

April 28-29, 2015 OWEB Board Meeting

Executive Director Update #P-4: Long-Term Investment Strategy Update

In 2013, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on the numerous tasks undertaken associated with the LTIS.

Background

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities.

In carrying out work to implement the LTIS, OWEB set out guiding principles about how the agency would approach updates and changes in programs. Overall, the effort has involved significant engagement of the OWEB Board and staff, as well as stakeholders. OWEB's mission, strategic plan goals, a summary of the LTIS framework and direction, and the guiding principles are included in Attachment A.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB managers have been meeting regularly to coordinate activities and position the agency to make as much progress as possible over the biennium. In addition, OWEB is utilizing internal cross-sectional teams for many of these tasks to ensure we have the expertise needed to inform our direction on policies and processes.

Status of Priority Work Items

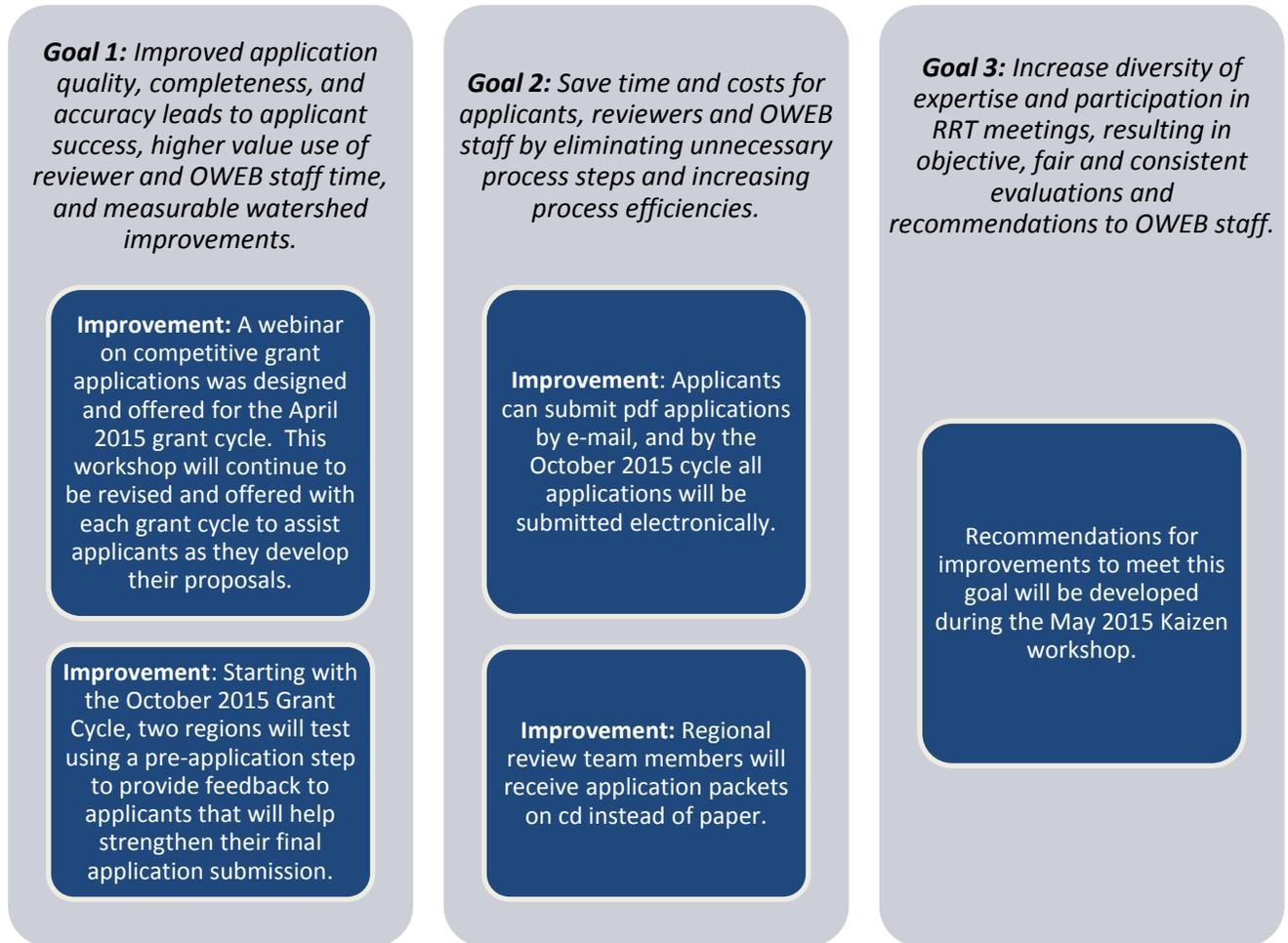
The following lists the priority work items for OWEB during the 2013-2015 biennium:

- A. *Develop online grant applications and grant agreements.* OWEB's goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. OWEB's target is to launch an online grant application/grant agreement web interface during the 2015-2017 biennium.
 1. Grant application streamlining – In Summer 2014, the agency's Leadership Team approved streamlined applications for restoration, technical assistance and monitoring grants, which will replace the current applications when online applications are implemented. Work is underway on streamlining the outreach grant application and an update will be provided at the July 2015 Board meeting.

