

A BIOREGIONAL RESTORATION FUND FOR CAPACITY BUILDING

A STUDY

of effective granting to
underserved communities
to build a stronger
restoration industry

Prepared by the

**CENTER FOR ENVIRONMENTAL
ECONOMIC DEVELOPMENT**

For the

COLLABORATIVE LEARNING CIRCLE

The Center for Environmental Economic Development (CEED) conducted this study for the Collaborative Learning Circle (CLC) under a subcontract with the Natural Resources Services Division of Redwood Community Action Agency (RCAA). RCAA is currently sponsoring CLC with funding from the Ford Foundation.

October 2007



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The Center for Environmental Economic Development (CEED) has conducted this study for the Collaborative Learning Circle (CLC) under a subcontract with the Natural Resources Services Division of the Redwood Community Action Agency (RCAA). RCAA is currently sponsoring the Collaborative Learning Circle with funding from the Ford Foundation. CEED, RCAA, and CLC appreciate and gratefully acknowledge the support and funding of the Ford Foundation for this study, and over the years for the Collaborative Learning Circle and many of its participant groups.

CEED's Research Team and writers included Ruthanne Cecil, J.D., Principal Investigator, Executive Director of the Center for Environmental Economic Development; Christopher Peters (*Pohlik-lah/Karuk*), President and CEO of Seventh Generation Fund for Indian Development; Oshana Catrinides, Paula Yoon, M.A., Shannon McClure, B.A., Matthew Marshall, B.A., and Tracy Katelman, Registered Professional Forester. The Research Team would like to thank Dr. Steven Hackett of Humboldt State University's Department of Economics for providing helpful feedback and assistance.

We would like to acknowledge and thank the CLC Steering Committee, past, present and newly elected members (listed on the next page) for their

ongoing support and assistance with this study. A thank you to those CLC members who responded to the survey or who came to the Working Session. Thanks also to Paula Yoon, Renee Stauffer, Chris Larson, Bill Wilkerson, Jude Wait, Cate Hartzell and Richard Hart for their years of tireless and often patient efforts on behalf of the CLC, and to Jude for the original gem of the Fund idea. A special thanks to Doug Wallace and Chris Peters for helping with fund mechanisms, and survey approaches. The principle investigator would like to thank Sungnome, Chris, Matthew and Tracy for being there with advice, support, and hard work throughout the seasons of this study, and to all the others for ready help when requested.

And to the new members of the newly enlarged CLC Steering Committee and Fund Organizing Committee, a special thanks for your willingness to continue to build the dream!

Currently expanded and revitalized CLC Steering Committee (in alphabetical order):

Oshana Catrinides (current)
Ruthanne Cecil (current)
Larry Evans (new)
Patrick Frost (current)
Tracy Katelman (new)
Sungnome Madrone (returned)
Chris Peters (new)
Tia Oros Peters (new)
Jen Rice (current)
Denise Smith (current)
Doug Wallace (new)

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CLC is currently under the fiscal sponsorship of the Redwood Community Action Agency.

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EXECUTIVE SUMMARY

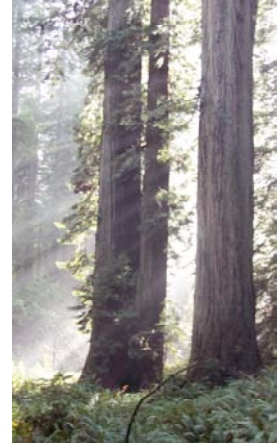
The Collaborative Learning Circle (CLC) is a bio-regional network of forest and watershed practitioners working to ensure that large-scale programs reach the ground to support local, community-based, forest and watershed restoration. CLC focuses on capacity-building for emerging and underserved groups through continuous learning, meaningful exchange and productive relationships among people with a diverse range of perspectives.

CLC comprises a diverse network of forest workers, academics, biologists, planners, economic developers, environmental advocates, sacred land advocates, foresters, basket makers, GIS specialists, lawyers, technicians, tribal agencies, government agencies, restorationists, wood product business participants, and others. CLC participants are part of the restoration economy, working in various ways on:

- ecosystem-management,
- watershed restoration,
- sustainable forest practices,
- community fire planning and fuels reduction,
- non-timber forest products,
- biophysical monitoring, and
- value-added local forest products.

The purpose of this current project is to study the feasibility of a forest and watershed restoration fund as a way of serving the underserved restoration practitioners within the bioregion of Northern California and Southern Oregon. This study explores the need, possible support and the philanthropic prospects and options for such a fund.

The study has been conducted in five phases over a fourteen-month period. Methodology of the research study included a research team startup phase, followed by development of a survey protocol, questionnaire, and list of stakeholders, interviews and questions. This was followed, after survey responses were received, by follow-ups and survey analyses. Report sections were written on local demographics, needs assessment analysis and philanthropic profiles, and financial options and recommendations. Final steps included final drafts, peer review, and publication. A Working Session of the CLC client community met to give input and discussion to the overall concept support and its workability and accountability. Hosting of the working session was part of this project. A Fund Organizing Committee was established during the Working Session, and defined its work for the coming year.



The “listening approach” chosen by the Research Team for this study involved a survey of CLC participants; a pilot project of extensive mini-granting done by CLC; local meetings with prospective fund organizations; and a Working Session for listening to feedback on the approach and establishing a next steps committee. These steps have all been taken successfully.

The detailed survey results and needs analyses determined the level of need for capacity building for the underserved. The Financial section analyzed the current philanthropic mix, with its gaps and limitations, and concluded that there is a niche for private foundation support for capacity building, and that a *de facto* match for that support is the considerable level of public funding for restoration work itself.

The financial analysis section also examined the structural aspects of a Fund – including Receiving, Holding, and Disbursing - and discussed problems and recommendations for each of those.

A chapter on organizational assessment came next, with an analysis of strengths and weaknesses of the potential fund organization, plus external opportunities and threats. Finally, the Recommendations section includes a listing of recommended decisions to be made by the newly formed Fund Organizing Committee, in the five following areas, repeated here in their entirety:

Recommendations

A. FUND ORGANIZING

1. Decide whether to start a Bioregional Fund
2. Decide who the decision makers will be and how they are chosen. Is this the Fund Organizing Committee (FOC)? Do they want to become a Board of a 501(c)(3)? Implementing this decision could be delayed, but no fundraising for the Fund can occur until it exists.
3. Decide whether the Fund must be a 501(c)(3) Fund/ organization or whether there is any financially feasible way that a third party nonprofit or foundation could do this on behalf of the Fund Organizing Committee.
4. Determine what rights and responsibilities the FOC would have under each possible option.
5. Look at rates or fees charged if a third-party does this.

6. Determine the tentative approach that nets the greatest amount in annual mini-grants back to the community.
7. Review carefully with fund advisers, attorney, accountant, banker, etc the choices to be made and the criteria to be set.

B. FUNDRAISING / SEED MONEY

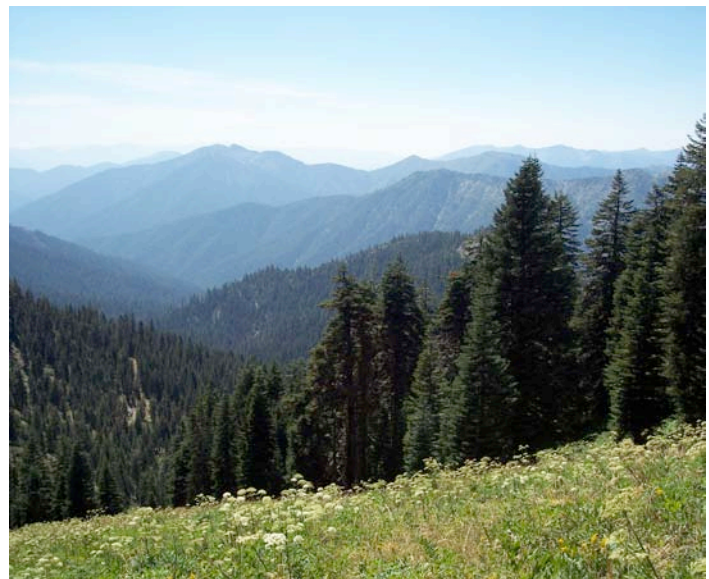
1. Spend existing CLC seed money for initial organizing of the FOC via an RCAA sub-contract
2. Decide to raise seed money to pay someone to facilitate organizing steps (conference calls, meetings, etc) of the FOC for one year (the FOC project)
3. Choose a 501(c)(3) fiscal sponsor to administer the FOC project, or a subcontract through existing CLC fiscal sponsor.
4. Successfully raise the seed money for a one-year FOC project, and if possible, for a Business Plan or Strategic Plan as well.

C. DECIDING THE MAJOR ISSUES

1. Criteria for “underserved” groups in the CLC network and communities
2. Criteria for choosing advisory committees and other participants
3. Criteria for issuing RFPs
4. Grant guidelines
5. Criteria for decisions on disbursement

D. FUNDRAISING / MAJOR DONOR CAMPAIGN

1. Size of major gift campaign (set target)
2. Approaches
3. Responsibilities
4. Time frames



E. THE BUSINESS PLAN OR STRATEGIC PLAN

If the FOC can answer all of the above questions, based on some of the models suggested in this study, they will be ready to contract out for a professionally written Business Plan to take them through the practical startup steps of creating a legal, tax-deductible fund, and to begin a major gifts fundraising campaign.

Conclusion

The options and the model have been described, as have the need and capacity. The community has taken the step of forming a Fund Organizing Committee. A big question is whether it is possible to function as a decision-making organization without forming a nonprofit. Or if the fund must become a 501(c)(3) organization in order to exist and to accept major donations of a tax-deductible nature on its behalf, how can that be done in the most trouble-free manner, while still retaining decision making? How can it be done in a way that does not compete with local groups, but rather strengthens and enhances them and adds financial support, while not over-taxing already highly committed and involved volunteers? The CLC Steering Committee, up to this point, has chosen not to become a 501(c)(3) organization, but rather to accept fiscal sponsorships from a variety of participant groups. It has recently expanded to 11 members, and as a next step will grapple with this important question.



I - PREFACE: THE LISTENING APPROACH

At times, with enthusiasm for good ideas, leaders get ahead of their communities of interest instead of responding to their needs and concerns. This may be a good thing, and often provides the instigation for forward movement. But when possible, it is better to pause and listen to those communities of interest. This Study is modeled upon the principle that it is best to take time to pause and listen. This past year, of CLC mini-grants and final reports, of CLC participants' surveys, of working session and other meetings, of research, provided some of that listening time. We hope this Study reflects CEED's attempt to do a thorough job of listening to our communities of interest within this Bioregion.



Who are our “Communities of Interest”? What is our Community?

The Collaborative Learning Circle (CLC) is an extensive network of forest and watershed restoration practitioners operating across a rather large bioregion noted for its rugged terrain. The network includes nonprofit organizations, agencies, small businesses and various informal groups who promote sustainable community-based land management practices in Southern Oregon and Northern California.

CLC comprises a diverse network of forest workers, academics, biologists, planners, economic developers, environmental advocates, foresters, GIS specialists, lawyers, technicians, restorationists, wood product business participants, and others. CLC participants are part of the restoration economy, working in various ways on:

- ecosystem-management,
- watershed restoration,
- sustainable forest practices,
- community fire planning and fuels reduction,
- non-timber forest products,
- biophysical monitoring, and
- value-added local forest products.



This network is our direct “community of interest,” which nests inside the larger communities in our bioregion. While we live in a diverse bioregion, this study makes no claim that we have listened to the broader community. That was not a task that we had the resources to even attempt. Our socio-demographic profiles, however, give some information useful to those who wish to work within the social context of our bioregion.

The Purpose of the CLC Network

CLC participants gather periodically in different locales across the bioregion for one-to-two day working sessions, to update one another on activities and plans, and hold workshops on specific technical or organizational strategies. CLC events provide a unique venue for forest and watershed restoration practitioners in our region to discuss the practical aspects on-the-ground natural resource programs that are sustainable and equitable. Participants gain organizational exposure, strategic brainstorming, knowledge of funding opportunities, and moral support. Through networking, we work to ensure that large-scale programs reach the ground to support local, community-based forest restoration.

Collaborative Learning Circle activities over the years have included workshops, field tours, working session retreats, and conferences to share strategies, skills and lessons learned. CLC approaches recently narrowed to focus on capacity-building for emerging and underserved groups within the CLC network. CLC works to foster learning, meaningful exchange, and productive relationships among people with a diverse range of perspectives.



CLC has operated over the years as an informal network, with fiscal sponsorship under a variety of member organizations with tax-exempt status. It currently has a Steering Committee of 11 people, and operates by consensus during meetings. Its decisions bind only the CLC, and not its participant organizations.

Background on the CLC's Recent Shift to Mini-Granting

There were two primary motivators behind the founding of the Collaborative Learning Circle (CLC) in 1994. The first was the need for rapid knowledge transfer of specific forest-related expertise and organizational strategies. The second impetus was to increase the effectiveness of participant organizations by reducing duplication and competition, and increasing coordination. As the community-based

restoration movement grew and took hold, organizations evolved through phases, new ones emerged, and the collective regional capacity increased. CLC participants engaged in local, county, state, regional, national and international networks as well as this bioregional one. During the first 10 years, major vehicles for communication have been working sessions, email, and special workshops. Mini-grants were offered sporadically, on a small scale.

CLC spearheaded the development of the California Salmon Partnership with funding from the NOAA Fisheries' Community-based Habitat Restoration Program between 2003 and 2005. The partners were CLC, the National Oceanic & Atmospheric Administration (NOAA), Salmonid Restoration Federation (SRF) – a California-wide membership organization, and For the Sake of the Salmon (FSOS). This project provided organizational, watershed & fisheries technical assistance within coastal California, and was sponsored by the Redwood Community Action Agency (RCAA). This provided an excellent model for mini-granting on a larger scale.

During this same period, the overall capacity-building and networking of CLC was supported by two years of Ford Foundation grants to CLC, sponsored by the Center for Environmental Economic Development (CEED). The fiscal sponsorship rotated to the Redwood Community Action Agency in 2006. That year, RCAA received a grant from the Ford Foundation to support CLC's work: specifically, to fund \$85,000 in direct mini-grants to small organizations and projects. There were additional funds to continue networking on a limited basis, and to conduct a study regarding the further feasibility of funding mini-grant programs through a bioregional fund. This represented a major shift in spending and direction for the CLC, and provided the opportunity for this study as well as the CLC pilot large mini-grant program.



The Purpose of the Study; and the Methodology

The purpose of this study is to explore the feasibility of a forest and watershed fund or related options for serving underserved restoration practitioners within the bioregion of Northern California and Southern

Oregon. This study explores the need, possible support and the philanthropic prospects and options for such a fund.

The study has been conducted in five phases over a fourteen-month period. Methodology of the research study included a research team startup phase, followed by development of a survey protocol, questionnaire, and list of stakeholders, interviews and questions. After survey responses were received, follow-ups for clarification, survey analyses, and a needs assessment followed. Report sections were written

on local demographic statistics, needs assessment, philanthropic profiles, financial options and recommendations. Final steps included final drafts, peer review, and preparation for publication.



A Working Session of the CLC client community met to give input and to discuss the level of support for the overall concept, its workability and accountability. Hosting of the working session was part of this project. A Fund Organizing Committee was established during the Working Session, and defined its work for the coming year.

For purposes of this study, we have defined the “targeted underserved” as:

- financially poor
- unemployed or underemployed
- people of color or Indigenous
- youth
- seniors
- women (especially where gender balance has not been reached)

This could also be expanded to include:

- class barriers
- language barriers
- lifestyle barriers
- educational barriers such as literacy
- substance abuse barriers
- domestic violence barriers; and
- other forms of being underserved

The Research: The Listening Approach

As stated above in the preface, it was the intent of this research team to listen carefully to the needs and desires of this community of interest. A pilot project of extensive Mini-Granting was done during 2006-2007, with final reports coming in the spring of 2007. We have excerpted from these reports to give a flavor for the capacity building which small grants can accomplish. In these excerpts, the grantees speak through their own words on the funding success.

Secondly, through a broad survey of CLC participants, with an excellent response rate of nearly forty percent, we are able to summarize our findings regarding community profiles, needs, priorities, and attitudes towards a Bioregional Fund. Additionally, a meeting was held with two CLC participant groups who are 501(c)(3) Fund organizations, to examine possible local fund models and possibilities.

Thirdly, CLC hosted a Working Session on August 25, 2007 to listen to CLC participants discuss the concept of a Bioregional Fund.

We recognize that there is still further research, and certainly, further listening, to be done to best decide how to serve the targeted populations of the underserved within CLC's communities of interest. This Study is one step along that continuing process.





II - A CASE STUDY: THE MINI GRANT PROGRAM

Excerpts from the Final Reports

During 2006-2007, the Collaborative Learning Circle initiated a Pilot Mini-Grant program that circulated \$85,000 into the restoration community in the form of Mini-Grants. These grants were targeted for a subset of CLC participants who were considered to be among the underserved communities of interest. The subset was analyzed and selected by Madrone Enterprises, a consulting firm with longstanding knowledge of recipient groups and the ability to recommend these groups to the Steering Committee. A subcommittee of three Steering Committee members, chosen because they had no conflict of interest and were not applying for funds, reviewed the brief proposals and recommended the selections and amounts. The purpose of this approach was to develop a simple system that was effective, efficient, and fair. The results were very strong, and the final reports submitted by the groups were impressive and inspiring. What follows are excerpts from the final reports, in the words of the groups themselves...



Alliance of Forest Workers & Harvesters

THE ALLIANCE OF FOREST WORKERS AND HARVESTERS (AFWH):

The Alliance of Forest Workers and Harvesters (AFWH) is a multicultural organization promoting social, environmental and economic justice. We exist to share and provide information and education; encourage participation in decision-making processes that affect our lives; be mutually supportive and respectful of forest workers and harvesters cultures, communities and individuals, and foster communication among all; and promote the understanding of each others' struggles and issues throughout the Pacific West.

