

**October 27-28, 2015 OWEB Board Meeting  
Agenda Item M: Executive Director Update**

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## **October 27-28, 2015 OWEB Board Meeting Executive Director Update #M-1: Budget and Legislative Summary**

### **Introduction**

This report provides the Board with an update to the 2015-2016 legislative interim and OWEB's Annual Performance Progress Report.

### **Legislative Update**

Oregon Legislative interim committees are scheduled to meet three times before the opening of the 2016 session - September 28-30, November 16-18, and January 13-15. During Legislative Days, interim committees hold informational hearings on topics that may lead to legislation in future sessions and hear updates on the implementation of past legislation. Interim committees also hear reports from agencies and task forces, and keep current on subject areas of the committees. The Senate may convene during Legislative Days for the purpose of making executive appointments.

Attachment A contains a list of relevant natural resources committees, and includes chairs and members of each committee. During the September 28-30 Legislative Days, OWEB did not have any issues come before these committees.

The 2016 session is scheduled to begin February 1, 2016 and meet for approximately 35 days. Currently, there are no Legislative Concepts for the 2016 session relevant to OWEB. Staff will update the Board at the January meeting on any potential concepts with relevance to the agency.

### **Annual Performance Progress Report**

Each year, agencies are required to submit Annual Performance Progress Reports (APPRs) to the Oregon Department of Administrative Services (DAS). In these reports, agencies describe annual accomplishments toward Key Performance Measures (KPMs) that have been adopted for the agency. Currently, OWEB reports on ten KPMs, which are included in Attachment B.

On September 24, 2015, OWEB submitted its APPR to DAS. For 2014-2015, results are as follows:

- Six of OWEB's KPMs—Agency Operations, Outside Funding, Plant Communities, Work Plans, Salmon Habitat Quantity and Customer Service—did not attain the targets;
- One of OWEB's KPMs—Restoration—falls into the “pending” category, given incomplete data for calculating this measure; and
- Three of OWEB's KPMs—Payments, Fish Populations and Fish Monitoring—achieved the targets.

As noted in the staff report for Agenda Item M-2 and discussed at the July 2015 OWEB Board meeting, the agency's KPMs were last updated during 2007-2008 and present multiple challenges during the performance reporting process. Many of OWEB's performance measures require data collected and maintained by other agencies which OWEB has little control; the current method of calculating funding required for agency operations does not reflect shifts that occurred following passage of Ballot Measure 76; some targets do not reflect current realities

(e.g., reduced funding sources for restoration); and uncertainty about some source data may result in skewed reporting. For these reasons, staff are working with the OWEB Executive Committee and Board to explore alternative KPMs and/or targets that more accurately and appropriately reflect the agency's performance and outcomes (see Agenda Item M-2).

### **Staff Contact**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0180, or Eric Hartstein at [eric.hartstein@state.or.us](mailto:eric.hartstein@state.or.us) or 503-986-0029.

### Attachments

- A. List of relevant natural resource legislative committees
- B. OWEB Key Performance Measures

**Interim 2015-2016 Oregon Legislature  
OWEB-Related Committee Assignments**

**Senate Environment and Natural Resources Committee**

<b>Member</b>	<b>District</b>	<b>Area (Basin)</b>
Sen. Chris Edwards, Chair (D)	7	Eugene (Willamette)
Sen. Alan Olsen, Vice-Chair (R)	20	Canby (Willamette)
Sen. Michael Dembrow (D)	23	Portland (Willamette)
Sen. Floyd Prozanski (D)	4	South Lane and North Douglas Counties (Willamette/Umpqua)
Sen. Doug Whitsett (R)	28	Klamath Falls (Klamath)

**House Agriculture and Natural Resources Committee**

<b>Member</b>	<b>District</b>	<b>Area (Basin)</b>
Rep. Brad Witt, Chair (D)	31	Clatskanie (Lower Columbia)
Rep. Wayne Krieger, Vice Chair (R)	1	Gold Beach (South Coast)
Rep. Susan McLain, Vice Chair (D)	29	Hillsboro (Willamette)
Rep. Greg Barreto (R)	58	Pendleton (Umatilla)
Rep. Sal Esquivel (R)	6	Medford (Rogue)
Rep. Lew Frederick (D)	43	Portland (Willamette)
Rep. Chris Gorsek (D)	49	Troutdale (Sandy)
Rep. Caddy McKeown (D)	9	Coos Bay (South Coast)
Rep. Gail Whitsett (R)	56	Klamath Falls (Klamath)

**House Energy and Environment Committee**

<b>Member</b>	<b>District</b>	<b>Area (Basin)</b>
Rep. Jessica Vega Pederson, Chair (D)	47	Portland (Willamette)
Rep. Jeff Reardon, Vice Chair (D)	48	Happy Valley (Willamette)
Rep. Mark Johnson, Vice Chair (R)	52	Hood River (Hood River)
Rep. Cliff Bentz (R)	60	Ontario (Owyhee-Malheur)
Rep. Deborah Boone (D)	32	Cannon Beach (North Coast)
Rep. Dallas Heard (R)	2	Roseburg (Umpqua)
Rep. Ken Helm (D)	34	Washington County (Willamette)
Rep. Paul Holvey (D)	8	Eugene (Willamette)
Rep. Jim Weidner (R)	24	McMinnville (Willamette)

