

May 9, 2005

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item N: Grant Cycle Schedule for the 2005-07 Biennium
May 25-26, 2005 OWEB Board Meeting**

I. Summary

This action item recommends a schedule for OWEB regular grant cycles during the 2005-2007 biennium, which begins on July 1, 2005. The staff report also will re-visit OWEB's current grant cycle time-line, and will discuss non-regular grant cycles, scheduling options, and scheduling uncertainties. The Small Grant Program is not affected by this scheduling.

II. The Current Two-Cycle Grant Schedule

A. The result of the change two years ago

After a two-year experiment with a three-cycle, 15.5 week grant program, OWEB returned to a two-cycle, 21 week grant cycle schedule beginning with the Board's decision at its May 2003 meeting. The 3-cycle schedule allowed only a minimal amount of time to complete the most essential processing and review activities for the grant applications and grant awards, and left 10 days or less separating the Board's decision on one cycle from the application due date that starts the next cycle. The present two-cycle schedule allows more time for pre-application consultations, site visits, careful drafting of new grant agreements, implementation follow-up, project effectiveness evaluations, organizational capacity building (particularly for watershed councils and soil and water conservation districts), grant writing workshops, fiscal administration training, and interaction between applicants and OWEB staff and reviewers. As anticipated, the number of applications per cycle has increased somewhat, but the number of re-submittals has gone down due largely to 1) more careful preparation of applications, and 2) larger amounts of funding available for the Board to distribute at each cycle. The new schedule has been working well.

B. Restoration Cycle Timing

The application deadline for the fall-winter cycle typically falls on the last Monday in October, about four to six weeks after the close of what for many watersheds is the "in-water work window," a time of intense project implementation activity when applicants would rather not be writing grant applications. The four to six weeks (often more) provides enough time for applicants to assemble good applications. The mid-March Board decision for this cycle gives applicants ample time to conclude grant agreements and get ready for "dry season" project implementation later that spring and summer.

The application deadline for the spring-summer cycle typically falls on the last Monday in April, which gets application writing out of the way well before project implementation season. The mid-September Board decision for this cycle leaves a very long time until the next dry weather implementation season, however, it does give grantees ample time to prepare, and also is good timing for projects that need to get started during the winter or in early spring. Over-winter projects often are favored by natural resource managers whose summers are filled with crop management, harvesting, and marketing.

C. Acquisition Cycle Timing

Acquisition projects have no particular seasonal timing. They are processed differently than the Restoration applications and sometimes take longer to ripen but use the same application deadlines. The different processing involves two steps or phases designed to allow earlier Board involvement, better-informed decisions about the commitment of time and money to due-diligence investigations, and better directed evaluations by reviewers. The longer ripening of some acquisitions results from the complexities common to these projects and to the process of carefully considering title and other due-diligence matters. Consequently, about half the acquisition proposals take longer to get to the Board than the standard 21-week grant cycle.

D. Monitoring/Assessment Cycle Timing

Monitoring and Assessment projects may be implemented at various times throughout the year, and it is appropriate to review them in either or both of the two standard 21-week cycles. Lately, the non-capital funds used for these project types have been in short supply, and OWEB has elected to accept these applications only at the October deadline. The main point is to allocate the scarce funding more strategically by reviewing all the proposals together, but a single cycle per year also saves applicants the trouble and frustration of repeatedly re-submitting well-received proposals when inadequate funding resources severely limit how far down the “do fund” list OWEB can provide funding. Ideally, more funding would be available and we’d run a Monitoring/Assessment cycle in both of the regular grant cycles each year. The experiment two years ago with a special 13-week short cycle beginning at the October deadline didn’t work – too little time for thorough research, conversation, review, and preparation of recommendations to the Board – and was replaced this last winter by a standard 21-week process.

E. Education/Outreach Cycle Timing

Either cycle deadline is appropriate, but lately OWEB has restricted applications to just the October submission deadline. Ideally, more funding would be available and we’d run an Education/Outreach cycle in both of the regular grant cycles each year. The experiment two years ago with a longer, 30-week cycle was not successful – too long between the application submission and the Board’s decision, and no particular reason to stretch things out so long.

F. Sequence of Key Activities

Table 1 lays out the approximate timing of several key events and activities as they would occur for restoration projects during each new, 21-week grant cycle. (Acquisition and non-capital applications have different steps and a different pacing.) Each item listed is actually the result of many other organizational tasks and processing steps, too numerous to mention here. For example, during Week 1, the day after applications are due, staff sort those

received by region and grant type, give each application a unique ID number, and begin a review of the applications to check for eligibility and completeness. The applications are entered into a database and staff produce the initial listing of totals for amounts requested by grant type and region. Applications and their attachments, including any color pages, are processed for bulk copying and are sent to the printer, who returns the completed job about three days later. All of that (and more) just within the first line item in Table 1. Packets are then stuffed into addressed envelopes and are sent off to Regional Review Team (RRT) members and various OWEB staff – and the march through the 21 week process continues.

