eric Murray	National Marine Fisheries Service	Non-voting member
Stephen Brandt	OSU Extension Service	Non-voting member
Chris Allen	US Fish and Wildlife Service	Non-voting member
Kelly Coates	Cow Creek Band of the Umpqua Tribe of Indians	Public (tribal) voting member
Liza Jane McAlister	Enterprise	Public voting member
Gary Marshall	Hines	Public voting member
Bruce Buckmaster	Astoria	Public voting member
Lindsay McClary	Grand Ronde	Public voting member
Jamie McLeod-Skinner	Terrebonne	Public voting member
Mark Labhart	Fish and Wildlife Commission	Voting member
Molly Kile	Environmental Quality Commission	Voting member
Meg Reeves	Water Resources Commission	Voting member
Barbara Boyer	Board of Agriculture	Voting member
Liz Agpaoa	Board of Forestry	Voting member

APPENDIX C: ORGANIZATIONAL CHARTS

Oregon Watershed Enhancement Board Organizational Chart
2021-2023



Position Reclassified

Position Established

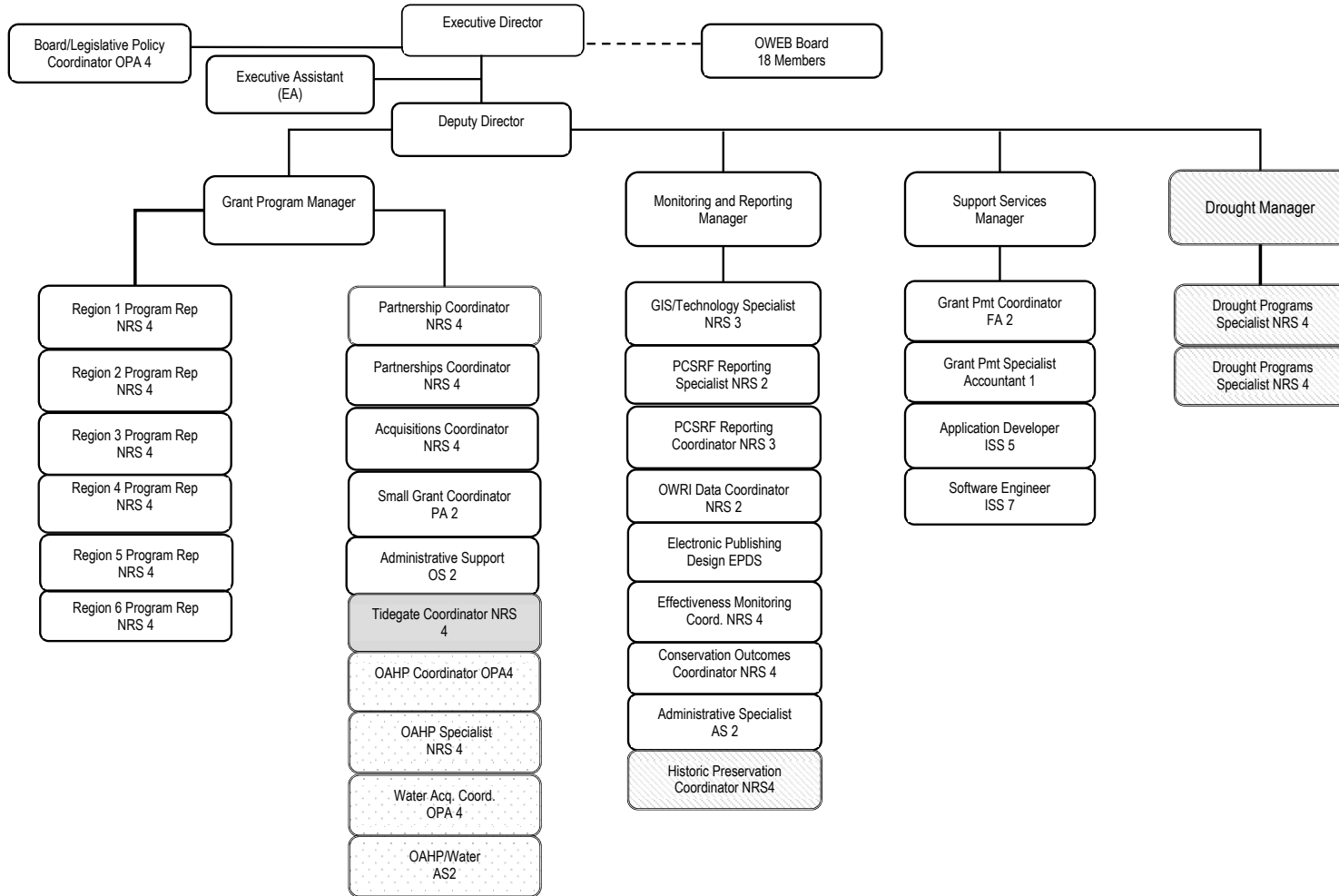
Limited Duration (LD)

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)

Oregon Watershed Enhancement Board Organizational Chart 2023-2025 Governor’s Budget

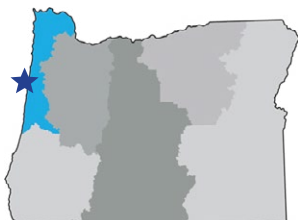


21-23 LD position converted to permanent

New Limited Duration Position

Continuing Limited Duration Position

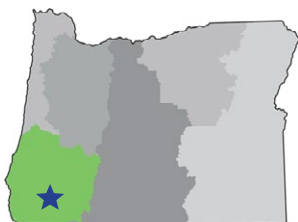
34 – Permanent; 5 FTE – 23/25 Limited Duration
39 – FTE total



North Coast
Katie Duzik
Newport, OR



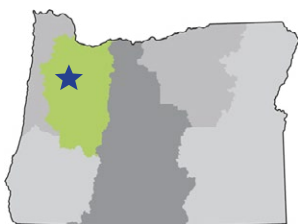
Central Oregon
Greg Ciannella
Bend, OR



Southwest Oregon
Mark Grenbemer
Medford, OR



Eastern Oregon
Coby Menton
Enterprise, OR



Willamette Basin
Liz Redon
Salem, OR



Mid-Columbia
Sue Greer
Condon, OR

Watershed Enhancement Board, Oregon

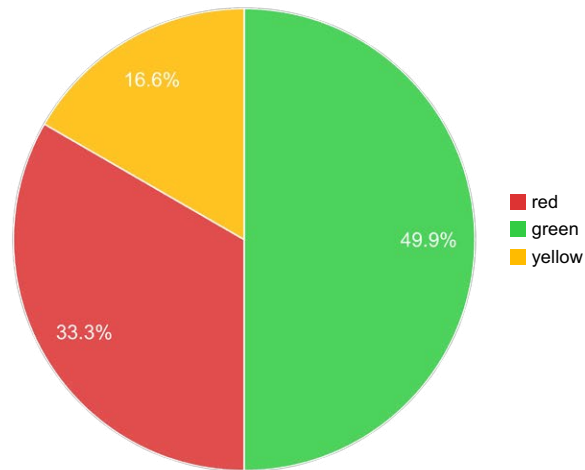
Annual Performance Progress Report

Reporting Year 2022

Published: 8/30/2022 10:58:38 AM

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #	Approved Key Performance Measures (KPMs)
1	OPERATIONS - The percentage of total funding used in agency operations.
2	FUNDING FROM OTHER SOURCES - The percent of funds contributed from other sources on OWEB funded restoration projects.
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.
4	TIMELINESS OF GRANT-MAKING - The percent of open solicitation grant agreements executed within one month after Board award.
5	FISH POPULATIONS - The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
6	WATERSHED COUNCIL GOVERNANCE - Percent of OWEB funded watershed councils that demonstrate effective organizational governance and management using OWEB merit criteria.
7	PAYMENTS - The percentage of complete grant payment requests paid within 24 days.
8	STREAMSIDE HABITAT - The number of riparian stream miles restored or enhanced as a result of OWEB funded grants.
9	UPLAND HABITAT - Acres of upland habitat restored or enhanced as a result of OWEB funded grants.
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.
11	NATIVE FISH HABITAT QUANTITY - Miles of fish habitat opened as a result of completed fish passage projects funded through OWEB grants.
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.

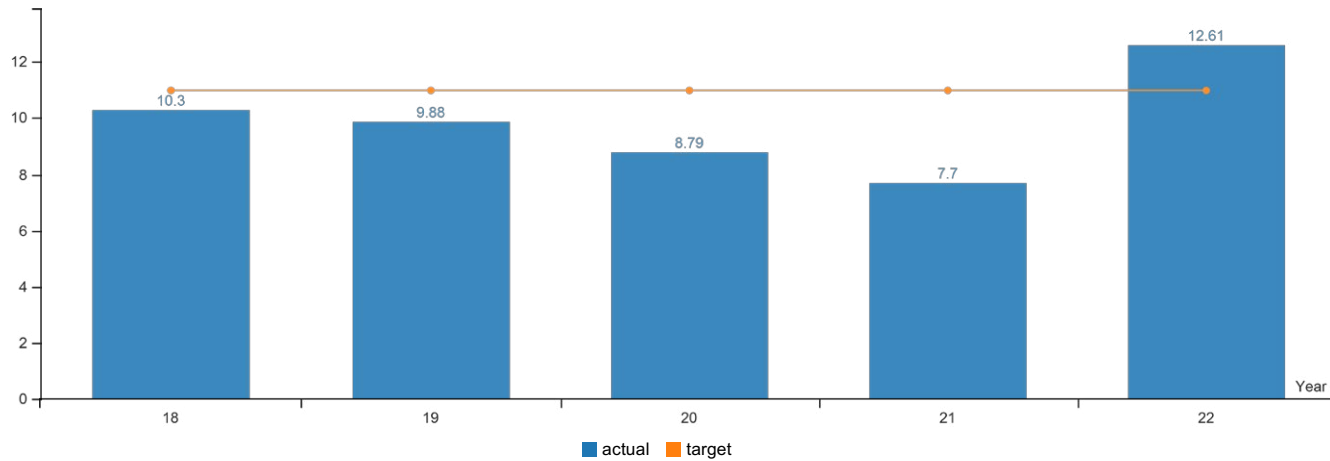


Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	50%	16.67%	33.33%

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #1	OPERATIONS - The percentage of total funding used in agency operations.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
Percentage of funding used in operations					
Actual	10.30	9.88	8.79	7.70	12.61
Target	11	11	11	11	11

How Are We Doing

The goal of this KPM is to demonstrate the amount of grant funding that goes to on-the-ground projects, planning, development, and monitoring work versus the amount of funding OWEB spends to effectively operate and administer the grant programs. The methodology for this KPM calculates the percentage of operations costs to total costs (total costs = operations plus grants).