**House Rural Communities, Land Use and Water Committee**

<b>Member</b>	<b>District</b>	<b>Area (Basin)</b>
Rep. Brian Clem, Chair (D)	21	Salem (Willamette)
Rep. Ken Helm, Vice Chair (D)	34	Washington County (Willamette)
Rep. Bill Post, Vice Chair (R)	25	Keizer (Willamette)
Rep. Mike McLane (R)	55	Powell Butte (Klamath/Rogue/Deschutes)
Rep. Vic Gilliam (R)	18	Silverton (Willamette)
Rep. David Gomberg (D)	10	Lincoln City (North Coast)
Rep. Brad Witt (D)	31	Clatskanie (Lower Columbia)

**Joint Ways and Means Natural Resources Subcommittee**

<b>Member</b>	<b>District</b>	<b>Area (Basin)</b>
Sen. Richard Devlin, Co-Chair (D)	19	Tualatin (Willamette)
Rep. Kathleen Taylor, Co-Chair (D)	41	Milwaukie (Willamette)
Sen. Bill Hansell (R)	29	Pendleton (Umatilla)
Sen. Michael Dembrow (D)	23	Portland (Willamette)
Rep. Brian Clem (D)	21	Salem (Willamette)
Rep. David Gomberg (D)	10	Lincoln City (North Coast)
Rep. Jodi Hack (R)	19	Salem (Willamette)
Rep. Julie Parrish (R)	37	Tualatin (Willamette)

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	OPERATIONS--The percentage of total funding used in agency operations.
2	OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.
3	RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
4	PAYMENTS--The percentage of complete grant payment requests paid within 24 days.
5	FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
6	PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
7	WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
8	FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
9	SALMON HABITAT QUANTITY--The percentage of potential aquatic salmon habitat made available to salmon each year.
10	CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

## **October 27-28, 2015 OWEB Board Meeting**

### **Executive Director Update #M-2: Key Performance Measure Revision Process**

#### **Background**

As part of the agency's Annual Performance Plan Report to the Oregon Legislature, OWEB reports on a number of Key Performance Measures, or KPMs (Attachment A). These metrics are part of an approach to measure performance and outcomes of state government. Measures must:

- Gauge progress toward agency's goals and mission;
- Use standard terminology and definitions;
- Be few in number;
- Identify performance targets to be achieved during the two year budget cycle;
- Use accurate and reliable data sources;
- Measure customer satisfaction;
- Assign an organizational unit responsible for achieving the target; and
- Address comparable information, where possible.

During the budget deliberation process of each legislative session, the Legislature will approve, disapprove, or change/update each agency's proposed biennial performance measures.

Many of OWEB's KPMs and the targets associated with these metrics were developed over five years ago. While some may still be relevant, with the passage of Measure 76 in 2010, much of the way OWEB operates in relationship to its partner agencies has changed. As an example, OWEB used to be responsible for distributing all funding through Measure 66, including funds distributed for staff to other agencies. With Measure 76, this arrangement changed and OWEB is now the lead agency for the "Grant" fund, but is not responsible for Lottery distributions to other agencies. This change has dramatically impacted the agency's ability to meet a 6 percent administrative cost ratio target as outlined in KPM #1. In addition, many KPMs are dependent on the reporting of other state or federal agencies. While this is a good idea in concept in that it encourages cross-agency communication on outcomes, it can be a challenge in reality. For example, OWEB is reliant on federal agencies gathering information in their databases, and then extracting information from those databases for OWEB to use in KPM reporting. If agencies do not report information to their databases, replace older data with new data that is more accurate, or report differently than the format needed by OWEB for reporting on KPMs, it impacts OWEB's ability to report on measures, appropriately explain changes in data/trends, and/or achieve targets.

During the 2015 Legislative session, OWEB staff notified the Joint Ways and Means Natural Resources Subcommittee that the agency will propose updates to its KPMs for the 2017 Legislative Session. Attachment B is the timeline for developing updated KPMs.

Staff and the Executive Committee have begun developing a list of potential KPM updates which are found in Attachment C.

**Staff Contact:**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0180.

Attachments

- A. Current Key Performance Measures
- B. Key Performance Measures Revisions Timeline
- C. Key Performance Measure Draft Categories

2013-2014 KPM #	2013-2014 Approved Key Performance Measures (KPMs)
1	OPERATIONS--The percentage of total funding used in agency operations.
2	OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.
3	RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
4	PAYMENTS--The percentage of complete grant payment requests paid within 24 days.
5	FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
6	PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
7	WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
8	FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
9	SALMON HABITAT QUANTITY--The percentage of potential aquatic salmon habitat made available to salmon each year.
10	CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

