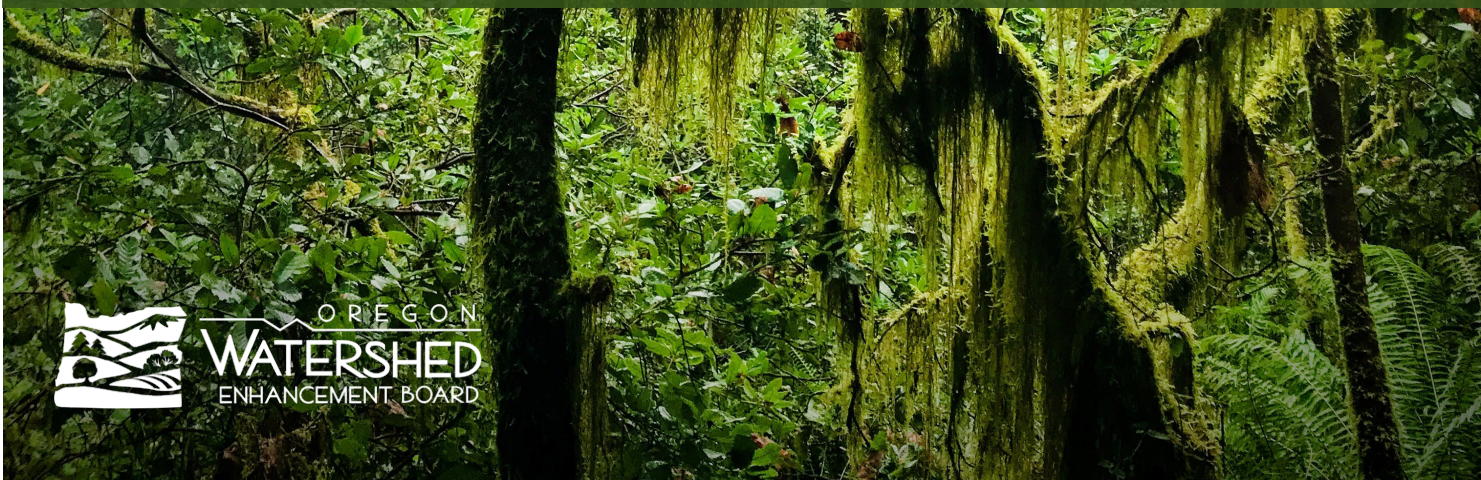




Environmental Justice Council Annual Report 2023

Oregon Watershed Enhancement Board



OREGON
WATERSHED
ENHANCEMENT BOARD



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AGENCY INTRODUCTION

Agency Mission Statement

The Oregon Watershed Enhancement Board (OWEB) is a state agency that administers grants for watershed restoration, fish and wildlife habitat, water quality, farm and ranchland protection, and natural resource disaster recovery and resiliency. The agency's mission is to help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Agency Leadership

Stephanie Page, Acting Executive Director

Miriam Sharer, Business Operations Manager

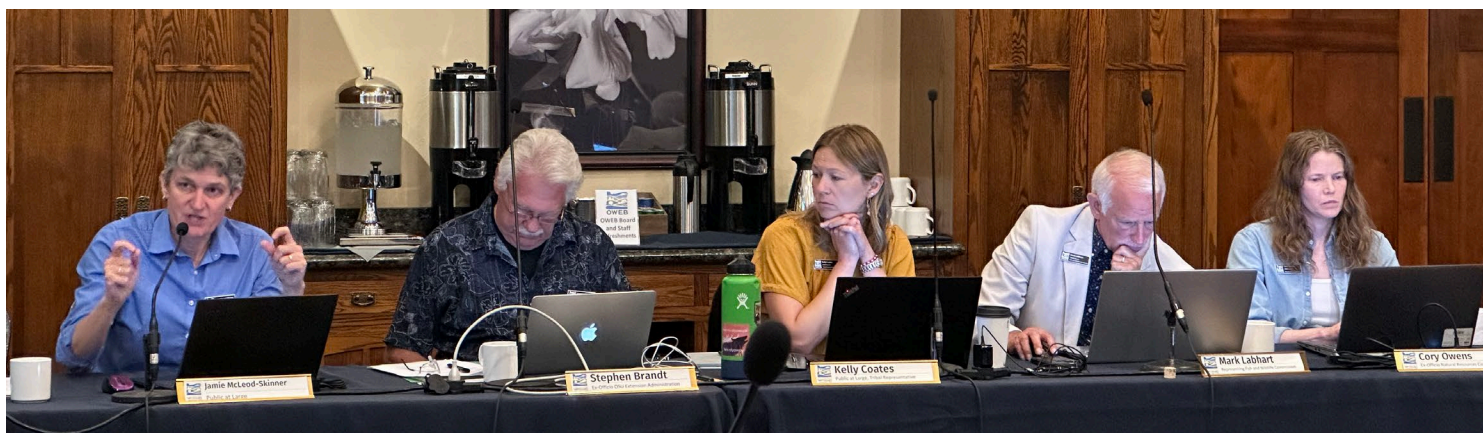
Eric Williams, Restoration Grant Programs Manager

