



**Oregon
Climate
Action
Commission**



Natural & Working Lands Fund
Biennial Report
December 2024



Oregon Climate Action Commission

Voting Members

Catherine Macdonald (Chair)	North America Natural Climate Solutions Director, The Nature Conservancy
Nora Apter	Director of Programs, Oregon Environmental Council
David Ford	Senior Fellow, American Forest Foundation
Aurora Jackson	Senior Vice President, Transit & Rail NW Pacific Market Lead, WSP USA
Tom Rietmann	Owner/Operator, Rietmann Ranch
Karenga Ross	School Board Member at Gaston SD
Kristen Sheeran	Director of Sustainability and Resource Planning, Portland General Electric
Cheryl Shippentower	Ecologist, Confederated Tribes of the Umatilla Indian Reservation
Eliza Garcia	States Associate, Climate Power
Michael Seavers	Shoreside Manager, F/V Miss Sue Incorporated
Yaseen Arifin	Student at Sunset High School, Beaverton

Non-Voting Members

Brenda Bateman	Director, Department of Land Conservation and Development
Janine Benner	Director, Oregon Department of Energy
Andrea Bell	Director, Department of Housing and Community Services
Lisa Charpilloz Hanson	Director, Oregon Department of Agriculture
Sophorn Cheang	Director, Business Oregon
Debbie Colbert	Director, Oregon Department of Fish and Wildlife
Megan Decker	Chair, Oregon Public Utility Commission
Leah Feldon	Director, Oregon Department of Environmental Quality
Ivan Gall	Director, Water Resources Department
Dr. Sejal Hathi	Public Health Director, Oregon Health Authority
Berrie Leslie	Director, Department of Administrative Services
Cal Mukumoto	State Forester, Oregon Department of Forestry
Sara O'Brien	Executive Director, Oregon Watershed Enhancement Board
Andrew Stolfi	Director, Department of Consumer and Business Services
Kristopher Strickler	Director, Oregon Department of Transportation
David Brock Smith	Senator, Oregon State Legislature
Michael Dembrow	Senator, Oregon State Legislature
Ken Helm	Representative, Oregon State Legislature
Bobby Levy	Representative, Oregon State Legislature

Contributing Report Authors

Catherine Macdonald	Chair, Oregon Climate Action Commission
Alan Zelenka	Assistant Director for Planning and Innovation, Oregon Department of Energy
Geoff Crook	Senior Climate Policy Analyst, Oregon Department of Energy
Amy Schlusser	Senior Clean Energy Policy Analyst, Oregon Department of Energy

Current and Past Commission Reports | <https://climate.oregon.gov/reports/>

Contact Us and Sign Up to Receive Email Notices | <https://climate.oregon.gov/contact-us/>

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

EXECUTIVE SUMMARY

Natural climate solutions work to enhance or protect natural carbon storage and removal strategies and maintain or increase ecosystem resilience and human well-being. Projects that are eligible for funding aim to optimize the social, health, ecological, and economic benefits that increase overall resilience to climate change. Among the benefits listed in statute are improving soil health, wildfire resilience and community protection, drought resilience, improved wetland and waterway function and health, fish and wildlife habitat resilience, reducing heat island effects, ensuring long-term local food and fiber sources, and improving public health.

The Oregon Legislature established the Natural & Working Lands Fund (Fund) in 2023 to support investments in natural climate solutions on Oregon’s natural and working lands, and appropriated \$10 million into the Fund for distribution to the Oregon Department of Agriculture (ODA), Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Forestry (ODF), and the Oregon Watershed Enhancement Board (OWEB).

Oregon has a long history of valuing natural and working lands and the myriad benefits they provide. Over the last decade, the state has increasingly grappled with and invested in strategies to address climate-related impacts, like wildfire risk and water scarcity, that harm valued Oregon economic sectors, such as outdoor recreation and agribusiness tourism, and that negatively affect community events and festivals around the state that shape the Oregon’s culture and identity. This newly established Fund will not only directly address climate challenges to Oregon’s landscape, it is also an important catalyst to coordinate cross-sector government and voluntary landowner activities. As strategic deployment matures, this Fund will help landowners, private and public, take place-based personal and collective action that will help their community with the resilience challenges they are experiencing. Metrics, once established, will track progress of increased carbon storage and removal of the funded projects to help achieve voluntary state goals and help track the progress of critical ecosystem and community services and benefits that will help communities across the state.

Over the last year, the Fund has provided \$9,767,198 in aggregate funding for 13 projects, programs, and positions. Recipient agencies have worked diligently to maximize the potential of the Fund. As of October 2024, the four agencies and their subrecipients have raised nearly \$9 million in additional funding from other state, federal, and private sources. Some examples include the Natural Resource Conservation Service, the Bureau of Reclamation, the National Oceanic and Atmospheric Administration, the Bureau of Land Management, Bonneville Power Administration, Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, Business Oregon, the Oregon Department of Forestry, and the Oregon Watershed Enhancement Board. Projects funded this year are being implemented in all of the current N&WL sectors: agricultural landscapes, forests, rangelands, blue carbon landscapes, and urban/suburban settings. They range from coastal wetland restoration projects to additional technical assistance for private landowners to benefit from state and federal funds.

Over the last year, the Natural & Working Lands Fund has **provided \$9.8 million in aggregate funding** for 13 projects, programs, and positions.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

Current pending funding requests total an additional \$600,000 and the four agencies expect many additional opportunities after hiring staff whose focus will be to maximize funding source opportunities and manage grant reporting and monitoring requirements. Outcomes of additional pending funding requests and planned activities will be addressed in future reports.

Recipient agencies are working to integrate Fund programs, projects, positions, and management measures into existing agency programs to also leverage the administrative infrastructure and agency programs that are complementary to carbon storage and removal strategies. The report details additional agency progress to date and describes the administrative and management duties undertaken to successfully deploy the funds that were distributed in April 2024. Highlights include posting position recruitments, hiring and onboarding new staff, submitting grant applications to leverage funds, community and landowner outreach, and contract execution for funded projects.

The N&WL Fund has been instrumental in increasing state investment in natural climate solutions on Oregon's natural and working lands. Landowners and managers, Tribes, conservation districts, watershed councils, conservation groups, and community-based organizations have shown great interest in deploying natural climate solutions, and demand for financial and technical assistance will likely exceed available funding. To fully realize the myriad benefits that natural climate solutions can provide, agencies require reliable funding to sustain the projects and programs that were made possible by the N&WL Fund.