## Key Performance Measure Revision Timeline

<b>April 2015 Board</b>	<b>OWEB Board meeting -- Introduce KPM revision topic Director's Update</b>
May 2015	Prepare materials for staff background and June all staff retreat
June 2015	Staff discussion at all-staff retreat providing ideas and feedback on KPM revisions/additions
June 2015	Legislature approves Agency budgets and KPMs for annual report
July 2015	Convene Executive Committee to begin discussing revisions to KPMs
<b>July 2015 Board</b>	<b>OWEB Board meeting -- Discuss process, including having the Executive Committee as lead on KPM revision process</b>
August 2015	Convene Executive Committee to advise on revisions to KPMs
Sept. 30, 2015	OWEB completes FY 2015 Annual Performance Program Report (APPR) with current KPMs
September	Convene Executive Committee for final review of draft KPMs
<b>Oct. 2015 Board</b>	<b>OWEB Board meeting -- Discuss draft KPMs</b>
December 2015	Executive Committee makes changes based on Board feedback
<b>Jan. 2016 Board</b>	<b>OWEB Board meeting -- Board approval of final KPMs (with April 2016 Board meeting as back-up if needed)</b>
April 30, 2016	OWEB submit revised KPMs and inform DAS/LFO
June 30, 2016	DAS/LFO Analysts provide feedback to agency on KPM revisions
September 15, 2016	OWEB completes FY 2006 APPR with current and new KPMs

## Draft KPM and Other Performance Metric Categories

### Agency Efficiency and Effectiveness

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- **Existing:** Percent of total funding used for agency operations
  - *Note: OWEB will research other foundations and relevant agencies in other states for comparison figure; OWEB will identify what is considered operations based on standard practice OWEB will propose revised target to reflect research*
- **Existing:** The percentage of complete grant payment requests paid within 24 days.
  - *Note: Recommend replacement to the percentage of payments made within XXX days of date invoice received (OWEB to identify current baseline and target for this KPM)*
- **Proposed:** Percent of grants executed within one month after board award or director delegation.
  - *Note: Recognize nuances of programs like acquisitions when determining specific items to measure*
- **Proposed:** Number of submitted applications compared with number recommended for funding
  - *Note: This may be an internal measure rather than a KPM; this is designed to encourage staff to help grantees improve application timeliness and quality*
- **Proposed:** Percent of projects completed within established grant timelines without extension or reinstatement
  - *Note: This may be an internal measure rather than a KPM*
- **Proposed:** Number of applications, new and closing grants
  - *Note: Per executive committee, a good idea to capture workload, but needs work*

### Board Effectiveness

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- **Proposed:** Percent of total best practices met by the Board
  - *Note: This is a metric used by other boards; will use their best practices as a base*

### Leverage

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- **Existing:** The percentage of funding from other sources resulting from OWEB's grant awards
  - *Note: Need to adjust target to more accurately reflect reality of match and OWEB's match requirements*
- **Proposed:** Percent of funding the agency distributes from sources other than Lottery or Salmon Plate Revenues
  - *Note: Need to ensure that what we reflect in this measure is within OWEB's control*

## **Funding Demand**

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- **Proposed:** Number of applications recommended for funding compared with number funded
  - *Note: Leads to conversations about demand/need for funding; may need context about size and range of funding requests*
- **Other Metrics (not KPM):** Funding available for conservation per capita compared with surrounding states

## **Ecological Effectiveness of Restoration Projects as Implemented**

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- **Existing KPM:** The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.
  - *Note: Recommend removing this KPM with no replacement*
- **Existing KPM:** The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.
  - *Note: Not under OWEB's direct control; use ODFW figures, and these are not a comprehensive look at monitoring or reporting*
- **Existing KPM:** The percentage of improved riparian stream miles of the total number of stream miles in Oregon.
  - *Note: Not fully under OWEB's control; dependent on voluntary and federal reporting. Not tied to OWEB funding; difficult to determine what to measure against*
- **Existing KPM:** The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.
  - *Note: Not under OWEB's direct control; use ODFW figures, and these are not a comprehensive look at monitoring or reporting*
- **Existing KPM:** The percentage of potential aquatic salmon habitat made available to salmon each year.
  - *Note: Not fully under OWEB's control; dependent on voluntary and federal reporting. Not tied to OWEB funding; difficult to determine what to measure against*
- **Proposed:** Percent of restoration funding invested to address threatened, endangered or species of concern
  - *Note: If added, need a better mechanism to capture projects aside from salmon, steelhead and sage grouse; online application system may provide that flexibility*
- **Proposed:** Percent of OWEB-funded water quality projects that address concerns within 303(d) listed streams

- **Other Metrics (not KPM)**
  - Percent of projects where accomplishments meet or exceed proposed metrics
  - Reports/recommendations produced and distributed to grantees and relevant agencies as a result of OWEB Effectiveness Monitoring (example target: 2/year)

### **Local Organizational Capacity**

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- **Existing KPM:** The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.
- **Proposed:** Percent of OWEB-funded watershed councils that demonstrate organizational effective governance and management using OWEB merit criteria

### **Community and Economic Impacts of Restoration Grants**

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- **Proposed:** Percent of Oregon communities that benefit from an agency-managed grant program.
  - *Note: Need good definition of communities – this is an OPRD metric – can check their information; also need to define what ‘benefits’ would be tracked*
- **Proposed:** Number of positions local supported by Operating Capacity Funding
  - *Note: This is currently not captured, but could be. Recommend this is a part of the conversation with the legislature and not a KPM*
- **Other Metrics (not KPM):** Percent of projects by land-use type (forest, urban, range, ag) compared to percent of land of that type in the state

*General Note: missing KPM related to social – need to check with experts in this area*

### **Customer Service**

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- **Existing KPM:** Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.

