



# Oregon

Kate Brown, Governor

## Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

[www.oregon.gov/OWEB](http://www.oregon.gov/OWEB)



### MEMORANDUM

**TO:** Legislative Fiscal Office: Paul Siebert

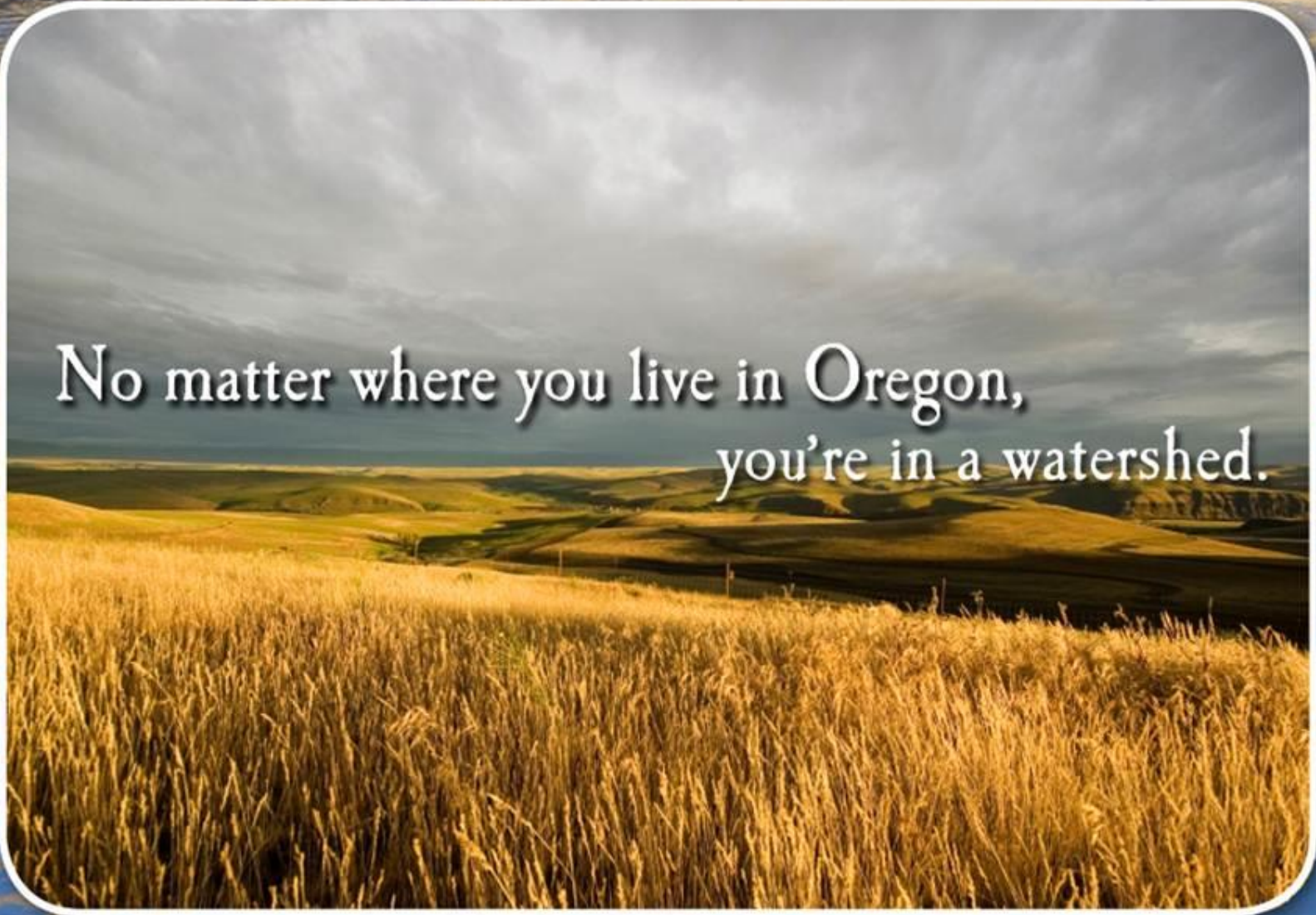
**FROM:** Meta Loftsgaarden, Executive Director

**DATE:** March 28, 2017

**SUBJECT:** **OWEB - Joint Ways and Means Presentation Package**

As a part of the Oregon Watershed Enhancement Board's budget presentation, attached are a number of written documents. In addition to our budget presentation PowerPoint, we have attached appendices for those items referenced in the budget guidance. Some are not applicable to our agency. A summary of each is provided below.

- Results of all audits on the agency conducted by the Secretary of State under ORS 297.070 and a description of the agency response to the audit recommendations - Results of federal compliance audit, completed by the Secretary of State as part of a Statewide Single Audit and dated March 13, 2017, are attached. In addition, OWEB's response to the audit findings is attached.
- Description of how recent changes to agency budget and/or management flexibility affected agency operations – *No major impacts, addressed as a part of budget presentation*
- Summary of proposed Technology and Capital Construction Projects – *Not included, OWEB does not have any related projects for this biennium*
- Other Funds ending balance form – *Included*

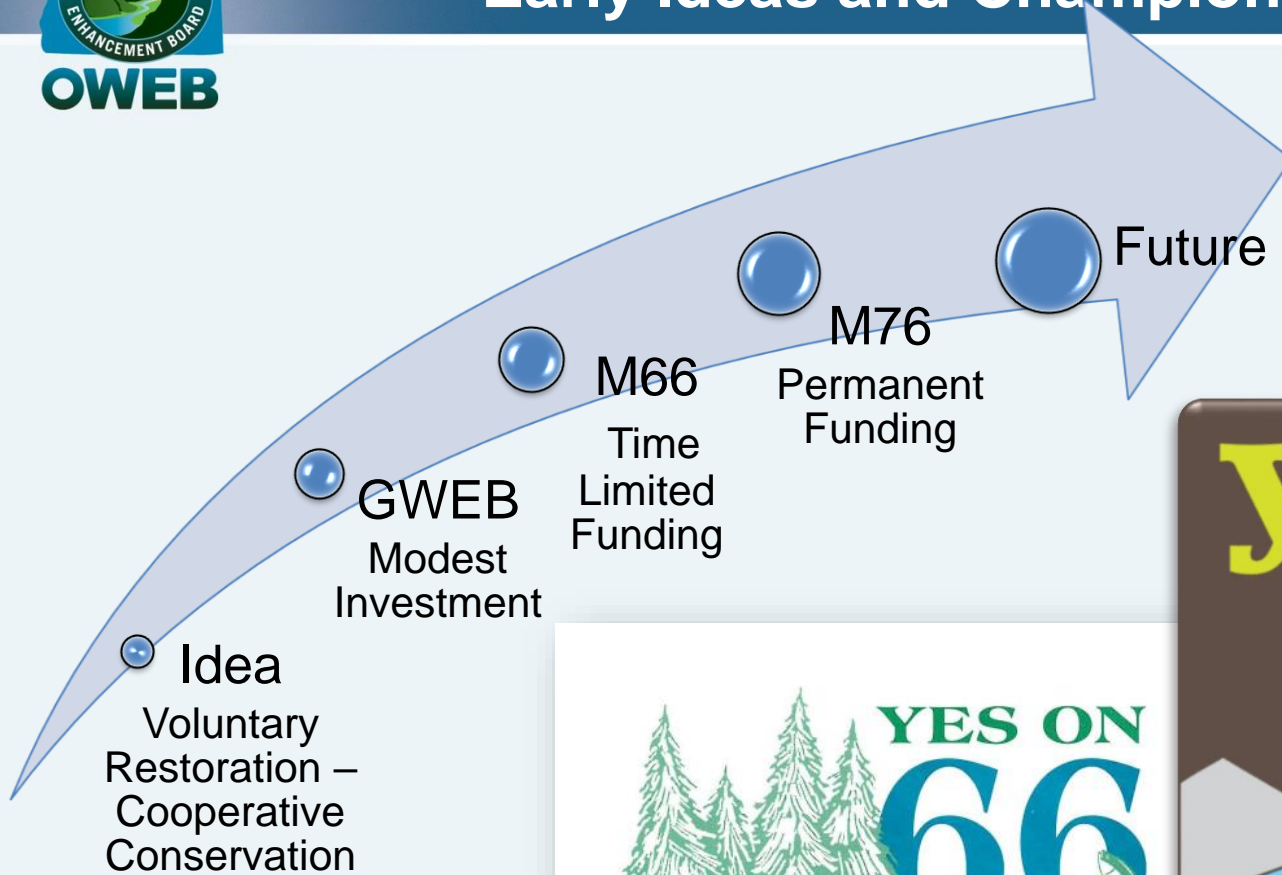


No matter where you live in Oregon,  
you're in a watershed.

Oregon's Unique Approach to Watershed Health



# Early Ideas and Champions





# OWEB Mission

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.



