



Agenda Item D: Spending Plan for 2022 Appropriation April 19, 2022 Commission Meeting

Introduction

The 2022 legislative session resulted in a \$5 million general fund appropriation to the Oregon Agricultural Heritage Fund. As this is the first time that funds have been appropriated for operating OAHF authorized grant programs, the Commission will discuss apportionment of funds in a spending plan for the biennium.

Background

The April Commission meeting will serve as an organizational meeting to outline spending plan priorities and develop a timeline for the first OAHF solicitation. The appropriation includes an allocation of \$535,447 for operation costs, including 2.5 FTEs to run the program as well as associated expenses and professional services. Therefore, the spending plan allocation to grant programs is \$4,464,553.

Spending Plan Options

The OAHF statute authorizes the following grant programs:

- a) Developing conservation management plans;
- b) Implementing conservation management plans (CMPs);
- c) Development funding or technical assistance for organizations intending to develop or implement CMPs or conservation easements; and
- d) Conservation easements or covenants.

While the budget report accompanying the appropriation does not include a breakdown by grant types, legislative testimony was primarily focused on conservation easements and conservation management plans.

The commission should develop a spending plan for available funds so prospective applicants have guidance on funding availability by grant type.

Given that this first appropriation is an opportunity to demonstrate program effectiveness, and that each offering requires significant effort to launch, the commission should consider the most effective path forward. Keeping in mind that payment for implementation of conservation management plans requires an interim step – completing the valuation work begun under the [Highland Economics Feasibility Study](#) – the spending plan should not include funds for this grant type.

Regarding the other grant types, expectations for conservation easement and conservation management plan development grants indicate that these grant types should be included. This would also allow for demonstration of program need, particularly for conservation easements and association CMPs.

The remaining grant type is technical assistance. Technical assistance grants would help build capacity for further work among eligible organizations working with agricultural land owners and operators to access the program in the future. While potentially demonstrating need for

OAHP grants, technical assistance grants may not provide the short-term demonstration of program need desired for ongoing program support.

In addition to the authorized OAHP grant types, ORS 541.989 stipulates that the commission may make a recommendation to the General Assembly to fund succession planning programs if OSU Extension Service provides the commission with a proposal for review. If such a proposal is received, the commission could recommend a funding proposal to the General Assembly for the 2023 or subsequent legislative session.

For discussion purposes, two spending plan options are presented in the table below:

Grant Type	Option 1	Option 2
Conservation Easements	\$4,000,000	\$3,500,000
Conservation Management Plan Development	\$464,553	\$500,000
Technical Assistance	\$0	\$464,553

Solicitation Timeline

OWEB intends to release grant solicitations as soon as possible. A solicitation requires the following steps:

- 1) Develop a grant application in OWEB’s online application system;
- 2) Develop program guidance for applicants, including easement templates;
- 3) Establish technical review processes for each grant type, as required by statute; and
- 4) Develop grant agreement templates for each grant type.

While developing the required program components, OWEB will be hiring for staff positions to run the program in the coming months. The following proposed solicitation timeline considers both the workload associated with developing each of the steps above as well as the time it takes to hire and onboard new staff. The proposed solicitation timeline is as follows:

July 2022 – Announce grant solicitation

September 2022 – Application deadline

October 2022 – February 2023 – Evaluation and due diligence

March 2023 – Public notice of staff recommendations

March 2023 – OAHC meeting to make funding recommendations

April 2023 – OWEB board awards grants

Recommendation

Staff recommends that the commission adopt a spending plan allocating available funds across authorized grant types.

Staff Contact

If you have questions or need additional information, contact Eric Williams, Grant Program Manager, at eric.williams@oweb.oregon.gov, or 971-345-7014.