Agenda Item No.:	10
Topic:	Natural Climate Solutions Fund Update
Date of Presentation:	September 3, 2025
Contact Information:	John Tokarczyk, Resource Planning Manager John.A.TOKARCZYK@odf.oregon.gov Danny Norlander, Forest Climate, Carbon and Health Analyst Danny.Norlander@ODF.Oregon.gov

SUMMARY

- The Legislature provided funding to four natural resource agencies to address climate change issues in 2023. This funding is approved and coordinated through the Oregon Climate Action Commission, formerly the Oregon Global Warming Commission. This Board meeting item provides an update on ODF Natural Climate Solutions Fund and what the anticipation is for these funds down the road.
- This is an informational item.

CONTEXT

In 2023, the Oregon Legislature passed HB 3049 and provided ten million dollars to be allocated to four different natural resource agencies: the Oregon Watershed Enhancement Board (OWEB), Oregon Department of Agriculture (ODA), Oregon Department of Forestry (ODF), and the Oregon Department of Fish and Wildlife (ODFW). The funds were allocated to OWEB to be disbursed to the other agencies after projects were approved by the Oregon Climate Action Commission (OCAC) with support from the Oregon Department of Energy (ODOE) which houses the OCAC. Through a coordinated process between the agencies and the Governors Office, the four "fund agencies" put forth a proposal for the funding. This was approved by the OCAC and the agencies began to work on administration and implementation of the funds and projects. Since then, the agencies have been working to implement their projects, including ODF, and this work is ongoing.

In the 2025 Legislature, there was an interest in providing additional funding to this work. While ultimately unsuccessful, there is still broad interest and continued support for efforts around natural and working lands as natural climate solutions. The department will continue to work through its existing funding and strive to support Oregonians in their interest around natural climate solutions.

BACKGROUND AND ANALYSIS

The department has been involved with climate change research and planning going back to the early 1990s. Previous work includes items like the Oregon Task Force on Global Warming, the Forest Resource Trust, and inclusion of climate change and carbon in the Forestry Program for Oregon as a specific goal. Various research and monitoring efforts have taken place over time, culminating in the Forest Ecosystem Carbon Report

and the Harvested Wood Products Report which will continue to be updated with fresh data in the future.

When the Legislature took up legislation related to carbon cap and invest in 2019 and 2020, there was extensive language around incorporation of natural and working lands and their utilization as natural climate solutions. When these failed to pass, Governor Brown signed executive order 20-04 which provided a multitude of directions to many agencies including ODF. One result of this was direction to the department to develop a climate change plan, the genesis of the Climate Change and Carbon Plan (CCCP), which the Board was extensively involved in the development of. At the same time, the OGWC was developing its own natural and working lands proposal that would help to guide the natural resource agencies in the state towards increasing sequestration and climate mitigation. These projects, while conducted separately, were aware of the work of the other and utilized information from each other in their development. Both were completed in the fall of 2021. Efforts to implement the CCCP Have been ongoing since it approval by the board and this continues today.

In the 2023 legislative session, house Bill 3904 passed and provided $10 million to four state agencies tasked with implementation of Natural Climate Solutions Funds. These included OWEB, ODA, ODFW, and ODF. The agencies worked through the Governor's Office to develop a holistic, cross agency proposal to take to the OCAC (renamed OGWC). The OCAC approved the project proposal and OWEB distributed the funds to the four agencies by the start of FY 2025. Throughout this time, ODF staff were working on coordination and planning to expend these funds.

ODF presented three projects to be funded as part of the initial funding process. The enabling legislation directed agencies to prioritize work with Tribes and traditionally disadvantaged landowners. To that end, the department put forth two projects:

- $1.5 million to advance implementation of Climate-Smart Forestry as outlined in ODF's Climate Change and Carbon Plan, and
- $1.0 million to incentivize Climate-Smart Forestry Implementation in partnership with Tribal and Environmental Justice Communities.

Additionally, the department proposed $750,000 for:

- Establishment of climate-ready seed orchards to support small, disadvantaged, and tribal forestry.

Utilization of these funds has provided the ability to further implement the supporting actions contained in the CCCP, which had no previous funding. These funds are in permanent accounts and available past a single biennium, helping to facilitate the ongoing work that the department is undertaking and allowing for continued relationship building to take place. The following is a summary of the project goals and implementation.

Small and disadvantaged landowners climate-smart forestry implementation—This project is working with Soil and Water Conservation Districts (SWCDs) to implement climate smart forestry at the local level. Many of the SWCDs have strong existing relationships with forest landowners in their districts. To leverage these relationships and increase adoption of climate-smart forestry practices, ODF is partnering with them to provide incentives, technical assistance, and payment for practice programs managed by the SWCD. Work to finalize the first of the intergovernmental agreements with Tualatin SWCD is near and an increase in pace is expected with further

efforts with additional SWCDs across the state taking place. One barrier to further success in expending these funds has been a high staff turnover and reallocation inside ODF and within the SWCDs. This has greatly slowed efforts.

Incentivize Climate-Smart Forestry Implementation in partnership with Tribal and Environmental Justice Communities— Much like the small and disadvantaged landowner project, these funds are intended to be provided to Tribes to implement the climate-smart forestry practices that apply to their own management direction. These funds will flow through the department's Urban and Community Forestry program, which has been conducting extensive outreach and relationship building with the Tribes through a federally funded grant program. These funds will help to provide additional resources for Tribes in areas that the federal funds may not have been available or for climate-smart practices that are beyond the scope of those grants.

Establishment of climate-ready seed orchards to support small, disadvantaged, and tribal forestry— The department tried to be forward thinking with its proposal. With current ecosystem projections suggesting that forests are likely to undergo extensive range shifts and species composition changes in the future, the department is working to ensure that forests will stay forests by providing climate-ready seed to landowners through its seed orchard. This means that there will need to be alternative species available including ponderosa pine, Oregon white oak, red alder, among others. This is a departure from the traditional timber species grown at the seed orchard and extensively utilized across the region. The time horizon is long on this project and some funds are going to the needed infrastructure to ensure that the seed orchard will be successful both in the development of the seed stock, but also the long-term storage of collected seed. Department staff really are trying to exemplify and get ahead of the old saying that "the best time to plant a tree was 20 years ago, the next best is today."

Overall, these projects will strengthen the adaptation and mitigation efforts that the department is striving for in the CCCP. There have been unfortunate barriers around the full utilization of these funds. Primarily among these are staff changes and loss of capacity which have been difficult to regain. With that stated, there is headway being made and it is expected that there will be further fund utilization in the near term.

It was noted that these funds were originally provided in 2023. There was an effort to provide additional funding in the 2025 legislative session which was unsuccessful. While expected, it is uncertain when additional funding for this type of work will be realized, but the department has undertaken planning efforts to prepare proposals when additional funding becomes available.

ATTACHMENTS *[as applicable]*

- OCAC presentation from 8/8/2025
- Joint proposal from the four fund agencies in 2024
- OCAC NWL annual report

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

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 projection, 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 Natural & Working Lands Fund has **provided $9.8 million in aggregate funding** for 13 projects, programs, and positions.

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.

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

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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.

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

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.

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.

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.

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).

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

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

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.

- 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 (OAHP). 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 OAHP 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).

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

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.

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 Document[7] (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.

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

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.

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:

- 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

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 CO_2e 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

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.

Natural Working Lands Fund Proposal:
Advancing the Pace and Scale of Natural Climate Solutions on Oregon's Natural and Working Lands

Background

In 2023, the Legislature set aside $10 million for the Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Agriculture (ODA), Oregon Watershed Enhancement Board (OWEB) and Oregon Department of Forestry (ODF) in the Natural and Working Lands Fund.

The statute directs ODA, ODF, and OWEB to:

- Provide incentives to help landowners, Indian tribes, land managers and environmental justice communities adopt practices that support natural climate solutions; and
- Provide financial assistance for technical support for landowners, Indian tribes, land managers and environmental justice communities for the adoption of natural climate solutions.
- Priority should be given to expenditures for:
    - Technical assistance to environmental justice communities or Indian tribes; and
    - Incentives for programs or activities supported by an environmental justice community or supported by a resolution of an Indian tribe, with priority given to those projects or activities administered or proposed by an environmental justice community or an Indian tribe.

The statute directs ODFW to focus on opportunities to:

- Promote natural climate solutions and mitigate the future impacts of climate change by conducting research;
- Relying on existing programs where possible, secure federal matching funds or other sources of funding to support investments in natural climate solutions on natural and working lands; and
- Ensure the benefits of natural climate solutions are equitably distributed among landowners, Indian tribes, land managers and environmental justice communities.

The Governor's Natural Resources Office worked with representatives from the four agencies to develop a coordinated spend plan consistent with these statutory requirements. The proposal was previewed with the Oregon Climate Action Commission (OCAC, formerly Oregon Global Warming Commission) on December 11, 2023. Agencies adjusted the proposal based on the December 11 discussion and further discussion with interested stakeholders.

Criteria for Distribution of Funds

The OCAC must approve the distribution of the funds to agencies in consultation with the agencies. By statute, the two criteria for OCAC's determination of allocations are:

1. The expected ability of each agency to carry out programs or other activities and
2. The degree to which moneys allocated to the agency may be used to secure federal funding or other sources of funding.

Once the allocations are determined, OWEB will transfer funds to each agency based on the amounts distributed, and each agency must obtain technical adjustments to their Legislatively Approved Budget based on those amounts.

Proposal Summary

The proposal includes 13 investment areas totaling $9,767,198 distributed across the four eligible agencies, implementing a range of strategies to advance natural climate solutions to mitigate the future impacts of climate change. The spend plan for each investment area is shown in Table 1 and described in greater detail in Attachment 1.

FY2024 Budget	FY2025 Budget	FY2026 Budget	FY2027 Budget	FY2028 Budget	Total
$2,945,912	$6,282,286	$288,000	$163,000	$88,000	$9,767,198

Agency	Total Spend Plan	Statutory Fund
OWEB	$2,500,000	Watershed Natural Climate Solutions Fund
ODFW	$3,038,270	Fish and Wildlife Natural Climate Solutions Fund
ODF	$3,250,000	Forestry Natural Climate Solutions Fund
ODA	$978,928	Agricultural Natural Climate Solutions Fund

The proposal provides for natural climate solutions across a range of Oregon's natural and working land sectors including blue carbon ecosystems, natural lands, rangelands, forestlands, and agricultural lands. The proposal is built on existing agency programs but focused on strategic investments in programs where additional, targeted funding can advance the pace and scale of natural climate solutions.

The proposal is also focused on investments that are ready to be made quickly to demonstrate the value and feasibility of these natural climate solutions. Proposed investments beyond FY2025 are all related to follow-up and retreatment of invasive annual grasses, where success is contingent on multi-year commitments.

Designed to leverage millions of dollars in federal funding, the package of investments advances natural climate solutions through incentives, technical assistance, and on-the-ground projects with a focus on accessibility and funding for tribes and environmental justice communities. The technical and direct financial assistance will help remove barriers for Indian tribes, environmental justice communities, landowners, and land managers to engage in natural climate solutions or access funding to support natural climate solutions.

Beyond these benefits, these investments will provide important co-benefits including increasing the climate resilience of fish, wildlife, and their habitats, improving soil health and productivity, and improving forest and stream health, wetland recovery and riparian functionality.

Key Elements of the Proposal

1. Leverages federal funding resources (IIJA, IRA, Farm Bill)

Collectively, the proposal is estimated to immediately leverage more than $25 million across a variety of federal funding sources:

- Bonneville Power Administration, BPA;
- Bureau of Reclamation, BOR;
- National Resources Conservation Service, NRCS;
- National Oceanic and Atmospheric Administration, NOAA;
- Bureau of Land Management, BLM;
- US Fish and Wildlife Service, USFWS; and
- US Forest Service, USFS.

Many of the investments to landowners via grants and technical assistance have unknown immediate federal leverage but are in alignment with federal programs where state investment is likely to boost the ability of grantees to pursue larger federal investments now or in the future. For example, in addition to the federal funds leveraged in its proposed on-the-ground projects, **ODFW** is proposing two limited-duration positions to pursue future federal funding and accelerate the agency's and partner's work on natural climate solutions. To date, ODFW has successfully brought $58 million in IIJA and IRA funds to Oregon for habitat restoration work. ODFW's maximum capacity to manage more federal grants has been reached, but federal programs from NOAA, USFWS, NRCS, BLM, and USFS still have two years of opportunities in the funding queue. To address this gap and maximize the leveraging of the state Natural and Working Lands Funds, ODFW is proposing:

A) A Natural Climate Solutions Lead to track, apply for, and administer new and existing federal grants for natural climate solutions projects and
B) A Carbon Sequestration & Habitat Restoration Service Provider to support the Natural Climate Solutions Lead in the pursuit and acquisition of federal funds while assisting ODFW and partner restoration practitioners with project design to better integrate carbon sequestration practices.

