



STATE OF WASHINGTON

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

March 24, 2006

TO: SRFB Members and Designees
FROM: Steve Tharinger, Issues Task Force (ITF) Chair *ST by nla*
SUBJECT: Recommendations from Issues Task Force

Background

SRFB has been refining its grant funding approach to be more and more strategic. We initiated this effort by suggesting that lead entities, the fundamental building block of recovery, develop plans that show a comprehensive approach to salmon recovery in their watersheds. In the last round of project funding, we started to build the link between regional recovery plans and lead entity (LE) watershed plans.

In this coming 7th round, I am recommending the SRFB continue to strengthen the link between regions and lead entities while enhancing our strategic approach to do "what is best for the fish." The regions play an ever-increasing role in this approach because:

1. Regional recovery plans are based on Evolutionary Significant Units (ESUs), or portions of ESUs, and are the scale at which recovery of Endangered Species Act (ESA) listed salmon and steelhead will be evaluated and achieved.
2. A regional approach integrates through a collaborative partnership the salmon planning and recovery activities of all recovery participants (federal, state, tribal, local governments, citizens, and other stakeholders).
3. Regional recovery plans will facilitate the integration of harvest, hatcheries and habitat and improve ability to set priorities and judge the cost-effectiveness of actions.
4. Regional organizations should provide technical and facilitation support to local efforts and/or link local groups with experts from state, tribal, or federal agencies.
5. Regional organizations will provide financial leadership and public outreach to increase public support for recovery efforts.

I volunteered at the December 2005 meeting to chair the 2006 Issues Task Force (ITF) and develop recommendations on how the grant process should be changed. Work started immediately after the January 2006 meeting. (See Attachment A for a list of 2006 ITF members.) These recommendations are based on the ITF work, but are my conclusions as chair.



SRFB Chair Bill Ruckelshaus attended the first ITF meeting and provided some thoughts about parameters for regional allocation. Assuming approximately \$16 million is available for the upcoming grant round, he asked that the ITF try to define the ideal system, and keep that ideal in mind even if it cannot be fully attained during this next grant round. He also offered several other thoughts:

- Regional plans should replace strategies, identify important places and actions for salmon and guide project list development.
- Discussions are ongoing with federal funds regarding use of federal money for other than Endangered Species Act (ESA) listed species.
- The ITF needs to explore how technical review will occur, both at the regional level and the SRFB level.
- Allocation of funds must be fair and benefit fish.
- Any interim process must be mindful of where we want to go and not create a barrier for achieving that goal.

Process

Staff and I attended an initial round of meetings before the first ITF meeting:

- Puget Sound Lead Entities – Jan. 11 (staff attended)
- Lead Entity Advisory Group – Jan. 20 (both staff and I attended)
- Council of Regions – Jan. 31 (staff attended)
- Open meeting – Feb. 10 in Edmonds (both staff and I attended)

The ITF officially began March 3, with three meetings held as follows:

- March 3, Renton
- March 9-10, Olympia
- March 17 Olympia

Principles

ITF members believe it is important to articulate the overarching policy principles they considered. These principles are:

1. A regional approach to funding is important.
2. Each of the regional areas in the state exhibit different complexities, ranging from varying numbers of watersheds to areas with vastly differing sizes of human populations. These complexities require different approaches to salmon recovery.
3. Lead Entities will continue to be a crucial part of the recovery effort – there is a “fundamental role and need for the LEs”.
4. There is a need to provide some support for areas not included in a regional recovery plan (the coast and northeast), while being mindful of the need to reward areas that went to the effort of preparing a regional plan.
5. We must continue to support a statewide strategic approach.
6. We must use funds efficiently to address both listed and non-listed species.

