



Oregon

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Oregon Watershed Enhancement Board

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MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Meta Loftsgaarden, Executive Director

**SUBJECT: Agenda Item K: Spending Plan
April 28-29, 2015 OWEB Board Meeting**

I. Introduction

This report updates the Board on OWEB's 2013-2015 Spending Plan. Based on discussions at the January and March Board meetings and with the Executive Team, two options are provided for Board feedback prior to a final spending plan decision in July 2015. This item is for discussion only; no Board action will be taken at this time. However, the Board will be asked to provide direction to staff for moving forward with final options for the July 2015 meeting.

II. Background

After the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers and approves a spending plan for the distribution of grant funding. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 Lottery, federal, and salmon license plates. The bulk of OWEB's funding comes from two major sources: Measure 76 Lottery Funding and the Pacific Coastal Salmon Recovery Fund (PCSRF). Since 2000, OWEB has received PCSRF grants awarded annually by NOAA Fisheries. PCSRF funds are a significant component of OWEB's budget, accounting for approximately one-third of OWEB's total funds. The Oregon Legislature routinely allocates PCSRF funding based on estimated federal grant awards over two years. While not guaranteed, the funds have proven to be a reliable source for OWEB's budget.

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. In July 2014, the Board updated the spending plan to include additional PCSRF monies, as well as funding transfers to other agencies. Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and funds remaining in each line item as of April 2015 (refer to front of binder for this information).

III. 2015-2017 Spending Plan Development

Based on the February 2015 revenue forecast, it is estimated that \$56 million will be available for grant distribution through Measure 76 Lottery Funds and up to \$25 million of PCSRF funding over the course of the biennium. For Lottery funding, this amount is dependent on revenues received. For PCSRF funding, this amount will be dependent on OWEB's successful receipt of PCSRF funding through their competitive grant process. If Congressional funding is available, PCSRF provides an opportunity for eligible applications—including OWEB on behalf of the State of Oregon—to submit grants each year. It should be noted that there are limitations

on eligible uses of the available PCSRF funds, such that these funds cannot be used for all aspects of OWEB's grant program. PCSRF funds are also used for OWEB staff, and a portion goes to the Oregon Department of Fish and Wildlife. Of the \$25 million, it is assumed that approximately \$9.8 million would be invested in OWEB's grant program for the Board's spending plan.

In October 2014, the Board discussed how the spending plan should be organized within the Long-Term Investment Strategy (LTIS) Framework to accurately reflect how funds have been spent. Staff re-organized the spending plan accordingly in the attachments to this staff report. In January 2015, the Board provided feedback on three approaches for the spending plan.

IV. 2015-17 Spending Plan Options

While details of 2015 PCSRF funding and final revenues for Lottery funding are not yet available, staff are proposing percentages the Board could consider for investment in the LTIS categories as defined at the October 2014 Board meeting. Attachments B and C will form the basis of discussions about the spending plan at the April Board meeting. In developing the document, staff first analyzed the 2011 and 2013 spending plans (as they were initially approved by the Board at the beginning of each biennium) to determine what percent was invested in each of the major spending plan categories. Staff then did the same thing for the spending plan after additional PCSRF funding was received.

Following discussions at the January 2015 Board meeting and discussions with the executive committee, for the 2015-17 biennium, staff are presenting two options for investment percentages by LTIS framework category. These are contained in Attachment B.

Attachment C converts those percentages to dollar values using the latest revenue projections as a basis, along with an assumed \$4.9 million of additional PCSRF funding in year two of the spending plan. It is likely revenue forecasts will change again between the April and July Board meetings, when the Board will vote to approve a final spending plan. These dollar values may change when final forecasts are available.

V. Spending Plan Fund Additions

Each biennium, two things may occur that result in an increase to revenues: 1) funding received can exceed forecasts and 2) OWEB regularly recaptures grant dollars from projects that came in under budget or were not completed. In the case of this spending plan, staff recommend any funding increases or recaptured funds will go directly to the following open solicitation line items: restoration, technical assistance, monitoring and land and water acquisition.

VI. Spending Plan Line Items

The Spending Plan contains a range of items. Some are frequently discussed (restoration, technical assistance and monitoring grants; focused investments and council capacity), while others (weed grants, small grants, district capacity, CREP) are less frequently on the Board's agenda. Board members have raised questions over the last biennium about many of the spending plan line items. At the beginning of the 2013-15 biennium, staff provided updates on some of those line items. At the April 2015 Board meeting, staff will present on each line item to give the Board a better sense of what is funded in each area. These presentations are in advance of the July Board meeting where decisions will be made on spending plan amounts for the 2015-17 biennium. Attachments D-1 through D-16 to the staff report provide summaries of

the spending plan line items. Staff will present information to the Board at the April meeting to provide additional details about the programs and answer any questions the Board may have about those programs.

While generally, the changes are shifts between open solicitation and focused investments based on the Board's direction to gradually increase focused investments over time, some line items have specific adjustments for Board consideration:

- 1) Outreach grants are reduced to \$500,000. Through the LTIS framework, staff prioritized work on program changes and improvements. As a part of the LTIS process, staff also identified the need to take a closer look at outreach grants and propose program adjustments as needed based on the LTIS and strategic plan. However, given staff resources, it was proposed this review take place in the 2015-17 biennium. Staff propose to initiate that process with the open solicitation committee in the new biennium, and make available a smaller amount for that line item while the review takes place.
- 2) In Option A, SWCD and Council Capacity grants have a 'cost of living' increase of \$300,000 as an option for the Board to consider.

Some line items from previous spending plans have been zeroed out for the 2015-17 plan:

- 1) *Deschutes, Upper Klamath, and Willamette Special Investment Partnerships (SIPs) and Whole Watersheds Restoration Initiative*. These have no funding amount as the new Focused Investment Partnership Program rolls out in the 2015-17 biennium, replacing these programs. Bridge funding for the three SIPs is provided for the first six months of the biennium through Agenda Item E at the April Board meeting.
- 2) *Effectiveness Monitoring*. Under the revised spending plan, Effectiveness monitoring is shifted from the 'Other' category to either Open Solicitation or Focused Investments. In this estimate, funding is equally split between the two line items, but staff may ask for adjustments as funding needs are identified.
- 3) *Ecosystem Services*. Staff recommend eliminating this line item and instead using other mechanisms (restoration, monitoring and Oregon Plan/Governor's Priorities) as the vehicle for funding ecosystem services projects. This is for three reasons. First, the line item has not been spent fully in the last two biennia. In that time, \$400,000 has been budgeted with just over \$200,000 awarded to projects. Second, much of the pilot work OWEB has accomplished around ecosystem services is tied directly to either focused investments, monitoring or restoration projects. Staff believe the best way to incorporate the use or additional development of methods, tools and metrics is through regular granting processes, while ensuring monitoring staff are fully involved. Third, the ecosystem services program has largely been incorporated as a philosophy within agencies, rather than a stand-alone program. Staff propose that the best way to fully engage in an ecosystem services approach is to incorporate it directly into the agency's granting processes as well.

- 4) *Business Practices*. Staff propose these costs are better covered under the Operations part of OWEB's budget rather than the granting program.

VII. Reducing Impact to Open Solicitation

Staff have researched a number of options since the January 2015 Board meeting, including capping regular grants at a certain dollar amount, and completing a statewide review of grants over a certain amount. The recommended approach is to review OWEB's match requirements for higher cost projects. Staff have researched this option and it would require a rule change for implementation. In order to ensure this approach would actually reduce impacts to open solicitation and not result in any unintended consequences, staff recommend a review take place in the 2015-17 biennium, and suggested approaches brought to the Board for further consideration.

VIII. Recommendation

This is an information item only. Staff will be seeking feedback on overall spending plan direction for development of a final proposal for Board consideration in July 2015. No final decisions will occur at the April meeting.

Attachments

- A. 2013-2015 OWEB Spending Plan – Refer to front of binder for this information
- B. Spending Plan Background and Options
- C. OWEB 2015-17 Draft Spending Plan (chart)
- D. D1-D16 Spending Plan Line Item Summaries