In the current FY 2022 reporting cycle, the percentage of total funding used in agency operations exceeded the target. This rate is an anomaly because OWEB hired new staff to launch new legislatively assigned grant programs before issuing grant program payments.

Although the 2022 rate is high due to timing, OWEB’s previously reported rates are more reflective of the agency’s current situation. OWEB’s small agency size and history of low operations rates constrains the agency’s ability to take on new programs while still recovering from budget cuts in 2020. OWEB needs additional resources to fulfill its new responsibilities, state and federal requirements and initiatives, and board priorities. Due to OWEB’s new and existing responsibilities, the agency needs a new organization structure and will be requesting additional resources in the 2023-2025 budgeting process to fulfill these responsibilities and effectively serve customer needs.

In the last three years, OWEB has experienced a significant reduction in staff followed by significant growth and new responsibilities. The COVID-19 public health emergency and associated reduction in lottery revenues caused OWEB to temporarily reduce its staffing by approximately one-third in 2020. In 2021 and 2022, OWEB was able to restore many lost positions and also received extensive new responsibilities and new staff. However, OWEB’s management structure and administrative staffing have not recovered and expanded to fulfill the current demands on the agency and accomplish key board priorities such as building climate change criteria into grantmaking and expanding diversity, equity, and inclusion efforts.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

During the 2023-2025 budgeting process, OWEB will request significant resources to restore and expand the agency's management structure, accomplish board priorities including climate and DEI, provide adequate administrative support, fulfill state and federal requirements and initiatives, and implement existing and new programs assigned to the agency.

Factors Affecting Results

OWEB received new programs through legislative funding allocations in the 2021 regular legislative session, 2nd 2021 special legislative session, and 2022 regular legislative session. The Oregon Legislature allocated general funds to OWEB for grants for post-wildfire recovery, drought recovery and resiliency, farm and ranchland protection, and water acquisitions.

OWEB received legislatively approved staff positions to develop and launch these new programs. As of August 2022, OWEB has hired staff for nearly all the new positions, developed and launched several of the new grant programs, awarded grants, and has begun issuing payments.

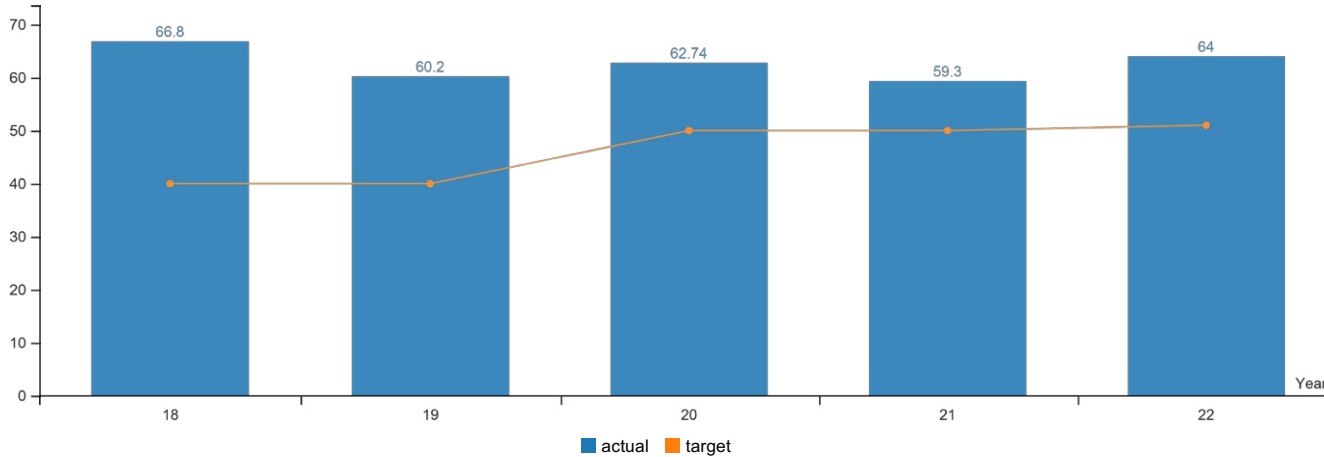
Because OWEB had to bring on the new staff before accepting grant applications, issuing grant awards, and making payments, OWEB's rate for FY 2022 is unusually high. The rate does not reflect OWEB's current organization challenges to accomplish new program work while continuing to operate existing grant offerings, fulfill board priorities, provide good customer service, and meet state and federal requirements and initiatives.

OWEB will be requesting additional resources in the 2023-2025 agency request budget to establish an effective organization structure to meet current responsibilities. This may result in a rate that is closer to the 11% target than OWEB's historically reported, but it is needed to position the agency for future success.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #2	FUNDING FROM OTHER SOURCES - The percent of funds contributed from other sources on OWEB funded restoration projects.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percent of funds					
Actual	66.80%	60.20%	62.74%	59.30%	64%
Target	40%	40%	50%	50%	51%

How Are We Doing

In FY 2022, for projects reported to the Oregon Watershed Restoration Inventory (OWRI), OWEB contributed \$11,305,836 (approximately 36 %) to restoration projects, while project partners contributed \$20,051,411 (approximately 64 %).

The goal of this KPM is to demonstrate that OWEB grantees leverage funding from other sources. OWEB currently requires a minimum of 25% match for entities applying for OWEB funds. Since this KPM was first reported in 2017, OWEB has exceeded the target of 50% for this KPM each reporting year.

While OWEB's match requirements help leverage other sources of funding, they can also be a barrier to existing and non-traditional partners who wish to pursue OWEB grants. OWEB is currently in the process of updating its match requirements for grants and may change its match requirements to improve grant funding accessibility.

Factors Affecting Results

Through its grantees and via joint funding agreements, OWEB partners with a variety of organizations for collaborative investments in restoration projects. These partners include federal, state and local governments, Tribes, non-governmental organizations, citizen groups, landowners, and local businesses. A diverse portfolio of funders supports on-the-ground implementation of restoration projects, which address a variety of priority actions—ranging from sage-grouse habitat conservation to instream improvements to fish habitat.

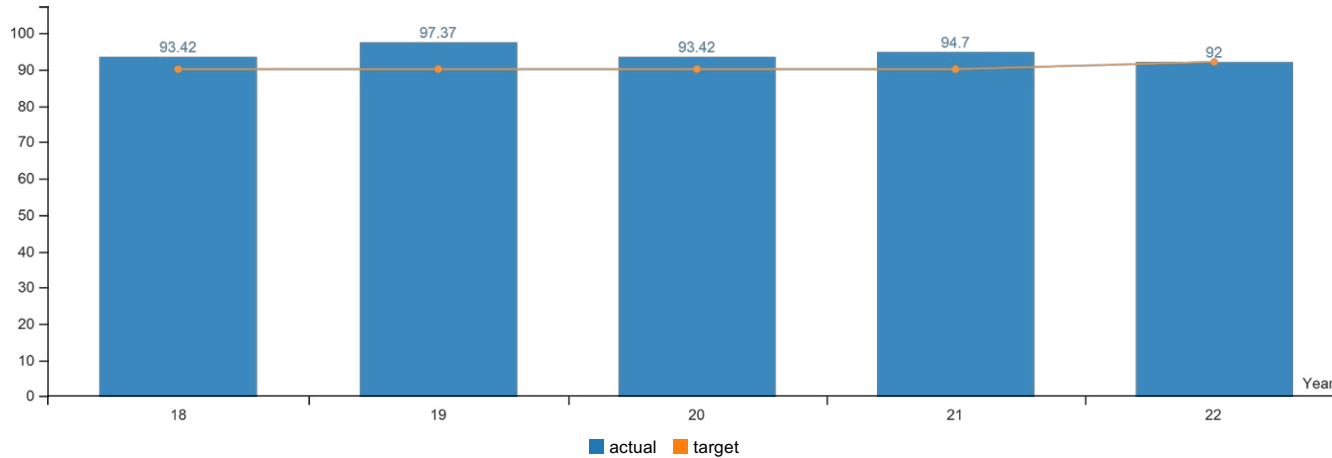
Information to calculate this KPM is provided from the information grantees report to the Oregon Watershed Restoration Inventory (OWRI). OWRI is the most reliable and accurate source of information because it reflects project costs and funders after projects are complete (rather than estimates and predictions of costs and funders at the time the project is proposed).

As OWEB works to improve accessibility of its grant programs to non-traditional and existing partners, the agency may modify match requirements in keeping with principles of diversity, equity, and inclusion. These improvements in accessibility may affect the percentage of match funding from other sources for some OWEB-funded projects.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #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.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percent of Oregon sub-basins					
Actual	93.42%	97.37%	93.42%	94.70%	92%
Target	90%	90%	90%	90%	92%

How Are We Doing

Results for FY 2022 continue to demonstrate that over 90% of Oregon's sub-basins benefitted from OWEB's grant programs.