Courtney Shaff, Monitoring & Reporting Manager

Renee Davis, Acquisitions & Special Programs Manager

Eric Hartstein, Senior Policy Coordinator

OWEB is led by an 18-member policy oversight and decision-making board. Board members represent the public, federally recognized tribes, five state natural resource agency boards and commissions, Oregon State University Extension Service, and six federal land management and natural resource agencies.



The OWEB board meets four times a year to discuss funding, programs, and policies.

Environmental Justice Personnel

OWEB does not have a designated environmental justice position. Currently, OWEB's Climate Coordinator serves as the agency liaison to the Environmental Justice Council (EJC).

Agency Budget and Revenue Sources

[Attachment A](#) is a summary of OWEB's Legislatively Adopted Budget for the 2023-2025 biennium. In addition to OWEB's two major budget bills, OWEB received two new legislatively created programs related to source water protection and natural climate solutions.



Major Agency Programs

Acquisitions: Land, Water

Open Solicitation: Restoration, Technical Assistance, Monitoring, Engagement

Operating Capacity: Operating Capacity, Organization Collaboration, Partnership Technical Assistance

Emergency Response: Post-Fire Recovery, Drought Relief

Oregon Agricultural Heritage Program: Covenants & Easements, Conservation Management Plans, Technical Assistance, Succession Planning

Other: Coastal Wetlands, Conservation Reserve Enhancement Program (CREP) and CREP Technical Assistance, Drinking Water Source Protection, Focused Investment Partnerships, Forest Collaborative Technical Assistance, Small Grants

ENVIRONMENTAL JUSTICE HIGHLIGHTS



Agency DEI Action Plan

In accordance with Governor Kotek's expectations of state agencies, OWEB has developed a Diversity, Equity, and Inclusion (DEI) Action Plan that focuses on **six priority areas:**

1. Community Engagement
2. Communication
3. Data
4. Budget
5. Agency Culture
6. Service Delivery

The plan identifies actions for each area and timeline for implementation. In the coming years, OWEB will be focusing on implementing actions and reporting out implementation progress to our staff, board, grantees, community members, and others.

Climate-Related Evaluation Criteria

In July 2023, the OWEB board adopted [climate-related evaluation criteria](#), which apply to many of OWEB's grant programs.

These criteria ask grant applicants to describe:

1. How engagement with, and input from, local communities disproportionately impacted by climate change has informed or will inform the project;
2. How changing climate conditions have been incorporated into the project and how the project will contribute to durable adaptation and resilience for ecosystems, including human communities; and
3. How consideration of greenhouse gas emissions and/or long-term carbon sequestration or storage has informed the project. Applicant responses to these new criteria are considered by technical review teams during grant review and helps inform whether a project is recommended for funding.

OWEB attended a dedication in Terrebonne of a new irrigation modernization project that will support climate resiliency in irrigated agriculture.



Equity in Grant Funding

In partnership with a consultant, OWEB undertook an effort to identify barriers that prevent equitable distribution of our grant funding and develop recommendations that would help us adapt our processes and grant offerings to better serve a more diverse set of partners. A final report was shared with the agency in 2023 and we are now beginning to implement several recommendations identified from this effort.

Engaging Non-Traditional Partners

OWEB leadership has prioritized efforts to reach out to and engage at least three new and non-traditional partners each quarter; examples of recent outreach include conversations with the Oregon Just Transition Alliance, Ecumenical Ministries of Oregon, Fortaleza Atravez Barreras, and Seeding Justice. The purpose of these conversations is to introduce potential partners to OWEB, discuss overlapping areas of interest, and identify potential opportunities. OWEB has also participated in events that provide networking opportunities with diverse communities.



Partnership outreach includes attending events such as Say Hey (left) and the Eastern Oregon Economic Summit (right). These events provide networking opportunities with diverse communities.