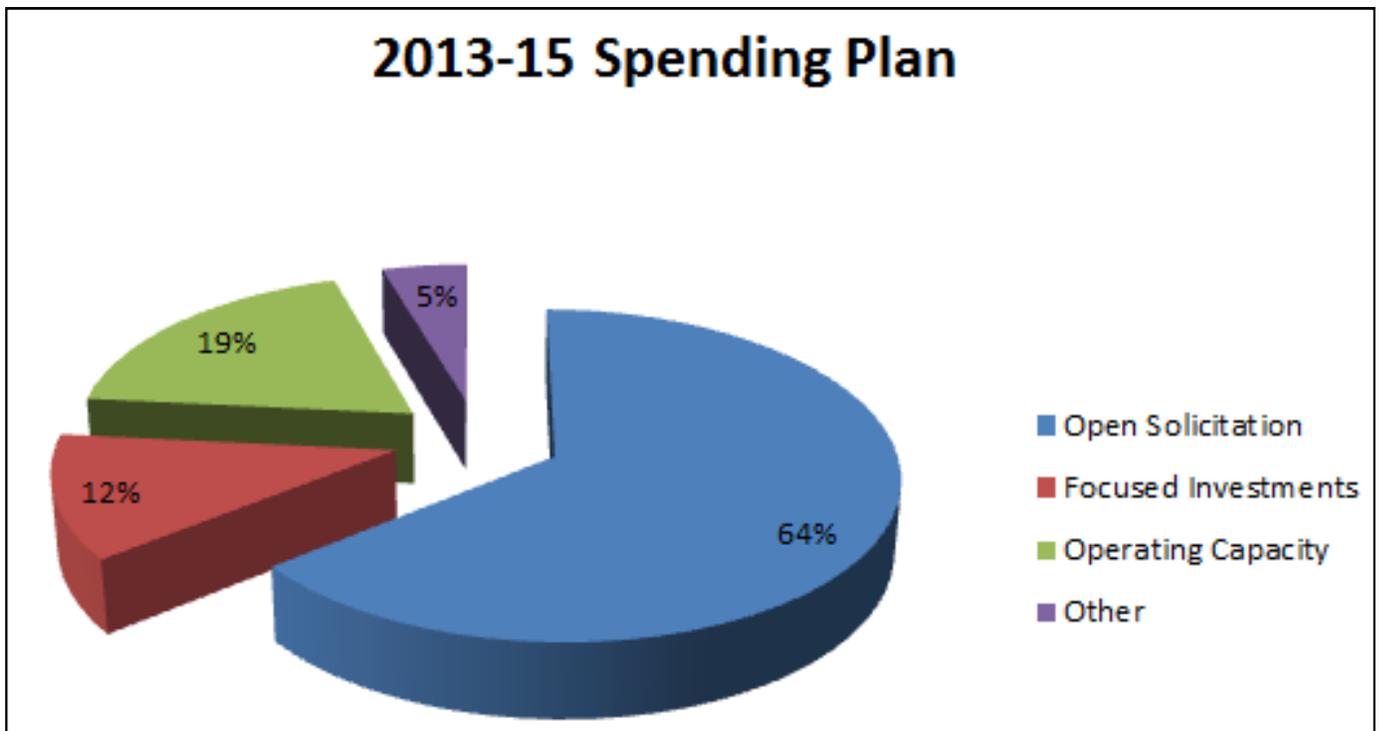
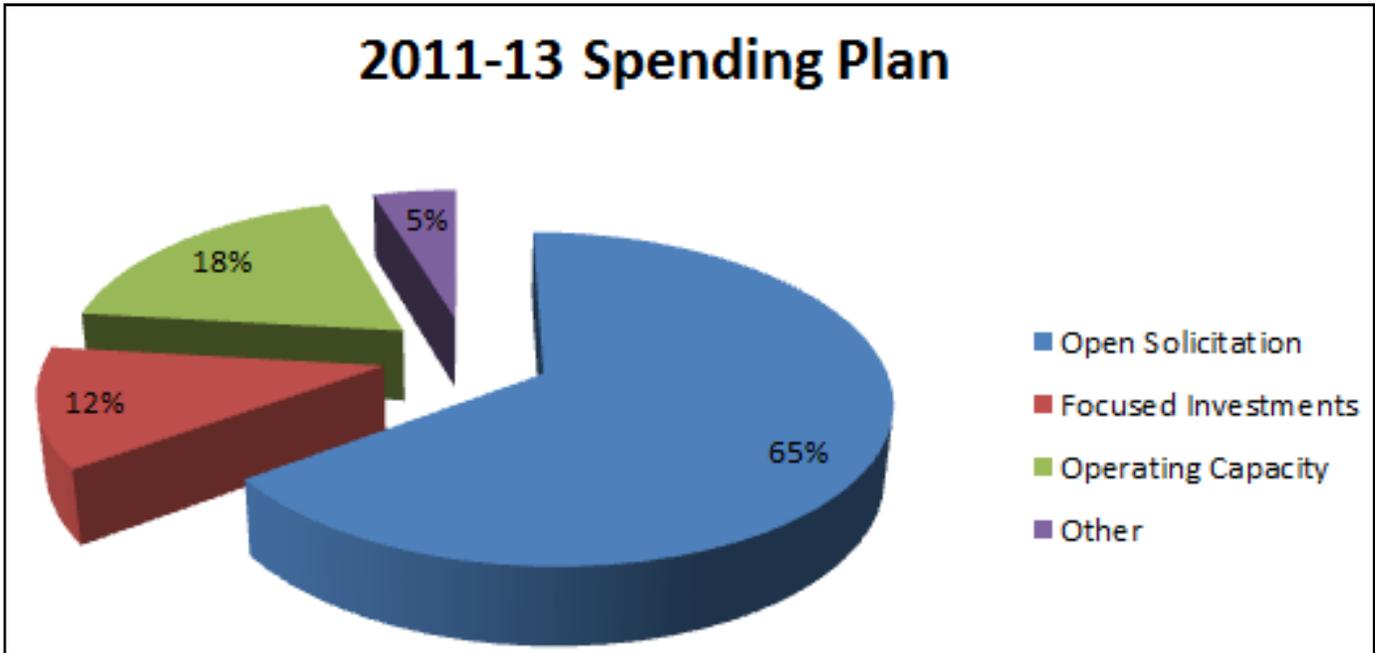


OWEB 2013-15 Spending Plan

April 2015 Board Meeting

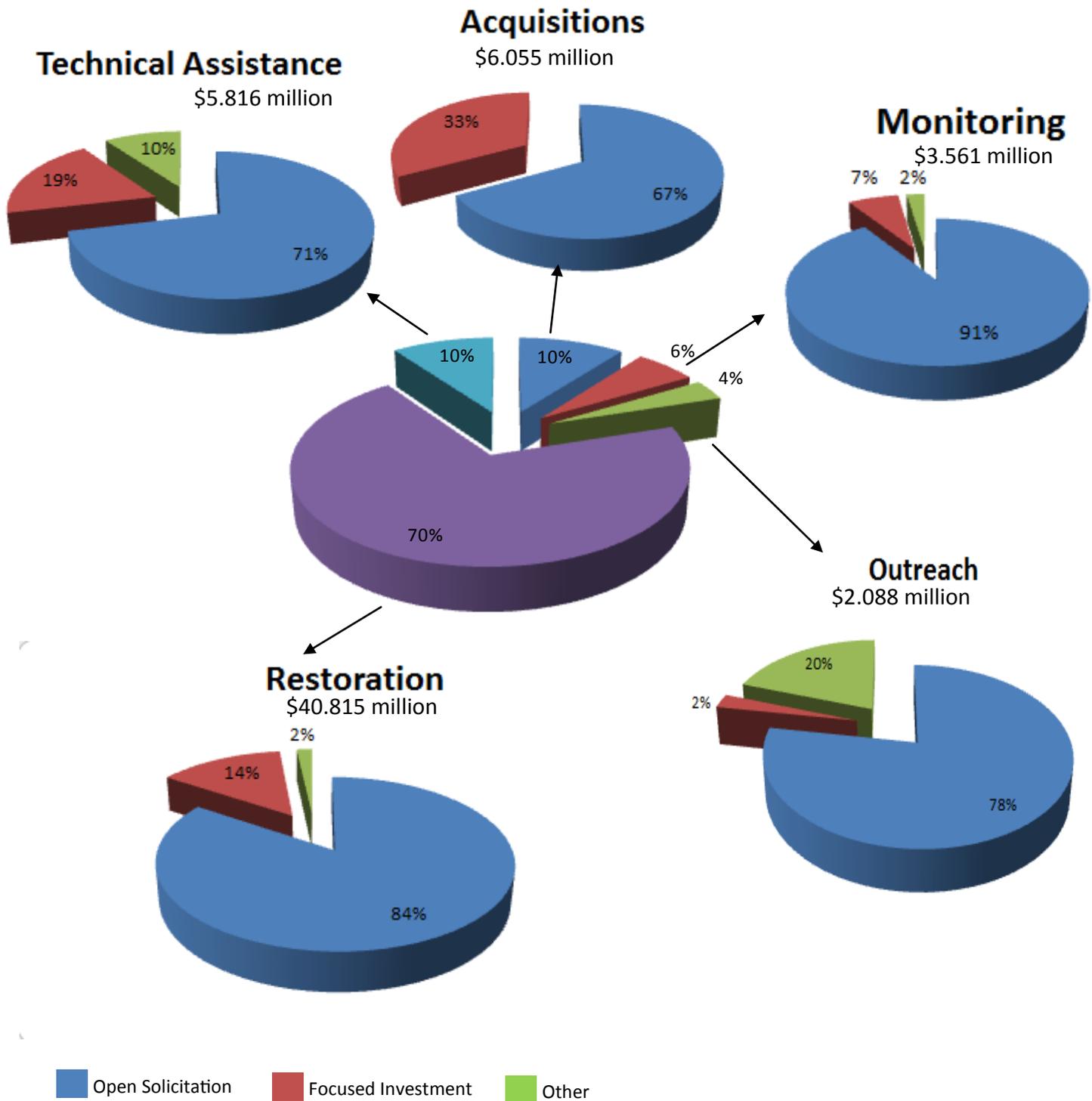
OWEB SPENDING PLAN	April 2015 additions to spending plan	Spending Plan as of Apr 2015	Mar 2015 Awards	TOTAL Board Awards To-Date	Remaining Spending Plan as of Mar 2015	Apr 2015 Proposed Awards	Remaining Spending Plan as of Apr 2015
Open Solicitation:							
Restoration		27.720		20.655	7.065	6.987	0.078
Technical Assistance							0.000
Restoration TA		2.600		1.808	0.792	0.816	(0.024)
Action Plans for WC		0.250		0.181	0.069		0.069
CREP TA		0.750		0.750	0.000		0.000
Monitoring Grants		2.500		1.451	1.049	1.049	0.000
Outreach		1.100		0.600	0.500	0.514	(0.014)
Assessments		0.000		0.000	0.000		0.000
Land and Water Acquisition		8.000		5.344	2.657	1.600	1.057
Weed Grants		2.500		2.500	0.000		0.000
Small Grants		2.800		2.800	0.000		0.000
TOTAL	0.000	48.220	0.000	36.089	12.132	10.966	1.166
% of assumed Total Budget		64.8%					
Focused Investments:							
Deschutes SIP		4.000		4.000	0.000	1.000	(1.000)
Willamette SIP		3.000		3.000	0.000	0.750	(0.750)
Klamath SIP		0.800		0.800	0.000	0.200	(0.200)
Whole Watershed Restoration Initiative		0.500		0.500	0.000		0.000
Bridge Funding	1.950	1.950		0.000	1.950		1.950
TOTAL	1.950	10.250	0.000	8.300	1.950	1.950	0.000
% of assumed Total Budget		13.8%					
Operating Capacity:							
Capacity grants (WC/SWCD)		12.200		12.200	0.000		0.000
OACD/Network		0.415		0.415	0.000		0.000
Building Capacity Grants		0.200		0.200	0.000		0.000
TOTAL	0.000	12.815	0.000	12.815	0.000	0.000	0.000
% of assumed Total Budget		17.2%					
Other:							
CREP		0.500		0.500	0.000		0.000
Oregon Plan/Governor's Priorities		1.000	0.045	0.875	0.125	0.025	0.100
Effectiveness Monitoring		1.000	0.072	0.621	0.379	0.069	0.310
Ecosystem Services		0.150		0.090	0.060	0.077	(0.017)
Business Practices		0.200		0.150	0.050		0.050
Lower Columbia Estuary Program		0.300		0.300	0.000		0.000
TOTAL	0.000	3.150	0.117	2.536	0.614	0.171	0.443
% of assumed Total Budget		4.2%					
TOTAL OWEB Spending Plan	1.950	74.435	0.117	59.740	14.696	13.087	1.609
OTHER DISTRIBUTED FUNDS							
Oregon Department of Fish & Wildlife /PCSRF		9.226		9.226	0.000		0.000
IMST (½ M76 Operating / ½ PCSRF)		0.462		0.462	0.000		0.000
USFW-Coastal Wetlands	3.399	3.398		0.120	3.278	3.399	0.000
Forest Health Collaboratives from ODF		0.600		0.600	0.000		0.000
PSMFC-IMW		0.300		0.300	0.000		0.000
NRCS-CREP TA		0.250		0.250	0.000		0.000
TOTAL	3.399	14.236	0.000	10.958	3.278	3.399	0.000
TOTAL Including OWEB Spending Plan & Other Distributed Funds	5.349	88.671	0.117	70.698	17.974	16.486	1.609