# Strategic Plan Goals

**Adaptive Investment** - Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

**Local Infrastructure Development** - Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation

**Public Awareness and Involvement** - Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds

**Partnership Development** - Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation

**Efficient and Accountable Administration** - Ensure efficient and accountable administration of all investments



## Strategic Plan Update

- Last Strategic Plan developed in 2010
- Update in progress to reflect changes since that time
- Open and transparent process
  - Interviewees with stakeholders
  - External advisory group
  - Listening sessions
- Slated for completion in mid-2018



# Long-Term Investment Strategy

## **Operating Capacity**

OWEB supports the operating costs of effective watershed councils and Soil and Water Conservation Districts

## **Open Solicitation**

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities

## **Focused Investments**

OWEB helps landscape-scale collaborative partnerships achieve prioritized ecological outcomes

## **Effectiveness Monitoring**

OWEB evaluates and reports on the progress and outcomes of watershed work it supports



## Program Areas

**Grant Program** supports local community organizations to implement, track and monitor science-based projects to restore land, water and fish and wildlife habitat, and provide Oregon jobs

**Operations** supports delivery of grants that support local community organizations





# Program Delivery

## OWEB

- Solicits for grants and completes reviews in partnership with other agencies
- Manages grant program
- Implements effectiveness monitoring programs
- Develops effective partnerships to leverage resources at the regional/state level

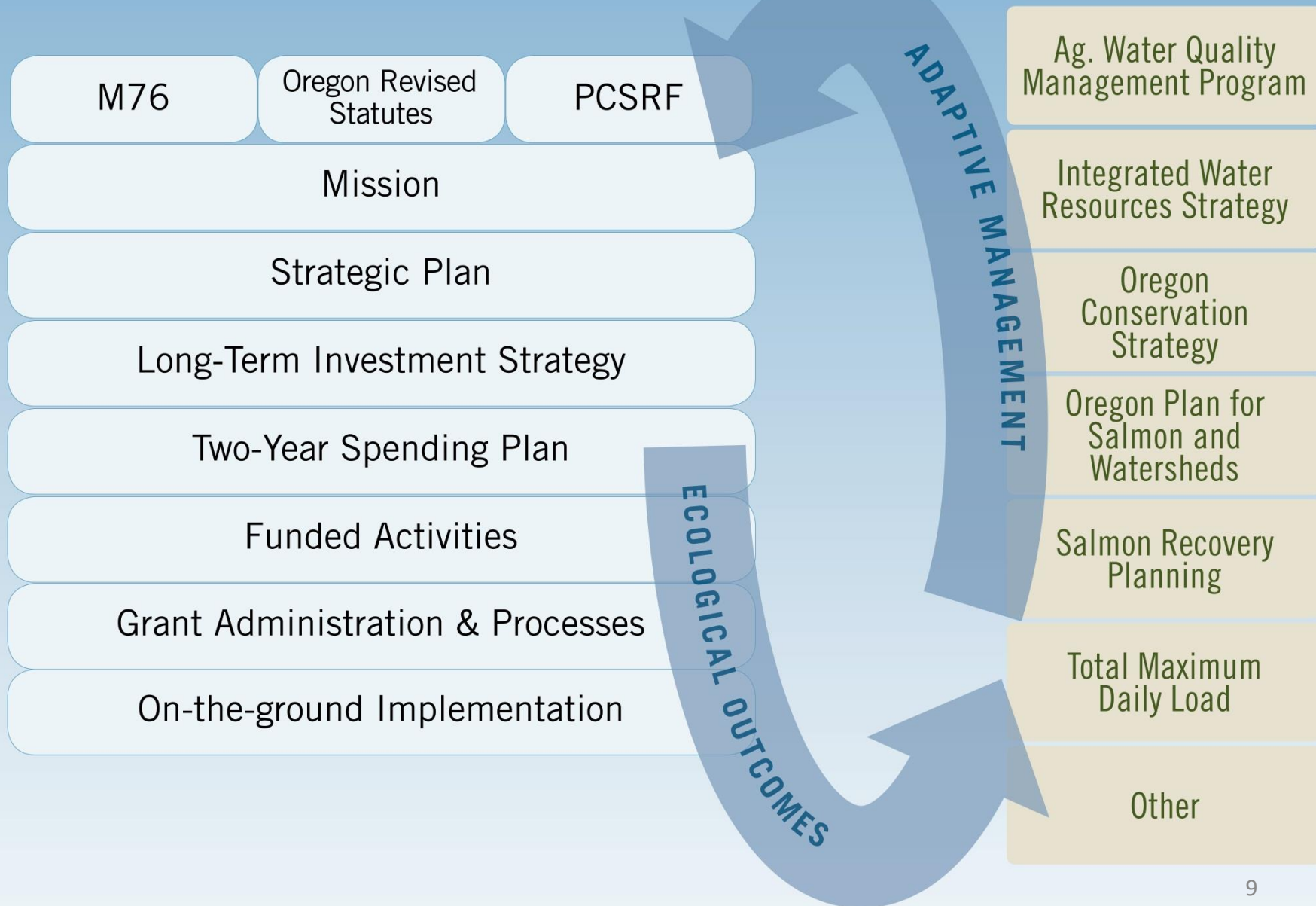
## Local Restoration Partners

- Implement restoration projects on the ground
- Provide outreach
- Monitor project success
- Develop effective partnerships to leverage resources at the local level

## Landowners and Communities

- Commit to voluntary conservation work on their land
- Invest in the local restoration economy

# Elevations of Influence





## Spending Plan

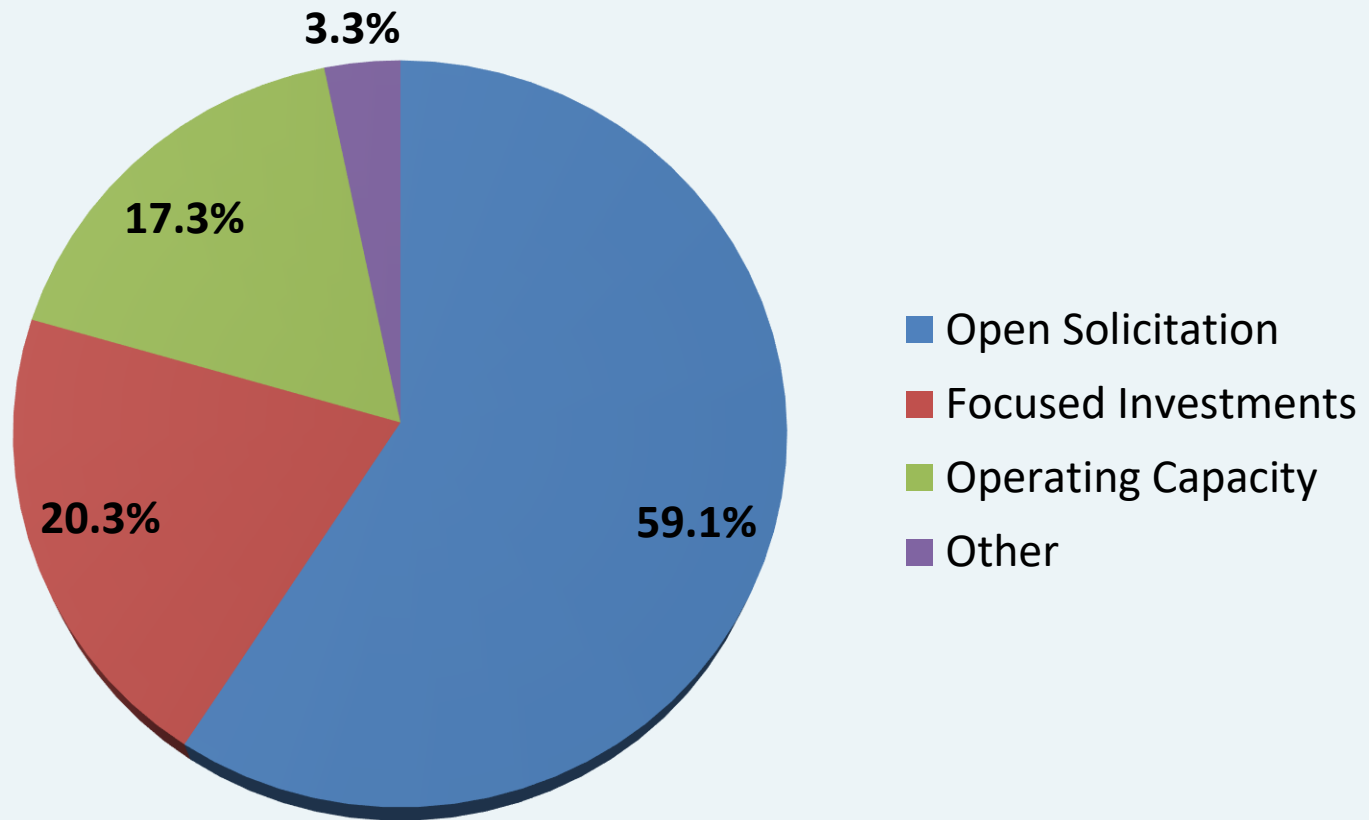
OWEB's Board **oversees grant investments** through a **spending plan** approved each biennium and updated as additional funds become available or forecasts change

**OWEB 2015-17 Spending Plan for the January 2017 Board Meeting**

<b>OWEB SPENDING PLAN</b>	<b>Jan 2017 additions to spending plan</b>	<b>Jan 2017 Spending Plan</b>	<b>TOTAL Board Awards To-Date</b>	<b>Remaining Spending Plan as of Oct 2016 awards</b>	<b>Jan 2017 Proposed Board Awards</b>	<b>Remaining Spending Plan as of Jan 2017</b>
<b>Open Solicitation:</b>						
Restoration**		25.207	18.796	6.411		6.411
Technical Assistance						
Restoration TA**		3.060	2.224	0.836		0.836
CREP TA		1.050	1.050	0.000		0.000
Monitoring grants**		2.120	0.971	1.149		1.149
Outreach**		0.600	0.310	0.290		0.290
Land and Water Acquisition**		7.500	2.343	5.157		5.157
Weed Grants		2.500	2.500	0.000		0.000
Small Grants		2.800	2.800	0.000		0.000
Programmatic Effectiveness Monitoring		0.500	0.213	0.287		0.287
<b>TOTAL</b>	<b>0.000</b>	<b>45.337</b>	<b>31.207</b>	<b>14.130</b>	<b>0.000</b>	<b>14.130</b>
<b>% of assumed Total Budget</b>		<b>59.13%</b>				
**if more funding becomes available, will go to these areas						
<b>Focused Investments:</b>						
Implementation FIPs		14.058	14.058	0.000		0.000
Capacity-Building FIPs		1.039	1.039	0.000		0.000
FI Effectiveness Monitoring		0.500	0.200	0.300		0.300
<b>TOTAL</b>		<b>15.597</b>	<b>15.297</b>	<b>0.300</b>	<b>0.000</b>	<b>0.300</b>
<b>% of assumed Total Budget</b>		<b>20.34%</b>				
<b>Operating Capacity:</b>						
Capacity grants (WC/SWCD)		12.500	12.500	0.000		0.000
Statewide organization partnership support		0.334	0.300	0.034	0.034	0.000
Building Capacity Grants		0.400	0.400	0.000		0.000
<b>TOTAL</b>	<b>0.000</b>	<b>13.234</b>	<b>13.200</b>	<b>0.034</b>	<b>0.034</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>		<b>17.26%</b>				
<b>Other:</b>						
CREP		0.500	0.500	0.000		0.000
Oregon Plan/Governor Priorities		1.000	1.000	0.000		0.000
Strategic Implementation Area's		1.000	1.000	0.000		0.000
<b>TOTAL</b>	<b>0.000</b>	<b>2.500</b>	<b>2.500</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>		<b>3.26%</b>				
<b>TOTAL OWEB Spending Plan</b>	<b>0.000</b>	<b>76.668</b>	<b>62.204</b>	<b>14.464</b>	<b>0.034</b>	<b>14.430</b>
<b>OTHER DISTRIBUTED FUNDS IN ADDITION TO SPENDING PLAN DISTRIBUTION</b>						
Oregon Department of Fish and Wildlife - PCSRF		9.512	9.512	0.000		0.000
Forest Health Collaboratives from ODF		0.660	0.500	0.160		0.160
Rangeland Fire Protection Assoc from ODF		1.200	1.200	0.000		0.000
PSMFC-IMW		0.591	0.591	0.000		0.000
Lower Columbia Estuary Partnership		0.300	0.300	0.000		0.000
ODOT	0.250	0.500	0.250	0.250		0.250
<b>TOTAL</b>	<b>0.250</b>	<b>12.763</b>	<b>12.353</b>	<b>0.410</b>	<b>0.000</b>	<b>0.410</b>