OWEB's mission is to protect and restore healthy watersheds that support thriving communities and strong economies. OWEB grant programs provide clean water, improve fish and wildlife habitat, support local jobs, and improve community livability.

This KPM assesses how grants achieving OWEB's mission are distributed throughout the state. By looking at grant-making across Oregon, OWEB can determine if some areas of Oregon less frequently receive grant awards and, as needed, explore reasons for this. It is important to note that this KPM is dependent on grant applications being received from local partners in various locations around the state.

Factors Affecting Results

OWEB builds and maintains relationships with current and prospective grantees all over the state and provides training and consultations on its grant processes. This assistance helps make OWEB programs more accessible to communities and grantees around Oregon. OWEB is continuing to expand outreach to current and non-traditional partners to understand barriers to participation, current and prospective grantee assistance needs, and opportunities to support impacted communities.

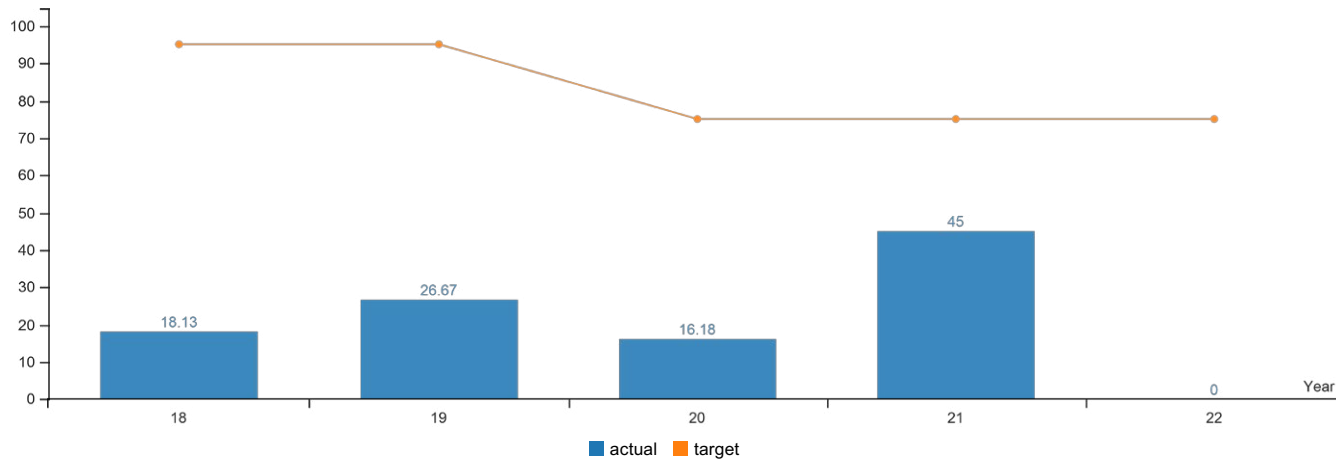
This KPM is calculated as the percent of Oregon sub-basins with at least 50% of their land area contained within the boundary of the State of Oregon that receive at least one OWEB grant within a biennium. Sub-basin is a terminology used by the U.S. Geological Survey as part of its categorization of hydrologic units. A sub-basin is equivalent to an 8-digit hydrologic unit code. There are 76 sub-basins within Oregon that have at least 50% of their land area contained within the State of Oregon boundary.

In FY2022, there were a total of 513 grants analyzed, with 487 grants included in the analysis (26 grants were located within watersheds with 50% or greater area outside the state of Oregon and therefore not included in the final result).

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #4	TIMELINESS OF GRANT-MAKING - The percent of open solicitation grant agreements executed within one month after Board award.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percent of open solicitation grants awarded within 1 month					
Actual	18.13%	26.67%	16.18%	45%	0%
Target	95%	95%	75%	75%	75%

How Are We Doing

This KPM was established in 2017 with the goal to track the timeline for executing OWEB’s grant agreements. At that time a fully signed grant agreement was required prior to payment. Recent changes make the grant agreement effective as of its award date, allowing the grantee to incur costs starting with that date, and expenses can be reimbursed once a fully executed grant agreement is in place. Over the years since it was established, the results for the KPM have typically been below 30% (in FY 2017, 2018, 2019 and 2020).

Although the result was 45% in FY 2021, that was an unusual year with only one grant cycle due to the COVID-19 funding pause. During the current FY 2022 reporting cycle the pause was lifted on OWEB’s grant-making, but the agency was not yet fully staffed, with several vacancies remaining due to the COVID-19 budget shortfall and staff with additional responsibilities.

The KPM value for FY 2022 indicates that no grant agreements were executed within one month of award. The agency recognizes this KPM does not achieve the target, but tracking this information provides several benefits. This KPM helped the agency to understand the impact of the 2020-2021 COVID-related staffing shortages on the ability to do the agency’s core work. It underscores the importance of the agency having adequate resources to complete its grantmaking in a timely manner. This KPM also helps identify opportunities for process improvements, both at OWEB and beyond.

Factors Affecting Results

During FY 2022 (July 1, 2021 to June 30, 2022) OWEB was rebuilding staffing that had been impacted by the COVID-19 public health emergency and bringing on new staff to administer new legislative allocations for grant programs. Some of the greatest impacts to OWEB staffing were in support and administrative staff who would have traditionally started the grant agreement process. OWEB also re-started several grant programs that had been on pause during the COVID-19 public health emergency, creating a pulse of workload for the small number of staff generating, reviewing

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

and signing grant agreements. OWEB moved additional grantmaking processes online which allowed the agency to function in the virtual environment and eventually realize efficiency gains, but caused short-term delays as staff developed and adapted to the new processes.

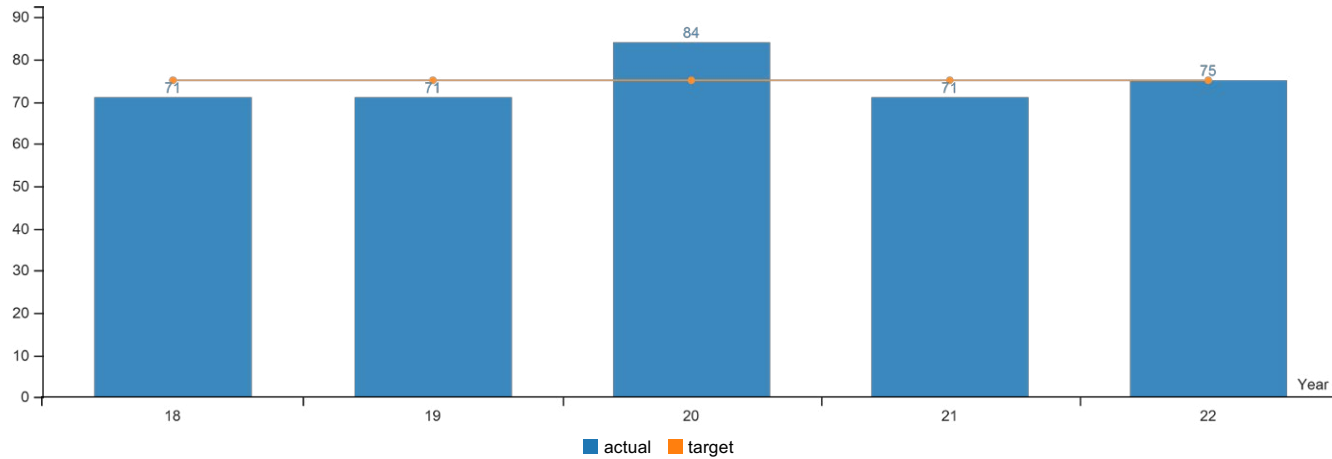
In addition to the impacts from the COVID-19 budget crisis described above, this KPM has long been challenging for OWEB to meet because outside parties influence the ability to meet the one-month time frame. Several factors outside of OWEB can delay execution beyond the target: 1) the requirement under OWEB's administrative rules for grantees to resolve outstanding final reports for other, open grants prior to being issued a new grant agreement; 2) time needed for DOJ to review agreements for awards greater than \$150,000 unless these utilize standard grant agreement conditions; and 3) time required for the OWEB-executed grant agreement to be signed by the grantee and returned to OWEB. Additionally, the timeframe of 31 days since award time also includes weekends and holidays, which may result in an inaccurate representation and variability from month to month.

As noted in previous APRRs, OWEB has taken action to improve timeliness of grant agreement execution. For example, the agency worked with DOJ to streamline the review process for grants that are more standard in nature while still exceeding the \$150,000 limit for reviews. In addition, staff have improved systems designed to help grantees know when they have outstanding reports, with the goal of reducing time delays based on outstanding grantee reports. OWEB has implemented methods for consistently tracking the time required for individual steps in the grant agreement workflow in greater detail, enabling staff to identify actual target specific steps during which delays are common, and explore opportunities for improvements.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #5	FISH POPULATIONS - The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percentage of native fish species that are increasing or stable					
Actual	71%	71%	84%	71%	75%
Target	75%	75%	75%	75%	75%

How Are We Doing

The goal of this KPM is to evaluate progress towards a desired outcome of OWEB’s grant funding, which is healthy native fish populations. The Oregon Department of Fish and Wildlife (ODFW) provides OWEB the data for this KPM.

ODFW fish biologists determined that the percentage of monitored native fish species exhibiting increasing or stable levels of abundance has remained relatively stable over the past ten years (Average since 2015 is 74%; results have ranged from 65% to 84%). The improved rate for FY 2022 is due to increased monitoring for three species with stable to increasing abundance (Borax Lake Chub, Alvord Chub, Foskett Dace).

