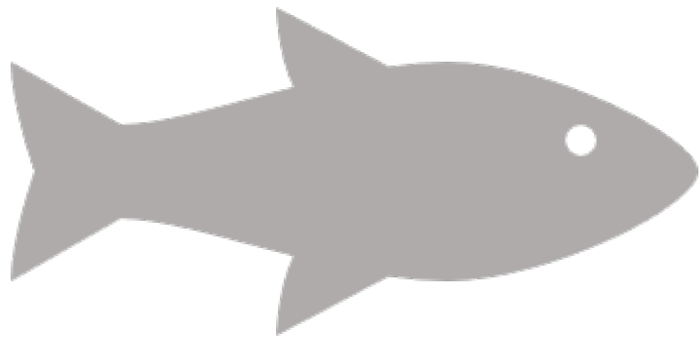


Draft Salmon Recovery Lean Study Future State Summary



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 - Compare Future State and Current State process maps
 - Review key changes and benefits of Future State process
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Introduction

Lean Study Project Goal Statement

This project aims to identify and plan for impactful changes to the SRFB salmon recovery project development and prioritization process. The goal is to create the most efficient and effective process possible. These changes will increase the value of the process by cost-effectively selecting the best projects to support the State-wide strategy and federally approved regional Salmon Recovery Plans, while maintaining consideration for the many stakeholders, process partners, and communities involved.

Project Phase: Future State and Recommendations Development

Objectives:

- Develop process improvement recommendations for reduced waste, reduced redundancies, greater efficiencies, and more effective development and evaluation of projects.
- Develop recommendations for organizational and system enhancements that will support a more effective and efficient process.
- Refine and prioritize a set of recommendations that will enable the project development and prioritization process to provide the highest value possible (results achieved through dollars spent) to salmon recovery in the State of Washington.

Future State Approach

- The Future State Salmon Recovery Project Prioritization and Development Process was created to address the issues identified in the Current State Summary produced in the Lean Study.
- The Current State Summary identified that the “Washington Way” decentralized model for salmon recovery funding is working effectively and adds significant value to communities; however, there were opportunities identified for improving the overall effectiveness and efficiency within this model.
- The Lean Study Steering Committee utilized the information from the Current State Summary and benchmarking results with other grant programs to create the Future State Process and supporting recommendations, which RCO then reviewed with the Washington Salmon Coalition (WSC).

Future State Timeline

Activity	Date
Conduct benchmarking with two additional grant programs to compare processes and identify best practices.	September
Meet with Review Panel and Grant Managers to identify options for implementing key opportunities agreed on in Current State analysis.	September
Conduct an all-day off-site with steering committee members to map future state process and outline recommendations.	October 1
Draft recommendations and review with steering committee.	October 22
Review summary of future state process and recommendations at WSC meeting.	October 29
Refine recommendations and send to SRFB for approval.	November 15
Present future state summary and recommendations to SRFB.	December 6

Future State Summary Contents

- Provide an overview of the future state project development and prioritization process (grant round). Redesigning the process is the primary recommendation of this project.
- Provide a summary of the supporting recommendations around organization, systems, and policies that were developed to address the following key opportunity areas from the current state:
 - Lacking standardization of lead entity processes and role clarification
 - Process does not support funding of larger, more complex projects
 - System causes inefficiency in the process
 - Process metrics are not available to drive improvement