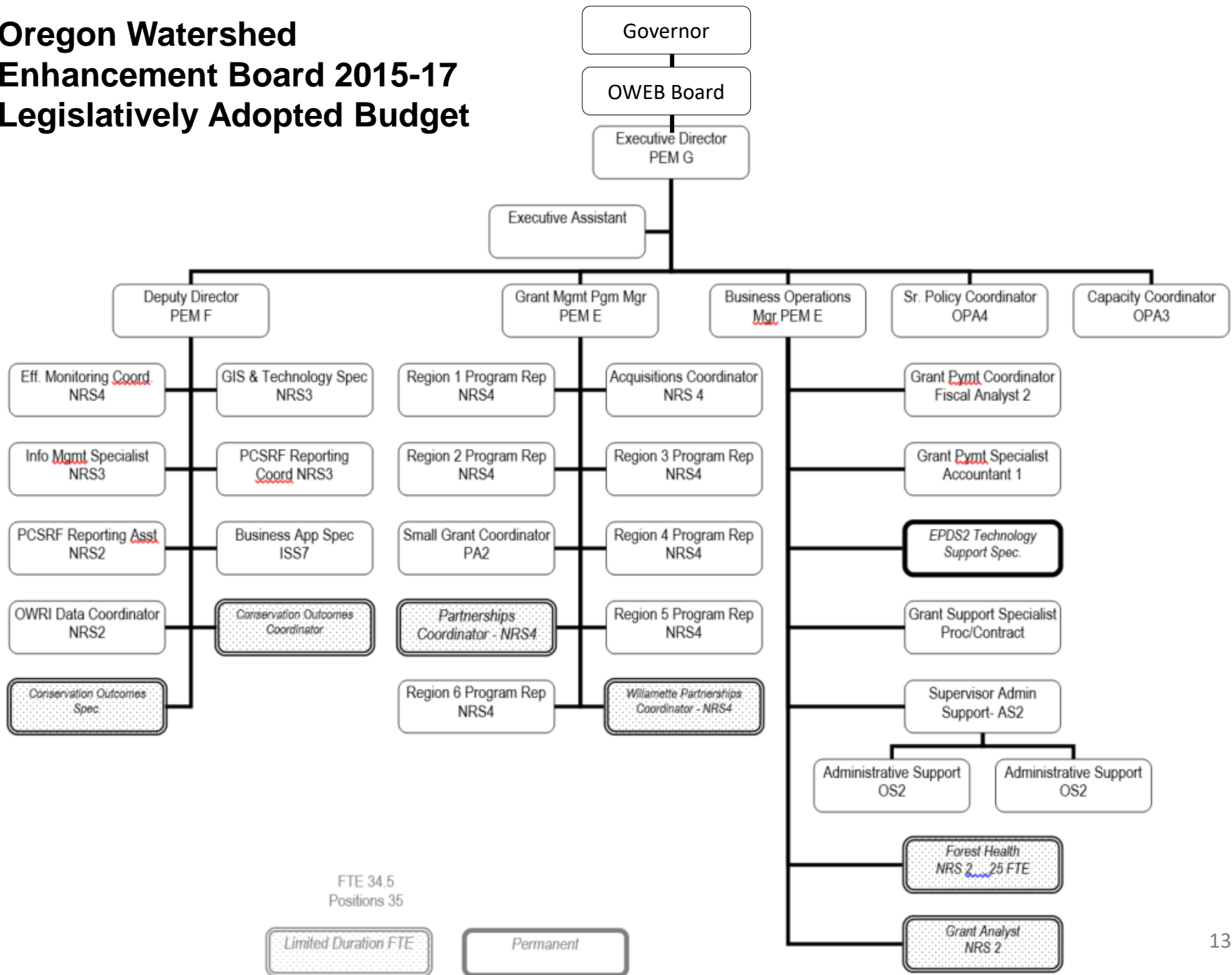


# 2015-2017 Spending Plan Allocations



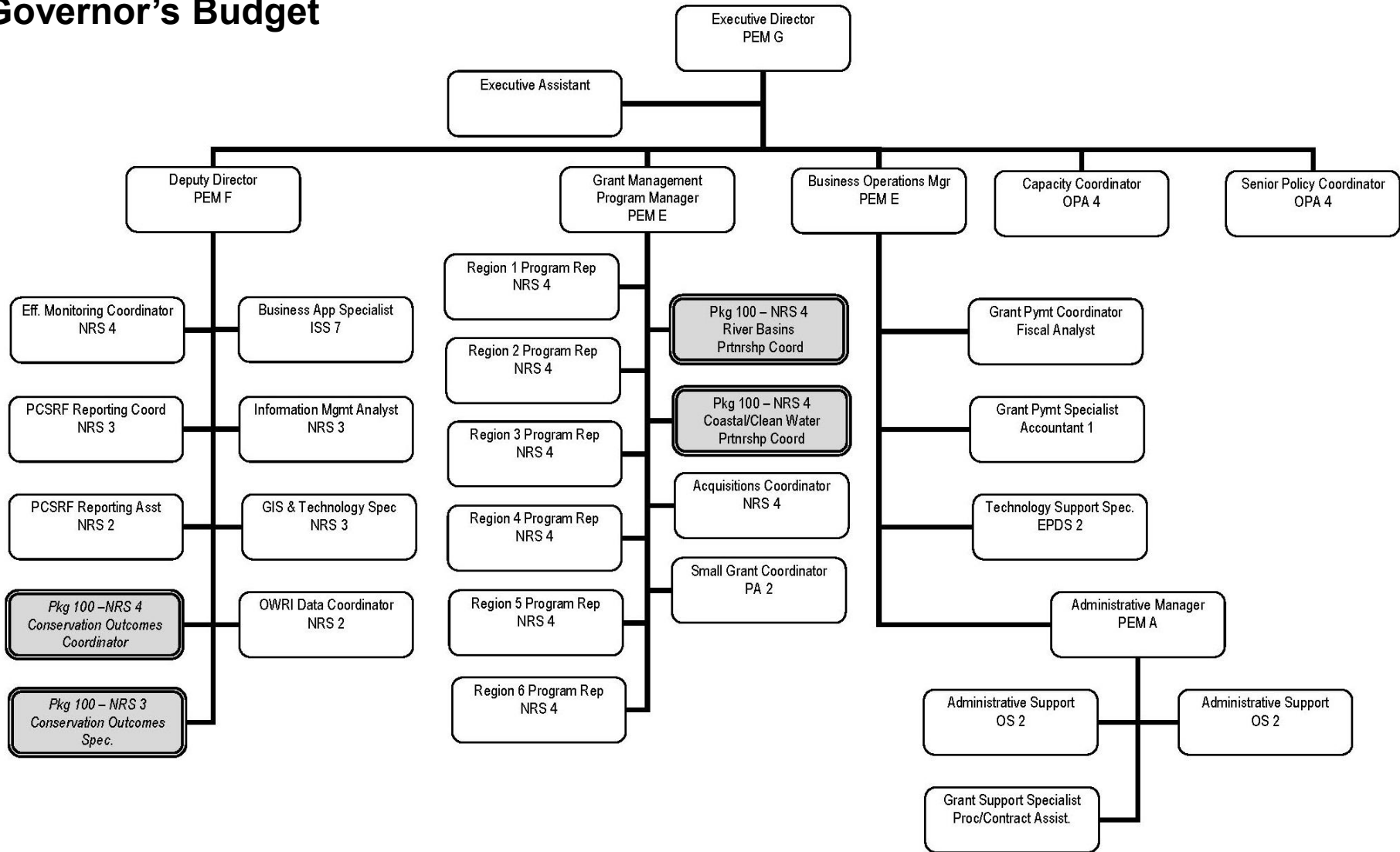
Monitoring is foundational to all of these investment categories.

# Oregon Watershed Enhancement Board 2015-17 Legislatively Adopted Budget



# Oregon Watershed Enhancement Board 2017-19

## Governor's Budget



Permanent

Limited Duration FTE

32.99 - FTE  
33.0 - Positions



## OWEB AVERAGE COST PER FTE

	2015-17 LAB Total Funds	2017-19 GB Total Funds
Salary/Wages	4,687,756	4,829,088
Health Benefits	1,037,952	1,100,088
PERS & Pension Obligation	1,001,694	963,929
All other personnel costs	352,379	342,472
<b>TOTAL PERSONAL SERVICES</b>	<b>7,079,781</b>	<b>7,235,577</b>
FTE	34.25	32.99
Average Cost per FTE	206,709	219,326
Percentage of Total Budget	7%	6%
Total budget	103,309,893	117,750,643





## OWEB AVERAGE FTE Costs on an Annual Basis with NO OPE

	2015-17 LAB Total Funds	2017-19 GB Total Funds
Salary/Wages (no OPE)	2,343,878	2,414,544
FTE	34.25	32.99
Annual Average Cost per FTE	68,434	73,190



# Agency Caseload

Currently...