## October 27-28, 2015 OWEB Board Meeting Executive Director Update #M-3: OWEB Spending Plan

The latest OWEB spending plan as approved by the Board in July is provided in the *front of the Board binders*. The spending plan shows Board awards made at the July meeting, as well as expected awards and revenues to be approved by the Board at the October meeting. As of the October Board meeting, if all items proposed are approved by the Board, the spending plan will be just over 40 percent awarded. This is typical at the beginning of the biennium, since many of the programs are delegated to the Director for distribution throughout the biennium (CREP Technical Assistance, Small Grants, direct awards to other agencies, etc.)

Adjustments can be made to the spending plan based on revenues received from M76, funds returned from completed grants (recapture), grants or other dollars received (NRCS funds, Coastal Wetlands Grants) and new revenues from OWEB's receipt of the competitive Pacific Coastal Salmon Recovery Fund annual grant.

### **Staff Contact**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0180.

### Attachment

- A. 2015-2017 Spending Plan

**OWEB 2015-17 Spending Plan  
for the October 2015 Board Meeting**

<b>OWEB SPENDING PLAN</b>	<b>Oct 15 additions to spending plan</b>	<b>Oct 2015 Spending Plan</b>	<b>July 2015 Board Awards</b>	<b>TOTAL Board Awards To-Date</b>	<b>Remaining Spending Plan for Oct 2015 awards</b>	<b>October 2015 Proposed Board Awards</b>	<b>Remaining Spending Plan as of October 2015</b>
<b>Open Solicitation:</b>							
Restoration**		21.750		0.000	21.750	6.163	15.587
Technical Assistance							
Restoration TA		1.750		0.000	1.750	0.675	1.075
CREP TA	0.150	0.900	0.750	0.750	0.150	0.150	0.000
Monitoring grants**		1.900		0.000	1.900		1.900
Outreach**		0.600		0.000	0.600		0.600
Land and Water Acquisition**		6.500		0.000	6.500		6.500
Weed Grants		2.500	2.500	2.500	0.000		0.000
Small Grants		2.800	2.800	2.800	0.000		0.000
Programmatic Effectiveness Monitoring		0.500		0.000	0.500		0.500
<b>TOTAL</b>	<b>0.150</b>	<b>39.200</b>	<b>6.050</b>	<b>6.050</b>	<b>33.150</b>	<b>6.988</b>	<b>26.162</b>
<b>% of assumed Total Budget</b>		<b>56.69%</b>					

\*\*if more funding becomes available, will go to these areas)

<b>Focused Investments:</b>							
Implementation FIPs		12.750		0.000	12.750		12.750
Capacity-Building FIPs		1.000		0.000	1.000		1.000
FI Effectiveness Monitoring		0.500		0.000	0.500	0.101	0.399
<b>TOTAL</b>		<b>14.250</b>	<b>0.000</b>	<b>0.000</b>	<b>14.250</b>	<b>0.101</b>	<b>14.149</b>
<b>% of assumed Total Budget</b>		<b>20.61%</b>					

<b>Operating Capacity:</b>							
Capacity grants (WC/SWCD)		12.500	12.500	12.500	0.000		0.000
Statewide organization partnership support		0.300	0.300	0.300	0.000		0.000
Building Capacity Grants		0.400	0.400	0.400	0.000		0.000
<b>TOTAL</b>	<b>0.000</b>	<b>13.200</b>	<b>13.200</b>	<b>13.200</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>		<b>19.09%</b>					

<b>Other:</b>							
CREP		0.500	0.500	0.500	0.000		0.000
Oregon Plan/Governor Priorities		1.000		0.000	1.000		1.000
Strategic Implementation Area's	1.000	1.000		0.000	1.000	1.000	0.000
<b>TOTAL</b>	<b>1.000</b>	<b>2.500</b>	<b>0.500</b>	<b>0.500</b>	<b>2.000</b>	<b>1.000</b>	<b>1.000</b>
<b>% of assumed Total Budget</b>		<b>3.62%</b>					

<b>TOTAL OWEB Spending Plan P</b>	<b>1.150</b>	<b>69.150</b>	<b>19.750</b>	<b>19.750</b>	<b>49.400</b>	<b>8.089</b>	<b>41.311</b>
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<b>OTHER DISTRIBUTED FUNDS IN ADDITION TO SPENDING PLAN DISTRIBUTION</b>							
Oregon Department of Fish and Wildlife - PCSRF		9.512	9.512	9.512	0.000		0.000
USFW-Coastal Wetlands		0.000		0.000	0.000		0.000
Forest Health Collaboratives from ODF		0.660	0.500	0.500	0.160		0.160
Rangeland Fire Protection Assoc from ODF		0.600	0.600	0.600	0.000		0.000
PSMFC-IMW		0.300	0.292	0.292	0.008		0.008
Lower Columbia Estuary Partnership		0.300	0.300	0.300	0.000		0.000
<b>TOTAL</b>	<b>0.000</b>	<b>11.372</b>	<b>11.204</b>	<b>11.204</b>	<b>0.168</b>	<b>0.000</b>	<b>0.168</b>

<b>TOTAL Including OWEB Spending Plan and Other Distributed Funds</b>	<b>1.150</b>	<b>80.522</b>	<b>30.954</b>	<b>30.954</b>	<b>49.568</b>	<b>8.089</b>	<b>41.479</b>
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## **October 27-28, 2015 OWEB Board Meeting**

### **Executive Director Update #M-4: Long-Term Investment Strategy Update**

In 2013, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on two tasks associated with the LTIS: Online Grant Applications/Grant Agreement System and Continuous Improvement.