This report is available online: <https://climate.oregon.gov/reports>

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
I. INTRODUCTION.....	1
II. NATURAL & WORKING LANDS FUND PROJECTS AND ALLOCATIONS	2
III. OTHER STATE, FEDERAL, AND PRIVATE FUNDING SOURCES	2
A. Secured Funding	2
B. Pending and Planned Funding Requests	4
IV. PROJECT ASSESSMENTS.....	5
A. Oregon Department of Agriculture.....	5
B. Oregon Department of Fish & Wildlife	6
C. Oregon Department of Forestry	9
D. Oregon Watershed Enhancement Board	10
V. ENVIRONMENTAL JUSTICE BENEFITS.....	11
A. Oregon Department of Agriculture.....	12
B. Oregon Department of Fish and Wildlife.....	12
C. Oregon Department of Forestry	13
D. Oregon Watershed Enhancement Board	13
VI. ACTIONS PLANNED FOR 2025.....	13
A. Oregon Department of Agriculture.....	14
B. Oregon Department of Fish and Wildlife.....	14
C. Oregon Department of Forestry	15
D. Oregon Watershed Enhancement Board	15
VII. LOOKING FORWARD: NATURAL CLIMATE SOLUTIONS INVESTMENT POTENTIAL	15
A. Oregon Department of Agriculture.....	16
B. Oregon Department of Fish and Wildlife.....	17
C. Oregon Watershed Enhancement Board	18
VIII. CONCLUSION	19
APPENDIX: SUMMARY OF PUBLIC COMMENTS RECEIVED.....	20

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

I. INTRODUCTION

The Legislature established the Natural & Working Lands Fund in 2023 to support investments in natural climate solutions on Oregon’s natural and working lands.¹ The Legislature appropriated \$10 million into the Fund for distribution to the Oregon Department of Agriculture (ODA), Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Forestry (ODF), and the Oregon Watershed Enhancement Board (OWEB). The four agencies must use their Fund allocations for specific purposes outlined by statute. The Oregon Climate Action Commission (OCAC) is responsible for determining the N&WL Fund allocations for the four agencies and must coordinate with the agencies on the development and implementation of natural climate solutions programs and activities. The OCAC is also required to provide annual and biennial reports on N&WL Fund activities and expenditures to the Legislative committees related to the environment.

This Biennial Report must include the following elements:

- “(a) A list of projects funded by the Natural and Working Lands Fund during the previous 24 months and the amount expended for each project.
- (b) A summary of state, federal and private sources of funding for natural climate solutions projects funded by the Natural and Working Lands Fund established under section 55 of this 2023 Act.
- (c) An assessment of projects described in paragraphs (a) and (b) of this subsection in light of the baseline and metrics adopted under section 58 of this 2023 Act.
- (d) A list of projects, grants or other activities that are planned for the upcoming calendar year.
- (e) A list of projects deployed in environmental justice communities.”²

Part II of this report lists the projects funded by the N&WL Fund and the amount expended on each project. Part III summarizes the amounts and sources of funding secured or requested from other state, federal, and private sources. Part IV provides brief assessments of each funded project or program. Part V summarizes the environmental justice benefits of each funded project or program. Part VI lists the N&WL Fund-related projects, grants, or other activities planned for 2025. Finally, Part VII describes some of the funding needs and opportunities to increase investment in natural climate solutions across the state’s natural and working lands.

¹ HB 3409, s. 2023, sections 53 to 63 (Ore.).

<https://olis.oregonlegislature.gov/liz/2023R1/Downloads/MeasureDocument/HB3409>.

² HB 3409, sec. 57.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

II. NATURAL & WORKING LANDS FUND PROJECTS AND ALLOCATIONS

The N&WL Fund has provided \$9,767,198 in aggregate funding for 13 projects, programs, and positions implemented by ODA, ODFW, ODF, and OWEB. In this report, these four agencies are referred to as the N&WL Fund agencies. The funded projects and programs and their associated N&WL Fund allocations are listed in Table 1 below.

Table 1. Natural & Working Lands Fund Projects

Agency	Program/Project	Fund Allocation
ODA	Invasive Annual Grasses	\$396,000
ODA	Oregon Native Seed Strategy	\$582,928
ODFW	Floodplain Forestation on North Santiam	\$412,500
ODFW	Carbon Capture and Restoration in North-Central Rangelands	\$750,000
ODFW	Carbon Capture in Coastal Estuaries	\$1,100,000
ODFW	Red Hills Wildfire Risk Reduction	\$170,770
ODFW	Natural Climate Solutions Biologist	\$320,000
ODFW	Natural Climate Solutions Assistant Biologist	\$285,000
ODF	Climate-Smart Forestry	\$1,500,000
ODF	Climate-Smart Forestry: Tribal and EJ Partnerships	\$1,000,000
ODF	Climate-Ready Seed Orchards	\$750,000
OWEB	Open Solicitation Grants for Restoration & Technical Assistance	\$1,625,000
OWEB	Conservation Management Planning, Technical Assistance, Payment for Practices	\$875,000

III. OTHER STATE, FEDERAL, AND PRIVATE FUNDING SOURCES

N&WL Fund agencies and project implementation partners have successfully leveraged N&WL Fund awards to raise additional funding from a variety of state, federal, and private sources. As of October 2024, the four agencies and their subrecipients have raised nearly \$9 million in additional funding from other state, federal, and private sources. Subsection A summarizes the agencies' additional funding awards and sources. Subsection B summarizes pending and planned funding requests.

As of October 2024, the four N&WL agencies and their subrecipients have raised nearly **\$9 million in additional funding** from other state, federal, and private sources.

A. Secured Funding

Invasive Annual Grass Partnership (ODA)

In June 2024, ODA finalized an agreement with Natural Resources Conservation Service (NRCS) to leverage the first installment (\$430,589) of over \$1.7 million in federal funds to support two full-time equivalent staff positions (FTE) over five years. NW&L funds have been fully leveraged as match by 470

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

percent.³ Project activities are expected to facilitate or contribute to the further investment of federal dollars.

Carbon Capture in Coastal Estuaries (ODFW)

To date, ODFW's Carbon Capture in Coastal Estuaries program has been awarded \$5.98 million in additional funds. As of January 2024, \$3 million had been awarded from the Bureau of Reclamation's Aquatic Ecosystem Restoration Grant program. As of July 2024, the project has leveraged an additional \$2.98 million from state and federal sources, including:

- Partnership for the Umpqua Rivers was awarded \$1,737,389 in funds from the Private Forest Accord Grant to improve tidelands in the Glover and Kennedy Sloughs.
- Trout Unlimited was awarded \$700,000 in funds from NOAA to replace the tide gate in Esther Creek.
- Business Oregon funded the design phase of the Kennedy Slough Project (\$160,000) and Esther Creek Project (\$70,000), which produced the 60 percent engineering designs that will be used to permit and implement the tide gate replacements for both projects.
- The Oregon Watershed Enhancement Board is providing \$300,591 for the channel restoration work at the Glover Ranch and purchased the concrete farm bridges currently on site.

Carbon Capture and Restoration in North-Central Oregon Rangelands (ODFW)

ODFW's Carbon Capture and Restoration in North-Central Oregon Rangelands project leverages the existing Natural Resources Conservation Service investment in a shared position with ODFW. During a six-month period of 2023, this position worked with more than 50 landowners on projects funded by NRCS's Environmental Quality Incentives Program (EQUIP) and Conservation Reserve Program (CRP) on over 2,000 acres of private land. Opportunities to leverage additional federal funds for this project are contingent on the willingness of adjacent landowners to the wildlife area.

Floodplain Reforestation on the North Santiam River (ODFW)

To date, the Floodplain Reforestation on the North Santiam River project has received \$767,586 from other federal funding sources. Other funds supporting this project include:

- \$54,848 from the Bureau of Land Management, Secure Rural Schools for plant establishment efforts on 62 acres of re-planted floodplain forest.
- \$396,315 from the Bonneville Power Administration, Anchor Habitats Investments for improving floodplain forest on 19 acres and improving three fish passage issues.
- \$102,785 from the Bureau of Indian Affairs, Invasive Species Program for improving floodplain forest on 40 acres.
- \$195,579 from the US Fish & Wildlife Service, Tribal Wildlife Grant for re-planting 40 acres of floodplain forest and conducting plant establishment efforts.
- \$18,059 from Natural Resources Conservation Service, Conservation Stewardship Program to reestablish oak habitat on seven acres.