The AFWH is a grassroots multicultural (Latino, Native American, SE Asian, and European American) three-state membership organization made up of forest workers and non timber forest product (NTFP) harvesters. Founded in 1997, our programs have included organizing, outreach, research (including multiparty monitoring, mushroom monitoring projects, participatory research, workforce assessments of Spanish and English speaking forest contract laborers), training in

appropriate languages, peer to peer, leadership and capacity building within underrepresented forest worker and harvester communities. Other programs include

--Crescent Lake Mushroom Monitoring Project --Multiparty monitoring with Mien, Cambodian, Lao, Spanish, English speaking wild mushroom harvesters in Oregon;

--Community Based Training for Sustainable Stewardship -- building local workforce capacity for ecosystem management contracting;

--Community-Based Organizing Projects -- a small grants program offered directly to small groups or communities involved in forestry and forestry issues.

“The AFWH brought 30 multicultural forest workers (about half the audience) to come and speak directly to these officials about what they had seen over the past year in the woods. The CLC funding helped support the workers participation, transportation and food. The AFWH supplied interpretation for Spanish speaking workers and mentoring for them to feel comfortable attending and speaking. We set up four vehicles to transport everyone and held meetings with interpretation before and after to discuss the workers’ concerns. We also made lunches for the workers and ate in the parking lot before the event. Three wives of workers who could not attend the meeting came and shared their experiences in regards to the treatment of their husbands who work in the forests on public lands.”

-- AFWH Final Report

year of stepping up enforcement of forest labor laws on public lands. The AFWH brought 30 multicultural forest workers (about half the audience) to come and speak directly to these officials about what they had seen over the past year in the woods. The CLC funding helped support the workers participation, transportation and food. The AFWH supplied interpretation

We also work on local and national policies/ laws that directly affect forest workers and NTFP harvesters in the Pacific West. It is a priority to have forest workers and harvesters speak for themselves in policy venues/ meetings because these voices are usually left out when land management/ labor decisions are being made which directly affect their daily lives. We work in partnerships whenever possible and have developed strong allies within the grassroots forestry movement.

Since receiving these funds we have been successful in setting up a basic website and we continue to improve on it...

Two grant applications were successful for funding small amounts of work...

We used the rest of the funds for a critical forum . . . on “Working Conditions of Forest Laborers on Public Lands”. This forum was for Washington DC officials to come to the Pacific Northwest to report back on what the USFS and DOI found after a

for Spanish speaking workers and mentoring for them to feel comfortable attending and speaking. We set up four vehicles to transport everyone and held meetings with interpretation before and after to discuss the workers' concerns. We also made lunches for the workers and ate in the parking lot before the event. Three wives of workers who could not attend the meeting came and shared their experiences in regards to the treatment of their husbands who work in the forests on public lands.

This meeting was important because the agencies were supposed to step up protection of forest workers on public lands. Though the agency representatives believe they are making improvements the workforce representatives voiced concerns about the lack of enforcement and the same poor working conditions as before regarding treatment of laborers on public lands.

In conclusion we greatly appreciate this mini grant and it came at a very crucial time for us. The simple process that was set up for the mini grantees to access this funding is valuable because it lessens the paper work and offers the grantees an opportunity to focus on their work. With great appreciation we thank the CLC for their contribution to our work.



KARUK INDIGENOUS BASKET WEAVERS:

While Karuk basket weavers have been practicing basket weaving since time immemorial, it wasn't until 1993 that the Karuk Indigenous Basket Weavers formed as an organization, following the formation of the California Indian Basketweavers Association. It was at that time that basket weavers decided that they needed to come together as an underserved community in order to assert their rights to access cultural use areas on public lands and participate in land management decisions in order to enhance both community and forest health. The organization is currently in the process of obtaining non-profit status. Through this process, basket weavers decided that the mission of the Karuk Indigenous Basket Weavers was to:

- 1) Preserve and maintain the Karuk tradition of basket weaving and the gathering of traditional Karuk basket materials.*
- 2) Enhance, maintain and protect plant communities that are essential for use in the weaving of Karuk baskets.*
- 3) Work in cooperation with land management agencies to achieve forest and community health.*
- 4) Promote Karuk cultural practices that help us to obtain materials of appropriate quality and quantity and sustain our weaving tradition.*
- 5) Teach the technique of Karuk basket weaving to future generations.*

“As an organization, the Karuk Indigenous Basketweavers assist the underserved population of Native Americans, especially women and youth, within the underserved area of the Karuk ancestral territory. Basket weavers themselves are often considered forest workers – whether they sell their baskets as a value-added non-timber forest product, participate in subsistence gathering while gathering basket materials, or actively manage forest stands for cultural resources.

The ‘Following the Smoke’ camp employs basket weavers and traditional plant experts as teachers and practitioners during the week of the camp.”

-- Karuk Indigenous Basket Weavers Final Report

Involvement in the past 18 months of CLC activities:

As an organization, the Karuk Indigenous Basketweavers assist the underserved population of Native Americans, especially women and youth, within the underserved area of the Karuk ancestral territory. Basket weavers themselves are often considered forest workers – whether they sell their baskets as a value-added non-timber forest product, participate in subsistence gathering while gathering basket materials, or actively manage forest stands for cultural resources.

The “Following the Smoke” camp employs basket weavers and traditional plant experts as teachers and practitioners during the week of the camp.... Each year the Karuk Indigenous Basket Weavers co-sponsor an event titled “Following the Smoke.” All of the organization’s revenue is associated with the event. Other than that, all activities were volunteer. All of the funds made available through this mini-grant (were) used for the “Following the Smoke” event in July 2007.

The funds (went) towards stipends for basket weavers, traditional plant experts and supplies.



CALIFORNIA INDIAN BASKETWEAVERS ASSOCIATION (CIBA), NORTHCOAST:

---CIBA sought Capacity Building funds for strategic planning and fund development.

The California Indian Basketweavers Association (CIBA) is a statewide, intertribal non-profit organization dedicated to preserving, promoting and perpetuating California Indian basketweaving traditions. Basket weaving is a central and essential element of traditional California Indian culture, but it had been nearly lost. Basketweaving integrates traditional lifestyles and land ethics of Native peoples of California, and is essential for perpetuating tribal culture.

CIBA came together in order to empower Native women and men to educate the public and their own tribes about these and the many other issues surrounding basket weaving. CIBA supports weavers to continue this tradition, and to work for needed public policy changes. Our education and advocacy work is much broader than basket weaving alone might imply. We have had to overcome prejudice on many levels, and we have worked to overcome obstacles both within our own tribal structures and within the dominant society.

After 16 years, CIBA has built a strong basket weaver support structure that has resulted in a resurgence of basket weaving among tribal people. While there were only about 250 traditional weavers in 1991, today there are over 800 weavers, and the number is growing. CIBA members are in great demand today as spokespeople advocating for appropriate museum programs and displays, as teachers, demonstrators, consultants, and advisors.

- The Northcoast Weavers Office (NWFO) continued to facilitate basketweaving and language classes in tribal schools.
- NWFO started a class with unemployed Native woman

“After 16 years, CIBA has built a strong basket weaver support structure that has resulted in a resurgence of basket weaving among tribal people. While there were only about 250 traditional weavers in 1991, today there are over 800 weavers, and the number is growing.”

-- CIBA Final Report

Renee Stauffer, CIBA vice-chair has served as a steering committee member for the Collaborative Learning Circle. She has shared with our board and staff CLC’s short and long-term goals and how we as organizations can partner into the future. CIBA is also a cohort of the Karuk Basketweavers and the Alliance for Forest Workers and Harvesters. We share in many of the same goals. We also come together over our need to protect California’s forests and protecting practitioners from harmful chemicals.



**SEVENTH GENERATION FUND
FOR INDIAN DEVELOPMENT:**

---This group re-granted to small projects done by recipient groups.

Founded in 1977, the Seventh Generation Fund (SGF) is an Indigenous-led, identity-based non-profit organization whose mission is to promote, protect and maintain the uniqueness of Native peoples and the sovereignty of our distinct Tribal Nations. Our work is firmly based on the belief that

Native American peoples best know and understand the challenges we face in our own communities and that, given the opportunity and access to resources, can and will develop solutions to these problems.

“By providing small grants, issue advocacy, training, technical assistance, capacity building and leadership development, SGF serves as a catalyst for Native empowerment for emerging, grassroots groups and established projects that are often working in isolation and overlooked by other philanthropic organizations.”

-- SGF Final Report

In Northern California, SGF has worked with many different projects to provide services in seven program areas: Arts and Cultural Expression, Environmental Health and Justice, Intergenerational Leadership Initiative, Human Rights, Sacred Earth, Sustainable Communities and Women’s Leadership.

Services we provide: By providing small grants, issue advocacy, training, technical assistance, capacity building and leadership development, SGF serves as a catalyst for Native empowerment for emerging, grassroots groups and established projects that are often working in isolation and overlooked by other philanthropic organizations.

In June, 2005, Seventh Generation Fund and CLC successfully co-hosted the initial Traditional Knowledge and Environmental Stewardship Conference (TKES) in Fortuna. This was the first time that traditional Native peoples from the Hupa, Wiyot, Yurok and Karuk Tribes came together to share Earth Renewal philosophies and their unique ecological knowledge with regional environmentalists, forest workers, harvesters, gatherers and restoration groups. Renowned speakers included Native culture bearers, educators and tribal leaders.

Capacity building needs: Many of the Native grassroots community groups we support are successful in conceptualizing projects or programs to directly benefit their communities but, due to a lack of resources or



training, are unable to meet their goals of completing or implementing their projects. The assistance we provide in the form of small grants, training and technical assistance increases their overall capacity to succeed by helping them learn, among other things, how to launch public awareness campaigns, design promotional materials and conduct research and outreach activities. SGF assistance enhances the ability of small groups to organize within their communities and work independently to ensure that they successfully meet their objectives.

Funds were re-granted to Native American projects in Northern California that are engaged in forest restoration, forest product development and/or gathering in support of Native material cultures, a follows.

(1) Traditional Greenwood Furniture and Pole Lathe Workshop: A month-long workshop during which participants learn how to make traditional greenwood furniture using basic tools such as a pole lathe and shave horse. Funding helps cover the costs of providing materials and a workplace for the training. Yurok master craftsman George Blake, founder of Coyote’s Paw artisans’ cooperative, taught participants to use pine, fir, maple, madrone, and white oak and burl, to construct basic household furniture items.

(2) Traditional Deer Sinew-backed Bow Making Workshop. Sinew-backed bow making is a traditional art form used by many Native tribes in California and throughout the nation. However, this particular bow-making art form was perfected over many generations in Northwestern California by the Yurok, Karuk and Hupa Tribes. These bows are also used extensively in ceremonies conducted by these three tribal groups and are constructed from yew wood, a hardwood tree found in the Pacific coastal mountains, and sinew, the shredded fibers from the tendons of deer. The grant helped fund the costs of travel, coordinating the training, gathering materials and purchasing tools that could not be made by hand.

(3) Yurok Traditional Canoe Project: Glenn Moore Sr., 88, is an honored elder and one of the last master craftsmen in the traditional art form of building Yurok redwood dugout canoes. “I want to share my skills and knowledge of canoe building, as well as some cultural history and language.” What was originally conceived as a project to build two canoes evolved into process of building ten! The canoes will be used by the Hupa and Yurok peoples during World renewal Ceremonies, including the White Deerskin and Jump Dances. “It’s felt real good to see young people come to learn this ancient art form. I’ve been encouraged to see how many people want to learn about carving and paddling our canoes,” (quoting Glenn Moore).

“Many of the Native grassroots community groups we support are successful in conceptualizing projects or programs to directly benefit their communities but, due to a lack of resources or training, are unable to meet their goals of completing or implementing their projects. The assistance we provide in the form of small grants, training and technical assistance increases their overall capacity”

-- SGF Final Report



(4) Maidu Cultural and Development Group. The Maidu Summit is made up of ten Maidu tribes and organizations to preserve and protect traditional homelands. Their vision is to promote continuation of their culture for future generations and guarantee the health of their land, including forests and wetland habitats. They are establishing a program for monitoring and evaluating land acquisitions and provide forums for discussion and strategizing.



THE MID KLAMATH WATERSHED COUNCIL:

MKWC has made good use of the money for our Noxious Weeds program, Fisheries program, and in the development of our Strategic Plan. We thank you again for the opportunities this grant has afforded.

Equipment

We purchased much needed equipment for the office, two computers and a DLP projector; for the Noxious Weeds Program, two weed wrenches; and for the Fisheries Program, a dry suit for use on the Spawning Salmon surveys.

The computers have filled an important need for the organization, now that we have two Ameri-Corps volunteers, as well as our regular staff members in the office. Likewise, the DLP projector has been well used at meetings, presentations, and for film showings, and so has been a valued part of a general capacity building phase we are going through as an organization.

“The weed wrenches were used throughout the fall and winter by volunteers for particular projects, such as removal of noxious weeds at the new Native Plant Garden at the Karuk Community Center, in Orleans, and USFS cooperative projects on satellite Scotch Broom plant populations in the Six Rivers National Forest.”

-- MKWC Final Report

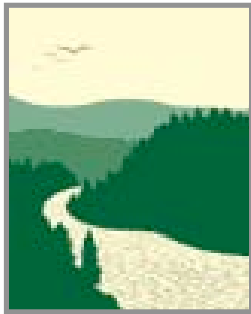
Tools

The weed wrenches were used throughout the fall and winter by volunteers for particular projects, such as removal of noxious weeds at the new Native Plant Garden at the Karuk Community Center, in Orleans, and USFS cooperative projects on satellite *Scotch Broom* plant populations in the Six Rivers National Forest. The tools have been loaned out to landowners for use on private properties and have been successful with *Trees of Heaven* as well as chipping away at the daunting quantities of *Broom* in our area.

The dry suit acquisition was the beginning of outfitting our Fisheries Program, as we become more official participants in cooperative data collecting and restoration projects. With the new waders and boots that Patagonia recently donated, our fisheries equipment prepares us for participation in the cooperative seasonal Spawning Salmon Surveys (Klamath River tributaries and the Salmon River), both diving and walking surveys, and the operation of two screw traps in Klamath tributaries, collecting data on juvenile fish, daily for four months a year.

Planning

The strategic planning process, with members of our Board of Directors and staff, has continued with successful results. The process of refining our vision and prioritizing our goals is an important continual task but too often is put on a back shelf as busy staff and board members deal with day-to-day activities and schedules. The CLC grant has been helpful in allowing us the time to focus on this important process. We want to thank you again for your financial support. It has contributed significantly to increasing our organizational capacity at this stage in our development.



REDWOOD REGIONAL WATERSHED CENTER:

—Helping to organize the Klamath Watershed Conference 2006

This entailed monthly phone conferences and increased to weekly conference calls in the final month prior to the November 7-9, conference. Funds provided for conference development, coordination and financial assistance for coastal fisheries/tribal representatives to attend. The RRWC Director spoke on two panels: “People of the Watershed” panel and “Getting to Solutions” panel.

It also provided funding for a coastal representative, and conference panelist to participate in conference development, develop a table top display showing the coastal salmon habitat restoration efforts, and also speak on the “Getting to Solutions” panel, (and to) assist with travel expenses and registration for approximately 15 people who came from the coast and requested scholarships.

The Conference panels had balanced stakeholder representation, farmers, ranchers, small and large communities including upper, mid and downriver Klamath Tribes, and coastal representation from the ports in CA and OR nearest the mouth of the Klamath River – all salmon people dependent on the health of Klamath salmon stocks.

—Stream Restoration Project of the Klamath River Early College of the Redwoods (KRECR)

The students and staff of KRECR requested the funding of a stream restoration project to take place during the late spring/early summer and late summer /early fall 2007. Their goal is to utilize the expertise of the Yurok Tribe Fisheries, Watershed and Environmental Program to start an ongoing learning and service project for the students of KRECR. They seek to gain the scientific skills necessary to restore local creeks and streams to a measure of health that supports a vibrant, native botanical and fish and wildlife population.

“The Conference panels had balanced stakeholder representation, farmers, ranchers, small and large communities including upper, mid and downriver Klamath Tribes, and coastal representation from the ports in CA and OR nearest the mouth of the Klamath River – all salmon people dependent on the health of Klamath salmon stocks.”

-- RRWC Final Report

As of May 15, 2007, the watershed project group has completed its work with the Watershed Restoration Department of the Yurok Tribe. Photo documentation of the Mc Garvey creek restoration work along with interviews of staff has been completed and are being compiled into our website.

We have arranged for the College of the Redwoods print shop to produce educational posters that are being created by our watershed group. These posters will be distributed to local schools, organizations and more as teaching tools. Also, we will have water bottles made with the theme of our project, “Take Care of the Fish and the Fish Will Take Care of You!”



LOMAKATSI RESTORATION PROJECT:

Our mission is to organize and implement community based ecological restoration projects through education, vocational training, specialized workforce development and the utilization of restoration by-products, encouraging the recovery of ecosystems and the sustainability of communities, cultures and economies.

A portion of the grant was used to augment development of a National Forest Foundation proposal for workforce and contactor training in the Tiller area in Oregon. Lomakatsi also continued to replicate the Tiller workforce training and stewardship demo program in the Illinois Valley / Cave Junction area, through association with other Stewardship Contracts. Efforts to bring workforce-training programs directly to underserved

workers in rural Josephine County occur in different ways than in Tiller, in part because the BLM is putting out contracts in Josephine County.

Funding allowed us to continue to participate in three important long-term collaborative regional groups, both directly, and through a subcontract with the Siskiyou Project: “The Knitting Circle”, Fire Learning Network/Applegate Partnership, and Josephine County Integrated Fire Plan Stewardship Committee. These groups are variously influencing regional forestry, biomass, utilization and stewardship projects. Lomakatsi is the only grassroots, worker-oriented organization at these regional meetings – and it is these important meetings that eventually lead to workforce empowerment opportunities and long-term employment.

Tiller program activities included, among others:

- Lomakatsi pursued several private grants from environmental and community oriented foundations to match federal dollars, conduct monitoring and evaluation with our science advisors and environmental partners, share the model and details of our ecological approach, and most importantly, help local businesses, workers and entrepreneurs in rural communities, especially Tiller.
- Field tour and presentation for the multi-stakeholder Provincial Advisory Council and the Provincial Interagency group.
- Lomakatsi held a week-long training for 10 Tiller-based loggers, landowners, forest workers and entrepreneurs. These are the people that will implement future projects. Lomakatsi is supporting people that are starting contracting businesses: a couple of guys seek to begin logging with light-touch equipment; another is testing different value added processing and marketing schemes, and one wants to start a nursery.