Of the 20 native fish monitored in the current FY 2022 reporting period, 15 were considered to have stable or increasing abundances: chum salmon, coho salmon, Chinook salmon, winter steelhead, coastal cutthroat trout, bull trout, eulachon, white sturgeon, Miller Lake lamprey, Warner sucker, sockeye salmon, Oregon chub, Borax Lake chub, Alvord chub, and Foskett dace. For some species, such as salmon, steelhead, and native trout, the species designation can include several Species Management Units (SMUs).

Factors Affecting Results

Abundances of salmon and steelhead populations are cyclical, and many of Oregon’s salmon and steelhead populations have experienced low adult returns over the past several years in response to poor ocean conditions and successive years of drought. These lower abundances generally continued through the current reporting period, likely as a response to poor conditions for ocean survival. Abundances have incrementally improved in some species management units (e.g., Oregon Coast & Lower Columbia Coho; Coastal Chinook), but returns to populations of some species reached record lows in 2021 (e.g., summer steelhead). Improved ocean conditions in recent years are likely to favor increasing abundance of anadromous species in future reporting periods.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

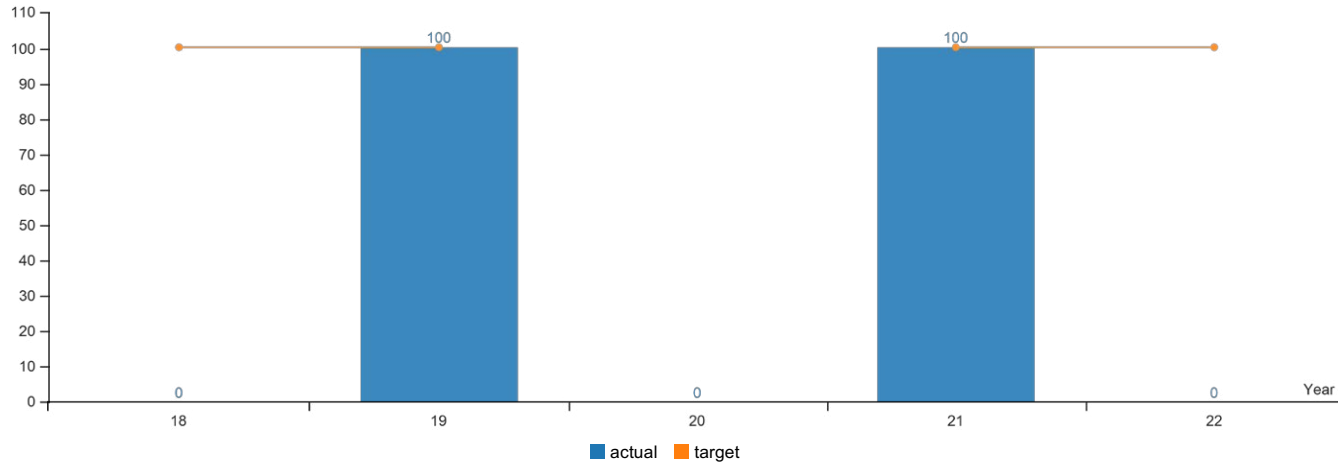
The KPM methodology includes fish species that are targeted for monitoring during a given reporting year, regardless of the baseline information available for quantifying their abundance. Therefore, the KPM results will reflect a lower percentage value during reporting years when monitoring a new species, or when monitoring a species without sufficient baseline abundance data. Monitoring in the current FY 2022 report includes data from two species (Lahontan cutthroat trout and Pacific lamprey) that lack these datasets.

OWEB's ability to report on this measure is dependent upon ODFW. OWEB will continue to work with ODFW to refine the capability to report on this measure through assessment and monitoring efforts. A conservation plan for several anadromous species in the Rogue and South Coast basins was approved in 2021 and includes increased monitoring in that planning area. Sufficient funding for sustained monitoring is necessary to sustain reporting on this KPM.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #6 WATERSHED COUNCIL GOVERNANCE - Percent of OWEB funded watershed councils that demonstrate effective organizational governance and management using OWEB merit criteria.
 Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percent of watershed councils that meet merit criteria					
Actual		100%		100%	
Target	100%	100%		100%	100%

How Are We Doing

Because this KPM is measured on a biennial basis, the results for the 2021-2023 biennium were reported in the Fall of 2021. No data are reported for FY 2022.

Fifty-eight Watershed Council Capacity grant applications were received by the March 2021 application deadline. The applications were evaluated based on four merit criteria: 1) effective governance and management, 2) progress in planning, 3) progress in on-the-ground watershed restoration, and 4) progress in community engagement for watershed restoration purposes. All criteria are equally weighted in the review process. OWEB staff considered the following information in the review: 1) information in the council’s two-year work plans; 2) answers to the Council Capacity grant application questions; 3) OWEB staff’s knowledge of council performance; 4) any supplemental information provided by the council in response to OWEB’s request; and 5) if requested by OWEB, interviews with council officers and staff. OWEB considers a watershed council to have met its work plan objectives if they meet all four merit criteria.

For the 2021-2023 Council Capacity grant cycle, all 56 of the watershed councils recommended for funding met all four of the merit criteria and received full funding; two councils demonstrated inadequate performance and were not funded. Specific to this KPM, 56 out of 56 organizations receiving funding met both the effective governance and management criteria.

Factors Affecting Results

The purpose of OWEB’s grants to watershed councils is to support effective watershed council staff and operations in carrying out activities and projects to protect or restore native fish or wildlife habitats and improve water quality. These groups also undertake resource assessment, planning, design and engineering, technical assistance, monitoring, and outreach to involve landowners and citizens in voluntary actions to protect, restore and maintain the ecological health of lands and waters. The councils’ ability to demonstrate progress in work plan implementation and maintain effective organizational management and governance shows the effectiveness of OWEB’s investment in helping to support the operating costs of watershed councils.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

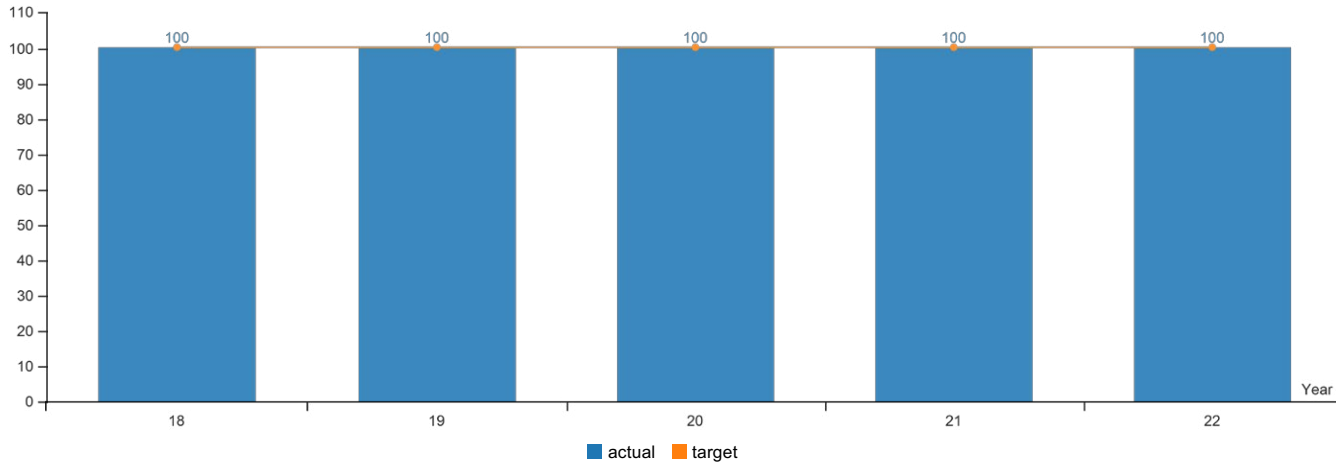
Currently watershed councils are evaluated for merit every two years at the start of each biennium. The watershed council capacity (Council Capacity) grant process supports OWEB's goal of resilient, sustainable local organizations, is performance and outcome based, and contains high standards for eligibility, reporting, and accountability. In July of 2014, the OWEB Board adopted new rules and guidance for Council Capacity grants. The new funding criteria contain higher standards for eligibility and merit than in the past.

The 2021-23 Council Capacity grant cycle is the fourth time watershed councils have been evaluated using the new merit criteria and ranked for funding using three funding levels (fully fund, fund at a reduced level, and do not fund). In the three biennia that have occurred since OWEB implemented this approach, the percentage of councils that meet both the effective governance and management criteria continues to increase, from 81% in 2015-2017, 92% in 2017-2019, to 100% in 2019-2021 and 2021-23.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #7	PAYMENTS - The percentage of complete grant payment requests paid within 24 days.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percentage of grant payments paid within 30 days (24 days starting in FY 2012)					
Actual	100%	100%	100%	100%	100%
Target	100%	100%	100%	100%	100%

How Are We Doing

OWEB fulfills its mission by administering grant programs. OWEB processes grant payments to local grantees that support on-the-ground projects, planning, design, and monitoring.

This KPM looks at OWEB’s timeliness in issuing grant payments. In addition to being required by law, grant timeliness is important to OWEB’s grantees because they are often small, local organizations with limited cash on hand.

During the current FY 2022 reporting cycle, OWEB again met the 100% target of complete grant payment requests paid within 24 days. OWEB met its target during each of the last 16 fiscal years.