³ ODA successfully leveraged \$360,000 of its N&WL Fund allocation as matching funds to secure \$1.7 million in federal funding.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

Watershed Natural Climate Solutions Fund (OWEB)

OWEB received \$350,000 in federal funding from the National Resources Conservation Service (NRCS) for the current biennium to support the Water and Climate Coordinator position, with the aim of helping OWEB advance climate adaptation and mitigation across its grantmaking portfolio. In 2025, grantees of Open Solicitation restoration grants (and the N&WL grants within that portfolio) are required to provide a 25 percent match from non-OWEB sources.

B. Pending and Planned Funding Requests

The N&WL Fund agencies are continuing to explore opportunities to leverage their funding allocations, and several agencies have submitted grant requests that are still under review as of October 2024. Agency efforts to secure additional funding are described briefly below.

Oregon Native Seed Strategy (ODA)

ODA has submitted multiple applications for competitive grant offerings that are pending review or approval. As of September 2024, more than \$400,000 in additional funds have been requested. ODA will continue to leverage Natural & Working Lands Funds in the 2025 grant cycles.

Red Hills Conservation Area Wildfire Risk Reduction (ODFW)

With partner organizations that include three Tribes, ODFW submitted a National Fish and Wildlife Foundation America the Beautiful Challenge Grant proposal in July 2024. This grant request included \$200,000 for additional forest and vegetation treatments at Red Hills Conservation Area and leverages the Natural and Working Lands funding awarded for this project.

Natural Working Lands Climate Biologist (ODFW)

The Natural Working Lands Climate Biologist position will be instrumental in leveraging federal funds. To date, ODFW has successfully secured a considerable amount of federal funding for the conservation and management of natural resources. This large effort to leverage federal funds has been led by existing staff who have other workloads and priorities, so the establishment of the Natural Working Lands Climate Biologist will significantly increase staff capacity to pursue new and additional federal funds.

Natural Working Lands Assistant Climate Biologist (ODFW)

The Natural Working Lands Assistant Climate Biologist position will leverage carbon sequestration work out of several of ODFW's federally funded restoration programs, including USFWS's Wildlife and Sportfish Restoration, Bonneville Power Administration's Willamette Wildlife Mitigation Program, and NRCS Farm Bill. A total amount of federal funding is unknown and will be based on the partnerships and projects identified by this staff position.

Advance Implementation of Climate-Smart Forestry (ODF)

ODF anticipates that N&WL funds will enable cooperators to leverage additional federal resources to support climate-smart forestry practices. No funds have been leveraged to date, but efforts are underway to identify potential funding sources.

IV. PROJECT ASSESSMENTS

This biennial report is intended to provide an assessment of the projects funded by the N&WL Fund in light of the net biological carbon sequestration and storage baseline and activity-based and community impact metrics established by ODOE and the OCAC.⁴ However, many of the programs, projects, and positions supported by the Fund are still in the early stages of implementation, and the baseline and metrics will be developed in 2025. Due to these constraints, the project assessments provided in this section summarize the purpose and intended future effects of funded projects, rather than observed quantitative or qualitative outcomes. Future iterations of this report will provide a more detailed picture of project outcomes and progress toward increasing net biological carbon sequestration and storage on natural and working lands.

A. Oregon Department of Agriculture

Invasive Annual Grass Partnership

The Invasive Annual Grass Partnership within ODA's Noxious Weed Control Program creates capacity for ODA to engage in ongoing and future work to protect and restore Oregon's public and private rangelands by creating two new Rangeland Health Specialist positions. The first of these positions was open for recruitment through September 2024. Their focus will be to develop and implement landscape scale management plans to protect high-value rangelands, improve and protect at-risk rangelands, and mitigate the further decline of heavily degraded lands. ODA will act as a liaison between private landowners and agencies to assist landowners and managers in obtaining funding to implement climate smart practices on their lands that will increase productivity, capacity to sequester carbon, and make them more resilient to climate change and wildfire.

In addition to leveraging the project's N&WL Fund award to raise an additional \$1.7 million in federal funds, ODA has started to identify and prioritize landscapes that were affected by the 2024 wildfires in Eastern Oregon. The first of two Rangeland Health Specialists was filled in mid-November 2024; these positions will immediately begin to engage with landowners and land managers across Oregon. The Rangeland Health Specialists will present to more than 200 natural resource managers at the Interagency Noxious Weed Symposium in December 2024.

Oregon Native Seed Strategy

The Oregon Native Seed Strategy (ONSS) is a project within ODA's Native Plant Conservation Program that aims to meet restoration and conservation needs by ensuring that adequate supplies of ecologically appropriate native seed are available whenever and wherever they are needed. The NW&L funds awarded to this project are supporting the identification, collection, and storage of important workhorse and niche species across various rangelands and savanna habitats in Oregon. NW&L funds also support the buildout and strengthening of new and existing Native Seed Cooperatives, seed amplification, and further storage. Finally, NW&L funds are enabling ODA to provide \$100,000 in financial assistance to Tribal Native Plant Programs that work to preserve First Foods and other culturally significant species.

⁴ HB 3409 sec. 57 (2023), codified at ORS 468A.193.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

In June 2024, ODA executed a \$235,663.28 contract for services with The Understory Initiative (TUI) to begin implementation of project activities as outlined in the proposal. Work is already underway, including seed collection, storage, partner and stakeholder engagement, and tribal outreach.

In December 2024, ODA will award \$100,000 to Tribal and/or Tribal member-owned native plant programs to support the implementation of practices that support natural climate solutions.

B. Oregon Department of Fish & Wildlife

Carbon Capture in Coastal Estuaries

ODFW's Carbon Capture in Coastal Estuaries project will support the vegetation and habitat restoration components of two large tidal wetland restoration projects and leverage a large amount of federal funding. N&WL Funds will be used for each estuary restoration project to connect historic tidal channels identified through LiDar (light detection and ranging) elevation data and imagery, remove earthen embankments to restore tidal inundation areas and hydrologic exchange with freshwater streams, protect and plant seagrass beds of native vegetation within estuary habitat, and remove invasive plant species to assist with establishing native spruce tidal swamps.

Coastal habitats capture and store carbon in marine plants and sediments. Ten percent of organic carbon sequestered in the Pacific Ocean is buried in seagrass beds. Healthy and sustainable seagrass beds provide flood protection and shoreline stabilization. Restoration of seagrass meadows and estuary function will contribute to carbon storage and the extent of the area may increase storage in the magnitude of 108 megagrams of organic carbon per hectare (Mg/ha).⁵

ODFW's vision is for Oregon to have modern tide gate infrastructure that benefits carbon storage and estuary function, fish habitat connectivity, and underserved communities. As a result, coastal agricultural communities are more resilient to the impacts of sea level rise and increased flood frequency and severity. The ecological function of Oregon's estuaries and access to key rearing areas is improved, resulting in healthier and more abundant estuary habitats that can store carbon.