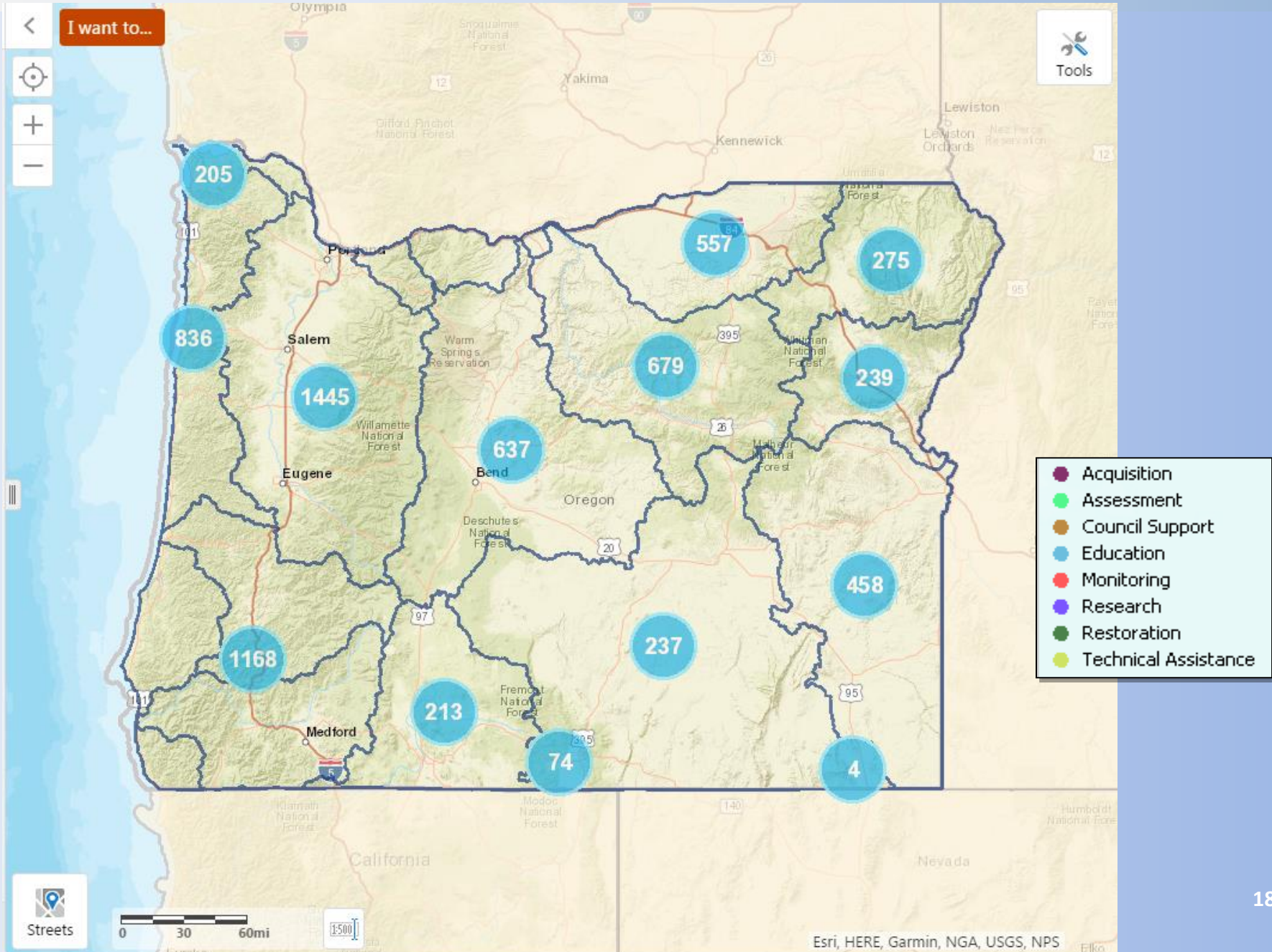
...1,103 open grant agreements with a balance of over \$58 million

...1,354 combined applications reviewed and grant agreements executed in this biennium\*

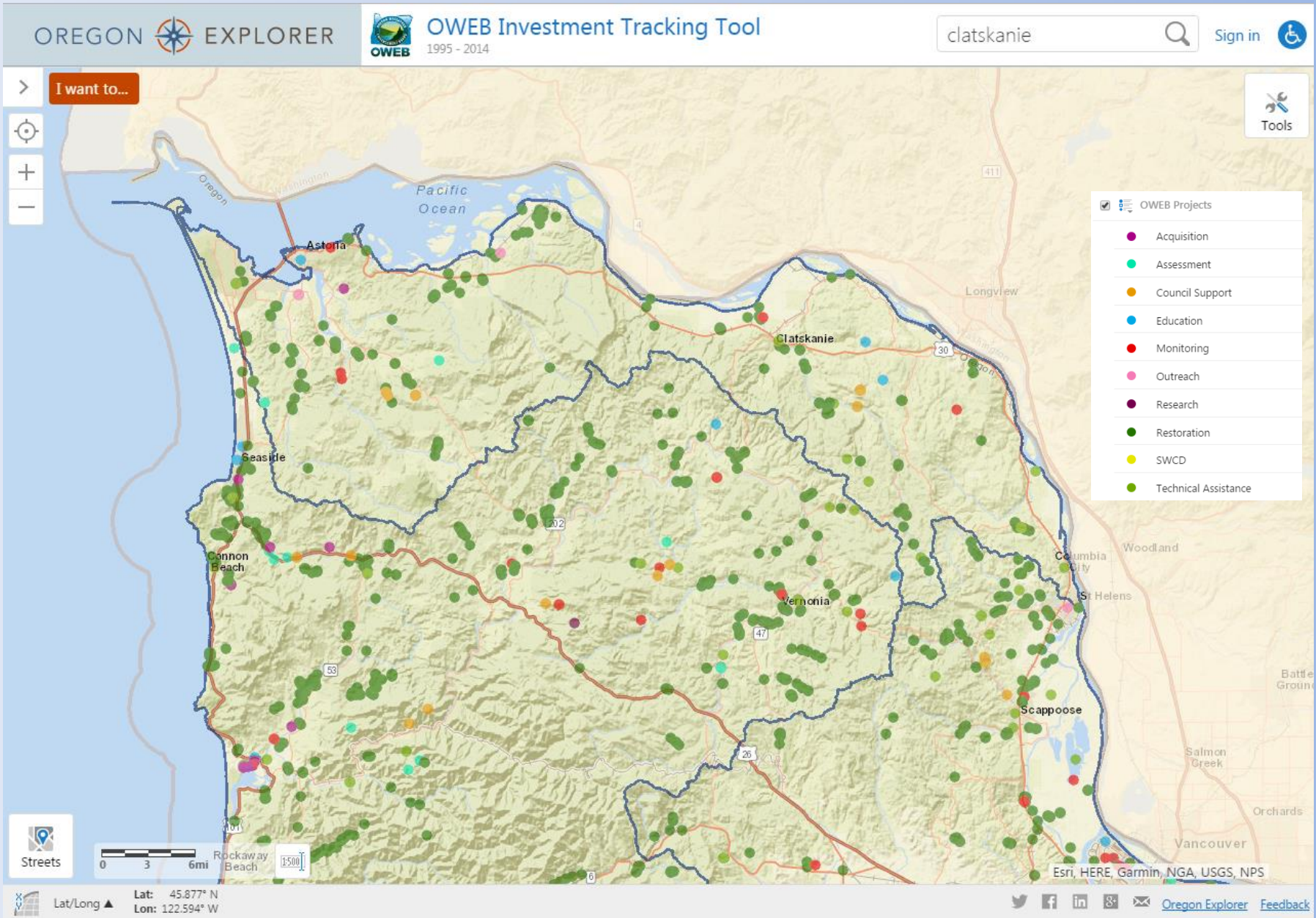
... Applications received total \$62.8 million in requests to date\*

