



Frequently Asked Questions

Outcome-Based Watershed Council Capacity Grants

Why is OWEB changing its council capacity grant program?

In the 15 years since OWEB began funding council capacity grants, Oregon's waterways, uplands and natural habitats are healthier because of the dedicated work of watershed councils. Engaging Oregonians in voluntary, collaborative restoration is still needed to address effects of climate change, loss of habitat for native fish and wildlife, and other locally prioritized challenges.

Changes to how OWEB funds councils are responsive to fiscal and operational realities that were not anticipated when OWEB first offered council capacity grants.

- Restoration work is more complex, requiring more diverse skillsets.
- Council membership and leadership is aging.
- Councils compete for limited resources with an ever-growing number of nonprofit organizations.
- Councils need more funding and resources than OWEB alone can provide.
- Even if OWEB were able to cover all capacity costs, *relying on funding from one source makes organizations less resilient and at risk*. OWEB grant funding may be reduced in the future, and can't guarantee funding for every council that applies.
- Over time, OWEB's capacity grants have funded more and more duplicative administrative infrastructure.

OWEB envisions a statewide watershed restoration system that is resilient, sustainable and achieves ecological outcomes. Experience gained from supporting watershed work since 1997, and studies of successful watershed groups, demonstrate this vision can be achieved with watershed councils that:

- Are strong organizations with access to diverse skillsets.
- Have broad and deep support from local and regional communities.
- Engage a balance of interested and affected people, businesses, and communities in their watershed to participate in voluntary, cooperative conservation.
- Secure diversified funding and/or build strategic collaborations with other councils and/or organizations to increase collective local capacity.

Is OWEB making changes too quickly?

Council capacity grants are a core element of OWEB's Long-Term Investment Strategy. *The importance of effective watershed councils is the reason we have proceeded slowly with changes.*

- 2010, 2012 and 2013: Listening Sessions across the state
- 2010 and 2011-2013: Stakeholder work groups
- 2011: Consultation with counties and legislators
- Meetings with council staff and boards
- 2013: Stakeholder Rulemaking Advisory Committee
- 2014: Public hearings around the state
- July 2014: Board adoption of rules and implementation guidance

Is OWEB requiring councils to merge?

No. However, OWEB wants to see stronger, collective local capacity, not "splitting" and "subdividing" into smaller areas resulting in more competition for limited resources and duplication of administrative infrastructure.

OWEB believes councils that explore or expand strategic collaborations will increase their ability to achieve local restoration and community engagement goals. Strategic collaborations are not one-size-fits all; they need to work for your council. Sharing office services or staffing may be the right answer for some councils, while mergers may work better for others.



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Aren't councils already collaborating?

Many councils are strong collaborators. At the same time, councils face greater challenges in all aspects of their operations. Restoration work is more complex, requiring diverse skillsets to plan and implement. Councils face aging membership and leadership, and compete for limited resources with an ever-increasing number of Oregon nonprofits (a 19% increase in the last 10 years (<http://nccsweb.urban.org/PubApps/profile1.php?state=OR>)). To keep organizations healthy, councils need new and creative approaches to attract a younger generation, and diversify skillsets and resources.

Is OWEB trying to reduce the number of grants it administers?

No. OWEB's goal is not to administer fewer grant agreements. OWEB wants its council capacity grants to help achieve the vision of ***councils that are strong organizations with access to the diverse skillsets needed to engage communities in watershed restoration.***

Is OWEB trying to limit the number of new watershed councils that can form around the state?

No. OWEB is not trying to change or limit the number of *councils* that exist today or in the future. However, OWEB wants its council capacity *grants* to encourage stronger, collective local capacity, not "splitting" and "subdividing" into smaller areas resulting in more competition for limited resources and duplication of administrative infrastructure. The Board's policy direction is to build capacity through strategic collaboration, *not through trying to fund all needs for all individual councils. Councils need more funding and resources than OWEB alone can provide.*

Specifically, the Board's policy direction includes:

- Strategic collaboration is not one-size-fits-all; it needs to work for your council.
- Offer technical assistance grants for new strategic collaborations that are likely to build collective local capacity.
- Develop merit criteria to recognize strategic collaboration that builds collective local capacity.
- Geographic Area Eligibility Criteria: Cap eligibility for individual capacity grants at no more than 64 (based on watershed areas for councils that previously received a Council Support or Council Capacity Grant).
 - An area served by a council or group of councils can change. However, to be eligible, OWEB must determine that a council (or group) serves an area:
 - In which a council (or group) previously received a Council Support or Council Capacity Grant; and
 - Which is the same or larger than the geographic area served by a council (or group) as of July 1, 2013.
 - In addition, for the purposes of this eligibility criteria:
 - The geographic area must include a minimum population of 500; and
 - No more than one applicant is eligible for the same geographic area.

Before adopting the above policy direction, OWEB's Board considered:

- Allowing *all 90 (as of 2013)* locally recognized councils to apply for grants. *The Board did not want to increase the number of capacity grants because this would reduce each grant's impact over time.*
- Reducing the number of *grants* to 45. The Board did not set a target for reducing grants, but recognized that 64 individual grants may have less impact over time, considering flat revenues, competing demands for limited funds, cost of living increases and need for diverse skillsets. For these reasons, the Board is interested in encouraging strategic collaboration to reduce the number of individual *grants* over time.