2. Online system development – Design and early construction of the components of the online system are underway. OWEB information-system staff have developed the initial schema for the system and now are developing an early version (i.e., a first “alpha” version) of the system. The system is being developed in a way that will support important reporting requirements to funders such as NOAA Fisheries and to the Legislature, stakeholders and the general public. An update will be provided at the July 2015 Board meeting.
- B. Continuous Improvement.* The OWEB Leadership Team has adopted a Continuous Improvement (CI) approach to create adaptive, human-centered, and high performance service excellence. OWEB’s CI uses a Lean-Kaizen process to assess agency processes, identify waste, and redesign process steps in program delivery that increase efficiency and focus on value added for customers. Lean Kaizen provides tools that (1) promote people effectiveness by providing opportunities to develop decision making and problem solving skills that address inefficiencies; (2) build organizational adaptiveness through exposing problems, testing solutions, and validating outcomes in a process of reflection and learning respectfully to promote innovation; and (3) enable staff to recognize urgency for incremental improvements that increase effectiveness in achieving OWEB’s mission.

Introducing Incremental Improvements

During September and December 2014, two Kaizen workshops that included participation from staff, regional review team members and applicants resulted in recommendations for improving OWEB’s Open Solicitation grant process. Since these workshops, staff has incrementally introduced recommended improvements to meet goals identified during these workshops as follows:



With introduction of process improvements, staff collects data to measure effects of these changes and determines if improvements should be standardized or needs further adaptation.

May 2015 Application Review Workshop

OWEB is planning an Application Review Workshop for May 2015 to improve the application review and evaluation process. Staff will utilize Board feedback from the recent survey as one piece of data to inform this workshop to assist in developing the best approaches for packaging grant funding recommendations that effectively supports the Board’s decision process.

Future Grant Program Process Improvements

Following completion of the Application and Review Workshops, future staff teams will assess and develop improvements for other Regular Grant Program processes (for example, grant awards, grant agreements, and grant management).

C. Outcome-Based Watershed Council Capacity Grants.

In July 2014, the Board adopted administrative rules and implementation guidance for grants that help support the operating capacity of effective watershed councils. On

September 15, 2014, OWEB e-mailed and posted instructions for submitting materials needed for OWEB to make its determination of eligibility to apply.

Fifty-nine councils submitted by the November 17, 2014, deadline. The following councils did not submit eligibility materials:

- Bear Creek, Little Butte Creek, and Stream Restoration of the Middle Rogue. These three councils will be merged into the newly formed Rogue River Watershed Council. The Upper Rogue Watershed Association submitted eligibility materials on behalf of the Rogue River Watershed Council, which becomes effective January 1, 2015.
- Pudding River Basin Watershed Council.
- Salem Keizer Area Watershed Councils.

OWEB staff reviewed the uploaded materials for “presence/absence,” not for quality. Eight watershed councils were determined ineligible; all eight appealed and were determined to be eligible based on additional information received within the prescribed process and timeline.

By March 2, 2015, all 59 watershed councils submitted Council Capacity Grant applications and work plans. The initial review, which was conducted by OWEB staff, occurred between March 31 and April 6, 2015. The week of April 13, councils were notified of the results of the initial review. Staff determined that 44 councils met all the merit criteria and will be recommended for the highest funding level. Staff also determined that 15 councils did not meet all criteria because OWEB staff had follow-up questions, the council did not meet all the merit criteria, or the council was a new or reorganized council. These councils must participate in the Secondary Review and Interview process. The Secondary Review and Interview process, which involves external reviewers, will occur from May 18-22. Staff will notify councils of the staff funding recommendations by July 6, 2015, and the OWEB Board will make the funding decision at its July Board meeting.

Staff Contact

If you have questions or need additional information, contact Meta Loftsgaarden at meta.loftsgaarden@state.or.us or 503-986-0180.

Attachment

- A. OWEB Strategic Direction & Principles



OWEB Strategic Direction and Principles

OWEB **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Goals

Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

Goal 1: Adaptive Investment

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

Goal 2: Local Infrastructure Development

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 3: Public Awareness and Involvement

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: 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.

Goal 5: Efficient and Accountable Administration

Ensure efficient and accountable administration of all investments.

Long-Term Investment Strategy

OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

Operating Capacity

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

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 collaboratively prioritized ecological outcomes.

Effectiveness Monitoring

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



OWEB

Guiding Principles

Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

Build on accomplishments. The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

Effective communication. OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

Transparency. OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

Maximize service, minimize disruption. The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

Responsive. The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

Adapt based on monitoring and evaluation. OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

Phase-in Change. OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

Operating Principles

Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**