Carbon Capture and Restoration in North-Central Oregon Rangelands

ODFW's Carbon Capture and Restoration in North-Central Oregon Rangelands project seeks to prevent the conversion of native perennial bunchgrass communities and native shrub steppe vegetation to invasive annual grasses and restore deep rooted perennial grasses to the Lower Deschutes Wildlife Area (LDWA) as part of a comprehensive restoration project across multiple land ownerships. The project will provide technical and financial assistance to landowners in the project area, helping address invasive grass issues and improve forage quality for their working rangelands. N&WL funds will primarily support herbicide treatments for approximately 5,000 acres of annual grasses, re-seeding with deep rooted perennial grasses, and purchase/planting of native shrubs, forbs, and other grasses.

⁵ Based on globally averaged estimates, seagrass meadows have an estimated mean soil organic carbon stock of 108 Mg/ha, with a range of 10 to 829 Mg/ha depending on the ecosystem. The Blue Carbon Initiative. Coastal Blue Carbon: Methods for Assessing Carbon Stocks and Emissions Factors in Mangroves, Tidal Salt Marshes, and Seagrass Meadows.

https://research.csiro.au/iora-blue-carbon-hub/wp-content/uploads/sites/321/2021/05/English_Blue_Carbon_LR_190306.pdf.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

This rangeland restoration project has two primary tactics with supporting actions to enhance the quality of grassland and shrub steppe habitats for the numerous wildlife species that occupy this area:

- Tactic 1: Prevent conversion to invasive annual plant dominated systems.
 - 1a. Monitor and treat moderately infested annual grass invaded areas (10-60 percent of ground cover) with an existing stand of perennial grasses, forbs, and shrubs.
 - 1.b. Establish fuel breaks using existing features such as roads or ridgetops to minimize wildfire impacts.
- Tactic 2: Restore deep-rooted perennial grasses, forbs, legumes, and shrubs to areas impacted by wildfire and invasive species.
 - 2.a. Where ground disturbing practices are necessary to restore deep rooted vegetation (drill seeding and shrub planting), conduct archeological surveys prior to beginning work.
 - 2.b. Plant native shrubs, forbs, and grasses (plugs, container, or bareroot) in strategic locations best suited for survival success.
 - 2.c. In areas highly infested with annual grasses (greater than 60 percent of ground cover), complete herbicide treatment to target annual grasses and re-seed with perennial grasses, forbs, and legumes.

Floodplain Reforestation on the North Santiam River

The Floodplain Reforestation on the North Santiam River project will reestablish 30 acres of floodplain forest within the 462-acre Chahalpam Wildlife Area by planting agricultural fields with native riparian hardwood trees and shrubs in high densities to achieve canopy cover in five to seven years. The reestablishment of floodplain forest will increase net carbon sequestration in newly planted trees and shrubs and restore habitat and floodplain function.

Replanting the floodplain forest will have additional localized co-benefits of increased water storage in the riparian area and reduced stream temperatures through shading, benefiting aquatic habitat during more frequent, intense, and extended heat events and droughts anticipated in the Willamette Valley under climate change. The replanted floodplain forest will also attenuate high flow events and slowly release water in winter as precipitation patterns shift to rain-dominated systems.

The restoration of ecological function of historic habitat will increase the complexity necessary for fish and wildlife and improve habitat conditions for 18 terrestrial and aquatic species, including ESA-listed spring Chinook salmon and winter steelhead, State-sensitive and culturally important Pacific lamprey, and several Oregon Conservation Strategy species, including Northwestern pond turtle, Northern red legged frog, and willow flycatcher.

Red Hills Conservation Area Wildfire Risk Reduction

The Red Hills Conservation Area Wildfire Risk Reduction project will remove Douglas fir and non-native tree species to restore oak savanna on 24 acres of a 278.5-acre property owned by the Confederated Tribes of the Warm Springs of Oregon, which is permanently protected under a conservation easement held by the Bonneville Power Administration (BPA) as part of ODFW's Willamette Wildlife Mitigation Program (WWMP).

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

This oak woodland restoration project addresses the recommendation of reducing wildfire risk in forestlands. The Institute for Natural Resources' Natural & Working Lands Report (INR Report) notes that a century of fire exclusion has resulted in many western forested ecosystems carrying a "carbon debt," or a known excess of carbon. This phenomenon is most typically associated with drier east-side forest types such as ponderosa pine forests, but it is just as applicable to Willamette Valley woodlands that have become overstocked and unsustainable as climate change has led to large-scale dieback and mortality in conifers on some drier sites.

Removal of encroaching Douglas fir and non-native shrubs and trees from oak woodlands will result in a short-term reduction in carbon storage. But as the INR Report notes, citing numerous studies, fuels reduction treatments can result in long-term climate benefits by fostering resilience, paying off the "carbon debt," and reducing the risk of uncharacteristic wildfire.

Natural Working Lands Climate Biologist

ODFW leads or supports habitat restoration and enhancement across thousands of acres of natural and working lands each year with many existing staff located in various programs and geographies, and with existing budget resources, both state and federal. Historically, the primary objective of this work has been to maximize benefits for fish, wildlife, and working lands. By providing funding for two positions, including a Climate Biologist described here and an Assistant Climate Biologist described in the next subsection, the Fish and Wildlife N&WL Fund has given ODFW an opportunity to strategically advance habitat restoration efforts to accelerate the state's carbon sequestration goals.

The Natural Working Lands Climate Biologist position is a new, limited duration Natural Climate Solutions Lead in the Habitat Division. The primary purpose of this position is to align ODFW's habitat restoration activities with Oregon's N&WL goals related to the implementation of Natural Climate Solutions across the landscape and to pursue federal funding for these activities. This position will:

- Guide ODFW Natural Climate Solutions priorities and track related federal grant opportunities.
- Assist ODFW staff across the Habitat, Fish, and Wildlife Divisions as well as the Regions and Watersheds to develop grant applications for federal opportunities.
- Assist with administration of new and existing federal grants for fish and wildlife habitat and natural climate solutions projects.
- Work toward equitable distribution of natural climate solutions projects and benefits to landowners, Tribes, land managers, and environmental justice communities.
- Communicate the benefits of natural climate solutions projects to Oregon's N&WL and fish and wildlife.

Natural Working Lands Assistant Climate Biologist

The Natural Working Lands Assistant Climate Biologist is a new, limited duration position whose primary duty is to elevate ODFW's habitat restoration projects that accelerate carbon sequestration, quantify the carbon impacts of existing and future habitat restoration projects, and enhance project design to meet both carbon sequestration and habitat restoration goals. This position will provide technical assistance and project design advice to promote carbon sequestration practices. This position will also coordinate

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

and consult with the Oregon Climate Action Commission to advance strategies for measurement and monitoring of carbon sequestration practices in service of the Commission's N&WL goals.

This position will:

- Identify fish and wildlife habitat restoration projects that maximize carbon sequestration, as well as the research needed to assess those co-benefits.
- Assess existing ODFW restoration practitioners with project design and implementation to better integrate carbon sequestration practices.
- Inventory and monitor, track, and report on ODFW's carbon sequestration-focused habitat restoration efforts, and tell the story of these initiatives.
- Support the Natural Climate Solutions biologist in the pursuit and acquisition of federal funds.