Model replication in Josephine County:

- Lomakatsi subcontracted with the Siskiyou Project in order to facilitate the replication of the Tiller model for stewardship, training, monitoring and community involvement in stewardship in Josephine County.
- Participation in local Cave Junction, Grants Pass and remote Illinois Valley community and agency events serves local opportunities through incentives for Agency and environmental organizations to collaborate on the design and implementation of stewardship contracts.
- The Siskiyou Project participates in the Josephine County Stewardship group.

—Moving up to High Capacity
(with a variety of funding sources, including CLC)

Lomakatsi built capacity and a green collar workforce through implementing large National Fire Plan grants. Those grants now go primarily to the Oregon Department of Forestry, in part because ODF has their state budget for non-federal match. Lomakatsi is now much more focused on Federal Stewardship projects.

These projects fulfill our mission to provide workforce development and employment. To implement projects of this scale Lomakatsi employees up to 30 persons. Lomakatsi is still much in need for capacity funds to continue development of important ecological restoration programs, projects and outreach to provide employment and multiple benefits to our growing restoration workforce, their families, the agencies we partner with and the ecosystems which are depending on us...

ROUND VALLEY'S WATERSHED EDUCATION AND TRAINING PROJECT:

---This fledgling organization was able to continue its curriculum project in the schools near Covelo for a year with this mini-grant.

Volunteer watershed educators work directly with teachers and students and go into classrooms one day a week. By giving this time students learn: collaboration, team work, how to be stewards of their environment, how to make a major positive difference by caring for their communities as well as basic botany, wildlife biology. We bring in speakers to excite and delight students and to nourish their appetite for learning.

Two critical needs are obtaining funding for fieldtrips to two local streams as part of Round Valley Indian Tribes Natural Resource Adopt-Mill-Creek project. (restoring 4000 feet of a local creek) Last year the school agreed to \$500 transportation however it looks unlikely there's a budget at all for field trips this next year) Students work side by side with Tribes work crew to plant trees and participate in stream survey/water monitoring/fish count. We also hope to go to Hollow Creek Hatchery and Leggett Ropes Course to supplement our lessons.

Watershed Education
(sample curriculum entries)

Core program: Native Plant propagation, fish count and stream survey, restoration techniques, water cycle, riparian wildlife, macro-invertebrate survey, fish cycle, fish in the schools, Native American Salmon folklore,

related arts, building a watershed, where your water come from, non-point groundwater pollution, fish release, discussions - do we need hatcheries? Dams?

Fish in the Schools Project:
Teambuilding activities, The Fragile Earth handout, Intro to Water Cycle, Intro to What is a watershed, Water Olympic Lab, working on a Water Cycle game board to be completed following STAR testing, middle of May 2007. Field trip to Mill Creek. Field trip to Greenhouse. Stream walk and stream monitoring field trip. Fish Release Field trip.

Native Plant Propagation project: Two fieldtrips to professional greenhouse. Students propagate and raise native trees for Tribal Natural Resources and will receive \$1. for every tree turned over to the Tribe's Mill Creek Restoration project in June. Goal is to get their greenhouse completed and learn how to manage and work a Native Plants nursery. Janet from M&M Feed is willing to come into class to share her business experience with starting a nursery business.

Sample Curriculum

“Core program: Native Plant propagation, fish count and stream survey, restoration techniques, water cycle, riparian wildlife, macro-invertebrate survey, fish cycle, fish in the schools, Native American Salmon folklore, related arts, building a watershed, where your water come from, non-point groundwater pollution, fish release, discussions - do we need hatcheries? Dams?”

-- Round Valley's Watershed Education & Training Project Final Report

FORESTRY ACTION COMMITTEE:

The Forestry Action Committee (FAC) was founded 13 years ago with assistance from the Siskiyou NF as a citizen group to develop grass roots solutions for the environmental / fishery / community sustainability challenges of the Illinois Valley in Oregon. To meet these challenges we have developed ongoing Fire, Tree Planting, Wild Mushroom Monitoring and Noxious Weed Control Programs. Programs adapt and interweave, always taking their direction from the grass roots priorities of the community. FAC's mission is to improve the health of the Illinois River Basin, its fishery and community, through a broad-based, consensus focus on sustainable forestry, restoration and training. Our ground rules are mutual courtesy and respect.

The ways in which FAC provides services to the underserved and workers in our area: The Illinois Valley is dominated by the patterns of national public land management. The valley has a large low-income population

who are underserved and disempowered by federal land management culture, habits and practices. The health of the land and the community suffer from this imbalance. Since we take our direction from the grass roots, FAC is an effective tool for empowerment of the underserved.

Specifically in the Noxious Weed Program, we pioneer an emphasis on species priorities and control methods that express the community. The

“The valley has a large low income population who are underserved and disempowered by federal land management culture, habits and practices. The health of the land and the community suffer from this imbalance.”

“With our help, people are acquiring hope that they can wrest ownership of their land back from the weeds through methods they are willing to use.”

-- FAC Final Report

community is responsive because there are no artificial barriers to their participation in weed control. With our help, people are acquiring hope that they can wrest ownership of their land back from the weeds through methods they are willing to use.

We provide jobs for a local weed crew who are low income and underserved and who tend to fall through the cracks. They are now an experienced professional crew, able to earn a living, take pride, share their expertise and set an example.

Critical need and capacity building merge here for the health of NFS and BLM lands which adjoin the Takilma community, for private lands in the Takilma community, and for the capacity building, health and welfare of the people of Takilma sub community as they begin to assert control of what grows on their land.

—Excerpts from 2006 Takilma Road Meadow Knapweed Project Final Report

As in all Forestry Action Committee (FAC) projects, we had two sets of objectives:

1) on-the-ground physical objectives, and 2) social objectives.

There were two on-the-ground objectives for the Takilma Road Project. One was to create a weed-free road corridor along the particularly strategic section of Takilma Road which goes through the Takilma community with the work done by the FAC Weed Crew working the road sides. This 4.5 mile stretch of road was densely populated with Meadow Knapweed and was a constant source of new Knapweed populations on the public land. The second on-the-ground objective was to expand the width of the weed-free corridor onto the adjacent private properties

through volunteer participation of the landowners and other community volunteers.

The Weed Crew cleared the right-of-way on both sides of two and three quarter miles of Takilma Road this year. This reduced amount was consistent with the stated expectations because we only received two thirds of the match funding we applied for, and because the Crew had to start up after the ground had already dried out and hardened due to the timing when the match funding arrived. Weed work was done by fourteen landowners on approximately forty-seven acres of land directly along the road, thereby expanding the weed-free road corridor leading into the public land.

“We provide jobs for a local weed crew who are low income and underserved and who tend to fall through the cracks. They are now an experienced professional crew, able to earn a living, take pride, share their expertise and set an example.”

-- FAC Final Report

2) Social objectives

Our social goal is always to build the human patterns, habits and relationships of ecosystem balance, focused in this situation on weed control. The past set of solutions, habits and relationships moved us to our current problems. You can throw a lot of money at a situation but the changes remain short term and the situation reverts unless the relationships become those that move the situation forward to new realities. This proves to be a fascinating and infinitely rewarding journey into empowerment, where success means that everyone else gets the credit, and properly so.

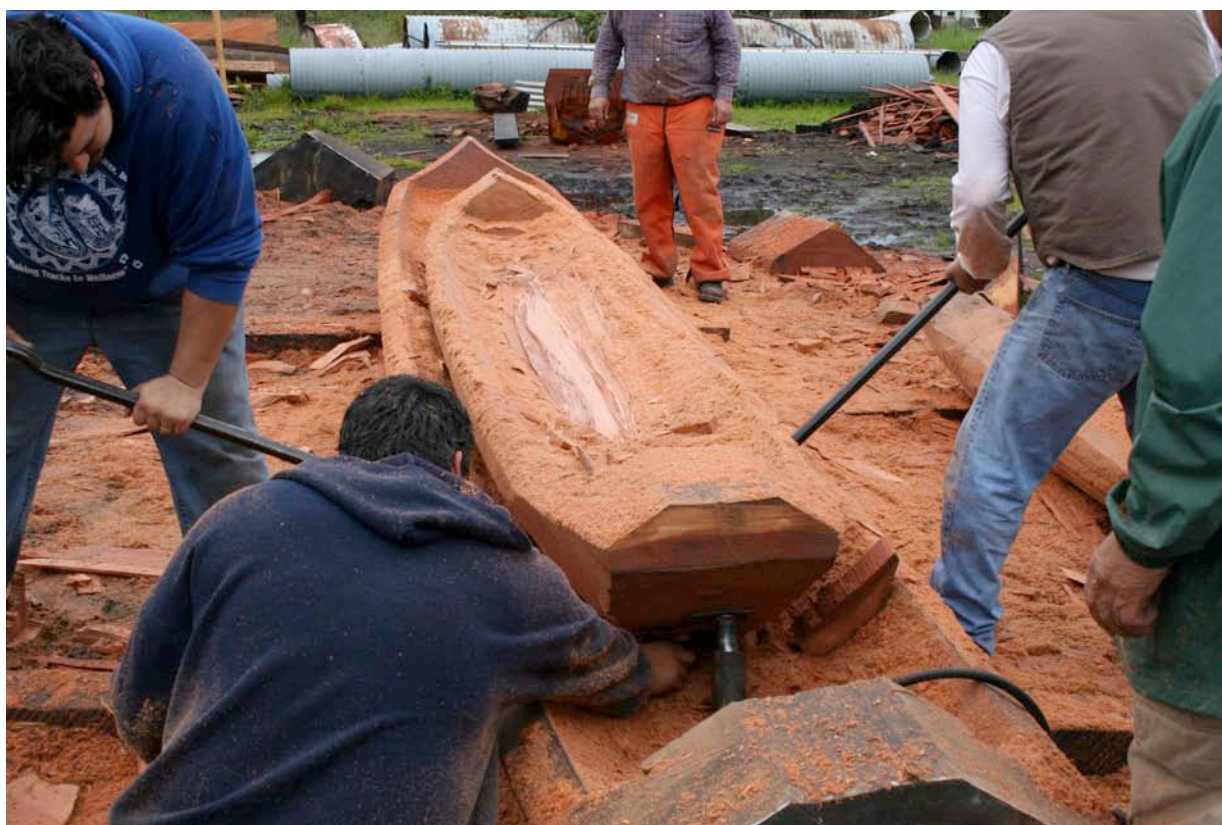
Development of the landowner vision is a basic building block. The Coordinator encouraged landowners to think about and express what they want their land to be, their road, and their public land. We take landowner visions seriously, and honor opinions even when we think they are silly, because the process of honoring is important. Then we problem solve together on how to get there. Each Program (Trees, Weeds, Wild Mushrooms, and Fire) has its special qualities, energies and challenges. The need to pull together is a concept that emerges constantly in connection with weed control. Exactly how to create and make one's own the habits, patterns and relationships of pulling together, how to integrate these new realities into the intimacies of one's daily life so that ongoing weed control is accomplished

“Ecosystem imbalance is always partly a matter of imbalance in the human relationships. So restoring balance is not just a matter of removing the weeds. It is also a matter of adjusting the patterns of human relationships so people will maintain balance with the plants around them.”

-- FAC Final Report

according to one's goals and visions, is a large challenge. Budding efforts are outlined in this report.

Ecosystem imbalance is always partly a matter of imbalance in the human relationships. So restoring balance is not just a matter of removing the weeds. It is also a matter of adjusting the patterns of human relationships so people will maintain balance with the plants around them.



III - SOCIO-ECONOMIC PROFILE OF THE BIOREGION

The bioregion includes Northern California and Southern Oregon, with counties as statistically profiled below. Please note that wherever “Hispanic or Latino descent” is mentioned, the population may include Indigenous peoples from Central and South Americas as well.



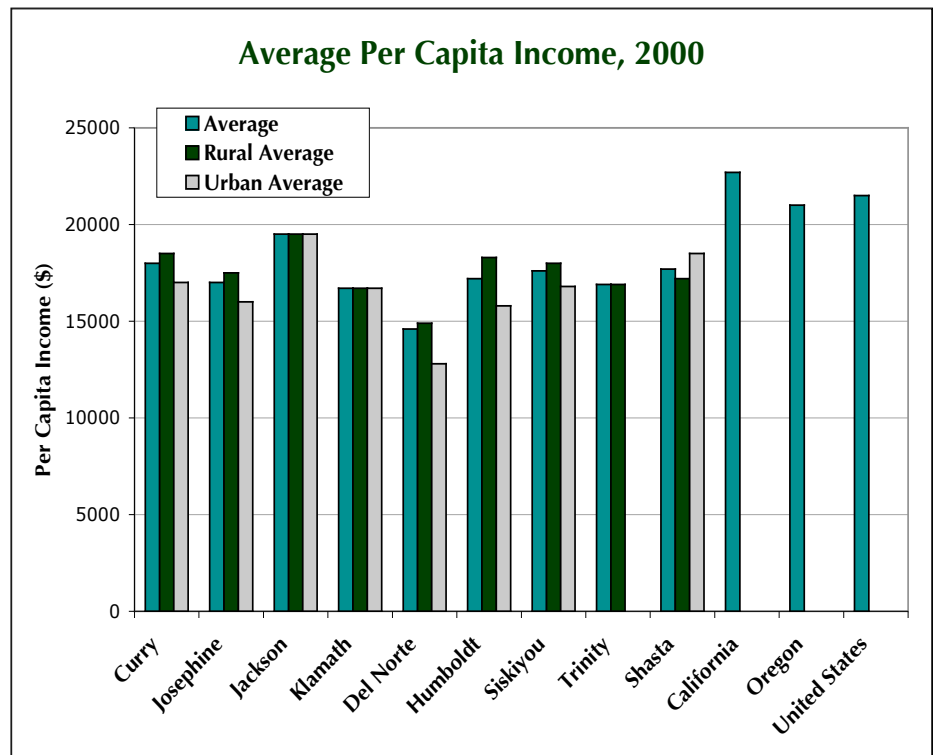
JOSEPHINE COUNTY, OREGON

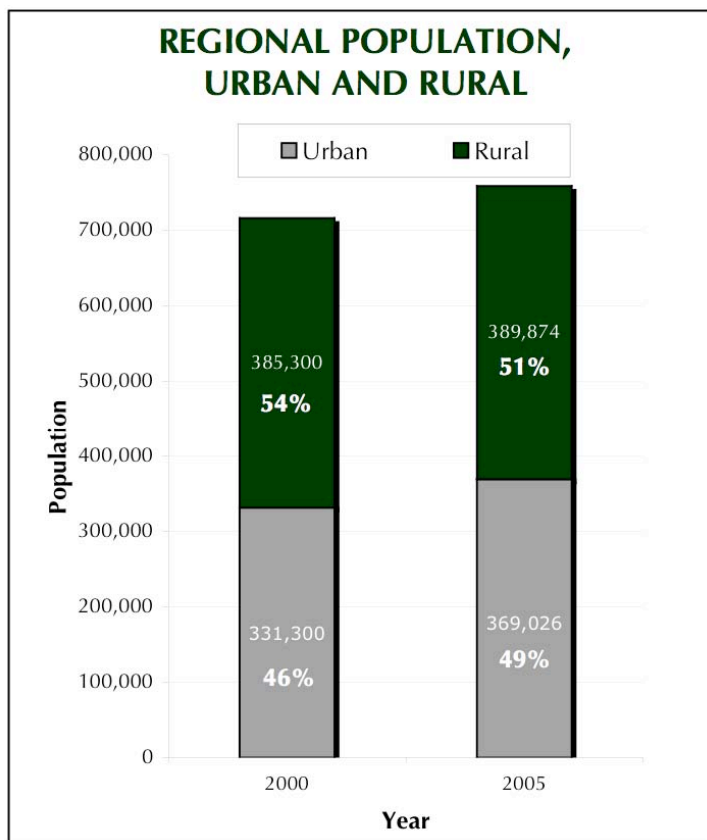
In 2000, the U.S. Census reported a population of approximately 76,000 living in Josephine County. Of these, approximately 23,000 live within the city of Grants Pass. For this analysis, Grants Pass is considered “urban,” leaving the remaining 53,000 people, 70%, as “rural” residents. There was a 4,000 gain in population by the year 2005, and as of that year, rural residency had declined to 64%.

Rural Josephine County is about 6% non-white, with urban areas at about 8% non-white. Countywide, there are approximately 3200 people of Hispanic or Latino descent (and may include Indigenous peoples from Central and South Americas), about 950 American Indians, and less than 500 each of Asia- and African-American descent. Notably, 700 of the 950 American Indians live in rural areas.

The age distribution between the rural and urban areas of Josephine County differs slightly. Residents of working age (between the ages of 18 and 65) make up 58% the rural population, and 55% of the urban.

Housing units in Josephine County as a whole are approximately 70% owner occupied, with a wide variance between urban and rural. This is higher than the national average of 66% and the Oregon average rate of 64% owner occupied. In Grants Pass, this drops to 53% owner occupied and





47% renter occupied. In rural Josephine County, owner occupied units make up 77% of the total, with only 23% rental units.

Per capita, the average income in Josephine County was approximately \$17,000 in 1999 dollars. In Grants Pass, the average was lower, at \$16,000. These are lower than both the national per capita average of \$21,500 and the Oregon average of \$21,000. Approximately 1,200 individuals, or 15%, are below the United States poverty level in the county. This is higher than the national average of 12.5% and the Oregon average of 11.6%.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Josephine County was 6.7% in 2006. This is the lowest annual unemployment rate the county has had in the last 10 years. This figure does not include those who have dropped off the unemployment rolls.

JACKSON COUNTY, OREGON

In 2000, the US Census reported a population of approximately 181,000 living in Jackson County, with approximately 110,000 of these within Ashland, Medford, and surrounding suburbs. For the purposes of this project, those populations have been identified as the “urban” population of Jackson County, leaving the remaining 71,000 people, 40%, as “rural.” The population in Jackson County had risen to 195,000 by 2005, with a decline in rural population to 36%.

