# ECOSYSTEM WORKFORCE

# WORKING PAPERS

**Issues in Monitoring the Socio-Economic
Effects of the Oregon Watershed
Enhancement Board Grant Program**

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**Report to the Oregon Watershed Enhancement Board
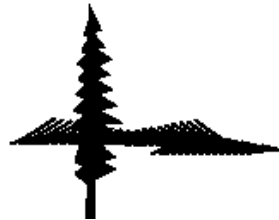775 Summer Street NE
Salem, Oregon 97310**

**The Ecosystem Workforce Program
Institute for a Sustainable Environment, University of Oregon**

The *Ecosystem Workforce Program Working Papers* series offers in-depth reports on applied research, analysis and findings about a variety of areas associated with the effort to build quality jobs in ecosystem management.  The target audience includes policy and administrative leaders, academics, leaders in community forestry, community-based organization leaders, and local community officials.

The devastating socio-economic effects on rural communities of the decline of the primary economy has also opened up an opportunity to restore ecosystem health while rebuilding local communities, through the shift toward "community forestry" or "collaborative stewardship" between land managers and local communities.  This entails organizing resource management efforts so that their objectives include not only environmental health but also job and wealth creation and promotion of strong local social institutions. This paper is an assessment of a three-year demonstration project by EWP, to test the possibilities of community forestry for community development.  The assessment used a quasi-experimental design, comparing four demonstration communities with two control communities.  It begins with a description of the situation of the six study communities and, by extension, that of agricultural and natural resource-based communities in general.  We then briefly discuss some of the theoretical underpinnings of collaborative stewardship/community forestry in the context of community development.  Next we present the results of our assessment.  And finally, we draw conclusions and make recommendations to increase the effectiveness of community development through community forestry.



# ECOSYSTEM WORKFORCE PROGRAM
BUILDING A SUSTAINABLE, HIGH-SKILL/HIGH-WAGE ECOSYSTEM MANAGEMENT INDUSTRY

# About the Researchers

The Ecosystem Workforce Program was created in 1994 as an outreach program of the University of Oregon.  The EWP offers technical assistance, facilitation and consultation for communities, watershed councils and land managers wanting to re-direct their efforts toward creating more sustainable communities.

## Kristin Bonner, M.C.R.P.

Kristin Bonner was the Project Manager for this project. She received a Master's degree in Community & Regional Planning from the University of Oregon.  She was previously the community facilitator of the South Central Oregon Regional Partnership in Lake County, Oregon. Kristin's principal research interests include collaborative, participatory research in forest communities in the Northwest, sustainable development and community-based economic development.  She has also been an evaluation consultant to the Rocky Mountain Institute in Colorado and Portland State University's School of Extended Studies, and participated in the Resource Assistance to Rural Environments AmeriCorps program at the University of Oregon.

## Michael Hibbard, Ph.D.

Michael Hibbard is a professor and head of the Department of Planning, Public Policy & Management.  His scholarly work focuses on rural community development and planning, both in the U.S. and internationally. He has written and presented widely on various aspects of that topic.  He is principal investigator for the Ecosystem Workforce Program in the Institute for a Sustainable Environment. He is also co-editor of the Journal of Planning Education and Research.

# Issues in Monitoring the Socio-Economic Effects of the Oregon Watershed Enhancement Board Grant Program

## Executive Summary

Cooperative, community-level approaches to environmental management are emerging in a variety of contexts, in Oregon and elsewhere. The rise of these approaches has led to a new appreciation of the possibility of watershed restoration projects that also foster good jobs and strong local businesses. A companion study to the current report found that most watershed council coordinators and similarly placed environmental professionals recognize the socio-economic benefits of environmental restoration projects. They make a conscious effort to hire and purchase locally whenever possible.

This report examines some of the issues involved in setting up a system for monitoring the socio-economic effects of O-WEB grants on an on-going basis. We conducted telephone interviews with 20 individuals from watershed councils, Soil and Water Conservation Districts and state agencies, to learn their attitudes toward monitoring the socio-economic impacts of their projects as well as to gain an understanding of any potential barriers to monitoring.