DEI-EJ Board Committee

The OWEB board, which has a committee focused on DEI and environmental justice, has been developing a [DEI and Environmental Justice Resolution](#). The draft resolution is intended to acknowledge the past while also looking toward the future and includes aspirational goals and specific strategies to advance DEI and EJ in OWEB's work.

ADDRESS ENVIRONMENTAL JUSTICE ISSUES (ORS 182.550 SECTION 1)

Environmental Justice Consideration Process

Does the agency have a defined process for incorporating environmental justice factors into agency operations and decision-making?

Agency operations

OWEB has developed a Diversity, Equity, and Inclusion (DEI) Action Plan that is separated into **six categories**:

1. **Community engagement:** ensuring we are engaging with all Oregonians and actively building relationships and promoting the work of new and non-traditional partners.¹
2. **Communication:** focusing on transparent, open, and accessible communication through all communication pathways.
3. **Data:** leveraging qualitative and quantitative data to help identify needs and track progress.
4. **Budget:** ensuring our spending plan reflects our diversity, equity, inclusion, environmental justice, and climate goals and priorities.
5. **Agency culture:** fostering an inclusive agency culture.
6. **Service delivery:** providing equitable access to all of OWEB's services.

As part of the DEI Action Plan, OWEB has identified actions and timeline for implementation. In the coming years, OWEB will be focusing on implementing actions identified in each of these six categories and reporting out implementation progress to our staff, board, grantees, community members, and others.

In addition to the DEI Action Plan, OWEB is currently undergoing revision of its strategic plan, which includes a priority focused on DEI and environmental justice. OWEB reports progress on implementing its strategic plan to the board on a quarterly basis. The OWEB board, which has a committee focused on DEI and environmental justice, has been developing a DEI and Environmental Justice Resolution for the agency. While the board does not oversee agency operations, their leadership on strategic issues support staff in these efforts.

¹ OWEB regularly engages with soil and water conservation districts and irrigation districts, non-profit organizations such as watershed councils and land trusts, federally recognized tribes, and state and federal agencies, among others. Many of OWEB's grants go to organizations that serve rural communities. In the context of our grantmaking, "non-traditional partners" are organizations that OWEB has not historically interacted with or awarded grants to. Examples include organizations that predominantly serve previously underserved and underrepresented communities like communities of color, people with disabilities, farm or migrant workers, and urban communities, among others.

Decision-making (as it relates to agency grant programs)

In July 2023, the OWEB board adopted climate-related evaluation criteria, which apply to all of OWEB's grant programs. In addition to OWEB's existing evaluation criteria, grant applicants are now asked to describe how engagement with, and input from, local communities disproportionately impacted by climate change has informed or will inform the project as well as how the project will contribute to durable adaptation and resilience for ecosystems, including human communities. Applicant responses to these new criteria are considered by technical review teams during grant review and helps inform whether a project is recommended for funding.

How does your agency keep track of environmental justice issues that have been identified?

OWEB has an internal Inclusion, Diversity, Equity, and Awareness (IDEA) team that meets monthly. The team includes representatives from all sections of the agency; OWEB's Tribal Liaison and a member of the agency's Executive Team are permanent members. This team is responsible for helping develop the agency's DEI Action Plan and track implementation progress, organizing efforts to build agency DEI capacity, and working with OWEB's Executive Team to track and operationalize DEI and environmental justice practices.

The OWEB board also has a DEI and Environmental Justice committee, which meets quarterly to discuss issues that have been identified and bring relevant items to the full board for consideration during board meetings.

Environmental Justice Community Considerations

How does your agency define environmental justice communities?

The OWEB board recently adopted climate-related rules for our grantmaking. One of the rules adopted relates to engagement with and input from local communities disproportionately impacted by climate change. The definition adopted by the OWEB board for *local communities disproportionately impacted by climate change* includes communities such as Native American tribes, communities of color, rural communities, coastal communities, communities experiencing lower incomes, and other communities traditionally underrepresented in public processes, including seniors, youth, and persons with disabilities. This is a slightly modified version of the definition of *environmental justice communities* adopted by other state agencies (e.g., DEQ).

What tools does your agency use to identify and prioritize environmental justice communities?

OWEB does not have a specific tool or set of tools it regularly uses to identify and prioritize environmental justice communities. Some tools the agency has used to inform discussions include socioeconomic and demographic data by county (U.S. Census data) and the Environmental Justice Screening and Mapping Tool (U.S. EPA).

PUBLIC PARTICIPATION AND MEANINGFUL INVOLVEMENT (ORS 182.535 SECTION 2)

ORS 182.550 Section 2: Increase public participation of individuals and communities affected by agencies' decisions.

