

**Department of State Lands
Wetlands Program Development**

Reported out of Subcommittee on 4/11/2013

The Natural Resources Subcommittee recommends approval of the submission of a federal grant application to the U.S. Environmental Protection Agency in the amount of \$220,000 for wetlands management improvement.

Grant funds are available for better tools to measure wetlands, upgrading a reporting utility on the agency's website, developing a functions-based watershed approach to wetlands mitigation, and testing the validity of new tools for more accurate wetlands assessment. These projects would improve the state's understanding of wetland and water resource functions so restoration work can be more cost effective.

The Environmental Protection Agency requires a 25% match, which would be met by existing agency staff performing normal duties and by an outside entity, the Willamette Partnership, assisting with the projects. Awards are likely to be announced in mid-July. If the grant application is successful, the department will require an increase in Federal Funds expenditure limitation to use the funds.

The Natural Resources Subcommittee recommends approval.

Federal Grant Application Request

Department of State Lands

Wetland Program Development

Analyst: Linda Gilbert

Request: Approve the submission of a federal grant application to the US Environmental Protection Agency for up to \$280,000 for Wetland Program Development.

Recommendation: Authorize the agency to submit a federal grant application for up to \$220,000, with the understanding that if the grant is awarded the Department will request additional Federal Funds expenditure limitation during the 2014 Legislative Session or from the Emergency Board.

Analysis: The US Environmental Protection Agency (EPA) is soliciting pre-proposals for federal fiscal years 2013 and 2014. EPA will evaluate the proposals and request full applications from some or all states. If selected, and with legislative approval, DSL will apply for funding for three projects. The projects build on continuing work with the EPA to improve the state's ability to manage wetlands and other aquatic resources.

The projects are:

1. Complete the Oregon Rapid Wetland Assessment Protocol refinement. The expected outcome is strengthening the scientific basis for wetland function- and value-scores by sampling a determined number of sites. The second part of this project is upgrading the reporter tool on the DSL website to make it the single information source for agency staff. (\$90,000)
2. Watershed-based Approach to Stream and Wetland Mitigation in Oregon. This project would develop a functions-based watershed-scale approach to mitigation, and identify policy changes. Funds would be passed through to an outside entity to complete the work. This project depends on completion of the first project. (\$50,000)
3. Watershed-based Assessment Approach. This project tests the validity of new tools for more accurate assessment of losses at impact sites and net gains at mitigation or restoration sites. It includes funding for education and outreach. This project would benefit from completion of the first project, but is not dependent on it, nor on the second project. (\$80,000)

The application request was for up to \$280,000. Subsequent to submitting the application request letter to the Legislature, Agency management decided not to apply for a fourth grant. This brings the total request to an amount up to \$220,000. The EPA requires a 25% match. Match will be met with existing agency and outside partner in-kind work. Work that employees are normally doing will qualify as match.

The notification date was March 5, 2013 for a pre-proposal application deadline of April 5, 2013. The EPA will select successful proposals in late May and expects to announce successful grantees by mid July. Should the Department be awarded funding, work would begin in late summer 2013 and end in

summer 2015. One limited duration position, currently working on another EPA grant, would be retained administratively for the full 2013-15 biennium to work on the new grant. Additionally, the agency may need another limited duration position for 9 – 12 months to assist with the first project and ensure timely completion of the second project, depending on the EPA's decision.

The Legislative Fiscal Office recommends approving the request to apply for up to \$220,000 with the understanding that if the grant is awarded the Department will request additional Federal Funds expenditure limitation during the 2014 Legislative Session or from the Emergency Board.