ODA's invasive annual grass initiative will immediately leverage over $1.7 million in federal funds to provide coordination and technical assistance to landowners, and land managers to implement practices that support natural climate solutions. In addition, ODA will provide technical assistance by acting as a liaison between landowners and land managers and federal agencies to leverage further federal funding through existing and emerging programs funded by IRA, IIJA and the Farm Bill.

2. Maximizes carbon sequestration outcomes

Natural climate solutions are defined as activities that enhance or protect net biological carbon sequestration on natural and working lands, while maintaining or increasing ecosystem resilience and human well-being. Biological carbon sequestration is defined as the removal of carbon from the atmosphere by plants and microorganisms and storage of carbon dioxide in vegetation, such as grasslands, marshes or forests, or in soils and oceans. By undertaking or supporting climate-smart practices and ecological restoration actions, the state agencies will be using natural climate solutions to help advance the state's overall carbon sequestration goals.

Each investment area is linked to natural climate solutions described in the draft report from the Institute of Natural Resources that the OCAC is currently considering. The outcomes of the investments can be measured in acres restored, planting and seeding rates by species, acres deferred or rested, climate-adapted seed orchard implementation, etc. **Agencies will report on these outcomes to the**

Oregon Department of Energy and the OCAC for use in their carbon sequestration calculations once the methods, baseline, and inventory have been established by the OCAC as required by statute.[1] Agencies will also report on federal funding leveraged, organizations funded, and landowners supported.

Some examples of state agency investments that will help maximize carbon sequestration outcomes in Oregon (*the complete list can be found in Table 1 and Attachment 1*):

OWEB proposes to invest $2.25 million into grants for technical assistance and on-the-ground projects that implement natural climate solutions on natural and working lands. OWEB proposes to do this by distributing grant funds through the following existing competitive grant programs:

- *Open Solicitation Programs* - OWEB proposes to support climate-smart restoration and technical assistance projects submitted to OWEB's Open Solicitation grant programs.
- *Oregon Agricultural Heritage Program* - OWEB proposes to support climate-smart technical assistance, conservation management planning, and climate-smart payment-for-practices projects submitted to the Oregon Agricultural Heritage Program.

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. These activities also provide myriad resilience benefits including improving flood control, improving soil health, improving wildfire and drought resilience, and improving stream health and riparian functionality, among others.

ODA's investment in rangeland resilience will conserve and enhance current sequestration capacity of Oregon's rangelands by protecting high-value, high-functioning lands from invasion by annual grasses, conserving deep-rooted perennial bunchgrass habitats, and growing these core areas through implementation of climate-smart restoration practices and the 'Defend the Core, Grow the Core' management framework. Meanwhile, **ODA**'s investment in the Oregon Native Seed Strategy helps create the framework for infrastructure elements that will be critical to supporting the work proposed in the rangeland resiliency work of ODA, the work proposed and supported by other state agencies in this application, and the work that is being proposed and supported by myriad other partners and federal agencies across the state.

ODF proposes to provide funding to local, place-based organizations that will implement portions of the department's Climate Change and Carbon Plan. These efforts will be conducted in cooperation with the department and include goals around climate-informed silviculture, maintaining forests as forests, and reforestation or afforestation. Investments totaling $1.5 million ($125,000 for agency coordinator) will be directed to partner agencies, organizations, and entities that will provide incentives and technical assistance for implementation of climate-smart forest practices for small forest landowners. This relies on existing relationships and department programs to be utilized and initial outreach has returned positive interest.

ODFW proposes to invest $2.43 million in on-the-ground, natural climate solutions on natural and working lands. Projects are proposed on the coast, in the Willamette Valley, and in the Columbia Basin covering a variety of vegetation communities and hitting on several sequestration strategies identified in

[1] Section 58 of HB3409 (2023 Legislative Session) requires **the State Department of Energy and Oregon Global Warming Commission** to establish and maintain activity-based metrics and to use those metrics to evaluate progress toward net biological sequestration and storage in working and natural lands.

the INR 2023. Projects include:

- Carbon capture and restoration in north-central Oregon rangelands, $750,000 requested
  - ODFW Lower Deschutes Wildlife Area and surrounding private lands, Wasco County
  - Perennial bunchgrass restoration, non-native invasive grass removal
- Carbon capture in Oregon Coastal Estuaries, $1.1 million requested
  - Otter Slough and Ester Creek on private lands in the Umpqua Basin
  - Tidal channel reconnection, seagrass protection and re-plantings, and invasive species removal
- Floodplain reforestation on the North Santiam River, $412,500 requested
  - Confederated Tribes of the Grand Ronde will lead restoration of 30 acres of native riparian forests on old agricultural land owned by the Tribes
- Wildfire risk reduction in oak woodland habitat in Yamhill County, $170,770 requested
  - Confederated Tribes of the Warm Springs will lead restoration of oak woodland habitat on their 278.5-acre Red Hills Conservation Area property to reduce the "carbon debt" by reducing excessive fuel loads

3. Centers environmental justice considerations

The state agencies are prioritizing engagement with Tribes and environmental justice communities in all investment areas. For example:

ODFW is proposing to pass project funds directly to two Tribes for projects on tribal lands:

- The floodplain reforestation project proposed on the North Santiam River will be led by the Confederated Tribes of the Grand Ronde. The project will occur on the Tribe's Chahalpam Wildlife Area. The Grand Ronde have identified this project as a high priority, particularly for the benefits it will convey to spring Chinook salmon, winter steelhead, and Pacific lamprey which are culturally important to the Tribes.
- The wildfire risk reduction project at the Red Hills Conservation Area will be led by the Confederated Tribes of the Warm Springs on lands owned and managed by the Tribe. This project will help the Tribe offset the costs of reducing fire risk and sustaining oak woodland habitats on their property.

ODFW's proposed investments would also support rural and coastal agricultural communities. The estuary project would support better hydrology, provide flood management and create structural protection from flooding for coastal agricultural producers. The rangeland restoration project in Wasco County will benefit rural landowners in the project area by removing invasive grasses less optimal for livestock and enhance preferred forage for rangeland operations.

ODF will provide $1.0 million directly to Tribes and environmental justice communities to implement and establish climate-smart forest practices in line with natural climate solutions, their management goals and reflective of the agency's Climate Change and Carbon Plan. Beyond providing for additional sequestration, we expect that there will be many co-benefits like habitat resilience, access to traditional foods and resources, and the potential to leverage additional federal funding as it is made available. One element of this effort would be to provide for bidirectional learning where the agency's staff and partners are able to provide technical assistance on climate projections and impacts and Tribes are able to provide reciprocal traditional ecological knowledge, including how to use it in a changing environment. The department will rely on its Tribal liaison and deputy liaison in the implementation of this portion of the funding.

As prioritized in section 54 of HB3409, **ODA**'s investment into implementation of the Oregon Native Seed Strategy *removes barriers for Indian tribes, environmental justice communities, landowners and land managers to engage in natural climate solutions or access funding to support natural climate solutions* by providing stipends to Oregon Tribes that will facilitate their participation and contribution

to the Oregon Native Seed Coalition and by providing financial assistance to Tribal nurseries and native plant programs that provide the supply of native seeds that currently limits implementation of some natural climate solutions that rely on native plants.

Prior to any grant solicitation release**, OWEB** plans to conduct a public engagement process with traditional partners, tribes, environmental justice communities, and others to identify priorities for the funding. For example, environmental justice communities or tribes could express a significant need for technical support for the adoption of natural climate solutions. OWEB will use the guidance from Section 54 of HB3409, along with priorities identified during the public engagement process, during the grant review process to select projects that meet the intent described in HB 3409.

4. Ensures accessibility of grants for landowners and land managers

The proposal also seeks to ensure that a diversity of landowners and managers can voluntarily participate in incentive-based programs for natural climate solutions and climate resilience through activities that may include, but are not limited to, directing resources to land managers to incentivize voluntarily adopting practices that optimize natural climate solutions and strengthening education, engagement and technical assistance efforts for land managers.

For example, **OWEB**'s proposed uses of the Watershed Natural Climate Solutions Funds will provide incentives via grants to help landowners, tribes, land managers, and environmental justice communities implement on-the-ground projects that support natural climate solutions and provide financial assistance to partners to provide technical support for the entities listed above to adopt natural climate solutions. Eligible applicants for OWEB-administered funds include tribes, local governments, non-profit organizations, and schools and institutions of higher learning. While landowners are not directly eligible for OWEB programs, grantees may reimburse landowners for eligible costs to implement projects.

Also, as previously mentioned, **ODF** is looking to partner with more local organizations (soil and water conservation districts, watershed councils and others) who have strong local relationships and knowledge to distribute funds to small and disadvantaged landowners and Tribes for management of their own lands. The department is also expecting to work with OSU forestry extension faculty and staff for additional technical assistance and information dissemination through their networks. The department has previous experience and expertise through its small landowner office and grants staff that will assist with disseminating funds.

Numerous federal agencies have funding opportunities for landowners to implement practices that support climate resiliency but currently lack the capacity to efficiently put funds on the ground. As part of the investment in rangeland resilience and invasive annual grass management, ODA will act as a liaison between those federal agencies, landowners and land managers to help identify and develop projects that qualify and align with those funding opportunities. Specifically, ODA will provide technical assistance to landowners and land managers seeking to leverage federal resources and funding available through the NRCS in support of the USDA Working Lands for Wildlife Initiative and USDA Grazing Lands Conservation Initiative. ODA will also provide technical assistance to landowners and land managers on projects that seek to be funded by the Oregon State Weed Board Grant Program, which gives special consideration to projects that incorporate climate change resilience.

5. Utilizes existing programs and leverage existing capacity wherever possible

This proposal seeks to use the agencies' existing capacity while strategically filling funding gaps that have had limited capacity to implement natural climate solutions in the past. For the Watershed Natural Climate Solutions Fund, **OWEB** will use their existing Open Solicitation grant programs, which

includes restoration and technical assistance grants, as well as the Oregon Agricultural Heritage Program, which includes grants for the development and implementation of conservation management plans and technical assistance. For both programs, OWEB anticipates using existing grant applications, with some modifications of applications and guidance to ensure applicants are proposing projects that implement or support adoption of natural climate solutions.

The two limited-duration positions identified within **ODFW**'s proposed investments would leverage habitat restoration work already occurring on its 20 wildlife management areas and through more than 30 regional habitat positions. These new positions would elevate ODFW's ongoing habitat restoration work to better emphasize carbon sequestration and natural climate solutions, providing technical advice to ODFW's restoration practitioners and pursuing additional federal funds to support that work. The proposed positions would also crosswalk ODFW's ongoing work with the practices recommended by the INR, 2023 report to improve on state reporting of carbon sequestration efforts and identify areas for improvement in habitat restoration to ensure the co-benefit of carbon sequestration is achieved.

ODF has identified the need to increase future, climate-adapted seed available from its existing and successful seed orchard. The department will invest $750,000 to implement new orchards with a variety of species and from a variety of locations that are more adapted to Oregon's future climate. These funds would be used in a variety of ways including, but not limited to: orchard preparation, seed collection and sowing, planting, and maintenance of the new and existing (e.g., Willamette Valley ponderosa pine) orchards. There are existing requirements and stipulations for providing small and family owned forests with seed from the seed orchard as well as for nurseries purchasing seed to supply seedlings to them as a requirement for purchasing seed from the seed bank. Some federal funds have already been awarded, and the department is hopeful that future federal funds can be leveraged for this effort. Funding would provide the seed orchard with two limited duration FTEs to conduct the work at the orchard in parallel to the existing orchard programs.

Both of **ODA**'s proposed investments utilize the expertise and infrastructure of existing programs within the agency. These investments strike a balance between creating immediate impacts and fostering sustainable, long-term outcomes by leveraging and augmenting these established programs to focus on natural climate solutions in lieu of standing up new ones. With future agency budgets and funding availability unknown, this approach meets the urgency of this funding opportunity to support the work being proposed.

6. Filling gaps in existing funding

This proposal seeks to fill some funding gaps for the state related to natural climate solutions. Some natural climate solutions have received less attention in this package because there are other, robust funding sources and existing programs. For example, reducing wildfire risk and enhancement of urban forests have recently seen major investments from the Congress as well as from the Oregon legislature in recent biennia, including within HB 3409.

Table 1. Summary of spend plan across each of the 13 investment areas.

