

August 26, 2005

## **MEMORANDUM**

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director

**SUBJECT: Agenda Item E: 2005-2007 Non-Capital Fund Spending Plan  
September 13-14, 2005 OWEB Board Meeting**

### **E-2. Allocation of Non-Capital Funds for Local Capacity Enhancement (Technical Assistance and Recovery Planning)**

#### **I. Introduction**

This report seeks Board action to reserve and allocate non-capital funds to enhance the capacity of local groups to effectively participate in watershed health-related efforts. Proposed funding will support technical assistance needs and local participation in recovery planning activities.

#### **II. Background**

At the May 2005 meeting, the Board directed staff to explore opportunities to provide additional funding to improve the capacity of local watershed groups. These local groups include watershed councils, soil and water conservation districts, and other local groups that partner with OWEB to enhance watershed health.

With limited non-capital funds, it is a challenge to adequately fund one program element, such as improving local group capacity, without under-funding other program needs. In an attempt to address this limitation, staff looked for ways to improve the capacity of local groups while at the same time meeting other program needs. To this end, staff propose the Board allocate and reserve non-capital funds for technical assistance purposes and to support local participation in recovery planning efforts.

#### **III. Technical Assistance**

Given the significant increase in capital funds this biennium, a major challenge for OWEB and its local partners is to ensure that adequate technical assistance is available to develop and implement capital funded projects that effectively address Board priorities. There has been a long expressed concern by OWEB stakeholders that a significant limitation for the development and implementation of local restoration projects is the lack of funding for technical assistance support. This assistance includes project development, project planning, design, coordination, and permitting.

Staff propose the Board fund three major technical assistance elements: (1) reserving funds to integrate technical assistance into the regular grant cycle; (2), allocating funds for early action technical assistance to support project development for restoration applications to be submitted in the April 2006 and October 2006 grant cycles; and (3) allocating funds for Conservation Reserve Enhancement Program (CREP) technical assistance. A brief discussion of these items follows.

### **1. Technical assistance in regular grant cycle**

It has long been recognized that the lack of availability of technical assistance funding is a significant limitation to the design and delivery of restoration projects. In 2002, the Healthy Streams Partnership, a nongovernmental group of concerned citizens tasked to improve implementation of the Oregon Plan, conducted an evaluation for OWEB on the need for technical assistance. They concluded that “technical assistance for restoration projects, planning and organizational needs is a critical component for successful local implementation of the Oregon Plan.” By integrating technical assistance into the regular grant cycle, local watershed groups will have a consistent opportunity to receive funding to plan, design and implement restoration projects.

### **2. Early action technical assistance grant cycle**

In addition to integrating technical assistance into the regular grant cycle, staff recommend an expedited offering of a special grant cycle for technical assistance targeted at producing project applications for the April 2006 grant application deadlines. Applications for this offering would be made as early as October 2005 with an expedited decision time frame that would allow grant agreements to take place in late January 2006, rather than in late March per the regular grant cycle timeline. In order to meet the abbreviated schedule, staff recommend the Board take action now to allocate the funds for this purpose. Staff would then have the responsibility to review and distribute awards based on a very targeted grant offering. While this special offering differs from the traditional grant cycle process, staff believe it is the best opportunity to make meaningful technical assistance available to support project designs that can be used to improve the number and quality of grant applications at the April 2006 deadline. Under this proposal, staff would report to the Board on the final fund distribution at the March 2006 Board meeting.

### **3. CREP technical assistance**

An allocation of \$500,000 in technical assistance funds to assist the implementation of Conservation Reserve Enhancement Program (CREP) projects is also proposed by staff. CREP is a cooperative effort that began in September 1998 between the U.S. Department of Agriculture and the State of Oregon to establish forested riparian buffers along eligible streams on agricultural lands. The Oregon CREP is available to all agricultural landowners who have eligible crop or marginal pasturelands adjacent to streams that are water quality limited. The re-establishment of riparian habitat on agricultural lands is critical to improving water quality and fish recovery in Oregon.

OWEB works closely with the Oregon Department of Agriculture to implement this program. Landowner enrollment in CREP continues to increase. The proposed allocation for CREP technical assistance increases funding allocated by the Board for this purpose last biennium. Staff will monitor the allocation of these funds to ensure PCSRF requirements are met.

#### **IV. Local Participation in Recovery Planning**

This biennium, Oregon is focusing considerable state agency resources and federal PCSRF funds to speed the recovery planning processes for salmon and steelhead listed under the federal Endangered Species Act. Staff recommend the Board allocate non-capital funds to encourage local watershed groups to participate in recovery planning efforts.

By providing funding incentives to encourage local group participation in these public stakeholder processes, final recovery plans stand to benefit from the input of local knowledge, experience, and expertise. Local involvement also helps build needed local buy-in for successful final recovery plans. Participation in the recovery planning process would be a strain on the limited resources for many of OWEB's local partners. These funds will help interested groups to actively engage in the process while minimizing the burden on their operational budgets.

Staff propose the Board allocate funds that staff will award to local groups based on negotiated work scopes with regional OWEB staff and recovery planning leaders for each recovery domain. The funds are targeted primarily to help cover travel-related expenses needed to participate in the recovery planning process.

#### **V. Recommendation**

- A. Staff recommend the Board reserve \$900,000 of non-capital funds for technical assistance grants to be distributed through the April 2006 and October 2006 grant cycles.
- B. Staff request the Board approve an allocation of up to \$500,000 of non-capital funds for a special technical assistance grant cycle to begin this fall. Staff will review and award technical assistance grants on an expedited schedule for restoration project design.
- C. Staff request the Board approve an allocation of up to \$500,000 of non-capital funds for CREP technical assistance to local providers in the manner proposed by the Oregon Department of Agriculture in consultation with OWEB staff.
- D. Staff request the Board approve an allocation of up to \$200,000 of non-capital funds for recovery planning participation by local groups.