Summary of Major Issues and Recommendations

1. ITF recommends that 90 percent of funding be allocated using a regional approach, and 10 percent of funding be at the discretion of the SRFB (by individual project, as in previous rounds). Project funding would be administered through existing SRFB and Lead Entity mechanisms. It is assumed additional administrative funds would not have to be allocated to regional organizations to accomplish this, although some type of administrative assistance will be needed for the coast and northeast areas to start coordinating on a regional basis.
2. Allocation of funding on a regional basis
 - a. Allocation factors: A variety of factors were discussed that could be used to allocate funding by regions. ITF concluded that, (1) for the regional allocation, biological factors should be used (the "fish centric" approach); and that (2) the internal regional allocation (decided by the regional organization) can take fish and other factors into account. The ITF decided to use these following factors in the recommended options:
 - i. Water Resources Inventory Areas (WRIAs)/Watersheds: This factor is based on the number of watersheds within a region, and comes closest to representing the complexity of a regional area. The factor would use state-designated Water Resource Inventory Areas (WRIAs) as the basis for determining the number of watersheds.
 - ii. Salmonid miles: Previously used in the first increment, based on data from WDFW. This factor includes the number of miles of existing and potential salmon, steelhead, and bull trout habitat, for both river and marine shorelines. ITF members generally believed this was a reasonable way to represent the geographic extent of salmon habitat.
 - iii. Listed populations: This is a refinement of "listed species" which was a factor in the first increment last year. Recovery plans have provided better information statewide, which is reflected in their discussions of individual populations. This factor gets directly at the primary focus for federal funds. Congress has expressed a desire that the Pacific Coast Salmon Recovery Funding be used to recover only listed species.
 - iv. SaSI stocks: The ITF added this factor as a way to address non-listed species as well as listed populations. According to the WDFW website, the Salmonid Stock Inventory (SaSI) "...is a standardized, uniform approach to identifying and monitoring the status of Washington's salmonid fish stocks. The inventory is a compilation of data on all wild stocks and a scientific determination of each stock's status as: *healthy*,

depressed, critical, unknown, or extinct. SaSI thus is a basis for prioritizing recovery efforts and for measuring the results of future recovery actions.”

Other factors that were discussed and not retained included human population size and growth rates, amount of sponsor match, historic SRFB funding received, and percentage of impervious surface. Although these factors had merit in some way, they generally pertained to non-fish considerations, and thus were inconsistent with orientation toward biological criteria for regional allocation. Some potential factors that affect salmon were also discussed that are very big picture, such as climate change, water quantity challenges, and water quality issues, but are very difficult to quantify fairly across regions.

- b. How to weight the factors: The ITF discussed and analyzed various ways to weight the recommended factors and determine allocation percentages that were consistent with the policy principles. The ITF ultimately selected two different options to recommend to the SRFB (See details in Attachment Two). The weighting of the four factors in the options recommended by the ITF emphasize listed populations, with somewhat lower but similar weights for WRIAs and salmonid miles, and a small weight for SaSI stocks. Several points to consider:
 - i. The ITF recommends that the allocation selected for the 2006 grant round be viewed as a “conditional” allocation. That means each regional area is not guaranteed the full amount, but rather would be able to receive up to that amount based on responses to the SRFB oversight criteria (described in section 4 below).
 - ii. Both recommended options point to a significant change in the funding percentages when viewed by regional areas. Many ITF members believed that this should be implemented by a phased approach. The ITF recommends a “transitional adjustment” be made for the upcoming grant round.

The following considerations were used to develop transitional adjustments:

- Coast – LEs will consider moving toward a regional-scale approach. ITF recommends keeping funding at historical percentage pending outcome.
- Lower Columbia – Completed recovery plan. ITF recommends awarding a higher percentage but the figure presented in the options would be too large to accommodate all at once.

- Mid-Columbia – Completed recovery plan. ITF recommends an increase from historical funding levels but not as high as 2005.
- Northeast – The LE currently represents one of six WRIAs in the regional area but will consider moving to a regional-scale approach. ITF recommends increasing the percentage of funding from historical levels but keep it consistent with this past year’s pending outcome of multi-WRIA regional approach.
- Puget Sound – Completed recovery plan. ITF recommends a smaller reduction in their percentage because the full reduction is too large given the complexity of the region, and too large to accommodate all at once.
- Hood Canal – The region has a recovery plan covers all four H’s (hatchery, harvest, hydropower, and habitat) but it is not yet designated an official recovery region, and the plan is not yet integrated with Puget Sound Chinook recovery plan. The ITF recommends keeping the percentage of funding at the current and historical level.
- Snake –Completed recovery plan. The ITF recommends a slight increase from this past year’s funding, and a larger increase than historically given.
- Upper Columbia – Completed recovery plan. The ITF recommends increase funding from this past year’s to at least historical level.

