



STATE OF WASHINGTON

OFFICE OF THE INTERAGENCY COMMITTEE
1111 Washington Street SE
PO Box 40917
Olympia, WA 98504-0917

January 17, 2006

TO: SRFB Members and Designees

FROM: Neil Aaland
Jim Fox
Rollie Geppert
Steve Leider

SUBJECT: SRFB Agenda Item #5 - Issues for 2007 Grant Round

Background

The SRFB completed its 7th round of funding at the December 2006 meeting. This round represented a major shift in approach, changing from the SRFB evaluating lead entity strategies and how well their list of projects fit the strategies. The 2006 grant round relied more on regional plan/strategy and list evaluation by regional organizations and a regional, formula-driven approach to SRFB allocation of funding. Most view this shift as very successful; the 2007 Round should build on this success.

Staff has begun 2007 round conversations with the Lead Entity Advisory Group (LEAG), Council of Regions (COR), and the SRFB Review Panel. The consistent theme: use a similar process and begin the next round as soon as possible. Staff is hearing that lead entities want as much time as possible to begin working with project sponsors, and they want access to the Review Panel sooner than last time. To achieve this, the SRFB needs to address any policy changes for the 2007 round during the January meeting and finalize any changes in the March meeting.

For some of the issues, it would be useful for the regional organizations and lead entities to provide input. To this end, staff is proposing another "homework" assignment that builds on the responses provided last year. The questions would focus on the differences from last year and what would be expected this year. A proposed set of inquiries is found in Attachment 1.

Suggested Process

The suggested process for the SRFB for designing the 2007 round is:



January meeting:

- SRFB discusses and gives direction on as many of the time-critical issues as possible, and approves the new homework assignment;
- Regional organizations and lead entities complete the homework assignment by 8:00 a.m. February 20 (this due date allows SRFB staff several days to review prior to the mail-out for the March meeting);

March meeting:

- Staff returns with recommendations and proposed 8th round policy manual language;
- Regional organizations and lead entities return with their homework assignment; and
- SRFB reviews the information and formally initiates the round as early as April 2.

May meeting:

- Any remaining issues.

Issues for the 2007 Round

SRFB staff has compiled a list of issues that SRFB should address for the 2007 round. These issues can be divided into three general categories:

- Category 1: Issues needing to be resolved by the March meeting to allow an April 2 start;
- Category 2: Issues that can be resolved after April 2 start; and
- Category 3: Issues that staff can clarify and bring back to the Board for approval as a package.

Category 1: Issues to Resolve by March SRFB Meeting

There are five major issues that need to be resolved by March in order to allow the grant round to begin April 2.

1. What timeline should the SRFB adopt?

Staff Recommendation: Adopt the timeline shown in Attachment 2. The grant cycle would begin April 2007 (contingent on the resolution of Category 1 issues) and end with the funding decisions made in December.

2. Should the percentages used to determine target regional allocations be modified for the 2007 grant round?

Some lead entities and regions indicated a desire to revisit the percentages; preliminary Council of Regions discussion leans toward allowing them to remain the same for one or two years, but not lock them in as permanent or "final." The decision for the January meeting is whether the SRFB wishes to revisit the percentages. If the answer is yes, the SRFB could open the topic for discussion at

the January meeting, take testimony and give initial direction to staff, and then make a decision on the change in March. Staff believes, however, that it may be difficult to resolve this by the March meeting. Among other issues, the uncertainty over Puget Sound Partnership proposals in the legislative arena will not be resolved by March.

Staff Recommendation: Retain last year's target regional allocations for the 2007 grant round.

3. What changes should be made to timing and functions of SRFB review activities?

Some confusion has been expressed about the type and extent of SRFB review needed, especially when contrasted to review processes within the regions that are implementing recovery plans (e.g., review by NOAA Technical Recovery Team, local Technical Advisory Committee or Regional Technical Teams). Activities are different depending on whether or not lead entities were involved in implementing recovery plans. In addition, for those regions involved in recovery, differences may occur across regions. Attachment 3 provides a draft staff summary of the 2006 technical review functions and activities used by each region.

A. Questions related to the scope of SRFB review include:

- With respect to the SRFB's needs, are there gaps in the extent of technical and/or non-technical (community issues) review afforded by existing review efforts within regions?

- Is there value to the SRFB in the "oversight" or "over-the-shoulder" comments like those provided by the Review Panel in the 7th round to provide perspective on (but not evaluate) the review processes used within regions?
 - If yes, can or should SRFB staff instead of the Review Panel perform that "perspective" review?