The majority of respondents recognize the socio-economic impact of watershed enhancement projects and are willing to implement a clearly defined and simple monitoring system to measure these impacts. However, many stated the need for a clear definition of "local," both geographically and in terms of business ownership. This is a complex issue that needs to be fully explored before implementing any system. In addition, there was some reluctance on the part of some respondents to monitor these impacts because of the heavy administrative burden. A couple of respondents thought that evaluative questions in the final report could be as effective as tracking individual expenditures.

# Issues in Monitoring the Socio-Economic Effects of the Oregon Watershed Enhancement Board Grant Program

## Introduction

Cooperative, community-level approaches to environmental management are emerging in a variety of contexts, in Oregon and elsewhere.  The rise of these approaches has led to a new appreciation of the possibility of watershed restoration projects that also foster good jobs and strong local businesses.  With millions of dollars to spend on watershed enhancement efforts, the Oregon Watershed Enhancement Board (OWEB) plays a significant role in supporting local economies through grants to watershed councils and other restoration contracts.

A companion study to the current report found that most watershed council coordinators and similarly placed environmental professionals recognize the socio-economic benefits of environmental restoration projects.  They make a conscious effort to hire and purchase locally whenever possible.  And OWEB's grant program makes a substantial contribution to local communities and their economies throughout Oregon.

On the assumption that monitoring the socio-economic effects of grants on an on-going basis would be more useful as a guide to policy than reviewing a sample of grants every several years, this report examines some of the issues involved in setting up a monitoring system.

We conducted telephone interviews with 20 individuals from watershed councils, Soil and Water Conservation Districts and state agencies, to learn their attitudes toward monitoring the socio-economic impacts of their projects as well as to gain an understanding of any potential barriers to monitoring.  Several of the interview respondents had strong opinions either for or against reporting the socio-economic effects of their grants.  Of course, the respondents' identities are confidential and have been protected.

We also collected preliminary information on measuring economic multiplier effects in local communities.  Multipliers could be used in connection with a monitoring system, to assess the overall impact of the OWEB grant program at the local level.

## Interviewees' Thoughts on Socio-Economic Monitoring

### *Willingness to monitor socio-economic impacts of grants*

All of the respondents understand the importance of linking the work of improving the environment to the positive impact on the local economy.  Many stated

that this type of monitoring could improve the relationship between watershed groups and the legislature. One organization is already monitoring the socio-economic impacts of their projects.

Even though all of the respondents recognize the importance of measuring the socio-economic impacts of their projects, their willingness to measure the impacts ranges from very willing to one respondent who is adamantly opposed. Those who are extremely supportive of monitoring think that this would be a good way to encourage grantees to hire and purchase locally and that being forced to report their spending will help grantees remember to purchase and hire locally.

Respondents' concerns and suggestions are discussed in the section below, ***Alternatives to a Monitoring System for Evaluating Socio-Economic Impacts.***

The majority of respondents said they would be willing to monitor the socio-economic impacts of their expenditures. However, most of them said the monitoring system should include the following characteristics:

- *Simple, easy tracking system*
Many respondents stressed the fact that administrative paperwork already takes up too much of their time--time that they would rather spend on projects. They also commented on the complexity of relationships that sometimes arises. For example, many organizations sub-contract out work and those sub-contractors in turn hire others to perform work. This type of situation--grantees being the fiscal agent, hiring one or more sub-contractors, and in some cases these sub-contractors hiring other sub-contractors--needs to be taken into account when considering a monitoring system for OWEB grants.

Respondents emphasized the need for a simple system that could be incorporated into the current tracking spreadsheet they are already required to submit. They stated the need for the system to be simply and clearly defined as well as easy to implement.

- *Local and non-local clearly defined*
By far, this was the most interesting portion of the conversation. Respondents expressed the need to have these terms clearly defined in order to successfully implement a monitoring system. Many respondents discussed the term local and it is clear that all of the respondents have a unique definition of their own. Some consider local to be within their watershed; others consider local to be a specific area that includes other towns and nearby cities; others consider local to be the greater region, including adjacent states. It should be noted that organizations with their offices in rural, remote areas are more likely to define local more broadly. Some organizations in the more densely populated regions consider the nearest metro area to be local, while others consider only the town or city proper as local. None of the respondents define local as the county—which could be viewed as a limitation to our research.