Meaningful Involvement: (ORS 182.535 Section 7)

“Meaningful involvement” means:

- (a) Members of vulnerable populations have appropriate opportunities to participate in decisions about a proposed activity that will affect their environment or health;
- (b) Public involvement can influence a decision maker’s decision;
- (c) The concerns of all participants involved are considered in the decision-making process; and
- (d) Decision makers seek out and facilitate the involvement of members of vulnerable populations.



Public Engagement Policy and Processes

Does your agency have a public engagement process for promoting community participation in agency decision-making processes? Describe the current level and quality of public participation.

OWEB promotes community participation in agency decision-making in several ways, including:

- OWEB invites members of the public to submit verbal or written comments for consideration during our board and committee meetings. We have also shifted to virtual or hybrid board and committee meetings, which allows the public to engage in agency decision-making even if they cannot attend an in-person meeting. OWEB regularly receives and considers public comment for board and committee meetings.

(Left) Representatives from the Nez Perce Tribe and Confederated Tribes of the Umatilla Indian Reservation present to the board planned improvements to the Wallowa Lake Dam.



- OWEB often brings together local partners for panel discussions during board meetings. Local partner panels are intended to improve understanding of how OWEB funds are utilized by these partners for on-the-ground projects as well as how important OWEB funds are to sustaining local organizations. During panel discussions, local partners have an opportunity to share ideas about how OWEB processes and funding could be adjusted to better meet emerging challenges and opportunities.
- OWEB regularly recruits representatives from environmental justice communities to participate in Rules Advisory Committees (RACs). For example, OWEB successfully recruited a representative from a small non-profit that works to ensure natural areas and healthy watersheds are integrated into urban areas and accessible to everyone. Members of the public are also invited to provide comments as part of the RAC meetings.
- In some instances, prior to initiating rulemaking, OWEB has begun implementing a scoping / public engagement phase to better understand challenges and opportunities faced by our partners that could be affected by new rules. For example, prior to initiating rulemaking on including climate-related evaluation criteria in OWEB's grant programs, we embarked on a 3-month-long public engagement process that included virtual public meetings, a virtual tribal focus group, one-on-one conversations, survey, and interviews with non-traditional partners. Information learned from the public engagement process helped to focus the scope of draft rules and informed RAC discussions.

(Left) Deschutes Land Trust took the OWEB board on a tour of stage 0 restoration work at Whychus Canyon.

Targeted Audiences

With which audiences does your agency engage?

OWEB regularly engages with soil and water conservation districts and irrigation districts, non-profit organizations such as watershed councils and land trusts, federally recognized tribes, and state and federal agencies, among others. Many of OWEB's grants go to organizations that serve rural communities.

Has the agency performed an analysis to determine the groups impacted by agency decisions?

While the agency has not performed a specific analysis, the agency did work with a consultant to identify barriers that prevent equitable distribution of our grant funding and develop recommendations to address these barriers. As part of this project, the consultant conducted interviews with representatives of 19 community-based organizations to improve understanding of the challenges these organizations face when engaging with OWEB and navigating the grant application process. OWEB is now in the process of implementing several of the recommendations identified by this project, including simplifying the grant application form, simplifying project reporting, and providing training and engagement on new requirements in grant applications.

In the past two years, OWEB leadership has also prioritized efforts to reach out to and engage at least three new and non-traditional partners each quarter; examples of recent outreach include conversations with the Oregon Just Transition Alliance, Ecumenical Ministries of Oregon, Fortaleza Atravez Barreras, Seeding Justice, and Partners in Diversity. The purpose of these conversations is to introduce potential partners to OWEB, discuss overlapping areas of interest, and identify potential opportunities.

(Right) Tillamook Estuaries Partnership took the OWEB board on a tour of the Southern Flow Corridor and Northwest Restoration Partnership Nursery. The nursery partners with the Oregon Youth Authority in a program to provide on-the-job training and life skills for youth in custody.



AGENCY ENVIRONMENTAL JUSTICE IMPACTS (ORS 182.550 SECTION 3)

ORS 182.550 Section 3: Determine the effect of agencies' decisions on environmental justice communities.

Does your agency measure the impacts of agency decisions on environmental justice in Oregon communities? Why or why not?