Staff recommendation: Review the homework assignment responses and provide direction pertaining to these questions in March. Further, as to lead entities that are not yet implementing recovery plans, staff recommends that the SRFB confirm that its Review Panel will continue to review and evaluate the quality of those areas' strategies.

B. There was general agreement among both lead entities and staff that it was useful to have early involvement by the Review Panel. The issues associated with this are:

- It is important that adequate information on a proposed project be available to the Review Panel at the time of early reviews. This makes the Review Panel more effective and efficient and may prevent a designation of "project of concern" due to incomplete information.

Staff Recommendation: Require a basic level of documentation (e.g., location, design description, budget) before the Review Panel will become involved.

- If a number of lead entities and sponsors request detailed help, it is possible that early Review Panel involvement could exceed the Panel's budget. Some way to screen requests could be useful.

Staff recommendation: Decide an appropriate amount and scope of Review Panel time/effort to provide early review, and allocate this time/effort by region. Then, regional organizations would guide the Review Panel's time, and divide up the regional time allotment. The initial allocation of time could be either a percentage allocation, based on funding level, or based on their percentage of projects from the previous grant round. Ask for input on this recommendation via the homework assignment.

- The SRFB Board needs to reserve funding for the Review Panel; a rough estimate is \$200,000. Staff can return in March with a detailed estimate based on the January direction.

Staff recommendation: reserve \$200,000 for the Review Panel, subject to verification at the March meeting.

4. Does the SRFB want to consider modifying the eligibility requirements for projects, or, should it fund all projects that emerge from the regional process?

Examples of project eligibility issues that emerged during the last grant round include:

- Projects in already protected areas (e.g. area of project covered by a Habitat Conservation Plan);
- Assessment/research projects. In general, these types of projects have always been a challenge for SRFB to define and evaluate. In particular in the 2006 grant cycle, we noted two new variations of assessments that posed challenges for eligibility. Both were consistent with their regional plan priorities or addressed data gaps identified in the plan, but were not necessarily good fits with SRFB's existing eligibility guidelines, including:
 - Assessments which do not lead directly to future on-the-ground projects but which may lead to greater land use regulatory protection and thus fish benefits (e.g. San Juan Protection Initiative); or
 - Research projects (e.g. fish utilization studies) not necessarily leading directly to on-the-ground projects but for example, might help address basic life history or habitat utilization uncertainties that in the future might help guide restoration and protection priorities.

See Attachment 4 for additional details on these issues.

Staff recommendation: Provide direction to staff, if changes to increase eligibility are needed. If no changes to eligibility are warranted, then staff would review the existing criteria, and if needed, clarify the benefit and certainty criteria.

5. Additional process questions

In January, the SRFB could give initial reaction to staff on these questions, and then staff could come back in March and give recommendations for final review.

1. Local (lead entity, regional) technical review: Compared to last year, does SRFB want to make any adjustments? For example:
 - o How much local review is expected by the SRFB?
 - o How independent should the local reviewers be?

See the table in Attachment 3 for a draft staff summary of the different technical review roles by salmon recovery region.

2. Should pre-proposal workshops held by some lead entities or regional organizations become mandatory in all entities or regions, given their usefulness?

Staff recommendation: Review the homework assignment responses to these questions in March and give direction then.

Are there any additional issues the SRFB believes need to be resolved to allow an April 2 start date?

Category 2: Issues to Resolve by May SRFB Meeting

1. How closely should lists of projects adhere to the SRFB's target allocation amounts, and by what date should this be done?
2. Will SRFB permit after-funding scope or cost changes made in November and early December 2007, if needed to fit regional allocations?
3. Should the SRFB encourage regions or lead entities to submit additional projects in the event that a portion of the regional allocation is not used due to a funded project being withdrawn or receiving funding from a non-SRFB source?

Category 3: Staff Proposals

SRFB staff will examine items in this category and recommendations will be brought back to the SRFB at the March meeting:

1. We received comments that some information submitted from the RTT/TRT review was incorrect or contained misunderstandings. Staff will review this and make a recommendation on how to address it.
2. We also received input that, when drafting comments, the SRFB's Review Panel did not always know or acknowledge that modifications had been made to projects. Staff will consider appropriate changes to improve communication.

