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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 695
OREGON WATERSHED ENHANCEMENT BOARD

FILED

11/20/2024 12:57 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Revisions to OWEB Focused Investment Partnership Grants

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 01/03/2025 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
Eric Hartstein
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 12/17/2024

TIME: 3:00 PM

OFFICER: Eric Hartstein

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 102601566

NEED FOR THE RULE(S)

The Focused Investment Partnership (FIP) grant program supports high-performing partnerships across Oregon for up to three biennia as they implement landscape-scale restoration and conservation actions in board-identified ecological priorities. The OWEB Board adopted rules for the program in 2018, and through administering several cohorts of partnerships in the program staff have identified sections of the rules where revisions would result in a more effective and efficient FIP program.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

The January 2024 OWEB Board meeting staff report which requested board authorization to initiate rulemaking in the FIP Program is located here: <https://www.oregon.gov/oweb/Documents/2024-Jan-ItemH-Rulemaking-101-and-FIP-Rulemaking.pdf>

In addition, the OWEB Board was updated on FIP rulemaking at their October 2024 meeting, and that staff report is found here: <https://www.oregon.gov/oweb/Documents/2024-Oct-ItemP-FIP-Rulemaking-Update.pdf>

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The rules are not expected to affect racial equity in Oregon.

FISCAL AND ECONOMIC IMPACT:

The proposed amendments are updating rules within OWEB's existing Focused Investment Partnership grant program. The proposed rule revisions provide process improvements for administering the voluntary grant program that results in watershed restoration and conservation efforts statewide. The proposed rule revisions are not expected to have a fiscal impact beyond the continued expenditure of grant funds in communities across Oregon.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

1) It is not expected that there will be a cost of compliance to state agencies, units of local government, and members of the public as the proposed administrative rule revisions are updates to a voluntary grant program.

2) a) Small businesses as defined by ORS 183.310(10) do not include eligible applicants for OWEB grants. OWEB grantees may contract with small businesses to implement activities and work within the scope of the grant agreement, but the proposed rule revisions do not dictate any element of that contractual relationship. b) Any reporting, record keeping, and administrative activities required by the rules are principally borne by program grantees that are voluntarily entering the program and are not defined as small businesses. c) Similar to section b, the cost of professional services, equipment, supplies, labor, and increased administration to comply with the rules will be borne principally by program grantees that are not defined as small businesses.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

As noted in "Cost of Compliance", the proposed revisions to OWEB's Focused Investment Partnership grant program rules will not impact small businesses. However, representatives from the conservation community participated on the Rules Advisory Committee. These entities often contract with small businesses through the implementation of OWEB grants and would understand if any proposed administrative rule revisions would impact small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

RULES PROPOSED:

695-047-0010, 695-047-0020, 695-047-0030, 695-047-0040, 695-047-0050, 695-047-0060, 695-047-0070, 695-047-0080, 695-047-0090, 695-047-0100, 695-047-0110, 695-047-0120, 695-047-0130

AMEND: 695-047-0010

RULE SUMMARY: Describes the purpose of the Focused Investment Partnership grant program, and clarifies that this rule division supplements the OWEB Grant Program (Division 5) rules.

CHANGES TO RULE:

695-047-0010

Purpose

The Board shall provide grants, as funds are available, for Focused Investment Partnership initiatives that address Board-identified priorities of significance to the ~~s~~State through either Implementation grants or Development grants. This Division supplements the OWEB Grant Program rules under OAR 695-005 and provides specific requirements for the Focused Investment Partnership Grants Program. In the event of any conflict between these

requirements, and the requirements identified in OAR 695-005, the Focused Investment Partnership Grant Program requirements in this Division take precedence.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

RULE SUMMARY: Provides the definitions for key terms in the Focused Investment Partnership Grants rule division.

CHANGES TO RULE:

695-047-0020

Definitions

(1) "~~Focused Investment Partnership~~" means an OWEB investment that addresses a Board-identified priority of significance to the state, achieves clear and measurable ecological outcomes, uses integrated and results-oriented approaches as identified through a strategic action plan, and is implemented by a high-performing partnership.¶

(2) "~~Conservation Actions~~" are specific ecological conservation or restoration interventions, treatments, projects, or other activities that will contribute to specific Conservation Output objectives.¶

(2) "~~Conservation Outputs~~" are specific products or yields resulting from Conservation Actions that can be quantified and measured over time.¶

(3) "~~Core Partners~~" are identified in the Initiative grant application as signatories to the Focused Investment Partnership Development Agreement and an initiative with an existing partnership that is pursuing enhancement of that partnership, development of a strategic action plan and community engagement in support of the strategic are eligible to apply for project-level grants to provide capacity for partnership coordination and Work Plan implementation.¶

(4) "~~Ecological Outcomes~~" are near-and-long-term results that are expected to emerge from Conservation Action plan.¶