Agency	Area of Investment	Description: Funds will be invested in	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE	Total	Federal Fund Leverage (if available include projected amount and source)	Connection to Tribal and Environmental Justice Communities	Lands: Natural	Lands: Ag & Range	Lands: Forest
ODA	Invasive Annual Grasses	The focus of this project is to provide technical assistance to landowners and land managers that will support coordination, collaboration, and outreach efforts to identify priority treatment areas and high value partnerships for invasive grass management. These efforts will help prioritize projects that align with the goals and objectives identified by the Global Warming Commission, HB3409, the USDA Working Lands for Wildlife Initiative, USDA Grazing Lands Conservation Initiative, Western Weed Action Plan, Oregon Sagecon Partnership, and others aimed at protecting rangeland and forests from numerous threats like invasive annual grasses, fire and climate change.	$44,000	0.4	$88,000 (FY2026: $88,000 FY2027: $88,000 FY2028: $88,000)	0.4	$396,000	Through NRCS via Farm Bill, IRA, IIJA, EQIP, approximately $1.7M	Protects tribal lands, cultural resources, consultation	X	X	X
ODA	OR Native Seed Strategy Implementation	The focus of this project is to protect, conserve and improve the resiliency of rangelands in Oregon from the effects of climate change through the implementation of the Oregon Native Seed Strategy. High-functioning rangelands are a crucial component of carbon sequestration across Oregon and implementation of the Strategy supports numerous priorities of HB3409 and State Policies for Natural Climate Solutions and practices outlined in the Institute for Natural Resources' Natural Working Lands Report for rangeland and forest sectors including: reducing wildfire risks, prevention of conversion to annual-dominated systems, restoration of deep-rooted perennial grasses impacted by invasive species and increased climate resilience of wildlife habitat. Funds proposed here will support Tribal participation in the ODA-led Oregon Native Seed Collective (ONSC) working group and provide $100K dollars of financial assistance for Tribal farmers, Tribal nurseries and Tribal native plant programs. ODA will partner with agencies, landowners and land managers to source and collect target species identified by the ONSC with priority given to restoration workhorse species as well as historically underutilized specialist species. ODA will leverage existing partnerships to dedicate a portion of this investment to the development of a farmer's cooperative that supports growers and processors of native seed crops. The cooperative will jointly seek further federal funding opportunities such as the USDA's Specialty Crop Block Grant Program, Value-Added Producer Grant Program, and others. With existing program staff and through agreements with partners, ODA will also collect, clean and bank priority native species. A portion of collected seeds will also be redistributed to seed growers, free of charge, to help minimize risk to farmers and encourage participation in the cooperative while also bringing native seed to the supply chain.	$210,242	0.25	$372,686	0.5	$582,928	None identified at this time. Once strategy is complete opens up possibility for FF	includes a tribal focused goal, cultural resource, first foods, funding for participation, consultation	X	X	X

Agency	Area of Investment	Description: Funds will be invested in	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE	Total	Federal Fund Leverage (if available include projected amount and source)	Connection to Tribal and Environmental Justice Communities	Lands: Natural	Lands: Ag & Range	Lands: Forest
ODF	Advance implementation of Climate-Smart Forestry as outlined in ODF's Climate Change and Carbon Plan	Technical assistance, incentives, and projects focused on climate-smart forestry practices directed towards adaptation, climate mitigation, and social/human dimension. This includes climate-smart forestry in silviculture, reforestation and afforestation, and maintaining and conserving forests and woodlands. Will be implemented through IGAs. This work will rely on the ground implementation through third parties like SWCDs, WCs, and CBOs who work with small landowners on a regular basis. Grant and agreement structure exists within ODF.	$500,000	0.5	$1,000,000	0.5	$1,500,000	Potential for leveraging USFS Legacy Program and NRCS conservation funding		X		X
ODF	Incentivize Climate-Smart Forestry Implementation in partnership with Tribal and Environmental Justice Communities	This funding will provide financial capacity to incentivize landowners to consider climate change and take management action they may otherwise not consider or be unable to realize. These funds will be directed towards small, disadvantaged landowners and Tribes that are looking to pursue more climate-smart forest practices. Largely rely on Tribal and community-based organizations for on the ground implementation. Provide an opportunity for learning in both directions, provide for western science and traditional ecological knowledge cross pollination. Utilize tribal liaison capacity to work with tribes more extensively. Grant and agreement structure exists within ODF.	$250,000	0.5	$750,000	0.5	$1,000,000		small, disadvantaged landowners and Tribes	X		X
ODF	Establishment of climate-ready seed orchards to support small, disadvantaged, and tribal forestry (at existing facility)	There are over 40 million seedlings planted in Oregon forests each year. The vast majority are a single species and often are sourced from the same local seed that is used from generation to generation. Empirical observation along with climate projections and scientific findings indicate that the margins of existing forest land are experiencing and are further expected to consist of different species types in coming decades as a function of climate change. Production of native and adapted species seed that will be viable in shifted landscapes is currently not available or in exceptionally limited supply due to narrow forest seed orchard capabilities and directives. To meet the need for native, diverse, and adapted species necessary to maintain the state's forests as forests (a key to climate mitigation), the department looks to increase the utilization of its existing seed orchard in providing the 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 as a function of directives and funding, but has tremendous capacity for additional seed production and seeks advance the capability to meet climate and landscape needs. Utilizes the existing ODF seed orchard and seed bank program. This will be a long-term project and effort with utilization in coming decades.	$300,000	2	$450,000	2	$750,000	$160,000 federal funds (BIL)	Ability to provide seed and seedlings to non-industrial lands.	X		X

Agency	Area of Investment	Description: Funds will be invested in	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE	Total	Federal Fund Leverage (if available include projected amount and source)	Connection to Tribal and Environmental Justice Communities	Lands: Natural	Lands: Ag & Range	Lands: Forest
OWEB	Restoration and technical assistance grants – Open Solicitation Programs	OWEB proposes to invest $1.5M in restoration and technical assistance grants for projects submitted to Open Solicitation Grant Programs that provide climate benefits. OWEB will use the funds 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 landowners, tribes, land managers, and environmental justice communities for the adoption of natural climate solutions. Open solicitation restoration grants support on-the-ground projects that provide benefits such as carbon sequestration, soil health, flood control, drought and fire resiliency, and resilient fish and wildlife populations. Open solicitation technical assistance grants help OWEB partners develop and design projects that directly support on-the-ground restoration and implementation of natural climate solutions. OWEB also requests a total of $250,000 in administrative costs between our natural and ag working lands requests, as allowed in HB 3409, as well as a .25 FTE for the remainder of the 2023-2025 biennium to provide project management across both investment areas.	25,000	0.125	$1,600,000	0.125	$1,625,000	Possible depending upon the individual projects proposed to OWEB; no amount available	Projects with EJ/Tribal link will be given priority as outlined in HB 3409	X		
OWEB	Conservation management planning, technical assistance, and payment-for-practices	OWEB proposes to invest $750,000 in climate-smart technical assistance, conservation management planning, and implementation of climate-smart practices projects submitted to the Oregon Agricultural Heritage Program. The Oregon Agricultural Heritage Program includes these grant types that have a direct connection to carbon sequestration on natural and working lands. OWEB will use the funds for grants 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 landowners, tribes, land managers, and environmental justice communities for the adoption of natural climate solutions. Funds will support projects that have carbon sequestration and greenhouse gas emissions reduction benefits. As noted above, OWEB requests a total of $250,000 for administrative costs between our natural and ag working lands requests as well as a .25 FTE for the remainder of the 2023-2025 biennium.	$25,000	0.125	$850,000	0.125	$875,000	Possible depending upon the individual projects proposed to OWEB; no amount available	Projects with EJ/Tribal link will be given priority as outlined in HB 3409		X	
ODFW	Natural Climate Solutions Lead	ODFW has been extremely successful at tracking and receiving federal Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) funds, however the capacity to continue that endeavor is becoming increasingly limited. Moreover, while the focus of those federal funding pursuits has been around habitat restoration, ODFW has not used the lens of carbon sequestration. ODFW proposes a position to acquire more federal funding to support ODFW's natural climate solutions projects and advance Oregon's Natural & Working Lands goals. The Natural Climate Solutions Lead will guide natural climate solutions priorities and track related federal grant opportunities, develop grant applications on behalf of ODFW and partners, assist with administration of new and existing federal grants for fish and wildlife natural climate solutions projects, work toward equitable distribution of projects and benefits to landowners, Indian tribes, land managers, and environmental justice communities, and communicate the benefits of natural climate solutions projects to Oregon's natural and working lands and fish and wildlife.	$160,000	1	$160,000	1	$320,000	To date, ODFW and partners have been awarded $58.1 million in federal IIJA and IRA funds. This position would pursue new - and manage existing - opportunities.	Position will work toward equitable distribution of projects and benefits to landowners, tribes, and EJ communities	X	X	X

Agency	Area of Investment	Description: Funds will be invested in	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE	Total	Federal Fund Leverage (if available include projected amount and source)	Connection to Tribal and Environmental Justice Communities	Lands: Natural	Lands: Ag & Range	Lands: Forest
ODFW	Floodplain Reforestation on North Santiam River	This funding would support the Confederated Tribes of Grand Ronde in the restoration of native riparian forest on old agricultural land acquired via ODFW's Willamette Wildlife Mitigation Program. The project would re-establish 30 acres of floodplain forest within the 462-acre Chahalpam Wildlife Area, owned and managed by the Grande Ronde tribes. Requested funds would cover project management, plant materials, and contractual costs for planting and 3 years of plant establishment. Goal is to increase net carbon sequestration and restore floodplain function, restore ecological function for 18 terrestrial and aquatic species including ESA-listed spring Chinook salmon and winter steelhead and State sensitive culturally important Pacific lamprey as well as several Oregon Conservation Strategy amphibians and birds. The project will help meet the collective call for restoring riparian forests in the Willamette Valley.			$362,500 (FY2026: $25,000 FY2027: $25,000)		$412,500	$54,848 from the Bureau of Land Management Secure Rural Schools; $396,315 from Bonneville Power Administration, Anchor Habitats Investment; $102,785 from the Bureau of Indian Affairs, Invasive Species Program; $195,579 from US Fish and Wildlife Service, Tribal Wildlife Grant, $18,059 Natural Resources Conservation Service, Conservation Stewardship Program	Confederated Tribes of Grand Ronde as project lead		X	X
ODFW	Carbon Capture and Restoration in North-Central Oregon Rangelands	Restoration of perennial bunchgrasses and removal of invasive species are practices identified in the Natural and Working Lands Report as priority carbon sequestration actions. With this on the ground project, ODFW proposes a 5,000-acre invasive annual grass treatment and reseeding/replanting of native perennial bunchgrasses on ODFW's Lower Deschutes Wildlife Area to be leveraged with Natural Resources Conservation Service (NRCS) funds on adjacent private lands as pursued by ODFW's existing NRCS Liaison position in The Dalles. The funds would support herbicide treatments of invasive annual grasses, re-seeding with deep-rooting perennial grasses, and purchase/planting of native shrubs, forbs, and other grasses. The outcome is landscape scale habitat restoration that supports working rangelands and ODFW's natural area management while advancing the state's carbon sequestration goals. The project can the amount of funds available; more acres are available than what is requested herein.	$125,000		$400,000 (FY2026: $175,000 FY2027: $50,000)		$750,000	ODFW NRCS Liaison Position (FF 80%) time will be leveraged on this project. Farm Bill Funding, amount TBD. US Fish and Wildlife Service Wildlife and Sportfish Restoration Fund from the Wildlife Areas will be leveraged (amount TBD).	Farm Bill program has additional considerations for underserved landowners.	X	X	