In the past five years, OWEB has undertaken two efforts to measure the impacts of agency decisions on environmental justice communities. First, in partnership with a Portland State University graduate student, OWEB completed an assessment of our grant programs to better understand how our practices impact federally recognized tribes' ability to apply for and receive agency grants. The full report, **Granting Practices Impacts to Tribes: An Assessment of the Oregon Watershed Enhancement Board**, was shared with the OWEB board in October 2021 and can be found [here](#). The report prioritized recommendations to improve our practices and we are now implementing some of the recommendations. For example, in April 2023, OWEB staff organized a meeting with tribes to provide training on OWEB grant management, a recommendation identified in the report. OWEB staff share implementation progress to the OWEB board.

Second, in partnership with a consultant, OWEB undertook an effort to identify barriers that prevent equitable distribution of our grant funding and develop recommendations that would help us adapt our processes and grant offerings to better serve non-traditional partners. In the context of our grantmaking, "non-traditional partners" are organizations that OWEB has not historically interacted with or awarded grants to. Examples include organizations that predominantly serve previously underserved and underrepresented communities like communities of color, people with disabilities, farm or migrant workers, and urban communities, among others. A quantitative and qualitative review of grantmaking was conducted to identify challenges and barriers that some organizations face when applying for, or considering applying for, OWEB's grants. The analysis found that OWEB funds projects in most locations across the state but tends to focus its funding through certain types of grantees. The agency has begun implementing a number of recommendations from the report, which are intended to improve our practices to better serve a more diverse set of partners.



The Legislative Water Caucus organized a Mid-coast tour that focused on built and natural water infrastructure and funding needs and opportunities, including connections to OWEB grants. OWEB's Acquisitions and Special Programs manager participated in the tour.

AGENCY ENVIRONMENTAL JUSTICE PROGRESS (ORS 182.550 SECTION 4)

ORS 182.550 Section 4: Improve plans to further improve environmental justice in Oregon.

How is EJ built into agency strategic plans?

OWEB's current strategic plan (2018-2028) has several strategies focused on DEI, including increasing involvement of non-traditional partners¹ in watershed restoration and developing funding strategies with a lens toward DEI. As the agency embarks on a strategic plan refresh (planned release in 2024), we continue to have strategies focused on DEI and environmental justice, including developing initiatives to increase diversity and inclusion in grantmaking and increasing engagement with non-traditional partners on working lands and in urban and rural communities, among others.

What does your agency need to further develop and implement environmental justice policies at the agency?

OWEB continues to prioritize diversity, equity, inclusion, and environmental justice trainings for staff and board members. Trainings have helped inform agency and board processes and priorities, and we anticipate continuing to provide training opportunities in 2024.

In many cases, priorities that have been identified to further implement environmental justice policies extend beyond just OWEB to the enterprise level. For example, language accessibility of materials or offering stipends to people who voluntarily participate on committees. In these instances, it would be helpful to have an enterprise-wide policy and/or associated funding to implement these types of priorities.

AGENCY ENVIRONMENTAL JUSTICE MAPPING TOOL INVOLVEMENT (ORS 182.550 SECTION 5)

ORS 182.550 Section 5: Utilize the environmental justice mapping tool developed under section 12 of this 2022 Act.

How is your agency participating in the development of the environmental justice mapping tool?

OWEB responded to the request for agency data and tracks the conversations the Environmental Justice (EJ) Council is having with regard to tool development and intent.

OWEB has also invited the agency EJ mapping lead (from OHA) and EJ Council Coordinator to present at an upcoming board Water & Climate committee meeting. The purpose of this presentation is for the EJ mapping lead to share examples and case studies of how EJ mapping tools have been used by other states and to discuss ways in which OWEB could foresee using Oregon's EJ mapping tool. This discussion could inform possible use case(s) for the EJ mapping tool.

The Vinegar to Vincent restoration and floodplain reconnection project on the Middle Fork John Day River is implemented by the Confederated Tribes of the Warm Springs Indian Reservation.



AGENCY ENVIRONMENTAL JUSTICE COUNCIL ENGAGEMENT 2024

How would your agency like to engage with the EJC in 2024?

OWEB board and staff are currently in the process of developing a Diversity, Equity, Inclusion (DEI), and Environmental Justice (EJ) Resolution for the agency. OWEB would like to share a draft of this resolution with the EJC in 2024 and listen to any feedback the EJC is willing to share.

OWEB's board has expressed interest in providing greater support for urban restoration efforts and other projects that provide greater environmental justice benefits. While many types of urban watershed restoration projects are already eligible for OWEB grants, rurally based projects are more likely to successfully compete for funds in many cases because they tend to be lower cost for the amount of fish and wildlife habitat restored. As the OWEB board continues working on its draft DEI and EJ resolution, it would be helpful to have feedback on urban watershed restoration needs, watershed restoration needs that intersect with environmental justice, and funding gaps where OWEB can be the most helpful.