\* With three of four grant cycles completed for the biennium

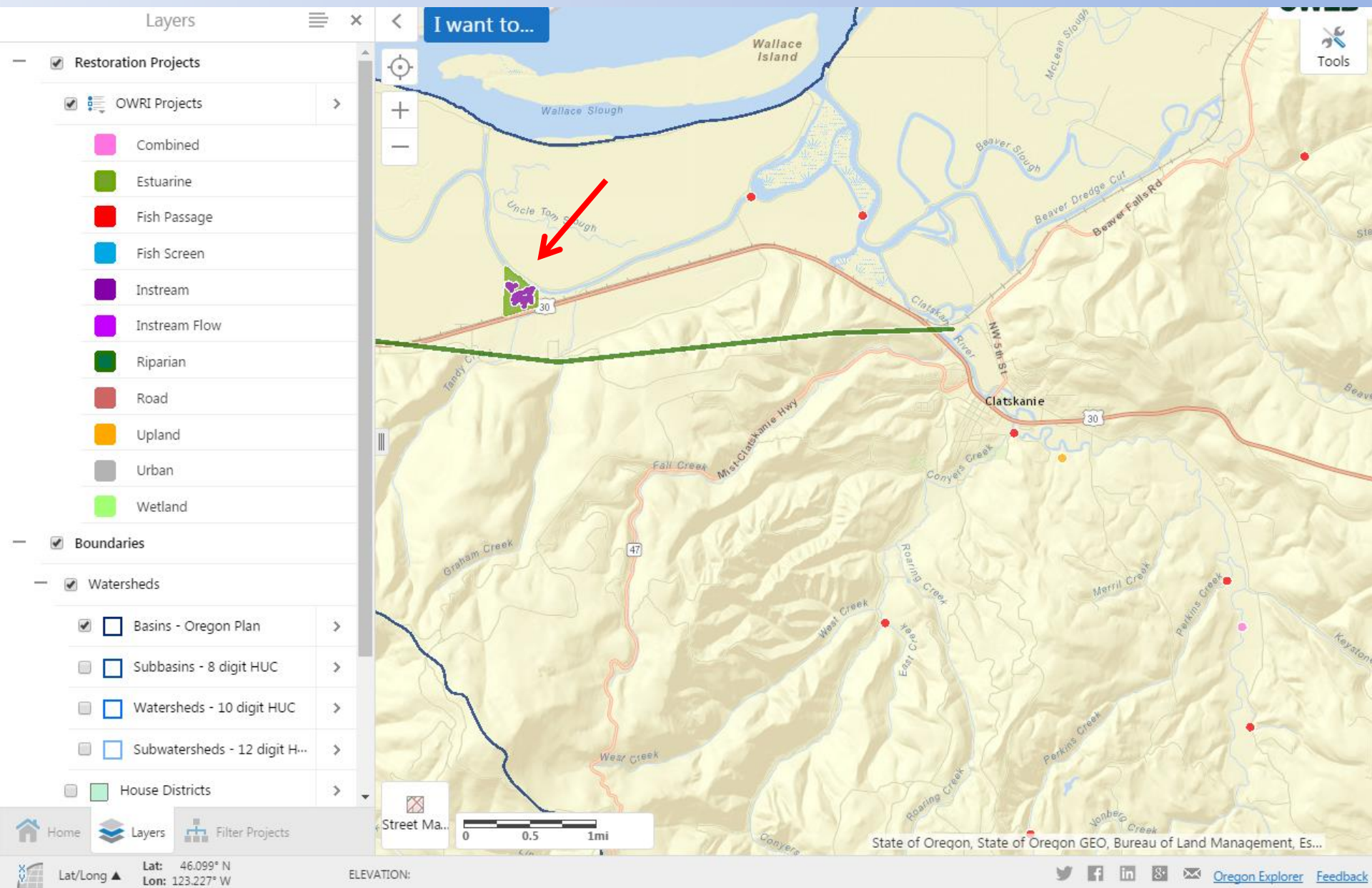
# OWEB Grant Investments – 1999-2014



# OWEB Grant Investments – 1999-2014



# OWEB Grant Investments – 1999-2014



Layers



I want to...

Restoration Projects

OWRI Projects

- Combined
- Estuarine
- Fish Passage
- Fish Screen
- Instream
- Instream Flow
- Riparian
- Road
- Upland
- Urban
- Wetland

Boundaries

Watersheds

- Basins - Oregon Plan
- Subbasins - 8 digit HUC
- Watersheds - 10 digit HUC
- Subwatersheds - 12 digit H...
- House Districts

Project: Louisiana Swamp Tid 1 of 2

**Project: Louisiana Swamp Tidal Reconnection (20140118)**

**Activity Type:** Estuarine  
**Stream:** Westport Slough  
**Subbasin:** Lower Columbia-Clatskanie  
**Tributary of:** Columbia R  
**Start / Complete Dates:** 2013 / 2014  
**Total Cash:** \$447,585  
**Total Inkind:** \$1,800  
**Application #:** 214-1000-10437

**Project Activities**  
 Instream habitat enhancement: Large wood placed, Side channels created / excavated; Estuarine invasive plant control, Estuarine restoration, Estuarine vegetation planting

Project: Louisiana Swamp Tid 2 of 2

**Project: Louisiana Swamp Tidal Reconnection (20140118)**

[Detailed Report](#) [Printable Report](#)

**Activity Type:** instream  
**Stream:** Westport Slough  
**Subbasin:** Lower Columbia-Clatskanie  
**Tributary of:** Columbia R  
**Start / Complete Dates:** 2013 / 2014  
**Total Cash:** \$447,585  
**Total Inkind:** \$1,800  
**Application #:** 214-1000-10437

**Project Activities**  
 Instream habitat enhancement: Large wood placed, Side channels created / excavated; Estuarine invasive plant control

Street Map

State of Oregon, State of Oregon GEO, Bureau of Land Management, Es...

Home Layers Filter Projects

Lat/Long ▲ Lat: 46.120° N  
 Lon: 123.299° W

ELEVATION:

Twitter Facebook LinkedIn Google+ Email Oregon Explorer Feedback



## Key Performances Measures (KPMs)

2015-2016 – Evaluated the need to update OWEB’s KPMs to better measure the agency’s performance.

Proposed revised KPMs address:

- Internal measures focused on grant-making processes, and
- External measures focused on the results of OWEB’s investments



# 2015-2017 Key Performance Measures

## Current KPMs

Operations	Plant Communities
Outside Funding	Work Plans
Restoration	Fish Monitoring
Payments	Salmon Habitat Quantity
Fish Populations	Customer Service





# Summary of 2016 KPM Results

## 2016 Performance Summary



Green	40%
Yellow	10%
Red	50%

**Green**  
= Target to -5%

**Yellow**  
= Target -6% to -15%

**Red**  
= Target > -15%



## Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Investments that address restoration priorities	Revise	Funding that addresses habitat for listed native species or 303(d) water-quality listings	Directly connects to OWEB's mission, as outlined in the Oregon Constitution and statutes

2016 APPR: Red (no data)



## Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Potential salmon habitat made available	Revise	Fish habitat opened by fish-passage projects funded through OWEB grants	Measures progress associated directly with OWEB's investments

2016 APPR: Red



# Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
	Add	Upland habitat restored through OWEB funded grants	Measures progress associated directly with OWEB's investments



## Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Improved riparian stream miles	Revise	Riparian stream miles restored through OWEB funded grants	Measures progress associated directly with OWEB's investments

2016 APPR: Red



# Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Fish species with increasing or stable abundance	No action		

2016 APPR: Yellow



# Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
	Add	Percent of Oregon's 76 'sub-basins' that benefit from OWEB grants	Tracks distribution of OWEB's investments



# Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Watershed councils accomplishing work plans	Revise	Watershed councils demonstrating effective organizational governance and management using OWEB merit criteria	Connects directly to administrative rules guiding OWEB's council capacity investments

2016 APPR: Red (no data)





# Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Customer Service	No action		

2016 APPR: Green



## Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Funding used for agency operations	No change to KPM; revise methodology and target		Update both methodology and target to reflect fund distribution process under M76

2016 APPR: Red



# Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Complete grant payments within 24 days	No action		

2016 APPR: Green



## Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
	Add	Open solicitation grant agreements executed within one month of Board award	Tracks efficiency of OWEB's grant-making procedures



# Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Funding from other sources resulting from OWEB's grant awards	Revise	Funding contributed from other sources to OWEB funded restoration projects	More accurately measures leveraged contributions from other sources, based on information about the completed project

2016 APPR: Green



## Proposed Revised KPMs

Current KPM	Action	Proposed KPM	Rationale
Native fish monitored to an adequate level	Delete		No longer reflects funding distribution for monitoring under M76

2016 APPR: Green



# 2017-2019 Proposed Revised KPMs

Proposed Revised KPMs	
Native Species Habitat and Water Quality	Native Fish Habitat Quantity
Upland Habitat	Streamside Habitat
Fish Populations	Grant-Making Across Oregon
Watershed Council Governance	Customer Service
Operations	Payments
Timeliness of Grant-Making	Funding from Other Sources



# Budget Drivers & Environmental Factors

## Fund Sources

- Lottery Fund revenue projections
- Competitive Grant Process for federal funds
- Limitations on use of funds

## Investment in new granting programs that support native species and thriving communities

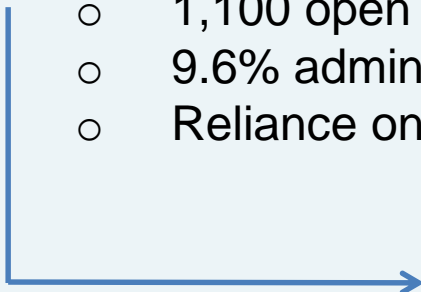
- Focused Investment Partnerships
- Strategic Implementation Areas



KPMs: Fish habitat miles; Upland habitat acres; Riparian habitat miles

## Granting Efficiency

- 1,100 open grants
- 9.6% administration for grant program delivery
- Reliance on other agencies to provide technical support (M76 funds)



KPMs: Agency operations costs; Executed grant agreements; Customer Service





# Major Changes in the Last Six Years

## 2011-2013

- Implementation of Measure 76 Statutes
- Board Adoption of Long-Term Investment Strategy
- Changes to Federal Grant eligibility requirements

## 2013-2015

- Revised Administrative Rules for Council Capacity
- Priority Setting for Focused Investment Partnerships

## 2015-2017

- Agency Reorganization
- First Focused Investment Partnership Awards
- Release of Online Grant Application System
- Measuring Our Mission



# Containing Costs and Improving Services



# Cross-Agency Approach

## **Board Structure**

Public Members, Tribal, other agency commission members, federal agencies and OSU Extension

## **Funding to Support Voluntary Local Restoration**

M76 funding supports other agency staff to implement M76

## **Grant Review Team Structure**

Other agency staff participate on regional review teams

## **Staff Coordination with Other Agencies**

Engage with other agencies in planning and implementation

## **Conservation Effectiveness Partnership and Clean Water Partnership**

Outcome-based Monitoring

## **Shared Services (WRD, Housing, DSL, DLCD)**

Administrative functions (e.g., payroll, accounting, HR, IT, Internet)



# Internal Efficiencies

## Continuous Improvement

Staff-led approach to ensure adaptive, human-centered, and high-performance service

✓ **Example: Agency Reorganization in 2015**

Restructured agency to organize similar functions to increase efficiency, encourage cross-section coordination and collaboration

✓ **Example: Technology/Web-Based Improvements**

Launched in 2016; dramatically streamlines OWEB's grant solicitation, review and grant-making processes

*One result: reduced paper use by agency in one year from 9.4 million to 2 million sheets of paper – 370% reduction*



# Efficient Grant Delivery Services

## **Oregon Department of Agriculture**

Soil and Water Conservation District Capacity Grants

Weed Grant Program

Strategic Implementation Areas Initiative

## **Oregon Department of Forestry**

Forest Health Collaborative Grants

## **US Department of Agriculture**

Conservation Reserve Enhancement Program

## **NOAA-Fisheries**

Pacific Coast Salmon Recovery Funding

## **US Fish and Wildlife Service**

Coastal Wetland Grants

## **Oregon Coastal Management Program**

Grants and Reporting to Complement DLCD Program



# What We've Learned

High performing partnerships  
+  
Strategic Action Plans  
+  
Targeted ecological outcomes  
=  
**Landscape-scale results**