Agency	Area of Investment	Description: Funds will be invested in	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE	Total	Federal Fund Leverage (if available include projected amount and source)	Connection to Tribal and Environmental Justice Communities	Lands: Natural	Lands: Ag & Range	Lands: Forest
ODFW	Carbon Capture in Oregon Coastal Estuaries	ODFW requests funding to support estuary restoration in the Umpqua Basin, specifically for the Smith/Umpqua Estuary Restoration and Tillamook estuary (Ester Creek) projects. Natural Working Lands funds would go toward tidal channel reconnection, seagrass protection and re-plantings, and invasive species removal. The state funds would complement federal funding proposals focused on tidegate replacements on both projects; the federal funds can only go toward the tidegate infrastructure, so these state funds would go toward channel and vegetation restoration to achieve the broader habitat restoration and carbon sequestration goals. Estuary restoration is identified in the Natural Working Lands Report as a priority action focused on 'blue carbon', given the significant role that tidal wetlands and seagrass beds in sequestering carbon. The amount requested here can be scaled up to include other coastal estuaries, as opportunities become available.	1,100,000				$1,100,000	$1.56 million NOAA infrastructure funds through Wild Salmon Center; $3 million recently announced from a Bureau of Reclamation grant	Coastal agricultural landowners benefitting from water control and flood mitigation	X	X	
ODFW	Carbon Sequestration & Habitat Restoration Service Provider	ODFW is requesting a statewide service provider position whose primary duties are to accelerate carbon sequestration and quantify the carbon impacts of ODFW's existing and future habitat restoration projects. The position will assist restoration practitioners with their project design and implementation to better integrate carbon sequestration practices, and will inventory, monitor, track, and report on ODFW's carbon sequestration/habitat restoration efforts. The position will serve numerous programs: 200,000 acres across 20 ODFW Wildlife Areas, 5 ODFW - Natural Resources Conservation Service Liaison Positions implementing millions of dollars in Farm Bill projects on private lands, the Willamette Wildlife Mitigation Program, and 30+ regional habitat biologists involved in habitat restoration projects on natural and working lands.	$142,500	1	$142,500	1	$285,000	This position could leverage carbon sequestration work out of several of ODFW's federally funded restoration programs including USFWS Wildlife and Sportfish Restoration, Bonneville Power Authority, NRCS Farm Bill.		X	X	X
ODFW	Red Hills Conservation Area Wildfire Risk Reduction	This funding would support the Confederated Tribes of the Warm Springs as they lead restoration of oak woodland habitat on their 278.5-acre Red Hills Conservation Area property in Yamhill County. This property is permanently protected under a conservation easement paid for and held by the Bonneville Power Administration, as part of the Willamette Wildlife Mitigation Program. Oak woodland restoration addresses the Natural Working Lands Report recommendation of reducing wildlife risk in forestlands, thereby reducing the "carbon debt" (excess carbon at risk of release in the event of wildfire). Funding would go toward the following treatments, all identified in the INR NWL Report: 1) thinning to stocking levels more resilient to fire and drought, 2) removal of trees killed or damaged by insects and disease, 3) mechanical understory removal, and 4) prescribed fire.	$64,170		$106,600		$170,770	$3,632,833 in Federal Bonneville Power Authority (BPA) funds were used in 2014 to acquire the permanent conservation easement.	Confederated Tribes of the Warm Springs as the project lead	X		

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Invasive Annual Grasses	$44,000 (includes 10% admin)	0.4	$88,000 (FY2026: $88,000 FY2027: $88,000 FY2028: $88,000) (Includes 10% admin)	0.4

Description of Investment

Program/Project Description

High-functioning rangelands are a crucial component of carbon sequestration across Oregon and this project's primary focus will be on preserving and protecting intact or high value perennial bunchgrass habitat and rangeland. This project is facilitated by a partnership with USDA-NRCS and will implement an Invasive Annual Grass (IAG) Management Strategy (i.e., Defend and Grow the Core) that will support numerous State Policies for Natural Climate Solutions outlined in HB 3409 and the conservation practices outlined in the Institute for Natural Resources' Natural and Working Lands Report. This project will engage partners at the state, federal, tribal and local levels to support control efforts and management of invasive annual grasses to preserve, protect and restore rangelands and forests and prevent conversion to invasive annual grass dominated ecosystems.

The focus of this project is to provide technical assistance to landowners and land managers that will support coordination, collaboration, and outreach efforts to identify priority treatment areas and high value partnerships for invasive grass management. These efforts will help prioritize projects that align with the goals and objectives identified by the Global Warming Commission, HB3409, the USDA Working Lands for Wildlife Initiative, USDA Grazing Lands Conservation Initiative, Western Weed Action Plan, Oregon Sagecon Partnership, and others aimed at protecting rangeland and forests from numerous threats like invasive annual grasses, fire and climate change.
By immediately leveraging over $1.76 million in federal funds, ODA will provide technical assistance and subject matter expertise to landowners, land managers and Tribal partners who seek to adopt practices that prevent conversion of rangelands to annual dominated ecosystems, reduce wildfire risk and restore deep-rooted perennial grasses. Acting as liaison to federal partners, ODA will provide further technical assistance by connecting landowners and land managers to the appropriate existing and emerging funding opportunities that support adoption of Natural Climate Solutions and other conservation practices.

The protection and restoration of these landscapes will protect and improve their resilience to catastrophic wildfire, protect and improve drought resilience, and increase the climate resilience of wildlife habitat. This project will also expand existing program efforts for the prevention and control of priority State-listed noxious weed species that threaten perennial bunchgrass communities, shrublands, and savanna habitats in the areas identified by the defend and grow the core strategy. ODA staff will identify, develop, and coordinate the implementation of on-the-ground projects among partners, as well as monitor their effectiveness to improve future outcomes. ODA may also subaward funds as grants for the implementation of on-the-ground work that addresses State priorities. This project complements the work proposed by other agencies and demonstrates that ODA's priorities are in sync with partners

statewide. This request of $360,000 will support 0.4 FTE over five years by leveraging $1.76 million from USDA-NRCS.

Ability of Agency to Implement the Program

By using it to leverage federal funds, this investment will allow ODA to create capacity with 2 FTE over 5 years and ODA is well positioned and well partnered for this work as the state authority on State-listed noxious weeds and threatened and endangered plants. The agency has the technical expertise and the infrastructure to support this project and the need for ODA to serve in this role has been identified through numerous planning and consultation efforts but the agency has lacked the capacity to do so in a meaningful way.

Description of Current Federal Funds Leveraged or Anticipated

The Commission's investment of $360K will be immediately leveraged to secure over $1.76M of federal funds via the cooperative agreement with NRCS with funds derived from various federal mechanisms including BIL, IRA, Farm Bill and others. Long-term federal funding leverage may exceed $20M over five years with ODA acting as a liaison between the NRCS, project managers, and landowners to access existing funding opportunities provided through the USDA Working Lands for Wildlife Initiative, the USDA Grazing Lands Conservation Initiative, and others while ODA will also contribute to additional efforts to secure federal funds from opportunities like the America the Beautiful Challenge.

Connection to Tribal and Environmental Justice Communities

Including forested rangelands and prairie ecosystems, nearly 1/2 of Oregon is covered by rangeland. All of this land is ancestral tribal land and nearly every modern-day tribal land holding is impacted by invasive annual grass and noxious weeds, extreme wildfires driven by climate change and degraded habitats. This work will prioritize inclusion of tribal partners and consider tribal priorities such as first foods, culturally significant species and priority habitats. To make meaningful progress towards restoration and long-term conservation of Oregon's rangelands, it is essential to engage and partner with Oregon Tribes and this project will prioritize that engagement and partnership.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	Acres treated/restored as result of projects facilitated by, or contributed to, through NWL project.
Acres protected	Acres of high-value, intact rangelands protected by project activities
Funds leveraged	Total funds leveraged over project term
10 Year Action Plan	Develop 10-year action plan that focuses on high value returns, i.e., Natural Climate Solutions (prevention, protecting intact rangeland and high value habitats, results-based planning, and management)
Assistance Provided	Number of landowners and land managers who were provided with technical assistance

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Oregon Native Seed Strategy Implementation	$210,242 (includes 10% admin)	0.25	$372,686 (includes 10% admin)	0.5

Description of Investment

Program/Project Description

The focus of this project is to protect, conserve and improve the resiliency of rangelands in Oregon from the effects of climate change through the implementation of the Oregon Native Seed Strategy. High-functioning rangelands are a crucial component of carbon sequestration across Oregon and implementation of the Strategy supports numerous priorities of HB3409 and State Policies for Natural Climate Solutions and practices outlined in the Institute for Natural Resources' Natural Working Lands Report for rangeland and forest sectors including: reducing wildfire risks, prevention of conversion to annual-dominated systems, restoration of deep-rooted perennial grasses impacted by invasive species and increased climate resilience of wildlife habitat.

As myriad agencies, landowners and land managers prioritize and implement rangeland conservation and restoration projects, there is a defined need for ecologically appropriate native seedstock that is not currently met. Funds proposed here will support Tribal participation in the ODA-led Oregon Native Seed Collective (ONSC) working group and provide $100K dollars of financial assistance for Tribal farmers, Tribal nurseries and Tribal native plant programs. ODA will partner with agencies, landowners and land managers to source and collect target species identified by the ONSC with priority given to restoration workhorse species as well as historically underutilized specialist species.

ODA will leverage existing partnerships to dedicate a portion of this investment to the development of a farmer's cooperative that supports growers and processors of native seed crops. The cooperative will jointly seek further federal funding opportunities such as the USDA's Specialty Crop Block Grant Program, Value-Added Producer Grant Program, and others. With existing program staff and through agreements with partners, ODA will also collect, clean and bank priority native species. A portion of collected seeds will also be redistributed to seed growers, free of charge, to help minimize risk to farmers and encourage participation in the cooperative while also bringing native seed to the supply chain.

Together, project activities will ensure that landowners, land managers and tribal partners have access to the tools, technical expertise and financial resources required to meet their native seed needs as they endeavor to protect and restore Oregon rangelands. With access to technical assistance, access to markets and access to native seed, landowners, land managers and Tribal communities will be empowered to adopt practices that prevent conversion to invasive annual plant dominated systems, restore deep-rooted perennial grasses and reduce wildfire risk.
Approximately 20% of this investment will support up to .5FTE annually for the next two years with the remaining 80% supporting Tribal incentives and financial assistance, technical assistance to landowners

and managers and on-the-ground work by project partners. This project complements the work proposed by other agencies and demonstrates that ODA's priorities are in sync with partners statewide.

Ability of Agency to Implement the Program

ODA is well positioned and well partnered to implement this project as the drafting agency of the Oregon Native Seed Strategy and leader of the Oregon Native Seed Collective. ODA has an active working group with relevant partners who meet monthly to draft the Strategy, and therefore, many partners are invested in project implementation. Further, ODA already has agreements in place to facilitate the Strategy's implementation such as an agreement with the Rae Selling Seed Bank at Portland State University, among others.

Description of Current Federal Funds Leveraged or Anticipated

This project has potential to directly leverage up to $2M in federal funds over the next five years as these funds will be matched out to multi-year federal cooperative agreements. The published Oregon Native Seed Strategy will provide the framework for myriad projects by ODA and members of the Oregon Native Seed Collective over the next 20 years, creating an opportunity to leverage this investment repeatedly over that time. Finally, a driving force behind the development of the native seed cooperative is to better position farmers to compete for existing and emerging funding opportunities, providing innumerable opportunities to indirectly leverage this investment into the future.

Connection to Tribal and Environmental Justice Communities

This project removes barriers for Indian tribes, environmental justice communities, landowners, and land managers to engage in natural climate solutions and provides access to funding to support natural climate solutions. This investment will provide $100K in financial assistance to Oregon Tribes, Tribal nurseries and Tribal native plant programs. Tribal representation in the ONSC will also ensure that tribal values and culturally significant plants and habitats are incorporated and prioritized into statewide planning efforts. As such, this proposal should be prioritized as set forth in Section 56 of HB3409.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Species conserved	Number of species banked
Oregon Tribes supported	Number of Oregon Tribes supported through financial and technical assistance; outcomes and impacts of financial support
Technical Assistance provided	Number of farmers, landowners and land managers provided technical assistance
Policies supported	Summary report on State Policies for Natural Climate Change Solutions and Natural Working Lands Practices that were supported and implemented
Funding leveraged	Amount and source of federal funding leveraged during project

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Implementation of Climate-Smart Forestry	$500,000	0.5	$1,000,000	0.5

Description of Investment

Program/Project Description
The Department of Forestry will look to expand implementation of parts of its Climate Change and Carbon Plan (CCCP, 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. Implementation of the plan has been challenging due to limited resources, however with these funds and additional federal investments, substantive results can be accomplished.

Through this work the department will incentivize climate-smart forestry practices directed towards natural and working lands adaptation, climate mitigation, and social resilience (the three legs of CSF). Many of the goals of the CCCP and the initial recommendations provided to the OCAC by the Institute for Natural Resources (INR) are complementary:

CCCP goals	INR Recommendation
Climate-smart forestry in silviculture	Improved forest management
Reforestation and afforestation	Afforestation/reforestation
Maintain and conserve forest	Prevent conversion of forest to non-forest land uses

Additional parallels exist at the action level where the CCCP recognizes managing the fire environment, urban forestry efforts, encouraging low-carbon impact materials in Oregon, among others.

The ODF is involved with other sections of HB3409 and will work within those program areas to further the state's climate goals. These include topics like urban forestry and harvest residue utilization and the department is well partnered in those areas.

