



STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

October 2008

To: Salmon Recovery Funding Board Members

FROM: Kaleen Cottingham, Director

SUBJECT: Director and Agency Management Report, October 2008

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**Budget Preparation for the Next Biennium (2009 to 2011)**

The Recreation and Conservation Office submitted its operating and capital budget requests to the Office of Financial Management for review by the Governor. The operating budget included a request to essentially carry forward our current funding levels, with the addition of the following five requests:

1. Washington Invasive Species Council – a request for additional funding to enable the council to implement the top recommendations from its recently adopted strategic plan.
2. Washington Biodiversity Council – a request to enable the council to implement the top priorities in the 2007 Washington Biodiversity Conservation Strategy.
3. Lead entities – a request for additional lead entity funding to address the increase in the breadth and complexity of their work.
4. Boating Activities – a request to continue previous funding provided to support boater safety, education, and law enforcement through the Boating Activities Program.
5. Reduce Forest and Fish – a request to reduce the RCO expenditure authority to match the actual expected expenditures by the Department of Natural Resources.

The capital budget included requests for all grant programs. Highlights include the following requests:

1. \$100 million for the Washington Wildlife and Recreation Program
2. \$24 million for salmon recovery, and authority to spend up to \$50 million in federal salmon recovery grants
3. \$2.5 million for the Youth Athletic Facilities grant program

**Checking Progress Towards Implementing Regional Salmon Recovery Plans**

In something similar to a performance audit, RCO and Governor's Salmon Recovery Office staff have been meeting with regional salmon recovery organizations to check on their progress towards implementing their recovery plans. The Salmon Recovery Funding Board funds seven regional organizations to help them implement their salmon recovery plans. The



purpose of the meetings is to review progress on implementing major milestones in regional recovery plans, evaluate obstacles, and collectively examine adaptive management options. So far visits have been made with the Hood Canal Coordinating Council, Lower Columbia Fish Recovery Board, Upper Columbia Salmon Recovery Board, and the Snake Recovery Board.

### **Board Feedback**

As part of our effort to ensure that we are providing effective support to the Board, I have asked staff to conduct an evaluation after every meeting. We will ask you to assess the logistics, agenda, quality and timeliness of notebook materials, and progress toward the Board's strategic direction. We will email the evaluation to you via SurveyMonkey.com within one week of each board meeting. This is all part of our effort to improve our support of the various boards.

### **Sustainability of Board Meetings**

RCO staff has proposed several options for reducing costs and improving the sustainability of Board meetings. The topic of greatest interest is the notebooks we deliver to you in advance of every meeting. These notebooks, while re-usable, are not the most sustainable product for an agency focused on protecting our natural resources. These plastic binders are costly to purchase and heavy to mail. The options we would like to explore vary in complexity and range from having you bring old binders to meetings so that we can reuse them, to providing materials to you electronically rather than on paper. Providing laptop computers at board meetings is also within the realm of possibilities, for those who are willing to receive materials electronically. This latter approach is similar to how many legislative committees are now operating.

The first post-meeting evaluation survey we send to you will include questions about options you would like staff to consider. We are also willing to have different approaches for individual board members. We want to see what is possible, without impairing the quality of the information we provide or the decisions made by the board.

### **Staff Changes**

Since June, we filled five of the remaining vacant positions:

- ◆ two grant managers in the Recreation Section;
- ◆ one administrative assistant in the Recreation Section;
- ◆ one grant manager in the Salmon Section; and
- ◆ one section manager for the Conservation and Grant Services section.

We are fortunate that we were able to fill nearly all of our vacant or new positions over the past several months. Given the Governor's recent hiring freeze, no additional staff will be added to the agency's roster for at least the foreseeable future.

