



December 27, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item E: Grant Program Update
January 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides an update on the October 22, 2007, grant cycle and recommends grant types for the April 21, 2008, grant cycle.

II. October 22, 2007 Grant Cycle

A total of 264 grant applications were submitted to OWEB on its October 22, 2007 deadline. This is the largest number of applications OWEB has received for a grant cycle, exceeding by 48 the previous high mark from October 2005. Table 1 displays the number of applications and amounts requested from the grant application submissions. The application review process has started with regional review team meetings to evaluate applications in the Central Oregon and Eastern Oregon regions on December 10-12, 2007. Regional review teams in western Oregon will meet on January 9, 14, and 15, 2008 to review applications.

At the September 2007 Board meeting, the Board established funding allocations for available capital and non-capital funds. The Board reserved approximately \$9,250,000 per grant cycle for capital grants for the biennium. The Board also approved October 2007 grant cycle reserves of up to \$1,500,000 for monitoring grant applications, \$500,000 for education and outreach grant applications, and \$500,000 for technical assistance grant applications. The amount of funds requested, shown in Table 2, far exceeds the funding available for this round of applications.

Table 1. October 22, 2007, Grant Applications by Types of Applications

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	5	6	8	1	17	37
Region 2	7	10	10	0	34	61
Region 3	15	10	6	7	24	62
Region 4	2	7	4	3	26	42
Region 5	4	7	8	1	40	60
Statewide	0	2	0	0	0	2
TOTALS	33	42	36	12	141	264

Table 2. October 22, 2007 Grant Applications by Funding Requested

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	\$166,735	\$163,093	\$418,740	\$100,000	\$2,743,784	\$3,592,352
Region 2	\$227,248	\$218,646	\$908,495	0	\$4,129,444	\$5,483,833
Region 3	\$673,062	\$422,662	\$346,797	\$4,052,540	\$4,019,128	\$9,514,189
Region 4	\$50,156	\$242,902	\$63,492	\$2,108,534	\$4,461,835	\$6,926,919
Region 5	\$149,208	\$264,097	\$706,711	\$550,000	\$6,263,106	\$7,933,122
Statewide	0	\$106,695	0	0	0	\$106,695
Totals	\$1,266,409	\$1,418,095	\$2,444,234	\$6,811,074	\$21,617,297	\$33,557,110

III. Proposed Allocation for Non-Capital Grants for April 21, 2008, Grant Cycle

Budgeting for non-capital grant solicitations is not as straight-forward as it is for capital grants. Most of the non-capital funds OWEB received in our initial 2007-2009 budget have already been committed or reserved for specific purposes by the Board at the September 2007 meeting. As has been the tradition, an infusion of non-capital funds from Pacific Coastal Salmon Recovery Funds (PCSRF) in the even-numbered federal fiscal year contributes significantly to OWEB's ability to fund non-capital grant cycles in the second half of the biennium.

At the time of writing this report, it appears Congress has included \$67 million of PCSRF in the omnibus budget bill for federal fiscal year 2008. This is the same total amount of PCSRF funds as was appropriated over the previous two federal funding cycles. It is not clear what percentage of those funds will be distributed to the State of Oregon, and it will likely be several months before we know the final distribution numbers.

Staff recommend a non-capital grant solicitation for April 2008 that includes a Technical Assistance offering and a solicitation for Watershed Assessments targeted to basins where such work has not yet been completed. Although the amount of PCSRF funds that Oregon will receive is not yet known, staff recommend setting funding allocations of up to \$500,000 for each of the solicitations, with the caveat that this amount may change depending on the amount of PCSRF funds distributed to Oregon. Until there is more clarity on the amount of 2008 PCSRF funds available to OWEB, we do not recommend non-capital grant solicitations beyond the April 2008 grant cycle. The capital-funded Restoration and Acquisition solicitations for April 2008 will continue to target \$9.25 million.

IV. Recommendation

Staff recommend the Board approve:

- A. The solicitation of Technical Assistance grant applications for the April 21, 2008, deadline, with a targeted funding allocation of up to \$500,000, dependent upon new PCSRF funds.
- B. The solicitation of Watershed Assessment grant applications for the April 21, 2008, deadline, targeted to basins where assessments have not been completed, with a targeted funding allocation of up to \$500,000, dependent upon new PCSRF funds.