

February 28, 2007

**TO:** SRFB Members and Designees

**FROM:** Neil Aaland  
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**SUBJECT: SRFB Agenda Item # 6b  
Establishing 2007 Grant Round**

**Background**

The SRFB discussed policy issues for the 2007 grant round at its January 2007 meeting. The Board gave direction on some issues including:

- Establishing an early April start date and early Review Panel availability;
- Keeping target allocations the same as last year; and
- Modifying some eligibility requirements.

The Board decided to defer direction on several other issue areas until the regions and lead entities (Les) could respond to a homework assignment seeking further input. In addition, it asked staff to develop some proposed responses to other issues and to draft a revised policy Manual #18 (the manual that discusses policies applicable to the SRFB grant program.) The overall direction from the SRFB was to get as far as possible in establishing policy for the 2007 grant round, by the March meeting.

**Status since last meeting**

The following actions have been completed since the January SRFB meeting:

1. Staff has met with the Lead Entity Advisory Group (LEAG) on February 13, and discussed the issues pending for the 2007 grant round.
2. Options and/or recommendations have been developed for some of the issues raised at the January meeting.

3. The homework assignment was issued, and responses received. Staff has reviewed and evaluated the responses (discussed in a separate memo and reflected here in options/recommendations)
4. Finally, the draft Manual has been prepared (included in the information for this meeting). The Board is requested to adopt as much as possible of this Manual in March.

### **Remaining Issues and Options – Homework Assignment**

#### **1. Intra-regional Funding Allocations**

- Does the SRFB need to establish any policies regarding intra-regional funding allocations?

*Staff Recommendation:* No formal policy needed for 2007. SRFB should acknowledge and continue to support the transition away from historical allocations toward biological/geographic criteria. SRFB is recommended to begin discussions along these lines in time for the 2008 grant round.

#### **2. Local Technical Review (for the region and their associated lead entities/watershed(s), as appropriate)**

- Are there any gaps in technical review?

*Staff Recommendation:* In general, there are few gaps that merit the SRFB's attention on a statewide basis.

Due to the increasing significance of multi-year implementation plans and/or work schedules as the basis for submissions of annual project lists, further discussion and consideration of the extent to which those plans and schedules have received some form of independent technical review would be appropriate. Staff recommends questions to that effect be included on the 2007 Information Submission Questionnaire. Related text can be found at pages 30-31 of the draft Manual. It is also suggested that the Panel provide general overview comments on the review processes leading to development and submission of 2007's project lists. This should help inform the Board's 2008 process development.

- Does the SRFB need to establish any policies regarding the independence of technical review?

*Staff Recommendation:* No formal policy is needed. SRFB should express its continued belief about the importance of independent technical review and encourage application of conflict of interest policies and practices at lead entity and regional levels. Related text can be found at page 31 (2d) of the draft Manual.

- Should the SRFB ask the Review Panel to continue providing the “over-the-shoulder” overview function (reviewing and providing comments on how the intra-regional processes worked)?

*Staff Recommendation:* The SRFB should discuss and provide direction on whether they believe that this review was helpful or not in 2006, and whether they want the RP to serve this function again in 2007. Staff believes the general oversight provided some value in understanding regions’ evolution and issues, and would recommend the function continue for the 2007 grant round. This should help inform the Board’s 2008 process development.

Related text can be found at pages 30-31 of the draft Manual.

### **3. Public Participation**

- Should the SRFB establish any additional policies regarding public and local government involvement?

*Staff Recommendation:* No. It seems that lead entities and regional organizations are doing what they can. The SRFB should reiterate its belief in the need for public and local government involvement and encourage lead entities and regional organizations to continue these efforts. Related text can be found at pages 30-31 of the draft Manual.

### **4. SRFB Review Panel**

- What changes are needed for the early part of the Panel process?

*Staff Recommendation, (a):* The SRFB Review Panel (RP) is planned to be available by April to assist lead entities and project sponsors. In addition, the RP will try to establish a meeting early in the process with representatives of the regional technical teams (e.g., the NOAA Technical Review Team (TRT), or RTTs), to clarify roles, questions, and evaluation criteria. Since the regional technical teams are playing a major role in technical review for implementing the regional recovery plans, including in some cases reviewing the fit of project lists to the plans, this will be an important step in ensuring that there is clear understanding of the responsibilities of the SRFB’s and other review teams.

*Staff Recommendation, (b):* The entire RP should meet as a whole, prior to October, for a preliminary and optional full group review of the projects for which lead entities and sponsors have provided ADEQUATE information. This meeting is suggested for the week of July 9-13, 2007. Providing RP feedback at this early step would help address the concern raised by some that the review after the application deadline in October is quite late and means sponsors, lead entities, regions, and the RP are scrambling to resolve issues.

It should be stressed that using this optional session means adequate information must be provided earlier in the process, which may have a

different impact upon sponsors, lead entities, and regions than in previous rounds. Adequate information means the project goal and objective are clearly stated in the project description, as well as the following: a map of the project site; design or preliminary design information (if available); cost estimate and information on how the cost estimate was developed or will be developed; and a clear description of the benefits to fish and certainty of success. Related text is in the Manual draft at pages 35-37.

- New “Project of Concern” (POC) categories (e.g., “Need More Information”)

*Staff Recommendation:* Direct staff to include new categories of “Need more information” and “Conditional Approval”. The Panel used these approaches informally in the 2006 round, and the 2007 Manual should clarify the terms and their uses. Related text can be found at pages 36-37 of the draft Manual.