## **Meetings with Partners**

Puget Sound Partnership: This biennium, RCO received \$40.75 million for Puget Sound acquisition and restoration projects to be approved by the Salmon Recovery Funding Board (SRFB). We are talking with the Puget Sound Partnership about how much to expect for the 2009-11 biennium and whether funds should come through the RCO or the Puget Sound Partnership budget. If such funds are appropriated, it is the intent of both agencies that the RCO and the SRFB would continue to administer the grants.

Puget Sound State Agency Caucus: The numerous state agencies with programs that affect the health of Puget Sound meet monthly to discuss policy and budget issues. At the past meeting, Puget Sound Partnership staff briefed the caucus on progress towards developing the Puget Sound Action Agenda and related performance measures. Several of the grants at RCO are in the mix of programs being evaluated by the Puget Sound Partnership for their ability to help implement the soon-to-be finalized Action Agenda. Examples of programs within the RCO with a direct link to Puget Sound are the WWRP habitat-related grants, Salmon Recovery grants, ALEA grants, and the state's Monitoring efforts.

## **News from our Sister Boards**

Recreation and Conservation Funding Board: At its Sept. 23-24 meeting, the RCFB approved prioritized project lists for the Washington Wildlife and Recreation Program and the Aquatic Lands Enhancement Account to be forwarded to the Governor for possible inclusion in her capital budget. The board also took action on one Land and Water Conservation Fund grant and two Boating Infrastructure Grants.

Washington Biodiversity Council: The Biodiversity Council held its fall retreat September 24-25. The council spent most of its retreat developing an approach for permanent state leadership of the biodiversity strategy, preparing for a report due to the Governor November 17. Also, the council finalized its list of early action demonstration projects for fiscal year 2008. In addition to the previously approved projects (Biodiversity Scorecard, Regional Pilot in North Central Washington, Hands on Student Education, and a valuation of the ecosystem services of the Nisqually Watershed), the council added two additional projects – an introductory video about Washington's biodiversity and the strategy, and building a landowner component for a statewide Web site on habitat connectivity. The council is seeking to raise an additional \$30,000 to fully fund these projects.

Washington Invasive Species Council: The council met August 20 and welcomed three new members representing the U.S. Customs & Border Control, U.S. Forest Service, and Washington State Parks and Recreation Commission. In addition, the council elected Chris Christopher from the Washington Department of Transportation as the new council chair and Brid Nowlan from the Washington Invasive Species Coalition as vice-chair. The council requested and received a letter of support from Governor Gregoire for the Columbia River Basin Interagency Invasive Species Response Plan. It calls for a coordinated regional and multi-agency approach to protect the Columbia Basin waters from zebra mussels and other aquatic nuisance species. Last, but not least, on September 29<sup>th</sup>, the first of two workdays to

develop implementation steps for the top five priority recommendations of the strategic plan was held at Pacific Lutheran University. More than 100 folks gathered to help the council map out the next steps to making the plan a reality. The second workday will be in Pasco on October 14<sup>th</sup>.

Forum on Monitoring Salmon Recovery and Watershed Health: The Forum met Sept 3 to consider agency budget requests for monitoring funding. This meeting was the culmination of several months of work as agencies presented and refined their monitoring proposals. Before the meeting, a forum subcommittee and staff developed evaluation criteria and a proposed scoring matrix. Proposals were grouped into several different categories based largely on how well they addressed the forum's monitoring framework. The forum forwarded its findings to the Office of Financial Management and key legislative committee chairs. In other work, the forum heard about several data management initiatives underway, and endorsed a request by regional salmon recovery groups to continue to improve the way regional monitoring priorities are incorporated into state agency budget processes.



STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

October 2008

To: Salmon Recovery Funding Board Members and Designees

FROM: Kaleen Cottingham, Director

SUBJECT: Governor's Direction to Reduce Expenditures

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On August 4, 2008, Governor Gregoire directed state agency heads to reduce fuel consumption, reduce some expenditures, and stop hiring new employees. I want to update the Salmon Recovery Funding Board about the steps that I have taken at the Recreation and Conservation Office (RCO) to meet both the letter and intent of the Governor's directive.