C. Oregon Department of Forestry

Advance Implementation of Climate-Smart Forestry

ODF is expanding implementation of parts of its Climate Change and Carbon Plan (CCCP), which was released in November 2021. This holistic plan is centered around climate-smart forestry (CSF) and has eight broad goals including research and monitoring, urban forestry, and silviculture, among others. Through this work the department will incentivize climate-smart forestry practices directed toward natural and working lands adaptation, climate mitigation, and social resilience (the three legs of CSF).

Through this program, ODF will provide financial incentives to small forest owners that largely lack the resources to implement climate-smart forestry practices on their own. The program will provide a mechanism to incentivize landowners to consider climate change and take management action they may otherwise not consider or be unable to realize.

Funded projects will work toward achieving the goals set in the ODF Climate Change and Carbon Plan. These eight goals have listed supporting actions that are outlined in the plan and the expectation is that the cooperators receiving funds will work on these actions. Anticipated outcomes include an increase in adaptation and mitigation activities that continue to support local communities and economies, including appropriate forest management and treatments that create climate adapted forests and resilient ecosystems that continue to provide ecosystem function to both the natural world and human populace. The short time frame for administering N&WL funds makes it difficult to measure carbon flux in forests, so ODF will use other metrics to measure climate-related outcomes.

Climate-Smart Forestry through Tribal and Environmental Justice Partnerships

This project is an extension of ODF's Climate-Smart Forestry program that is specifically focused on supporting Tribal and environmental justice community partners. These funds will be directed toward small, disadvantaged landowners and Tribes that are looking to pursue more climate-smart forest practices. The funds may be provided to Tribes and small landowners through ODF's existing granting programs or via direct partnerships with Tribes or third parties that work with traditionally disadvantaged landowners.

While western science has, and continues to provide, a wealth of knowledge on climate and forestry, there is also a substantial amount of traditional ecological knowledge that has not been included in

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

current silvicultural practice. Elevating this knowledge can help inform current forest managers on traditional approaches to some of today's more sticky issues facing the state's forests. ODF aims to partner with Tribes to provide more bi-directional communication and information transfer that can help improve holistic outcomes across forest ownerships. Additionally, embracing a commitment to integrating traditional practices into the processes and outcomes of this climate-related work, as well as general agency work, can help to build trust, respect, and ecological benefits as the climate changes.

Climate-Ready Seed Orchards

ODF's Climate-Ready Seed Orchards project aims to produce and distribute seed for native, climate-adapted tree species. While more than 40 million seedlings are planted in Oregon forests each year, the vast majority are of a single species and often sourced from the same local seed. The margins of existing forest land are experiencing decline and a shift in species composition is expected in coming decades due to climate change. However, native and adapted species seed that will be viable in shifted landscapes is not currently available or is in exceptionally limited supply due to narrow forest seed orchard capabilities and directives.

To meet the need for native, diverse, and climate-adapted species necessary to maintain the state's forests as forests (a key climate mitigation strategy), ODF will use its existing seed orchard to produce seed and potentially seedlings for Tribal, small, and disadvantaged forest landowners. This facility currently produces a substantial amount of genetically improved seed of limited species, and it has tremendous capacity for additional seed production to meet shifting climate and landscape needs.

D. Oregon Watershed Enhancement Board

Watershed Natural Climate Solutions Fund

OWEB's Watershed Natural Climate Solutions Fund offers two categories of grants to support investments in natural climate solutions, including grants for Restoration and Technical Assistance and grants for Conservation Management and Planning, Technical Assistance, and Payment for Practices.

Restoration and Technical Assistance Grants: OWEB will invest \$1.5 million in N&WL funds into restoration and technical assistance grants for projects that provide climate benefits. Restoration grants will provide incentives that help landowners, tribes, land managers, and environmental justice communities adopt practices that support natural climate solutions while optimizing the resilience benefits of those solutions. Examples of resilience benefits include natural flood control, soil health, drought and fire resiliency, and resilient fish and wildlife populations. Technical assistance grants will support the development and design of projects as well as other activities that directly support on-the-ground restoration and implementation of natural climate solutions. Specifically, technical assistance grants fund OWEB partners to provide technical support for the entities listed above for the adoption of natural climate solutions.

Many of the recommended activities to capture and store more carbon and reduce greenhouse gases in Oregon's natural and working lands sector (i.e., those natural climate solution activities found in Institute for Natural Resources, 2023) are eligible for OWEB grants, including:

- Tidal wetland conservation and restoration.
- Restoring perennial grasses and riparian areas on rangelands.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

- Preventing conversion to invasive annual plant dominated systems on rangelands.
- Preventing conversion of existing grasslands, shrublands, and savannas to juniper woodlands.
- Reducing wildfire risks on forestlands.

Conservation Management and Planning, Technical Assistance, and Payment for Practices: OWEB will invest \$750,000 in N&WL funds into grants administered through the Oregon Agricultural Heritage Program (OAH). This program is administered by OWEB and includes two grant types that have a direct connection to carbon sequestration on natural and working lands. These grant types are conservation management planning (which includes both development of conservation management plans and a climate-smart payment-for-practices component) and technical assistance. OWEB will use the funds to support projects that have carbon sequestration and greenhouse gas emissions reduction benefits.

Funding will be prioritized for the following OAH components: development of conservation management plans, implementation of conservation management plans via a payment-for-climate-smart-practices approach, and technical assistance projects.

In OWEB's proposal to the OCAC, the agency committed to doing a public engagement process around the N&WL funds. This process is currently in fall 2024, with a survey that was open to respondents until October 4 and listening sessions held on October 31 and November 7. Feedback from the survey and listening sessions will be combined with other reports on equitable grantmaking to ensure that OWEB's N&WL grants in early 2025 are inclusive of Tribal and environmental justice communities.

V. ENVIRONMENTAL JUSTICE BENEFITS

Oregon's Natural Climate Solutions legislation directs ODOE, the OCAC, and the N&WL Fund agencies to track and report on N&WL Fund projects that have been deployed in environmental justice communities. As defined by statute, environmental justice communities include "communities of color, communities experiencing lower incomes, communities experiencing health inequities, tribal communities, rural communities, remote communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth, and persons with disabilities."⁶ The vast majority of Oregon's natural and working lands are located in or adjacent to tribal, rural, remote, coastal, or other environmental justice communities. As a result, every project and program supported by the N&WL Fund is being deployed in or near an environmental justice community. In addition to this geographic proximity, each of the funded projects is designed to provide tangible benefits to environmental justice communities through a variety of mechanisms. For example, funded projects are designed to provide financial and technical assistance to Tribes and rural landowners and increase community resilience to natural hazards like wildfire, flooding, and drought. This section summarizes the environmental justice benefits of the N&WL Fund projects.

Every project and program supported by the N&WL Fund is being deployed in or near an **environmental justice community**.

⁶ HB 4077 (2022); ORS 182.535(4).

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

A. Oregon Department of Agriculture

ODA's **Invasive Annual Grass Partnership** activities occur almost entirely within, or adjacent to environmental justice communities, as defined by HB4077 (2022), and will provide resilience to climate change and wildfire for communities with lower incomes, rural communities, remote communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards.

ODA's **Native Seed Strategy** benefits numerous environmental justice communities, as defined by HB4077 (2022), as it provides assistance to federally recognized tribes and will provide climate and wildfire resilience infrastructure to communities with lower incomes, rural communities, remote communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards. In December 2024, ODA will award \$100,000 to Tribal Native Plant Programs that work to preserve First Foods and other culturally significant species. In 2024, ODA presented at the State-Tribal Cultural Resource Cluster meeting as well as the State-Tribal Natural Resource Working Group meeting to solicit feedback from Tribal partners for the strategic and equitable distribution of Tribal financial assistance.