3. Staff will consider recommendations for changing the focus of review - from improving "poor" projects enough to make the cut to improving all projects.
4. The SRFB should consider a new category for use by the Review Panel such as "Need More Information" (NMI). This would allow the Review Panel at the earliest stages of the review process to distinguish projects for which available information is inadequate from those with more substantive technical issues (Preliminary Projects of Concern, or PPOCs). Distinguishing NMIs from PPOCs could help expedite resolution of simple information needs, and allow more time and attention on the PPOC determinations having the most substantive concerns. A project identified as NMI might subsequently be identified as a PPOC.
5. In consultation with the Review Panel, SRFB staff will propose basic criteria and guidance for the minimum conceptual and technical design information that the panel needs for reviews. This would be included in the SRFB Policy Manual.
6. Each year the Review Panel reviews projects for which application of the benefit and certainty criteria is awkward. SRFB staff will review and propose improvements to the criteria and to project guidelines to help orient lead entities and project sponsors, and aid evaluation by the Review Panel.
7. Consider adding another nearshore expert and an acquisition expert to the Panel. This would be in lieu of having more "special" review groups for other project types.

Attachment 1
Proposed “Homework Assignment”

Due date: 8:00 a.m. February 20

Background: In preparation for the 2006 grant round, last spring the SRFB asked regional organizations and lead entities to collaborate and provide input on a variety of issues. The issues primarily revolved around how a transition to a regional target allocation process would work. The responses to this homework proved to be valuable in ensuring that, to the extent possible, the concerns that implementers had were addressed, consistent with SRFB needs.

In preparation for the 2007 grant round, the SRFB and its staff believe that homework assignment would again be useful. Although the grant round seemed to work reasonably well for 2006, there is general agreement that some modifications are needed. It is important for the SRFB to be able to informed about what differences in regional and lead entity process are expected for the 2007 round, in contrast to the 2006 round. This year’s homework is intended to clarify those changes and to identify for the SRFB the concerns of regional organizations and lead entities in deciding which modifications to make.

Assignment: As with the 2007 homework assignment, regional organizations and the lead entities within them are asked to collaborate and provide responses to the SRFB to a set of questions. The SRFB would prefer that only one set of answers come from each region. However, if a lead entity disagrees with a regional response to the extent that it wants to express itself individually, it may submit a separate response.

Please submit via e-mail to: tammyo@iac.wa.gov

Questions:

1. Internal funding allocations:
 - In what ways will you change your criteria for determining your allocations within your region this round?
 - Do you anticipate a change in the actual allocations?
 - Should the SRFB provide any specific direction on this topic?
2. Local (within the region) technical review:
 - What changes will you be making to your local technical review this round – should the SRFB provide any additional direction?
 - For the last grant round, the SRFB stressed the importance of the local technical review being independent. To what extent is your local technical review independent and how do you expect to change or improve that aspect?
 - What role do you think the Review Panel should play, and how would that be different than last year?

- What interaction(s) should occur between your local technical review process and the Review Panel?
 - The SRFB has stated its preference that local citizen and stakeholder participation be active, transparent and engaged. To what extent is your local process open to the public, and how do you expect to change or improve that aspect in the 2007 grant cycle?
3. To what extent do you think the grant process should be streamlined? What should the SRFB consider if anything, to streamline it? (In answering this question, please remember the importance of the SRFB being able to demonstrate to state and federal lawmakers the transparency and effectiveness of the program.)
4. The SRFB is interested in understanding the relationships between multi-year implementation plans and/or habitat work schedules and your actual project lists.
- Describe how you plan to use implementation plans and/or habitat work schedules in developing your project lists.
 - Describe the extent to which the technical review of implementation plans and/or habitat work schedules has occurred, to ensure consistency with strategies and recovery plans, and the extent to which projects on your lists are a part of that review.
- (See attachment 3 for a draft staff summary of the different technical review roles by salmon recovery region.)
5. What advice do you have regarding how the Review Panel's time be allocated to regions, given the panel's time and budget constraints?
6. Should the SRFB make pre-application workshops held by lead entities or regional organizations mandatory, given their usefulness?
7. What data gaps stand in the way of implementing your three-year project list?
8. What else would you like the SRFB to consider as they develop policy and set the expectations for the 2007 grant round?