(3) "~~Focused Investment Partnership Implementation~~" means an initiative with an existing strategic action plan that is ready for implementation by a high-performing ps and resulting Conservation Outputs.¶

(5) "~~Expert Review Team~~" means a team of designated personnel with statewide knowledge and interdisciplinary expertise as appropriate to evaluate Focused Investment Partnership.¶

(4) "~~Initiative~~" means the program that the partnership will pursue with Focused Investment Partnership funding.¶

(5) "~~Strategic Action Plan~~" is the long-term conservation strategy of a partnership. Plans will include all component applications based on evaluation criteria in OAR 695-047-0060.¶

(6) "~~Focused Investment Partnership~~" means an OWEB investment that addresses a Board-identified priority of significance to the state, achieves Ecological Outcomes as identified by OWEB as a part of the application process through a Strategic Action Plan, and is implemented by a High-Performing Partnership.¶

(6) "~~High-Performing Partnership~~" means a collaborating group of organizations with an existing Strategic Action Plan and a governance structure that includes a formal decision-making process resulting in an effective performance history.¶

(7) "~~Core Partners~~" are the partners identified in Initiative" means the proposalgram that will bring substantial capacity to athe partnership and will lead the implementation effort. pursue with Focused Investment Partnership funding.¶

(8) "~~Measurable Ecological Outcomes~~" means quantifiable long-term ecological effects resulting from a series of conservation actions.¶

(9) "~~Expert Review Team~~" means a team of designated personnel with statewide knowledge and interdisciplinary expertise drawn from agencies represented on the Board and other entities as appropriate to evaluate Focused Investment Partnership Implementation proposals and Development applications.¶

(10) "~~Technical Review Team~~" means a team of designated personnel with regional knowledge and interdisciplinary expertise drawn from agencies represented on the Board Strategic Action Plan" is a document that describes the long-term, science-based conservation strategy of a partnership, providing context for the Conservation Actions. A Strategic Action Plan is required at time of application and may cover a timeframe longer than the proposed FIP Initiative.¶

(10) "~~Theory of Change~~" is a way of explaining the hypothesized relationships between Conservation Actions and other entities to evaluate Focused Investment Partnership Implementation project-level grant applications. Ecological Outcomes they are expected to produce.¶

(11) "~~Work Plan~~" means the proposed actions of the partnership in each biennium of the Initiative. Focused Investment Partnership Implementation pPartnerships will submit to OWEB an updated wWork pPlan to OWEB in advance of each new biennium.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0030

RULE SUMMARY: Describes process for the OWEB Board approving priorities for the Focused Investment Partnership grant program.

CHANGES TO RULE:

695-047-0030

Board-identified Priorities

At least every five years, the Board shall approve ecological priorities of significance to the State to be addressed by Focused Investment Partnerships Initiatives. Ecological priorities shall be determined with public input and scientific rigor, and shall include maps, a Theory of Change, and narrative describing the desired ecological outcomes for eligible Focused Investment Partnership Initiative activities.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0040

RULE SUMMARY: Describes eligibility for the Focused Investment Partnership grant program.

CHANGES TO RULE:

695-047-0040

Eligibility

~~(1) The Board shall only consider a Focused Investment Partnership Implementation Initiative proposal~~Initiative application that:~~¶~~

~~(a) Addresses a Board-identified priority of significance to the state; and~~¶

~~(b) Is to be implemented by a High-Performing Partnership.~~¶

~~(2) The Board shall only consider a Focused Investment Partnership Development Initiative application that:~~¶

~~(a) Addresses a Board-identified priority of significance to the state; and~~¶

~~(b) Is to be implemented by an existing partnership~~Demonstrates that match is sought and shall be expended within the scope and geography of the Initiative application.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

REPEAL: 695-047-0050

RULE SUMMARY: Repeals application requirements for the Focused Investment Partnership grant program.

CHANGES TO RULE:

~~695-047-0050~~

~~Focused Investment Partnership Implementation Proposal and Focused Investment Partnership Development Application Requirements~~

~~(1) Focused Investment Partnership Implementation Initiative proposals shall: ¶¶~~

~~(a) Be submitted on the most current form using the process prescribed by the Board; and ¶¶~~

~~(b) Demonstrate that 25% match is sought, and shall be expended within the scope and geography of the Initiative application. ¶¶~~

~~(2) Focused Investment Partnership Development Initiative applications shall: ¶¶~~

~~(a) Be submitted on the most current form using the process prescribed by the Board; and ¶¶~~

~~(b) Demonstrate that 25% match is sought.~~

~~Statutory/Other Authority: ORS 541.906~~

~~Statutes/Other Implemented: ORS 541.890-541.969~~

AMEND: 695-047-0060

RULE SUMMARY: Describes the criteria that applications to the Focused Investment Partnership grant program will be evaluated on.