- Is a process needed for resolving differences of opinion regarding eligibility issues?

*Staff Recommendation:* Adopt language that outlines how eligibility issues are resolved. The following language is suggested: “Decisions regarding eligibility are first reviewed with the assigned project manager and confirmed with the salmon section manager. In case eligibility is questioned, the director shall provide a final review, including all information and considerations provided by the sponsor and lead entity. The director may request assistance from the Review Panel as well.” This text can be found at page 25 of the draft Manual.

- Should the RP time be allocated by region, and regional organizations serve to allocate that time within the region?

*Staff Recommendation:* Based on the homework assignment responses, this does not seem to be an issue at this time. Staff recommends the SRFB not require this up-front allocation, but watch the issue during this year for possible addition as a process clarification in future grant round.

- What changes are needed for the later part of the Review Panel process?

*Staff Recommendation:* The 2007 schedule provides slightly later final application dates, and will therefore not enable more than one formal fix-it loop in October and after. The Panel will continue to be tasked to resolve issues as early as possible, including at the optional mid-summer review session described above.

## **5. Relationships Between Multi-Year Implementation Plans and/or Habitat Work Schedules and Actual Project Lists**

- Should the SRFB provide any direction regarding these relationships?

*Staff Recommendation:* No formal policy is needed at this time. SRFB should acknowledge the importance of strong linkages between plans, schedules, and lists, and encourage efforts to integrate.

- Should research/filling data gaps be allowed as an eligible grant item (as requested by respondents)?

*Staff Recommendation:* The SRFB should reiterate its preference toward direct funding of habitat restoration and projection projects, but consider allowing up to 10% of the available target regional allocation to be eligible for projects that address research/data gaps. This percentage could be allocated as determined by the region, e.g. could be directed to only one or several lead entities as appropriate to implement the needs of their recovery plan. The restrictions should be that the research/data gaps are identified as highest priority needs in the relevant regional recovery plan, and the local and regional technical review body (e.g. TRT, RTT) and citizens committee agrees that the specific projects implement the needs identified in the plan.

Detailed related text can be found at pages 20-21 of the draft Manual.

## **6. Relationships to Target Regional Allocations**

- What direction should the SRFB provide regarding target regional allocations?

*Staff Recommendation:* The SRFB should direct lead entities to submit project lists that meet the target allocation as closely as possible. They may identify 1-2 additional projects that don't exceed 25% of their target allocation to serve as fall-backs. Allowing post-September scope and project changes is acceptable but may require re-ranking by local committees, and may require another review by RP if changes are significant. Related text can be found at pages 29-30 of the draft Manual.

## **7. Other Recommendations (from the Homework Assignment Responses) for the SRFB**

- What direction should the SRFB provide regarding project eligibility issues?

*Staff Recommendation:* Several steps have been taken to clarify and adjust eligibility criteria for the 2007 round. Section 2 of the draft Manual contains the full list of eligible and ineligible items; the 2007 edition contains better clarification of topics that have caused some issues in past rounds. The draft Manual explicitly states the need for projects' primary focus to be salmon-related and for projects that will be able to be completed within a timely manner. It also provides increased flexibility for certain assessments (see discussion under bullet two, #5, above).

At this time, staff does not recommend development of any further "special projects" category or special review process. It is recognized that there are likely to be projects in the future that do not fit neatly into the eligibility criteria, but that may interest the SRFB enough to provide some funding. For 2007, staff has been unable to determine the magnitude of this need, or to determine an appropriate process to handle "special" categories. Additional SRFB discussion is suggested for possible consideration in the 2008 or later rounds. If the SRFB adopts a special review approach, staff suggests that a clear statement be made that this is only intended for use in very limited circumstances.

### **Remaining Issues and Recommendations**

1. Respondents made several suggestions to the homework assignment that the SRFB revise the regional target allocations for the 2008 grant round.

*Staff Recommendation:* We concur with this suggestion and recommend the SRFB begin the process at the May 2007 meeting. The initial steps would be for staff to discuss this at upcoming LEAG and COR meetings, and get their ideas on how the SRFB should proceed with this discussion. At the May meeting, staff would present a memo outlining the results of these discussions and a recommended approach for the SRFB to use in revising regional target allocations. Revised allocations would need to be in place by the start of the 2008 grant round

2. Additional staff suggestions and highlighted items found in the draft Manual:
  - a. The draft Manual has re-clarified the importance of projects being ready-to-proceed and to be able to be completed in a timely manner, usually 2 – 3 years after funding approval, as well as the need for all projects to have a primary focus on salmon-related habitat conditions and processes. (E.g., see pages 8, 11, 16, 19, 20 and 23.)
  - b. Staff has presented an option for Board discussion, to withhold up to 10% of funds, for its use in December 2007. This could be used to assist with minor additional funding where projects do not otherwise fit in an allocation and would need to be significantly reduced to fit. Also, these funds might be used to assist regions with better participation in IMW watersheds where regional recovery priorities might not otherwise support IMW-related projects.

Staff suggests the Board discuss its preliminary views on this option in March, and make a final decision in May. By May, the Board will have additional knowledge of federal and state funding status, and can also be better informed by on-going work of the Monitoring Forum on the specific issue of IMWs.

We look forward to your discussions and direction at the March meeting.