The population of Jackson County is mostly white, 92-93%. This distribution is mostly the same throughout the rural and urban areas. Hispanic or Latino descendents total 8300, or 4.6%, American Indians and Asians are about 1 percent each, and African Americans are about 1/2 of 1 percent.

The age distribution between the rural and urban areas of Jackson County is similar. Residents of working age (18-35) make up 60% of the rural area, and 59% of the urban population.

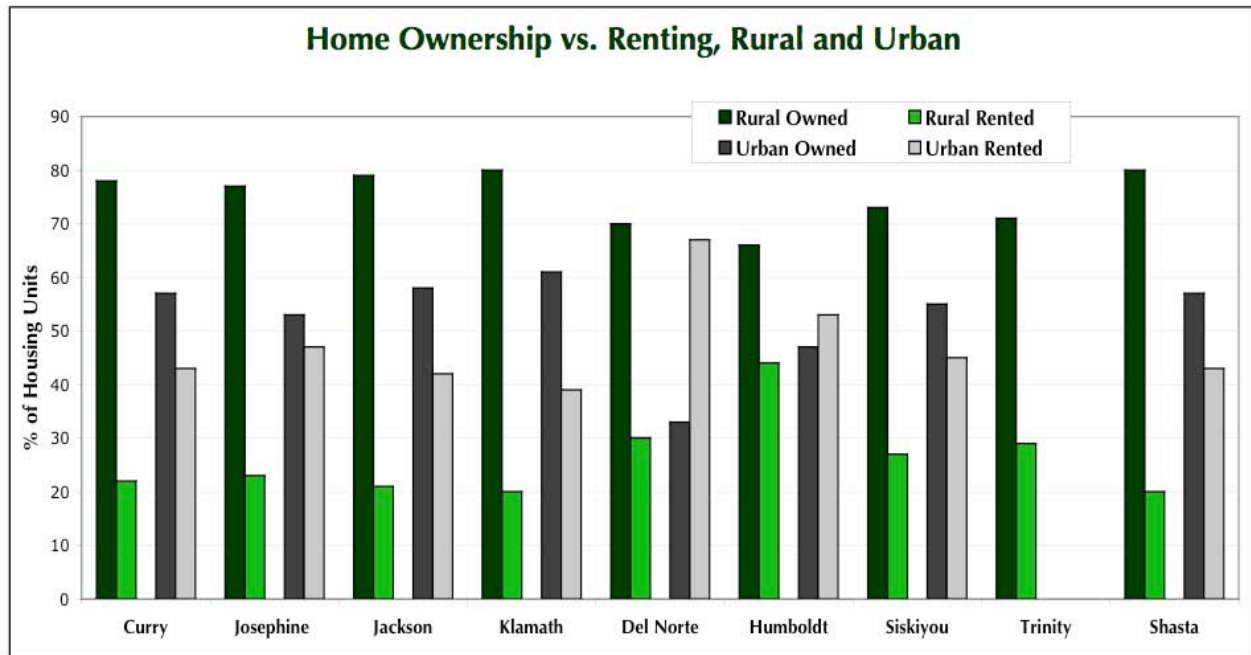
Housing units in Jackson County as a whole are 66% owner occupied, the same as the national average of 66% and higher than the Oregon average of 64%. Significantly, rental units are 42% of the total housing stock in the urban areas, and only 21% in the rural areas.

Per capita, the average income in Jackson County was approximately \$19,500 in 1999 dollars. This is lower than the national per capita average of \$21,500 and the Oregon per capita average of \$21,000. A total of 22,000 individuals were below the United States poverty level in the county, or 12.2%. Nationally, approximately 12.4% of residents are below the poverty line and in Oregon 11.6% of the population are below the poverty line.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Jackson County was 5.8% in 2006. Over the last 10 years, the unemployment rate has fluctuated between 7.6% and 5.5%.

CURRY COUNTY, OREGON

The US Census reported a population of approximately 21,000 living in Curry County in the year 2000. Of this, approximately 5,500 live within the town of Brookings. For the purposes of this project, the population of Brookings has been identified as the “urban” population of Curry County, leaving the remaining 15,500 people, 74%, defined “rural” residents. According to US Census estimates, the population in Curry County has risen to approximately 22,400 in 2005. The rural population rose to 16,000, but declined from 74% to 71% of the total county.



According to the 2000 US Census, the population of Curry County is 7% non-white. This distribution is mostly the same throughout the rural and urban areas. Approximately 760 residents of Curry County are Hispanic or Latino. This is 3.6% of the population. Native Americans are 2% of the total Curry County population, Asian-Americans are at 1%, and African Americans are 1/2 of 1 percent.

Residents between the ages of 18 and 65 make up 55% of the rural population, as opposed to 52% of the “urban” population.

Housing units in Curry County as a whole are approximately 73% owner-occupied. This is higher than the national average of 66% and the Oregon average of 64% owner occupied. In Brookings, this rate drops to 57% owner occupied and 43% renter occupied. In rural Curry County, owner occupied units make up 78% of the total occupied housing units, and renters drop to 22%.

Per capita, the average income in Curry County was approximately \$18,000 in 1999 dollars. In Brookings, the average per capita income was lower than the county, at \$17,000. Both are lower than the national per capita average of \$21,500 and the Oregon average of \$21,000. Approximately 2,500 Curry County residents are considered to be living below the United States poverty level. Approximately 11% of Brookings residents are below the poverty level while approximately 12.5% of rural residents are. This is comparable to the national rate of 12.5% below the poverty level and the Oregon rate of 11.5% below the poverty level.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Curry County was 7% in 2006. This unemployment rate has been steady in the county for the last 3 years.

KLAMATH COUNTY, OREGON

In 2000, the US Census reported a population of approximately 64,000 living in Klamath County. Of this population, approximately 19,500 are living within the city of Klamath Falls. For the purposes of this project, the populations of Klamath Falls have been identified as “urban,” leaving the remaining 69%, as “rural”. According to US Census estimates, the population in Klamath County has risen to approximately 66,000 in 2005. The rural community now makes up 70% of the population.

According to the 2000 US Census, the population of Klamath Country is 13% non-white. The racial distribution is mostly the same throughout the rural and urban areas. Black or African American residents make up 1% of

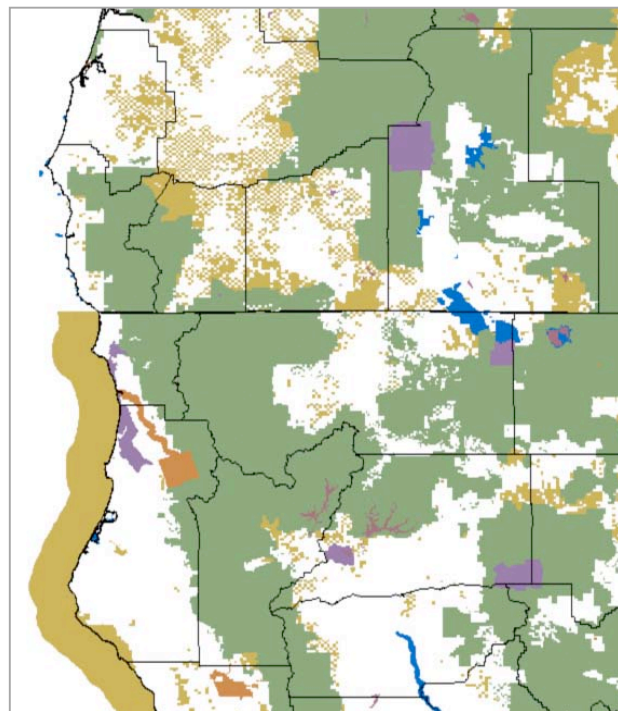
the urban population and .5% of the rural population. American Indian or Alaskan Native residents make up nearly 4.5% of the urban population and 4% of the rural population. Asians are .5% of the rural population and slightly over 1.25% of the urban population. Native Hawaiian or Pacific Islanders are less than .25% of both the urban and rural populations. Approximately 5000 residents of Klamath County are Hispanic or Latino alone or in combination with other races. This is 9% of the rural population and 7% of the urban population.

Working age residents (between the ages of 18 and 65) make up 59% of both rural and urban populations of Klamath County.

Housing units in Klamath County as a whole are approximately 68% owner occupied. This is higher than the national rate of 66% and the Oregon rate of 64% owner occupied. In urban areas, this rate drops to nearly 61% owner occupied and 39% renter occupied. In rural Klamath County, owner occupied units make up 80% of the total, with renters at 20%.

In 2000, the average per capita income in Klamath County was approximately \$16,700 in 1999 dollars, the same in urban and rural areas. This is lower than the national per capita average of \$21,500 and the Oregon per capita average of \$21,000. Approximately 17% of urban residents were below the poverty level while approximately 15% of rural residents were. This is higher than the national rate of 12.5% and the Oregon rate of 11.5%.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Klamath County was 6.7% in 2006. This is the lowest annual unemployment rate the county has had in the last 10 years.



Public Lands: Much of the region is within National Forests (in green) or under other public ownership.



DEL NORTE COUNTY, CALIFORNIA

In 2000, the US Census showed approximately 27,500 residents in Del Norte County. Of this, approximately 4,000 were living in Crescent City. For our purposes, we identify these 4000 as “urban,” leaving the remaining 23,500 people, or 85%, defined as “rural”. The population in Del Norte County rose to 28,900 by 2005. The urban population increased over this five-year span to 7,800. The rural population declined to 21,000, down from 85% to 73% of the population.

According to the 2000 US Census, the population of Del Norte County was 79% white. Approximately 4000 residents of Del Norte County are Hispanic or Latino, at 14.5% of the rural population and 11% of the urban population. American Indians are 4% of the rural population, but 6% of the urban residents. Asian-Americans are 2% of the rural population and slightly over 4.5% of the urban population. Black or African Americans make up approximately 5% of the rural population, but less than 1% of the urban population.

Residents of working age (18-65) make up 64% of the rural population, but only 56% of the urban.

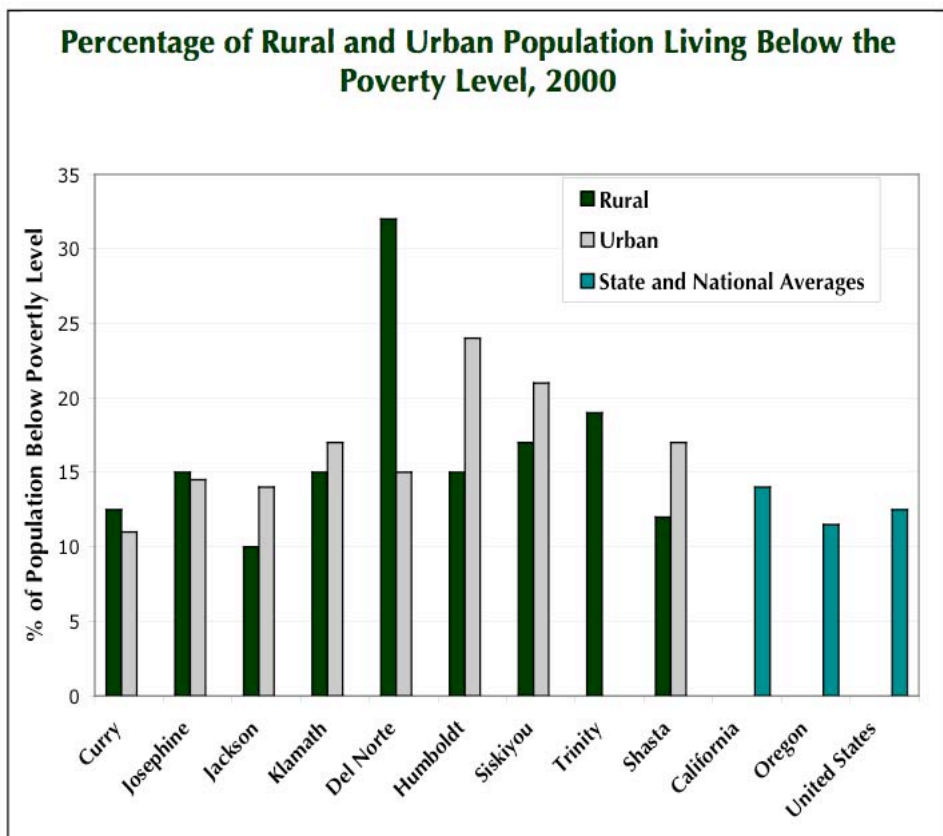
Housing units in Del Norte County as a whole are approximately 64% owner occupied. This is comparable to the national rate of 66% owner occupied and higher than the California rate of 57% owner occupied. In Crescent City, this rate drops to nearly 33% owner occupied and 67% renter occupied. In rural Del Norte County, owner occupied units make up 70% of the total occupied housing units.

In 2000, the average per capita income in Del Norte County was approximately \$14,600 in 1999 dollars. This is considerably lower than the national per capita average of \$21,500 and the California per capita average of \$22,700. In Crescent City, the average per capita income was even lower, at \$13,000. Approximately 4,800 individuals were below the United States poverty level in the county. Approximately 15% of Crescent City residents are below the poverty level while nearly 32% of rural Del Norte residents are below the poverty threshold. The rural area of Del Norte County has a considerably higher percentage of residents below the poverty level than the national rate of 12.5% and the California rate of 14%.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Del Norte County was 6.9% in 2006. This is the lowest annual unemployment rate the county has had in at least the last 10 years.

SISKIYOU COUNTY, CALIFORNIA

In 2000, the US Census reported a population of approximately 44,500 in Siskiyou County. For the purposes of this project, the 13,900 residents of Yreka, Mt. Shasta, and Weed have been identified as the “urban” population, leaving the remaining 30,400 people, or 69% of the total, defined as “rural.” According to US Census estimates, the population in Siskiyou County had risen to 45,000 by 2005. Rural residents continue to make up 69% of the county’s population.



According to the 2000 US Census, 87% of the population of Siskiyou County is white. The white/non-white distribution differs slightly between the rural and urban areas. Approximately 3,300 or 7.4% of the residents of Del Norte County are Hispanic or Latino. American Indians are 4% of the rural and urban populations. Asians are 1/2 of 1% of the rural population and 2.5% of the urban population. African Americans make up approximately 3 % of the urban population, but less than 1% of the rural.

Residents between the ages of 18 and 65 make up 58% of the population.

Housing units in Siskiyou County as a whole are approximately 67% owner occupied. This is comparable to the national rate of 66% and higher than the California rate of 57%. In urban areas, this rate drops to 55% owner occupied and 45% renter occupied. In rural Siskiyou County, owner occupied units make up 73% of the total occupied housing units, with rentals at 27%.

In 2000, the average per capita income in Siskiyou County was approximately \$17,600 in 1999 dollars. This is lower than the national per capita average of \$21,500 and the California per capita average of \$22,700. In urban areas, the average per capita income was \$16,800.

Approximately 8,100 individuals were below the United States poverty level in the county. Approximately 21% of urban residents are below the poverty level and 17% of rural residents are living on incomes below the poverty line. This rate is considerably higher than the national rate of 12.5% and the California rate of 14%.

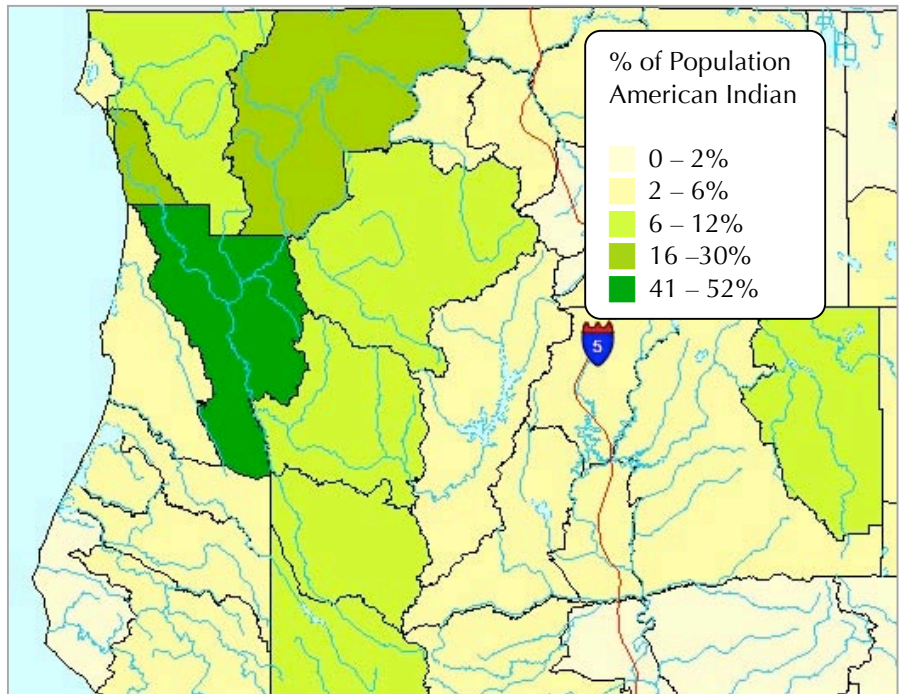
According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Siskiyou County was 8% in 2006. This is the lowest annual unemployment rate the county has experienced since 2001.

HUMBOLDT COUNTY, CALIFORNIA

In 2000, the US Census reported the population of Humboldt County to be approximately 126,500. Of this population, approximately 56,500 residents (Eureka, Arcata, Fortuna and Rio Dell) have been classified as “urban” leaving the remaining 70,000 people, 55%, defined as “rural” residents. The unincorporated area of McKinleyville, although quite suburban, is included in the rural total. The population in Humboldt County had risen to 128,400 in 2005. Rural residents now make up 56% of the county’s 2005 population.

According to the 2000 US Census, the population of Humboldt County is 15% non-white. This distribution differs slightly between the rural and urban areas. Approximately 8,200 residents of Humboldt County are Hispanic or Latino. This is 5% of the rural population and 8% of the urban population. American Indians are 3.5% of the urban population and 7.5% of the rural. Asian residents are 2.5% of urban populations and 1% of rural. African Americans make up over 1% of the urban population, but just over 1/2 of 1% of the rural.