# Strong Partnerships

Partnership	2015-2017 OWEB Award Amount	Est. OWEB Funding Request 2017-2019	Est. OWEB Funding Request 2019-2021	Total FIP Request	Total Est. Leverage
The Deschutes Partnership	\$4,000,000	\$4,000,000	\$4,000,000	\$12,000,000	\$16,203,000
Willamette Mainstem Anchor Habitat Working Group	\$2,550,000	\$2,430,000	\$2,180,000	\$7,160,000	\$7,060,000
Harney Basin Wetlands Initiative	\$1,780,000	\$1,970,000	\$2,500,000	\$6,250,000	\$10,270,000
Oregon Model to Protect Sage Grouse, All Counties	\$2,295,938	\$2,355,250	\$473,732	\$5,124,920	\$2,276,500
Ashland Forest All-lands Restoration	\$1,660,000	\$2,340,000	\$2,000,000	\$6,000,000	\$7,200,000
Upper Grande Ronde Initiative	\$1,771,610	\$2,416,500	\$2,777,000	\$6,965,110	\$44,979,000
<b>TOTAL</b>	<b>\$14,057,548</b>	<b>\$15,511,750</b>	<b>\$13,930,732</b>	<b>\$43,500,030</b>	<b>\$87,988,500</b>



# Strong Partnerships

## Capacity Building FIPs – Strategic Action Planning and Partnership Development

- Siuslaw Coho
- John Day Basin
- Wild Rivers Coast Estuaries
- Umpqua Basin
- Clackamas
- Central Coast Estuaries
- Willowa Fish Habitat
- Rogue Basin

## Coast Coho Business Plans

- Targets recovery efforts for both of Oregon's federally listed coast coho species
- Federal, state, and local partners
- Science-based watershed restoration plans
- Aims to accelerate the pace and effectiveness of local habitat protection and restoration efforts.





# Key Policy Option Packages

**100 Program Continuity** – requests continuation of four positions (2 permanent for focused investment partnerships and 2 limited duration for conservation outcomes), plus office rent for North Coast regional office

**115 Forest Collaborative Support** – requests staff support for forest collaboratives grantmaking administered on behalf of Oregon Department of Forestry.

**200 Measure 76** – Grant Funds

**215 Forest Collaboratives** – Grant Funds

## KPMs for Restoration

### Outputs and Outcomes:

- Fish habitat miles
- Riparian habitat miles
- Upland acres
- Fish species abundance



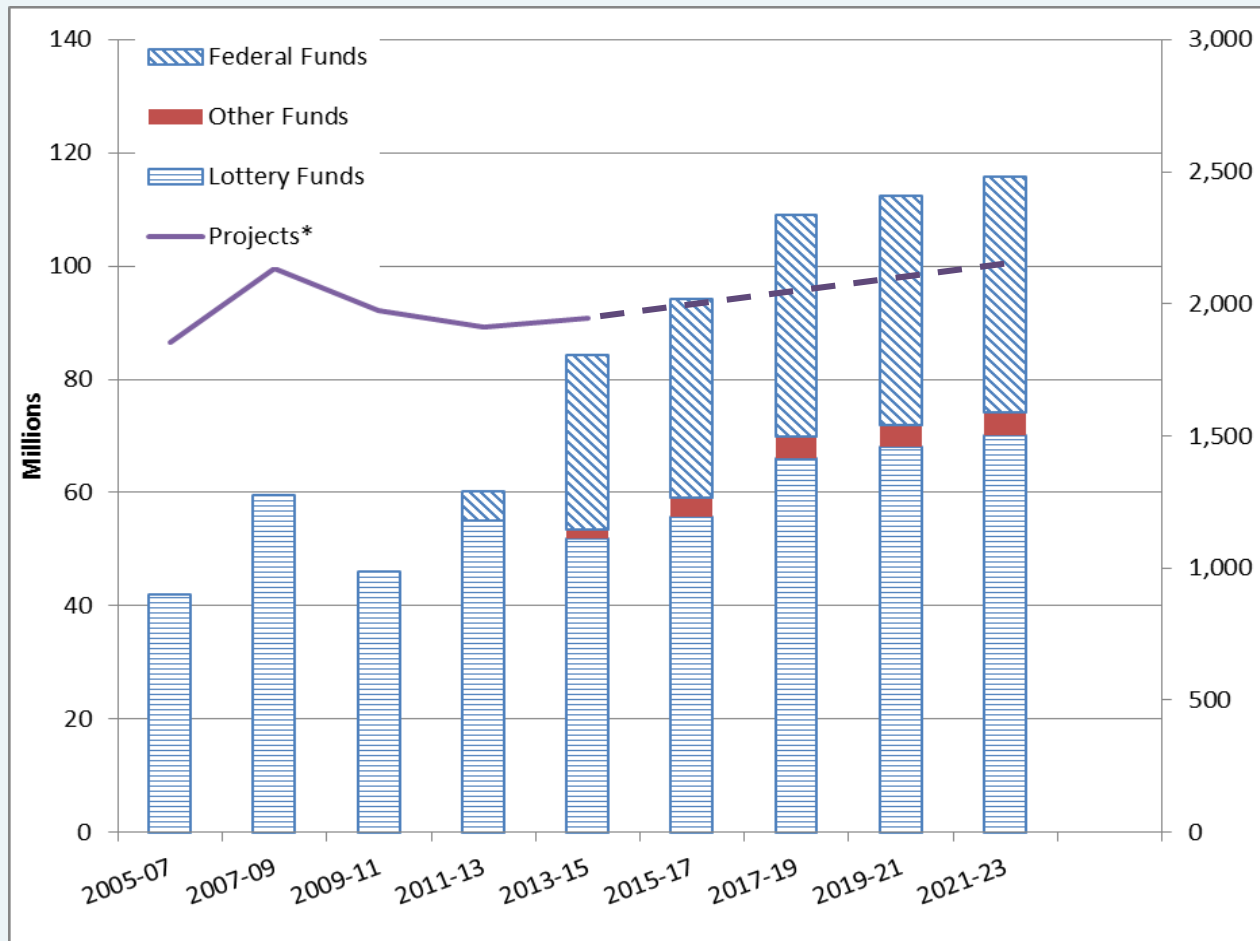
# Potential Budget Adjustments

## Federal Funds Limitation

Agency will work with LFO to determine if there is a need for additional Federal Funds Limitation for *National Coastal Wetlands Conservation Grants* during the 2017-2019 biennium.



# Agency Changes



\*Applications Reviewed and agreements executed



## Legislation Affecting OWEB

### HB 2327 – Agency bill

- US Fish and Wildlife Service as non-voting member
- Liability coverage requirements for grantees
- Statute clean-up, including repeal of requirements for:
  - OWEB as central agency repository of written reports
  - Reporting on habitat conditions in a geographically consistent way across all drainage basins in Oregon

Passed House on 3/1/17; Public hearing in Senate on 3/15/17; very minor budget impact



# How Proposed Budget Impacts Goals

Strategic Plan	Long-Term Investment Strategy (LTIS)	Budget Proposal
Adaptive Investment	Effectiveness Monitoring Open Solicitation Focused Investments	<ul style="list-style-type: none"> <li>- Coordinated monitoring of outcomes</li> <li>- Continued grant offerings that support thriving communities (Forest Health, Strategic Implementation Areas)</li> <li>- Restoration investment at scale</li> </ul>
Local Infrastructure Development	Operating Capacity	<ul style="list-style-type: none"> <li>- Continued support for Forest Health Collaboratives</li> </ul>
Partnership Development	Focused Investments	<ul style="list-style-type: none"> <li>- Continued partnership coordination</li> </ul>
Efficient and Accountable Administration	All areas of LTIS	<ul style="list-style-type: none"> <li>- Continued support for effective and transparent granting</li> </ul>



# Our Approach to Measuring Performance

## MEASURING OUR MISSION

### Measuring Mission Progress and Measuring Mission Impact

Go to Prezi presentation at

[http://prezi.com/4md5icxwpdwv/?utm\\_campaign=share&utm\\_medium=copy](http://prezi.com/4md5icxwpdwv/?utm_campaign=share&utm_medium=copy)

# Measuring our Mission



MEASURING MISSION IMPACT

**MEASURING OUR MISSION**

*To help protect & restore healthy watersheds & natural habitats that support thriving communities & strong economies.*

MEASURING MISSION PROGRESS



## MEASURING OUR MISSION

*To help protect & restore healthy watersheds & natural habitats that support thriving communities & strong economies.*

MEASURING MISSION PROGRESS

### Staff, Contracts & Technology

- Technological Efficiencies
- Training for staff and grantees
- Process Streamlining
- Continuous Improvement

### Review Team Effectiveness

- Time spent reviewing each application
- Evaluation summary consistency

### Key Performance Measures - Agency Effectiveness and Efficiency

- Customer Service
- % funding for operations
- Grant payment efficiency
- Grant agreement efficiency

### Continuous Improvement Tracking

- Paper cost reductions
- # of application 'touches'
- % applications complete when submitted
- Paperwork processed within X days

# Staff, Contracts & Technology

- Technological Efficiencies
- Training for staff and grantees
- Process Streamlining
- Continuous Improvement

# Key Performance Measures - Agency Effectiveness and Efficiency

- Customer Service
- % funding for operations
- Grant payment efficiency
- Grant agreement efficiency

- P
- #
- %
- W
- F

## Continuous Improvement Tracking

- Paper cost reductions
- # of application 'touches'
- % applications complete when submitted
- Paperwork processed within X days

- Time each
- Evalu cons

# Review Team Effectiveness

- Time spent reviewing each application
- Evaluation summary consistency

# MEASURING MISSION IMPACT

## MEASURING OUR MISSION

To help protect & restore healthy watersheds & natural habitats that support thriving communities & strong economies.