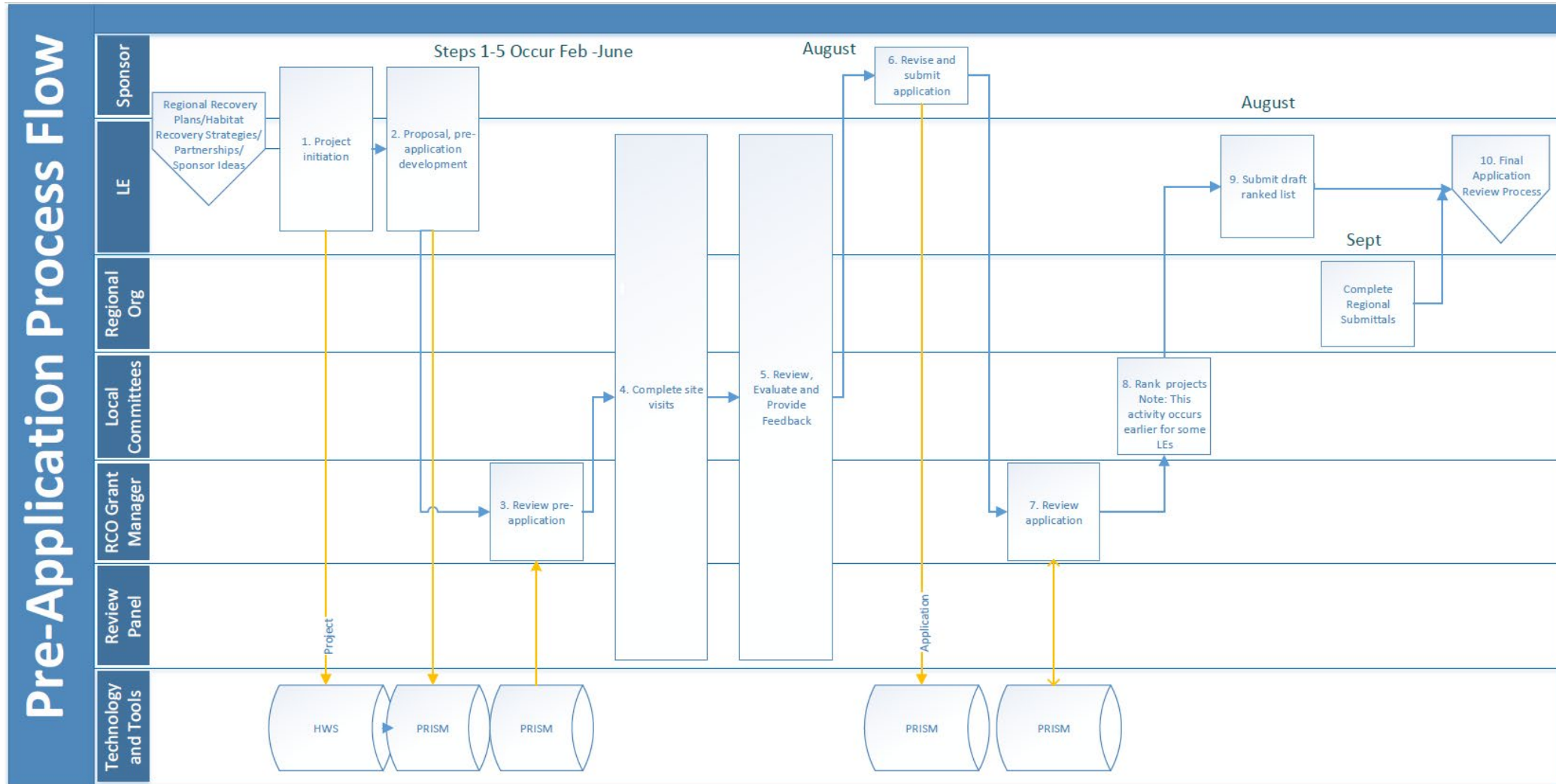
Future State Vision

- The highest priority salmon recovery projects are being funded, resulting in significant benefits for salmon habitat
- More money is hitting the ground sooner with greater impact
- Public funds are used effectively and efficiently
- Recognized within State and nationally as a highly effective and efficient model for allocating funding to the highest priority projects
- The improved process increases confidence of external constituents, resulting in more funding for salmon recovery