Residents between the ages of



Northern California American Indian Population:

Although American Indians are less than 10% of the northern California population on a county-wide scale, many rural areas are 25-50% Indian (map above is by census area)—in the 97624 zip code of Humboldt County, American Indians are over 80% of the population. (US Census, 2000)

18 and 65 make up 66% of the urban population and 63% of the rural population. The proportion of the county population under age 5 in 2000 was about one-half of what it was in 1960, while the proportion over age 64 had nearly doubled.

Housing units in Humboldt County as a whole are approximately 58% owner occupied. This is lower than the national rate of 66% and comparable to the California rate of 57%. In urban areas, this rate drops to 47% owner occupied and 43% renter occupied. In rural Humboldt County, owner occupied units make up 66% of the total occupied housing units, with rented units at 34%.

In 2000, the average per capita income in Humboldt County was approximately \$17,200 in 1999 dollars. This is lower than the national per capita average of \$21,500 and the California per capita average of \$22,700. In urban areas, the income at \$15,900 was lower than the county average. Approximately 24,100 individuals were below the United States poverty level in the county. Approximately 24% of urban residents are below the poverty level and 15% of rural residents are. The urban rate is considerably higher than the national rate of 12.5% and the California rate of 14%.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Humboldt County was 5.6% in 2006. This is the lowest annual unemployment rate the county has experienced in at least the last 10 years.

During the first half of the 1950s, approximately one-half of all private-sector employees covered by unemployment insurance were working in the wood products industry complex. During that same period of time, about 30 percent of private-sector insured employees were working in the trade and services sectors of the Humboldt County economy. In contrast, as of September 2005, only 5.1 percent of all insured private sector employees in Humboldt County were working in wood products manufacturing, while 79 percent of all insured private sector employees were working in various service jobs.

TRINITY COUNTY, CALIFORNIA

In 2000, the US Census reported a population of approximately 13,000 living in Trinity County. The entire population of Trinity County is considered “rural.” According to US Census estimates, the population in Trinity County had risen to 14,300 by the year 2005.

The population of Trinity County is nearly 90% white. Hispanic or Latino residents, with a population of 500, are 4% of the total, while American Indians are 5%, and Asian- and African Americans are less than 1% each.

Residents between the ages of 18 and 65 make up 60% of population.

Housing units in Trinity County as a whole are approximately 71% owner occupied. This is higher than the national rate of 66% and the California rate of 57% owner occupied.

In 2000, the average per capita income in Trinity County was approximately \$16,900 in 1999 dollars. This is lower than the national per capita average of \$21,500 and the California per capita average of \$22,700. Approximately 2,400 individuals, 19%, were below the United States poverty level in the county. This is higher than the national rate of 12.5% and the California rate of 14%.

Trinity County's average annual per capita income is only \$16,900—less than 3/4th of the California state average.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Trinity County was 9.8% in 2006. This is the lowest annual unemployment rate the county has experienced since 2001, but is still the highest in the region.

SHASTA COUNTY, CALIFORNIA

In 2000, the US Census reported Shasta County's population to be approximately 163,300. Of this, approximately 98,900 were living within Redding, Anderson, and Shasta Lake, the "urban" population, with the remaining 64,400 people, or 39%, being classified as "rural." County population rose to 179,000 by 2005, with rural residents representing 38% of that total.

According to the 2000 US Census, the population of Shasta County was 89% white. This distribution differs only slightly between the rural and urban areas. Approximately 9,000 residents of Shasta County are Hispanic or Latino, or 5% of the population. American Indians are just under 3% of the total. Asian residents are 2.5% of urban populations and less than 1% of rural. Black or African Americans make up 1 % of the urban population, less than 1/2 of 1% of the rural.

Residents that are of working age (18-65) make up 58% of the urban population and 60% of the rural population.

Housing units in Shasta County as a whole are approximately 66% owner occupied. This is comparable to the national average of 66% and higher than the California rate of 57%. In urban areas, this drops to 57% owner occupied and 43% renter occupied. In rural Shasta County, owner occupied units make up 80% of the total occupied housing units.

In 2000, the average per capita income in Shasta County was approximately \$17,700 in 1999 dollars, with the rural area coming in at \$18,500. This is lower than the national average per capita of \$21,500 and the California average per capita of \$22,700. Approximately 24,500 individuals were below the United States poverty level in the county. Approximately 17% of urban residents are below the poverty level and 12% of rural residents are. This is to be compared to the national rate of 12% and the California rate of 14%.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in Shasta County was 6.6% in 2006. This is the lowest annual unemployment rate the county has experienced since 2001.



IV - SURVEY RESULTS AND NEEDS ASSESSMENT

Survey Results

We are pleased to report a return rate of over 42 percent. There were 38 surveys mailed out to CLC participant groups across the bioregion, where current contact information was available, and as of this date 16 surveys have been returned. Please see a copy of the survey in the Appendix.



ANALYSIS OF GROUPS RESPONDING

Somewhat disappointingly however, is the disproportionate percent returned from California-based groups (94%). However, this is ameliorated somewhat by service areas of several groups reaching into Oregon (36 %). Although 60% of the groups responding have headquarters in Humboldt, the service provision of many extends into southern Oregon, as well as Mendocino, Del Norte, Siskiyou, Trinity, Lake, Sonoma, Plumas, and Shasta counties. Two organizations served one California county only, and one served an Oregon county only.

In all cases, directors, principles or decision-level staff of the organizations filled out the surveys. Three consulting businesses replied, as well as 13 nonprofit 501(c)(3) organizations, a 20/80 split characteristic of CLC participant groups as a whole. (The agency and academic participants in CLC were not surveyed.) Among the nonprofit groups, two were foundation-style service providers, one land trust, one special district, and one worker coop. Among the businesses were a partnership, and two sole proprietorships. Five groups had memberships, either individuals or organizational affiliates. Two groups focused on serving worker/labor memberships, two groups served indigenous and/or multicultural populations, and 38% of the groups were specific to one river watershed or basin area only.

Over-represented were higher-capacity organizations, as those with budgets over \$150,000 were



70% of the total surveys returned. Of the remaining surveys, 18% had budgets less than \$50,000, and 12% were over \$75,000 but under \$150,000. The nonprofits had Boards of Directors, filed their 990's annually and most had annual reports and/or audits, depending on size. All groups had computers, and 94% had offices.

Organizational longevity was impressive in those surveys returned. Fifty-six percent of the groups have existed over 10 years, with about 25% over 20 years or even more.

While under 10 years, the other 44% of the groups averaged over 5 years. Director longevity was also a good sign, with the overall average at over 9 years, with a low of 2 years coupled with a high of 20 years. Although not asked on the survey, responders' years in the watershed/forest restoration industry would be even higher, due to shifts from one organization to another, but the question was worded for length of time with the current organization. This reflects a good degree of collective wisdom, and the staying power of the industry.

THE HUMAN ELEMENT

The "brief community profiles" section varied in response from socio-demographic answers to environmental needs to ancestral land history. All were interesting, although too varied to analyze here. What is



noteworthy is that, out of the total respondents, only 56% of the respondents mentioned the underserved target populations for this bioregional fund in their profiles. One respondent mentioned seniors, and two respondents mentioned youth in their community profiles, or elsewhere in their surveys. Those who did not mention the underserved, described the social elements simply as “rural,” “residents”, or “landowners” and focused instead on a profile of the land base.

Other people-based questions had to do with gender and ethnicity of staff, volunteers, and Board of the organizations. All questions of gender were answered fully, but one-third of all respondents did not answer the ethnicity question at all. Of the remaining two-thirds, one-third had all “Euro-American” staffing and the other third had a mix of European Americans, Native Americans, and Latin Americans working with them, reflective of current US Census statistics. (For example, Humboldt County is nearly 6% Native American and 6% Latin American).

Gender balance results were quite complex. Overall, part-time and fulltime staffing totaled 65 men and 53 women. Most groups were well balanced, and one small staff had two women in leadership. Two rather large organizations (9-15 staff) were predominantly male, one at 86% men, another at 89%. Volunteer staffing was more balanced, although one large organization had 25 women volunteers and 5 men.

Seventy percent of the groups had seasonal workers, all in the spring-summer-fall season, except for school education projects, which had winter seasonals. No questions were asked about the gender or ethnicity of seasonal workers.



MISSIONS AND ACTIVITIES OF GROUPS SURVEYED

The business consulting groups which responded work in the woods, a combination of forest advice, land management plans for landowners or agencies, including rancherias, and other aspects of restoration forestry. Only two of the nonprofits responding indicated that “most” of their work was in the forests. Clearly, based on the theme of CLC, their work is forest- or watershed-related. Most of the nonprofits serve through

education, research, training, implementation planning, community development and capacity building, technical assistance, membership services, advocacy, policy work, land trust work, graphics, computer support such as GIS, leadership development, documentation, monitoring, and provision of small grants.

This means that most survey respondents were service providers or potential re-grantors rather than potential targeted recipients. Many of the mini-grant recipients did not return surveys, but they did send in final reports, which we have considered in our qualitative needs analysis.

Vision and mission statements focused on health of forests and communities, vibrant, sustainable economies, restoration of watersheds, empowerment of community members, and equally inspiring concepts. One group is specifically dedicated to promoting and maintaining the uniqueness of Native peoples and the sovereignty of their distinct tribal nations. One business suggested their vision was to “make money while doing good work for the earth and communities and helping deserving folks.” Another simple statement covered the general tone: “Protect and restore the health of communities and watersheds.” Most organizations listed very general objectives, without measurable outcomes. One organization had a 5-year strategic plan within which they operated and set their objectives.



THE PHILANTHROPIC MIX OF PUBLIC AND PRIVATE

Challenges and obstacles in general focused on funding; time and costs, and bureaucracy. One respondent mentioned the problem of a “small labor pool.” One mentioned “politics.” Several mentioned slow government payments on reimbursable contracts or retentions, causing cash flow problems or expensive lines of credit.

Funds needed for fund development were often mentioned, as were funds for overhead. The most unique response to this question of need was “funding for poor rural white kids for conservation education, mentoring, and college.”

The nonprofit organizations certainly did not lack for fundraising efforts. In the past three

years, these organizations wrote an average of 56 grants each, (or 18 per year). This represents a low of 10-12 (3 or 4 per year) to a high of 200 (67 per year). Those who wrote the most grants also had relatively the largest budgets or staffing among the respondents. Also, they ranked themselves as “very successful” at grant writing. Those with small or medium budgets generally ranked themselves as having “some success” or “mixed success” at fundraising, but a few organizations over \$150,000 also viewed their grant writing successes as “mixed.”

Every nonprofit had received a grant, and only one nonprofit had never received a sub-contract or a mini-grant.

Nearly every organization had participated successfully in collaborative efforts to receive funds with other organizations.

The section for describing the grants received in the last three years was insufficiently answered. There may have been a misunderstanding of the question due to its placement under the mini-grant question. Or it may have been viewed as too lengthy to answer, or semi-proprietary in nature.

The ratio of Government funding to Private Funding (Govt / Private) for the nonprofit responders was as follows:

Small groups (\$10-50,000)

17 / 83
0 / 100

Medium groups (75-150,000)

5/95

Over \$150,000, mostly Govt grants:

80/20
70/30
98/2
95/5
70/30

Over \$150,000, mostly Private grants:

0/100
0/100
0/100
23/77
45/55



What is noteworthy here is that no group under \$150,000 has over 25% government funding. The three smallest groups range from 5% to 17%

government funding. However, there is also a unique subset of large groups who are probably not seeking government funding at all. These groups focus more on service provision, capacity-building, and community organizing, and less on actual service contracts in the woods.

WILLINGNESS TO RE-GRANT

Only two nonprofits over \$100,000 were unwilling to re-grant. One group did not explain why, and has re-granted in the past. The other group indicated “most of our funds go to contractors.”

FUNDER PROBLEMS AND OBSTACLES

Even with confidentiality guaranteed, few problems or obstacles were described. The problem of delayed reimbursements and retention funds was mentioned several times. The problem of required cash matches was mentioned. One answer suggested “Ford seems to be the only private funder to understand our rural needs.”



One responder indicated that funders may not understand the unique needs of indigenous communities and organizations, but this improves as they are beginning to see increases in Foundation personnel to increase inclusion of people of color on staff, although there are still “class issues.” Another organization mentioned a lack of funding for “poor white and red kids” in favor of “poor brown and black kids,” and also that Foundations do not understand small rural “integrated” communities and their needs.

Another organization also mentioned that a narrowed focus on 1-2 cultures receives more favorable responses than serving a diverse multicultural base. One group mentioned they felt there might be some funder perception of their watershed areas as tied to marijuana cultivation. Another mentioned that some government grants have been passed over for recreation trails because the population was too low in one county.

NEEDS AND PRIORITIES

All general areas of need were regularly checked off: general support, wages and salaries, program services, organizational development, training and technical assistance, and fund development. The first two received the most: general support, and wages/ salaries. The “other” category comments included: equipment, outreach, legal, and media work.

If there were more funds for work in the forest, areas mentioned were: restoration, restoration, and more restoration!. Also, invasive and native plants, thinning, prescribed burns, estuary restoration, biomass utilization, GIS mapping, multi-party monitoring, erosion and sediment control, road association support, and a “full blown management plan for the river.”

If more capacity building funds were available, needs listed were:

- field trips
- local speakers
- language materials; translations
- website technician
- business incubation
- youth leadership
- succession
- equipment, software acquisition and training, computer capacity
- fundraising skills
- increasing Board participation
- GIS intern
- development software
- development training
- grant scheduling
- fringe benefits, such as health
- skills training
- project documentation
- issues documentation



The numeric prioritization was so evenly spread out as to be insignificant for analysis purposes. The highest priorities under “leadership” were Empowering staff, volunteers, and community, with Personal and professional skills development close behind.

In “Organizational Development,” Staff management and Information Technology were the highest, but Fiscal controls and Market and Communications also rated high, and all others had at least 1-2 high priorities for each.

“Project Management” priorities were evenly sprinkled, with Evaluation and program outcomes rated high, along with Program monitoring. Financial Management and Budgeting also did well. Most groups did not rate volunteer development highly as a priority.

Engaging Community overall was less of a priority. Within that, however, “Community Organizing” ranked quite high.

ARE YOU INTERESTED IN A BIOREGIONAL FUND?

Overall, 81% said yes, and 19% were “not sure” or said “it depends.”

On the question of approaches to a Bioregional Fund:

1. “Strengthen existing organizations” received a 94% check off rate
2. “Forming a new organization” had only 12% support
3. “Forming an organizing committee” garnered 63% support
4. “All of the above” was supported by 18%

As to whether a New Organization was perceived as Complementary or Competing:

12% said Complementary,
56% said Competing,
12% said “both”, and
25% said nothing or asked a question.

The level of interest in participating in the next steps was as follows:

- 9 respondents (56%) said yes
- 5 respondents (31%) said maybe
- 3 respondents (19%) said no

The above survey results were presented and reported upon to the Working Session of the CLC in August of 2007, and were discussed there.



Needs Assessment

Also available to us was a 2006 needs assessment conducted by Redwood Community Action Agency. Forty-five surveys for needs assessment were conducted at county meetings of coastal conservation organizations held in Mendocino, Humboldt and Del Norte counties. Some of these organizations were restoration practitioners, many of the questions referred to capacity building and to funding, and the results are interesting for our purposes. Each group ranked choices by distributing 100 points each for their organization and for their region, across a number of categories.



In terms of organizational needs, highest priorities were given to “strategies to cover up-front costs of developing projects (29%), and for “state general funding for coastal conservation (19%) Nonprofit groups also ranked highly the need for “strategies to cover or reduce indirect operating costs.”

High priorities among regional needs included “improved collaborations with conservation partners (13%), “incentives for resource users” (12%) and landowners (11%), and, notably “development of a regional funding mechanism” (11%). This ranked high among nonprofits, state agencies, and businesses.

During public meetings in Mendocino, Del Norte, and Humboldt, suggestions related to funding included:

“the agencies should assist with helping to coordinate funding, finding other matches and bringing others to the table.”

“We need to work with other organizations to go after dollars that are not federal... to cooperate on applications for funding... Need to develop better partnerships”

(“*Linking Land and Sea*,” Redwood Community Action Agency, (2006) Appendices G and J.)

Targeting the Underserved: A Problem of Cultural Competency

Of all the problems that this Fund may face, one of the most challenging is imbedded in its currently stated purpose, to target and serve the underserved of our communities of interest. We have defined the Fund purpose in this way. And we also adhere to community empowerment principles, and leadership from the bottom upwards. Yet it is still unclear how much interest there is among our network groups in a Bioregional Fund for restoration capacity-building that specifically targets the underserved communities of the region.

Elsewhere in this study, we have defined the underserved community as

- financially poor
- unemployed or underemployed
- people of color or Indigenous
- youth
- seniors
- women (especially where gender balance has not been reached)

This could also be expanded to include:

- class barriers
- language barriers
- lifestyle barriers
- educational barriers such as literacy
- substance abuse barriers
- domestic violence barriers
- other



These are commendable and worthwhile goals for the Fund. Yet some of CLC participant organizations may be lacking the necessary skills or will to serve this need, to encourage and build diverse leadership, and to partner with underserved organizations. In many cases, our survey responders failed to address underserved communities in their profiles, and omitted answers to certain questions about ethnic mix in their own organizations.

This raises the question: Is “targeting the underserved” simply a convenient tag to put on grant proposals for fundraising purposes? Is there a commitment among CLC participants to move beyond token representation to evolve towards being led by these communities, especially in situations of restoring land which is historically and traditionally theirs?

Certainly increased representation of people of color and workers, women, youth, and others is a start. However, these commitments may need to be formalized within the Fund, to make it structurally representative. Further, a “cultural competency” training workshop could occur for Fund decision makers themselves, focused especially on the problems related to fundraising on behalf of groups often not at the table; speaking for groups not at the table; and competing for funding with groups not at the table.