B. Oregon Department of Fish and Wildlife

Funds invested through ODFW's **Carbon Capture in Coastal Estuaries** program will directly benefit underserved communities by protecting natural and working lands from the risk of flooding, sea level rise, and help to mitigate climate change through increased blue carbon sequestration. Projects will directly benefit the ecological habitat and biological production of Oregon Coast Coho evolutionary significant unit (ESU), Oregon Coast Chinook Salmon ESU, Coastal Steelhead and Rainbow Trout (Summer) ESU/species management unit (SMU), and Coastal Cutthroat Trout to benefit the underserved communities in Douglas and Tillamook Counties, as well as the Confederated Tribes of the Grand Ronde, the Cow Creek Band of Umpqua Tribe of Indians, and the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians.

In partnership with ODFW's Natural Resource Conservation Service liaison, ODFW's **Carbon Capture and Restoration in North-Central Oregon Rangelands** project will provide technical and financial assistance, project planning, and conservation planning that will benefit rural agricultural communities surrounding the Lower Deschutes Wildlife Area.

ODFW will pass funds directly to the Confederated Tribes of the Grand Ronde to implement **Floodplain Reforestation on the North Santiam River**, which the Tribe identified as the highest priority restoration site within their portfolio of Willamette Wildlife Mitigation Program properties.

ODFW will pass funds directly to the Confederated Tribes of Warm Springs for the **Red Hills Conservation Area Wildfire Risk Reduction** project, which the Tribe identified as the highest priority restoration site within their portfolio of Willamette Wildlife Mitigation Program properties.

ODFW's **Natural Working Lands Climate Biologist** position will leverage the existing relationships between ODFW field biologists and tribal and environmental justice communities to pursue grants to advance community priorities. Communities and organizations frequently have limited capacity to write and manage large grants. In some instances, states are the only eligible applicant for federal funding

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

opportunities. ODFW has found that additional staff capacity enables the agency to develop more projects in partnership with Tribes and community organizations, as well as pass through more funds to these communities.

ODFW's **Natural Working Lands Assistant Climate Biologist** position will leverage the existing relationships between ODFW field biologists and tribal and environmental justice communities to pursue grants for their priorities. As a service provider, ODFW expects this position will be most effective when working with these partners.

C. Oregon Department of Forestry

Through its efforts to advance implementation of **Climate-Smart Forestry**, ODF will provide financial assistance to small forest landowners that lack the resources to implement climate-smart forestry practices. ODF will also provide technical assistance to landowners and managers in rural environmental justice communities.

ODF is also working to implement **Climate-Smart Forestry through Tribal and Environmental Justice Partnerships**. ODF will work to partner with Tribes as directly as possible, likely through the Tribes' forestry or natural resource departments that manage and steward their lands. Many of these relationships currently exist at the local level, and the agency will work to strengthen and build upon those existing relationships. Supporting disadvantaged forest owners has long been an agency focus. This will continue to be a priority with the recent development of the Small Landowner Office (thanks to the Private Forest Accord), which ODF may use to distribute funds to small, disadvantaged landowners.

Through its **Climate-Ready Seed Orchards** project, ODF will use its existing seed orchard to produce seed and potentially seedlings for Tribal, small, and disadvantaged forest landowners.

D. Oregon Watershed Enhancement Board

OWEB will prioritize grants awarded through its **Watershed Natural Climate Solutions Fund** for projects or activities administered or proposed by an environmental justice community or Tribe. The Board's current public engagement process is collecting information about the N&WL activities Tribes and environmental justice communities are most interested in funding and some of the barriers they face in doing so. The rollout of these funds will be as responsive as possible within the parameters of the statute to this feedback.

VI. ACTIONS PLANNED FOR 2025

The N&WL Fund agencies have a variety of projects, grants, and other activities planned for the upcoming calendar year to continue implementing funded projects and programs. The agencies' 2025 N&WL Fund-related activities are listed below.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

A. Oregon Department of Agriculture

Invasive Annual Grass Management and Rangeland Resilience

- Hire first Rangeland Health Specialist (November 2024)
- Establish state and regional Invasive Annual Grass (IAG) working groups (Q1 AY2025)
- Develop 20-year goals and 10-year action plan (AY2025/2026)
- Hire second Rangeland Health Specialist (Q2 AY2025)
- Develop BIL funding proposals to support IAG work on state & private lands (Q4 AY 2024)

Oregon Native Seed Strategy Implementation

- Award \$100,000 in Tribal Assistance (January 2025)
- Seed banking of seeds collected in 2024 (Q1 AY2025)
- Continue seed collection and storage (April-September 2025)
- Publish final Oregon Native Seed Strategy Document⁷ (Q1 AY2025)
- Continue development of Native Seed Co-Ops (Throughout AY2025)
- Develop federal funding proposals for projects within BLM Restoration Landscapes that leverage N&WL funds as match (AY2025)
- Produce a needs assessment for fire-impacted rangelands

B. Oregon Department of Fish and Wildlife

- Hire and implement the Natural Working Lands Climate Biologist and Assistant Climate Biologist positions. The staff in these positions will immediately begin scoping federal grant opportunities and partnerships with landowners within ODFW's highest priority landscapes for habitat restoration and carbon sequestration. These landscapes will likely include coastal estuaries, sagebrush rangelands, oak and prairie habitats, and floodplains and beaver-modified landscapes.
- Plant native riparian hardwoods and shrubs in the Chahalpam Wildlife Area by the Confederated Tribes of the Grande Ronde as part of the North Santiam Floodplain Restoration Project.
- Follow-up treatment of non-native invasive grasses and seeding/planting of native perennial bunchgrasses in the Lower Deschutes Wildlife Area as part of the Carbon Capture in North-Central Oregon Rangelands Project. ODFW's Farm Bill Conservation Liaison will continue to provide technical assistance and NRCS Farm Bill Program enrollment to working landowners in the area to expand the scope and impact of the project's goals.
- In the Carbon Capture in Oregon Coastal Estuaries Project, ODFW's project partners, including the Salmon Superhighway Project and the Partnership for Umpqua Rivers, are preparing for the in-water work period in the summer of 2025 to implement channel restoration and plant native seagrass in their project areas.
- Significant progress in project planning and contracting is anticipated on the Confederated Tribes of the Warm Spring's Red Hills Conservation Area Wildfire Risk Reduction project. ODFW will be helping to support the tribes in advancing this important project.

⁷ This portion of the project is not funded by the Natural & Working Lands Fund.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

C. Oregon Department of Forestry

- Provide funding to local districts to increase adoption of climate-smart forestry activities through incentives and technical assistance for existing programs.
- Provide funding to Tribes that want to implement climate-smart forestry practices on tribal forest lands.
- Work on implementation of ODF's climate-ready seed efforts to provide species and seed that are more climate adapted as informed by future projections.
- Continue implementing associated ODF efforts, such as the Climate-Smart Forestry Award; supporting long-lived wood fiber utilization (*e.g.*, mass timber); and administering forest health treatments to increase resistance, increase adaptation, or direct the forest ecosystem dependent on the local conditions.
- Track and work to secure national and international climate and carbon-related funding through grants and other opportunities.
- Continue efforts around the adoption of a Habitat Conservation Plan (HCP) and a Forest Management Plan for State Forests, and an HCP for private riparian areas, which include climate considerations.
- Continue research projects and efforts that will inform interests in carbon stocks and cycles, land use issues related to forestry, and the effects of climate on insects, diseases, and abiotic factors.