#### **Background**

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. Since then, OWEB has been reviewing and updating its priorities, policies, programs and practices to position the agency as an effective and successful long-term funder of conservation in Oregon.

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

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB is utilizing internal cross-sectional teams for many of these tasks to inform agency direction on policies and processes.

#### **Status of Work Items**

The following lists the status of two priority work items—Online Grant Applications/Grant Agreement System and Continuous Improvement—during the 2013-15 biennium:

*Develop online grant applications and grant agreements.* OWEB's target is to launch an online grant application/agreement web interface during the 2015-17 biennium. The goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. The system in development currently includes three application types: Restoration, Technical Assistance (TA) and Monitoring. All three were "streamlined" prior to developing the online applications to ensure these applications gather the key information necessary to review applications and support the grant-making process.

To date, the most extensive effort has focused on the restoration applications, given that these are the most complex application types offered by OWEB and they receive the bulk of OWEB's funding. Both internal and external testing of the first of two "alpha" versions of the online restoration application is complete, and the system is being refined based on testing feedback. Another round of internal and external testing is scheduled to begin in early November. Technical staff have completed the first "alpha" versions of online TA and monitoring applications. Testing of these versions of the applications has begun in late September, again using both internal and external testers.

Staff also have developed an early version of an automated grant agreement (GA) template, which will greatly reduce data entry and manual formatting by staff. Initial testing is complete and the automated GA template will be piloted in one OWEB region for the

October 2015 awards and in one transition-funding cycle for a current SIP. Ultimately, the automated GA process will be launched as part of OWEB's larger online grant application/grant agreement system.

*Continuous Improvement.* The OWEB Executive Team has adopted a Continuous Improvement (CI) approach to create adaptive, human-centered, and high performance service excellence.

Since initiating CI, Staff have introduced improvements to the Open Solicitation grant process that support achieving the following target: “People submit high quality applications to get money for measurable watershed improvements....OWEB consistently and rigorously reviews and evaluates each application/project.” Improvements include:

- Accepting e-mailed PDF applications in preparation for moving towards online applications;
- Developing an applicant training webinar on filling out OWEB applications;
- Working with Regional Review Team (RRT) members to identify relevant improvements to the application review process such as information needs, ranking approaches and maintaining diverse RRT member participation; and
- Developing pre-application process steps to provide applicant support and further refine the review process.

In order to more effectively identify and prioritize agency processes in need of improvements, OWEB will implement techniques for **Measuring Our Mission** that facilitate learning and improvement based on measured results. Measuring Our Mission has two distinct components. The first, **Measuring Mission Progress**, assesses how OWEB’s business processes are aligned in support of OWEB’s mission. This will begin with setting objectives and targets relevant to stakeholder, staff and Board needs and expectations, identifying metrics that will provide unbiased information and evaluating results regularly to identify successes and process improvement needs. Measuring Mission Progress will support an ongoing, methodical approach to improving process through evidence-based decision making, continuous organizational learning and focus on aligning community needs with agency process results.

Paired with this process is the agency’s approach to measuring the impacts of our investments – **Measuring Mission Impact**. This approach includes a variety of tools – effectiveness monitoring, accomplishments reporting, implementation monitoring and other approaches that measure accomplishments to determine the impact of OWEB’s investments. Together, **Measuring Mission Progress** and **Measuring Mission Impact** will provide a complete assessment of agency progress towards meeting legislative, stakeholder, staff and Board expectations in carrying out OWEB’s mission.

### **Staff Contact**

If you have questions or need additional information, contact Renee Davis at [renee.davis@state.or.us](mailto:renee.davis@state.or.us) or 503-986-0203, or Liz Redon at [liz.redon@state.or.us](mailto:liz.redon@state.or.us) or 503-986-0028.

Attachment

- A. OWEB Strategic Direction & Principles



# OWEB Strategic Direction and Principles

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

## Goals

### Goals from OWEB's 2010 Strategic Plan

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

#### **Goal 1: Adaptive Investment**

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

#### **Goal 2: Local Infrastructure Development**

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

#### **Goal 3: Public Awareness and Involvement**

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

#### **Goal 4: Partnership Development**

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

#### **Goal 5: Efficient and Accountable Administration**

Ensure efficient and accountable administration of all investments.

## Long-Term Investment Strategy

### OWEB's Framework for Grant Investments

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

#### **Operating Capacity**

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

#### **Open Solicitation**

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

#### **Focused Investments**

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

#### **Effectiveness Monitoring**

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



# OWEB

## Guiding Principles

### Guiding Principles

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

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

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

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

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

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

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

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

## Operating Principles

### Operating Principles to Enhance OWEB Team Work

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

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

## **October 27-28, 2015 OWEB Board Meeting**

### **Executive Director Update #M-5: Focused Investment Partnership Program**

#### **Background**

In June of 2013, the Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity; Open Solicitation; Focused Investments; and Effectiveness Monitoring.