Reducing Fuel Consumption

The directive to reduce fuel costs by five percent is a challenge for the RCO because we are working to increase site visits to ensure project implementation, completion, and ongoing compliance. In fact, our need to travel more was part of the justification for increased staffing levels. To decrease costs, I have asked staff to coordinate their travel as much as possible; for example, visiting several sponsors on a trip or doing a site visit for another grant manager if they are traveling in a reasonable proximity. We replaced our truck with a hybrid Ford Escape, and will soon replace one of our vans with a hybrid vehicle.

Knowing that the site visits are vital to our business, I also have directed staff to look for alternate cost reductions that would equate to the fuel reduction.

The first step, taken with concurrence of the board chairs, was to move the meetings of this board, the Recreation and Conservation Funding Board, and the Biodiversity Council back to Olympia. This decision required careful consideration because the "travel" meetings provide excellent opportunities for public participation and for the board members to visit and learn from projects they have funded. However, I had to weigh those benefits against both the fuel and per diem costs of staff travel for the meeting.

I also moved the staff retreat from the UW's Pack Forest in Eatonville back to Olympia. Doing so will reduce both the fuel costs and per diem charges we would have incurred.



### Other Spending Adjustments

The Governor also imposed a freeze on hiring, discretionary purchases of new equipment, out-of-state travel, and non-emergency personal services contracts. The following is a summary of the actions we have taken in response.

- The RCO had filled all but one of our outstanding vacancies before the freeze. The one remaining vacant position, which supports the Monitoring Coordinator and related data management coordination functions, will remain vacant for the foreseeable future. We have several temporary and project employees. We will continue their status at least through the end of the biennium.
- We continue to carefully consider all purchase requests, and purchase only non-discretionary equipment.
- Three staff members had planned to attend out of state conferences. Although the information would be very useful for them, we have cancelled the trips. One staff member, who is speaking at a conference in Canada, had already planned to cover his own travel expenses and will be allowed to travel out-of-state.
- Prior to the freeze on contracting we had solicited proposals for consultants to evaluate the level of services of the state boating programs and had evaluated the two responding bids. However, contract negotiations did not start before the Governor's directive, so we have tabled the procurement. Staff is exploring whether we can complete any of the work through agreements with other government agencies.
- At some point in the next year (2009), the RCO will need to evaluate how we currently contract for some services related to the Salmon Recovery Funding Board. For example, our contracts with Tetra Tech for effectiveness monitoring and our individual review panel members are personal services contracts and subject to the Governor's directive. The review panel contracts are effective through January 31, 2009 and Tetra Tech ends on June 30, 2009. Many of the contracts with the regions and the contract with WDFW for lead entities also end on June 30, 2009. By then, however, we will have a better picture of our budget situation and should know whether the directive will continue into the next fiscal year. If it does, I expect we will need to work with OFM to obtain an exemption.

### Next Steps

The Office of Financial Management is looking for an additional \$200 million in cuts for the current biennium. They will be evaluating all agencies for additional general fund (state) savings.

# Recreation and Conservation Office 2008 Work Plan

## September Update

New measures and format are in development.

Expected Work Results	Performed by	Due date(s)	Performance Targets	Measures	Status Update
Maintain the high quality and impartiality of our grant programs	Agency  Recreation and Conservation Funding Board (RCFB)	Annual application and grant award cycles established for each program	60% of projects under agreement within 120 days of board funding	No new data due to funding cycles.	<p>Recreation and Conservation grant managers and volunteer evaluators have finished hundreds of projects for review by the RCFB in September. The RCO grant sections are now fully staffed, and the new grant managers have begun their training.</p> <p>SRFB grant managers are beginning to review the 2008 grant applications. The application deadline was September 8th. The unit is now fully staffed, and the new grant manager has begun his training.</p>
			100% of projects under agreement within 180 days of board funding	<p>Rec/Con: 76% of projects were under agreement within 180 days of board funding during the 4th quarter of the biennium.</p> <p>Salmon: 91% of projects were under agreement within 180 days of board funding in this grant cycle</p>	
	80 % of active projects have billed annually		For the 3 <sup>rd</sup> quarter of the biennium, 79% of projects that had been active for at least 365 days had billed in the last year.		
	80 % of projects closed within 90 days of agreement end date		<p>Rec/Con: Of the projects with a funding end date between Jan. 1 and Mar. 31, 16% closed in the 4th quarter of the biennium.</p> <p>Salmon: Of the projects with a funding end date between Jan. 1 and Mar. 31, 31% closed in the 4th quarter of the biennium.</p>		
	Salmon projects: 100% of advances accounted for within 120 days of advance funding date		March through June 2008: 100% of advances were accounted for within 120 days.		

