

Federal Grant Application Request

Department of State Lands

Wetland Program Development

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Request: Approve the submission of a federal grant application to the US Environmental Protection Agency for up to \$348,647 for Wetland Program Development, establish a Federal Funds expenditure limitation of \$348,647, and unschedule the limitation.

Recommendation: Approve the submission of a federal grant application for up to \$348,647, and include a Federal Funds expenditure limitation of \$133,000 in the close-of-session appropriation bill, with the understanding that the Department of Administrative Services will unschedule the limitation.

Analysis: The US Environmental Protection Agency (EPA) is soliciting pre-proposals for federal fiscal years 2015 and 2016. EPA will evaluate the proposals and request full applications from some or all states. If selected, and with legislative approval, the Department of State Lands (DSL) will apply for funding for a three-part project. The project builds on continuing work with the EPA to improve the state's ability to manage wetlands and other water resources mitigation. These EPA-funded wetland projects have been underway since 1991.

This round's projects are:

1. Stream Functional Assessment Method (SFAM) development. The expected outcome is incorporating types of streams into the SFAM, and then adapting the SFAM for use on different sized streams, and completing a user guide. This part of the project improves compensatory mitigation for aquatic resources. The project will be completed by the Willamette Partnership. (\$125,000)
2. Developing a reporting tool for SFAM. Funds would be passed through to the Institute for Natural Resources and Oregon State University to develop an online interface, which will provide a one-stop portal for relevant information and tools for use by users of the stream functional assessments. (\$100,115)
3. Implementing the new wetlands and stream mitigation protocols. Using existing DSL staff and one limited duration Mitigation Policy Specialist, 0.85 FTE, the Department will develop methods for using the wetland and stream functional assessments and tools. This will include project management, outreach and communication, rules and guidelines, training, internal operation systems, and quality control for reviewing mitigation plans. Finally, program effectiveness and analysis will complete the elements of the protocol. (\$123,532)

The EPA requires a 25% match. The Department will meet the requirement with existing agency and outside partner in-kind work. Work that employees are normally doing will qualify.

The Department was notified of the request for pre-proposal in mid-April with an application deadline of May 15, 2015. The EPA will select successful proposals and announce successful grantees by late September. Should the Department be awarded funding, work would begin in October 2015 and end in 2019.

The Legislative Fiscal Office (LFO) recommends approving the request to apply for up to \$348,647 and that Federal Funds expenditure limitation be increased for 2015-17 by \$133,000, which is what the Department would need between October 1, 2015 and March 1, 2016, assuming the full amount is awarded. This part of the limitation would be applied to all three parts of the project. In addition, the Department would return to the Legislature for additional limitation in February, 2016, for any amount over \$133,000 that might be awarded.

Ordinarily, LFO would not recommend providing expenditure limitation until the grant was awarded, but the work needs to commence in the fall of 2015, and the Department has no other federal limitation that it could temporarily substitute for the project. LFO recommends including the limitation in the close-of-session bill, along with a request that the Department of Administrative Services (DAS) un-schedule the limitation until DSL notifies LFO and DAS of the actual grant award. This is similar to 2013, when the Legislature provided partial expenditure limitation in the close-of-session appropriation bill for that round of EPA grants.