D. Oregon Watershed Enhancement Board

- OWEB is currently conducting a public engagement process around the N&WL funds, with a survey in fall 2024 and listening sessions held on October 31 and November 7.
- Feedback from the survey and listening sessions will be combined with other reports on equitable grantmaking to ensure that OWEB's N&WL grants reflect Tribal and environmental justice partner priorities and their program needs.
- Applications for OWEB's N&WL grants will open in January 2025 for both general Restoration and Technical Assistance projects, as well as funding for payments-for-practice on agricultural land.

VII. LOOKING FORWARD: NATURAL CLIMATE SOLUTIONS INVESTMENT POTENTIAL

The legislature's initial investment of \$10 million and creation of the N&WL Fund were instrumental in getting new programs and projects off the ground to implement natural climate solutions across the state. The initial appropriation also enabled the N&WL agencies and their subrecipients to leverage their allocations to secure additional funding from outside sources. While these additional funds will enable the agencies to expand the reach and impacts of their programs for a period of time, interest in implementing climate-smart natural and working lands projects and practices continues to grow. There is tremendous potential to invest in natural climate solutions across the state, and demand for financial

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

assistance will quickly exhaust the funds currently available to support these projects. To fully realize the myriad benefits that natural climate solutions can provide, agencies require reliable funding to sustain the projects and programs that were made possible by the N&WL Fund.

The following subsections describe the potential and need for additional investments in natural climate solutions identified by ODA, ODFW, and OWEB.⁸

A. Oregon Department of Agriculture

ODA recognizes the opportunity to enhance investments through the N&WL Fund. The agency's experience with current projects has shown that achieving meaningful outcomes requires intentional planning and coordination. Creating resilient landscapes and communities involves more than implementing individual projects; it requires a clear vision, a strategic approach, and sustained investment.

Building on successful models from other states and federal initiatives, ODA aims to leverage funding to lead the development and strategic goal setting of an agency-wide plan for Climate-Smart Agriculture in Oregon. The agency's strategy will focus on fostering climate resilience by promoting the adoption of climate-smart practices and the markets that support them, while also complementing existing initiatives at the local, state, and federal levels. Strategic planning will include evaluating ODA programs and initiatives that support climate and community resilience, as well as identifying ways to expand opportunities for collaboration across public and private sectors. By integrating these efforts, ODA can align state and national strategies to meet Oregon's unique needs for its agricultural and working landscapes.

A well-designed strategic plan will coordinate projects to effectively target and leverage investments, fostering partnerships that align with broader initiatives. This approach will maximize the impact of ODA's efforts and ensure resources are used efficiently and effectively.

ODA's ultimate goal is to build a culture of action and awareness. Through its strategic plan, the agency seeks to cultivate this culture while supporting both the agricultural sector and community resilience across Oregon by offering incentives and solutions that protect natural lands and keep working lands productive. By taking an integrated approach, ODA can strengthen its strategies and develop a robust framework for Climate-Smart Agriculture in Oregon.

Invasive Annual Grass Management and Rangeland Resilience

With additional funding, ODA sees numerous opportunities for future investment and would prioritize direct grants to landowners to implement projects on private lands. These grants could serve as match to leverage additional federal funding or, when not eligible for federal funding, to fund these projects entirely. This type of investment would complement ODA's current efforts, and the agency is well-positioned to administer these funds and provide dedicated technical assistance through its staff of Rangeland Health Specialists.

Many of the fires that burned over one million acres of rangeland in 2024 were fueled by invasive annual grasses. These lands, and the more intact rangelands that also burned, are even more susceptible to invasion and the effects of climate change, and have diminished resiliency to drought, flooding, and

⁸ The Oregon Department of Forestry declined to provide content for this section.

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

future wildfires. These burned landscapes create immediate opportunities for engagement in our current efforts but also a demand for even more investment in restoration and increase the need for conservation of landscapes that remain intact.

Oregon Native Seed Strategy Implementation

The Native Plant Conservation Program has identified numerous opportunities for further investment in Oregon Native Seed Strategy implementation if more funds become available. Specifically, demand for financial assistance from Oregon Tribes and tribally affiliated organizations far exceeds what is available through ODA's current project. All nine federally recognized Tribes have expressed interest in receiving funding; however, many of them need much more than ODA currently has to offer. Future proposals for continued implementation of the Oregon Native Seed Strategy would include a request for up to \$500,000 for tribal assistance.

The number of acres requiring preservation and restoration has only increased since ODA's first proposal, particularly after the devastating rangeland fires of 2024. Over one million acres were affected by these fires and many, if not all, occurred in or near underserved communities that are most vulnerable to the effects of climate change. Internally, ODA would further invest in the collection, amplification, and storage of keystone and specialized species needed for restoration of these landscapes and the continued buildout of native seed co-ops. Large scale native seed production is an emerging agricultural sector that comes with unique risks and there is a great deal of work to be done to develop and build value that will attract farmers to the sector. Due to a lack of funding, ODA is not soliciting external proposals for projects, but there are myriad opportunities to address the priorities of the Oregon Climate Action Commission if funding was available.

The initial \$10 million investment of N&WL Funds has been a great catalyst for addressing the challenges presented by a changing climate. However, it is nowhere near enough to create reliable resiliency across Oregon's diverse landscape. Through implementation of the initial offering, ODA has begun to understand the breadth and depth of other work that is needed to make meaningful impacts on the landscape and within and across the communities that depend on them. There is a need for continued policy work to streamline the delivery of funds, to create mechanisms for more organic collaboration across agencies to leverage available funds to maximum potential, and to provide support for community outreach to capture and incorporate the needs of stakeholders while creating awareness of current opportunities for assistance.

B. Oregon Department of Fish and Wildlife

ODFW is prioritizing its work on climate resiliency and focusing on the critical role that natural and working lands play in securing the future for fish and wildlife in Oregon. By partnering with working landowners, the agency helps sustain their operations and way of life, as well as the fish and wildlife habitat they steward, and achieves a co-benefit of carbon sequestration. ODFW will continue to prioritize its work at this intersection of natural climate solutions and is bringing its capacity and resources to bear.

There are some key geographies and habitat types in which ODFW is planning to focus its work in the near term. Each of these areas provide numerous opportunities to create the intersectional co-benefits of supporting working lands, restoring wildlife habitat, and sequestering carbon. Key areas and habitat types include:

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

- Coastal estuaries and high-priority aquatic habitats, particularly in areas that will help with delisting of Oregon Coast Coho.
- Sagebrush ecosystems at risk of loss to non-native grasses and fires, particularly in core areas for sage-grouse.
- Oak and prairie habitats in the Willamette Valley, Klamath-Siskiyou, and East Cascades given the incredibly high biodiversity in these systems and the great working lands partnerships already in place.
- Beaver-modified landscapes given the role these features play in climate resiliency and biodiversity, and in line with ODFW's Beaver Action Plan.
- Priority Wildlife Connectivity Areas and High Priority Fish Passage Barriers to ensure species' ability to move and adapt to a changing climate, with a particular focus on projects that provide co-benefits for working lands and irrigators.