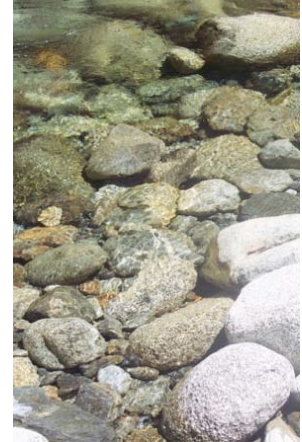
Transparency and accountability must be more than, or perhaps even instead of, making long-winded unreadable notes and transcripts of lengthy meetings available for public viewing. More meaningful change may need to occur at the structural level – where decision making and collaboration occurs, where deals are made, and where contacts with funders occur. A transition from gatekeeping, to opening the gate, to walking through the gate together. As stated well in the following quote from Forest Community Research:

“As an integrative enterprise, community forestry seeks to reorder relations between forest-dependent people and communities, between them and the wider political and economic systems with which they engage, and between them and the forests on which they depend. The goal of this reordering is to advance equity (especially for historically marginalized or disenfranchised communities) and to promote investment in both natural and community capital.”

— *Mark Baker and Jonathan Kusel*
from “*Community Forestry in the United States: A Summary*”,
p. 8, Forest Community Research (2003).



V - DISCUSSION OF FINANCIAL ASPECTS; SUMMARY OF FINANCIAL OPTIONS



Part One: An Analysis of Philanthropy and Government Giving

PUBLIC FUNDING RESPONSE TO RESTORATION NEED

Most restoration funding comes from the public sector, as the following studies and examples show.

To address just restoration funding for county roads for water quality and Salmonid habitat for a five-county area, an estimated \$150 million was needed. [Baker, Mark (2004) “Socioeconomic Characteristics of the Natural Resources Restoration System n Humboldt County, California, p.iii. (See www.sierrainstitute.org)] Another \$35 to 40 million in scientific research for restoration, assessment and protection for Humboldt County alone is probably a low estimate (Baker, p.5) The Redwood National Park expansion alone had allocated more than \$23 million by 2004 for restoration purposes (Baker, p.10).

In total, in Humboldt County alone for the years 1995 to 2002, annual restoration spending from public sources has increased from \$4 million per year to over \$14 million per year (Baker, p. 39). In fact, the grand total for those eight years, by agency, for Humboldt County alone, was \$66 million, contributed as follows by different public agencies:

Bureau of Indian Affairs	\$ 2,585,365
Bureau of Land Management	7,804,763
National Fish and Wildlife	793,428
National Park Service	9,401,763
US Fish and Wildlife	1,700,612
US Forest Service	1,993,772
Department of Water Resources	2,643,061
Coastal Conservancy	2,426,000
California Conservation Corps	10,407,466
State Water Resources Control Bd	1,612,139
Dept of Parks & Recreation	3,056,620
Dept of Fish and Game	20,149,585
Wildlife Conservation Board	899,606
Humb. Co. Public Works	664,608
	(Baker, p. 40)

According to another study by RCAA, the majority of these funds were spent by contractors engaged in watershed assessment, road decommissioning and upslope watershed restoration (RCAA (2002), “A Study of Humboldt County’s Environmental Restoration Industry,” p. 22). This study also indicated a mix of 12% / 88% between foundation grants and other sources, mostly public spending or private fee for service (RCAA, p. 7). With the passage of Propositions 40 and 50, these figures will be even more skewed towards public spending.



Other examples of recent public spending include the recent announcements of CALFED Watershed Grant Program proposals and awards in Coho salmon recovery, steelhead trout management, and fish passage improvement, through the California Department of Water Resources, (see www.watershedrestoration.water.ca.gov/watersheds/grants). A Department of Interior’s Bureau of Reclamation press release announced \$650,000 in funding for Klamath River Watershed Restoration Projects. Funding was to restore the Klamath River ecosystem, help enhance populations of threatened Coho salmon and endangered shortnose and Lost River suckers; and to “further the fulfillment of the Federal Government’s tribal trust responsibilities.” (See May 18, 2007 press release.)

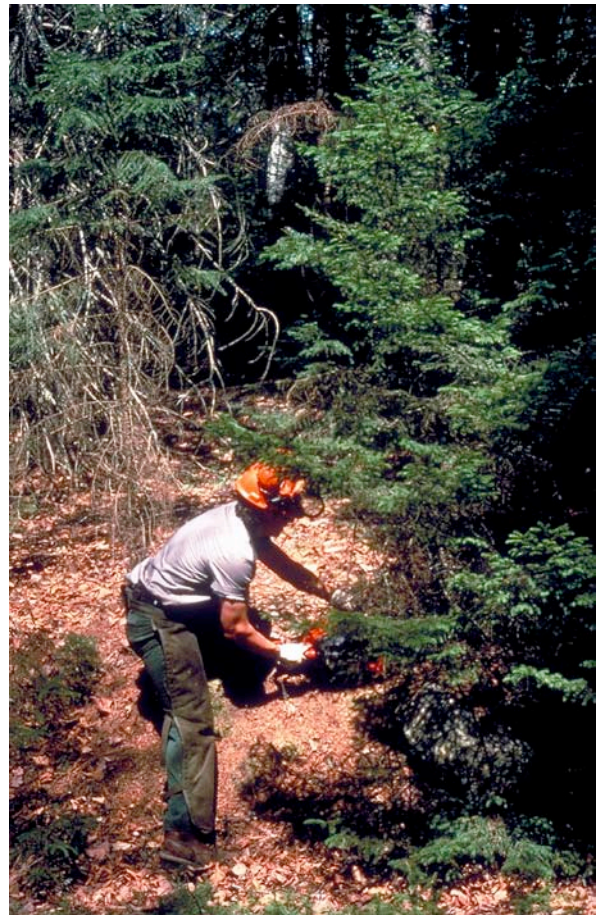
Although Humboldt County has competed successfully for more than its share of restoration funds, numerous public funding opportunities exist throughout the bioregion. For example, public funding opportunities in Oregon included the following:

- Oregon Department of Fish and Wildlife – Wildlife Habitat Conservation and Management Program; Fish Restoration Enhancement Program; Salmon-Trout Enhancement Program; Riparian Tax Incentive Program, Oregon Wildlife Heritage, Access and Habitat Program, and the Naturescaping Program.
- Oregon Department of Forestry included stewardship incentives, forestry incentives, and urban and community forestry program.

- Water Conservation Districts and/or the Natural Resource Conservation Service offered Environmental Quality Incentives Programs (EQIP); Conservation Reserve Enhancement Programs, and Wetland Reserve Program, as well as Wildlife Habitat Incentive Programs.
- Oregon Department of Environmental Quality offered Environmental Partnerships for Oregon Communities; and Non-point Source Improvement Grant (319) Program.
- The Oregon governor's Watershed Enhancement Board has Watershed Restoration Grant Programs, small grant program, and the Conservation Reserve Enhancement Program.
- Other Oregon programs were available through NOAA, the OSU Extension Service, the Oregon Department of Agriculture; the Oregon Resource Conservation Act's Klamath Basin Ecosystem Restoration; the Oregon Department of Land Conservation and Development; the Department of Economic and Community Development, Parks and Recreation, Water Resource Department, and even Oregon Department of Transportation.

Other public funds available throughout the bioregion include the Wildlands Fire Management plans, to restore areas affected by or threatened by wildfires, available through DOI's BLM and the USFS; the USDA's National Fire Plan; Forest County Payments, through RAC's at the county level; the USDA's Forest Legacy program; numerous grants for wetlands restoration through USFW, EPA, and USDA, the Army Corps of Engineering; fisheries recovery through NOAA/NMFS; habitat conservation plans through USFW, mitigation funds through Cal Trans, and many more. This is not an exhaustive listing, but rather an example of the varied resources available through public funding to those groups with the capacity to apply for and manage the projects.

A brief survey of private foundations funding watershed restoration, or especially its organizational capacity building, found very few such foundations actively supporting restoration projects over the past several years. Among those found are the congressionally funded National Forest Foundation and the National Fish and



Wildlife Foundation; plus the River Network, Ducks Unlimited, Ford Foundation, Kenney, Packard, Turner, and Belvedere. (Not all of these may be current at any given time.) A spreadsheet listing in our files entitled “Watershed Funding Sources” from 1999, unidentified in terms of source, included 67 public sources for funding, and no listings of private sources. Of the 67 public sources, only 3 included Environmental Justice, 7 included Training, and 16 included outreach or education.

BUT THE JOBS ARE PRIVATE...

As our survey results above and this recap show, most restoration financing comes from the public sector, and this correlates with various recent studies. Interestingly, though, this public financing creates private jobs. A 2002 estimate of full time employment in Humboldt County in natural resources restoration work alone showed 210 full-time equivalents (FTE’s, or job equivalents) as follows:

Private sector:

70 FTE in consulting firms
105 FTE in contracting businesses
65 FTE in nonprofits

Public sector:

15 FTE for tribes
30 FTE – other public sector

(Baker, Mark, 2004, “Socioeconomic Characteristics of the Natural Resources Restoration System in Humboldt County, California, p.11. See www.sierrainstitute.org)

This is an indication that public restoration spending for the most part goes into private sector contracting, either to businesses or nonprofits. The size of the contribution is substantial, and growing.

AN UNBALANCED PHILANTHROPIC MIX

While at first glance it may appear the field is crowded with agency funders and willing applicants, there is an inequitable distribution of funding sources.

An over weighted mix of public funding dedicated to project implementation creates a situation where the high-capacity organizations continue to compete successfully for funding, while the newly formed groups (often watershed or grassroots-based) have trouble entering the field. There is a strong need clearly identified for capacity-building funds for these community-based groups, so that they may grow and may create the land-based stewardship ethic so important to success on the ground. However, public funding is seldom available for capacity building. This creates a niche need which foundation giving for capacity building could help to meet.

One could argue that where a foundation requires a match, it is already there: public funds for restoration. Perhaps a Bioregional Fund could make the case that public funds create the *de facto* match to warrant a healthy influx of capacity building funding for the lower capacity groups, especially those that are underserved.

Part Two: Description of Financial Options

A collaboratively managed Bioregional Fund, with low overhead, may be designed to meet this need, but it must become a 501(c)(3) Fund in order to accept and control donations.

Can it be formed so it does not compete in fundraising with CLC participant groups, also 501(c)(3)s and thus meet the concerns raised by survey responders? If so, how can this be accomplished?

A simple non-profit fund that does not turn into a full-fledged services organization could be established under certain criteria to prevent competition with existing nonprofits and local area funds. For example, it could be limited to a major gifts campaign only, for a set time period, followed by a disbursement-only

period. It might have no programs or projects of its own, and meet only to administer funds, thus not competing with CLC groups fundraising for projects. It could have criteria requiring funding collaboration to increase fundraising capacity of member nonprofits. Such a set of criteria might include:



- That Board members must be active network members
- A balanced Board, with criteria for region, gender, ethnicity, workers, underserved, etc.
- A set percentage cap on donor-advised funds
- A set percentage cap on endowments and yearly expenditures
- No programs or projects of its own that compete with member groups
- A volunteer Board, with travel only compensated
- Etc.

Regardless, the new 501(c)(3) still must have in its structure all 3 of the following fund features, which will be discussed in turn. We suggest the following structural approach, recognizing there are three basic necessary functions to any Fund:

- A. Fund Receiving Function
- B. Fund Holding Function
- C. Fund Disbursement Function

A. THE FUND RECEIVING FUNCTION

In order for donations to be tax deductible, they need to be made to a tax-exempt organization such as a 501(c)(3) corporation, fund, or a

foundation. For these funds to be reserved for bioregional restoration capacity building for underserved communities, the funds must also be controlled in such a way that they are not spent for other purposes.

After the 501(c)(3) is formed, the Fund's organizing committee or Board would make a commitment to a certain amount of volunteer effort towards raising large gifts to establish its initial Fund. These tax-deductible gifts could be of 3 major types: endowments, donor-advised funds, and unrestricted funds. These will be discussed in order.

1. Endowments

In one national nonprofit's fundraising materials, an endowment is simply defined as "a donation that provides a permanent source of income to fund



a charitable concern or program that's close to your heart. The principal, invested, will always remain intact. Earnings provide the ongoing financial support... ..ensuring that your contributions to society will continue into the future and be remembered for generations to come.”
(Native American Rights Fund brochure, Circle of Life, Summer 2007, p. 4, or see www.narf.org)

Endowments are pools of donations to a nonprofit, invested for the long term. Nonprofits use the interest earnings for charitable purposes. In large endowments, investment decisions are made by a trusted investment committee with financial expertise and without conflicts of interest. The principal always remains invested, in order to perpetuate the fund.

Some donors prefer endowments for their large gifts. They recognize the value of permanently supporting certain causes, and understand the stability that comes through funds that are steadily managed to grow over time, while providing support throughout. They prefer to fund their favorite causes in perpetuity, or forever.

2. Donor-advised Funds (DAF's)

Donor-advised funds are funds where the donor has expressed wishes to maintain granting disbursement advice. Most funds require that these wishes and advice are advisory only, and that the 501(c)(3) Board maintains ultimate control and responsibility over the fund decisions. DAFs are often used by Foundations, when a donor wishes to advise but not to administer a fund. The agreement signed between the donor and the Foundation specifically delineates the lines of control. Ultimately, the funds are under the control and responsibility of the Foundation and not the donor.

In early discussions, the restoration fund is envisioned as targeting underserved communities for capacity-building assistance to lower-capacity restoration organizations. With this narrow focus, a donor's wishes would have to not conflict with that purpose. A donor gift directly to a 501(c)(3) should be carefully examined to determine the donor wishes. Since donor control increases administrative burden, the nonprofit should seek legal advice to carefully design a Donor/ Fund written agreement to best benefit the Fund's charitable purposes. In some cases, CLC control and DAF control could be mutually exclusive.



New legislation passed in August 2006 defines a DAF as including all of several listed conditions. Based on this, careful examination of any new laws regarding DAF's would be advisable prior to agreeing to a donor-advised gift. (See tidesfoundation.org section on DAF's)

3. Unrestricted Funds

Initially, while the Fund is being established, unrestricted funds may be useful as seed money to get the ball rolling and to start the initial large gifts campaign. During this start-up period, a Strategic Plan or Business Plan for the next steps may be necessary. Certainly a list of key decisions to be made, criteria to be established, advisory committees, etc, must be developed. A carefully-designed set of policies regarding the usage of unrestricted funds should be established by the Board, and all gifts should be carefully held and administered. A specified mix of Endowment/ Unrestricted/ and Donor-advised funds may be wise, so that fund balances and disbursements are predictable and capable of being monitored over time.



During the major gifts campaign, the organization would receive donations, clarify donor wishes, issue thank yous and acknowledgements, keep records, and move the donations into the Trust Fund account at the bank.

The fundraising part of the Receiving Function could be done initially by a bioregional collaborative effort, under the direction of the newly formed 501(c)(3) Board. It could be done infrequently, if major gifts are successfully raised. The donations would go into the Trust Fund, described below. This combined fundraising effort eliminates the competitive aspect. Large funds are raised in this way, not otherwise available to the region as a whole, because such large amounts would not be likely to be given to a single-purpose organization serving a small geographical subset of the region.

To summarize, the main aspects under the Receiving Function include:

1. formation of a bioregional 501(c)(3) fund
2. ground rules established for the collaborative fundraising effort
3. a major gifts fundraising effort by the network for the Fund
4. receipt of large contributions (such as endowments, donor-advised funds, and grants)
5. donor contact and verification of donor wishes
6. acknowledgements and thank yous
7. reporting (annual report and 990)
8. deposit of contributions into a Trust Fund
9. criteria for Trustees established (see Holding Function below)
10. criteria for disbursements established (see the Disbursements Function below)

A note of caution....

There is, however, a major concern. Our survey of network members were supportive of setting up a fund, and a Fund Organizing Committee was actually formed at the August 25 Working Session. Those surveyed did, however, see a new organization as competitive rather than complementary. They favored strengthening existing organizations.

However, if the project-oriented nonprofits engaged in restoration practice were the recipient organizations for large gifts, several problems would emerge. First, the existing organizations would compete with each other to be the receivers of large amounts of funds for the whole region, especially if they expected their normal administrative percentages. Rotating receiverships over the years, would mean multiple Trust Funds and multiple Boards in control of the “corpus” of funds. This approach would be an accounting nightmare, and might be filled with possibilities for lack of oversight. Additionally, a rotating fiscal sponsor approach creates identity problems for the donors and the network, and a burden of constant transitions of administration. We do not recommend the rotation approach, which has been tried by CLC over the years for fiscal sponsorship alone, and is not as simple as it might appear. Additionally, large funders may be less



interested in funding a series of organizations, and would expect to see consistent fund oversight and reporting.

Another option has been considered as well. A 501(c)(3) could ask an existing foundation to receive and hold funds for it, and even in some cases to disburse funds for it. It must, however, be a 501(c)(3), and be clear about the goals and purposes of the Fund, the funding criteria, etc. It also must fundraise to raise the donations. It then pays a percentage to that Foundation, of the entire fund principle plus earnings. That percentage significantly decreases the earnings available for the Mini-Grant program, so we have not researched this option further. (*See, for example, tidesfoundation.org*) This model could save work on the Receiving and Holding function but less benefit accrues to the network. Any foundation chosen would be carefully examined for its commitment to the restoration industry and to equity goals, and willing to disburse through the wishes of the Board or an Advisory Committee.

B. THE FUND HOLDING FUNCTION

After the initial major gifts or endowments are raised, and disbursement criteria set, the Board would choose a set of Trustees for a trust fund, established through a bank to create an interest-bearing account. Only the Trustees would be able to release funds, only by strict criteria, and only upon request by the Board. The bank would answer only to the Trustees, who would answer only to the Board. The trustees could be made up of highly reputable and trustworthy community members without conflict of interest to funded organizations. This would constitute the Holding Function, or the Trust Fund. The Disbursement Function would be a separate third step.