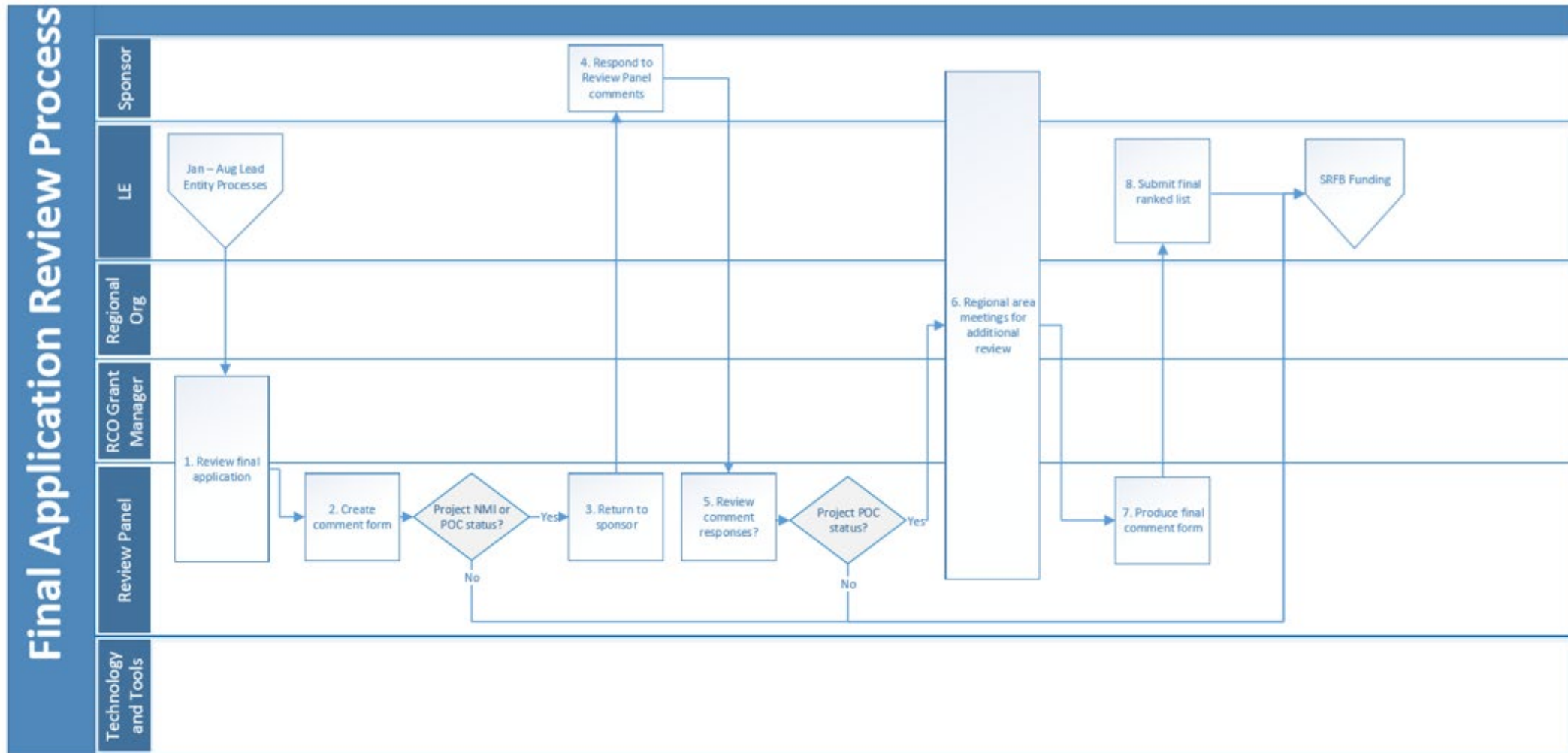
Grant Round Process Redesign

Current to Future

Current State Grant Round - Prior to Final Application



Current State Grant Round – Post Final Application



Challenges in Current State Grant Round

The following were identified as high-priority challenges in the current state analysis phase of the Lean study:

- Too many application iterations and review cycles
- Process is cumbersome and takes too much time for sponsors
- Issues are identified too late in the process
- Lead entities and sponsors need earlier feedback from the State Review Panel
- Timeline for applications needs to be revisited to avoid field season
- Lack of consistency across lead entities
- Process takes too long

