

ANALYSIS

Item 32: Department of Forestry Forest Legacy Minam Acquisition

Analyst: April McDonald

Request: Approve, retroactively, the submission of a federal grant application to the U.S. Department of Agriculture (USDA) Forest Service's State and Private Forests Forest Legacy Program, in the amount of \$9,754,000, for acquisition of 10,964 acres near the Minam River for conservation.

Analysis: The Forest Legacy Program (FLP), established in 1990, is a conservation program administered by the U.S. Forest Service in partnership with state agencies to encourage the protection of privately owned forest lands through conservation easements or land purchases. The FLP has received supplemental funding through the 2022 Inflation Reduction Act. Subsequently, federal partners reached out to the Oregon Department of Forestry (ODF) in late July 2023 to notify the agency of potential funding opportunities. Eligible projects include Phase 2 of the Minam Conservation and Connectivity Project which would acquire 10,964 acres of working forestland and a corridor along the Minam River. Phase 1 included 4,690 acres acquired by the Oregon Department of Fish and Wildlife in 2021, funded by the U.S. Fish and Wildlife Service and the Rocky Mountain Elk Foundation. This grant opportunity would allow for the purchase of neighboring lands to protect a contiguous total of 15,573 acres and connect the nationally designated Minam and Willowa Wild and Scenic River Corridors.

The total cost of the Phase 2 acquisition is \$13.3 million, including a grant amount of \$9.8 million and a match requirement of \$3.5 million, or 26%, which has been committed by the Rocky Mountain Elk Foundation. The application deadline for the grant was August 31, 2023, and ODF supplied a 10-day notification of the Department's intent to apply in accordance with the prescribed interim process. No additional positions or FTE are necessary to utilize the grant funding. If awarded, ODF may submit a subsequent request for an increase in Federal Funds expenditure limitation.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means approve the request.

Request: Retroactive authorization to apply for a grant of \$9,754,000 from the U.S. Department of Agriculture Forest Service State and Private Forest Legacy Program for land acquisition along the Minam River.

Recommendation: Approve the request.

Discussion: The Department of Forestry is seeking authorization to apply for a grant of \$9,754,000 from the U.S. Department of Agriculture Forest Service State and Private Forest Legacy Program for program administration. The Forest Legacy Program is a conservation program administered by the U.S. Forest Service in partnership with state agencies to encourage the protection of privately owned forest lands through conservation easements or land purchases. Protection of private forests through Forest Legacy Program maintains a multitude of public benefits including, opportunities to hunt, fish, and camp, clean and abundant drinking water, habitat for fish and wildlife, and timber, fuel wood, and other forest products. A portion of grant funds have been made available through the Inflation Reduction Act. The department became aware of the grant in July of 2023, provided notification of the grant application on August 18, 2023, and submitted the grant application on August 31, 2023.

If awarded grant funding will be used to acquire 10,964 acres of working forestland along the Minam River corridor by the Oregon Department of Fish and Wildlife (ODFW) who will act as a beneficiary of the grant. ODFW will manage forestland acquired under the grant within the conservation guidelines of the Forest Legacy Program. The acquisition would be the second such acquisition by ODFW, following an acquisition in 2021 of 4,609 acres. If the second phase of the acquisition is completed, a total of 15,573 acres would be protected, connecting the Minam and Wallowa Wild and Scenic River corridors. A match of \$3,500,000 is required, which will be provided by the Rocky Mountain Elk Foundation. If the application is successful, the Department will return during the 2024 Legislative Session to request Federal Funds expenditure limitation associated with the grant request.



Oregon

Tina Kotek, Governor

Department of Forestry
State Forester's Office
2600 State St
Salem, OR 97310-0340
503-945-7200
www.oregon.gov/ODF

August 16, 2023

Senator Elizabeth Steiner, Co-Chair
Representative Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs:

Nature of the Request

The Oregon Department of Forestry (ODF) respectfully requests retroactive approval to apply for federal funding through the USDA Forest Service's State & Private Forests Forest Legacy Program (FLP) for the simple fee acquisition of the Minam Conservation and Connectivity Project (Phase 2).

Agency Action

The FLP received supplemental funding for projects in Oregon through the Inflation Reduction Act. There was a lengthy due diligence process inside the USFS to develop the funding and packaging of IRA funds into the process to formalize the final amounts and application vehicle that ODF's FLP program can apply for. Due to the announcement being made close to the end of the federal fiscal year, the USFS has requested a speedy turnaround on the application, so that the award can be finalized prior to the end of the federal fiscal year.

Summary of Grant Application Information

Purpose of grant: This project would protect 10,964 acres of working forestland and a corridor along the Minam River. This is the second part to an acquisition by the Oregon Department of Fish and Wildlife in 2021, funded by the US Fish and Wildlife Service and the Rocky Mountain Elk Foundation. Phases 1 (4,609 acres) & 2 (10,964 acres) protect 15,573 acres and connect the nationally designated Minam and Willowa Wild and Scenic River corridors.

Amount being requested and timeframe of the grant period: \$9,754,000 (\$460,000 of which are IRA funds) for the Minam Conservation & Connectivity Project, Phase 2.

Application deadline: The USFS application deadline for the Forest Legacy project applications is August 31, 2023.

Description of match and source of funding to satisfy match: \$3,500,000 cost share, at 26.41% from the Rocky Mountain Elk Foundation (RMEF).

Does grant create a new program or does grant impact existing program? This grant is under the Forest Legacy Program. Oregon obtains annual grants from the USFS under Forest Legacy Administration Funds, and grants for project acquisitions when they are awarded.

Additional positions: No additional positions, FTE, or expenditure limitations will be necessary to utilize this grant funding.

How the grant supports the agency's mission and goals: The purpose of the Forest Legacy Program is to identify and conserve environmentally important forest areas that are threatened by conversion to non-forest use, which fits perfectly with ODF's mission serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability.

How does the grant impact equity? According to the Climate and Economic Justice Screening Tool, this property is directly up against and partially includes areas that are considered disadvantaged, with higher socioeconomic burdens, health issues, and climate change risks.

What happens when grant funding is exhausted? This is a passthrough grant that will go directly to the simple fee title purchase of the 10,964-acre property and will be held by Oregon Department of Fish and Wildlife.

Action Requested

The department requests retroactive approval to apply for federal funding in the amount of \$9,754,000 through the USDA Forest Service's State & Private Forests Forest Legacy Program. If approved, the department may submit a subsequent request for an increase in Federal Fund limitation.

Legislation Affected

No legislation affected.

Sincerely,



Cal Mukumoto
Oregon State Forester

c: Legislative Fiscal Office
Chief Financial Office
Board of Forestry
Governor's Office