Ability of Agency to Implement the Program
The implementation of these efforts would utilize relationships with third parties like SWCDs, WCs, and CBOs. These organizations are highly capable and provide place-based planning expertise and knowledge as well as landowner, Tribal, and traditionally underserved community relationships. Grant and agreement structure exists within ODF through its many different programs that provide landowner assistance. It also has extensive experience with successfully implementing intergovernmental agreements that could be used.

Description of Current Federal Funds Leveraged or Anticipated
Potential for leverage with existing NRCS funds as well as climate-smart commodity funds that would flow through it.

There are expected to be additional funding that will become available from the USDA Forest Service in coming years. This has the potential to be directed towards reforestation and climate-smart forestry efforts. At this time, it is unknown the scale of these potential funds.

Connection to Tribal and Environmental Justice Communities

Funds that are available to CBOs and partners can flow to environmental justice communities, however, a separate project utilizing these funds is directly proposed for Tribal and environmental justice communities.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	Acres treated towards ecosystem function resilience. Forward looking and not geared towards restoration.
Seeding/planting rates/density (by species)	Acres of appropriate seedling density planted with appropriate species based on current and projected ecotype of the site.
Ecological function repaired	Count of degraded watersheds where function returned.
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	Number and acres of binding covenants put in place.

Attachment 1. Description of Each Investment Area

Oregon Department of Forestry
Incentivize Climate-Smart Forestry Implementation
in partnership with Tribal and Environmental Justice Communities

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Incentivize Climate-Smart Forestry Implementation in partnership with Tribal and Environmental Justice Communities	$250,000	0.5	$750,000	0.5

Description of Investment

Program/Project Description

With respect to advancing change in action necessary to realizing climate-smart practices, incentives and tax breaks have repeatedly been recognized as a meaningful and at times necessary mechanism to encourage change in practice. While we, as agencies, cannot provide tax breaks, this funding 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. These funds will be directed towards small, disadvantaged landowners and Tribes that are looking to pursue more climate-smart forest practices. The funds could 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 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. The department would like 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. Modern scientific information can provide the technical aspects of climate change (e.g., projections, plant physiology, etc.) that are key as forest types shift.

Ability of Agency to Implement the Program

ODF has a variety of granting programs that could be utilized as a mechanism to pass fund to the field practitioners. It can also utilize direct agreements through intergovernmental agreements or other such tools. This effort will largely rely on Tribal and community-based organizations for on the ground implementation. Grant and agreement structure exists within ODF.

Description of Current Federal Funds Leveraged or Anticipated

It is anticipated that additional funding will become available from the USDA Forest Service through their State, Private, and Tribal Forestry program. At this time, it is unclear as to if this will be competitive funding or provided to the states by a formula. With time this will become clearer.

Connection to Tribal and Environmental Justice Communities

Efforts will be made to partner with Tribes as directly as possible. This will likely be through the Tribes forestry or natural resource departments that manage and steward their lands. Many of these relationships exist at the local level currently and the agency will work to strengthen and build upon those existing relationships. Supporting disadvantaged forest owners has long been one of the agencies focuses. This will continue to be a priority with the recent development of the Small Landowner Office (thanks to the Private Forest Accord) and may be utilized as a means to distribute funds to small, disadvantaged landowners.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	Potentially acres treated or moved to a more resilient state
Seeding/planting rates/density (by species)	Where applicable, seeding and planting for afforestation, reforestation, or planting of alternative species. all at future climate appropriate densities.
Ecological function repaired	Number of watersheds with improvements to their ecological function.
Seedlings grown (by species and estimated future impact/purpose	Potentially, if the Tribe or organization has, or has access to, a forest seedling nursery.
Other applicable	Opportunities for bidirectional learning.

Attachment 1. Description of Each Investment Area

Oregon Department of Forestry
Establishment of climate-ready seed orchards to support small, disadvantaged, and tribal forestry

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Establishment of climate-ready seed orchards to support small, disadvantaged, and tribal forestry (at existing facility)	$300,000	2	$450,000	2

Description of Investment

Program/Project Description

There are over 40 million seedlings planted in Oregon forests each year. The vast majority are a single species and often are sourced from the same local seed that is used from generation to generation. Empirical observation along with climate projections and scientific findings indicate that the margins of existing forest land are experiencing decline and further expected to consist of different species types in coming decades as a function of climate change. Production of native and adapted species seed that will be viable in shifted landscapes is currently not available or 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 to climate mitigation), the department looks to increase the utilization of its existing seed orchard in providing the 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 as a function of directives and funding but has tremendous capacity for additional seed production and seeks to advance its capability to meet climate and landscape needs.

Ability of Agency to Implement the Program

ODF has an existing seed orchard facility with available space to achieve the goals of this effort. It has existing infrastructure and partnerships but will need operational funding to collect and sow the seed for the new species orchards.

Description of Current Federal Funds Leveraged or Anticipated

Federal funds for seed and seedling efforts may become available through the infrastructure reduction act or other mechanisms. On going planning activities and efforts around seed, seedlings, and reforestation at the federal and state levels will help to identify and distribute additional funding.

Connection to Tribal and Environmental Justice Communities

An aspect of the ODF seed orchard responsibilities is providing seed for small landowners. This in addition to a desire to partner with Tribes will be beneficial to a successful endeavor. While this specific effort is targeted at long-term benefits, there may be some near-term as there will be an initial need for seed collection and establishment and an economic benefit through that work.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	
Seeding/planting rates/density (by species)	
Ecological function repaired	
Seedlings grown (by species and estimated future impact/purpose	Long-term, pounds of seed produced and seedlings sown of different seedlings.
Other applicable	Orchards established with new species.

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Restoration and technical assistance grants – Open Solicitation Programs*	$25,000	0.125	$1,600,000	0.125

*OWEB proposes to use $250,000 across both investment areas for administrative costs, as allowed in HB 3409, and request 0.25 FTE for the remainder of the 2023-2025 biennium to provide project management across both investment areas.

Description of Investment

Program/Project Description

OWEB proposes to invest $1.5M in 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
- Restore perennial grasses and riparian areas on rangelands
- Prevent conversion to invasive annual plant dominated systems on rangelands
- Prevent conversion of existing grasslands, shrublands, and savannas to juniper woodlands
- Reduce wildfire risks on forestlands

OWEB is requesting $250,000 for administrative costs for the combination of our Open Solicitation and Oregon Agricultural Heritage Program investments. We are requesting .25 FTE for the remainder of the 2023-2025 biennium for project management. The $250,000 requested for administrative costs will also be used for personnel costs in future biennia and for other supplies and services such as legal costs for grant agreement review.

Ability of Agency to Implement the Program

OWEB is a state grant-making agency, with a long and successful track record of getting conservation and restoration dollars on the ground for projects around the state. For the Watershed Natural Climate Solutions Fund, OWEB will use our existing Open Solicitation grant program, which includes restoration and technical assistance grants. We anticipate using existing restoration and technical assistance grant applications, with some modifications to ensure applicants are proposing projects that implement or

support adoption of natural climate solutions. Prior to any grant solicitation release, OWEB plans to conduct a public engagement process with our traditional partners, tribes, environmental justice communities, and others to identify priorities for the funding. For example, environmental justice communities or tribes could express a significant need for technical support for the adoption of natural climate solutions. OWEB will identify projects that address these priorities during reviews of grant proposals. OWEB will apply additional review criteria in consultation with subject matter experts to select projects that provide carbon and resilience benefits and include engagement with and input from local communities disproportionately impacted by climate change.

Eligible applicants for OWEB restoration and technical assistance grants include non-profit organizations, tribes, local governments, and schools and institutions of higher learning. Although landowners and private businesses are not directly eligible to apply for the funds, in many cases, our grants offset the cost of doing a restoration project, and our technical assistance grants often cover the cost that a landowner would have had to spend for project development and design services. Additionally, a grantee may request reimbursement and provide payments to landowners for eligible project costs. Lastly, it is important to note that OWEB grants operate on a reimbursement basis, although in some cases we can provide funding in advance, depending on the situation.

Description of Current Federal Funds Leveraged or Anticipated

Projects funded through the OWEB Open Solicitation restoration grant program will leverage 25% non-OWEB match. This match requirement for restoration projects leverages in-kind contributions as well as cash contributions, depending on the project.

It is possible that projects funded through the Watershed Natural Climate Solutions Fund could serve as an additional source of match funding for federal Pacific Coastal Salmon Recovery (PCSRF) dollars. To qualify as another state matching source that leverages PCSRF federal funds, the projects would be required to address salmon and steelhead habitat and other limiting factors within recovery domains of those species. OWEB is the state's applicant for PCSRF dollars and administers a portion of the dollars through the agency's grant programs. Currently, Measure 76 Lottery Funds provide the non-federal match that leverages PCSRF. The Watershed Natural Climate Solutions Funds could diversify the state funds used to leverage PCSRF funding.

Connection to Tribal and Environmental Justice Communities

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, with priority given to those projects or activities administered or proposed by an environmental justice community or tribe. OWEB will use the above guidance, along with priorities identified during the public engagement process, during the grant review process to select projects that meet the intent described in HB 3409.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment and land type)	X
Seeding/planting rates/density (by species)	X

Ecological function repaired	X
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	

Attachment 1. Description of Each Investment Area

Oregon Watershed Enhancement Board

Conservation management planning, technical assistance, and payment for practices

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Conservation management planning, technical assistance, payment for practices, and (possibly) conservation easements and covenants*	$25,000	0.125	$850,000	0.125

*OWEB proposes to use $250,000 across both investment areas for administrative costs, as allowed in HB 3409, and requests 0.25 FTE across the two investment areas for the remainder of the 23-25 biennium to provide project management (the FTE are reflected in the spend plan summary in the Open Solicitation investment area of our proposal).

Description of Investment

Program/Project Description

OWEB proposes to invest $750,000 in grants administered through the Oregon Agricultural Heritage Program (OAHP). 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 OAHP components: development of conservation management plans, implementation of conservation management plans via a payment-for-climate-smart-practices approach, and technical assistance projects.

OWEB is requesting $250,000 for administrative costs for the combination of our Open Solicitation and Oregon Agricultural Heritage Program investments. We are requesting .25 FTE for the remainder of the 2023-2025 biennium for project management. The $250,000 requested will also be used for personnel costs in future biennia and for other supplies and services costs such as legal costs for grant agreement review.

Ability of Agency to Implement the Program

OWEB is a state grant-making agency, with a long and successful track record of getting conservation and restoration dollars on the ground for projects around the state. For a portion of the Watershed Natural Climate Solutions Fund, OWEB will use its Oregon Agricultural Heritage Program, which includes funding for the development and implementation of conservation management plans as well as technical assistance grants. Through the implementation of conservation management plans, OWEB will pay for the implementation of climate-smart practices on farm and ranch land throughout the state.

These investments will be designed to support farmers who are mitigating for and adapting to climate change. The program is designed to complement existing federal conservation investments made through the Natural Resource Conservation Service.

Prior to any grant solicitation release, OWEB plans to conduct a public engagement process with our traditional partners, tribes, environmental justice communities, and others to identify priorities for the funding. For example, environmental justice communities or tribes could express a significant need for technical support for the adoption of natural climate solutions. OWEB will identify projects that address these priorities during reviews of grant proposals. OWEB will apply additional review criteria in consultation with subject matter experts to select projects that provide carbon and resilience benefits and include engagement with and input from local communities disproportionately impacted by climate change.

Eligible applicants for OAHP conservation management plan and technical assistance grants include non-profit organizations, tribes, and land trusts. Although landowners and private businesses are not directly eligible to apply for the funds, they are eligible to receive payments for climate-smart practice implementation through the entity they partner with to draft and implement their conservation management plan. Lastly, it is important to note that OWEB grants operate on a reimbursement basis, although in some cases we can provide funding in advance, depending on the situation.

Description of Current Federal Funds Leveraged or Anticipated

NWL funding for the Oregon Agricultural Heritage Program has the potential to leverage federal dollars through several Farm Bill programs. These include federal conservation dollars from the USDA-Natural Resources Conservation Service via the Environmental Quality Incentives Program and Conservation Stewardship Program.