Expected Work Results	Performed by	Due date(s)	Performance Targets	Measures	Status Update
Finalize biodiversity strategy and begin implementation	Biodiversity coordinator	EO 04-02 Strategy due December 31, 2007  Proposal for ongoing leadership of the Biodiversity Strategy due 11/08  Other specific directives due 12/09	Strategy completed on time  Coordinate implementation of early action items  Proposal & directives completed on time	Last Update: The strategy was completed on time.	The council has raised funds to launch five early action projects for the next fiscal year, including development of a Biodiversity Scorecard. They are preparing options for a leadership proposal due to the Governor 11/08.  Budget decision package has been developed for funding in the 2009 – 2011 budget.
Finalize invasive species strategic plan	Invasive species coordinator	Plan due June 6, 2008	Plan completed on time  Performance targets to be set based on completed plan	Last Update: The Invasive Species Strategic Plan was completed on time.	Council launched the implementation of the plan by providing a series of briefings to key legislators and committee staff. There will be two fall workdays to develop implementation details of the top five recommendations of the plan.  Budget decision package has been developed for funding in the 2009 – 2011 budget
Implement monitoring strategy framework	Monitoring forum coordinator	By December 2008 have harvest and smolt statistics available on the internet	Harvest and smolt statistics are available on the internet	New measures are in development	The Forum is continuing its discussion of restructuring to be a stronger policy group. The Forum approved criteria developed by a work group and evaluated all agency monitoring budget increases. The report was submitted on time to OFM and legislative committees. The additional RCO staff position to support the coordinator remains vacant.

Expected Work Results	Performed by	Due date(s)	Performance Targets	Measures	Status Update
Implement a system of accountability and performance measures	Director and management team supported by the performance management position	Bi-weekly team meetings Quarterly internal GMAP meetings Strategic plan due June 2008  Biennial budget due Aug 2008	OFM Outcome measures:  Number of miles of habitat made accessible due to barriers removed  Percent of salmon recovery, recreation, and habitat restoration projects finalized without the need for time extensions	An additional 40.8 miles and 12.5 miles of habitat were made accessible due to barriers removed in 3 <sup>rd</sup> and 4 <sup>th</sup> quarters of this biennium, respectively.  In the 4th quarter of the 2007-2009 biennium, 47 percent of salmon projects and 69 percent of recreation or conservation projects were finalized without the need for time extensions.	The work plan is being realigned with the fiscal year, and a more robust system of measures is in development. Measures for each activity (core work) will be ready for OFM and uploaded to the system.  An internal GMAP session was held on July 23. The next internal GMAP session is scheduled for October 20.
Reduce re-appropriations, streamline grant process, and update manuals	Director & Deputy	Final Berk Report to be issued February 15th	Performance targets to be set as recommendations are implemented	See grant management measures above.  Berk report issued.	We have hired a contractor to map RCO business practices. The work is to be completed by December 31. This work will help us to find areas where we can streamline processes or improve consistency.  The grant management sections have divided and reassigned work and geographies. Notice of this re-alignment was sent to all project sponsors.