Attachment 2 Proposed 2007 Timeline

All applicants must submit their applications through their regional organization or lead entity. Applicants should contact their regional organization for local application due dates, schedules, and required materials. **2007 key dates** are as follows:

- **Apr 2. SRFB Policy Manual & Application Forms Available.**
- **May - Sep. Review Panel Project Review.**
- **Jun - Aug. Review Panel Oversight.**
- **Sep 17 Regional and Lead Entity Project Lists & Applications Due.**
- **Sep 28 Regional funding recommendations.** Each regional organization forwards to the SRFB recommendations for funding projects submitted to them by the lead entities within their salmon recovery region.
 - *Staff will work out an improved process for routing various progenies of the Evaluation Form among LEs, applicants, Panel, and staff. This will be inserted in the schedule before the March meeting.*
- **Dec 13 - 14. SRFB Allocates Funding.** SRFB adopts project lists and allocates funding in an open public meeting.

Attachment 3
Statewide summary of technical review roles by salmon recovery region

| Salmon recovery region | Technical review of recovery plans (elements, strategic, certainty) | Technical review of lead entity strategies (focus, quality) | Technical review of project lists (strategic fit and sequencing to plans or strategies) | Technical review of multiyear project implementation plans or habitat work schedules (strategic fit and sequencing to plans or strategies) | Technical review of individual habitat projects (design, benefit and certainty, POC) |
|------------------------|---|---|--|--|--|
| Puget Sound | PS TRT: ESU scale, and watershed chapters | na | PS TRT reviewed individual watershed strategies for consistency with plan; Specific project lists not reviewed by PS TRT | ? | SRFB RP |
| Hood Canal | PS TRT: ESU scale, and watershed chapters | na | PS TRT reviewed individual watershed strategies for consistency with plan; Specific project lists not reviewed by PS TRT | ? | SRFB RP |
| Lower Columbia | WLC TRT | na | LC TAC | ? | SRFB RP |
| Mid-Columbia/Yakima | IC TRT | na | Yakima – Yakima TAC; Klickitat - SRFB RP | ? | SRFB RP |
| Upper Columbia | IC TRT | na | UC RTT | ? | SRFB RP |
| Snake | IC TRT | na | S RTT | ? | SRFB RP |
| Northeast | na | SRFB RP | SRFB RP | SRFB RP? | SRFB RP |
| Coast | na | SRFB RP | SRFB RP | SRFB RP? | SRFB RP |

List of acronyms:

- ESU Evolutionarily Significant Unit
- IC TRT Interior Columbia Technical Recovery Team
- LC TAC Lower Columbia Technical Advisory Committee
- POC Project of Concern
- PS TRT Puget Sound Technical Recovery Team
- S RTT Snake Regional Technical Team
- SRFB RP Salmon Recovery Funding Board Review Panel
- TAC Technical Advisory Committee
- UC RTT Upper Columbia Regional Technical Team
- WLC TRT Willamette/Lower Columbia Technical Recovery Team

Attachment 4 Eligibility Issues

Examples of eligibility issues:

- **Eligibility of projects in protected areas** – At least one project reviewed by the Review Panel this year was in an area protected by a habitat conservation plan (HCP). Confusion exists about the eligibility of such projects. The SRFB should clarify its policy regarding the eligibility of projects for funding when those projects are otherwise covered or exist in protected areas encompassed by HCPs.
- **Data gaps** amenable to being addressed by assessment projects (as well as research projects – see the next bullet) are often identified in lead entity strategies and recovery plans. It is typically not clear however, how much more assessment is needed in the context of a recovery plan or lead entity strategy, nor is the urgency that the assessment be accomplished in order to implement the plan or strategy. The SRFB should clarify *if those questions are important to have answers to, and* the extent to which a retrospective “assessment of assessments” would assist the SRFB in understanding these issues. (italics added by staff)
- **Assessment/research.** This year the Review Panel reviewed a project (San Juan Protection Initiative) that was of a type that had not been evaluated in past grant rounds. The project technical evaluation criteria (used to identify projects of concern) available to the panel did not fit this type of project very well. The Review Panel suggested the SRFB discuss the eligibility of these types of projects and consider reviewing and revising benefit and certainty criteria to better accommodate them. Further, the SRFB may want to consider the San Juan project to be a pilot study. Before considering funding similar projects elsewhere, the SRFB could review results from the pilot study to ensure that it can be successful and lead to projects.
- **Research projects (not necessarily leading directly to on-the-ground projects)** – Some projects were deemed by the Review Panel to be good “research” projects, aimed at filling information gaps identified in strategies or plans. These research projects have been eligible for SRFB funding only if they include components that would directly lead to on-the-ground projects. The SRFB should clarify the extent to which it wants to fund research projects, whether it wants to adjust benefit and certainty criteria to better address research projects, and whether and how it would like research projects to be identified in application materials and evaluated by the Review Panel.