Is OWEB using data to determine what makes a successful council?

OWEB staff reviewed 14 studies of watershed councils and collaboratives published between 2001 and 2011. Staff considered the studies' conclusions in developing eligibility criteria and merit criteria. Common themes and conclusions are summarized below.



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A. Indicators of success

It is difficult to establish common metrics of effectiveness for watershed groups, however, there are common indicators of success.

1. Clear goals and mission of the organization.
2. Adaptive organization with effective leadership and strong organizational processes.
3. Engaged community and a council that is representative of the watershed.
4. Ability of the organization to reach agreement among stakeholders (i.e. action plans).
5. Diversified financial support.

B. Scale at which watershed groups work/scale of council capacity grants

1. Council effectiveness is higher in larger watersheds, suggesting watershed size is not an obstacle to success.
2. Oregon does not have enough money to cover administrative costs for all councils.
3. Recommendation for a two-level approach to council structure:
 - a) A regional council with a board that coordinates broad, regional policy planning work, competes for grants, and enables higher-level decision makers to be at the table; and
 - b) Project-level local council(s) that use a consensus approach to engage the community and organize local project support.

Is OWEB reducing the amount of funding for councils?

The Board's direction is to continue council capacity investments. However, OWEB can't guarantee funding for every council that applies, and can't predict or control future funding. Lottery funds have been flat, and federal funding is not guaranteed. Future funding depends on OWEB's legislatively adopted budget, the amount of federal grants OWEB receives, and competing demands for limited grant funds.

Is funding for umbrella councils being cut?

OWEB is proposing to eliminate, by 2017, the added funding provided to "umbrella" councils since 2005. In 2017 we plan to implement new merit criteria to recognize strategic collaboration that builds collective local capacity. The strategic collaboration merit criteria will be developed in consultation with stakeholders.

Based on research and stakeholder discussions, OWEB staff conclude that added umbrella funding did not result in successful strategic collaborations with a focus on continuous improvement in organizational effectiveness, on-the-ground restoration, and community engagement. *Where successful strategic collaborations and resulting increased local capacity exist, they are driven by council board and staff leadership.* The added umbrella funding is not outcome- or performance-based, and does not align with the Board's policy for outcome-based council capacity grants.

Why doesn't OWEB increase funding for council capacity grants?

OWEB's Long-Term Investment Strategy will *continue* operating capacity grants for councils and soil and water conservation districts. In 2013-2015, these local infrastructure grants are about 18% of OWEB's spending plan. With flat funding and competing demands for limited funds, we don't predict any significant increase in funding for council capacity grants.

Additionally, increasing council capacity funding would not necessarily result in a higher functioning local infrastructure. OWEB wants to fund increased ecological outcomes, not duplicative administrative infrastructure. And, while organizations that build strong infrastructure (sturdy information technology systems, financial systems, skills training, diversified funding, etc.) are more likely to succeed than those that do not, *OWEB cannot, alone, sufficiently fund all these needs for each individual council.*



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Does the Oregon Plan require council capacity grants?

No. Watershed councils are important to local voluntary, collaborative conservation, but Oregon law does not mandate OWEB to provide council capacity grants.

Will these changes punish councils that are doing what the state expects?

No. Changes are responsive to fiscal and operational realities that were not anticipated when OWEB first offered council capacity grants. Changes are intended to better support the future health of Oregon's statewide watershed restoration system, one that is resilient, sustainable and achieves ecological outcomes.

Councils face greater challenges in all aspects of their operations. Restoration work is more complex, requiring more diverse skillsets to plan and implement. Councils face aging membership and leadership, and compete for resources with an ever increasing number of nonprofits in Oregon (a 19% increase in the last 10 years (<http://nccsweb.urban.org/PubApps/profile1.php?state=OR>)). To keep organizations healthy, councils need new and creative approaches to attract a younger generation, and diversify skillsets and resources.

Some councils have evolved to meet these challenges, while others have not. OWEB's policy direction reflects these realities, raises the bar for performance and continuous improvement, and encourages strategic collaborations to build capacity. *Effective watershed councils will bring leadership to forge strategic collaborations and build their capacity to meet these challenges, and will continue to engage local communities in watershed restoration for generations to come.*

Isn't it unfair for councils with small acreage watersheds to get the same funding as councils with large acreage watersheds?

Every council experiences unique challenges to engage a balance of geographic areas and community interests in its watershed, and make progress on complex watershed health problems. OWEB values the diversity of Oregon's watersheds and communities, and does not value one type (rural vs urban, large size vs dense population) of council over another. Both rural and urban councils must meet standards for eligibility, merit, reporting and accountability to receive council capacity grants.

How can OWEB expect rural councils to find other sources of funding?

Many rural and urban councils have developed creative approaches to diversifying their resources, including:

- Integrating capacity needs into project grants;
- Donated services and supplies from small businesses and local community members;
- Small membership donations; and
- Sharing staff and office services with other community organizations.

Limited funding and volunteer time is a common problem for community and nonprofit groups. OWEB encourages councils to tap into the innovative and creative minds of their boards, the larger watershed community, and nonprofit professionals around the state to explore solutions for building capacity.

Is OWEB locking in changes that might not work?

No. In July 2014, staff will propose for OWEB Board adoption (1) high-level administrative rules and (2) detailed guidance on how the rules will work. The Board will be able to quickly adjust the guidance if we find changes are needed.

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