Historic Spending Plan Percentages by Long Term Investment Strategy Category*



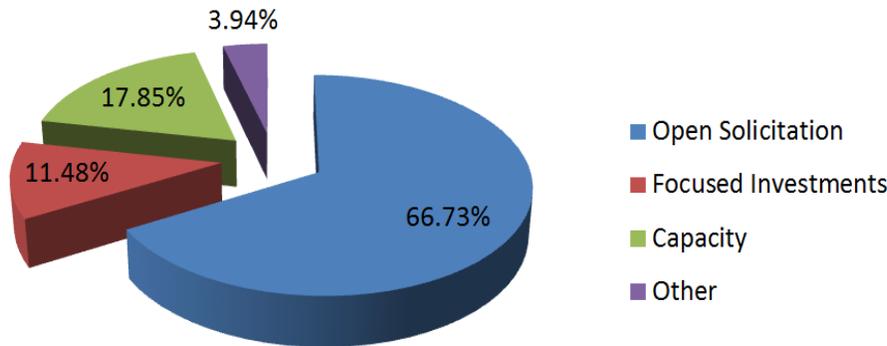
*NOTE: Spending plan percentages are based on categories established by the OWEB Board at the October 2014 Board meeting and retroactively applied to previous spending plans.

2011-2013 Agreements Executed by Grant Type



Proposed Percentages for 2015-17 Spending Plan by Long Term Investment Strategy Category*

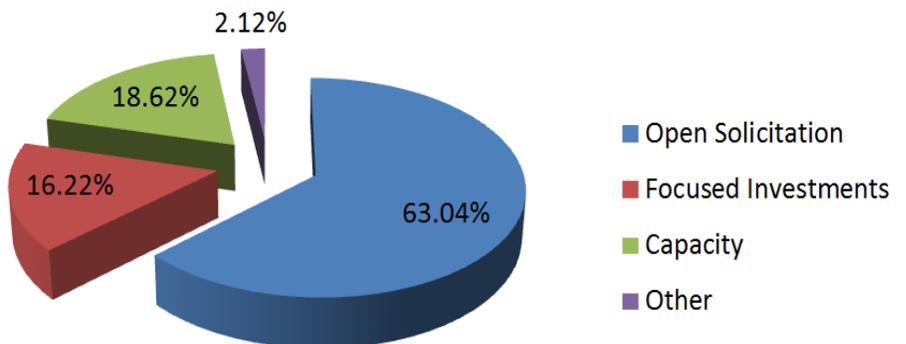
Current Spending Plan with Additional PCSRF



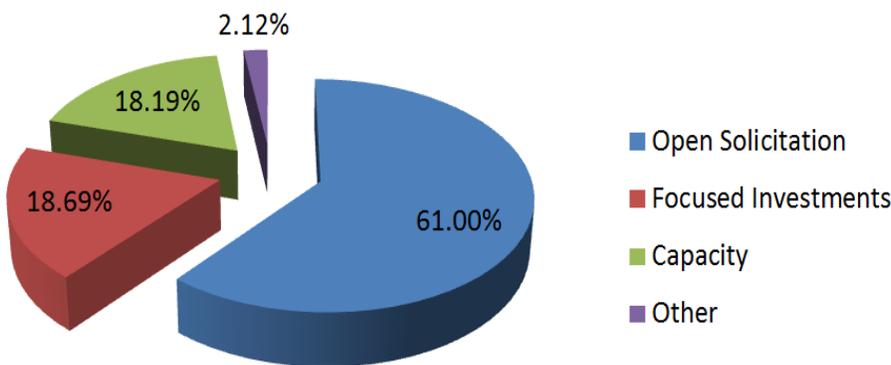
Note: both options identified provide a smaller increase in focused investments than identified at the January board meeting because lottery revenue projections came in at a lower amount than the current spending plan level.

Option A: Focused Investments increase by 4.74%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in Open Solicitation of 3.69% and decrease in Other (where EM previously resided) of 1.82%.

Option A Spending Plan with Additional PCSRF



Option B Spending Plan with Additional PCSRF



Option B: Focused Investments increase by 7.2%. Effectiveness Monitoring is moved specifically to programmatic EM in either Open Solicitation or Focused Investments, with a corresponding decrease in open solicitation of 5.73% and a decrease in Other (where EM previously resided) of 1.82%.

**The draft spending plan in April provides Board-identified percentages as options. The April spending plan draft includes both percent and dollar amounts, though final dollar figures will not be available until the July spending plan, after the agency's 2015-17 budget is approved.*

OWEB 2015-17 DRAFT Spending Plan
Using Feb 19, 2015 Economic Forecast

OWEB SPENDING PLAN	July 1, 2013 Spending Plan Excluding PCSRF FFY14	July 1, 2013 Spending Plan with addition \$4.9m PCSRF FFY14	July 1, 2015 Proposed Option A excluding PCSRF FFY16	July 1, 2015 Proposed Option A with addition \$4.9m PCSRF FFY16	July 1, 2015 Proposed Option B excluding PCSRF FFY16	July 1, 2015 Proposed Option B with addition \$4.9m PCSRF FFY16
Open Grants:						
Restoration	26.320	27.720	22.950	25.850	21.500	24.400
Technical Assistance						
Restoration TA	1.800	2.600	1.750	2.750	1.750	2.750
Action Plans for WC	0.250	0.250				
CREP TA	0.750	0.750	0.750	0.750	0.750	0.750
Monitoring grants	1.350	2.500	1.900	1.900	1.900	1.900
Outreach	0.600	1.100	0.500	0.500	0.500	0.500
Assessments						
Regular Land and Water Acquisition	7.000	8.000	6.150	7.150	6.150	7.150
Weed Grants	2.500	2.500	2.500	2.500	2.500	2.500
Small Grants	2.800	2.800	2.800	2.800	2.800	2.800
June 2011 Grant awards (Mar 2011 holdover)	NA	NA	NA	NA	NA	NA
OS Effectiveness Monitoring			0.500	0.500	0.500	0.500
TOTAL	43.370	48.220	39.800	44.700	38.350	43.250
% of assumed Total Budget	64.46%	66.80%	60.30%	63.05%	58.11%	61.00%
Focused Investments:						
Deschutes SIP	4.000	4.000				
Willamette SIP	3.000	3.000				
Klamath SIP	0.800	0.800				
Whole Watershed Restoration Initiative	0.500	0.500				
FI Partnership Implementation			10.000	10.000	11.750	11.750
FI Partnership Capacity-Building			1.000	1.000	1.000	1.000
FI effectiveness monitoring			0.500	0.500	0.500	0.500
TOTAL	8.300	8.300	11.500	11.500	13.250	13.250
% of assumed Total Budget	12.34%	11.50%	17.42%	16.22%	20.08%	18.69%
Operating Capacity:						
Capacity grants (WC/SWCD)	12.200	12.200	12.500	12.500	12.200	12.200
OACD/Network	0.415	0.415	0.300	0.300	0.300	0.300
Building Capacity Grants	0.200	0.200	0.400	0.400	0.400	0.400
TOTAL	12.815	12.815	13.200	13.200	12.900	12.900
% of assumed Total Budget	19.05%	17.75%	20.00%	18.62%	19.55%	18.19%
Other:						
CREP	0.500	0.500	0.500	0.500	0.500	0.500
Oregon Plan/Governor Priorities	1.000	1.000	1.000	1.000	1.000	1.000
Effectiveness Monitoring	1.000	1.000				
Ecosystem Services	0.150	0.150				
Business Practices	0.150	0.200				
TOTAL	2.800	2.850	1.500	1.500	1.500	1.500
% of assumed Total Budget	4.16%	3.95%	2.27%	2.12%	2.27%	2.12%
TOTAL OWEB Spending Plan Proposal	67.285	72.185	66.000	70.900	66.000	70.900
OTHER DISTRIBUTED FUNDS IN ADDITION TO SPENDING PLAN DISTRIBUTION						
Oregon Department of Fish and Wildlife - PCSRF	4.804	4.804	4.804	4.804	4.804	4.804
IMST	0.237	0.237	0.237	0.237	0.237	0.237
USFW-Coastal Wetlands						
Forest Health Collaboratives from ODF						
PSMFC-IMW	0.300	0.300	0.300	0.300	0.300	0.300
Lower Columbia Estuary Partnership	0.300	0.300	0.300	0.300	0.300	0.300
TOTAL	5.641	5.641	5.641	5.641	5.641	5.641
TOTAL Including OWEB Spending Plan and Other Distributed Funds	72.926	77.826	71.641	76.541	71.641	76.541

Watershed Council Capacity

Summary:

Council Capacity Grants are awarded biennially and help support the operations of effective watershed councils that engage people and communities in their watershed to participate in collaborative, voluntary restoration and protection of native fish or wildlife habitat and natural watershed functions to improve water quality or stream flows.

Program History:

OWEB has provided operating grants to watershed councils for more than 15 years. Watershed councils are locally based, voluntary, and under Oregon law, “designated by a local government group convened by a county governing body, to address the goal of sustaining natural resource and watershed protection, restoration and enhancement within a watershed.” (ORS 541.890(15))

OWEB does not create or oversee watershed councils. OWEB has discretion to provide capacity grants to councils that represent a balance of interests in their watersheds and demonstrate the potential to protect and enhance the quality of their watersheds. Councils also are expected to assure a high level of citizen involvement in the development and implementation of watershed action programs (ORS 541.910).

In 2010 OWEB staff began the program review and in March 2012, the Board directed staff to develop details of the “outcome-based review and award process,” and hold listening sessions in preparation for changing the program. Staff considered listening session and work group feedback, and worked with the Operating Capacity Board subcommittee, to develop proposed eligibility and merit criteria. In April–May 2013, the proposed criteria were shared with stakeholders.