Expected Work Results	Performed by	Due date(s)	Performance Targets	Measures	Status Update
Implement grant manager priorities set at annual retreat	Deputy	Target completion date of December 31, 2008	Performance targets to be set as recommendations are implemented	No measures to report	<p>No change.</p> <p>Previous status: Eleven action items identified. Some items overlap with Berk findings and involve Prism improvements. Working to evaluate, sequence, and implement recommendations</p> <p>Group is focusing on orientation, training, and manuals.</p>
<p>Improve coordination between state agencies that provide grant funding to local governments</p> <p>OFM's Contracts, Grant, Loan (CGL) Systems development process</p>	<p>Director &amp; Special Assistant</p> <p>PRISM Manager</p>	<p>On-going</p> <p>By June 30, 2009, OFM's statewide CGL system will be operational for two programs</p>	<p>RCO included in OFM efforts</p> <p>System developed meets RCO expectations</p>	Participating on advisory team efforts	<p>No change</p> <p>Previous status: Tracking OFM's efforts toward one-stop shop approach for state grant programs</p>
Prioritize and develop new or revised grant policies and rules updates	Special Assistant	January 2008	<ul style="list-style-type: none"> <li>• Prioritized list developed</li> <li>• 100% of tier 1 priority policies updated</li> </ul>	All Tier 1 priority policies have been assigned to staff and are in development.	<p>Policy team has formed and made assignments based on the prioritized policy list.</p> <p>Once the top tier priorities were accomplished, the remainder of list and new adds were reprioritized. A new tier one level is now the target.</p>

Expected Work Results	Performed by	Due date(s)	Performance Targets	Measures	Status Update
Develop and submit on time all required reports to the Legislature and Governor	Special Assistant	See tracking list	100 % of reports filed on time	All reports due in 2008 have been filed on time.	Matrix is being updated based on new staff members and assignments.
Complete required new studies: <ul style="list-style-type: none"> <li>◆ Boating</li> <li>◆ Land acquisition coordination</li> </ul>	Special Assistant	Draft due Dec. 1, 2007 Final due January 2008  Annual report due November	Studies completed on time	No measures to report	Policy staff have been assigned to coordinate the Habitat and Recreation Lands Coordinating Group and work is underway to establish subcommittees. Annual report date may be adjusted to reflect work of subcommittees.
Support Puget Sound Partnership	Director  Monitoring forum coordinator  Salmon grant manager  Invasive species & biodiversity coordinators	Measures completed for Gov's May 15 GMAP on Puget Sound  Monitoring components identified by May for inclusion in plan update due in September 2008  Complete scope of work in January 2008 with work completed by June 2009  Design only projects must be completed by June 2009 with projects complete by June 2011  See items 2 & 3	Measures completed and reported on time  Monitoring components are identified by May 30 2008  Six month performance review of scope of work  All Puget Sound Acquisition & Recovery (PSAR) funds are obligated by the end of the biennium  See items 2 and 3	No new data to report as the Partnership develops its action agenda.  RCO reported to the Puget Sound Partnership and the GMAP office on April 21 <sup>st</sup> regarding 2 key measures to protect and restore near-shore and freshwater habitat in Puget Sound. Results (reporting period was 7/1/07-12/31/07): <ul style="list-style-type: none"> <li>• 515 acres of ecologically important lands purchased, with 12,073 acres associated with active projects that are not yet completed.</li> <li>• 718 acres of near-shore estuarine habitat restored, with 5,000 acres associated with active projects not yet completed.</li> </ul>	Governor's GMAP Office has not set the new Puget Sound GMAP schedule or requested updated data. We communicate regularly to ensure that we are responsive to the needs.  We are talking with the Puget Sound Partnership about how much to expect for the 2009-11 biennium in PSAR funds. We are also exploring a joint approach between RCO, PSP, and WDFW on the management of the Estuary grant program.