CHANGES TO RULE:

695-047-0060

Evaluation Criteria

- ~~(1) Focused Investment Partnership Implementation proposal initiative applications shall be evaluated on:~~
- ~~(a) The extent to which the initiative addresses a Board-identified priority;~~
 - ~~(b) The partnership has the capacity to partner, and engage the community, and catalyze additional investments applied to activities within the initiative geography;~~
 - ~~(c) The performance history and composition of the partnership; within the Initiative geography;~~
- (2) The extent to which the partnership demonstrates an established governance structure and a shared history of collaboratively implementing Conservation Actions and adaptively managing to achieve Conservation Outputs;
- ~~(d) The extent to which the proposed approach will make progress toward measurable composition of the partnership is appropriate to achieve Ecological Outcomes;~~
- ~~(e) The ability to track progress towards proposed outcomes; within the Initiative;~~
- ~~(f) The scientific basis and planning tools that extent to which the partnership's Theory of Change supports the proposed Initiative; and aligns with a Board identified ecological priority;~~
- ~~(g) The extent to which the allocation of funds across proposed grant types will support the achievement of the proposed Conservation Actions and Conservation Outputs described in the proposed Work Plan will make progress toward Ecological Outcomes;~~
- (26) Focused Investment Partnership Development application The extent to which the partnership demonstrates a process to track Conservation Outputs shall be evaluated on: t are aligned with Ecological Outcomes; and
- ~~(a) The extent to which the initiative addresses a Board-identified priority;~~
- ~~(b) The capacity to partner, engage the community, and catalyze additional investments within the initiative geography; and~~
- ~~(c) The performance history and composition of the partnership allocation of funds across proposed grant types will support the achievement of the proposed Ecological Outcomes and catalyze additional investments.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0070

RULE SUMMARY: Describes the review process for applications submitted to the Focused Investment Partnership grant program.

CHANGES TO RULE:

695-047-0070

Focused Investment Partnership Initiative Expert Review Process

~~The Board shall convene expert review teams to evaluate Focused Investment Partnership Implementation proposals and Development applications according to criteria described in OAR 695-047-0060, initiatives. OWEB shall convene an Expert Review Team. The Expert Review Teams shall evaluate each application based on the information, rank, and provided and deliver funding recommendations to OWEB staff. The results for Focused Investment Partnership Initiative applications based on the expert review process, including evaluations, shall be provided to applicants and the Board information provided and according to criteria described in OAR 695-047-0060 and OAR 695-005-0045.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0080

RULE SUMMARY: Describes how funding recommendations are developed for applications to the Focused Investment Partnership grant program.

CHANGES TO RULE:

695-047-0080

Focused Investment Partnership Initiative Funding Recommendation Process

~~(1) For Focused Investment Partnership Implementation Initiative applications:~~

~~(a) OWEB staff shall review the recommendations from each the Expert Review Team and make a funding recommendation to a Board subcommittee. The, based on the current Board-adopted spending plan line item for Focused Investment Partnership Initiatives, to a Board committee. The results from the Expert Review Team and OWEB staff funding recommendations shall be provided to applicants and the Board.~~

~~(b) The Board subcommittee shall interview Core Partners proposing an Implementation Initiative.~~

~~(c) The Board subcommittee shall review OWEB staff recommendations, and the results of the interview of the core partners, and make a funding recommendation to the Board.~~

~~(2) For Focused Investment Partnership Development Initiatives, OWEB staff shall review the recommendations from each e based on the results of the Expert Review Team and make a, the OWEB staff funding recommendation to the Board. This recommendation shall also be provided to applicants, the interview of the core partners, and the evaluation criteria described in OAR 695-047-0060.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0090

RULE SUMMARY: Provides details on how the OWEB Board will award funds for Focused Investment Partnership initiatives.

CHANGES TO RULE:

695-047-0090

Board Funding Decision

~~(1) For Focused Investment Partnership Implementation Initiatives:~~

~~(a) The Board may fund an Initiative in whole or in part.~~

~~(b) Initiatives, the Board shall award funds on a biennial basis. Subject to Board evaluation and future appropriations, the Board seeks investment for up to six years for each Initiative. A biennial award will not exceed \$4 million and the full six-year award will not exceed \$12 million.~~

~~(2) For Focused Investment Partnership Development Prior to soliciting for Initiatives, the Board may fund an Initiative in whole or in part shall determine the maximum amount for biennial awards.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0100

RULE SUMMARY: Describes details about the agreement OWEB enters with partnerships selected for funding through the Focused Investment Partnership grant program.