Examples

Hypothetical #1. In the following hypothetical, a \$1 million gift has been raised, and a Board decision has been made to put the gift in a Trust Fund at a local bank, where it can get a return of 6 percent per year (money market or CD). This means that at the end of the first year, \$60,000 is earned on the million sitting in the bank. If during the second year, a decision is made by the Board to distribute mini-grants via a grant-funding program both that \$60,000, plus 5 percent of the original million, then a total of \$110,000 in mini-grants could be distributed in the bioregion, and there would still be \$950,000 left in the bank. At 6 percent, that remaining 950 K corpus would earn a total of \$57,000 during the second year. This, combined with \$50,000 from the corpus, means again that \$107,000 in mini-grants could be distributed early in the third year, and there would still be \$900,000 in the bank. At this rate of distribution, the entire

original endowment would be depleted in 20 years, plus 20 years worth of interest, ranging from \$60,000 the first year down to \$3000 during the 20th year. This is without any additional fundraising other than the original \$1 million endowment. A total of \$1,630,000 would have been distributed to the community, and nothing would be left in the “endowment.” (This is not a true endowment, because the principle declined over the years to nothing.)

Hypothetical #2. In a second hypothetical, the same \$1 million remains untouched, and only the interest is distributed, at 6 percent, a total of \$60,000 per year in mini-grants. At the end of 20 years, the 1 million is still in the bank, but an additional \$1.2 million has been distributed in mini-grants to the community. The same cycle can be repeated for any number of 20-year periods, without any additional fundraising efforts. This is a true endowment, in perpetuity.

Discussion. In the first model, although \$400,000 more was distributed during the same 20 year period, nothing remained at the end. In the second model, an additional \$1.2 million could be raised during the second 20-year period, and so on, forever. Thus the \$400,000 difference between the first and second examples would be regained about one-third of the way into the second 20-year period.

These are two different holding approaches, one with a stable corpus, the other with a declining corpus. Both are effective, and are essentially organizational choices to be made by the decision-making body, based on long-range planning, projected needs, community stability, leadership, longevity, and other concerns.

Obviously, another choice would be for the Board to decide to raise twice the original amount, and double the yearly mini-grants. Or to decide to put a portion into an endowment and another portion into direct granting. We suggest that further fundraising of large gifts lead to further mini-granting, rather than to any sort of empire building of the 501(c)(3) itself.

The purpose of the Trust Fund “holding function” is to put the funds in a safe place, administered and protected by trustees and safely watched, while also earning money. The Trustees of the Trust Fund control disbursement according to a strict formula, decided by the Board. Trustees may also make decisions about what forms of investments are safest to make with the corpus, such as a protected bank account, various investment portfolios, the desired rate of return, etc. Trust fund administration is a legal method of controlling a bank account. Methods of disbursement should be carefully decided by the Board, not by the Trustees.

C: THE FUND DISBURSEMENT FUNCTION

The Fund Disbursement Function, also called grant-making, is potentially the most time-consuming, and choices here are the difference between in-house grantmaking or just oversight. For an approach such as the Mini-Grant model, we recommend the Fund Board maintain an oversight function only, and contract out the yearly administration of the Mini-Granting. This could be done as a fee-for-service contract, or as a grant and sub-grant model.

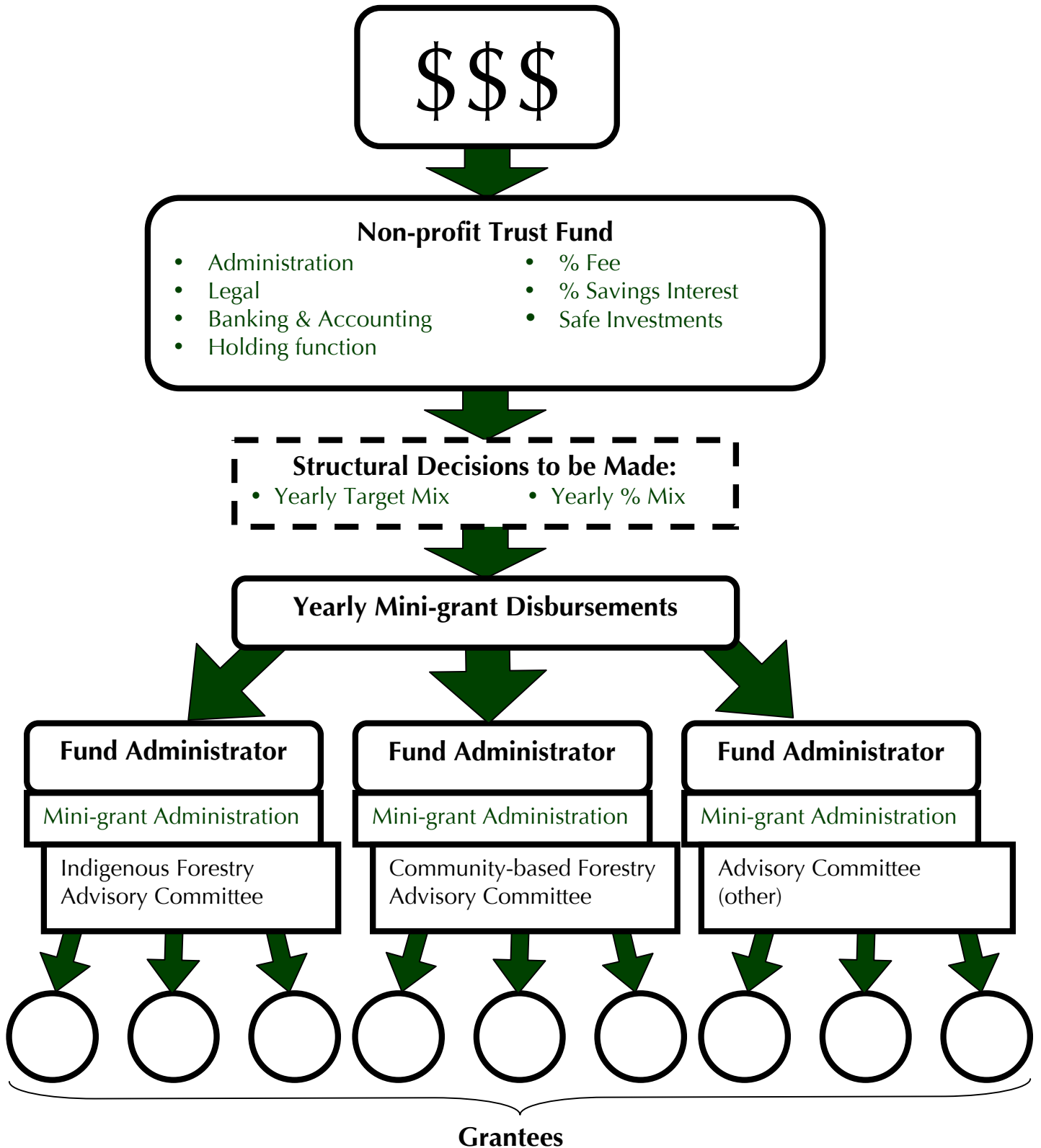
In the following hypothetical, we have used two existing organizations that serve the CLC bioregional restoration community, and that already function as fund administrators. These are Trees Foundation in Redway, and the Seventh Generation Fund for Indian Development in Arcata. The Trees Foundation focuses on forest related activities including both restoration and activism, and provides some mini-granting but mostly capacity-building services such as training and technical assistance. The Seventh Generation Fund serves American Indian grassroots communities



in our bioregion and throughout the hemisphere, through capacity building and granting to groups engaged in sustainable community issues that include sustainable forestry. They focus on community empowerment, traditional cultures, and land-based sovereignty. These two groups have medium to large budgets, in-house bookkeepers, yearly annual reports, and a track record of administering re-granting programs. A 7-10% administrative fee may be the usual charges for such services in small grantmaking situations. *(This hypothetical is for illustration purposes. Other CLC organizations may be qualified to serve as contract grantmakers as well. The 501(c)(3) Board should establish criteria for accountability for this function.)*

The flow chart below (shown for illustrative purposes only) shows a set amount of funds distributed via contract annually to Fund Administration organizations, for purposes of administering and re-granting, or mini-grant disbursement. These organizations would then follow a set of criteria specified by contract for getting the money out in mini-grants to the relevant communities of need.

THE NON-PROFIT FUND MODEL



The yearly grantmaking program of \$60,000 (6% earnings on a hypothetical \$1 million) would thus generate 7 to 10% in administrative funds for the contracting organization, or \$4200. Larger grantmaking programs would generate greater returns. This is not a large contract for providing grantmaking services, but it does free up the balance (60,000 less \$4200) of \$55,800 for actual small mini-grants to a number of groups each year.

This approach eliminates most of the need for a bureaucratic budget in the Fund organization itself, once the criteria are established. It would be necessary to administer contracts with the administering organizations, and to monitor their compliance with established Board criteria.

For example, they might be asked to establish a community advisory committee that would oversee the grant selection process, designate a

program officer, issue grant solicitations, monitor results, and report back to the Fund.



An alternative model would be to administer the funds in-house. This would mean hiring staff and establishing a projects approach, thus making the Fund organization more of a regular nonprofit. To avoid this, and to maintain the network oversight approach, we recommend contracting out the Fund Disbursement function, but with strict criteria. Regranting criteria to applicants might include the following

- A simple 1-2 page grant application
- Underserved as described by its own statement
- CLC network member and/or forest practitioner organization preferred
- A clear capacity building need
- Small budget of organization (or ability to regrant)
- Project designed to meet capacity building need
- Community advisory committee for selection
- Timelines and reports

The Fund Organizing Committee could decide the amount and equitable mix of the yearly disbursements, the mix between administrators, and the granting criteria for this Disbursement Function.

VI - ORGANIZATIONAL CAPACITY ANALYSIS AND RECOMMENDATIONS



Organizational Capacity in a Bioregional Context: a “SWOT Analysis”

The purpose of a SWOT (Strengths / Weaknesses/ Opportunities / Threats) analysis is to look at the internal realities of an organization in light of external realities. In this case, we are looking at a proposed 501(c)(3) organization to formalize the 14-year existence of the CLC network and to instigate a Bioregional Fund. The SWOT analysis looks at likely internal strengths (S) and weaknesses (W) of the proposed organization while at the same time looking at the likely external world of opportunities (O) and threats (T). This is shown in a table as follows, and in discussion below the table.

INTERNAL WORLD OF THE ORGANIZATION

<p>Strengths</p> <ul style="list-style-type: none"> • a history of collaboration • a history of skills-sharing • a history of in-kind help • good knowledge of the funding world • only need to raise the funds once (if large endowment) • good public funding base • good credibility and track record • committed, experienced and visionary Steering Committee • diverse backgrounds, gender balance and ethnicities of members 	<p>Weaknesses</p> <ul style="list-style-type: none"> • some history of competition • long distances lead to access and communication problems • lack of operations or administrative funding • need to build broader credibility among funders • tendency to over-commit and burn-out • questionable willingness to become a Board; busy with own groups • need to further define “underserved” target • need to combat exclusionary policies (gate-keeping) • need deeper knowledge of mechanics of Fund
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EXTERNAL WORLD SURROUNDING THE ORGANIZATION

<p>Opportunities</p> <ul style="list-style-type: none"> • regionwide unmet need for restoration work • strong public funding base • unmet need for capacity building • high level of poverty in region • other socio-demographic needs • strong bioregional identity (Coast, Klamath, salmon) • good local fundraising culture • organizations linked through networks • existing foundations and funds in community 	<p>Threats</p> <ul style="list-style-type: none"> • could be viewed as competitive if new organization forms • could be viewed as duplicative • mistrust and insularity of small communities • urban v. rural lifestyle mistrust • region may be too large to manage (mileage, travel time, etc) • competition for local dollars • difficult to disburse fairly • barriers to entry • land conversions • environmental degradation
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Discussion:

INTERNAL STRENGTHS AND WEAKNESSES

Strengths

The Collaborative Learning Circle (CLC) community of groups has a history of collaboration, skills-sharing, and in-kind help to its members over its 14-year history. It has a good knowledge of the world of proposal writing and deadlines, especially in the public sector. It has a strong funding base, and a track record for restoration of thousands of acres of



forestlands and damaged watersheds. CLC has a recently revitalized Steering Committee of 11 volunteer members, each with a long history in the world of nonprofit management and/or land stewardship. It has good credibility with public funders, and those private foundations it has worked with. There is a strong commitment to social values and environmental values. There are two groups that already function as Fund administrators who are willing to help the group organize.

Weaknesses

There is, of course, some history of competition and non-collaboration. There is a commitment to combating exclusionary practices, coupled with a long habit of continuing them. There is a need to better define among member groups the target “underserved” population and its importance to this work and our goals as a community. There is a lack of administrative funds for operations and development amongst our groups. There is a tendency to volunteer too much in-kind energy and to come close to burn out. Long geographic distances lead to access and communication problems, as well as fossil fuel usage. It is possible also that the individual members of the Fund Organizing Committee may not want to transition into a Board, or even to carry the burden of startup over the next year or two. Levels of commitment are still unsure. Some older members are hoping to retire and pass the torch to younger leadership, especially to people of color and women.

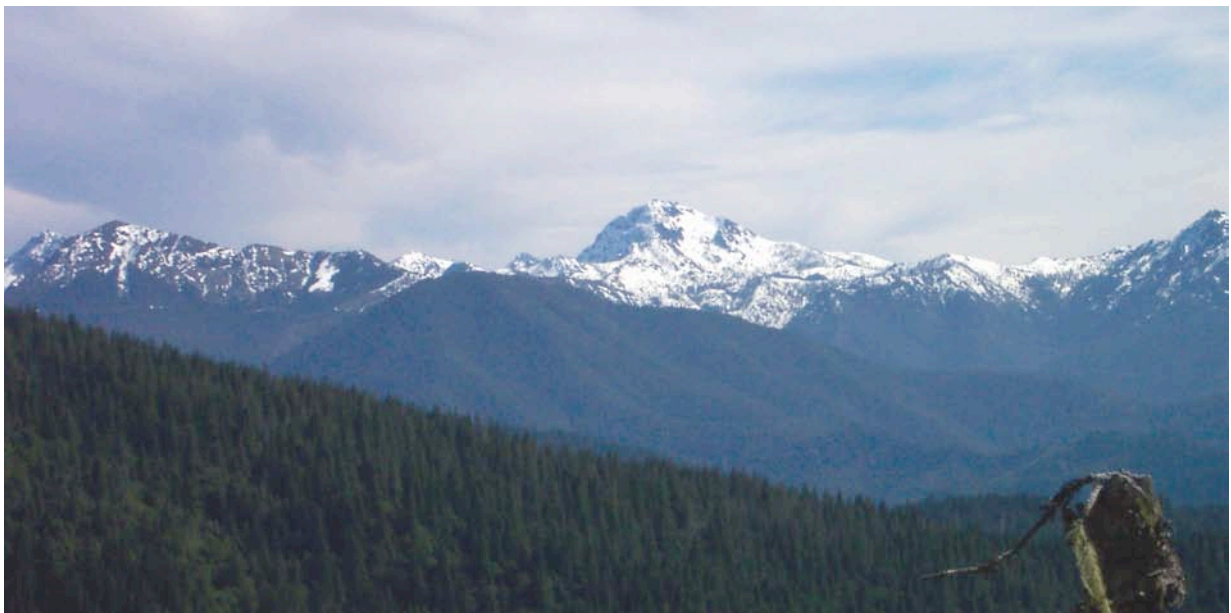
EXTERNAL OPPORTUNITIES AND THREATS

Opportunities

There is still much restoration work to be done on the land, and there is currently a healthy source of public funding for it. However, it must be much larger to succeed in healing the land. Furthermore, public funding for related capacity-building work for organizations doing the on-the-ground work or serving them, is seriously underfunded. There is also a target population of statistical need. So these unmet needs are among our opportunities for successful foundation fundraising. The region has a strong bioregional identity. The Coast, the Pacific Northwest, the Klamath, the salmon, the redwoods, are often in the news, so our visibility is high. We have a good local fundraising culture. Many organizations are linked through networks, and skills service provision is available if funding is forthcoming.

Threats

The existing network may feel threatened initially if a new fund forms. It could be viewed as competing. Some rural communities are insular or may mistrust new efforts. Competition for local dollars is a real concern, so outside sources are preferred. The region may be too large to manage effectively. Fair disbursement and monitoring of low-capacity organizations spread across the bioregion could be troublesome. Some targeted groups may experience barriers to entry, even with a simplified application process.



Working Session and Meeting Results

CLC Working Session **August 25, 2007, Arcata, CA**

AGENDA

- 8:30 – 9:15 Check In (Tables, coffee, tea, snacks), Open and Welcome
- 9:20- 11:00 Network Updates (salient points re current work, big changes)
- 11:00 – 11:45 CLC Background and Status Update “How CLC got here”
(Sungnome Madrone, presentation and clarifying questions)
- 11:45 – 12:15 Introduction to Draft Bioregional Fund Study (presentation
by Ruthanne Cecil, CEED, with clarifying questions at the end)
- 12:15 – 1:15 Delicious Lunch (meat and vegetarian options, in the park, a few steps
away from the Redwood Lodge)
- 1:15 – 1:30 “Popcorn” feedback (Initial thoughts and feelings about the
proposal, without commenting or critiquing others’ contributions)
- 1:30 – 2:15 – “Benefits of Running a Community Based Fund (presentation by
Chris Peters of Seventh Generation Fund, with clarifying questions)
- 2:15 – 2:35 – Would a Bioregional Fund be Complementary or Competitive?
(Break into small groups, identify 1 to 3 each complementary and
competitive aspects of CLC implementing a Bioregional Fund)
- 2:35 – 2:45 Small Group Report Back (List the items identified)
- 2:45 – 3:00 BREAK (coffee, tea, snacks)
- 3:00 – 4:00 The Possibility of a Bioregional Fund (discussions)
- 4:00 – 4:15 Formation of an Organizing Committee (volunteers to establish plan to
get started)
- 4:15 – 4:45 Next steps, Action Plan (for each step, identify who, what when)
- 4:45 – 5:00 Evaluation (How did this process work? What worked? What could
change?)
- 5:00 – 6:00 Close, Social Hour (Thanks to all)

DRAFT MINUTES OF WORKING SESSION DECISIONS

(for Approval by CLC Steering Committee members present)
Working Session August 25, 2007, Arcata, CA

After the morning “check-in” reporting by all the groups present, Sungnome Madrone reported on the 14-year history of the Collaborative Learning Circle and the ideas of bioregional networking to support the emerging industry of community-based natural resource management (CBNRM). Then Ruthanne Cecil of CEED presented a draft of its study regarding the feasibility of a Fund to support the underserved communities involved in CBNRM, and the preliminary survey results from our CLC network.