In June 2013, the Board authorized staff to begin rulemaking with the policy direction to build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5–10 years. To reinforce this direction, the Board supported capping eligibility for individual grants at no more than 64 (based on watershed areas for councils that previously received an individual Watershed Council Support Grant). Geographic areas can change, but OWEB wants to see stronger, collective local capacity, not “splitting” and “subdividing” into smaller areas resulting in more competition for limited resources and more duplication of administrative infrastructure.

In July 2014, the Board adopted administrative rules and Implementation Guidance for Council Capacity grants. Fifty-nine councils submitted requests for Eligibility Determination by the November 2014, deadline. After the Eligibility Review, and when necessary the appeal process, all fifty-nine were determined eligible to apply for a Council Capacity grant, and all applied by the March 2015, deadline. The Board will award 2015-2017 Council Capacity grants at the July 2015, Board meeting. Further details are provided in the Director’s Update.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:**2010 OWEB Strategic Plan**

Goal 2, Local Infrastructure: Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships.

Long-Term Investment Strategy: Operating Capacity Investments

Council Capacity Grants support operating costs for effective watershed councils and are specifically identified in OWEB's statutes.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

There are two program developments that are pertinent to the spending plan. First, the new rules and Implementation Guidance provides for three funding levels, 1) Full base award for councils that meet all the merit criteria; 2) Reduced base award for councils that do not meet all the merit criteria (The reduced funding base award will be 80% of the full base award); and 3) Do not fund. This new approach will impact how the funding lines are developed.

Secondly, in January 2015, four councils in the Rogue Basin, Bear Creek WC, Little Butte Creek WC, Upper Rogue WC, and Stream Restoration Alliance of the Middle Rogue, merged into the Rogue River Watershed Council. This impacts the number of councils that applied for individual Council Capacity grants and will impact the distribution of funding.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	6.100	5.975
2011-2013	6.100	12.185*
2013-2015	6.100	0.000*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015. For 2013-2015, Council Support grants were awarded in June 2013 and the funding was added to the 2011-2013 biennium Council Support grants.

Soil and Water Conservation District Capacity

Summary:

Soil and Water Conservation District (SWCD) Capacity Grants provide funding for 45 SWCDs to work with landowners and partners to conserve natural resources. This work is vital in protecting and improving Oregon's water quality. The funding is divided into two funds for each SWCD:

- 1) Scope of Work Fund supports working with landowners and partners to protect and conserve natural resources; specifically, providing technical assistance and community engagement for the restoration and protection of native fish and wildlife, watersheds, and water quality through implementation of Agricultural Water Quality Management Area Plans and the Oregon Plan for Salmon and Watersheds.
- 2) District Operations Fund supports the capacity of the SWCDs to comply with Oregon Revised Statute (ORS) requirements, conduct business, and provide assistance to landowners and partners.

Program History:

SWCDs have a 75-year history in Oregon. The Oregon Legislature passed legislation to establish conservation districts in 1939 to protect local renewable natural resources. South Tillamook became the first official Soil Conservation District on February 10, 1940. In 1963 the Oregon Legislature added the "and Water" to the name of Soil Conservation Districts. The first Legislative Budget Note for SWCD funding was in 1997: *"The Subcommittee expects the grant funds to be available in to following amounts through the Governor's Watershed Enhancement Board: \$2,400,000 - Soil and Water Conservation Districts: Funding for positions in each of the eight existing area and for watershed assessments and management plans; half of the funding would be distributed through an application process."*

SWCDs are political subdivisions of state government, but are not state agencies. SWCDs are considered municipal corporations, a form of local government that is required to follow most of the same laws that govern state agencies. They are governed by specific enabling legislation under ORS 568. The members of SWCD Board of Directors are elected officials, to serve on either a five or seven member board.

Since the inception of the Agricultural Water Quality Management Program, legislative direction from the Oregon Legislative and budget notes have resulted in the following list of fundamental principles from which the annual work plan, commonly known as the Scope or Work (SOW), is built:

- 1) ODA is responsible to develop, periodically modify, and implement Agricultural Water Quality Area Plans that are sufficient to meet water quality standards as described in statute.
- 2) SWCDs are the Local Management Agencies that assist ODA in implementing the Area Plans. SWCDs are to be involved in timely, effective implementation of Area Plans to the fullest extent practical.
- 3) Legislative budget notes (1997, 2007) provide direction to ODA on the use and purpose of funds allocated to SWCDs, as further refined in the Intergovernmental Agreement.
- 4) Legislative direction is to use these funds to implement the agricultural portion of the Oregon Plan for Salmon and Watersheds as administered by ODA.

In June 2012, ODA began working with Oregon Association of Conservation Districts leadership, SWCD managers, and the Soil and Water Conservation Commission to develop a new annual work plan or Scope of Work (SOW) process. The new SOW process provides SWCDs more flexibility and responsibility. 75% of the SOW funds are used for district-wide tasks while requiring 25% of the funds to be used for a specific geographic area (Focus Area). Focus Areas allow SWCDs to assess and measure change in land conditions over time. The SOW Focus Area process is a consistent approach to geographically assess riparian conditions, target on the ground projects to improve water quality, and demonstrate effectiveness of the conservation work SWCDs achieve on a statewide basis.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions 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 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.

Long-Term Investment Strategy

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.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In the 2013-2015 Biennium, ODA implemented the new SOW process described in above in program history, including requiring 25% of the funds to be used for a Focus Area. This work will be again required in the 2015-2017 Biennium. Focus Area work and assessments allow SWCDs to demonstrate the progress being made in implementing Area Plan goals and provide ODA data and information to measure progress toward water quality improvement.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Actual Expenditures
2009-2011	6.000	5.981
2011-2013	6.100	6.077
2013-2015	6.100	6.100

Capacity Grant Funding for the Network of Oregon Watershed Councils and Oregon Association of Conservation Districts

Summary:

The Network of Oregon Watershed Councils (NOWC) and Oregon Association of Conservation Districts (OACD) support the work of councils and districts, which have complementary restoration and conservation objectives across the landscape, through technical training, capacity building, and networking opportunities.

The Network of Oregon Watershed Councils (NOWC) is dedicated to supporting the work of the approximately 90 watershed councils throughout the state by increasing council capacity, improving key relationships, and promoting public awareness of watersheds and watershed councils.

The Oregon Association of Conservation Districts (OACD) represents, supports, and strengthens Oregon's 45 member Conservation Districts through member services, program development, training, leadership development, public education, and government relations.

Program History:

Since 2007, the OWEB Board has approved grants in a variety of fashions for these two organizations, recognizing that they provide a vital link between OWEB's programs and successful on-the-ground project implementation. In addition, in previous biennia, each organization has been successful in receiving statewide outreach grants from OWEB. Both organizations have been successful in receiving funding from other partners and local organizations to support their work. OWEB's funding has supported various deliverables in past biennia, including conferences, trainings, one-on-one work with local organizations, and youth activities.

In 2012, OWEB, NOWC and OACD began meeting to discuss ways to further collaboration among the three organizations. This has resulted in NOWC and OACD taking steps to formalize a partnership that includes shared office space and staff resources, allowing them to reduce overhead and expand capacity. The organizations' work has increasingly included the Coalition of Oregon Land Trusts (COLT) and Oregon Conservation Education and Assistance Network (OCEAN).

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Strategic Plan: NOWC and OACD Capacity Grants support Goals 2-4 in the Strategic Plan. Goal Two, Local Infrastructure Development: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation; Goal Three, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds and; Goal Four, 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.

Long-Term Investment Strategy: Operating Capacity Investments

NOWC and OACD Capacity Grants support the goals and purposes of OWEB's Operating Capacity Grant Investments, by providing support to watershed councils and soil and water conservation districts in their work toward engaging local communities and implementing on-the-ground restoration projects.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Over the past two years, OWEB funding has been leveraged to collaboratively support on-the-ground restoration through jointly sponsored programming for councils, districts, and land trusts. This model has garnered regional and national attention. Examples of joint programming include Regional Meetings in the summer of 2014 (combined efforts of NOWC, OACD, COLT, and OCEAN), encouraging both council and district staff member participation in OCEAN's spring training event, 2014 CONNECT (~ 30 council and 120 district employees attended), and the joint NOWC/OACD Fall Gathering.

Internally, NOWC and OACD share staff resources, have held a joint board meeting, created a joint planning committee for the 2015 Fall Gathering, and built capacity around management of shared grant funds. This collaborative model has enabled the partnership to leverage OWEB funding to attract additional investments from NRCS and USFWS. Support from these agencies has augmented existing programs and made possible investments in sage grouse restoration, as well as outreach around working lands and easements. OACD also received a \$9M grant from NRCS, which the partnership will help administer in support of Eastside sage grouse restoration efforts.

Looking forward, NOWC, COLT, OACD, and OCEAN plan to continue to collaboratively support on-the-ground restoration through jointly sponsored programming for councils, districts and land trusts. NOWC, COLT, and OACD have also begun conversations with private foundations to explore opportunities for increasing collaboration between all three organizations to better support the work of councils, districts, and land trusts.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.200	0.200
2011-2013	0.200	0.170
2013-2015	0.415	0.415

Building Capacity Grants

Summary:

Building Capacity Grants provide resources for a group of councils to build capacity through resource sharing and organizational restructuring.

Program History:

The Board's 2013-2015 spending plan allocated \$200,000 for "building capacity/watershed council transition" grants. The Board delegated authority to the Executive Director to award grants to support councils' transition to new organizational/operating structures to improve capacity for watershed restoration and community engagement outcomes.

OWEB announced this new grant offering for the first time in July 2013. Two grants were awarded for a total of \$120,864. One grant (\$55,353) was awarded to the North Santiam and Luckiamute Watershed Councils and Cascade Pacific RC&D to expand the RC&D's capacity to provide administrative services to watershed councils, which would allow councils more options and resources. A suite of services has been developed, and three councils are currently using these services. The group is currently working on a marketing approach and the grant will conclude this summer. The second grant (\$83,824) was awarded to four councils (Upper Rogue, Stream Restoration Alliance of the Middle Rogue, Little Butte Creek, and Bear Creek Watershed Councils) in the Rogue Basin which were pursuing a merger. Effective January 1, 2015, the four councils merged into the Rogue River Watershed Council and hired an Executive Director.

