



## Background and Analysis

At its meeting in February 2009, the board directed staff to explore the potential of various grant cycle options. The objectives, included:

- Determine if there are efficiencies associated with using a biennial grant cycle rather than an annual cycle;
- Consider how best to fund larger, more expensive and more complex projects;
- Address the potential of diminishing resources on an annual basis (i.e., to ensure that there are enough resources per grant round to fund projects across the regions); and,
- Consider the impact of allowing for a longer period of time to develop project lists.

Based on these objectives, research and internal staff discussions, staff identified four potential options, which were presented at the May 2009 board meeting, as shown in the table below. The board discussed the options and took some public comment, which staff used to refine the list. First, staff eliminated the option of a “biennial cycle with legislative approval.” Then, staff added a “modified annual grant round” option that would allow regions to keep unspent resources for up to two years to fund board-approved alternate projects.

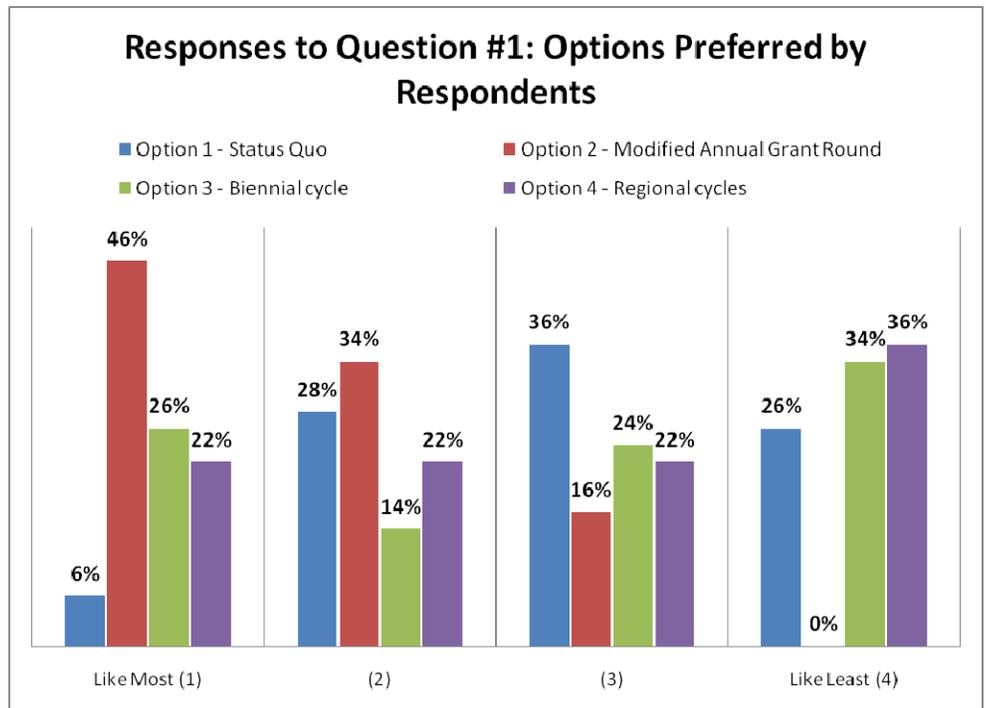
<b>Options Presented in May</b>	<b>Refined List of Options</b>
Status quo	Status quo
Biennial cycle	Biennial cycle
Regional cycles based on project readiness	Regional cycles based on project readiness
Biennial cycle with legislative approval	Modified annual grant cycle

Staff incorporated the refined list of options into a survey that was sent to project sponsors, lead entities, and regional organizations. The survey was distributed to over 300 people. Of the fifty-two respondents, 84 percent had received a grant from the board.

The survey gave respondents an opportunity to comment on the questions and on the general concepts of the grant cycle. A summary of those comments is in Attachment A.

Question One: Please rate how well you like each of the options

*Responses: 52*  
 Summary: Looking only at the “like most” data, the preferred option was the modified annual grant round, with the biennial cycle and regional cycles nearly tied for second. However, looking at the data as a whole, the picture is less clear.

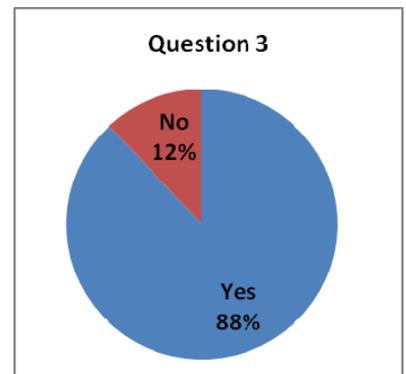


Question Two: What is your preferred time of year for the Salmon Recovery Funding Board to award grants?