This was followed, after lunch, by a “popcorn-style” (brainstorming reaction session) to the morning’s presentations. After this, Chris Peters of Seventh Generation Fund and Doug Wallace of Trees Foundation helped the group to focus on the realities of taking this “good idea” to the next step: a level of committed buy-in by a group of people to get the ball rolling, plus a greater involvement by a larger “community” representing the underserved.



To move to actual decisions on next steps, the members of the CLC Steering Committee present (a quorum) suggested enlarging the Steering Committee and endorsing the formation of an Organizing Committee. Several of the people present indicated a willingness to serve on the CLC Steering Committee to help get the next steps going, and to segue into a Fund Organizing Committee. Steering Committee accepted nominations, and the Steering Committee was expanded to include the following (in alphabetical order):

- Oshana Catrinides (current)
- Ruthanne Cecil (current)
- Larry Evans (new)
- Patrick Frost (current)
- Tracy Katelman (new)
- Sungnome Madrone (returned)

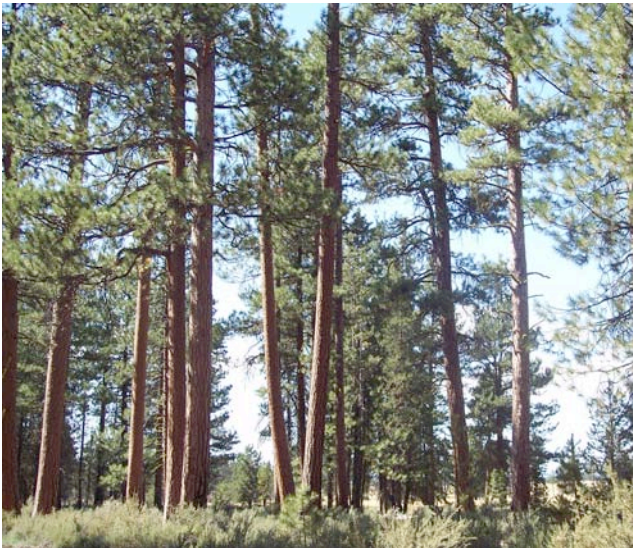
Chris Peters (new)
Tia Oros Peters (new)
Jen Rice (current)
Denise Smith (current)
Doug Wallace (new)

A suggestion was made to make future decisions by consensus. This was agreed to by consensus.

Also made by consensus were the following decisions:

Establish the Fund Organizing Committee made up of those present. Invite the two absent Steering Committee members to join as well, and also ask Craig Benson, Luna Latimer and Renee Stauffer (who had been present at the working session but had to leave early), and also to ask Bill Wilkinson and Lynn Jungwirth, who had both expressed an interest in helping with the process.

Try to secure some seed money to fund the next steps of the Fund Organizing Committee. There is a small nest egg of CLC funds (about \$1200?) that can be used for this purpose. Sungnome volunteered to draft a Letter of Inquiry, and several people offered to pursue letters of interest from foundations.



Agreement on other next steps:

- Define geographic limits
- Define constituency, especially “underserved” more completely
- Define the collaborative approach to the Fund, as most respondents to survey do not want a new organization to form for this purpose
- Develop a mission and vision statement
- Develop a well-defined regrating process and criteria and decision bodies
- Develop a strategic plan for clear outcomes and deliverables
- Commitment to transparency

Timeline:

- Draft letter of inquiry by Sungnome by end of September
- Secure letters of interest from other foundations during October
- Approach key funder in November

- If seed funds, then convene the Fund Organizing Committee for further action

FUND ADMINISTRATORS' MEETING

A meeting was also held in the summer with two local 501(c)(3) fund members of CLC, to seek their advice and invite their participation in fund design at an active level. Both of these funds -- the Trees Foundation of Redway and the Seventh Generation Fund of Arcata -- are already participants in the CLC and are serving the forest restoration communities in various ways. Present at this meeting were Christopher Peters, Tracy Katelman, Doug Wallace, and Ruthanne Cecil. Doug Wallace was present by phone. The two organizations explained how their funds function, both in terms of donors (unrestricted, endowments, and donor advised funds) and how they handle grant applications, decisions, and grant distributions. We did not meet with their program officers, but could get greater nuts and bolts information from them at the right time. Both funds are very active programmatically, with a variety of technical assistance and other capacity building functions. Both are interested in administering aspects of the annual mini-granting program. All parties agreed it would be best to use existing organizations as much as possible, rather than starting up a new 501(c)(3) organization.



Recommendations

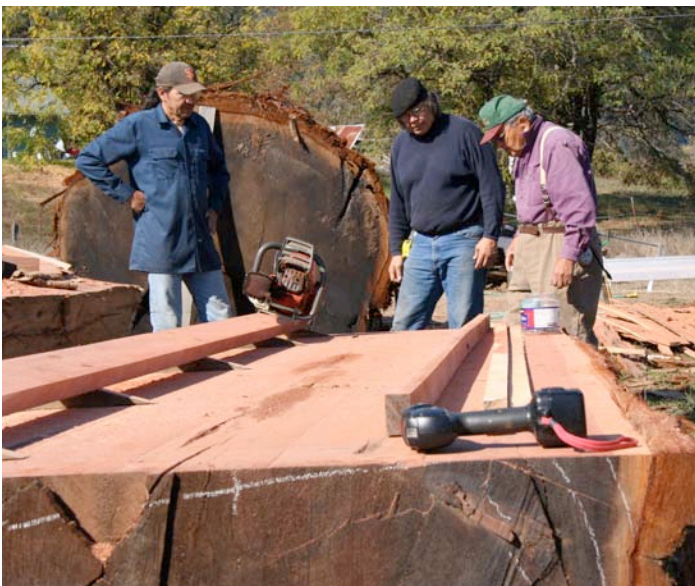
A. FUND ORGANIZING

1. Decide whether to start a Bioregional Fund
2. Decide who the decision makers will be and how they are chosen. Is this the Fund Organizing Committee (FOC)? Do they want to become a Board of a 501(c)(3)? Implementing this decision could be delayed, but no fundraising for the Fund can occur until it exists.

3. Decide whether the Fund must be a 501(c)(3) Fund/ organization or whether there is any financially feasible way that a third party nonprofit or foundation could do this on behalf of the Fund Organizing Committee.
4. Determine what rights and responsibilities the FOC would have under each possible option.
5. Look at rates or fees charged if a third-party does this.
6. Determine the tentative approach that nets the greatest amount in annual mini-grants back to the community.
7. Review carefully with fund advisers, attorney, accountant, banker, etc the choices to be made and the criteria to be set.

B. FUNDRAISING / SEED MONEY

1. Spend existing CLC seed money for initial organizing of the FOC via an RCAA sub-contract
2. Decide to raise seed money to pay someone to facilitate organizing steps (conference calls, meetings, etc) of the FOC for one year (the FOC project)
3. Choose a 501(c)(3) fiscal sponsor to administer the FOC project, or a subcontract through existing CLC fiscal sponsor.
4. Successfully raise the seed money for a one-year FOC project, and if possible, for a Business Plan or Strategic Plan as well.



C. DECIDING THE MAJOR ISSUES

1. Criteria for “underserved” groups in the CLC network and communities
2. Criteria for choosing advisory committees and other participants
3. Criteria for issuing RFPs
4. Grant guidelines
5. Criteria for decisions on disbursement

D. FUNDRAISING / MAJOR DONOR CAMPAIGN

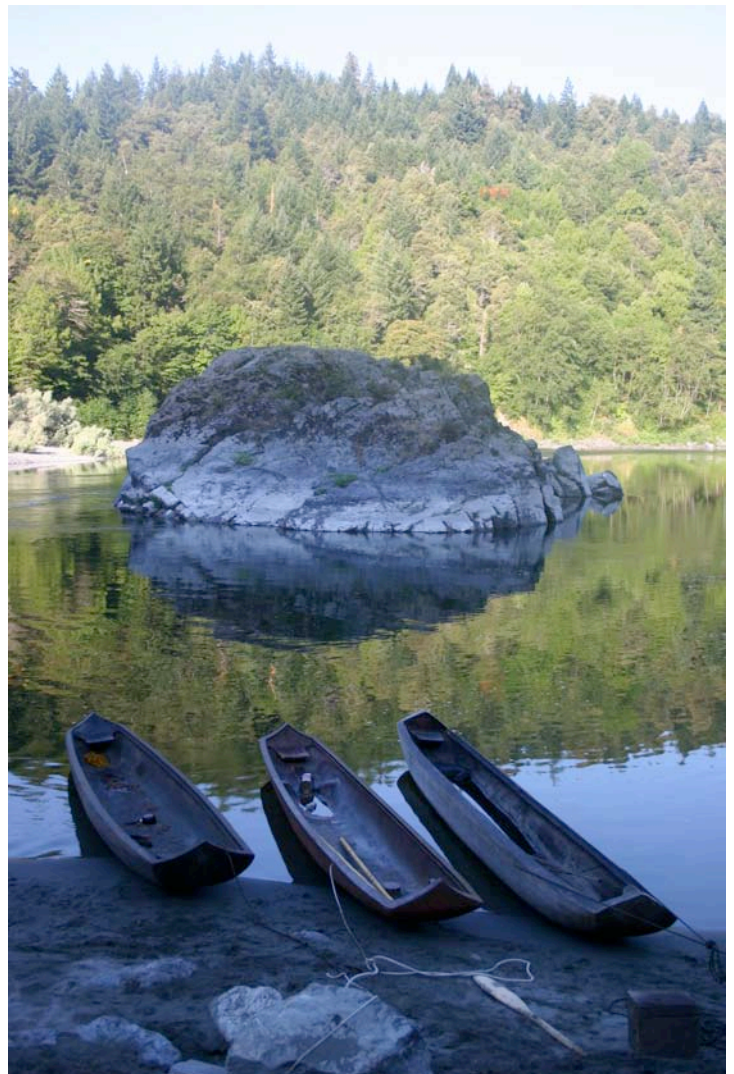
1. Size of major gift campaign (set target)
2. Approaches
3. Responsibilities
4. Time frames

E. THE BUSINESS PLAN OR STRATEGIC PLAN

If the FOC can answer all of the above questions, based on some of the models suggested in this study, they will be ready to contract out for a professionally written Business Plan to take them through the practical startup steps of creating a legal, tax-deductible fund, and to begin a major gifts fundraising campaign.

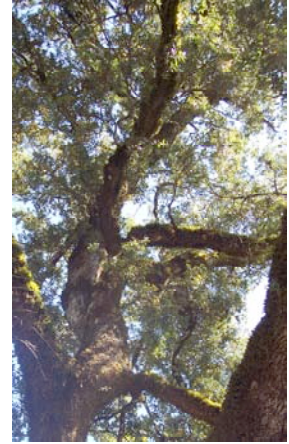
CONCLUSION

The options and the model have been described, as have the need and capacity. The community has taken the step of forming a Fund Organizing Committee. A big question is whether it is possible to function as a decision-making organization without forming a nonprofit. Or if the fund must become a 501(c)(3) organization in order to exist and to accept major donations of a tax-deductible nature on its behalf, how can that be done in the most trouble-free manner, while still retaining decision making? How can it be done in a way that does not compete with local groups, but rather strengthens and enhances them and adds financial support, while not over-taxing already highly committed and involved volunteers? The CLC Steering Committee, up to this point, has chosen not to become a 501(c)(3) organization, but rather to accept fiscal sponsorships from a variety of participant groups. It has recently expanded to 11 members, and as a next step will grapple with this important question.





Appendix: THE STAKEHOLDER SURVEY



A copy of the survey is included to show the detailed questions that were asked.

Stakeholder Survey (Title Page)

Sustainable Forestry and Watershed Restoration Fund (An Assessment Survey for Potential Granting to Underserved Communities)

July – August 2007

The Center for Environmental Economic Development (CEED) is conducting this survey as part of a study for the Collaborative Learning Circle (CLC) under a subcontract with the Redwood Community Action Agency (RCAA). RCAA is currently sponsoring the Collaborative Learning Circle with funding from the Ford Foundation.

Introduction

We thank you for deciding to participate in this survey, which begins on (page 4). The entire questionnaire should only take about 30 minutes to complete, and may turn out to be worthwhile for your organization. Please return it by August 10. We send this survey because your group is engaged in sustainable forestry or watershed restoration work in some way, have been part of the Collaborative Learning Circle network, and may be interested in a bioregional community fund to support this work. Before we decide to proceed we want to make sure we are actively listening to our communities of interest.

The purpose of the survey is to increase our understanding of the needs of active forestry and watershed restoration groups in our bioregion, toward design of a bioregional fund for groups historically and currently underserved. We need to know more about who you are, what you are doing, and what you need. The survey results will be used in our study to design approaches that help to meet local needs.

If nearly everyone returns a completed questionnaire, our information will be most accurate and representative. All the information we obtain and publish will be shown in aggregate form only (for example: 50% said yes, 50% said no) and your individual responses will be anonymous. We guarantee that your responses will not be linked directly to you in any publication, and the survey forms will be kept confidential.

With your cooperation we will be able to decide more wisely about next steps for development of the fund. The colleagues listed below will partner with us on the initial needs assessment during follow-up interviews by telephone. Your participation and input will be welcomed.

SURVEY BEGINS

**Sustainable Forestry and Watershed Restoration Fund
(An Assessment Survey for Potential Granting to
Underserved Communities)**

(You may fill out by hand, type, or computer, as you prefer.)

I. About You and Your Organization:

Organization Name

Your Name

Your Title, if any

How long have you been with this organization? _____

Mailing Address of Organization

City/Town _____ State _____ Zip code _____

Phone _____ E-mail _____

Is your organization:

a nonprofit group

a tribal program;

a community group;

a worker cooperative

a sole proprietorship

other

II. Brief Community Profile:

Please briefly describe (1-2 sentences) the watershed communities that you serve, in terms of population, income, ethnicity, social values, environmental concerns, employment concerns, or other community features that you see as relevant to your sustainable forestry or watershed restoration work.

III. More about your organization:

How long has your organization been in existence? _____

Do you have a Board of Directors? _____

Does your organization have 501c3 (tax exempt) status? _____ Yes _____ No

If so, Does your organization annually file 990s? Yes_____ No_____

Does your organization conduct annual or periodic audits and/or issue annual reports?
_____ Yes _____ No

Do you have a physical office? _____ Yes _____ No

A Computer? _____ Yes _____ No

Is most of your work in the forest? _____

Briefly describe your group

What are the mission and goals of your organization?

What are your program objectives for this year?

What challenges or obstacles are you finding when implementing your objectives?

Please write in your total staffing, volunteers, and Board:

number of full time paid staff Total _____ men____ women____
number of part time paid staff Total _____ men____ women____
number of volunteers Total _____ men____ women ____
number of Board members Total _____ men ____ women _____

Total number of paid staff (full or part time) who are:

____ African Americans or African heritage
____ Asian Americans or Asian heritage
____ European Americans or European heritage
____ Hawaiian or Pacific Islander heritage
____ Latin Americans or Hispanic heritage
____ Native American/ American Indian heritage
____ described as mixed heritage
____ refuse to state

Do you have seasonal workers? _____ What are your busiest months? _____

Does your organization have a membership? _____ Yes _____ No

IV. Funding Profile of Your Organization

Over the last 3 years, how many grant proposals has your organization submitted? _____

What is the approximate annual budget for your organization?

____ under \$10,000 ____ \$10,000 - \$25,000
____ \$25,000 - \$50,000 ____ \$75,000 - \$150,000 ____ over \$150,000

What percentage of your total annual budget (whether grants, fees. or contracts) is government-funded? _____ non-government (private) funded? _____

If your organization is over \$100,000 annually, would you be willing to consider “re-granting” some grant funds to smaller organizations in this bioregion?

____ Yes ____ No ____ We already do this

Further Comments: _____

Has your organization ever received a grant from a foundation or government agency? ____ Yes ____ No

Has your organization ever sub-contracted with a nonprofit or received a mini-grant? ____ Yes ____ No

If yes, please describe funded program(s) and amount of the grant(s) for the last three years only:

If additional funding were to become available regionally for sustainable forest work, land restoration work, or sustainable forest product development, what types of projects should be supported in your area for groups like yours?

If additional funds were to become available for capacity building for your organization, what types of projects should be supported ?

V. Needs Profile of your Organization

Please prioritize your training and organizational development needs/goals in your region. Beside each item, please rank as follows:

- 1 = high priority
- 2 = medium priority
- 3 = low priority
- N/A = not applicable

Leadership Development priorities:

- Board training and development
- Professional goals and career development
- Personal and professional skills development
- Volunteer development and training
- Succession planning
- Empowering staff, volunteers and community
- Other _____

Organizational Development priorities:

- Board policies and governance
- Personnel management
- Financial management
- Information technology
- Fiscal controls
- Marketing and communications
- Non-profit Incorporation
- Strategic planning
- Grant writing/electronic applications
- Program development and management
- Staff management/staff development
- Other _____

Project management and implementation priorities

- Human resources management
- Financial management
- Management and implementation strategies
- Program monitoring
- Budget development
- Evaluating program outcomes
- Volunteer development
- Other _____

Community Engagement

- Cultural asset mapping
- Community assessment
- Community organizing
- Community bases planning
- Establishing collaborative relationships with other like minded organizations
- Establishing coalitions
- Other _____

Please add anything else you would like to share about your organization that can help us assess the specific funding needs of this region.

VI. Developing a Bioregional Fund.....

Is your organization interested in a bioregional fund to help meet the needs of forest and watershed restoration organizations who are currently under-served?

YES NO

Would you favor the following approaches?

- Strengthening existing organizations that provide regional small grant support
- Developing a new organization to provide grants regionally
- Establish an organizing committee to explore other grant funding possibilities and ways of bringing funds to our bioregion
- All of the above

Do you see a new organization as complementary or competing with your current search for grant funding? complementary competing
 other

Are you interested in participating in a cooperative effort toward greater bioregional funding? yes no

Thank you for completing this survey!



**CENTER FOR ENVIRONMENTAL
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