In June 2014 OWEB staff announced a second Building Capacity grant offering with the remaining \$60,823; however, no grants were awarded during this round. OWEB had a third grant offering in February 2015. This grant offering was narrowed to only support mergers or consolidations of watershed councils. As of April 1, 2015 no councils have applied for funding.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Goal 2, Local Infrastructure: Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships.

Long-Term Investment Strategy: Operating Capacity Investments

Building Capacity Grants support the goals and purposes of OWEB's Council Capacity Grant program direction, adopted by OWEB Board in June 2013 and July 2014, to build capacity through resource sharing and organizational restructuring.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In January 2015, four councils in the Rogue Basin, Bear Creek WC, Little Butte Creek WC, Upper Rogue WC, and Stream Restoration Alliance of the Middle Rogue, merged into the Rogue River Watershed Council. The OWEB Board has indicated, at the October 2014 and January 2015 Board meetings, that it supports offering transition funding for the merged Rogue River Watershed Council. This funding would be short-term, temporary funding, and only available for the first two biennia after the councils have successfully merged. The purpose of the funding is to facilitate the success of the newly merged watershed council.

In addition to the successful merger of the Rogue Basin watershed councils, other watershed councils around the state are beginning to have conversations around organizational restructuring and strategic collaboration. These councils are in various stages of internal conversations. Staff anticipates that during the 2015-2017 biennium some councils will be ready to apply for Building Capacity Grants for organizational restructuring, including, but not limited to, mergers, consolidations, and other resource sharing opportunities.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.100	0.045
2011-2013	0.100	0.002
2013-2015	0.200	0.139*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Conservation Reserve Enhancement Program Cost-Share Payments and Technical Assistance

Summary:

The Oregon Conservation Reserve Enhancement Program (CREP) is a cooperative venture between the State of Oregon and Farm Services Agency (FSA), with support from local partners including soil and water conservation districts, watershed councils and resource conservation and development councils. The purpose of this long-standing program is to restore, maintain, and enhance streamside areas along agricultural lands to benefit fish, wildlife, and water quality. Landowners enrolled in CREP receive annual rental payments and financial incentives (cost-share) to install conservation measures such as planting trees and shrubs, installing fencing, livestock watering facilities, and other approved conservation measures. The State of Oregon's cost-share contribution is provided by OWEB in the form of direct payments to landowners.

CREP Technical Assistance (TA) grants are statewide, competitive grants offered every two years. These grants cover costs for the staffing, travel, training, and outreach activities needed to develop private landowner interest in Oregon CREP, develop conservation plans, and oversee the implementation of the conservation practices aimed at restoring riparian function for the benefit of fish, wildlife, and water quality.

Program History:

In 1998, Oregon CREP was established as the fifth such program in the country. CREP supports implementation of approved conservation practices aimed at improving riparian function on private lands throughout Oregon. Oregon contributes 25% of the eligible cost-share for establishing approved conservation practices, 75% of eligible cost-share (minus available federal cost-share) for certain water developments, and 100% of costs for heavy-duty tree protectors. FSA contributes federal cost-share, rental payments, incentive bonuses, and administrative oversight. The Natural Resources Conservation Service (NRCS) and the Oregon Department of Forestry provide the majority of the necessary technical assistance, along with other in-kind technical assistance from Oregon Water Resources Department, Oregon Department of Agriculture, and others. Since 1998, Oregon CREP has grown from a relatively small, experimental program into a robust program that covers the entire state and provides important financial incentives unique to the program nationwide, and continues to be a leader nationwide in enrollments.

Following establishment of CREP, concern was expressed that the program was not being promoted to sufficiently address the agricultural riparian restoration needs in Oregon. In 2001, an assessment of CREP identified technical assistance as a significant barrier to implementation. The Board responded by providing the first CREP TA grants to soil and water conservation districts (SWCDs) around the state.

Between 2007 and 2011, CREP TA was funded out of the Board award for SWCD capacity to supplement the biennial base funding for these organizations. During that time, CREP TA primarily included funding for SWCD staff positions to assist landowners with conservation plan development and implementation.

In 2011, staff and representatives from Oregon Department of Agriculture, Oregon Association of Conservation Districts, the Natural Resources Conservation Service (NRCS), and the Farm Services Agency completed a series of meetings to review and revamp the CREP TA program. This effort resulted in a new design for the program that removed the limitation on providing CREP TA funding only to SWCDs, and opened the door for multi-county, multi-organization proposals. In that same year, OWEB and NRCS joined together to invest over \$1 million in CREP TA grants independent from the funding for SWCD capacity and OWEB's regular technical assistance grant program. These two-year grants have been intended to address critical technical assistance needs for Oregon CREP.

OWEB reports to FSA annually on the State's contribution to Oregon CREP. For the 2014 Federal Fiscal Year, the State as a whole contributed approximately \$1.2 million to the overall program, which included \$435,190 in cost-share payments, \$328,552 for OWEB's CREP Technical Assistance (TA) Grants (see CREP TA section of this staff report for additional information), in-kind contributions from state agencies, and match brought to the program through OWEB's CREP TA Grants. During that same period, Oregon CREP saw 71 new enrollments (2,487.51 acres) for a cumulative total of 41,920.3 acres enrolled in the program. The Oregon CREP agreement with FSA requires Oregon to pay for 20 percent of the overall program costs, which results in Oregon's investment leveraging significant federal funding for important riparian restoration work around the state.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

CREP relates to Goal 1, Adaptive Investment (Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs), Strategies 1 and 2, of the 2010 Strategic Plan.

CREP TA relates to Strategy 2 of Goal 1, Adaptive Investment, of the Strategic Plan: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements. It also connects to Strategy 3 of Goal 2, Local Infrastructure Development: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience. Regarding the Long-term Investment Strategy, CREP and CREP TA align with open solicitation investments because the program is founded in statewide voluntary, collaborative conservation. CREP supports a wide variety of ecological outcomes across the state, from improved water quality to enhanced riparian corridors and floodplains and enhanced instream and stream-associated habitat.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

OWEB's contributions to Oregon CREP cost-share payments have fluctuated during the 2013-15 biennium when compared to other biennia. This difference is due to the fact that federal legislation authorizing the program (the 2008 Farm Bill), expired on September 30, 2013. The 2014 Farm Bill, which reauthorized the program, did not become law until February 7, 2014. During this lapse in programmatic authorization, cost-share payments could continue for already enrolled projects, but no new enrollments could take place.

In 2013, the Board approved a spending plan that set aside \$750,000 for CREP TA. In the ensuing months, NRCS committed \$150,000 in match funding. As a result, the grant cycle for the 2014-15 CREP TA grants was more competitive than the previous cycle, which was funded at over a million dollars. Eleven programs were funded for 2014-15 with awards ranging from \$22,000 to \$122,000. The approved programs provide critical technical assistance for Oregon CREP, covering approximately 23 counties statewide.

In March 2015, OWEB hosted two CREP trainings (one in Pendleton and one in Eugene). The trainings were open to all local, state, and federal partners in the program and were heavily attended. Attendees were provided with important administrative and technical training which is critical to effective deliver of Oregon CREP.

OWEB is moving forward with plans to increase the program's ability to address cultural resource reviews and surveys needed for the development and implementation of conservation plans. In the upcoming months, OWEB will engage NRCS and other partners to identify the programmatic needs and commit resources to contractors, trainings, or other resources.

Coming out of positive discussions at the two recent CREP trainings, OWEB staff will be working to create a statewide forum for the sharing of resources and experience among the CREP technicians.

Investments by Biennium-CREP Cost Shares		
Biennium	Spending Plan (after additional funds added)	Actual Expenditures
2009-2011	1.300	1.300 (spent June 2010 to June 2013)
2011-2013	0.500	0.500 (spent June 2013 to Sept 2014)
2013-2015	0.500	0.137* (spent Sept 2014 to Mar 2015)

Investments by Biennium-CREP TA		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.00	0.00
2011-2013	0.800	0.746
2013-2015	0.750	0.750

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Oregon State Weed Board Noxious Weed Grant Program

Summary:

The prevention and control of invasive noxious weed species is a critical element of watershed protection and enhancement. Noxious weeds have direct impacts on water quality, fish and wildlife species. To address this issue, the Oregon Department of Agriculture (ODA) and OWEB partner to support implementation of high-priority noxious weed control statewide, which often is a first step in restoring watershed health.

The Oregon State Weed Board (OSWB), which is staffed by ODA, receives funding from OWEB each biennium to support noxious weed control grants (Weed Grants). The OSWB Grant Program started during the 1999-2001 biennium, after the passage of Measure 66. Until 2010 and the passage of Measure 76, the fiscal responsibilities for Weed Grants were administered through ODA. With the passage of Measure 76, a new fiscal partnership between OWEB and ODA was established.

Program History:

The OSWB Grant Program was established in 1999-2001 biennium. The program funds projects that protect watershed health and native fish and wildlife habitat from the negative impacts of noxious weeds. Under the grant program, the OSWB works to fund as many high-priority projects as possible with the available funds. Grant applications are for on-the-ground weed control projects, must address OSWB-listed noxious weeds, and can include assessment/survey, outreach and/or project design activities that are necessary to enable the weed-control portion of the project.

The passage of Measure 76 in 2010 initiated the need for a refined partnership between OWEB and ODA for OSWB grants. The ballot measure changed the language within the constitution, designating OWEB as the single granting agency for State Lottery funds designated for watershed restoration. This change resulted in OSWB grant funding to remain under OWEB's budget, rather than being transferred directly to and administered by ODA. To maintain a streamlined program, the two agencies developed a process to jointly administer Weed Grants. ODA maintains technical oversight over the grants and works with grantees on project implementation (e.g., approves reports, reviews invoices, monitors projects, and approves payments). OWEB approves budgets, approves the grants that are recommended for funding, enters into grant agreements, completes the final review of all reports and receipts, and issues payments.

The 2011-2013 biennium was a transition period for the Weed Grant partnership. A Lean-Kaizen process was completed to identify strengths, challenges and redundancies in the process, and refinements to the process were made based on the lessons learned. ODA and OWEB staff have worked together to ensure grantees meet the requirements and standards of both agencies under the new Weed Grant process, and have improved communication between the agencies and local partners such as watershed councils, county weed programs, Cooperative Weed Management Areas, and soil and water conservation districts.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

The Weed Grant Program relates to Goal 1 (restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs) and Goal 3 (provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds) of the 2010 OWEB Strategic Plan. The program falls under the Open Solicitation component of OWEB's Long-Term Investment Strategy.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Two program developments are relevant to the spending plan:

- 1) The Weed Grant program transitioned to a single cycle per year (as opposed to two cycles) beginning in 2013. This change created efficiencies for reporting and payments, and also gave grantees a full year of funding for on-the-ground work.
- 2) Substantial improvements have been made related to online reporting for Weed Grants. These improvements have created efficiencies for grantees by providing "prefilled" data for projects, and have improved the ability to query for data regarding restoration outputs that result from Weed Grant investments.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.000	0.000*
2011-2013	2.500	2.449
2013-2015	2.500	1.371**

* This item was not included in OWEB's spending plan prior to the 2011-13 biennium since funds were directly provided to ODA.

**Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Small Grant Program

Summary:

OWEB Small Grant Program funds are awarded biennially to cooperative partnerships of watershed councils, soil and water conservation districts and tribes. Twenty-eight teams in the state prioritize and implement smaller scale watershed restoration projects. Teams must select from an OWEB rule-defined list when identifying priority watershed concerns for their Small Grant Area. Priority concerns include fish passage; urban impact reduction; water quality and quantity/irrigation efficiency; road impact reduction; and instream, riparian, wetland, and upland process and function.

Small grants must be less than \$10,000, and are often the first grant a landowner may implement, leading to future restoration investments through the regular grant program.

Program History:

In 1999, OWEB investigated ways to be more responsive to small restoration projects. During this time the Oregon Legislature encouraged the agency to initiate a county-based, local cost-share program through a budget note in OWEB's legislative adopted budget.

In January 2002, the Board adopted administrative rules establishing a Small Grant Program (SGP) with the goal of supporting implementation of the Oregon Plan for Salmon and Watersheds by funding small, straightforward restoration projects designed to improve water quality, water quantity, and fish and wildlife habitat. These projects can often be implemented on a short turnaround. Such projects are to include, but are not limited to, those developed to address Total Maximum Daily Loads (TMDL's), Agriculture Water Quality Management Plans, urban nonpoint source pollution management plans, and the Board of Forestry's Forestry Program for Oregon.

The Board set boundaries for 28 geographic areas throughout the state. Within each area a Small Grant Team comprised of representatives from local watershed councils, soil and water conservation districts, and tribes, may form. Individual teams are guided by self-defined operating procedures and a list of watershed priorities and eligible project types, revisited biennially by teams. Since its inception the Board has allocated \$2.8 million (\$100,000 per team) per biennium to the program. Teams accept applications from within their boundaries for watershed restoration projects of \$10,000 or less. Team recommended applications and draft grant agreements are then sent to OWEB for review.

Teams must select from an OWEB rule-defined list when identifying priority watershed concerns for their Small Grant Area. Priority concerns include fish passage; urban impact reduction; water quality and quantity/irrigation efficiency; road impact reduction; and instream, riparian, wetland, and upland process and function. Projects must be implemented using established techniques with guidance from one of eight approved technical guidance source documents.

In January 2004 the Board revisited SGP rules, implementing changes that included requiring each Team have at least one actively participating watershed council representative and one soil and water conservation district representative to be eligible for funding. Rule changes also included limiting eligible

applicants to tribes, councils and districts who may act on behalf of landowners, non-profits, schools and government.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

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.

Long-Term Investment Strategy: Open Solicitation:

The Small Grant Program offers Open Solicitation grants across the state for competitive proposals based on local ecological priorities. The program complements other OWEB grant offerings by providing a streamlined, locally driven application process, allowing for easier access to available grant funds.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

There have been no program changes in the last biennium. Benefits highlighted by the teams include: flexible, straightforward program; local review; quick turn-around; develops partnerships among watershed councils, SWCDs and tribes; develops landowner trust in government; builds strong relationships with landowners; develops partnerships with city, county, state and federal agencies and non-profits; aids the local economy by using local vendors and contractors; and leverages funding.

Through the Long-Term Investment Strategy framework, staff prioritized work on program changes and improvements. The focus in the 2013-15 biennium was completion of council capacity program changes and the development of the Focused Investment Partnership Program. The December 2012 proposed Long-Term Investment Strategy Direction included potential changes to the SGP, including increased funding and expanding the type of projects eligible for funding, in order to maintain statewide opportunities for Open Solicitation Investments. Given staff resources, it was proposed this review take place in 2015-17. Staff propose to initiate that process with the open solicitation committee.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	2.800	2.370
2011-2013	2.800	2.479
2013-2015	2.800	1.765*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Transfers to Other Agencies

Summary:

Historically, both the Legislature and Governor have directed OWEB to provide funding in support of various State programs and initiatives. OWEB also receives funds from state and federal sources that need Board approval for the distribution of the funds through OWEB's grant program to other entities.

Program History:

Historically, the Legislature has directed OWEB through its budget to distribute Pacific Coast Salmon Recovery Funding (PCSRF) to ODFW in support of the following programs: Fish Screening and Passage, Oregon Plan Monitoring, Western Oregon Stream Restoration, and Oregon Plan Implementation and Technical programs. Through OWEB's grant program, the Governor Office has supported OWEB funding the OSU Inter-Multidisciplinary Science Team (IMST) program and the Lower Columbia Estuary Partnership (LCEP).

OWEB also receives funding from a variety of state and federal sources to distribute through OWEB's grant programs. These funds vary from year to year; however, Board approval is necessary to distribute the funds. For example, OWEB has received funds every year since 2007 from the Pacific States Marine Fisheries Commission to distribute for the North Fork John Day Intensively Monitored Watershed Project.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions 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 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.

Long-Term Investment Strategy: Transfers to Other Agencies may involve Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In the 2013-2015 biennium, OWEB has received funds from the Oregon Department of Forestry in support of Federal Forest Health Collaborative Capacity Assistance grant. This program is included in the 2015-2017 Governor's Recommended Budget (GRB). The GRB also defunds the IMST program and provides funding to develop a scientific review task force that will provide recommendations for the structure and form of an independent scientific review process that would be established in 2017. The Governor also encourages continuing to fund the LCEP program through OWEB's grant program.

Because the funding for these programs is generally legislatively or Governor- directed, a data table is not provided with this report.

Open Solicitation-Restoration

Summary:

Restoration grants are OWEB's primary method of delivering support for watershed projects that restore watershed functions. Restoration grants are offered twice per year, April and October, through a competitive granting program.

Program History:

Restoration grants that provide assistance to landowners to restore watershed health locally have been part of OWEB's history since its beginning in 1987 as the Governor's Watershed Enhancement Board. Initial investments were modest and focused on restoration demonstration projects. The number of projects and level of investment quickly increased as the Oregon Legislature and the public supported OWEB through Measures 66 then 76. At the same time, organizational capacity within watershed councils, Districts, and other groups to plan and implement projects grew, and landowners became engaged in implementing voluntary projects. Since 1999, approximately 43% of grants awarded have been restoration grants.

Restoration accomplishments in Oregon, including those funded by OWEB, have been reported through the Oregon Watershed Restoration Inventory (OWRI) since 1995. Over 15,815 projects have reported their accomplishments to OWRI (through 2013) for a total investment of \$695,592,530. Riparian, road, upland, fish passage, and instream restoration activities make up the largest number of projects, respectively. These projects have resulted in:

- 5,485 linear stream miles and 47,465 acres treated through riparian activities
- 1,096,180 acres treated through upland activities
- 3,105 road/stream crossings improved for fish passage and 3,871 miles of fish habitat made accessible due to crossing improvements
- 1,658 miles of stream treated through instream activities

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

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.

Long-Term Investment Strategy: Open Solicitation

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

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

An OWEB initiative known as Continuous Improvement has been underway through the 2013-2015 biennium. This initiative includes the active evaluation of the OWEB grant application and review processes with staff, representative stakeholders, and review team members. The goals of this effort include: improving the quality, completeness, and accuracy of applications received; increasing efficiencies in project solicitation and review; increasing the diversity of expertise and participation in review teams; and enhancing the value of the grant review process by focusing the work on better gauging the watershed improvement outcomes likely to be obtained.

Application streamlining and online applications and grant agreements

This work has been informed by both an internal project team and an external stakeholder work group. The OWEB management team has approved streamlined applications for restoration, technical assistance and monitoring grants. An alpha test-version of the online grant application web interface has been completed and is undergoing further testing to ensure that the system is both technically functional from the perspective of applicants, grantees, reviewers and OWEB staff. The goal is to launch an online grant application/grant agreement web interface by October 2016.

Other continuous improvements

Improvements are being identified and incorporated incrementally with a goal of full implementation by October 2016. One example of implemented continuous improvement is applicants now have the option of emailing a PDF of their application to OWEB. This option was very popular during the October 2014 grant cycle, with 83% of applications submitted electronically. Beginning with the April 2015 grant cycle, signed grant agreements may also be returned to OWEB by emailing a PDF. Another example is OWEB is currently developing a training process for applicants. The first of these trainings, “*Do’s and Don’ts of Successful Applications*”, was held in March 2015. This webinar was designed to help applicants strengthen Restoration and Technical Assistance grant applications.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	32.700	31.681
2011-2013	28.950	29.221
2013-2015	27.720	20.468*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open Solicitation-Technical Assistance

Summary:

Technical assistance grants are offered twice per year, April and October, through a competitive granting program. Technical assistance grants through the open solicitation process are capped at \$50,000.00 per grant.

Program History:

Since 1999, approximately 3% of grants awarded have been technical assistance grants. These grants play a key role in developing future restoration grant proposals and increase the capacity of OWEB's local partners to engage in project development, planning, design, coordination and permitting. There are three types of technical assistance grants typically offered.

Technical Assistance Type #1 is for development of a technical design for a specific restoration project addressing a locally acknowledged limiting factor or watershed restoration priority.

Technical Assistance Type #2 is for development of an implementation/analysis plan or for development of a project to address a locally acknowledged limiting factor(s) or watershed restoration priority(ies).

Technical Assistance Type #3 is for enrollment of landowners in an area-wide, cooperative conservation project, or in a state or federal landowner assistance program (e.g., EQIP, WRP, or WHIP) that addresses a locally acknowledged limiting factor(s) or watershed restoration priority(ies).

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

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 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Long-Term Investment Strategy: Open Solicitation

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

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Continuous improvements over the 2013-2015 biennium have sought to add value and improve the quality of service OWEB provides, beginning with the Regular Grant Program. The intent of this work is to improve effectiveness and efficiency of the agency's grant-making process for applicants, grantees

and OWEB staff. Activities include application streamlining and development of online applications and grant agreements, as well as other continuous improvements. Please refer to the *April 2015 Spending Plan for Open Solicitation—Restoration* for more information.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	2.200	2.113
2011-2013	2.250	2.158
2013-2015	2.600	2.064*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open Solicitation-Outreach

Summary:

Outreach grants are offered once per year in October through a competitive granting program for outreach activities necessary to protect or restore native fish and wildlife habitat, water quality, or stream flows.