Factors Affecting Results

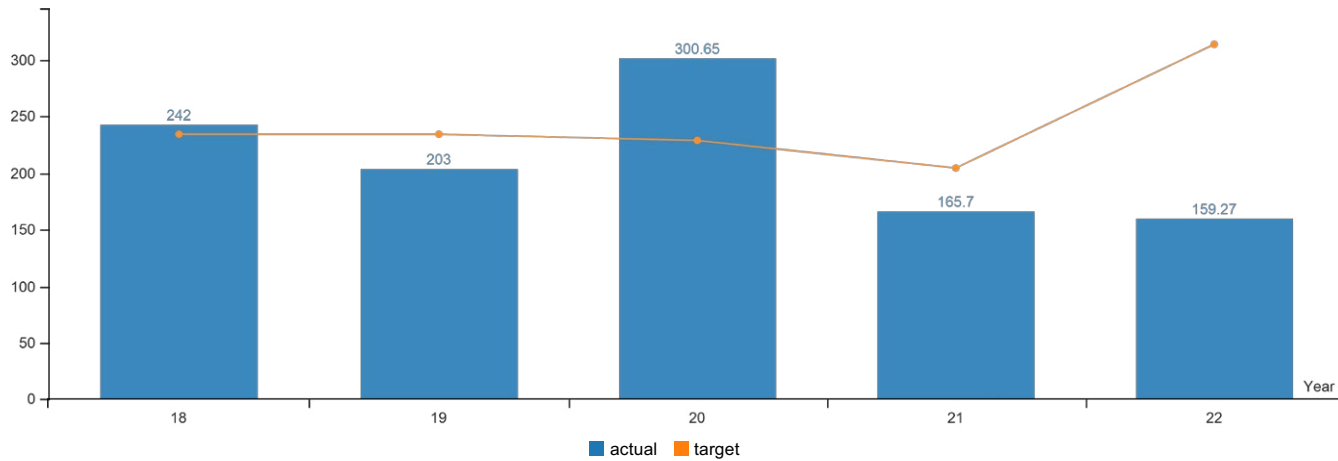
OWEB is statutorily required to make payments within a 45-day period and continues to meet and well exceed this statutory requirement as noted in the KPM results. The review of payments, prioritization of fiscal staff workload on timely payments, and strategic investments in new techniques and technology to improve efficiency enables OWEB to meet this target.

OWEB provides regular training and technical assistance to grantees to help ensure that grant payment requests are completed correctly and include all required supporting documentation. This investment of resources by OWEB staff improves the efficiency and timeliness of payment processing because requests are submitted correctly. There is an ongoing need for this assistance due to staffing changes at local organizations. OWEB’s 2023-2025 agency request budget will include requests for additional resources to help grantees use OWEB’s online granting systems and provide training on how to meet OWEB’s requirements.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #8	STREAMSIDE HABITAT - The number of riparian stream miles restored or enhanced as a result of OWEB funded grants.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Riparian Plant Communities					
Actual	242	203	300.65	165.70	159.27
Target	233.70	233.70	228.20	203.90	313

How Are We Doing

Investment in streamside habitats is a priority for OWEB because these habitats provide benefits to Oregon’s native fish and wildlife, as well as water quality. OWEB is below the target in this reporting year.

This KPM was approved by the Legislature in 2017 to more accurately measure OWEB accomplishments by using OWEB-funded projects only. The proposed target for this measure was a rolling average of miles of riparian area treated by OWEB funded grants over the previous 10 years, as reported to the Oregon Watershed Restoration Inventory (OWRI). Currently, the target for this measure is set as the 10-year average from OWEB-funded riparian projects from 2009-2018.

Factors Affecting Results

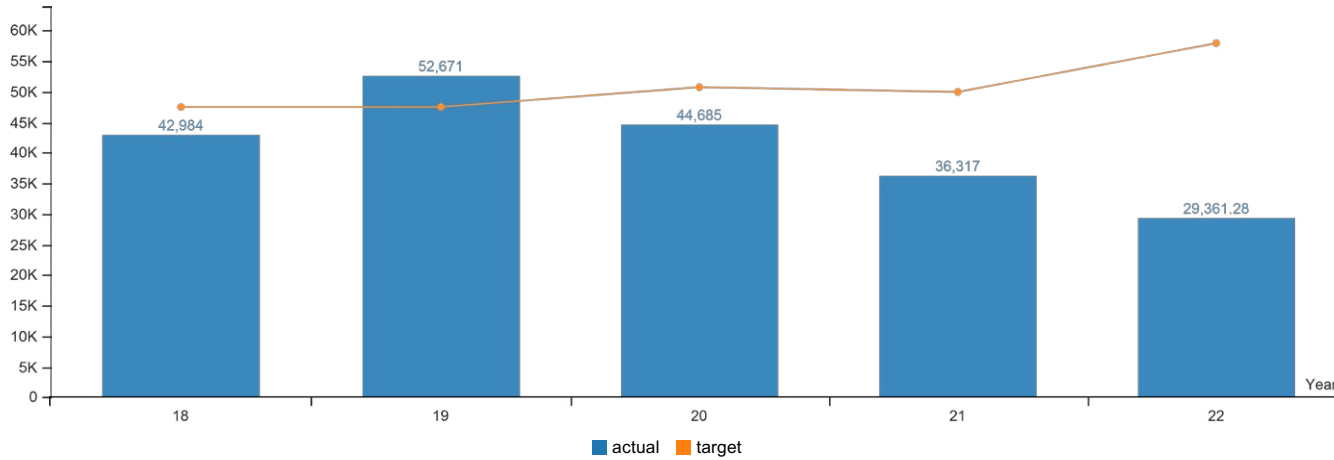
Mileage of restored streamside areas varies from year to year depending on the number and size of individual streamside projects. From 2009-2018 and at the time the data were pulled to generate this 10-year average, the total streamside miles restored ranged from approximately 143 miles in 2009 to 567 miles in 2014. There is some lag time for reporting that results in data availability being delayed by one year. For this reason, previous years' data may be revised upward as projects are completed and reported to OWRI.

It is also possible that the 2022 number will remain low even after 2022 projects are fully entered into OWRI. This is because OWEB paused some of its grantmaking in 2020 and 2021 due to the COVID-19 public health emergency and the associated impacts to lottery dollars. The financial impacts of the COVID-19 public health emergency caused OWEB to temporarily reduce staffing by about one-third and reduced grant funding availability.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #9	UPLAND HABITAT - Acres of upland habitat restored or enhanced as a result of OWEB funded grants.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Upland Habitat Restored					
Actual	42,984	52,671	44,685	36,317	29,361.28
Target	47,560	47,560	50,800	50,015	58,003

How Are We Doing

This KPM recognizes the significant contributions of OWEB funded projects to upland restoration throughout Oregon. Examples of upland restoration projects include western juniper control, invasive weed control, and replanting of upland areas with plant species that prevent and control soil loss and runoff. These projects support healthy watersheds and improve habitat for species such as western sage grouse.

The measure indicates progress towards improving upland habitat conditions for the benefit of native species and water quality. The results for the current FY 2022 reporting period are below the desired target.

This KPM was approved by the Legislature in 2017 to more accurately measure OWEB accomplishments by using OWEB-funded projects only. The proposed target for this measure was a rolling average of upland acres restored by OWEB funded grants over the previous 10 years, as reported to the Oregon Watershed Restoration Inventory (OWRI). Currently, the target for this measure is set as the 10-year average of OWEB-funded upland projects from 2009-2018.

Factors Affecting Results

There is a high degree of variability in the number of upland habitat acres restored from year to year. From 2009-18 and at the time the data were pulled to generate this 10-year average, the total number of upland acres restored or enhanced each year in Oregon ranged from the current value (29,361 acres) to a maximum of 64,342 acres in 2018.

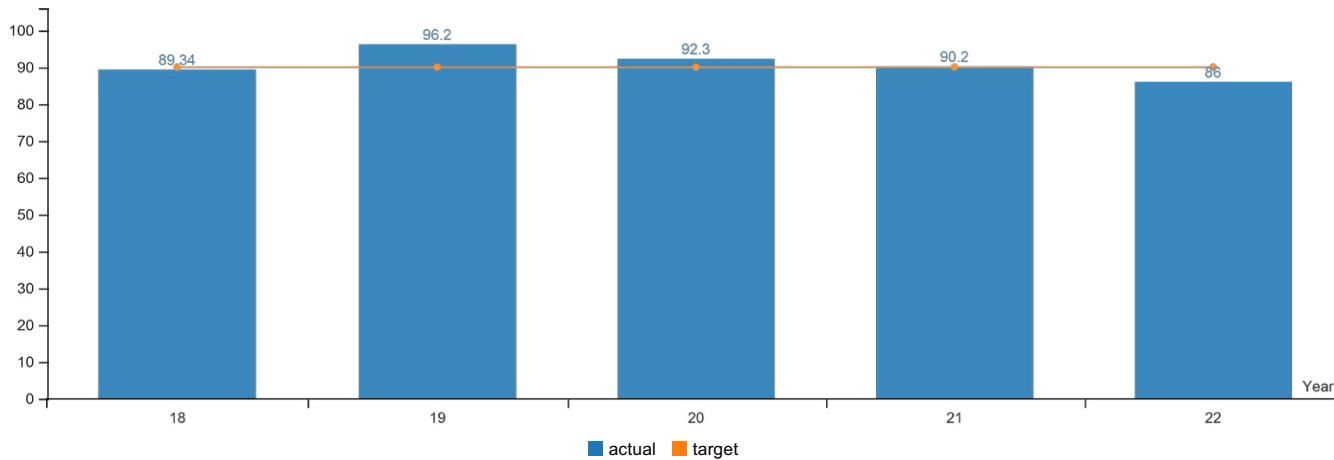
There is some lag time for reporting that results in data availability being delayed by one year. For this reason, previous years' data may be revised upward as projects are completed and reported to OWRI.