Table 1

Grant Process Activity or Event	Timing
Applications due	Start of Week 1
Applications mailed to reviewers	Start of Week 2
Reviewers read, research applications	Ongoing from Week 3
Site visits	Weeks 6, 7, 8
RRT meetings	Weeks 11, 12
RRT reports distributed	Start of Week 16
Initial staff recommendations	End of Week 16
Comment letters due	End of Week 18
Comment letters distributed	Start of Week 19
Staff and Board review of comment letters	Weeks 19, 20, 21
Board action	End of Week 21
Grant agreements written	30-day period after Board action

III. Non-Regular Grant Cycles

At certain times and/or as the appropriate funding becomes available OWEB solicits applications for other types of grants.

The most common of these are Technical Assistance (TA) grants, intended to provide funding for design, engineering, surveying, and other planning and development efforts for important and promising restoration project ideas that have not yet reached the point where they can take the form of complete and competitive grant proposals. This type of TA grant usually must use *non-capital* funds, and the recent shortage of those has reduced OWEB TA solicitations to just one per biennium amounting to about \$600,000 each – which seriously under-provides for a critical demand that could very profitably spend more than \$1 million per year. TA solicitations occur whenever the money is there, although OWEB always tries to avoid asking folks to prepare applications during the precious days of the “dry season” implementation period.

Watershed Council Support (WSC) grants are offered to councils once per biennium. This grant program requires more work “per dollar” granted than any other grant type. The rules have been modified each cycle, and re-evaluation and rule modification begins just a few months after the grant agreements are signed at the beginning of the biennium. Extensive public process precedes the adoption of rules, typically done half a year in advance of the application deadline, which in turn is typically 7 or 8 months before the end of the biennium, leaving just enough time to run the evaluation and ranking phase of the WSC cycle prior to the Board’s typical May meeting.

In the event of fire, flood, or other natural emergency OWEB may offer grants as necessary and appropriate for recovery or restoration of watershed functions, health, and infrastructure. OWEB has no set timing or standard process for such grants.

In theory and legal mandate, OWEB also might solicit for Research grants. In practice, the funds for this purpose (the interest that accrues on the regular Measure 66 Lottery funds) generally are earmarked by the Legislature, and OWEB has not solicited a request for proposals.

IV. Scheduling Options and Uncertainties

At first thought the options for grant cycle timing might seem unlimited. In fact, we are constrained partly by the considerations mentioned in Section II above, partly by the need to schedule a Board meeting in the 21st week of the cycle (or perhaps the 22nd at the latest), partly by the desirability of a hiatus between the end of one cycle and the start of the next, and even by seasonal holidays and weather.

One obvious consideration is the number of cycles per biennium. In general, the applicants would rather have more cycles – more chances to apply for funding – rather than fewer. They liked three cycles better than two, and would probably like four cycles better than three, etc. However, we've heard back from applicants and grantees that they appreciate the advantages of OWEB's move back to two regular cycles per year, and we've perceived no significant sentiment to reverse again toward a three cycle schedule.

Another consideration is exactly when each 21-week cycle begins and ends – and as a consequence, when the various activities occur within each cycle. For example, the fall application deadline used to be the first Monday in October, about three weeks earlier than the present deadline. This obliged many applicants to concentrate heavily on grant proposal preparation at the same time they were busy wrapping up implementation of projects during the too-short “in water work window.” So we moved the deadline back. But one consequence of that is that we and our Regional Review Team (RRT) members now must attempt the all-important site visits in weeks 6, 7, and 8, which in the fall 2005 cycle will be November 28 through December 16, and follow that with RRT meetings in weeks 11 and 12, which will be January 3-14 (2006). This is a time when Oregon often experiences its worst winter weather and most problematic – and dangerous – travel conditions. So, we've talked a bit about moving the fall application deadline back to early October, but the benefits in terms of slightly earlier travel timing (in slightly better weather) don't warrant the disadvantages to the applicants of having to cram proposal writing on top of late summer project implementation. No change proposed by staff.

The main uncertainties in planning for grant cycles are 1) whether and when non-capital money might be available for Technical Assistance grants, and 2) whether enough money might be available to solicit twice per year (instead of once) for the suite of other non-capital grants – Education, Outreach, Monitoring, and Assessment/Planning. Uncertainties for planning Board meetings include 1) conflicts with the meetings of other boards and commissions, and 2) the likelihood of securing a quorum.

V. Recommendations

Staff recommend that Board members approve the grant cycle schedule shown in Table 2.

Table 2

Application Deadline	Application Type(s)	Board Funding Decision Date
October 24, 2005	Monitoring/Assessment	Week of March 13, 2006
	Restoration/Acquisition	
	Education/Outreach	
April 24, 2006	Restoration/Acquisition	Week of September 11, 2006
October 23, 2006	Monitoring/Assessment	Week of March 12, 2007
	Restoration/Acquisition	
	Education/Outreach	
April 23, 2007	Restoration/Acquisition	Week of September 10, 2007

Please Note: The Board meeting dates suggested above correspond to the 21st week of a standard grant cycle. Actual meeting dates, times, locations, and agendas will be decided later. Board meetings may be one-day or two-day events, depending on the work to be done. Meetings typically are scheduled for the middle of the week, but not always. Also, the Board will schedule other meetings and/or retreats during this time period for consideration of other matters.