There are literally hundreds of thousands of acres and large landscapes in need of this focus and work to restore resiliency and support working lands. ODFW anticipates working with many different landowners and managers, multiple partnerships, and federally recognized Tribes in each of these landscapes and habitat types. The demand remains high; there are always more projects and more interested landowners than there is funding.

Critical to the advancement of this work and the agency's ability to prepare specific projects and partners will be the continuation of ODFW's Natural Working Lands Climate Biologist and Assistant Biologist positions. They are the hub for this work, connecting on-the-ground implementers and landowners with funding, permitting, and contracts necessary to complete this work. They are also the critical connection back to the carbon sequestration techniques, measurement, and reporting/storytelling. ODFW will be requesting continuation of these positions to advance its natural and working lands efforts into the future.

C. Oregon Watershed Enhancement Board

OWEB is currently conducting a public engagement process and surveying potential grant applicants to identify priorities and program needs. More than 100 people and organizations responded to OWEB's survey, reflecting a high level of demand for this grant offering. Many respondents were from traditional grantees like Soil and Water Conservation Districts (21 percent), Watershed Councils (9 percent), and producers or landowners/land managers (19 percent). There was also notable interest from environmental justice groups, which represented 10 percent of the respondents, and from Tribes, which represented 6 percent of responses. Both traditional and non-traditional OWEB-eligible grantees may apply for N&WL funds to support projects in partnership with Tribes and environmental justice groups.

Based on a review of Fall 2024 Open Solicitation applications, the total potential requests for N&WL funds is \$925,798, which would equate to 62 percent of OWEB's *total* available N&WL funding in a single round of Open Solicitation grants (there are two rounds per year). Proposed projects in this review included restoration activities with a focus on cultural foods, traditional ecological knowledge, or native plant revegetation at a former industrial landfill. It is important to emphasize that this estimate of demand is before OWEB has: conducted any intentional outreach to solicit input from Tribes and environmental justice communities about the climate solutions they would be most interested in implementing; engaged with eligible applicants; removed internal barriers, such as match requirements

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

or complicated application processes; or conducted outreach and facilitated application pathways via relevant partner organizations.

Based on the level of interest expressed in the N&WL survey results and applications received to date, OWEB anticipates that the \$750,000 of available N&WL funds for Oregon Agricultural Heritage Program (OAHP) will likely not be enough to meet demand for the development and subsequent implementation of conservation management plans, which will have 20- to 50-year time horizons. One of the considerations under discussion for these payment-for-practices grants is the length of time that these grants should provide payments to producers, which would significantly affect the reach of these funds.

One-on-one conversations with multiple Tribal members and environmental justice groups have shown that those communities appreciate the inclusion of community co-benefits and traditional ecological knowledge in these funds. Given that the scope of these funds is wider than carbon sequestration alone, we can anticipate greater interest from these groups and communities in securing funds in the future.

VIII. CONCLUSION

The N&WL Fund has been instrumental in increasing state investment in natural climate solutions on Oregon's natural and working lands. The Fund's initial \$10 million appropriation is supporting 13 programs, projects, and positions that will increase carbon sequestration and storage and provide valuable co-benefits for communities and the environment. The N&WL agencies have successfully leveraged their Fund allocations to raise additional funding from other federal, state, and private sources. Most N&WL Fund projects are still in the early stages of implementation, and a variety of projects and other activities are scheduled for 2025. Landowners and managers, Tribes, conservation districts, watershed councils, conservation groups, and community-based organizations have shown great interest in deploying natural climate solutions, and demand for financial and technical assistance will likely exceed available funding. To fully realize the myriad benefits that natural climate solutions can provide, agencies require reliable funding to sustain the projects and programs that were made possible by the N&WL Fund.



APPENDIX: SUMMARY OF PUBLIC COMMENTS RECEIVED

The OCAC received comments from The Nature Conservancy, the Oregon Association of Conservation Districts, and the Oregon Climate Agriculture Network. All three organizations, which work with land stewards across Oregon, urged the legislature to sustain current funding and provide additional funding for the newly established Natural and Working Lands Fund (N&WL Fund) to continue building on Oregon's initial commitment and success. Two of the organizations also highlighted that the state N&WL Fund has acted as critical match for millions of dollars available through federal funding streams. They mentioned that the N&WL Fund has been used to secure nearly \$9 million in additional funding from other state, private, and federal funding sources, nearly doubling the state's initial investment. All commentors emphasized the importance of continuity of funding from year to year for land stewardship practices that require time to deploy and to yield their intended benefits. Lastly, the commentors pointed out that natural climate solutions are a win-win for climate and communities, and that continuing to invest in natural climate solutions land management practices benefits everyone by creating more resilient landscapes. The individual comments received are summarized below.

Oregon Climate & Agriculture Network (OrCAN)

OrCAN referenced [recent research](#) that provides county-level information on greenhouse gas emission and carbon sequestration estimates for cropland and grazing land under current and projected conservation management practice scenarios. The research indicates that changes to current practices could result in the removal of approximately 295,053 tonnes CO₂e annually. They stated that soil carbon sequestration provides one of the most ready, cost-effective carbon removal strategies available. OrCAN emphasized that farmers who want to employ practices like those listed in the research need financial incentives and technical support provided by the N&WL Fund.

OrCAN reported that there is high interest in the N&WL Fund among the community. Previously, more than 100 stakeholders engaged and weighed in on the proposed uses of the N&WL Fund, and this September, 112 people and organizations responded to the Oregon Watershed Enhancement Board's (OWEB) recent survey as part of the engagement process for the deployment of N&WL funds. OrCAN requested that agencies work to keep interested and engaged producers informed about upcoming engagement opportunities and program applications as agencies implement the N&WL Fund.

The Nature Conservancy (TNC)

TNC in Oregon is a science-based, non-partisan organization with 80,000 supporters and members in every county. TNC reports high demand to fund natural climate solutions and expressed concern that agencies will quickly exhaust their initial N&WL Fund allocations. TNC emphasized that that realizing change on a landscape level to meaningfully address climate challenges requires sustained commitment and effort. They also pointed out that the N&WL Fund enabled the Oregon Department of Agriculture and the Oregon Department of Fish and Wildlife to hire staff positions focused on applying for federal funds that will leverage the N&WL funds, advance the state's restoration and mitigation efforts, and accelerate N&WL sequestration goals.

Oregon Association of Conservation Districts (OACD)

OACD represents Oregon's 45 Soil and Water Conservation Districts (SWCDs), which are special districts governed by elected boards. SWCDs deploy key programs and technical assistance for landowners and

NATURAL & WORKING LANDS FUND BIENNIAL REPORT - 2024

managers implementing carbon sequestration practices across the Oregon landscape. OACD emphasized that investment in natural climate solutions will help Oregon reduce its climate impacts through increased carbon sequestration and will increase resiliency. They report that initial interest in the N&WL Fund is high as demonstrated by the number of open solicitation applications received by OWEB that met the natural climate solution criteria in a single round. These applications would have used over 60 percent of OWEB's total fund allocation. They added that without the continuity of funds, Oregon will remain in a 'start-up' phase, without reaping the efficiencies and effectiveness that comes with program continuity and predictability.