In addition to the discussion of local as defined by geography, many respondents commented upon the need to define a local purchase or hire.  Some of the respondents consider buying from a chain store to be a local purchase because it employs local people, yet others do not consider this local because the profits leave the community.  One respondent mentioned the increase in the number of Portland based contracting firms with subsidiaries in the area.  He is not sure if he considers them local because they move to the area for a set period of time, but are not local people living in the community year after year.

The above stories reflect a wide variety of opinions about the definition of local and local hiring.  A clear definition must be communicated to all grantees in order for a monitoring system to work.  In addition, when defining these terms it will be important to include grantees in the decision so as to give the terms more validity.

- *Lead time to incorporate new tracking*
Respondents need time to integrate this new monitoring into their accounting systems and do not want to have funds held up while they do this.  Grantees have a variety of accounting systems—some organizations have one designated grants administration person, some contract out the administrative work, others have one staff person supervising both project and administrative work, and several variations on these situations exist.  Because there are so many types of organizations funded by OWEB grants and they each have a unique monitoring system in place, they need to be given ample time to incorporate new changes into their unique system.

### Alternatives to a Monitoring System for Evaluating Socio-Economic Impacts

There was only one respondent who was adamantly opposed to monitoring the socio-economic impacts of OWEB funds.  Ironically, this was the respondent whose organization monitors these impacts for its own purposes.  He stated that there are already too many requirements for reporting and that adding one more thing takes time away from project work.  He thinks that OWEB should encourage grantees to undergo some sort of process to assess the socio-economic impacts of their work that would be useful to OWEB and to the grantee.  OWEB could develop a monitoring system that could be used by grantees but one should not be mandatory.  Echoing the statement that reporting already takes up too much of their time, several respondents said they would be willing to do whatever is necessary to get funding, including monitoring socio-economic outcomes, but would rather not be burdened by more reporting requirements.

A couple of respondents questioned whether monitoring each expenditure was needed or if there should be some evaluative questions included as a part of the final report to OWEB.  One respondent suggested questions that require grantees to state their definition of local; to approximate the amount of local hiring and expenditures; and to explain non-local purchases.  The respondent thought that this might be as useful--if not more useful--than tracking individual expenditures while placing less administrative burden on grantees.

Another respondent suggested that the following questions be answered in the final report:

"Were these funds used to hire/purchase non-local goods and services when local people/businesses could have provided the same goods or services?"

"If yes, why?" Include specific responses to check off, such as:
- The kind of supplies we required were not available locally
- Local contractors lack the skills we required
- Local supplies were too expensive
- Other _____

These respondents definitely recognize the importance of the socio-economic impact of watershed enhancement projects. However, they do not think that monitoring each expenditure as "local" or "non-local" is an efficient use of time. Their suggestions are meant to get at the same type of information without creating an unnecessary administrative burden on grantees.

In summary, the majority of respondents make a conscious effort to hire and purchase locally whenever possible. The most common reasons for not doing so are that specific supplies or expertise are not available locally. The majority of respondents recognize the socio-economic impact of watershed enhancement projects and are willing to implement a clearly defined and simple monitoring system to measure these impacts. However, many stated the need for a clear definition of "local," both geographically and in terms of business ownership. This is a complex issue that needs to be fully explored before implementing any system. In addition, there was some reluctance on the part of some respondents to monitor these impacts because of the heavy administrative burden. A couple of respondents thought that evaluative questions in the final report could be as effective as tracking individual expenditures.

Respondents had several suggestions for assessing the socio-economic impacts of their projects in a way that would be useful to OWEB and to the grantee. OWEB could develop a monitoring system that was optional for grantees to follow. Or, OWEB could pursue alternatives to a full-fledged monitoring system, such as evaluative questions that grantees would be required to submit as a part of their final report. One respondent suggested questions that require grantees to state their definition of local; to approximate the amount of local hiring and expenditures; and to explain any non-local purchases Those who suggested alternatives to a full-fledged monitoring system for tracking socio-economic impacts were in the minority.