It is also possible that the 2022 number will remain low even after 2022 projects are fully entered into OWRI. This is because OWEB paused some of its grantmaking in 2020 and 2021 due to the COVID-19 public health emergency and the associated impacts to lottery dollars. The financial impacts of the COVID-19 public health emergency caused OWEB to temporarily reduce staffing by about one-third and reduced grant funding availability. OWEB is in the process of restoring staffing and re-launching the programs that had to be paused.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #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.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Investments to address T&E species, species of concern; or concerns identified on 303(d) listed streams					
Actual	89.34%	96.20%	92.30%	90.20%	86%
Target	90%	90%	90%	90%	90%

How Are We Doing

This KPM tracks OWEB projects that address habitat for threatened, endangered, or species of concern, as well as water-quality concerns identified on 303(d) listed streams over time. The 303(d) list is developed and updated by the Oregon Department of Environmental Quality to track and address streams that do not meet state water quality standards.

For the first four years since data were available on this KPM, results surpassed the target level. This is the fifth year of reporting, and the first time the KPM has been below target.

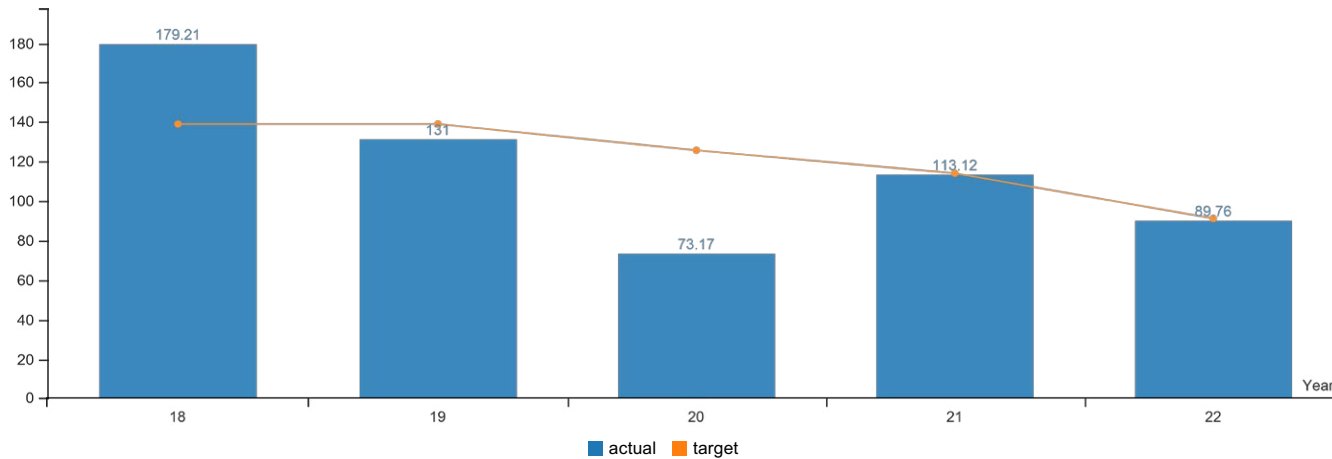
Factors Affecting Results

This KPM is tracked through applicant responses for restoration, technical assistance, and acquisition grants. Only approved and funded grants, identified by their grant agreement execution date, were included in the analysis. OWEB continues to track progress on this KPM to help better understand the factors affecting results.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

KPM #11	NATIVE FISH HABITAT QUANTITY - Miles of fish habitat opened as a result of completed fish passage projects funded through OWEB grants.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
SALMON HABITAT QUANTITY					
Actual	179.21	131	73.17	113.12	89.76
Target	138.80	138.80	125.50	113.90	91

How Are We Doing

This KPM measures progress toward removing barriers to fish passage through OWEB funded projects in rivers and streams throughout Oregon.

Factors Affecting Results

This KPM was approved by the Legislature in 2017 to more accurately measure OWEB accomplishments by focusing on reporting OWEB-funded projects. The proposed target for this measure was a rolling average of miles opened/improved by OWEB funded grants over the previous 10 years, as reported to the Oregon Watershed Restoration Inventory (OWRI). Currently, the target for this measure is set as the 10-year average of results from Fish Passage Crossing Miles from 2009-2018.

There is substantial variability from year to year in this metric. Between 2009 and 2018 and at the time the data were pulled to generate this 10-year average, the year with the lowest number of stream miles made available was 2017 (36 miles). The years with the highest number of stream miles made available were 2010 (180 miles) and 2011 (181 miles), reflecting several large projects completed and reported during this timeframe.

The yearly numbers of salmon habitat opened or improved have generally been decreasing since 2010. This trend likely is due to the fact that restoration efforts early in the history of the Oregon Plan for Salmon and Watersheds may have focused on fish-passage projects that were less complicated and simpler to implement. As restoration efforts have matured, more complicated and expensive projects are beginning to be implemented, which take more planning time.

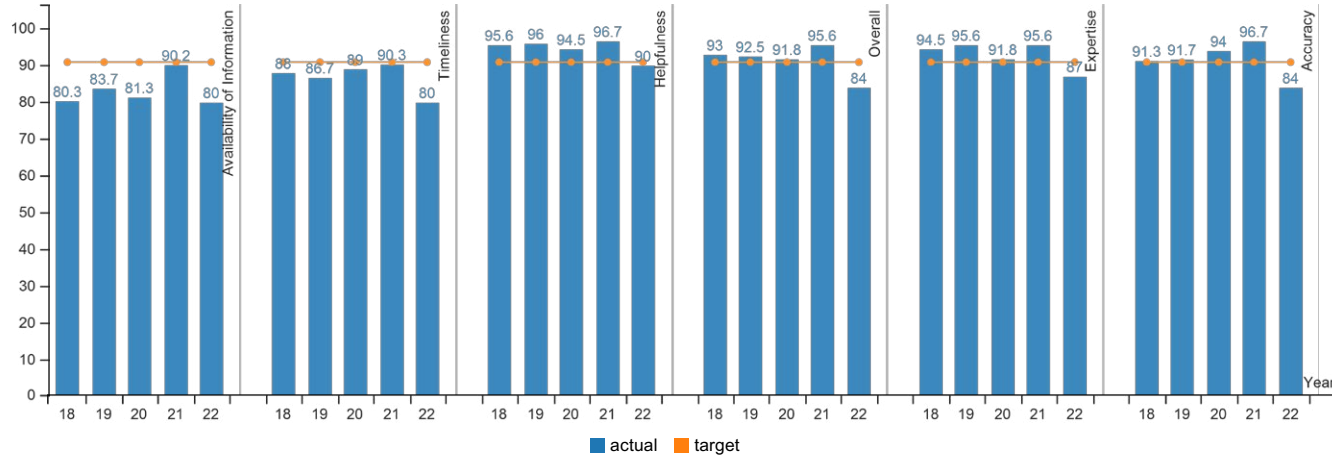
There is some lag time for reporting that results in data availability being delayed by one year. For this reason, previous years' data may be revised upward as projects are completed and reported to OWRI.

It is also possible that the 2022 number will remain low even after 2022 projects are fully entered into OWRI. This is because OWEB paused some of its grantmaking in 2020 and 2021 due to the COVID-19 public health emergency and the associated impacts to lottery dollars. The financial impacts of the COVID-19 public health emergency caused OWEB to temporarily reduce staffing by about one-third and reduced grant funding availability. OWEB is in the process of restoring staffing and re-launching the programs that had to be paused.

APPENDIX D: ANNUAL PERFORMANCE PROGRESS REPORT

helpfulness, expertise, and availability of information.

Data Collection Period: Jul 01 - Jun 30



Report Year	2018	2019	2020	2021	2022
Availability of Information					
Actual	80.30%	83.70%	81.30%	90.20%	80%
Target	91%	91%	91%	91%	91%
Timeliness					
Actual	88%	86.70%	89%	90.30%	80%
Target	91%	91%	91%	91%	91%
Helpfulness					
Actual	95.60%	96%	94.50%	96.70%	90%
Target	91%	91%	91%	91%	91%
Overall					
Actual	93%	92.50%	91.80%	95.60%	84%
Target	91%	91%	91%	91%	91%
Expertise					
Actual	94.50%	95.60%	91.80%	95.60%	87%
Target	91%	91%	91%	91%	91%
Accuracy					
Actual	91.30%	91.70%	94%	96.70%	84%
Target	91%	91%	91%	91%	91%

How Are We Doing

OWEB strives for excellent customer service in all areas for its applicants and grantees. FY 2022 customer service survey results are lower than those for FY 2021.

Many narrative comments in the customer service survey underscored an understanding of the workload challenges faced by OWEB staff as some grant-making responsibilities increased ahead of staffing increases at the agency. OWEB has now largely rebuilt staffing that had been reduced as a result of the COVID-19 public health emergency, but is continuing to develop and launch new legislatively allocated grant programs and re-start existing grant programs that had been paused in 2020 and 2021. This additional workload and scope of responsibility has caused OWEB to pursue a new organization structure in its 23-25 agency request budget. OWEB believes a new organization structure will help the agency provide better customer service and make grantmaking information available and accessible to current and prospective grantees.

Factors Affecting Results

The OWEB customer service survey was sent via email to 716 email addresses of potential applicants and grantees, receiving 128 responses. Since 2017, OWEB has used a targeted methodology to circulate the customer service survey via email to contact information provided to the agency's online grant application system. This approach increased response rates when compared with pre-2017 surveys. OWEB receives many positive narrative comments from customers about the quality of its staff and the online grant application and management systems, among other topics. The agency continues to solicit feedback from users and identify necessary improvements to meet their needs, taking into consideration challenges presented by the pandemic.

OWEB continues to strive for continuous improvement to maintain our high customer service ratings and build relationships with new potential customers and partners. In FY 2020 and 21, the agency quickly pivoted to provide virtual application assistance and consultation, virtual application review, and virtual board meetings during the COVID-19 public health emergency to facilitate timely grant awards and maintain relationships with customers and partners. In 2022, agency leadership and staff have been conducting outreach to new prospective partners, implementing recommendations to make grantmaking more equitable and inclusive, and meeting in person with partners and customers as much as practicable.