CHANGES TO RULE:

695-047-0100

Focused Investment Partnership Implementation Initiative Partnership Agreement

(1) For Focused Investment Partnership Implementation Initiatives, a partnership agreement shall be executed between OWEB and ~~e~~Core pPartners that shall stipulate the terms of the iInitiative.¶¶

(2) The agreement shall include at a minimum: points of contact, purpose of initiative, scope of initiative, process for submitting project-level grant applications, review process, funding conditions, roles and responsibilities of signatories, and methodology to address any potential changes in composition of the core partnership.¶¶

(3) Only organizations that are signatory to the partnership agreement are eligible to apply for project level grants.¶¶

~~(4) Projects in the defined geographic area of the Initiative, and focused on the programs and actions identified in the Initiative's proposal, are ineligible for the grant types listed in OAR 695-047-0110(8) that are offered outside of the Focused Investment Partnership program.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0110

RULE SUMMARY: Describes the process for project-level grant applications developed by partnerships in the Focused Investment Partnership grant program and the technical review for those projects.

CHANGES TO RULE:

695-047-0110

Focused Investment Partnership Implementation Initiative Project-level Grant Process

(1) The core partners of a Focused Investment ~~Implementation~~-Initiative shall select projects to implement the Initiative.¶

(2) Project applications shall be submitted on the most current forms at prescribed by OWEB, on a schedule determined by the partnership and OWEB staff.¶

(3) ~~P~~Consistent with OAR 695-005-0030(2), project applications shall include a matching contribution from other non-Board program funds or in-kind services, ~~notwithstanding OAR 695-005-0030(3)~~. The matching contribution may include sources of funding from other projects in the Initiative that are consistent with the activities described in the partnership's Initiative application and expended within the geography of the Initiative.¶

(4) Following consultation with the partnership about expertise that is relevant to the ~~Implementation~~-Initiative's focus, a ~~€~~Technical ¶Review ~~€~~Team shall be convened by OWEB. ~~Technical review team members shall have appropriate expertise in the Focused Investment Partnership Initiative subject matter and geography.~~¶

(5) The ~~€~~Technical ¶Review ~~€~~Team shall meet to evaluate project-level applications according to the project's compatibility with the Initiative's proposal and relevant evaluation criteria established in OAR Chapter 695. Representatives of the partnership shall be provided an opportunity to meet with the ~~€~~Technical ¶Review ~~€~~Team during the project evaluation to provide context for proposed projects.¶

(6) OWEB staff shall provide the ~~€~~Technical ¶Review ~~€~~Team evaluations to the applicant. Applicants and staff shall address ~~review team comments through an amendment or other agreed upon process.~~¶

~~(7) Notwithstanding 695-005-0060(2) and (8) initiatives require 25% match, report any revisions to the project recommended at by the Initiative-level for the biennium. Each project within the initiative also requires match. Prior to disbursement of Board funds for a Technical Review Team comments through edits to the project the grantee must provide proof that the matching contribution has been secured for the project. Initiatives that do not meet the required 25% match by the end of the biennium will not be awarded subsequent Implementation Initiative funding.~~-level grant application or other agreed upon process.¶

~~(8)~~ Grant types for Focused Investment ~~Implementation~~-Initiatives are Restoration (OAR 695-010), ~~Stakeholder~~ Engagement (OAR 695-015), Monitoring (OAR 695-025), Technical Assistance (OAR 695-030), Land Acquisition (OAR 695-045), and Water ~~Lease and Transfer~~Acquisition (OAR 695-046).

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0120

RULE SUMMARY: Describes process for distributing funding in the Focused Investment Partnership grant program.

CHANGES TO RULE:

695-047-0120

Distribution of Funds

~~(1) Focused Investment Partnership Development Initiative funds shall be distributed through grant agreements executed in accordance with OAR 695-005-0050 and 695-005-0060.~~

~~(2) Focused Investment Partnership Implementation Initiative funds shall be distributed through project-level grant agreements through a process described in the partnership agreement described in OAR 695-047-0100.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969

AMEND: 695-047-0130

RULE SUMMARY: Provides details on reporting requirements for partnership's participating in the Focused Investment Partnership grant program.

CHANGES TO RULE:

695-047-0130

Reporting

~~(1) Reporting for Focused Investment Partnership Development Initiatives shall be in accordance with OAR chapter 695, division 005.~~

~~(2) Focused Investment Partnership Implementation Initiatives shall report to OWEB staff through a collaboratively established process and timeline.~~

~~(3) Reporting for project-level grants shall be determined in each project grant agreement.~~

(4) At the end of each biennium, the Focused Investment Implementation Initiative partnerships shall, in collaboration with OWEB staff, report the following to the Board:

(a) Demonstrated 25% secured match for the Initiative progress for the biennium plus any a;

(b) Additional investments generated by through the Initiative.

(b) Initiative progress for the biennium beyond match used for project-level applications;

(c) Updated wWork pPlan and budget proposed for the next biennium; and

(d) Any proposed changes to the geography, scope, or pCore Partners of the Initiative.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890-541.969