In October of 2013, OWEB kicked off a nine-month process to develop the definition, criteria, and program design (including solicitation approach and process) for the Focused Investment category of OWEB funding. The process involved external stakeholder and internal staff work groups that provided input to the Board regarding the design and implementation of the program. Attachment A describes the definition, criteria and solicitation approach the Board adopted in July of 2014. Development of the Focused Investment Partnership program involved a two-stage process: 1) Priority-setting by the Board for Focused Investment Partnerships, and 2) Solicitation for Focused Investment Partnerships.

#### **Focused Investment Partnership Priorities**

In August of 2014, the Board initiated a nine-month priority-setting process that included input from stakeholders and review of potential priorities by expert team. At its April 2015 meeting, the Board adopted seven Focused Investment Partnership Priorities for the 2015-2017 biennium:

- 1) Sagebrush/Sage-steppe Habitat;
- 2) Oregon Closed Lakes Basin Wetlands Habitat;
- 3) Dry-Type Forest Habitat;
- 4) Oak Woodland and Prairie Habitat;
- 5) Coho Habitat and Populations along the Oregon Coast;
- 6) Aquatic Habitat for Native Fish Species; and
- 7) Coastal Estuaries in Oregon.

#### **2015-2017 Solicitation for Focused Investment Partnerships**

In April 2015, the Board approved an outline and slightly revised schedule of the solicitation process for Focused Investment Partnerships. Attachment B outlines the final Focused Investment Partnerships solicitation process for the 2015-2017 biennium.

OWEB opened solicitation for Focused Investment Partnership funding within the Board-identified Priorities on May 1, 2015. Funding is being offered in two tracks. Under Focused Investment Partnership Capacity-Building funding, partnerships may apply for technical assistance to strength the partnership and/or to develop or enhance a strategic action plan for the partnership/program. If the partnership is already established and has an existing strategic action plan, the partnership may apply for Focused Investment Partnership Implementation funding.

#### *Implementation*

For the Implementation track, 12 partnerships submitted Phase I applications by the July 1, 2015, deadline. No applications were submitted with either Oak Woodland and Prairie Habitat or Coastal Estuaries in Oregon as the primary priority. Subsequent to the July deadline, a review process was completed on the Phase I applications, which involved

consideration of each submission by OWEB staff, expert review teams and the Focused Investment Board subcommittee relative to criteria regarding high-performing partnerships and strategic action planning.

On August 17, 2015, staff provided feedback to all Phase I applicants about the outcome of the review process, and a subset of the applicants were invited to submit Phase II applications based on the review of their Phase I application and the assessed quality of their proposed Focused Investment Partnership initiative. A GovDelivery notice also was sent to OWEB's e-mail listserv.

The following partnerships were invited to submit a Phase II application:

- Ashland Forest All-Lands Restoration Partnership
- The Deschutes Partnership
- Grande Ronde Restoration Partnership
- Harney Basin Wetlands Initiative Partners
- Upper Klamath Comprehensive Agreement Partnership
- McKenzie Collaborative
- Oregon All-Counties CCAA Steering Committee
- Sandy River Basin Partners
- Willamette Anchor Habitat Working Group

The following applicants were not invited to submit a Phase II application:

- Coos Watershed Association
- Upper North-Fork John Day Partnership
- Rogue Basin Partnership

Note that Phase I applicants not invited to submit Phase II applications can still elect to proceed to Phase II.

Phase II applications, which focus on six-year work plans and budgets, are due November 2, 2015. The review process for Phase II applications again will include review by OWEB staff, expert review teams and the Focused Investment Board subcommittee using previously established criteria. One difference between the Phase I and Phase II processes is that the Focused Investment subcommittee will convene as part of a public meeting, and will conduct interviews with Phase II applicants and complete deliberations toward a subcommittee recommendation to the full Board in this forum. The meeting is slated to occur during the first full week in January of 2016.

#### *Capacity-Building*

Letters of intent (LOI) for Capacity-Building funding also were due on July 1, 2015. Staff did not review the LOIs for substantive content, as the intent of the LOI is to provide an early indication to staff and the Board about the volume of Capacity-Building applications expected to be received at the November deadline so that workload can be planned accordingly. There were 26 LOI submitted by the July deadline.

Capacity-Building full applications are due on November 2, 2015. A review process will be completed that involves consideration of each submission by OWEB staff, a statewide capacity review team and the Focused Investment Board subcommittee, relative to capacity-building criteria developed by the subcommittee and staff. During the previously referenced public meeting to be held in early January of 2016, the Board subcommittee will review evaluations of the Capacity-Building applications and make a recommendation for consideration by the full Board at its meeting on January 26-27, 2016, in McMinnville.

Attachment C includes information about submissions for both the Phase I Implementation applications and the Capacity-Building LOI.

**Staff Contact**

If you have questions or need additional information, please contact Renee Davis at [renee.davis@state.or.us](mailto:renee.davis@state.or.us) or 503-986-0203.