APPENDIX E: AGENCY REDUCTION OPTIONS

Agency Name (Acronym): Oregon Watershed Enhancement Board (OWEB)															
2023 - 2025 Biennium															
Detail of Reductions to 2023-25 Current Service Level Budget															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
Operations	OWEB	010	Out of State Travel		(14,500)						\$ (14,500)				Eliminates ability for agency staff to attend out of state conferences or meetings. This reduces opportunities to exchange information with other partners on new and innovative watershed restoration strategies and best practices in grant administration. It also reduces opportunities to illustrate the value of federal investments in watershed restoration to federal policymakers, funders, and partners.
Operations	OWEB	010	S&S		(18,843)						\$ (18,843)				Constrains ability to adapt to increases in costs of services and supplies such as software, subscriptions, wireless services, and other critical support services.
Operations	OWEB	010	Rent		(50,000)			(20,000)			\$ (70,000)				Less space available for agency staff to work in the office environment; reduced efficiency for group collaborative projects and less opportunity to provide in-person customer service to walk-in customers
Operations	OWEB	010	Office Expenses		(50,000)						\$ (50,000)				Reduces supplies available to support new and existing staff in completing core grant administration work. Constrains agency's ability to adapt to increases in supply costs.
Operations	OWEB	010	Employee Training		(5,000)						\$ (5,000)				Reduces opportunities for staff to receive training on core work such as software coding, diversity, equity, and inclusion, meeting facilitation, grant administration, and new state requirements and programs
Operations	OWEB	010	Instate Travel		(25,500)						\$ (25,500)				Constrains staff ability to resume in-person meetings with existing and prospective grantees, making relationship building more difficult and reducing the agency's ability to understand partners' and customers' needs on the ground.
Operations	OWEB	010	Board meeting costs (travel & rental)		(40,000)						\$ (40,000)				Eliminates opportunities for board to view OWEB-funded projects and interact in person with grantees and staff, hurting the ability to understand the core work that the board approves for funding and understand local partner and customer needs on the ground. Limits two-way interaction between existing and future grantees and board members and staff.
Operations	OWEB	010	Professional services (contracts)		(87,000)			(133,391)			\$ (220,391)				Limits ability to contract for due diligence review of land and water acquisitions, reducing ability to award land and water acquisition grants and evaluate the soundness of land and water acquisition investments; reduces the agency's ability to contract for external assistance with programmatic needs

APPENDIX E: AGENCY REDUCTION OPTIONS

Agency Name (Acronym): Oregon Watershed Enhancement Board (OWEB)															
2023 - 2025 Biennium															
Detail of Reductions to 2023-25 Current Service Level Budget															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
Operations	OWEB	010	Shift 15% Bus Ops position to FF indirect		(40,775)					\$ (40,775)	1	(0.15)		Slows OWEB's payment process for lottery funded grants because staff are constrained by funding source and creates strain on customer service metrics	
Operations	OWEB	010	Shift core grant project manager position		(125,000)					\$ (125,000)	1	(0.50)		OWEB will need to reduce core grant offerings and will be unable to take on special grant programs. Reduces OWEB staff presence with partners and grantees and those partners' access to technical and administrative assistance.	
Operations	OWEB	010	First 5% Reduction		(456,618)			(153,391)		\$ (610,009)					
Operations	OWEB	010	Other S&S		(10,467)			(14,292)		\$ (24,759)				Constrains ability to adapt to increases in costs of services and supplies such as software, subscriptions, wireless services, and other critical support services.	
Operations	OWEB	010	Instate Travel		(14,500)					\$ (14,500)				Further constrains staff ability to resume in-person meetings with existing and prospective grantees, making relationship building more difficult and reducing the agency's ability to understand partners' and customers' needs on the ground.	
Operations	OWEB	010	Rent		(18,000)					\$ (18,000)				Less space available for agency staff to work in the office environment; reduced efficiency for group collaborative projects and less opportunity to provide in-person customer service to walk-in customers	
Operations	OWEB	010	Professional services (contracts)		(45,000)			(139,099)		\$ (184,099)				Limits ability to contract for programmatic effectiveness monitoring and other needed contracted services throughout the biennium	
Operations	OWEB	010	Shift 25% NRS2 position to FF indirect		(60,292)					\$ (60,292)	1	(0.25)		Impacts agency ability to provide customer service for Oregon Watershed Restoration Inventory, which captures investments in watershed improvement by both local partners and the private sector and impacting local, state, and federal partner ability to access watershed restoration data. May impact federal resources ability to cover other core agency functions.	
Operations	OWEB	010	Shift 30% Business Ops position to FF indirect		(92,359)					\$ (92,359)	1	(0.30)		Constrains program manager ability to work on lottery funded project oversight and further constrains use of FF grant program indirect funds use to cover agency operational costs	
Operations	OWEB	010	Shift 25% Grants positions to FF indirect		(91,000)					\$ (91,000)	1	(0.25)		Constrains grant program manager ability to provide oversight of lottery funded projects and the project management staff and further constrains use of FF grant program indirect funds use to cover agency operational costs	

APPENDIX E: AGENCY REDUCTION OPTIONS

Agency Name (Acronym): Oregon Watershed Enhancement Board (OWEB)															
2023 - 2025 Biennium															
Detail of Reductions to 2023-25 Current Service Level Budget															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
Operations	OWEB	010	Shift/reduce/eliminate NRS4 core grant project manager position		(125,000)						\$ (125,000)	1	(1.00)		OWEB will need to reduce core grant offerings and will be unable to take on special grant programs. Reduces OWEB staff presence with partners and grantees and those partners' access to technical and administrative assistance.
Second 5% Reduction (10%)					(456,618)			(153,391)		\$ (610,009)					
Operations	OWEB	010	Rent		(100,000)			(30,000)			\$ (130,000)				This reduction would permanently shift the majority of OWEB's employees to remote work and would significantly curtail further return to the office efforts and expansion abilities for the agency. This reduction will eliminate the agency's ability to cover other contracted services and personnel needs.
Operations	OWEB	010	Other S&S /Office Expense/Travel		(56,618)						\$ (56,618)				This reduction would minimize critical in the field travel for project managers and minimize if not eliminate the ability to perform subrecipient monitoring on site. This would have a significant impact on the agency's customer service outcomes.
Operations	OWEB	010	Eliminate EPDS 2 position		(177,000)						\$ (177,000)	1	(1.00)		This reduction would significantly impact the advances the agency has made over the past year in creating and publishing public facing content, including grantee trainings and documentation, promotion of grant opportunities through highlights of OWEB funded projects, and access to succinct and visually accessible materials for the agency board, legislative representatives, and new and diverse partners. This outreach to diverse partners is a priority for the board and the agency.
Operations	OWEB	010	Eliminate other positions TBD		(123,000)			(123,391)			\$ (246,391)				These reductions would need to be determined based on the Governors Budget. Any further reduction to this level would significantly and harmfully impact the agency's ability to do the core work of granting funds. This would be especially challenging given the increase in the allocation of Measure 76 lottery funds from 65% to 70% grant funds. The reduction in federal funded positions would also significantly limit the agency's ability to meet PCSRF grant objectives.
Third 5% Reduction (15%)					(456,618)			(153,391)		\$ (610,009)					

APPENDIX E: AGENCY REDUCTION OPTIONS

Agency Name (Acronym): Oregon Watershed Enhancement Board (OWEB)															
2023 - 2025 Biennium															
Detail of Reductions to 2023-25 Current Service Level Budget															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
Grant Prog	OWEB	020	First 5% Special Payments		(4,874,718)			(1,587,244)		\$ (6,461,962)					This reduction will limit OWEB's resources to fund on the ground restoration projects, reducing watershed benefits and associated economic benefits to local communities
Grant Prog	OWEB	020	Second 5% Special Payments		(4,874,718)			(1,587,244)		\$ (6,461,962)					This reduction will limit OWEB's resources to fund on the ground restoration projects, reducing watershed benefits and associated economic benefits to local communities
Grant Prog	OWEB	020	Third 5% Special Payments		(4,874,718)			(1,587,244)		\$ (6,461,962)					This reduction will limit OWEB's resources to fund on the ground restoration projects, reducing watershed benefits and associated economic benefits to local communities
										\$ -					
										\$ -					
					\$ (15,994,007)			\$ (5,221,905)		\$ (21,215,912)	7	(3.45)			

2023-2025 CSL			Target	
Operations (SCR 010)		9,132,354	Difference	\$ (21,215,912)
Grants (SCR 020)		97,494,353		
Total		106,626,707		
Operations 5% reduction		456,618		
Operations 10% reduction		913,235		
Operations 15% reduction		1,369,853		1,830,025
Grants 5% reduction		4,874,718		
Grants 10% reduction		9,749,436		
Grants 15% reduction		14,624,154		19,385,886
				21,215,911

APPENDIX F: OTHER FUNDS AND ARPA ENDING BALANCE

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA

Agency: Oregon Watershed Enhancement Board (OWEB)
 Contact Person (Name & Phone #): Miriam Scharer, Fiscal Officer 503.877.0555

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2021-23 Ending Balance		(g) 2023-25 Ending Balance		(j) Comments
					In LAB	Revised	In CSL	Revised	
Total of Other Funds					5,082		386,443		
Other Funds-Salmon Plate	020	Watershed Conservation Grant Fund 1416	Salmon Plate Revenues	ORS 805.256		580,000		15,000	Anticipated grant awards in 21-23 and 23-25 to allocate revenues available. Estimated cash balance
Other Funds-PSMFC, OBDD, ODF	020	Watershed Conservation Grant Fund 1416	Other Funds-PSMFC, OBDD, Forest Health Collaborative			202,000		55,000	Anticipated Balance in 21-23 includes funds received from OBDD and committed in grant but not expended plus other unspent funds for committed grants
OAHP	010	691002148/Oregon Agricultural Heritage Fund	OAHP Ops	ORS 541.979	0	213,817		246,112	This fund was established in the 2022 Short Legislative session. Ending balance estimate includes interest earnings to date and anticipated through the biennium. This does not include anticipated operational costs in 23-25 beyond what has already been appropriated and estimated as a balance for 21-23
OAHP	020	691002148/Oregon Agricultural Heritage Fund	OAHP Grants	ORS 541.979	0	4,464,553		0	This fund was established in the 2022 Short Legislative session. Grants costs are not expected during the 21-23 biennium, though grant funds will be committed.
Water Acquisitions	010	6910002149/Flexible Incentive Account	FIA (Water Acquisitions) Ops	ORS 541.937	0	536,344		872,796	This fund was established in the 2022 Short Legislative session. Ending balance estimate includes interest earnings to date and anticipated through the biennium. This does not include anticipated operational costs in 23-25 beyond what has already been appropriated and estimated as a balance for 21-23
Water Acquisitions	020	6910002149/Flexible Incentive Account	FIA (Water Acquisitions) Grants	ORS 541.937	0	9,596,166		8,596,166	This fund was established in the 2022 Short Legislative session. Grants costs are not expected during this biennium, though grant funds will be committed.



