

August 26, 2005

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item H: Allocation of Pacific Coastal Salmon Recovery Funds to State Agencies
September 13-14, 2005 OWEB Board Meeting**

I. Introduction

This report seeks Board authorization to allocate a total \$7,437,946 of federal Pacific Coastal Salmon Coastal Funds (PCSRF) for the Oregon Departments of Agriculture, Environmental Quality, and Fish and Wildlife.

II. Background

By Congressional designation and National Marine Fisheries Service (NMFS) grant conditions, OWEB is the Oregon agency charged with receiving and disbursing PCSRF funds. OWEB recently revised its Memorandum of Understanding with NMFS that specifies OWEB's responsibilities for ensuring that the use of the PCSRF funds is consistent with their intended federal purposes. The performance measures in the MOU provide a basis for ensuring effective investment of federal PCSRF funds in salmon recovery. The primary criteria for use of PCSRF funds are for recovery planning or for recovery of salmon or steelhead habitat. The revised MOU requires OWEB to consult with NMFS on proposed state agency allocations of PCSRF funds prior to approving them.

This biennium the Legislature allocated \$8.5 million of 2004 and 2005 PCSRF federal grants to the Departments of Agriculture, Environmental Quality, and Fish and Wildlife. These allocations were discussed informally with NMFS prior to legislative action. Detailed work scopes have been developed by each agency for the products they will produce with the PCSRF funds, consistent with performance measures NMFS requires of all recipients of PCSRF dollars. These allocations are explained in detail in Attachment A. NMFS has reviewed the legislative allocations and found them to be consistent with PCSRF purposes. (See Attachment B)

III. Overview of Agency PCSRF Allocations

On an August 8, 2005, conference call meeting, the Board allocated a total of \$1,062,564 in PCSRF funds to allow OWEB staff to enter into agreements to cover appropriate program expenses for ODA, DEQ, and ODFW through September 30, 2005. Those PCSRF funds cover agency activities for the first quarter of the first year of the biennium. In the meantime, OWEB has been working with each agency to develop agreements for the full biennium, with the understanding that the Board would consider allocating the remaining funds at its September 2005 meeting.

The following are legislative allocations that OWEB will administer to the named agency provided that eligibility and reporting requirements of the PCSRF are met. OWEB staff are working on an agreement for fund administration with each agency that will provide clear expectations of the outcomes to be accomplished and required reporting.

A. Oregon Department of Agriculture

PCSRF funds were allocated ODA to fund Soil and Water Conservation Districts (SWCDs) throughout the state. The \$1.9 million appropriated provides ODA staff support for SWCDs, and direct funding for district staff.

Table 1. ODA Allocation of Funds

2005-2007 Legislatively Adopted Budget	
Program Element	PCSRF
Soil and Water Conservation Districts	\$1,967,233
<i>Less August 8, 2005 Board Approved Allocation</i>	<\$245,904>
Total Remaining to be Allocated	\$1,721,329

B. Oregon Department of Environmental Quality

PCSRF funds were allocated to DEQ’s Oregon Plan Monitoring program. The \$0.8 million appropriated to DEQ will continue critical monitoring efforts and allow Willamette Basin TMDLs to be completed.

Table 2. DEQ Allocation of Funds

2005-2007 Legislatively Adopted Budget	
Program Element	PCSRF
Oregon Plan Monitoring	\$814,293
<i>Less August 8, 2005 Board Approved Allocation</i>	<\$101,787>
Total Remaining to be Allocated	\$712,506

C. Oregon Department of Fish and Wildlife

The Legislature allocated PCSRF funding to five programs within ODFW. The allocations are detailed in Table 1. The \$5.7 million allocated to ODFW will accomplish significant contributions to the monitoring, recovery planning and recovery of salmon populations and fish habitat, assist in improving fish passage, and assist in programs to protect fish habitat.

Table 3. ODFW Allocation of Funds

2005-2007 Legislatively Adopted Budget	
Program Element	PCSRF
Coastal Monitoring	\$798,500
Oregon Plan Monitoring	\$3,534,936
Western Oregon Stream Biologists	\$470,692
Recovery Planning	\$750,000
ESA Specialist	\$164,856
<i>Less August 8, 2005 Board Approved Allocation</i>	<\$714,873>
Total Remaining to be Allocated	\$5,004,111

IV. Recommendation

Staff recommend the Board authorize an allocation of \$7,437,946 in PCSRF funds as allocated by the Oregon Legislature to the following agencies for the remainder of the 2005-2007 biennium.

\$1,721,329	Oregon Department of Agriculture
\$ 712,506	Oregon Department of Environmental Quality
<u>\$5,004,111</u>	Oregon Department of Fish and Wildlife
\$7,437,946	TOTAL

Attachments

- A. July 11, 2005 OWEB Letter on Agency Work Scopes
- B. August 4, 2005 NMFS Letter concerning Agency Work Scopes