Attachments

- A. Focused Investment Partnerships: Definition, Criteria, and Solicitation Approach
- B. Focused Investment Partnerships: Solicitation Process
- C. List of applicants for Phase I Implementation funding and submitters of Capacity Building Letters of Intent

## **Focused Investment Partnerships**

### *Definition, Criteria and Solicitation Approach*

The OWEB Board will establish a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments.

#### **Focused Investment Partnership Definition**

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 Focused Investment Partnership investments will be made in two categories:

- 1) Focused Investment Partnership Implementation - For an investment with an existing strategic action plan that is ready for implementation, a Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partnerships may apply subsequently for a different Focused Investment Partnership program in the same or a different Board-identified Focused Investment Priority.
- 2) Focused Investment Partnership Capacity-Building - The Board will also provide two-year funding for partnerships who are prospective FIP applicants to strengthen their capacity and to strengthen strategic action plans for a Focused Investment priority.

**Criteria Categories** *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investment Partnerships will have both limited funding and duration. As such, groups selected for a Focused Investment Partnership will need to demonstrate that their Focused Investment Partnership programs meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- 1) Significant, clear and measurable *ecological outcomes* that address a Board-Identified Focused Investment Priority.
- 2) The partners must have an existing *strategic action plan* that employs integrated, results-oriented *approaches*. The strategic action plan will:
  - a) Clearly define the measurable ecological outcomes as identified above, ensuring they are reasonable given resources and constraints.
  - b) Clearly articulate achievable goals, an identified geography and a realistic scale and time period for the program.
  - c) Identify the metrics, milestones and established benchmarks for success for the outcomes.
  - d) Utilize an adaptive management approach. This includes measuring and monitoring progress including monitoring procedures to evaluate the success of goals and objectives described in the strategic action plan.
  - e) The plan must also include communication strategies with funders and others regarding the plan's progress toward implementation.

The strategic action plan and any associated OWEB requests for funding must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

- 3) The applicants must clearly demonstrate the *Partners* involved are necessary and sufficient to implement the program outlined in the strategic action plan. Partners must have formed a productive partnership that includes:
- a) Defined relationships that clearly describes the roles and responsibilities of each partner.
  - b) Demonstrated capacity to:
    1. Take on their identified roles and operate under a common vision;
    2. Implement conservation work at a scale larger than a single project;
    3. Realistically accomplish the identified ecological outcomes.
  - c) A clear link that shows the outcomes are within each organization's mission and scope
  - d) A demonstrated strong record of conservation achievement by the partners individually and collectively.

The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.

### **Solicitation Approach**

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OWEB is developing three processes for Focused Investment Prioritization, Partnership Capacity and Implementation solicitation. The priority selection process will be completed before solicitation for programs can begin. The program selections (2&3 below) will run simultaneously.

- 1) A Board process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, state and federal agencies, individuals, OWEB, the Governor's office, Oregon Tribes, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, recovery plans, etc. The Board will review priorities each biennium to consider adding new priorities and ensure the existing priorities continue to be important.

Process for selecting each of the OWEB Focused Investment Partnership types:

- 2) Capacity-Building - A process for selecting among proposals for investments up to two years that support existing partnerships within Board-identified priorities to:
  - a) Enhance or strengthen a strategic action plan for a Focused Investment Priority; and/or
  - b) Strengthen the capacity of existing partnerships. Applications must:
    - Demonstrate a strong commitment of the partners to meet the Focused Investment criteria in the future, and
    - Clearly identify how this funding will help them achieve the steps to meet Focused Investment Partnership criteria.

NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB.

- 3) Implementation - A process for selecting applications for Focused Investment Partnerships funding as outlined in the criteria, in which applicants must:
  - Identify the Focused Investment Priority the proposal addresses
  - Provide a strategic action plan
  - Demonstrate partnership capacity