Lastly, as OWEB has been engaging in conversations with non-traditional partners, one theme that has repeatedly arisen is the need for funding outside of what OWEB is able to provide. For example, partners have mentioned they are looking for grants to support environmental justice outreach, outdoor experiences, community education, or intersectional types of projects (e.g., environmental justice outreach and outdoor experiences), among others. As OWEB continues to engage in conversations with these partners, it would be helpful to know what types of state or federal resources exist to support these types of efforts so that we can connect partners with programs/funding opportunities. This could be a potential topic for an EJC meeting (e.g., identify needs, where existing resources exist, gaps).

AGENCY ENVIRONMENTAL JUSTICE COUNCIL LEGISLATION CITATIONS

Please share agency impacted legislation from the last legislative session where Environmental Justice Council or Environmental Justice Task Force engagement is cited in the legislation.

- None/not applicable.

AGENCY MEANINGFUL ENGAGEMENT RELATED LEGISLATION

Please share agency impacted legislation that includes language regarding meaningful engagement. Example: HB 3293 (2021)

How do agencies collaborate when multiple agencies are listed?

HB 3293 (2021). OWEB is one of six agencies considered to be “a provider of water project support” referenced in the bill. The bill requires each provider of water project support to, in coordination with the other providers, adopt rules recognizing best practices for community engagement. The WRD is overseeing the coordination process and development of best practices, with the other five agencies providing feedback on draft documents.

HB 3409 (2023). This bill establishes a Natural and Working Lands (NWL) Fund to support natural climate solutions and invests \$10 million into the fund. OWEB is one of four agencies tasked with working with the Oregon Climate Action Commission to develop grant programs and projects related to natural climate solutions. The statute directs these agencies to provide incentives to help landowners, tribes, land managers, and environmental justice communities adopt practices that support natural climate solutions and provide financial assistance for technical support for these groups for the adoption of natural climate solutions. As stated in HB 3409, priority shall be given to expenditures for technical assistance to environmental justice communities or tribes and incentives for programs or activities supported by an environmental justice community or supported by a resolution of a tribe. OWEB plans to use the above guidance, along with priorities identified during a public engagement process with environmental justice communities, tribes, and other partners, to select projects that meet the intent described in HB 3409.

Wahl Farm received a Land Easement grant from the [Oregon Agricultural Heritage Program](#) (OAHP) in 2023. The OAHP supports protection and ecosystem services on working farm and ranch lands.



DEFINITIONS

Environmental Justice: (ORS 182.535 Section 3)

“**Environmental justice**” means the equal protection from environmental and health risks, fair treatment and meaningful involvement in decision making of all people regardless of race, color, national origin, immigration status, income or other identities with respect to the development, implementation and enforcement of environmental laws, regulations and policies that affect the environment in which people live, work, learn and practice spirituality and culture.

Environmental Justice Community: (ORS 182.535 Section 4)

“**Environmental justice community**” includes 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.

Meaningful Involvement: (ORS 182.535 Section 7)

“**Meaningful involvement**” means:

- (a) Members of vulnerable populations have appropriate opportunities to participate in decisions about a proposed activity that will affect their environment or health;
- (b) Public involvement can influence a decision maker’s decision;
- (c) The concerns of all participants involved are considered in the decision-making process; and
- (d) Decision makers seek out and facilitate the involvement of members of vulnerable populations

Environmental Burdens: (ORS 182.535 Section 2)

“**Environmental burden**” means the environmental and health risks to communities caused by the combined historic, current and projected future effects of:

- (a) Exposure to conventional pollution and toxic hazards in the air or in or on water or land;
- (b) Adverse environmental conditions caused or made worse by other contamination or pollution; and
- (c) Changes in the environment resulting from climate change, such as water insecurity, drought, flooding, wildfire, smoke and other air pollution, extreme heat, loss of traditional cultural resources or foods, ocean acidification, sea-level rise and increases in infectious disease.

APPENDIX

[House Bill 4077 \(2022\)](#)

Legislation establishing the Environmental Justice Council, the Council's responsibility to develop an environmental justice mapping tool, develop a biannual report to the Governor, and the requirement for natural resource agencies to submit an annual report to the Environmental Justice Council.