The following table shows by region the amounts received historically, the amounts that would result from the two options selected by the ITF, and the recommended transitional adjustment – all shown as a percentage of the available funding:

<i>Regional Area</i>	<i>Historic 2001-2005</i>	<i>Option I %</i>	<i>Option II %</i>	<i>Transition %</i>
Coast	10	11	13	9
Lower Columbia	7	29	23	17
Mid-Columbia	6	7	8	8
Northeast	2	3	5	3
Puget Sound	57	27	29	41
Hood Canal	6	7	7	6
Snake	3	8	6	6
Upper Columbia	9	8	9	10

3. Regional and SRFB Technical Review: Different recommendations for areas with recovery plans and areas without recovery plans

a. Areas with regional recovery plans

- i. Project lists will be submitted by the regional organizations, based on their recovery plans. Regional organizations will do their own local technical review. This regional technical review should be focused on the fit of the project list to the regional plan. Regional organizations may choose to have this local review conducted in a variety of ways, including NOAA Technical Review Teams (TRTs), or some other local process. An important component will be the need for this regional process to function independently of the regional policy effort and ensure an independent review.

Upon request, the SRFB Review Panel will be available to participate in or be present at their local process and over a longer period of time. The type of assistance could include attending and observing the local technical review process (in order to gain an understanding of how and why local decisions were made), making site visits, and reviewing projects and providing evaluation forms at an earlier point.

- ii. SRFB technical review will be reviewing projects and determining whether they merit a label of Project of Concern (POC). There will be no SRFB review of regional recovery plans or strategies, or of fit of the list to plans or strategies

b. Areas without regional recovery plans (coast and northeast)

- i. The SRFB Review Panel will review the fit of the list to the lead entity strategy and identify POCs. One difference is that the coastal lead entities will be asked to prepare one joint list, and the projects will be compared to the appropriate lead entity strategy. They will be expected to update and improve their strategies. SRFB staff and the RP will assist these lead entities in working together.
- ii. The coastal LEs are encouraged to coordinate with each other and work on a regional basis, even though they are not preparing regional recovery plans. Some administrative support will be needed from the state in order to help them achieve this additional level of coordination. The northeast portion of the state (Pend Oreille LE) is encouraged to seek local permission to broaden its scope from its current 1 WRIA up to the 6 WRIs that potentially could be included. If they were successful, they would also need some assistance from the state with

this additional coordination. SRFB staff is willing to join with them in local meetings at an early point and help explore this option.

- iii. As with areas with regional recovery plans, the SRFB Review Panel will be available upon request over a longer period of time. The SRFB Review Panel will be available to participate in local processes and to review projects earlier in the process.

4. Direction to regions on their internal allocation process (SRFB oversight criteria)

- a. The SRFB will observe how well the regional organizations are implementing their recovery plan in making their internal allocation decisions. The SRFB remains accountable for the funding, even when it is allocated to the regions.
- b. Regional organizations will be expected to explain how their recovery plans are incorporating and implementing NOAA's habitat monitoring indicators. These are the indicators that meet the Pacific Coastal Salmon Recovery Fund (PCSRF) reporting requirements to Congress for each salmon domain that consists of one or more ESUs.
- c. As stated in the ITF principles, regions will need to acknowledge the fundamental need for and role of the LEs.
- d. In October, regional organizations will present to SRFB staff and the Review Panel to explain how their internal allocations were made, how project lists were selected, and other relevant factors. This information will be rolled up into a final report presented to the SRFB for the SRFB's December funding meeting.

5. Specific Lead Entity issues

- a. The North Olympic Peninsula Lead Entity' (NOPLE) should be split into two lead entities. WRIA 20 should be aligned with the coast, and WRIAs 18 and 19 should be aligned with Puget Sound.
- b. The Klickitat LE needs to participate with both the Lower Columbia regional organization and the Middle Columbia regional organizations, as appropriate. Projects will need to be coordinated with and submitted through those regional organizations.

Operational Aspects of the Grant Round - SRFB staff recommendation

The SRFB needs to give some direction on operational aspects of the grant round, such as application due dates, who is responsible (SRFB or regions) for initial review of applications, etc. Staff has prepared a separate memo that includes those recommendations.