Many of the recommended practices in the INR 2023 report are eligible for OWEB grants through the OAHP due to their connections to working farm and ranchlands and watershed health. Practices from the INR report eligible for OAHP grant programs include:

- Restore perennial grasses and riparian areas on rangelands
- Avoided rangeland conversion
- Reduce wildfire risks
- Improved irrigation strategies and efficiencies
- Edge-of-field conservation practices
- Cover crops and conservation crop rotations
- Prescribed grazing and pasture management
- Protect agricultural lands from conversion

Connection to Tribal and Environmental Justice Communities

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, with priority given to those projects or activities administered or proposed by an environmental justice community or tribe. OWEB will use the above guidance, along with priorities identified during the public engagement process, during the grant review process to select projects that meet the intent described in HB 3409.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	X
Seeding/planting rates/density (by species)	X
Ecological function repaired	X
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Salary & OPE, S&S	$160,000	1 FTE	$160,000	1 FTE

Description of Investment

Program/Project Description ODFW has submitted or collaborated on more than 87 grant applications, submitted to 20 different IIJA and IRA grant programs, requesting ~$338.5 million for conservation and management of natural resources across Oregon, and we have been successfully awarded approximately $58.1 million, with 32 of the award announcements still pending. This large effort to leverage federal funds has been led by staff in two existing Natural Resource Specialist 5 positions in the Director's Office and the Fish Division. These projects cover diverse landscapes and include estuary restoration, dam repair and modernization, forest restoration, grassland restoration, and riparian ecosystem recovery.

There are three primary challenges that this NWL request addresses:

1) ODFW's focus on pursuing federal funds and accelerating the pace of habitat restoration with these federal resources has resulted in a delay in the work for the existing positions, including technical assistance and policy support for implementation of ODFW's Climate and Ocean Change Policy.
2) ODFW's success in securing these new federal opportunities has created a large and growing need for capacity to ensure that the state and our partners successfully implement the funded projects and demonstrate Oregon's value as a project partner for the federal agencies.
3) ODFW has pursued these federal funds under a suite of fish and wildlife conservation and management priorities. There are strong linkages between habitat restoration and management activities and natural climate solutions, but ODFW currently lacks expertise to ensure that all of these projects and all future projects can maximize co-benefits for carbon sequestration and climate resilience.

This proposal would create a limited duration Natural Resource Specialist 3 position at ODFW, a Natural Climate Solutions Lead in the Habitat Division. The total cost is $320,000 over two years.

The primary purpose of this position is to align ODFW's habitat restoration activities with the state of Oregon's Natural and Working Lands goals related to the implementation of Natural Climate Solutions across the landscape and to pursue federal funding for these activities. The person in this position would:

- 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, Indian tribes, land managers, and environmental justice communities, and
- Communicate the benefits of natural climate solutions projects to Oregon's Natural and Working Lands and Fish and Wildlife.

This proposal specifically addresses this section of HB 3409: "ODFW shall use moneys allocated from the fund to promote natural climate solutions" and, "securing federal matching funds or other sources of funding to support investments in natural climate solutions on natural and working lands."

Ability of Agency to Implement the Program

ODFW staff have already demonstrated great success tracking and pursuing federal grants under IIJA and IRA. This position would be a part of ODFW's Habitat Division, in the Land Resources Program and will immediately begin working with existing staff who have been tracking federal grants. See evidence of ODFW's grant tracking here: https://dfw.state.or.us/IIJA/.

Description of Current Federal Funds Leveraged or Anticipated

At the end of November 2023, ODFW and partners had been awarded $58.1 million in federal IIJA and IRA funds. Additional awards have been announced in December 2023. This position would have a role in ensuring that those funds are all spend in Oregon as committed and will seek to scale up the federal investment for two more years.

Connection to Tribal and Environmental Justice Communities

ODFW has strong partnerships with Oregon's nine federally recognized tribes and organizations across rural communities. Many rural, agricultural landowners are key participants in federal grants that ODFW pursues for natural climate solutions. A large percentage of the $58.1 million referenced above has been for projects granted by the America the Beautiful Challenge (ATBC), all of these ATBC projects are led-by or strongly partnered with tribes in western Oregon.

The staff in this position will be able to leverage the existing relationships between ODFW field biologists and tribal and environmental justice communities to pursue grants for their priorities. Frequently, capacity to write and manage grants at this financial scale is limited for these communities or organizations and sometimes states are the only eligible applicant for the federal funding opportunities. ODFW has found that added capacity within the state allows us to develop more projects in partnerships as well as pass through more funds to these communities.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	X
Seeding/planting rates/density (by species)	X
Ecological function repaired	X
Seedlings grown (by species and estimated future impact/purpose	X
Other applicable	*# and financial amount of federal grants submitted, # and financial amount of federal grants awarded, # of acres or miles of streams receiving natural climate solutions work, types of natural climate solutions supported*

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Chahalpam Floodplain Reforestation			$362,500 *FY2026: $25,000 *FY2027: $25,000	

*$25,000 in FY2026 and again in FY2027 for plant establishment activities (watering, weed suppression, mowing etc.).

Description of Investment

Program/Project Description
The is project would re-establish 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 5 – 7 years utilizing the Rapid Riparian Revegetation (R3) method. This project requires no additional positions and will cost $412,500.

The Confederated Tribes of Grand Ronde successfully re-acquired the 462-acre Chahalpam property through ODFW's Willamette Wildlife Mitigation Program (WWMP). Although WWMP funds habitat acquisitions and provides some funding for operations and maintenance from Bonneville Power Administration, it does not provide restoration funding to achieve desired future conditions. Requested funds will cover project management, plant materials, and contractual costs for planting and 3 years of plant establishment.

This project will increase net carbon sequestration and restore floodplain function through re-establishing floodplain forest on 30 acres. 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.

This project will help meet a collective call for restoring riparian habitats in the Willamette Valley by converting agricultural lands back to historic floodplain forest habitat. Contributing to restoring riparian habitats at a landscape level, this project has a larger resource benefit. Locally, Chahalpam is permanently protected by conservation easements and habitat restoration efforts will be secured investments that compound with others over time. Regionally, the site is situated in the Santiam Confluences Conservation Opportunity Area and its restoration contributes to priorities identified by the OCS (ODFW 2016) and the Willamette Synthesis (TNC 2010). This project also contributes to the USFWS's Partners for Fish and Wildlife Program as it is located within the Willamette Valley Focus Area for riparian habitats.

Carbon Sequestration and Climate Resiliency
In the face of climate change, this project will contribute to resiliency by re-establishing native forest habitat and understory on 30 acres previously managed as agriculture. Trees and shrubs will capture

carbon throughout their lifetime, which will help reduce carbon dioxide in the atmosphere. 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.
This proposal specifically addresses this section of HB 3409: "ODFW shall use moneys allocated from the fund to promote natural climate solutions and mitigate the future impacts of climate change" and, "Relying on existing programs…to support investments in natural climate solutions on natural and working lands. Ensure the benefits of natural climate solutions are equitably distributed among landowners, Indian tribes, land managers and environmental justice communities." The project also uses the recommended practice of "restore functioning riparian areas."

Historical Context
Since time immemorial, the Confederated Tribes of Grand Ronde has been the historical caretaker of the Willamette Valley. The native plants and animals are intrinsic resources to the Tribe as they form the foundation to historic traditions and values. The North Santiam River (River) holds significant historical and cultural importance, once being the home of the Santiam band of the Kalapuya. Most noted for their indigenous burning of the Valley, the Kalapuya have deep connections to place along the river and its salmon resources.

The habitats of this River were historically complex and diverse. The open, low gradients fostered multi-channeled, densely braided, and dynamic side-channel, back-channel and off-channel habitats. However, conversion of floodplain forest to agricultural production led to devastating impacts on natural river processes.

Project Site
Along the River, the Tribe successfully re-acquired Chahalpam in 3 phases through ODFW's Willamette Wildlife Mitigation Program during 2013 – 2019. Chahalpam totals 462 acres, contains more than a mile of riverfront, and crosses both banks of the river. The Tribe owns the property, and the Bonneville Power Administration holds 3 conservation easements, permanently protecting the entire site as fish and wildlife habitat. Chahalpam has 3 land management plans that identify desired future habitat conditions and describe management actions to achieve those. The site has a Combined Habitat Assessment Protocol (CHAP) analysis that identifies baseline habitat conditions for which restoration efforts can be measured against. A Floodplain Restoration Alternatives Analysis identifies actions to improve floodplain connectivity, complexity, and function.

Ability of Agency to Implement the Program
Work will be completed by the Tribe, who has a long track record of successful restoration projects as well as a large staff and youth volunteers who can do this restoration work.

Description of Current Federal Funds Leveraged or Anticipated
Since re-acquisition, the Tribe has secured $1.6M in restoration funds for Chahalpam from multiple sources including federal, state, local, and non-governmental organizations. The Tribe has a proven track record for seeking and receiving funds and implementing those funds on-the-ground for improving habitat conditions. If awarded, these NWL will contribute to the following projects that are in-progress: $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 3 fish passage issues;
- $102,785 from the Bureau of Indian Affairs, Invasive Species Program for improving floodplain forest on 40 acres; and
- $195,579 from the US Fish & Wildlife Service, Tribal Wildlife Grant for re-planting 40 acres of floodplain forest and conducting plant establishment efforts; and
- $18,059 from Natural Resources Conservation Service, Conservation Stewardship Program to re-establish oak habitat on 7 acres.

In the Tribe's experience, "grant funds attract other grant funds," and these NWL funds would be used to leverage future restoration dollars on the site. Habitat restoration is a layered process with several actions over a long period of time to achieve desired future conditions, often with multiple co-benefits. Additional federal funds to be sought for continued restoration efforts may include, but are not limited to: NRCS: Environmental Quality Incentives Program; US FWS: Tribal Wildlife Grant; BPA: Anchor Habitats Investments; BLM: Secure Rural Schools; BIA: Invasive Species or Endangered Species Programs; NOAA: Coastal Resilience for Underserved Communities or PCSRF; America the Beautiful.

Connection to Tribal and Environmental Justice Communities

This project was identified by the Tribe as the highest priority restoration site within their portfolio of WWMP properties. ODFW will pass funds directly to the Tribe for this project.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	X
Seeding/planting rates/density (by species)	X
Ecological function repaired	X
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Herbicide treatment- annual grasses (~10,000 acres) (Tactics 1.a, 1.b & 2.c)			$400,000 (FY2025*) $50,000 (FY2027)	
Re-seeding with grasses/forbs and/or seeding fuel breaks (~500 acres) (Tactics 1.b & 2.c)			$45,000 (FY2026)	
Archeological surveys for shrub plantings (~1000 acres) (Tactic 2.a)	$50,000			
Native shrub, forb, grass grow-out/purchase and planting (30,000 plants) (Tactic 2.b)	$75,000		$130,000 (FY2026)	

Description of Investment

Program/Project Description
This 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. NWL funds would 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. The project will cost $750,000 and will require no new FTE.

This proposal specifically uses the recommended practice of “prevent conversion to invasive annual plant dominated systems,” and “restore deep rooted perennial grasses to areas impacted by invasive species”. It also addresses this section of HB 3409: “ODFW shall use moneys allocated from the fund to promote natural climate solutions and mitigate the future impacts of climate change” and, “Relying on existing programs where possible, securing federal matching funds or other sources of funding to support investments in natural climate solutions on natural and working lands.”

This project would support actions on ODFW’s wildlife area. If awarded funding, these funds will leverage additional conservation action and funding to go toward adjacent private and federal lands. ODFW’s Mid-Columbia Wildlife District is already in the process of establishing a Good Neighbor

Authority agreement with the BLM in the Lower Deschutes and John Day basins to complete restoration activities such as these, particularly treating invasive annual grasses and planting native shrubs. NWL funds would provide incentive to the BLM to allocate more funding to these actions through collaboration with ODFW.

Similarly, Wasco County NRCS has existing programs in the county to complement these activities on private lands. ODFW shares 1.0 FTE in The Dalles with NRCS who is dedicated to working with private working lands to secure NRCS funds for conservation and will be able to leverage the NWL funds for greater investment from federal partners. NRCS has an Environmental Quality Incentives Program (EQIP) Rangeland Enhancement Conservation Implementation Strategy that is currently being prioritized in south Wasco county, however if NWL funds are awarded to ODFW, Wasco NRCS will adjust the priority areas to include the private lands adjacent to or in between the southern and northern parcels of the wildlife area. Other available USDA programs such as the FSA Conservation Reserve Program- State Acres for Wildlife Enhancement (CRP-SAFE) program and NRCS's Conservation Stewardship Program (CSP) would be promoted more for landowners within this focal area, particularly practices in those programs that align with the NWL recommended practices to sequester carbon. All of these programs provide incentives to private landowners to address invasive annual grasses, establish perennial bunchgrass communities, and incorporate rotational grazing through improved prescribed grazing practices.