Program History:

Since 1999, approximately 3% of grants awarded have been for outreach and education grants. Under Measure 66, these activities were funded through non-capital funds, which could be used for a variety of purposes that furthered the goals of improving water quality, recovering fish and wildlife, and enhancing watershed health.

Measure 76 changed the constitutional language regarding education and outreach grant offerings. Due to these changes, beginning with the October 2011 grant cycle, OWEB only offers outreach grants that are necessary for activities to protect or restore native fish and wildlife habitat, water quality, or stream flows. Grants that are for education only are not allowed under Measure 76 in the grant program.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

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 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Long-Term Investment Strategy: Open Solicitation

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

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Continuous improvements over the 2013-2015 biennium have sought to add value and improve the quality of service OWEB provides, beginning with the Regular Grant Program. The intent of this work is to improve effectiveness and efficiency of the agency's grant-making process for applicants, grantees and OWEB staff. Activities include application streamlining and development of online applications and grant agreements, as well as other continuous improvements. Please refer to the *April 2015 Spending Plan for Open Solicitation—Restoration* for more information.

Through the Long-Term Investment Strategy framework, staff prioritized work on program changes and improvements. The focus in the 2013-15 biennium was completion of council capacity program changes and the development of the Focused Investment Partnership Program. As a part of the LTIS process, staff also identified the need to take a closer look at outreach grants and propose program adjustments as needed based on the LTIS and strategic plan. However, given staff resources, it was proposed this review take place in the 2015-17 biennium. Staff propose to initiate that process with the open solicitation committee in the new biennium.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.700	0.662
2011-2013	1.100	1.600
2013-2015	1.100	0.599*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Land and Water Acquisitions

Summary:

The Oregon Constitution specifies that OWEB may fund projects involving the acquisition of interests in land and water from willing sellers for the purpose of maintaining or restoring watersheds and habitat for native fish or wildlife. OWEB-funded interests in land and water may be held by a variety of entities—including, but not limited to local, state and federal agencies, tribes, and not-for-profit conservation organizations and land trust trusts—as the entity continues to use the land or water for the purposes specified in the constitution.

OWEB funds land and water acquisitions through several mechanisms: the purchase of property in fee simple, conservation easements on property, the purchase of permanent water rights, and water leases.

Program History:

Land Acquisitions: The Board began making land acquisition grants in 1998. Several grants were awarded during the first few years of the program. In 2000, interest in the program began growing significantly. During the 2011-2013 biennium, OWEB did not accept new land acquisition applications in order to allow staff to address a backlog of pending applications and awards. Over the same period, OWEB completed updates to the land acquisitions program, including revising administrative rules and refining the application and review processes for the program. To date, the Board has awarded nearly \$40 million in land acquisition grants, leveraging \$82 million in matching funds and protecting nearly 60,000 acres.

Water Acquisitions: The Board awarded its first water acquisition grant in 2001. Until 2010, only five grants were awarded, with a relatively small award amount for each project (i.e., less than \$40,000). Beginning in 2010, interest in water acquisition grants began to grow. This growth is largely attributed to two issues: 1) increased organizational capacity in select areas of the state to carry out water acquisition projects and programs and 2) increased concern about instream flow issues. Since 2010, the Board has awarded nearly \$3.15 million for water acquisition grants. As was the case with the land acquisitions program, during the 2011-2013 biennium, OWEB updated its administrative rules and program guidance for water acquisitions. To date, funding requests to OWEB have come from three primary locations in the state: the Deschutes, Klamath and mid-Columbia basins. These awards have supported a range of activities from permanent transfers and temporary leases of instream water rights to voluntary curtailments by irrigators.

Overall, the land and water acquisition programs currently account for approximately 10 percent of OWEB's biennial spending plan.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Acquisition grants further the Strategic Plan's goal of sustaining resilient ecosystems (Goal 1, Adaptive Investment) by focusing on protecting, and facilitating the restoration of, watershed and ecosystem

functions and processes. The Board-adopted principles and priorities for land acquisition, which guide land acquisition funding decisions, are based in tenants of conservation science with a priority placed on protecting healthy, natural systems. OWEB's investments in water acquisitions are intended to address the conservation needs of native habitats and species or improve water quality. The acquisition programs also further the Strategic Plan's goal of building strong partnerships (Goal 4, Partnership Development) with entities around the state that are carrying out important watershed and habitat conservation through the use of land and water acquisitions. Acquisition grants are made through both OWEB's open solicitation and focused investment processes that are outlined in the Long-Term Investment Strategy.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

As mentioned above, OWEB's land and water acquisition programs were updated during the 2011-2013 biennium. Revised administrative rules for land and water acquisitions were approved by the Board in January 2013 and June 2013, respectively.

Land Acquisitions: The revised rules for the land acquisitions program included several significant changes: 1) use of grant funds – allows grant funds to be used for property purchase price and other costs associated with the acquisition (e.g., survey, appraisal, management plan); 2) revised components for the grant application process; and 3) a revised evaluation process, including reviews for ecological outcomes, project soundness, organizational capacity, and community benefits and impacts, along with public comment by interested parties.

The updated land acquisition solicitation and review process was implemented beginning with the October 2013 open solicitation grant cycle.

Water Acquisitions: The revised rules for the water acquisitions program made multiple updates to the program's structure, including, but not limited to: 1) transitioning from a focus on applications that propose individual water acquisition projects to those that propose comprehensive water acquisition programs; 2) broadening the potential interests in water that may be considered for funding under water acquisition grants; 3) expanding eligible costs that can be covered with OWEB funds; and 4) creating opportunities for coordinating and partnering with other funders of water acquisitions.

In January 2014, the Board approved guidance for water acquisition grant-making, including a coordinated funder-based framework for soliciting, reviewing and coordinating investments for proposals for water acquisition programs in conjunction with other funders. OWEB is using the 2013-2015 biennium to pilot test this framework.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	6.300	4.430
2011-2013	6.650	3.993
2013-2015	8.000	4.463

Focused Investment Partnerships Program

Summary:

The OWEB Board has established a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, and will approve the first set of priorities in April of 2015. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments. A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*;
- Is implemented by a high-performing *partnership*.

OWEB's first Focused Investment Partnerships will be awarded in January of 2016.

Program History:

OWEB began its current partnership investments in 2006 with the Whole Watersheds Restoration Initiative, a multi-agency, cooperative funding grant program to restore salmon habitat. This investment was followed by several Special Investment Partnerships (SIPs). The Deschutes SIP is a four-way implementer partnership to provide habitat and passage for Chinook salmon and steelhead above the Pelton-Round Butte dam complex. The Willamette SIP is a funder-led initiative in targeted areas along the Willamette River mainstem and in the 13 sub-watersheds that comprise the Model Watershed Program. The Upper Klamath SIP is a multi-practitioner effort to reestablish, improve, and sustain the ecological and hydrologic connectivity of aquatic ecosystems in the Upper Klamath Basin.

By 2012, the Board expressed a desire for clearer understanding of the purpose, outcomes, costs, and time horizons for its partnership investments. In late 2012, OWEB staff and the then-Partnerships Subcommittee developed a process for increasing program transparency and understanding. To this end, staff and the subcommittee developed tools to assist the Board in better understanding the status of the existing partnership investments and benefits of the investment in these initiatives.

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. At that time, no formal definition, process or solicitation approach for the program existed. In October of 2013, OWEB initiated a nine-month process to develop the definition, criteria, and program design (including solicitation approach and process) for the Focused Investment Partnership category in the Long-Term Investment Strategy. This was followed by initiation of an 18-month process to set priorities and solicit for investments within the program.

Relationship to OWEB’s Strategic Plan and Long-Term Investment Strategy:

Focused Investment Partnerships connect to Goal 1: restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs; and Goal 4: build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

As defined by the OWEB Board within the Long Term Investment Strategy Framework, Focused Investments support collaboratively prioritized ecological outcomes selected by the Board; are outcomes based and measured; commit funding for multiple years; and leverage cooperative funding opportunities. Focused Investment Partnerships are a core component within the Board’s Long-Term Investment Strategy.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

The Board adopted a definition, criteria and solicitation approach for Focused Investment Partnerships in July of 2014. The two-phase process for the Focused Investment Partnership program includes: 1) Priority-setting by the Board for Focused Investment Partnerships, which will conclude in April of 2015, and 2) Solicitation for Focused Investment Partnerships. These two phases are distinct and sequenced, with the Board first setting priorities that have clear ecological significance to the state, then soliciting for partnership proposals within the broader priorities set by the Board.

The first solicitation for Focused Investment Partnerships will commence in May of 2015, with the first Focused Investment Partnerships awarded by the Board in January of 2016. Two offerings exist within the Focused Investment Partnerships program: 1) Capacity-Building, which will provide investments of up to two years and \$150,000 that support existing partnerships within Board-identified priorities, and 2) Implementation, which will provide investments focused primarily on on-the-ground restoration and conservation that will occur over a maximum of six years and will average \$2 million per biennium (with a cap of \$4 million per biennium).

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	4.500	4.417
2011-2013	8.900	9.038
2013-2015	8.300	6.517*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Oregon Plan-Governor's Priorities

Summary:

The Oregon Plan-Governor's Priorities spending plan line item supports work within the sideboards of Ballot Measure 76 that further priority programs and initiatives related to restoration in Oregon. Typically, these investments address landscape-scale or emerging issues related to restoration needs of importance identified either through the Oregon Plan for Salmon and Watersheds or by the Governor's Office. Grant investments are targeted and catalyze broad-scale, multi-organizational work.

Program History:

Under Ballot Measure 76, OWEB's funding has flexibility to address a range of needs that ultimately lead to on-the-ground restoration work. This, combined with Oregon's approach to addressing broad-scale initiatives through multi-organizational partnerships, has resulted in the use of OWEB funding as a catalyst to support emerging or particularly complex natural resource challenges and opportunities.

