

May 5, 2005

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item G: Pacific Coastal Salmon Recovery Funds (PCSRF)
Reallocation
May 25-26, 2005 OWEB Board Meeting**

I. Background

In September 2003, the Board approved a spending plan for Pacific Coastal Salmon Recovery Funds (PCSRF) from the 2004 federal fiscal year. The proposed spending plan was taken to the Legislative Emergency Board to ask permission to apply for and authority to spend those funds. The request for expenditure limitation for \$8.3 million (Attachment A) was approved at the April 9, 2004, Emergency Board meeting.

II. Availability of Funds

The allocation approved by the Legislative Emergency Board included funding for Technical Assistance, Regional Priorities/Subbasin Planning, Monitoring and Assessment Grants, Restoration Project Effectiveness, and Education and Outreach. The Board made adjustments to the allocation to continue support of the Oregon Plan Assessment. Additionally, staff have adjusted the amounts from the Board allocation to cover administration (3%). Honoring the allocations of the Board and following the results of the grant awards, there remains \$357,565, primarily from the funds proposed to fund grant applications for education and outreach projects. (Attachment B)

III. Allocation Alternatives

Staff offer two alternatives for allocating the remaining PCSRF funds consistent with the primary purposes of the federal funds and the Board-approved spending plan.

Option A

This option proposes allocating the funds for four purposes. First, \$132,565 is recommended for watershed council support. These funds will contribute to the proposed "umbrella award" in Agenda Item F, and could help cover council support needs should OWEB's final 2005-2007 budget have less funding available for councils than anticipated.

Second, \$125,000 is proposed to continue OWEB's role in supporting the state's conservation and recovery planning efforts under the Oregon Plan and federal Endangered Species Act. As occurred this biennium with the OWEB's involvement and investments in the Oregon Coastal Coho Project, these funds will provide an initial source of funds to continue multi-agency assessment and recovery planning efforts in other parts of the state for the upcoming biennium. The funds will be distributed for this purpose as determined by the OWEB director in coordination with the Governor's Office, which is leading the state's conservation and

recovery planning effort. Ultimately, this work will inform strategic priorities for future Board funding decisions in basins across the state.

Third, \$50,000 is proposed for outreach and awareness purposes. These funds would support a personal services contract to publicize OWEB-funded local achievements and to update OWEB’s 2002 publication “Investments in Oregon’s Future” with new and up-to-date stories of people in local communities working to recover listed salmon populations and improve their watersheds.

Fourth, \$50,000 would support technical assistance for the rapidly expanding Conservation Reserve Enhancement Program (CREP). The CREP program offers landowners incentives to enhance riparian habitat on their agricultural lands to help meet water quality and fish recovery needs. These funds would immediately provide technical assistance to meet the growing demand for the program. (Attachment C) Table 1 summarizes the allocations proposed in Option A.

Table 1. Proposed Allocation of unspent PCSRF funds

Expenditure Item	Amount	Timing of Expenditures
Council Support Umbrella Incentive	\$132,565	2005-07 biennium
Outreach Contract	\$50,000	Immediately
Oregon Plan Assessment	\$125,000	2005-07 biennium
Technical Assistance	\$50,000	Immediately
TOTAL	\$357,565	

Option B

This alternative proposes reserving the remaining funds to coincide more strictly with the originally allocated purposes. The funds would be rolled forward into the next biennium to be distributed through future Board decisions for purposes consistent with the original spending plan dedication. Under this scenario, \$60,873 would be set aside for Technical Assistance; \$67,030 would be allocated for Monitoring and Assessment; and \$229,662 would be directed to Education and Outreach.

IV. Discussion

Options A and B both have merit. Both options are consistent with the purposes of the PCSRF funds and the Board’s spending plan. However, staff believe the alternatives contained in Option A present opportunities to directly address significant, high-priority objectives for OWEB. These focused investments would effectively meet these immediate needs.

V. Recommendation

Staff recommend the Board approve the allocation of FFY04 PCSRF funds totaling \$357,565 for the purposes listed in Table 1 of this report.

Attachments

- A. Emergency Board Approved Spending Plan
- B. PCSRF Funds Balance
- C. CREP Proposal

**OWEB Expenditure Targets
for
Pacific Coastal Salmon Recovery Fund
Anticipated FFY 2004 Grant**

\$13,300,000	Total Grant Amount
<u>1,000,000</u>	Congressional Earmark for Fish Marking (Administered by NOAA)
12,300,000	Net Award to Oregon
<u>369,000</u>	3% Administrative Overhead
\$11,931,000	Remaining for Board Allocation

OWEB Strategic Plan Expenditure Categories	Dollar Allocation	Anticipated Expenditure Limitation Allocation (Including Administration)
<u>Strategies 1 & 2</u>		
Technical Assistance Grants	\$2.0 million	\$1.0 million
Regional Priorities Development & Subbasin Planning Assistance	\$500,000	\$500,000
<u>Strategies 3-5</u>		
Monitoring and Assessment Grants	\$4.0 million	\$4.0 million
Oregon Plan Data Products	\$500,000	
<u>Strategy 6</u>		
Oregon Plan ESA Evaluation	\$500,000	
<u>Strategy 7</u>		
Project E ² Initiative (Economy and the Environment)	\$1.0 million	
<u>Strategy 8</u>		
Building Council/District Capacity	\$100,000	
<u>Strategy 9</u>		
Restoration Project Effectiveness	\$800,000	\$800,000
<u>Strategies 10 & 11</u>		
Education and Outreach Grants	\$2.5 million	\$2.0 million
<u>TOTAL</u>	<u>\$11.9 million</u>	<u>\$8.3 million</u>

ATTACHMENT B

PCSRF Fund Balance May 2005

Spending Plan Dedication	E-Board Allocated	Admin Adjustment	OWEB Board Allocated	Remaining Unallocated	
Technical Assistance	\$1,000,000	\$970,873	\$910,000	\$60,873	
Regional Priorities Monitoring & Assessment	\$500,000	\$485,437	\$485,437	\$0	Adjusted from Board Allocation of \$500,000
Effectiveness Monitoring	\$800,000	\$556,699	\$556,699	\$0	Adjusted from Board Allocation of \$600,000
Oregon Plan Assessment		\$220,000	\$220,000	\$0	Administrative Adjustment from Effectiveness Monitoring
Education and Outreach	\$2,000,000	\$1,941,748	\$1,712,086	\$229,662	
Administration		\$241,748	\$241,748	\$0	
Total	\$8,300,000	\$8,300,000	\$7,942,435	\$357,565	