Project Details

The ODFW Lower Deschutes Wildlife Area, Mid-Columbia Wildlife District, and NRCS Conservation Liaison propose a cross-boundary carbon sequestration rangeland restoration project focused on the upper and lower sections of the Lower Deschutes Wildlife Area, as well as the private and federal (Bureau of Land Management- BLM) lands in between. This area, similar to many areas across eastern Oregon, has been severely impacted by annual grass invasion, decrease of native perennial bunchgrass communities, and continued loss of valuable native shrub steppe vegetation. Historic grazing practices combined with changes to the historic fire regime and the increase in high severity wildfires have altered the plant communities across the lower Deschutes landscape.

This rangeland restoration project has two primary tactics to enhance the quality of grassland and shrub steppe habitats for the numerous wildlife species that occupy this area, all of which are recommended actions through the Oregon Natural and Working Lands proposed practices to reduce greenhouse gas emissions and sequester carbon.

- Tactic 1: Prevent conversion to invasive annual plant dominated systems
    - 1.a. Monitor and treat moderately infested annual grass invaded areas (10-60% 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 where best suited for survival success.
    - 2.c. In areas highly infested with annual grasses (>60% cover), complete herbicide treatment to target annual grasses and re-seed with perennial grasses, forbs, and legumes.

Ability of Agency to Implement the Program

ODFW shares 1.0 FTE with NRCS in The Dalles. This staff position will manage this project in partnership with ODFW's staff on the Lower Deschutes Wildlife Area. This position's primary job responsibility is to work with private landowners to design and implement projects like this on their land with NRCS resources. With this investment on ODFW's lands, the NRCS Liaison staff will focus on partnerships with private landowners in the area to have a landscape-level impact.

Description of Current Federal Funds Leveraged or Anticipated

This project leverages the existing NRCS investment in a shared position with ODFW. During a six-month period of 2023, this position worked with over 50 landowners on projects funded by NRCS's EQUIP and CRP programs on over 2,000 acres of private land. New federal funds to be leveraged with this project are contingent on the willingness of adjacent landowners to the wildlife area.

Connection to Tribal and Environmental Justice Communities

The agricultural communities surrounding the Lower Deschutes Wildlife Area will benefit from technical assistance, project planning, and conservation planning in partnership with ODFW's NRCS Liaison.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	X
Seeding/planting rates/density (by species)	X
Ecological function repaired	X
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Smith/Umpqua Estuary Restoration	$750,000			
Ester Creek and Tillamook Estuary Restoration	$350,000			

Description of Investment

Program/Project Description
Over time, thousands of acres on the Oregon Coast have been drained, and infrastructure—such as tide gates, levees, and channels—has been built to control the tide, reduce flooding, and drain the land. This infrastructure is at, or nearing, the end of its life and is at risk of failure, putting communities at significant risk. While challenging, this issue also represents an opportunity to achieve significant improvements in estuarine ecosystem function and carbon sequestration while addressing the flooding risk to rural coastal communities. This proposal includes two projects for a total cost of $1.1 million without the need for additional FTE.

ODFW and partners have prioritized estuary restoration projects in the Umpqua Watershed. Multiple estuary restoration projects are the targets of a large federal grant application recently submitted to NOAA and NRCS, making use of IIJA and IRA. These federal funds will only be eligible to go toward the water control infrastructure. The related vegetation and habitat restoration work is not eligible for federal funding. This request from the Fish and Wildlife NWL Fund would support the vegetation and habitat restoration components of two of these large tidal wetland restoration projects and leverage a large amount of federal funding. NWL Funds will be used for each estuary restoration project to connect historic tidal channels identified through LiDar 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.

This proposal specifically addresses this section of HB 3409: “ODFW shall use moneys allocated from the fund to promote natural climate solutions and mitigate the future impacts of climate change” and, “Securing federal matching funds or other sources of funding to support investments in natural climate solutions on natural and working lands.” Each of these projects seeks to achieve tidal wetland restoration, a recommended practice in the INR Report.

Specifics for each project
The Smith/Umpqua Estuary Restoration is located between miles 4 and 5 of the Smith River, immediately adjacent to two other project sites. Otter slough is located at the confluence of Otter Creek, a coho bearing stream. Previous tidal wetland prioritization ranked the project site as High and Medium/High for restoration and/or conservation (Brophy 2005b). Funds from the NWL will be used for each estuary restoration project to connect historic tidal channels identified through LiDar 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 plants. Low marsh elevational habitat at the site is expected to restore *Distichlis spicata* (salt grass), green algae (e.g., *Ulva*), *Triglochin maritima*, small spike rush (*Eleocharis parvula*), sandspurry (*Spergularia*), glaux (*Glaux maritima*), pickleweed (*Sarcocornia perennis*), three square (*Schoenoplectus pungens*) and *Bolboschoen*us *maritimus.*

The proposed restoration improvements at **the Ester Creek and Tillamook Estuary project** will provide flood resiliency in the interior of the site by improving drainage of flood waters during low tide swings via removal of man-made berms and improved connectivity of existing and new channel networks. Flood drainage under existing conditions is not as efficient, resulting in increased peak tidal water levels after successive high tides. Proposed conditions result in a substantial increase in tidal inundated area at Mean Higher High Water (MHHW) which indicates significant potential for uplift of tidal marsh habitat in the interior of the site where we anticipate most of the restored estuary will provide the carbon sequestration benefits. The existing culvert under the county-owned road that passes water into the northwest side of a historic Oxbow is substantially undersized (the existing culvert diameter is 4 feet, while the estimated natural channel top width is on the order of 40 to 60 feet); while this current restoration project does not propose to replace this culvert (or the timber debris barrier downstream or seaward of the culvert), proposed restoration will replace the native plant species and based on seal level change in the vicinity of the project we anticipate sediment accretion in the restored wetland will provide for native vegetation establishment and carbon storage.

<u>Project Background</u>

Carbon capture, or sequestration, is a pivotal element of climate change strategies and marine ecosystems like estuaries can store carbon ten times as quickly as sediments in forests. Coastal habitats that capture and store this carbon in marine plants and sediments include sea grasses and estuaries. Seagrass can help us adapt and mitigate the effects of climate changes. Ten percent of organic carbon sequestered in the Pacific Ocean is buried in seagrass beds. Seagrass also provides 1/5 of world's largest fisheries that depend on seagrass. Flood protection and shoreline stabilization is protected through healthy and sustainable seagrass beds. Restoration of seagrass meadows and estuary function will contribute to carbon storage and the extent of the area will increase storage in the magnitude of 108 Mg/ha.

Estuaries are also exceedingly valuable for the biodiversity they harbor and the ecosystem services they provide to resident and migratory fish species. Despite their importance and value to both biodiversity and humans, estuaries represent some of the most degraded habitats and continue to be stressed by human activities on the ocean, on land, and in freshwater. Over time, thousands of acres on the Oregon Coast have been drained, and infrastructure—such as tide gates, levees, and channels—has been built to control the tide, reduce flooding, and drain the land. This infrastructure is at, or nearing, the end of its life and is at risk of failure, putting agricultural communities at significant risk of flooding. While challenging, this issue also represents an opportunity to achieve significant improvements in estuarine ecosystem function and carbon sequestration while addressing the flooding risk to rural coastal communities.

Our vision is that Oregon has a 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.

Ability of Agency to Implement the Program

ODFW will passthrough NWL funds to conservation partners that will complete the contractual agreements and construction of estuary restoration activities for each project. Subawards will be developed with Mid-Coast Watershed Council, Trout Unlimited and Tillamook Estuary Partnership, Partnership for Umpqua River, and Lower Nehalem Watershed Council.

Description of Current Federal Funds Leveraged or Anticipated

We have applied for federal funding to support the actual tide gate infrastructure needs to catalyze implementation of adaptation actions that will reduce future damage from weather and climate impacts. Through multiple NOAA and NRCS federal grants we will invest funds to repair and replace tide gates within each project, significantly reducing flood risk to natural lands-associated buildings and other infrastructure. Already, $3 million has been awarded from the Bureau of Reclamation's Aquatic Ecosystem Restoration Grant program.

Connection to Tribal and Environmental Justice Communities

These large-scale infrastructure projects will provide significantly reduced flood risk to rural, agricultural communities' built infrastructure.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	X
Seeding/planting rates/density (by species)	X
Ecological function repaired	X
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Salary & OPE, S&S	$142,500	1 FTE	$142,500	1 FTE

Description of Investment

Program/Project Description
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 objectives of this work have been to maximize benefits for fish, wildlife, and working lands. With the establishment of the Fish and Wildlife Natural Working Lands Fund, we have an opportunity to get even more strategic with ODFW's habitat restoration efforts to accelerate the state's carbon sequestration goals. However, ODFW does not currently have the capacity to develop and implement this strategic focus or to measure the success of the outcomes.

ODFW is proposing a Limited Duration, Natural Resource Specialist-2 position to serve as the Carbon Sequestration & Habitat Restoration Service Provider within the Habitat Division. The total cost is $290,000 over two years. This would be a statewide 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 will be accomplished by:

- Identifying fish and wildlife habitat restoration projects that maximize carbon sequestration, as well as the research needed to assess those co-benefits,
- Assisting existing ODFW restoration practitioners with project design and implementation to better integrate carbon sequestration practices,
- Inventory and monitoring, tracking and reporting, and storytelling of ODFW's carbon sequestration = habitat restoration efforts.
- Supporting the Natural Climate Solutions lead in the pursuit and acquisition of federal funds.

This proposal specifically addresses this section of HB 3409: "ODFW shall use moneys allocated from the fund to promote natural climate solutions mitigate the future impacts of climate change" by, "relying on existing programs where possible to support investments in natural climate solutions on natural and working lands."

Ability of Agency to Implement the Program
There are a number of existing ODFW programs and staff whose ongoing work would be leveraged by the Sequestration & Restoration Service Provider's efforts to accelerate carbon sequestration. Those include:

- Nearly 200,000 acres of natural lands owned and managed by ODFW across 20 wildlife areas, each of which are staffed by wildlife area managers involved in habitat maintenance and restoration as well as agricultural activities but who historically have not had a carbon sequestration lens to their work,

- Five (5) Oregon Conservation Strategy Farm Bill Biologists, funded 80% by NRCS, who implement Farm Bill Programs and fish and wildlife habitat practices on thousands of acres of working lands annually,
- The Willamette Wildlife Mitigation Program (WWMP), which has protected nearly acres 16,000 of natural and working lands with federal BPA funds and is now seeking technical and financial assistance for habitat restoration and carbon sequestration long-term on these lands,
- Eighteen (18) ODFW stream and fish habitat restoration biologists located throughout Western and Eastern Oregon whose focus is on restoring and enhancing aquatic riparian and wetland habitats at landscape scales but for whom carbon sequestration has not yet been a focus,
- Fifteen (15) ODFW Regional Habitat Biologists who review land use permit applications and design/implement upland, wetland, and estuary habitat restoration projects on natural and working lands across the state.
- Fish and Wildlife District Biologists (>24 FTE) across ODFW's Watershed Districts who are also involved in habitat restoration projects on natural and working lands across the state, using federal and state funds and involving many diverse partners.

Description of Current Federal Funds Leveraged or Anticipated

This position could leverage carbon sequestration work out of several of ODFW's federally-funded restoration programs including USFWS's Wildlife and Sportfish Restoration, Bonneville Power Authority, 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.

Connection to Tribal and Environmental Justice Communities

ODFW has strong partnerships with Oregon's nine federally recognized tribes and organizations across rural communities. Many rural, agricultural landowners are key participants in federal grants that ODFW pursues for natural climate solutions.

The staff in this position will be able to leverage the existing relationships between ODFW field biologists and tribal and environmental justice communities to pursue grants for their priorities. As a service provider, we expect that this position will be most effective when working with these partners.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	X
Seeding/planting rates/density (by species)	X
Ecological function repaired	X
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	Partners assisted, estimated carbon sequestration potential of future habitat restoration projects and activities for projects influenced by this position

Spend Plan Summary

Purpose	FY2024 Budget	FY2024 FTE	FY2025 Budget	FY2025 FTE
Red Hills Wildfire Risk Reduction	$64,170		$106,600	

Description of Investment

Program/Project Description
This project would 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 that is permanently protected under a conservation easement held by the Bonneville Power Administration (BPA) as part of ODFW's Willamette Wildlife Mitigation Program (WWMP). The total project cost is $170,770 and no new FTE.