[Senate Bill 420 \(2007\)](#)

Legislation establishing the Environmental Justice Task Force, the predecessor for the Environmental Justice Council. It also includes requirements for the Task Force to submit biannual reports to the Governor and the requirement for natural resource agencies to submit an annual report to the Environmental Justice Task Force.

[ORS 182.550 Reports by natural resource agencies](#)

All directors of natural resource agencies, and other agency directors as the Governor may designate, shall report annually to the Environmental Justice Task Force and to the Governor on the results of the agencies' efforts to:

1. Address environmental justice issues;
2. Increase public participation of individuals and communities affected by agencies' decisions;
3. Determine the effect of the agencies' decisions on environmental justice communities;
4. Improve plans to further the progress of environmental justice in Oregon; and
5. Utilize the environmental justice mapping tool developed under section 12 of this 2022 Act.

2023-2025 Legislatively Adopted Budget

	2021-23 Legislatively Adopted Budget (LAB)	2023-25 Current Service Level (CSL)	2023-25 Legislatively Adopted Budget (LAB)
Lottery Fund	\$94,776,334	\$106,626,707	\$115,133,838
Federal Funds	\$48,251,444	\$34,812,700	\$57,035,037
Other Funds	\$29,863,984	\$2,359,071	\$39,214,873
General Fund	\$52,526,718	--	\$35,485,333
Total Funds	\$225,418,480	\$143,798,478	\$246,869,081
Positions	46	30	44
Full-Time Equivalent (FTE)	42.57	30.00	42.76

2023-25 Significant Changes

Overview

- The budget continues existing permanent staffing in OWEB's base budget and also includes several limited duration positions.
- The budget adds to the agency's organizational structure to partially fulfill OWEB's needs.
- Two of the adopted policy packages provide staffing continuity for the Oregon Agricultural Heritage Program and the Water Acquisitions Program, for a total of three positions. No new funding is provided for OAHP.
- The budget provides the necessary General Funds for continuity of the Drought and Fire Disaster relief grants committed in 2021-2023 so that they can carry into the next biennium and continues three staff positions to administer the grants.
- The adopted packages allow OWEB to accept federal funds to continue the agency's climate work, comply with federal historic and cultural resource requirements, provide technical support for tide gate replacement planning, administer grant funds from multiple federal agencies, and accept other funds to administer grants to support water quality and salmon habitat improvements.
- The adopted budget assumes a change in Measure 76 lottery funds allocation from 65% grants/35% operations to 70% grants/30% operations.
- In addition to OWEB's two major budget bills, several other pieces of legislation affected OWEB's 2023-2025 budget. OWEB received two new legislatively created programs related to source water protection and natural climate solutions. OWEB received staff positions to fulfill its responsibilities in the new programs.

Additional Analyst Adjustments – Packages 801 and 803

Package 801 (Operations) increases expenditure limitation by \$169,509 Other Funds and establishes a limited-duration Administrative Specialist position (1.00 FTE) to support non-measure 76 lottery funded grant programs agency wide.

Package 801 (Grants) increases the Lottery Funds Grant expenditure limitation by \$8,447,801 to account for the reallocation of 5% of total biennial revenues from program operations to grants as required in the Oregon Constitution (shift from 65% grants/35% operations to 70% grants/30% operations and adjustments based on the May 2023 revenue forecast).

Package 803 (Operations) increases Federal Funds expenditure limitation by \$723,442 and establishes two limited-duration positions (2.00 FTE) in the Operations program. One of the positions is an Operations and Policy Analyst climate coordinator position funded by the USDA Natural Resources Conservation Service (NRCS). The other is funded through a combination of USDA NRCS technical assistance funds and Bureau of Land Management Good Neighbor Authority funds.

Package 803 (Grants) increases Federal Funds expenditure limitation by \$2,915,110 for funding received through existing cooperative agreements with the U.S. Department of Agriculture (USDA) and the U.S. Bureau of Land Management (BLM). \$743,110 of the total is for USDA, Natural Resource Conservation Service technical assistance grants for conservation programs. The remaining \$2,172,000 supports restoration projects through the BLM, Good Neighbor Authority Program.