## Focused Investment Partnerships: Solicitation Process

### Updated April 2015

CAPACITY-BUILDING FUNDING	IMPLEMENTATION FUNDING
<b>May 1-July 1, 2015</b>	<b>May 1-July 1, 2015</b>
Letters of Intent submission period. Due date: July 1, 2015	Phase I application submission period <ul style="list-style-type: none"> <li>• Required pre-application consultation with OWEB staff – Must be completed by May 20, 2015</li> <li>• Required attachment – completed draft of strategic action plan</li> </ul> Due date: July 1, 2015
<b>July 1-August 17, 2015</b>	<b>July 1-August 17, 2015</b>
Staff receives Letters of Intent. Upon receipt, staff will inform applicants of next steps in the process. This stage is not intended to be a pre-screening for applications and will not include any evaluative action.	Staff convenes technical teams designated for each priority area for review of Phase I applications.  Subcommittee takes information from staff and technical teams, and invites select partners to submit Phase II applications materials, including work plan and budget. Other applicants not invited can submit if they choose, though it will be noted there is limited funding available.
<b>July 28-29 Board Meeting</b>	<b>July 28-29 Board Meeting</b>
Staff updates Board on the Letters of Intent received July 1.	Staff updates Board on Phase I applications received July 1, and provides an update on the status of the review process, including the May pre-application consultations with staff.
<b>August 17-November 2, 2015</b>	<b>August 17-November 2, 2015</b>
Capacity-Building full application submission period. Due date: November 2, 2015	Application Phase II submission period. Due date: November 2, 2015
<b>November 2, 2015-January 8, 2016</b>	<b>November 2, 2015-January 8, 2016</b>
RPRs review Capacity-Building applications and provide feedback to capacity review team and subcommittee for their consideration.	RPRs review applications and provide feedback to technical review teams and subcommittee for their consideration.
Staff convenes state capacity review team to make recommendations to subcommittee through staff.	Staff convenes technical review teams designated for each priority area to complete a technical review of applications in their area and provide feedback.
Subcommittee reviews feedback from RPRs and recommendations from the state capacity review team. Provides final recommendations for funding to Board based on available funds.	Subcommittee receives applications, technical teams and RPRs feedback, and asks any follow-up questions of RPRs and/or technical teams.  Subcommittee interviews all applicants, negotiates budgets, and recommends Implementation grants for funding based on available funds.
<b>January 2016 Board Meeting</b>	<b>January 2016 Board Meeting</b>
Board reviews subcommittee recommendations and selects Capacity-Building programs for funding. There will be an opportunity for public comment at this time.	Board reviews subcommittee recommendations and selects Implementation programs for funding. There will be an opportunity for public comment at this time.

**FOCUSED INVESTMENT PARTNERSHIP PROGRAM -- 2015-2017**  
**Phase I Implementation Applications**

<b>Partnership Name</b>	<b>Priority(ies) Addressed</b>	<b>OWEB Region(s)*</b>	<b>\$ Requested</b>	<b>Project Duration</b>
Ashland Forest All-lands Restoration Partnership	Dry Type, Native Fish, Oaks	2	\$ 12,000,000	5 yr, 6mo
Coos Watershed Association	Coho, Native Fish, Estuaries	2	\$ 6,150,000	5 yr, 4mo
Grande Ronde Restoration Partnership	Native Fish	5	\$ 6,922,500	5 years
Harney Basin Wetlands Initiative Partnership	Closed Lakes	5	\$ 5,500,000	6 years
McKenzie Collaborative	Native Fish	3	\$ 4,525,000	6 years
Oregon All Counties CCAA Steering Committee	Sage	4, 5, 6	\$ 5,900,000	5 years
Rogue Basin Partnership	Native Fish, Coho	2	\$ 4,200,000	6 yr, 7 mo
Sandy River Basin Partners	Native Fish	3	\$ 11,450,000	6 years
The Deschutes Partnership	Native Fish	4	\$ 12,000,000	5 yr, 5mo
Upper Klamath Comprehensive Agreement Partnership	Native Fish	4	\$ 6,000,000	6 years
Upper North Fork John Day Partnership	Native Fish, Dry Type	6	\$ 7,320,000	6 years
Willamette Anchor Habitat Working Group	Native Fish	3	\$ 9,390,000	6 years

\* OWEB Regions: 1 - North Coast; 2 - Southwest; 3 - Willamette Valley; 4 - Central; 5 - Eastern; 6 - Mid-Columbia

**FOCUSED INVESTMENT PARTNERSHIP PROGRAM -- 2015-2017**  
**Capacity Building Letters of Intent**

<b>Partnership Name</b>	<b>Priority(ies) Addressed</b>	<b>Region(s)</b>
Central Coast Coho Collaborative	Coho, Estuaries, Native Fish	1
Clackamas Partnership	Native Fish	3
Clatskanie Water Quality & Habitat	Native Fish	1
Family Forests & Farms	Coho	1
John Day Basin Partnership	Native Fish	6
Klamath Lake Forest Health Partnership	Dry Type	4
Klamath Siskiyou Oak Network	Oak	2
Klamath Watershed Health Team	?	4
Lake County Partnership	Closed Lakes	4
Lower Columbia Chum Recovery Partnership	Native Fish	1
Lower John Day Conservation Workgroup	Native Fish, Dry Type	6
Nehalem Coho Strategic Partnership	Coho	1
North Coast Collaborative (Ocean Acidification)	Estuaries, Native Fish	1 & 2
North Coast Collaborative (Riparian)	Coho, Native Fish, Estuaries	1
Northern Malheur Watershed Resource Partnership	Sagebrush	5
Oregon Central Coast Estuary Collaborative	Estuaries, Coho, Native Fish	1
Partners of the North Santiam Watershed	Native Fish	3
Siuslaw Coho Partnership	Coho, Native Fish, Estuaries	1
Umpqua Basin Partnership	Oak, Coho, Native Fish, Estuaries	2
Upper Crooked River Watershed Working Group	Dry Type	4
Wallowa Fish Habitat Restoration Partnership	Native Fish	5
Warner Basin Aquatic Habitat Partnership	Native Fish	4
Wasco County Oak Woodland Partnership	Oak	4
Wild Rivers Coast Estuaries	Estuaries, Coho	2
Willamette Oak Prairie Cooperative	Oak	3

\* OWEB Regions: 1 - North Coast; 2 - Southwest; 3 - Willamette Valley; 4 - Central; 5 - Eastern; 6 - Mid-Columbia