These investments have varied over time and include:

- Support for initial work of forest-health collaboratives, including statewide coordination, technical support for local collaboratives, and planning and implementation support for these groups.
- Partnerships with the National Fish and Wildlife Foundation (NFWF) to support on-the-ground investments in Salmon Stronghold projects. This work led to a multi-organizational partnership to develop a Coastal Coho Business Plan and component action plans in three local watersheds – a partnership with NFWF, the Wild Salmon Center, NOAA and Oregon Department of Fish and Wildlife. Both efforts were funded through this line item.
- Support for Oregon's Sage-Grouse Plan, including convening partners to develop strategies for successful restoration programs, as well as GIS and other data gathering and analysis. It is expected strategic technical assistance investments will continue as the plan is developed and implemented.
- Support for development of a federal, state, and local agency and organization partnership focused on clean water. The partnership will include a comprehensive framework that will directly support implementation of riparian restoration projects. The partnership includes development of baseline information, implementation of projects in priority areas, monitoring and adaptive management.

These types of investments are unique in that they address both technical assistance and restoration needs while focusing on areas of importance to both the Oregon Plan and Governor's Priorities.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

Goal 1: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation.

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. During that time, the Board also discussed the potential for other program areas, including Emerging Investments, which would likely be contained within the Focused Investment portion of the framework. As described, those investments are similar in nature to the current Oregon Plan-Governor's Priorities line item.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

In the last biennium, the Board has invested in three initiatives through this spending plan line item:

- Oregon's Sage Grouse Action Plan – funding for data gathering, analysis and development of Oregon's Sage Grouse Action Plan; funding for local technical assistance and planning - \$345,000;
- Coastal Coho Business Plan – support for multi-organizational business-planning effort in three selected watersheds along the Oregon Coast - \$350,000
- Klamath - capacity support to assist with near-term formation needs of the Landowner Entity, including organizational structuring and governance and associated development services - \$30,000
- Clean Water Partnership – support for a comprehensive framework that will directly support implementation of riparian restoration projects; additional \$100,000 to be requested at April board meeting through Agenda Item M for a total of \$250,000; and
- Working Farms and Forestlands – support for statewide working lands conservation easements - \$25,000 to be requested at April board meeting through Agenda Item M.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.250	0.057
2011-2013	2.250	1.245
2013-2015	1.000	0.330*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open Solicitation Monitoring Grants

Summary:

Open Solicitation Monitoring Grants are awarded once per year in the October grant cycle. Grants can be used to assist local partnerships: assess the watershed conditions to determine the quality of the existing environment; identify the causes for declines in habitat, fish and wildlife populations and water quality; and develop locally integrated action plans for watersheds that will achieve protection and restoration objectives. This funding also assists local partnerships monitor to ensure implementation of the integrated watershed action plans using an adaptive management approach to make appropriate changes in action plans and goals, as needed. Typical monitoring projects funded through this program include long-term ongoing monitoring projects such as Partnership for the Umpqua Rivers' "Umpqua Basin Collaborative Monitoring Project" and the Grande Ronde Model Watershed's "Grande Ronde Basin Stream Flow Gaging Stations Operation". It is important to note that sufficient funds were available to fund all of the monitoring grant proposals that were recommended for funding by the Regional Review Teams.

Grantees can also request Effectiveness Monitoring funding as a part of their restoration applications. In this case, funding is provided to determine if the restoration project is effective at meeting its biological and ecological objectives. These Effectiveness Monitoring "splits" are funded out of the available funds for restoration grants. However, they are reported in the table below to reflect total funds allocated to perform monitoring activities. Effectiveness monitoring is not a specific requirement of any OWEB grant, and is above and beyond compliance monitoring. This information is helpful in assisting the restoration practitioner and OWEB determine the biotic and abiotic changes on the treatment area to determine if restoration actions were effective in meeting the objective, and to learn from the restoration actions and to incorporate new knowledge in future treatment design. The project level effectiveness monitoring grants that OWEB has funded are as diverse as the restoration grants. Some notable Effectiveness Monitoring projects funded this biennium include a tide gate replacement project in Region 1, a side channel enhancement project in Region 4 and a noxious plant treatment project in Region 6.

Program History:

Senate Bill 945 directs OWEB to develop and implement a statewide Monitoring Program in coordination with state natural resource agencies for activities conducted under the Oregon Plan for Salmon and Watersheds. As a part of this work, OWEB developed the Oregon Plan for Salmon and Watersheds Monitoring Strategy document which describes an overall framework for structuring this cooperative effort and provides direction to help integrate Oregon Plan programs and monitoring with region-wide watershed enhancement and salmon recovery efforts. These monitoring grants assist OWEB in meeting its responsibility for three interrelated monitoring functions:

- strategic guidance and support for cooperative monitoring activities
- accountability for restoration investments
- reporting on the progress of the Oregon Plan

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy:

2010 OWEB Strategic Plan

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Goal 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Long-Term Investment Strategy:

Open Solicitation

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

Effectiveness Monitoring

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

Program Developments in the Last Biennium Pertinent to the Spending Plan:

The Effectiveness Monitoring (EM) Coordinator has been assisting the Regional Review Teams assess monitoring and effectiveness monitoring grant applications. Staff has convened the Oregon Plan Monitoring Team (OPMT) to discuss the technical merits and potential benefits of the monitoring grants that were submitted in the October 2013 and 2014 regular grant cycles. This information was provided in advance of review team meetings to assist in decisions regarding funding for monitoring grants. OWEB Monitoring and Reporting staff attended review team meetings to respond to any questions or concerns related to monitoring applications.

Staff will continue to build on these developments in the next biennium to work with the Monitoring and Research Board Subcommittee to begin to identify if there should be specific restoration types, geographies, grantees or other prioritization criteria to be the focal point of effectiveness monitoring that is funded through the Open Solicitation grant program. This process will require extensive work with staff currently working in the Monitoring and Reporting Section and the Grant Program Sections. Moving forward as part of the on-line application development process, EM splits will be funded under the open solicitation monitoring grant process.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	1.861	1.189
2011-2013	2.500	2.910
2013-2015	2.500	1.217*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.

Open and Focused Effectiveness Monitoring

Summary:

Open Effectiveness Monitoring involves OWEB lead initiatives that evaluate specific types of restoration actions at a larger geographic and temporal scale rather than at the project scale. These initiatives consist of evaluating the effectiveness of OWEB-funded watershed restoration and enhancement projects and programs. Staff also participate in cross-agency teams to evaluate programs and projects that share common goals and objectives. These can be funded from a variety of state and federal sources.

Focused Effectiveness Monitoring involves evaluating the focused investment concept of dedicating funding to specific actions in a particular geographic area such as the Special Investment Partnerships or future Focused Investment Partnerships.

Capacity Effectiveness Monitoring will evaluate other OWEB-funded initiatives that support restoration actions on the ground such as the council capacity funding.

In all cases for effectiveness monitoring, this work is designed to create a base level of understanding about a type of restoration action or program's performance, challenges and successes in order to build a foundation for future policy and program decisions.

Program History:

In September 2004, the Board authorized the initial concepts of an effectiveness monitoring program, which included an effectiveness monitoring workshop, independent review of completed restoration projects, watershed scale studies, modeling future alternatives, and a specific focus on juniper and irrigation efficiency projects. In 2005 and 2006, much of this work was accomplished, including the hiring of a new position within the agency—an effectiveness monitoring coordinator. During the Board's planning session in July 2007, a new approach to vetting ideas for OWEB's program direction was formed through the establishment and use of Board subcommittees. One such subcommittee, the Monitoring and Research Subcommittee, developed a strategic direction and approach to creating a fully rounded effectiveness monitoring program. This approach included the identification of specific scales at which to conduct monitoring and certain prioritized project types, and was adopted by the Board in 2008.

Relationship to OWEB's Strategic Plan and Long-Term Investment Strategy: 2010 OWEB Strategic Plan:

Goal 1, Adaptive Investment: Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs.

Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Goal 3, Public Awareness and Involvement: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Strategy 1: Make Oregonians aware of the importance of healthy watersheds and inform them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Strategy 2: Encourage and facilitate greater exploration and knowledge for those Oregonians who seek greater involvement in watershed and habitat restoration and conservation.

Long-Term Investment Strategy:

The LTIS framework assumes that effectiveness monitoring will occur across all investment types (open solicitation, focused investments and capacity). Since that time, staff developed implementation work plans and schedules with a specific focus on effectiveness monitoring products that will serve the needs of the agency moving forward.

Program Developments in the Last Biennium that are Relevant to the Spending Plan:

Staff has made considerable progress implementing the work plans in the 2013-2015 biennium. There are three program developments that are pertinent to the spending plan. First, the Board awarded \$250,000 toward the CREP effort at its April 2014 meeting. The CREP study plan has been drafted, an advisory team has been established, the first tier of evaluation using existing data has been initiated, and a Memorandum of Understanding (MOU) has been signed with the Farm Services Agency (FSA) to facilitate data sharing in March 2015. This MOU will allow FSA to share data with OWEB so the Conservation Reserve Enhancement Program (CREP) study design can be implemented.

Second, staff continues to progress the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW). In addition to direct PCSRF monitoring investments, the Board has provided \$97,456 this biennium to fund critical aspects of this large study that are not funded with the Pacific States Marine Fisheries Commission (PSMFC) contributions due to their limited availability.

Finally, staff has developed a draft framework for the Board to understand and evaluate the extent of progress made for existing Special Investment Partnerships (SIPs). Staff has been working with management, our Partners and the Board to develop this framework. This framework will guide how FIP's progress is assessed and reported to the Board in the future.

The Effectiveness Monitoring Program will continue to build on these developments in the next biennium. Staff will implement and manage the CREP effectiveness evaluation and advisory group in 2015 and 2016 with the goal of completing Tiers 1 and 2 of the plan to the extent possible given field work limitations. Staff will continue to manage and develop grants and contracts for priority work and to provide leadership and participation in various subcommittees associated with the IMW. In coordination with partnership staff will complete the effectiveness evaluation reports for the Deschutes, Willamette and Upper Klamath SIPs. In addition staff will be working with the Partnership Program and Board to establish effectiveness monitoring programs within each of the new Focused Investment Partnerships. Staff will develop work plans for priority programmatic effectiveness monitoring efforts for riparian, coastal wetland and tidesgates, floodplain restoration and council capacity investments. This process will establish the priorities that can be realistically achieved in the next biennium and which ones should be pursued in the 2017-2019 biennium.

Investments by Biennium		
Biennium	Spending Plan (after additional funds added)	Agreements Executed
2009-2011	0.270	0.705
2011-2013	1.000	0.328
2013-2015	1.000	0.652*

*Not reflective of a full biennium; agreements will continue to be executed through June 30, 2015.