Policy Packages - Grants Budget (SB 5539 & SB 5540 Lottery)

200 - Carryforward (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

201 - Carryforward for GF emergency response grants: This package establishes one-time General Fund appropriations totaling \$23,160,344 to allow the agency to distribute committed grant awards for emergency wildfire and drought response that were made in the 2021-23 biennium. Of the total \$15.5 million is for 2020 fire season recovery grants, \$4.25 million is for 2021 fire season recovery grants, and \$3.45 million is for 2021 drought resiliency grants. \$23,160,344 GF

215 - Oregon Ag Heritage Program (OF): Allows OWEB to spend existing funds allocated to the Oregon Agricultural Heritage Fund during the February 2022 special legislative session. No new funds are included. \$4,238,524

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). No new funds are included. \$9,039,958

280 - Additional Other Funds (OF): \$7M additional OF limitation to be able to receive and expend OF grant funds beyond OWEB's current service level budget. 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

Policy Packages - Operations Budget (SB 5539)

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. \$102,665 (\$6,253 FF, \$96,412 LF).

115 – Oregon Agricultural Heritage Program Continuation: Establishes limited duration Operations and Policy Analyst position (.75 FTE/full-time for 18 months) to administer existing Oregon Agricultural Heritage Program grants. No new funds were added. \$226,011 OF

145 - Water Acquisitions Continuation: Establishes two limited duration positions (2.00 FTE) for administration of funding provided to OWEB during the 2021-2023 biennium to administer grants for water acquisition projects. \$556,208 OF

150 - Emergency Response Program Continuity Ops: Provides a one-time \$1 million General Fund appropriation and establishes three limited-duration positions (3.00 FTE) for administration of continued emergency wildfire response and drought resiliency grant funding. \$1,000,000 GF

160 - Program continuity: Extends 1 limited duration Federal Fund position to support tide gate work. \$327,864 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. \$251,678 FF

Statewide Adjustments and Budget Reconciliation Adjustments (SB 5506 and HB 5030)

Package 811 authorizes the State Treasurer to issue \$4 million in lottery bonds to support land acquisition grants for source water protection. It provides OWEB spending authority for \$4 million in lottery bond funds for the grants. It also provides OWEB funding to cover the issuance costs for the lottery bond funds (\$52,728). The \$4 million adds to \$1 million in general funds allocated through HB 2010, which created the source water protection land acquisition grant program. \$4,052,728 OF

Package 810 includes statewide adjustments based on reductions in the Department of Administrative Services' assessments and charges for services and Attorney General Rates. (\$37,082) LF / (\$2,010) FF / Total (\$39,092)

Policy Bills

Package 813 includes adjustments to OWEB's budget because of two policy bills, HB 2010 and HB 3409.

HB 2010 establishes a new source water protection land acquisition grant program at OWEB and allocates \$1 million in General Funds to the program. The General Fund appropriation is deposited into the Community Drinking Water Enhancement & Protection Fund and is then considered Other Funds. It adds OWEB to the list of agencies that OWRD must consult with on the

Integrated Water Resources Strategy. The bill provides funding and position authority to OWEB for a .88 FTE Natural Resources Specialist 4 to administer the source water protection grant program and a .25 FTE Operations and Policy Analyst to staff OWEB's IWRS engagement work. \$1,324,989 GF/\$1,000,000 OF/Total \$2,324,989

HB 3409 re-names the Oregon Global Warming Commission to the Oregon Climate Action Commission and adds the Executive Director of OWEB to the commission's ex-officio members. The bill establishes a Natural and Working Lands (NWL) Fund to support natural climate solutions and invests \$10 million into the fund. The General Fund appropriation is deposited into the fund and is then considered Other Funds. It designates OWEB as the fiscal agent for the NWL fund and identifies OWEB as one of four agencies that will work with the commission to develop programs and activities related to natural climate solutions. It establishes four treasury funds that may receive transfers from the NWL fund to support projects identified by the agencies and the commission. It establishes a Fiscal Analyst 3 (.88 FTE) to support the work associated with fund administration. The position and associated funding were included in the Grants Program (SCR 020) rather than in the Operations Program (SCR 010) like all other agency positions. This will be addressed as a technical correction in the February 2023 legislative session. \$10,000,000 GF/\$10,000,000 OF/Total \$20,000,000

Fund Source key: LF = Lottery Funds FF = Federal Funds GF = General Funds OF = Other Funds

2023-25 Legislatively Adopted Budget Summary

	General Funds	Lottery Funds	Other Funds	Federal Funds	Total	Pos/FTE
OWEB Admin (Program 010)	\$1,324,989	\$9,191,684	\$1,023,938	\$4,375,038	\$15,915,649	43/41.88
OWEB Grants (Program 020)	\$34,160,344	\$105,942,154	\$38,190,935	\$52,659,999	\$230,953,432	1/.88
TOTAL	\$35,485,333	\$115,133,838	\$39,214,873	\$57,035,037	\$246,869,081	44/42.76