Expected Work Results	Performed by	Due date(s)	Performance Targets	Measures	Status Update
Update the State Comprehensive Outdoor Recreation Planning Process (SCORP) and begin more comprehensive planning per statute	Special Assistant	SCORP due to federal government in June 2008	SCORP filed by deadline	SCORP was completed and filed on time.	SCORP document approved by the Governor and the National Park Service. The more comprehensive planning project assigned to staff.
Increase outreach, advocacy, and partnerships by implementing communication plan	Director	Meetings scheduled January to June 2008	5% increase in grant applications 5% increase in media coverage	No new data. Previous report: There was a 48% increase in WWRP applications from 07-09 to 09-11. Media coverage has increased 9% since 2004	The director and board members recently have visited four of the top scoring projects in every category to award grant recipients an oversized, novelty check.  Planning for a revised web site and sponsor newsletters is underway.
Update and improve PRISM	PRISM system administrator	Internal survey will be performed annually.  External survey every other year	Achieve an 85% satisfaction rating in external survey (current rate is 78%)  30 % increase in speed when using the system	No measures to report Next external survey scheduled for 2009.	Interns have mapped the locations of 674 projects and uploaded the evaluation presentations for hundreds of projects.



**STATE OF WASHINGTON**

**RECREATION AND CONSERVATION OFFICE**

October 2008

**Item #10d: Implementation of Berk and Associates Report on RCO's Grant Processes**

**Prepared By:** Rachael Langen, Deputy Director

**Presented By:** Rachael Langen, Deputy Director

**Approved by the Director:**

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**Proposed Action: Briefing**

**Summary**

Earlier this year, the director established four work teams to analyze the 36 recommendations provided by Berk and Associates in their report on the Recreation and Conservation Office grant processes. This memo provides an update on the work of those work teams.

**Background**

The Recreation and Conservation Office (RCO) hired Berk and Associates to examine the reasons for the delays in completing grant projects as scheduled. When sponsors miss deadlines, planned payouts do not occur and the agency must ask that the Legislature reappropriate the funds. The director established four work teams to analyze the 36 recommendations provided by Berk and Associates. These work teams are:

- Organizational Structure
- Business Practices and PRISM
- Policy Recommendations
- Grant Services Retreat Follow-Up

**Update**

There are three important updates to share from the work teams.



### Organizational Structure

As reported in June, the director reorganized the RCO to allow better focus on grant management within the grant sections. The policy section supervised by Jim Fox will support the Recreation and Conservation Funding Board and the Salmon Recovery Funding Board and provide policy analysis. Moving these tasks away from the outdoor grant managers allows them to focus on grant management.

We also divided the Recreation and Conservation Section into two sections to reduce the supervisory span for each section manager. In addition, we realigned the grant programs within the sections to reduce the number of programs for each outdoor grant manager (OGM) from 25 to eight. While general knowledge about all programs will still be necessary, narrowing the complexity of their jobs will help the each outdoor grant manager increase his or her customer service and grant management in particular program areas.

A copy of the new organizational chart is included in Attachment A.

### Business Practices/Notification Improvements

One of the critical recommendations made by Berk and Associates was to improve communications with project sponsors about deadlines and critical milestones. As noted in June, the RCO programmed PRISM to send an e-mail reminder to sponsors and the assigned grant manager 90-days before to the "Agreement Funding End Date." PRISM now also sends notices to project sponsors 30 days before the due date for four mission-critical milestones if the sponsor has not reported that they are complete. These critical milestones are:

- Receipt of a bill at least annually;
- Appraisal or appraisal review due;
- Construction start; and
- Construction complete.

### Business Practices/Process Improvement

RCO hired Strategica, Inc. to map current business processes for grant application, grant evaluation, and other typical grant management activities. Mapping teams will work with the consultant to look for ways to streamline and improve processes. One of the expected results will be a consistent way of doing business among the grant management sections. This information will be the foundation for developing an operational manual for grant management.

### **Next Steps**

Staff will continue to inform the Salmon Recovery Funding Board of agency progress toward reducing reappropriation and project delay.

### **Attachments**

- A. Organizational chart