## Completed Grants

- Restoration
- Technical Assistance
- Acquisition
- Capacity
- Outreach
- Monitoring

### Key Performance Measures - Ecological

- Dollars invested to address threatened/endangered species of concern or 303(d) list
- Funds contributed from other sources for restoration projects
- Miles of fish habitat opened
- Acres of upland habitat improved
- Riparian stream miles restored or enhanced
- Improvement in fish species abundance

### Key Performance Measures - Community & Economy

- Percent of Oregon sub-basins that benefit from agency-managed grant program
- Watershed Councils demonstrating effective governance

#### Also...

- 15-24 jobs created for every \$1 million invested in restoration
- Number of grants given and funds distributed

### Project Monitoring

- Monitoring innovative approaches
- Implementation monitoring

### Status/Trend and Accomplishments Reporting

- Reporting for:
- Pacific Coastal Salmon Recovery Fund
  - GR Watersheds Restoration Inventory
  - Focused Investment Partnership Accomplishments
  - Status, trend and baseline monitoring of funded grants

### Effectiveness Monitoring

- Riparian effectiveness monitoring
- Juniper effectiveness monitoring
- Conservation Reserve Enhancement Program Effectiveness
- Livestock exclusion effectiveness
- Impact of capacity investments

Wildfire  
Restoration

# Key Performance Measures - Ecological

- Dollars invested to address threatened/endangered, species of concern or 303(d) list
- Funds contributed from other sources for restoration projects
- Miles of fish habitat opened
- Acres of upland habitat improved
- Riparian stream miles restored or enhanced
- Improvement in fish species abundance

# Key Performance Measures - Community & Economy

- Percent of Oregon sub-basins that benefit from agency-managed grant program
- Watershed Councils demonstrating effective governance

## Also...

- 15-24 jobs created for every \$1 million invested in restoration
- Number of grants given and funds distributed



# Status/Trend and Accomplishments Reporting

Reporting for:

- Pacific Coastal Salmon Recovery Fund
- OR Watershed Restoration Inventory
- Focused Investment Partnership Accomplishments
- Status, trend and baseline monitoring of funded grants

# Project Monitoring

- Monitoring innovative approaches
- Implementation monitoring

# Effectiveness Monitoring

- Riparian effectiveness monitoring
- Juniper effectiveness monitoring
- Conservation Reserve Enhancement Program Effectiveness
- Livestock exclusion effectiveness
- Impact of capacity investments

# Measuring our Mission



**Abundant fish and wildlife**

**Reduced occurrence of catastrophic wildfire**

**Increased employment in restoration**

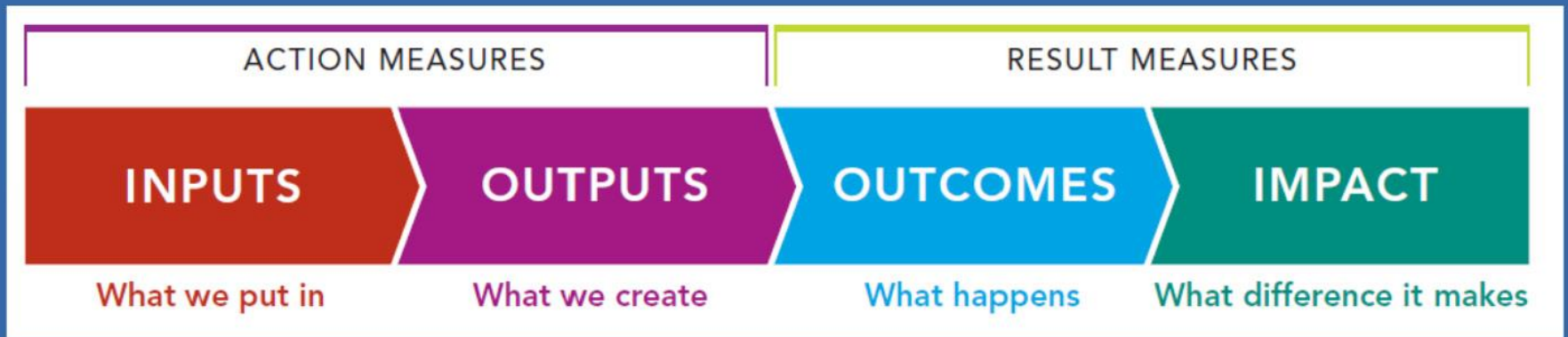
MEASURING MISSION IMPACT

**MEASURING OUR MISSION**

*To help protect & restore healthy watersheds & natural habitats that support thriving communities & strong economies.*

MEASURING MISSION PROGRESS

# A Future Framework Example...



- Grants given
- Funds distributed
- Staff resources
- Technology

- Acres of habitat
- Miles of stream
- Grant agreements

- Habitat quality/ accessibility
- Water quality improvements
- Strong restoration infrastructure
- Jobs created

- Abundant fish/ wildlife
- Fishable, drinkable, swimmable rivers
- Thriving communities

# Measuring our Mission







# Achieving Outcomes

Since 1999, OWEB has invested in more than 8,200 grants (nearly \$510 million) to help landowners and communities...

- Restore more than 4,900 miles of streams
- Make more than 6,000 miles of stream habitat accessible for fish
- Improve or create nearly 50,000 acres of wetlands/estuaries
- Improve the condition of more than 1,097,000 upland acres

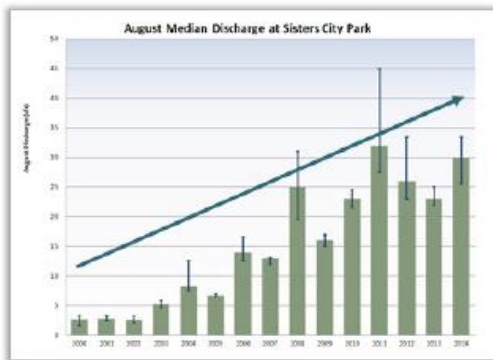
These investments have resulted in...

- an average of 15-24 jobs per \$1 million invested
- 90 cents of every dollar stays in local communities

# Achieving Outcomes

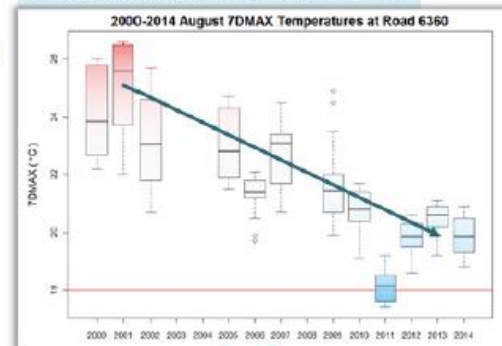
## HIGHLIGHT: Whychus Creek Watershed

Monitoring data allowed partners to describe what measurable ecological outcomes were achieved when restoring streamflow in Whychus Creek.



**Output:**  
*Increased Streamflow*

**Outcome:**  
*Reduced stream temperatures*



**Outcome:**  
*Thriving cold-water bugs!*



**Action:**  
*Streamflow Restoration*



# Achieving Outcomes

**HIGHLIGHT:** Coburg Aggregate Reclamation Project (CARP)



***Recent monitoring shows that cold-water refugia have been created in side-channels and are being used by juvenile Chinook during the hottest period of the summer.***



# Achieving Outcomes



*August 1992*

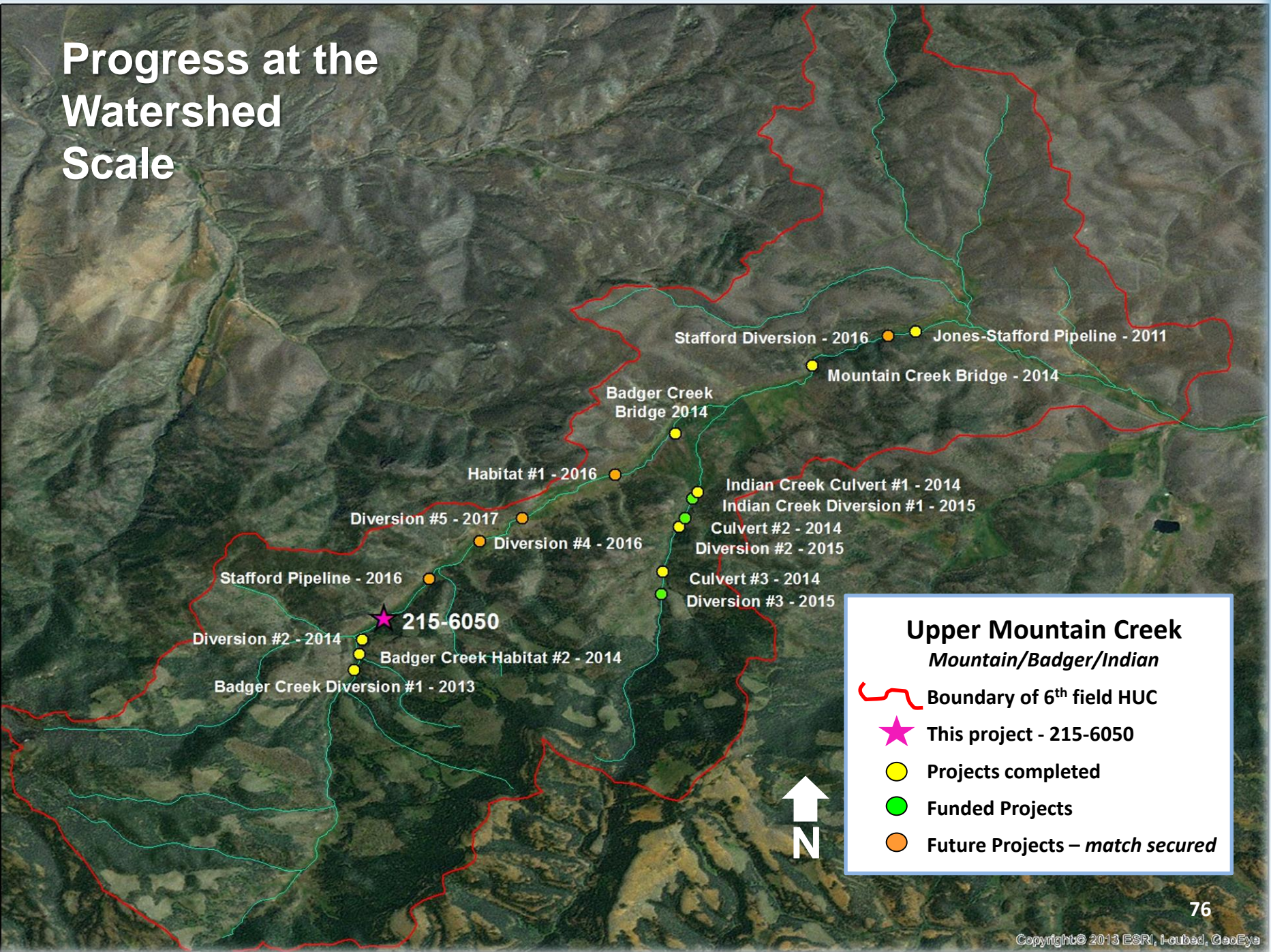


*September 2013*

Riparian plantings = Improvements in streamside condition

Percentage of fine sediments in Fifteenmile Creek and most of its tributaries decreased from 2006 to 2014.