Attachments

- A. 2006 ITF members
- B. 2006 Draft Options I-II

**Attachment One
2006 ITF Members**

Steve Tharinger, Chair

Craig Partridge, Department of Natural Resources

Jeff Breckel, Lower Columbia Fisheries Recovery Board

Doug Osterman, Lead Entity Advisory Group

Steve Martin, Snake River Recovery Board

Tim Smith/Lauri Vigue, Department of Fish and Wildlife

Chris Drivdahl/Steve Leider, Governor's Salmon Recovery Office

Dick Wallace, Department of Ecology

Jeanette Dorner, Nisqually Lead Entity

Lee Napier, Grays Harbor County Lead Entity

Mike Kaputa, Chelan County Lead Entity

IAC/SRFB Staff:

Neil Aaland

Rollie Geppert

2006 DRAFT Options I-II: (90%) Allocated Across All Regions

Draft March 23, 2006

Based on 90% of the \$16 million (or \$14.4 million) available in the 2006 Grant Round; 10% SRFB discretion

OPTION I Region	WRIAs 20%		Salmonid Miles 20%		SaSI Stocks 10%		Listed Populations 50%		Based on the Four Proposed Criteria		Historic SRFB Funding		Recommended Transitional Allocation
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Total Increment (90%)	Percent	FY 2006 Percent	FY 2001-'06 Percent	
Coast	5.0	\$300,000	5,194	\$735,144	125	\$348,162	4	\$208,696	\$1,592,003	11%	11%	10%	9%
Lower Columbia	5.0	\$300,000	2,764	\$391,209	66	\$183,830	63	\$3,286,957	\$4,161,995	29%	5%	7%	17%
Mid Columbia	5.0	\$300,000	1,972	\$279,111	27	\$75,203	7	\$365,217	\$1,019,532	7%	10%	6%	8%
Northeast	6.0	\$360,000	417	\$59,021	4	\$11,141	1	\$52,174	\$482,336	3%	3%	2%	3%
Puget Sound	15.3	\$918,000	6,824	\$965,850	187	\$520,851	29	\$1,513,043	\$3,917,745	27%	55%	57%	41%
Hood Canal C.C.	2.7	\$162,000	996	\$140,971	50	\$139,265	12	\$626,087	\$1,068,323	7%	6%	6%	6%
Snake River	3.0	\$180,000	1,120	\$158,522	11	\$30,638	11	\$573,913	\$943,073	8%	5%	3%	6%
Upper Columbia	6.0	\$360,000	1,061	\$150,171	47	\$130,909	11	\$573,913	\$1,214,993	8%	5%	9%	10%
Total	48.0	\$2,880,000	20,348	\$2,880,000	517	\$720,000	138	\$7,200,000	\$14,400,000	100%	100%	100%	100%

\$16,000,000

\$14,400,000

OPTION II Region	WRIAs 30%		Salmonid Miles 30%		SaSI Stocks 5%		Listed Populations 35%		Based on the Four Proposed Criteria		Historic SRFB Funding		Transitional Adjustment
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Total Increment (90%)	Percent	FY 2006 Percent	FY 2001-'06 Percent	
Coast	5.0	\$450,000	5,194	\$1,102,717	125	\$174,081	4	\$146,087	\$1,872,885	13%	11%	10%	9%
Lower Columbia	5.0	\$450,000	2,764	\$586,813	66	\$91,915	63	\$2,300,870	\$3,429,598	23%	5%	7%	17%
Mid Columbia	5.0	\$450,000	1,972	\$418,667	27	\$37,602	7	\$255,652	\$1,161,921	8%	10%	6%	8%
Northeast	6.0	\$540,000	417	\$88,532	4	\$5,571	1	\$36,522	\$670,624	5%	3%	2%	3%
Puget Sound	15.3	\$1,377,000	6,824	\$1,448,775	187	\$260,426	29	\$1,059,130	\$4,145,331	29%	55%	57%	41%
Hood Canal C.C.	2.7	\$243,000	996	\$211,457	50	\$69,632	12	\$438,261	\$962,350	7%	6%	6%	6%
Snake River	3.0	\$270,000	1,120	\$237,783	11	\$15,319	11	\$401,739	\$924,841	6%	5%	3%	6%
Upper Columbia	6.0	\$540,000	1,061	\$225,257	47	\$65,455	11	\$401,739	\$1,232,450	9%	5%	9%	10%
Total	48.0	\$4,320,000	20,348	\$4,320,000	517	\$720,000	138	\$5,040,000	\$14,400,000	100%	100%	100%	100%