The proposed oak woodland restoration addresses the recommendation of reducing wildfire risk in forestlands. The INR NWL report notes that a century of fire exclusion has resulted in many western forested ecosystems carrying a "carbon debt", i.e., an 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 NWL 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. The following treatments, identified in the INR report, will all be used in implementing the Forest Management Plan for Red Hills:

- Thinning to stocking levels more resilient to fire and drought
- Removal of trees killed or damaged by insects and diseases
- Mechanical understory removal
- Prescribed fire

Background
The Red Hills Conservation Area is a 278.5-acre property acquired by the Confederated Tribes of the Warm Springs of Oregon in 2014 and is part of the Tribes' Conservation Lands portfolio, which includes both East-side and Willamette Valley parcels. The property is permanently protected under a conservation easement held by the Bonneville Power Administration (BPA) as part of the Willamette Wildlife Mitigation Program (WWMP). The property is in an area with extensive recent vineyard development in Yamhill County and is adjacent to the Trappist Abbey, also conserved through the WWMP.

Historically, the property was dominated by oak woodlands and grasslands, designated as Strategy Habitats in the Oregon Conservation Strategy. Native burning practices kept these lands oak-dominated

for millennia prior to white settlement and fire exclusion. Human development, agriculture, and encroachment by conifer forests threaten these habitats throughout the Willamette Valley.

Douglas-fir has encroached on oak habitats throughout the property, both through ecological succession in the absence of fire as well as forestry plantations initiated by previous owners. Drought stress over the past decade has led to high mortality levels in Douglas-fir on portions of the property, creating concentrations of flammable wildland fuels that increase the risk of uncharacteristically large wildfire. In addition, invasive plants such as Himalayan blackberry, Scotch broom, false brome, English hawthorn, and orchard cherry have developed large infestations that reduce habitat quality and add to the fuel loads and wildfire risk.

This was a relatively expensive acquisition for the WWMP due to the vineyard potential of the site. As a result, the WWMP project sponsors did not request stewardship funding through the program to make the application as competitive as possible. Consequently, the Warm Springs Tribes have been left without this funding source to offset on-going operations and maintenance costs for the site. The WWMP does not provide restoration funding for acquired properties.

The Tribes are just completing a Forest Management Plan (subject to review and approval by BPA and ODFW) that includes a detailed forest inventory and habitat assessment, and a multi-year phased approach to oak habitat restoration. Douglas-fir and non-native species will be removed to restore oak savanna on 24 acres and to restore native oak woodlands on 156 acres. The oak savanna restoration is excluded from this proposal based on the recommendations in the INR NWL Report.

Ability of Agency to Implement the Program

The work on this project will be completed by the Tribe in partnership with ODFW's WWMP program staff.

Connection to Tribal and Environmental Justice Communities

This project was identified by the Tribe as the highest priority restoration site within their portfolio of WWMP properties. ODFW will pass funds directly to the Tribe for this project.

Measurable Outcomes for Reporting (Check all that apply, or add in project-specific metrics)

Natural Climate Solutions Outcomes	
Acres treated/restored (by treatment type)	X
Seeding/planting rates/density (by species)	
Ecological function repaired	
Seedlings grown (by species and estimated future impact/purpose	
Other applicable	

Natural and Working Lands Fund

Annual Update

August 8, 2025
Oregon Climate Action Commission

Background

- HB 3409 (2023) established natural climate solution policy for the state and created the Fund to support implementation of NCS
- Four agencies receive funds (OWEB, ODFW, ODA, ODF)
- 2023: $10 million allocation
  2024: Commission approved 13 proposed projects
- Annual report due to the legislature Sept 15th of each year

Fund Aims

- Provide incentives, technical assistance, and financial assistance to advance natural climate solutions
- Prioritize programs administered or proposed by an environmental justice community or Tribe
- Prioritize the use of existing programs and seek to leverage federal investments
- Optimize the social, health, ecological, climate resilience, and economic co-benefits of natural climate solutions

Role of Commission *(ORS 468A.189)*

- Commission determines amount to be allocated
  - Ability of agency
  - Other sources of funding
- Consults with agencies prior to decision-making to understand proposed uses
- Reviews progress of, and barriers to, implementing NCS
- Coordinates on development and implementation of NCS programs and activities
- ODOE staff supports the Commission in these duties.
  - Statute also allows the state to contract to support these duties.

ODFW SUMMARY

- $3.04 million to support diverse projects, including
  - Floodplain restoration with Confederated Tribes of Grand Ronde
  - Estuary restoration - Tillamook, Umpqua
  - Fire resilience in oak woodland with Confederated Tribes of Warm Springs
  - Grassland Restoration - Wasco County
  - Natural Climate Solutions Biologists
- Co-benefits for working lands, carbon sequestration, and fish and wildlife habitat

ODFW UPDATE

Estuary restoration

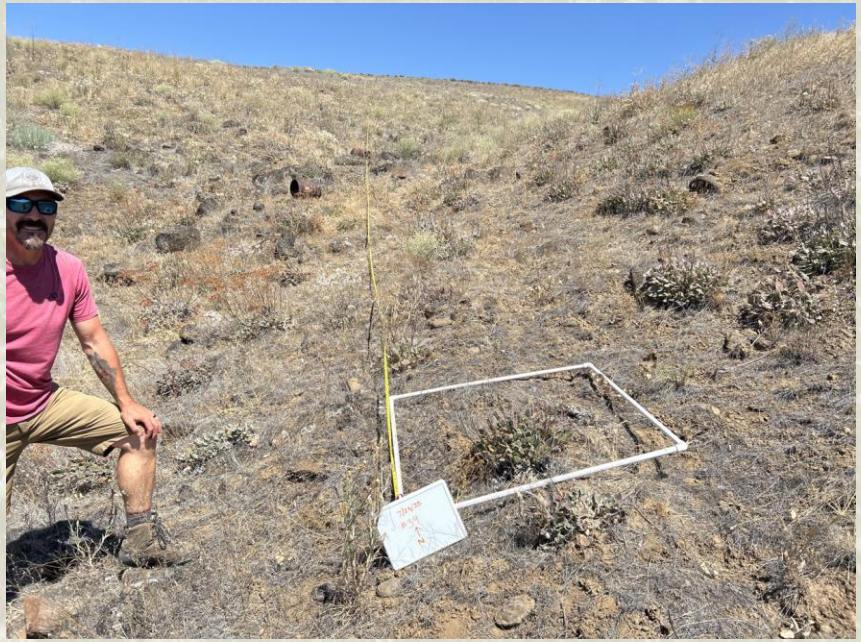
- Both Tillamook and Umpqua projects will be complete after this summer's IWW

Fire resilience in oak woodland with CTWS

- Thinning begins August 2025

Grassland Restoration in Wasco County

- Shrub plantings- December 2025
- Post-treatment monitoring completed



ODFW UPDATE

Floodplain restoration with CTGR

- 30 acres planted
- Weed management next

2-3 years

ODFW UPDATE

Natural Climate Solutions Biologists

- Pygmy rabbit habitat
- High Desert Shrub Steppe
- Tidal permitting assistance
- ONSS- native plant production exploration

ODFW FUTURE OPPORTUNITIES

- Sustaining Natural Climate Solutions Biologist Positions
- Eelgrass mapping in Yaquina Bay
- Beaver habitat restoration- Crooked River Watershed
- Gallagher Slough Tide Gate Relocation Design
- Little Butte Oak Initiative Habitat Enhancement
- Deschutes High Desert Shrub Steppe
- Explore native seed production opportunities- eastern OR

ODF SUMMARY

Increase adoption of climate-smart forestry practices for sequestration and continued ecosystem function as forest types shift:

- $1.5M for implementation of Climate-Smart Forestry as outlined in Climate Change and Carbon Plan
- $1M to incentivize Climate-Smart Forestry in partnership with Tribes and traditionally marginalized landowners
- $750k to build capacity for climate-ready seed and seedlings at existing ODF facility

ODF UPDATE

Implementation underway at the J.E. Schroeder Seed Orchard.

- Management and harvest planning for existing, acorn-bearing Oregon white oak for use now and in the future
- Irrigation and water supply planning and implementation
- Partnering with USFS for new future climate ready orchards
- Ensuring infrastructure is ready for future and existing seed storage (current inventory ~$14 million).

ODF UPDATE

- Initial climate-smart forestry project getting ready with Tualatin SWCD with more anticipated around the state.
- Additional interest from other areas of the state, especially for projects related to ecotype shifts to more adapted and resilient species and post disturbance reforestation with climate-smart forests.
- Tribal engagement with the ODF Urban and Community Forestry Program.
  - UCF completing granting of federal funds for tribal projects, NCS funds to assist further these existing projects.
  - Full $1 million to be allocated through this process.
- Overall intent is to provide funds for place-based solutions at the local level.

ODA SUMMARY

- $530,000 for Oregon Native Seed Strategy, which ensures access to reliable supply of ecologically appropriate native seed collection, storage, and production
  - Includes $125,000 for Tribal assistance/incentives
  - Native seedstock is critical to conservation and restoration of natural and working lands and the ecosystem services they provide
- $360,000 for Rangeland Resilience/Invasive Annual Grass
  - 5-year project in partnership with NRCS
  - Healthy, functional rangelands are crucial to carbon sequestration, resilience to wildfires, and climate change

RANGELAND RESILIENCE/INVASIVE ANNUAL GRASS

- OUTREACH
  - NE OREGON RANGELAND SUMMIT & SAGECON 2025
  - OREGON BOARD OF AGRICULTURE
  - TECH TRANSFER PARTNERSHIP WITH TNC AND OSU
  - OREGON ASSOCIATION OF CONSERVATION DISTRICTS
- FIELD CONSULTATIONS IN 9 COUNTIES
- MONITORING
  - FIRST FOODS RESEARCH WITH EASTERN OR AG RESEARCH, UNION STATION
  - MCFARLANE'S 4'O'CLOCK
- TRAININGS & PROFESSIONAL DEVELOPMENT
  - SOCIETY FOR RANGE MANAGEMENT
  - OREGON RANGELAND MONITORING PROGRAM
  - NATURAL RESOURCE PROFESSIONAL RANGELAND ECOLOGY & MANAGEMENT FIELD COURSE
- ENGAGEMENT
  - BAKER LIT, MALHEUR RANGE PARTNERSHIP, HARNEY COUNTY WILDFIRE COLLABORATIVE, 4 COUNTY RCPP

ODA UPDATE

Oregon Native Seed Strategy

Contracted with The Understory Initiative and Institute for Applied Ecology in 2024

- Technical assistance to producers interested in native seed sector
- Tribal assistance
- Climate-resilient species production – 10+ species
- Stakeholder Engagement and Collaborative Workshops
- Oregon Restoration Growers Guild (ORGG) platform

ODA plant conservation seed banking

- Species conserved (banked) – 16+ species in 2025 from 8 counties

Leveraged NWL funds with Center for Plant Conservation grant

- Additional species conserved

Matched NWL funds to NFWF Conservation Partners grant (ODFW proposal)

- Potential $770k award

Matched NWL funds to NFWF Monarch Butterfly grant (TUI proposal)

- Potential $300k award

OWEB SUMMARY

- $1.5M for Restoration/Technical Assistance grants on rangeland, forestland, urban areas, or blue carbon ecosystems
- $750,000 for development and implementation of Conservation Management Plans on agricultural land
- 3-month public engagement process from Oct-Dec 2024, to gather input from potential applicants, with focus on Tribes and environmental justice communities
- Applications for both offerings open February-April; high demand for offerings
  - Equity considerations
- Evaluations by technical review teams, participation from other NWL agencies
- Funding recommendations to OAHC and OWEB board in July

OWEB FUNDING RECOMMENDATIONS

- Restoration/Technical Assistance
  - 5 Restoration awards for riparian restoration, oak habitat, post-wildfire reforestation, and forest management
    - Co-benefits include workforce development, technical resources for landowners, wildfire resilience in under-resourced rural community
  - 1 Technical Assistance award for scoping cover cropping incentives
- Conservation Management Plans
  - 5 funded projects totaling 38,235 acres
  - Plans support development of long-range plans that focus on implementing conservation measures while maintaining agricultural operations on working lands
  - Projects include cropland, pastureland, rangeland, and upland areas

CONTACT INFORMATION

DISCUSSION

Sarah Reif
Oregon Dept. of Fish and Wildlife
Habitat Division Administrator
sarah.j.reif@odfw.oregon.gov
503-991-3587

Danny Norlander
Oregon Dept. of Forestry
Forest Climate, Carbon, and Health Analyst
danny.norlander@odf.oregon.gov
(503) 508-3797

Troy Abercrombie
Oregon Dept. of Agriculture
Natural Resource Protection and Sustainability Manager
troy.abercrombie@oda.oregon.gov
503-983-4065

Alexa Schmidt
Oregon Watershed Enhancement Board
Water and Climate Coordinator
alexa.m.schmidt@oweb.oregon.gov
971-718-4904