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## Executive Summary

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### Background Information

The Oregon Watershed Enhancement Board (OWEB) is a state agency that provides grants to help Oregonians take care of local streams, rivers, wetlands and natural areas. Community members and landowners use scientific criteria to decide jointly what needs to be done to conserve and improve rivers and natural habitat in the places where they live. OWEB grants are funded from the Oregon Lottery, federal dollars, and salmon license plate revenue. The agency is led by a 17-member citizen board drawn from the public at large, tribes, and federal and state natural resource agency boards and commissions. OWEB's mission: To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Before Oregon voters passed Ballot Measure 76 in 2010, dedicated Lottery funds for restoration, enhancement and protection of clean water and native fish and wildlife habitat would have ended in 2014. Measure 76 now provides dedicated funds with no end date. This long-term funding horizon, together with Governor Kitzhaber's 10-Year Outcomes for a Healthy Environment, makes it important for OWEB to consider its Long-Term Investment Strategy. In addition, OWEB values all the good work and accomplishments of its many partners, but recognizes that there is not enough OWEB grant funding to meet all needs and choices will have to be made.

Nested under OWEB's Strategic Plan, the purpose of the Long-Term Investment Strategy for Conservation is to identify how the OWEB Board intends to structure its grant portfolio and policy direction to achieve its mission, priorities and ecological outcomes.

A goal of the Long-Term Investment Strategy (LTIS) is to increase transparency around OWEB's investment priorities and decision processes so that grant applicants and the public can better understand OWEB's programs and objectives and align their work with them when needed. To that end, in the spring of 2012, OWEB initiated a series of statewide Listening Sessions to kick off the development of the Long-Term Investment Strategy. OWEB received useful ideas from its stakeholders, including partners, grantees, and other local citizens.

During two planning retreats in July and October 2012, the Board considered the feedback from stakeholders and from OWEB staff, and developed a Framework for Grant Investments" and a "Proposed Direction for a Long-Term Investment Strategy for Conservation (See Appendix, page 100). The Board expressed a desire to share the proposal with stakeholders, and sought feedback and ideas on the proposals through a second set of Listening Sessions in early 2013.

In February 2013, OWEB held six listening sessions around the state, including a Webinar, and also offered a subsequent online survey. More than 125 people attended the listening sessions (in person or on the web) and provided feedback. Attendees included watershed councils, soil and water conservation districts, tribal governments, land trusts, state and federal agencies, county weed management agencies, irrigation districts, the Network of Oregon Watershed Councils, Oregon Association of Conservation Districts, conservation groups and interested Oregonians.

The information in this report will inform the OWEB Board, prior to the Board's decision about the direction of its Long-Term Investment Strategy for Conservation currently planned for the June 2013 Board meeting.

## Overarching Themes

Overall, attendees had excellent questions and ideas for OWEB to think about. Stakeholders shared diverse opinions on both the benefits and consequences of proposed direction and ideas for program changes. Among the many different opinions, however, OWEB staff noted the following themes:

- The need for OWEB to consider and describe the connection between different OWEB grant programs: How are they integrated? How do they build on each other and connect with each other? Would a change in one impact the other?
- The importance of clearly recognizing and identifying the tradeoffs (changes in funding, changes in opportunities to apply, changes in focus areas) as a result of any changes made through the Long-Term Investment Strategy.
- Consideration of risk in different proposed investment categories: What are the impacts to the local partner infrastructure? Will outcomes be compromised? Will OWEB and grantees be spread too thin? Will there be a loss of opportunity to apply for grants?
- The importance of effective local capacity to achieve community engagement and watershed restoration outcomes.
- The importance of monitoring, adaptive management and outreach, with a variety of ideas about needs and strategies for all three.
- The importance of clear definitions and transparency in any changes that are made and the resulting processes that are developed.
- The importance of allowing the opportunity to participate in all investment areas.
- The importance of continuing to recognize and respect regional differences.

## Themes around Specific Proposed Changes

Stakeholders provided many different opinions about the proposed changes. However, there were some consistent themes for each idea as presented here. The full content of the input we received, including: flip chart notes for each region, the Webinar "chat roll," online survey responses, and other correspondence regarding the proposal, are available in this report. Please refer to the Table of Contents to find these documents.

### Operating Capacity Investments

#### *Proposed Change*

- Update the council support grant program, with changes proposed for a Board decision in 2014.

#### *Background Information*

Prior to its efforts to develop the Long-Term Investment Strategy, OWEB's Board directed staff to evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding, and promote strategic partnerships (OWEB 2010 Strategic Plan, Goal 2, Strategy 2).

OWEB began its review of the council support grant program in 2010, and expects to propose program changes for Board adoption in June 2014. Because of this parallel process, the Long-Term Investment Strategy listening sessions did not focus on proposed council support changes.

#### *Stakeholder Feedback*

Even though staff did not request feedback on the on-going process changes to Operating Capacity investments specifically, the importance of effective local capacity was a thread that ran through many of the discussions. Representatives from watershed councils, soil and water conservation districts and other local organizations noted the many challenges they face to achieve restoration outcomes, including how to effectively educate and engage local communities, and how to monitor and report on outcomes.

## Open Solicitation Investments

### *Proposed Changes*

- Increase funding for and expand types of small grants beyond restoration (for example, outreach and monitoring small grants).
- Caps on individual restoration applications as a way to fund more projects across the state.
- Develop a new process for “big-ticket, large-cost” restoration projects.

Participants understood that the purpose of the proposal was to provide more opportunities for Open Solicitation grants.