# Progress at the Watershed Scale





# Achieving Outcomes

*From  
this...*



*From this...*



*... to this*



*... to this*





# Thank You



**Office of the Secretary of State**

Dennis Richardson  
Secretary of State

Leslie Cummings, Ph.D.  
Deputy Secretary of State



**Audits Division**

Mary Wenger  
Interim Director

255 Capitol St. NE, Suite 500  
Salem, OR 97310

(503) 986-2255

March 13, 2017

Meta Loftsgaarden, Director  
Oregon Watershed Enhancement Board  
775 Summer Street NE  
Salem, Oregon 97301

Dear Ms. Loftsgaarden:

We have completed audit work of a selected federal program at the Oregon Watershed Enhancement Board (department) for the year ended June 30, 2016.

<u>CFDA Number</u>	<u>Program Name</u>	<u>Audit Amount</u>
11.438	Pacific Coast Salmon Recovery Fund/Pacific Salmon Treaty	\$ 5,219,603

This audit work was not a comprehensive audit of your federal program. We performed this federal compliance audit as part of our annual Statewide Single Audit. The Single Audit is a very specific and discrete set of tests to determine compliance with federal funding requirements, and does not conclude on general efficiency, effectiveness, or state-specific compliance issues. The Office of Management and Budget (OMB) Circular A-133 identifies internal control and compliance requirements for federal programs. Auditors review and test internal controls for all federal programs selected for audit and perform specific audit procedures only for those compliance requirements that are direct and material to the federal program under audit. For the year ended June 30, 2016, we determined whether the department substantially complied with the following compliance requirements relevant to the federal program.

<b>Compliance Requirement</b>	<b>General Summary of Audit Procedures Performed</b>
Activities Allowed or Unallowed	Determined whether federal monies were expended only for allowable activities.
Allowable Costs/Cost Principles	Determined whether charges to federal awards were for allowable costs and that indirect costs were appropriately allocated.
Cash Management	Confirmed program costs were paid for before federal reimbursement was requested, or federal cash drawn was for an immediate need.



<b>Compliance Requirement</b>	<b>General Summary of Audit Procedures Performed</b>
Matching, Earmarking	Determined whether the minimum amount or percentage of contributions or matching funds was provided, and the minimum or maximum limits for specified purposes or types of participants were met.
Period of Availability	Determined whether federal funds were used only during the authorized period of availability.
Suspension and Debarment	Ensured that the vendor (subrecipient) was not suspended or debarred from receiving federal funds.
Reporting	Verified the department submitted financial and performance reports to the federal government in accordance with the grant agreement and that those financial reports were supported by the accounting records.
Subrecipient Monitoring	Determined whether the pass-through entity monitored subrecipient activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements.
Special Tests and Provisions	Determined whether the department complied with the additional federal requirements identified in the Compliance Supplement.

**Noncompliance**

Noncompliance is a failure to follow compliance requirements, or a violation of prohibitions included in compliance requirements, that are applicable to a federal program. As described in the “Audit Findings and Recommendations” section, we identified noncompliance with federal requirements which is required to be reported in accordance with OMB Circular A-133.

**Internal Control Over Compliance**

Department management is responsible for establishing and maintaining effective internal control over compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs. In planning and performing our audit of compliance, we considered the department’s internal control over compliance with the types of requirements, referred to above, that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances. Our purpose is to express an opinion on compliance for the major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the department’s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described below, that we consider to be a significant deficiency.

#### **Audit Findings and Recommendations**

##### **Ensure Compliance with Subaward Reporting Under the Transparency Act**

<b>Federal Awarding Agency:</b>	Department of Commerce, National Oceanic and Atmospheric Administration
<b>Program Title and CFDA Number:</b>	Pacific Coast Salmon Recovery Fund/Pacific Salmon Treaty Program (11.438)
<b>Federal Award Numbers and Year:</b>	NA11NMF4380273; 2011, NA12NMF4380233; 2012, NA13NMF4380248; 2013, NA14NMF4380305; 2014
<b>Compliance Requirement:</b>	Reporting
<b>Type of Finding:</b>	Significant Deficiency, Noncompliance

Criteria: 2 CFR Part 170, Appendix A

Under the Federal Funding Accountability and Transparency Act (FFATA), the department is required to collect and report information on each subaward or amendment of \$25,000 or more in federal funds in the FFATA Subaward Reporting System.

During the fiscal year, the department passed-through over \$4.5 million to 85 subrecipients of which 50 were paid more than \$25,000 during the year. The department was unaware of the reporting requirement and did not prepare subaward reports in compliance with FFATA.

**We recommend** department management work with the Department of Commerce to

determine how to correct for past reporting deficiencies and implement controls to ensure all FFATA reports for this program are submitted going forward.

The audit finding and recommendation above, along with your response, will be included in our Statewide Single Audit Report for the fiscal year ended June 30, 2016. Including your response satisfies the federal requirement that management prepare a Corrective Action Plan covering all reported audit findings. Satisfying the federal requirement in this manner, however, can only be accomplished if the response to the significant deficiency includes the information specified by the federal requirement, and only if the response is received in time to be included in the audit report. The following information is required for the response:

- 1) Your agreement or disagreement with the finding. If you do not agree with the audit finding or believe corrective action is not required, include in your response an explanation and specific reasons for your position.
- 2) The corrective action planned for each audit finding.
- 3) The anticipated completion date.
- 4) The name(s) of the contact person(s) responsible for corrective action.

Please provide a response to Julianne Kennedy by March 17, 2017 and provide Rob Hamilton, Statewide Accounting and Reporting Services (SARS) Manager, a copy of your Corrective Action Plan.

The purpose of this communication is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Shelly Cardenas or Julianne Kennedy at (503) 986-2255.

Sincerely,

*Office of the Secretary of State, Audits Division*

cc: Renee Davis, Deputy Director  
Cindy Silbernagel, Business Operations Manager  
Eric Williams, Grant Program Manager  
Dan Thorndike, Oregon Watershed Enhancement Board Co-Chair  
Eric Quaempts, Oregon Watershed Enhancement Board Co-Chair  
Katy Coba, Director, Department of Administrative Services



# Oregon

Kate Brown, Governor

## Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

[www.oregon.gov/OWEB](http://www.oregon.gov/OWEB)



March 17, 2017

Julianne Kennedy, Audit Administrator  
Oregon Audits Division  
255 Capitol Street N.E., Suite 500  
Salem, Oregon 97310

Dear Ms. Kennedy:

Thank you for the opportunity to respond to the Pacific Coastal Salmon Recovery Fund (PCSRF)/Salmon Treaty Program (PCSRF) federal compliance audit. It has been a pleasure to work with your staff on this audit. Their professionalism, dedication, and friendliness are a credit to your agency. The culture here at OWEB is one that encourages continuous improvement and we welcome any feedback to improve our processes and internal controls.

We agree with the audit recommendation and have described below how we are addressing the recommendation.

Recommendation: Work with the Department of Commerce to determine how to correct for past reporting deficiencies and implement controls to ensure all Federal Funding Accountability and Transparency Act (FFATA) reports for this program are submitted going forward.

*OWEB Response: OWEB agrees with this recommendation and the required data has been uploaded to the FFATA online database. The FFATA database indicated that OWEB was missing required data for NOAA FFY10-17 and USFWS FFY10-17 awards. Based on the audit recommendation, OWEB established a process to upload data on a monthly basis to the FFATA database for subawards obligated. OWEB will continually implement this newly established process to ensure compliance with federal requirements now and into the future.*

Again, we appreciate the work of your team to complete this audit. If you have further questions or need additional information in the future, please let us know.

Sincerely,



Meta Loftsgaarden  
Executive Director

cc: Renee Davis, Deputy Director, OWEB  
Cindy Silbernagel, Business Operations Manager, OWEB  
Eric Williams, Grant Program Manager, OWEB  
Dan Thorndike, Oregon Watershed Enhancement Board Co-Chair  
Randy Labbe, Oregon Watershed Enhancement Board Co-Chair  
Rob Hamilton, SARS Manager, Department of Administrative Services  
Katy Coba, Director, Department of Administrative Services,

**UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2015-17 & 2017-19 BIENNA**

Agency: OWEB  
 Contact Person : Cindy Silbernagel 503.986.0188

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2015-17 Ending Balance		(g) 2017-19 Ending Balance		(j) Comments
					In LAB	Revised	In CSL	Revised	
Limited	010	01416 - WS Cons Ops	Operations	ORS 541.945	20,000	21,873	20,000	21,873	Admin for Forest Health Collaborative grant work
Limited	020	01416 - WS Cons Ops	Grant Fund	ORS 541.945	0	500,000	500,000		ODF Forest Health Collaborative carryforward grants
Limited	020	01416 - WS Cons Ops	Grant Fund	ORS 541.945	0	100,000	100,000		ODF Rural Fire Protection carryforward grants
Limited	020	01416 - WS Cons Ops	Grant Fund	ORS 805.256	0	700,000	700,000		Salmon Plate carryforward grants

**Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2017-19 legislatively adopted budget.**

**Instructions:**

- Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.
- Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2015-17 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).
- Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).
- Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.
- Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.
- Columns (f) and (h): Use the appropriate, audited amount from the 2015-17 Legislatively Approved Budget and the 2017-19 Current Service Level as of the Agency Request Budget.
- Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2015-17 General Fund approved budget or otherwise incorporated in the 2015-17 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (j)).
- Column (j): **Please note any reasons for significant changes in balances previously reported during the 2015 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.