2023-25 Governor's Budget

	2021-23 Legislatively Adopted Budget (LAB)	2023-25 Current Service Level (CSL)	2023-25 Governor's Budget (GB)
Lottery Fund	\$94,776,334	\$106,626,707	\$106,674,689
Federal Funds	\$48,251,444	\$34,812,700	\$53,398,495
Other Funds	\$29,863,984	\$2,359,071	\$23,992,654
General Fund	\$52,526,718	--	\$2,000,000
Total Funds	\$225,418,480	\$143,798,478	\$186,065,838
Positions	46	30	39
Full-Time Equivalent (FTE)	42.57	30.00	39.00

2023-25 Governor's Budget Summary

	General Funds	Lottery Funds	Other Funds	Federal Funds	Total	Pos/FTE
OWEB Admin (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

2023-25 Significant Changes

Overview

- OWEB's policy packages add to the agency's organizational structure to partially fulfill OWEB's needs.
- The Oregon Agricultural Heritage Program packages provide position authority and existing funds for staff to continue administration of previously allocated farm and ranch land protection grants. They do not include new investments.
- The budget includes additional modest drought resiliency investments. The budget does not provide all the necessary funding to complete the allocation of the Drought and Fire Disaster relief grants, but OWEB has been advised this issue will be addressed in the agency's budget bill.
- The packages allow OWEB to accept federal funds to comply with federal historic and cultural resource requirements and provide technical support for tide gate replacement planning, and accept other funds to administer grants to support water quality and salmon habitat improvements.
- The budget assumes a change in Measure 76 lottery funds allocation from 65% grants/35% operations to 70% grants/30% operations, consistent with constitutional direction when lottery revenue transfers reach 150% of the 2009-2011 amounts.

Additional Analyst Adjustments – Package 091

- Emergency response programs (GF): Includes modest new general funds allocated to grant programs for off-channel livestock water facilities (\$304,121) and irrigation modernization grants (\$1,000,000) in areas affected by the 2021 drought, plus \$695,879 in operating funds to support ongoing work. \$2,000,000. The GB does not include continued funding to meet OWEB's obligations to Drought and Fire Disaster relief grantees awarded in this biennium but not expected to have fully expended grant funds. OWEB has been working closely with the Governor's Office, the Oregon Department of

APPENDIX G: GOVERNOR'S BUDGET SUMMARY

Administrative Services Budget and Management section, and the Legislative Fiscal Office to assure program continuity into the next biennium and has been advised that the issue will be addressed in the agency's budget bill.

Recommended Policy Packages - Grants Budget

200 - Standard Grant Program Continuity (FF/OF): This package allows OWEB to spend non-lottery fund grants that have been awarded and continue to be active (FF \$18M, OF \$572,864) as carry-forward. \$18,572,864

215 - Oregon Ag Heritage Program (OF): Allows OWEB to award and spend existing grant funds allocated to the Oregon Agricultural Heritage Fund during the February 2022 special legislative session. No new funds are included. \$3,664,553

245 - Water Acquisition grant funds continuity (OF): Allows OWEB to continue spending existing grant funds appropriated through the GF in 2021-23 biennium and deposited into the Flexible Incentive Account (OF). \$9,214,020

280 - Additional Other Funds (OF): Includes \$7M additional OF limitation to be able to receive and expend OF grant funds beyond OWEB's current service level budget. This includes potential OF from PacifiCorp to support water quality improvements in the Upper Klamath Basin as part of the upcoming dam removal process and from Idaho Power for water quality and salmon habitat improvements related to the relicensing of the Hells Canyon Dam complex. \$7,000,000

Recommended Policy Packages - Operations Budget

100 - Agency reorganization and capacity building: Re-classifies 2 existing management positions and re-classifies 1 staff position to a management position to partially establish the necessary organization structure for OWEB. Funding recommended: \$102,665 (\$6,253 FF, \$96,412 LF).

115 - Oregon Agricultural Heritage Program Continuation: Extends position authority for 3 FTE positions to administer the OAHP. \$800,000 in funding for the operational costs was reclassified from existing grant funds appropriated in the 2022 regular legislative session. No new funds were added (100% OF).

145 - Water Acquisitions Continuation: Extends 1 position to operate the water acquisitions program. \$382,146 in funding for the operational costs was reappropriated from existing grant funds appropriated in the 2022 regular legislative session. No new funds were added (100% OF).

160 - Program continuity: Extends 1 limited duration Federal Fund position to support tide gate work. Funding recommended: \$327,864 (100% FF).

165 - National Historic Preservation Act compliance: Includes a new limited duration Federal Fund position to assure compliance with new National Historic Preservation Act requirements associated with Pacific Coastal Salmon Recovery funding. Funding recommended: \$251,678 (100% FF).

Fund Source key:

LF = Lottery Funds

FF = Federal Funds

GF = General Funds

OF = Other Funds

APPENDIX H: PROGRAM PRIORITIZATION

Agency-Wide Program Prioritization for 2023-25

Agency Name:		Oregon Watershed Enhancement Board (OWEB)																	
2023-25 Biennium Agency Request Budget		Agency Number: 69100																	
1	2	3	4	5	6	7	8	9	10	12	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request	
Ag	Prgm/																		
cy	Div																		
1	Grants - 1	OWEB	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	97,494,353	2,339,589	17,823,653	\$ 117,657,595			N	Y	C	Oregon Constitution, Article XV, Section 4; ORS 541.942 to 541.956	OWEB is statutorily directed to be the state agency that administers constitutionally appropriated funding for watershed conservation grants. ORS 541.926.	N/A-CSL	
2	Grants - 2	OWEB	Grants	Grant Program - Carryforward Funds	2, 3, 5, 6, 8, 9, 10, 11	9	27,000,000		14,251,437	18,000,000	\$ 59,251,437			N	N	C,F	ORS 805.256, ORS 541.945, ORS 541.947	Half of salmon license plate dollars (minus administration) are statutorily directed for salmon habitat restoration to be used only for projects under ORS 541.956	Additional funding requested to support continuity of grant fund programs (multiple POP's 200, 201, 245)
3	Ops - 1	OWEB	Ops	OWEB Administration of grant funds	1, 2, 4, 7, 12	9		8,918,352	19,482	3,067,811	\$ 12,005,645	30	30.00	Y	Y	C	ORS 541.945	OWEB is statutorily directed to be the state agency that administers constitutionally appropriated funding for watershed conservation grants. ORS 541.926.	N/A-CSL
4	Grants - 3	OWEB	NR Agencies	ODFW Special Payments	5	9				13,921,236	\$ 13,921,236			Y	N	F	ORS 541.904	Through Memoranda of Agreement with the National Marine Fisheries Service, OWEB is designated as the lead state agency to administer federal salmon recovery dollars.	N/A-CSL
5	Ops - 2	OWEB	Central Admin	Central Admin Costs to WRD	1, 4, 7	9		214,002			\$ 214,002			N	N		ORS 541.904	N/A - OWEB is not statutorily required to contract with ORWD for administrative services; OWEB uses this shared services arrangement for efficiency.	N/A-CSL
6	Ops - 3	OWEB	Ops	OWEB Administration of grant funds	1, 4, 7, 12	9	4,096,827	2,135,026	382,146	845,127	\$ 7,459,126	26	26.00	Y	Y	C	ORS 541.945	OWEB is statutorily directed to be the state agency that administers constitutionally appropriated funding for watershed conservation grants. ORS 541.926.	Additional funding requested to support multiple Operational POP's (PoP's 100, 101, 102, 110, 120, 125, 130, 135, 140, 145, 150, 155, 160, 165).
7	Ops - 4	OWEB	Ops	OAHP - Ops	2, 3, 8, 9	9	800,000		800,000		\$ 1,600,000	3	3.00	Y	N	C	ORS 541.979	N/A	Additional funding requested for OAHP Ops (POP 115)
8	Grants - 4	OWEB	Grants	OAHP - Grants	2, 3, 8, 9	9	10,000,000		10,000,000		\$ 20,000,000			Y	N	C	ORS 541.984	N/A	Additional funding requested for OAHP grants (POP 215)
9	Grants - 5	OWEB	Grants	Idaho Power & PacificCorp	2, 3, 5, 8, 9, 10, 11	9			7,000,000		\$ 7,000,000			Y	N		ORS 541.945, ORS 541.947	N/A	Additional limitation requested to accommodate potential new grant programs (POP 280)
							41,896,827	108,761,733	34,792,654	53,657,827	\$ 239,109,041	59	59.00						

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

7. Primary Purpose Program/Activity Exists
9 Environmental Protection

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

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