*Responses: 45*  
 Summary: Twenty-four percent of respondents preferred January, while 13 percent preferred December. September and October were tied at 11 percent. Respondents noted that it was important to have the application process occur outside of the summer field season, and that the contracts should be in place before summer. Some suggested that the board consider different timing or cycles for construction, restoration, acquisition, and non-capital projects

Question Three: Do you have the capacity to work through the application process?

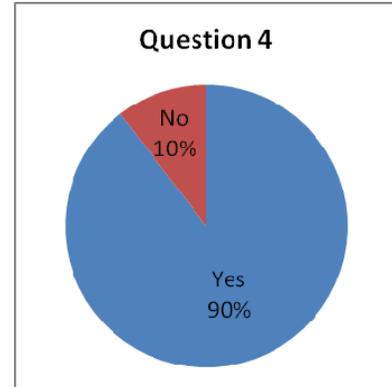
*Responses: 50*  
 Summary: Most respondents (88%) stated that they do have the capacity to work through the application process. However, many commented that the process was cumbersome and suggested that it be streamlined so that they could focus their efforts on other priorities. Others suggested that they could use help in screening ideas so that they can concentrate their efforts on more promising projects.



Question Four: Do you have the capacity to complete the majority of your projects?

Responses: 48

Summary: In looking at the comments, it was clear to staff that respondents were confused about how to define “capacity” for this question. As one respondent noted, it could be interpreted as *“capacity to complete the projects for which we've been awarded a grant, capacity to do the right projects in the right place, or capacity to do what's targeted in the salmon plans.”*



**Next Steps**

Staff will continue to refine these options and gather additional input. Staff will then identify a recommended option for the December 2009 board meeting. If the board decides to approve a change to the grant cycle, staff will work to detail how the change will be implemented for the 2011-2013 biennium.

**Attachments**

- A. Summarized comments from survey

**ATTACHMENT A: SUMMARIZED COMMENTS FROM SURVEY**

**Current Process**

Topic	Pros	Cons/Suggestions for Improvement
General	<ul style="list-style-type: none"> <li>Grant managers provide excellent service;</li> <li>process is good, established, and understood</li> </ul>	<ul style="list-style-type: none"> <li>Grant applications are among the most labor intensive</li> <li>Reduce the current three applications (local, HWS, PRISM) per project to one</li> <li>Throwing out unfunded applications and resubmitting is a waste of time.</li> </ul>
Review Process	<ul style="list-style-type: none"> <li>The SRFB review process is rigorous and turns mediocre projects into great projects through collaborative and constructive feedback.</li> </ul>	<ul style="list-style-type: none"> <li>Consider alternative review process like Community Salmon Fund</li> <li>Provide help screening project ideas.               <ul style="list-style-type: none"> <li>Consider designating teams of Review Panel representatives to each lead entity to be involved throughout the project development process and give project sponsors and lead entity coordinators early suggestions and recommendations on how to improve or modify projects to avoid "need more information" or "project of concern" designation</li> </ul> </li> </ul>
Technology	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>PRISM and the Habitat Work Schedule need to interface.</li> </ul>

**Comments About Options Presented**

Option	Advantages	Disadvantages
Biennial	<ul style="list-style-type: none"> <li>The biennial allocation approach would allow lead entities and project sponsors to focus during the "off year" on monitoring and adaptive management, project development, project sponsor capacity building, landowner outreach and education, etc.</li> <li>Support for a biennial process is contingent upon the amount of grant funding available. Being able to "pool" money into one larger grant round is much more efficient and ultimately more effective in funding larger projects.</li> </ul>	<ul style="list-style-type: none"> <li>Private landowners have limited patience with the time it takes to develop and fund a project. Telling a landowner that the project won't be funded until the next biennial grant cycle will make it more difficult to do projects on private land.</li> <li>A biennial cycle would likely lead to many lost restoration opportunities.</li> </ul>
Regional cycle	<ul style="list-style-type: none"> <li>The option to fund based on project readiness would allow the region more flexibility in deciding what mechanism works best locally. This would relieve some of the stress of preparing grant applications when projects are not ready for presentation.</li> </ul>	<ul style="list-style-type: none"> <li>It seems that the SRFB is challenged enough to consider projects over a three month time period without making it a constant process.</li> </ul>
Annual Cycles	<ul style="list-style-type: none"> <li>The flexibility of annual cycles is very important; it allows for relatively quick access to funds for emergent projects</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

### **Other Options**

- An ideal combination would be an annual cycle for small projects (under \$300,000), with every other year having additional funding for large projects (over \$300,000) that could be vetted at a regional level.
- The Oregon model has a continuous application period and a running list of projects. They are ranked (points allocated) and remain on the list until withdrawn. Projects with highest points receive funding. A sponsor can resubmit a revised project and improve its rank (increased points).