### *Stakeholder Feedback*

A number of participants were excited about expanding the Small Grant Program, both in terms of amount of funding and grant types. Others raised questions and concerns about expanding small grants.

Similarly, there were divergent opinions regarding whether or not OWEB should cap individual restoration grant application budget requests, and develop a separate, statewide process for reviewing “big-ticket, large-cost” restoration applications.

Before changing the Small Grant Program and the agency’s approach to Open Solicitation restoration applications, stakeholders felt that OWEB should consider its Open Solicitation grants as a whole, for the following reasons:

- Every grant has a cost to OWEB and to grantees. Dividing up grant types even further might result in more paperwork and more administrative costs, overextending OWEB and its grantees and potentially making investments less effective.
- Stakeholders wondered about the strategic connection between different OWEB grant programs. How are they integrated? How do they build on each other and connect with each other?
- Rather than creating more grant types, would there be more benefit to developing more holistic applications and grants; for example, one application that allows multiple kinds of activities?

### *Outreach*

- Develop an outreach grant strategy, including partnering with other outreach funders to leverage additional investment.

### *Stakeholder Feedback*

Stakeholders from around the state placed great value on outreach, though they recognize that there are many different types of outreach for different needs. Ideally, stakeholders would like OWEB to invest in all types of efforts to build community engagement, awareness, education, and understanding and to communicate the accomplishments of OWEB and its local partners to a broad public. It would help stakeholders if OWEB better defined its outreach grant priorities.

## Focused Investments

### *Proposed Change*

- Continue this investment area and phase in a gradual increase over time.

### *Stakeholder Feedback*

Stakeholders recognized the value of focused investments for ecological outcomes and more certainty for local partners. Some stakeholders supported this direction. Other stakeholders had concerns. However, many stakeholders expressed a desire to have the opportunity to participate in this investment area.

### *Proposed Change*

- Develop criteria and process for Board selection of collaboratively prioritized ecological outcomes; update criteria and process and improve transparency of Board decisions around Focused Investments, including clear time limits.

### *Stakeholder Feedback*

Stakeholders had a lot of ideas for what OWEB should consider in this investment area, and there was general agreement that OWEB needs to more clearly define its processes and criteria, including time limits. For example, stakeholders wondered how Focused Investments differ from “big-ticket” restoration projects and “emerging issues.”

### Proposed Changes to Competitive Offering for Emerging Issues

#### *Proposed Changes*

- Develop new criteria, structure and process; consider activities appropriate for one-time/short-term funding that are consistent with OWEB’s mission, but do not qualify under OWEB’s other grant programs.

### *Stakeholder Feedback*

Stakeholders had little knowledge of the history of OWEB’s investment in emerging issues, and that led to confusion and the need for explanation. Once they better understood what emerging issues OWEB has been investing in and why, stakeholders had a lot of different ideas for what OWEB should consider in this investment area, including innovation, “emergencies,” and emerging issues of statewide importance. However, there was general agreement that OWEB needs to more clearly define its processes and criteria. For example, stakeholders wondered how emerging issues differ from Focused Investments.

### Proposed Changes to Focused Effectiveness Monitoring and Reporting

#### *Proposed Change*

- Include effectiveness monitoring in all of OWEB’s Focused Investments

### *Stakeholder Feedback*

Stakeholders recognized the importance of monitoring, data management, and the use of data in adaptive management and communication of outcomes. Ideally, stakeholders would like OWEB to lead the effort with other natural resource agencies in the full range of activities. These include: the building and maintaining of a database that is accessible to a wide variety of audiences, analysis and dissemination of findings for use by on-the-ground managers, and general outreach to decision-makers and the citizens of Oregon.

## **Conclusions**

The draft Long-Term Investment Strategy proposes to continue investments in Operating Capacity, Open Solicitation, Focused Investments, with monitoring and reporting foundational to all investment areas. The draft LTIS also proposes to phase in a gradual increase in Focused Investments. While stakeholders had different opinions about the proportion of OWEB investment in Open Solicitation and Focused Investments, there was clear recognition about the value of each investment area.

The LTIS also proposes a series of potential program changes in each investment area. Through the Listening Sessions, OWEB sought early feedback and ideas on these potential changes. The Board’s June 2013 decision will not result in any immediate program changes, but will kick off continuing work to develop specific details. Designing and developing these details will be gradual and transparent; any changes will be phased in so that stakeholders and OWEB staff will have time to adjust.

## **Next Steps**

OWEB’s Board Executive Committee will consider stakeholder input and help develop recommendations to the full Board. The Board will consider stakeholder input and staff recommendations prior to making a decision about the high-level direction for the LTIS, currently planned for the June 11-12, 2013, Board meeting in Pendleton. The Long-Term Investment Strategy staff report for the June 2013 Board meeting will be shared with stakeholders on OWEB’s website, and by email, before the June Board meeting.

The Board’s June decision will not result in any immediate program changes, but will kick off continuing work to develop specific details. Designing and developing these details will be gradual and transparent;

any changes will be phased in so that stakeholders and OWEB staff will have time to adjust. OWEB expects to involve stakeholder work groups and committees to advise the agency in designing and developing specific details. The design and details will include check-in points by the OWEB Board to evaluate progress and results. As needed, the Board can adapt and modify the strategy.

OWEB values the knowledge, experience, dedication and commitment of our partners. OWEB's Board and staff look forward to ongoing partnership involvement for many years to come as the agency continues to improve its programs and build toward more success in restoring and protecting healthy watersheds and natural habitats that support thriving communities and strong economies.