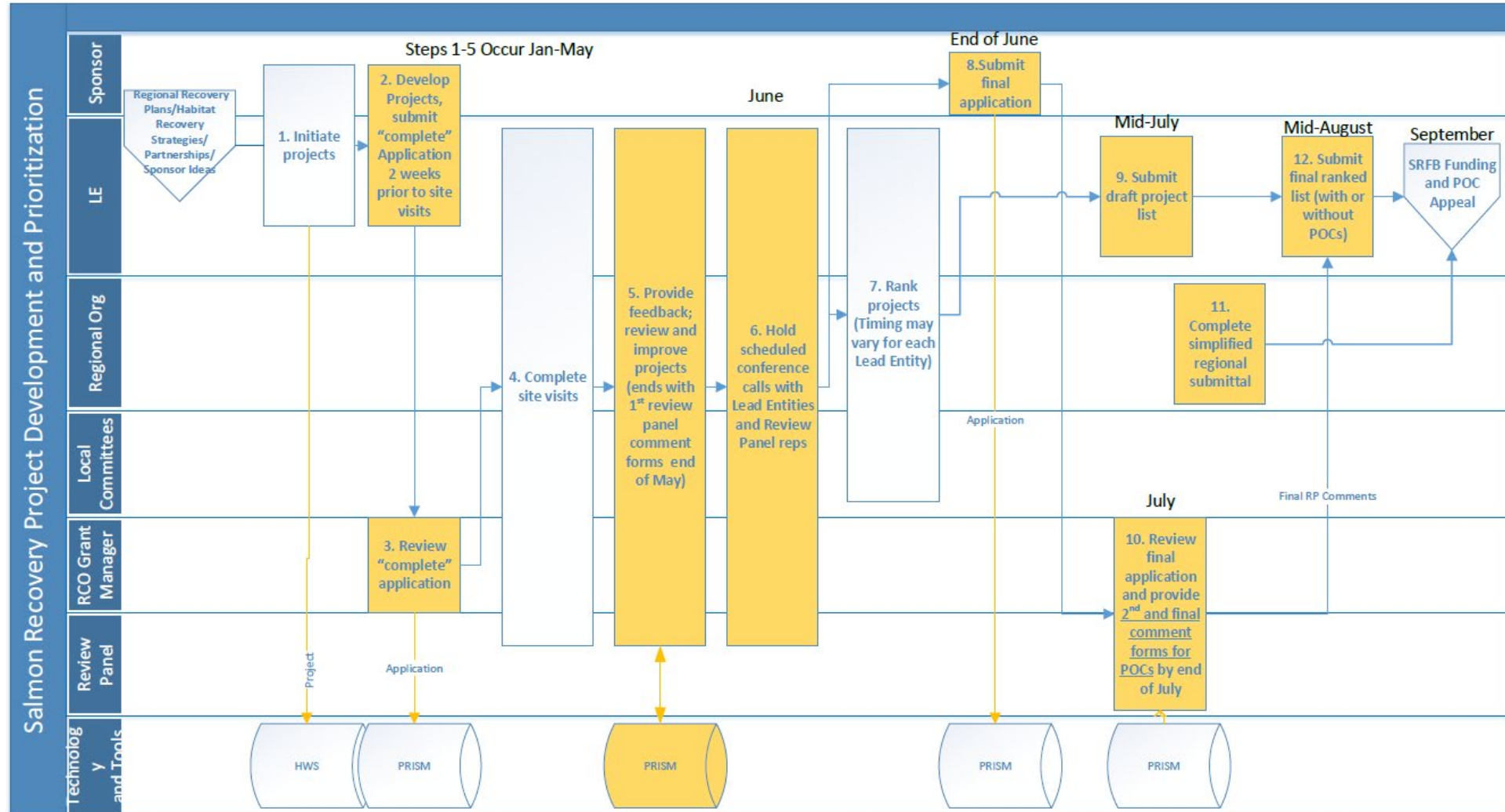
Other Criteria for the Future State Grant Round Process

- Maintain State and local technical review
- Achieve better alignment in timing of State and local technical review
- Allow enough time for sponsors to respond to comments
- Maintain community buy-in
- Do not increase cost of the process
- No conflict with Statute or SRFB goals

Primary Changes from Current to Future

- Reduced iterations and review cycles from three to two:
 - One complete application due 2 weeks before site visits, and final application due after first Review Panel comments
 - Second Review Panel comments provided on projects of concern (POC) after final application
- Earlier feedback from full Review Panel:
 - Review Panel meets mid-May and provides comments by end of May
 - Scheduled conference calls for lead entities with Review Panel representatives after comments have been distributed and before final application
- SRFB funding meeting shifted forward from December to September

Future State Grant Round (Project Initiation to SRFB Funding)



Key Process Changes - Prior to Final Application

Change	Benefit
End of October: Complete Site Visit schedule	Allows for better planning and preparation for site visits; potentially reduces travel costs
Complete applications due two weeks before site visits	Addresses sponsor concerns of having one application; complete information is available for review earlier
Site visits mid-February to mid-May; encourage use of drones or other technology as alternatives to site visits	Completing site visits earlier allows for earlier full Review Panel meeting; technology saves time and travel costs
Review Panel members who attend site visits recommend projects for review from the full panel	Saves Review Panel time
Mid-May: Full Review Panel meeting to discuss projects identified in site visits	Earlier feedback from full Review Panel
End of May: first full Review Panel comments are distributed for all projects – with Status of: Cleared, Project of Concern (POC), or Project of Concern/Need More Information (POC/NMI)	Earlier feedback from full Review Panel
June: Optional phone call between Lead Entity and Review Panel representatives to answer questions and clarify concerns	Addresses Lead Entity need for interaction with Review Panel in between site visits and final application deadline
End of June: Final applications due with revisions for POCs	Addresses sponsor concerns of too many application iterations; reduces time spent on applications

Key Process Changes - Post Final Application

Change	Benefit
Review Panel and Grant Managers review final applications concurrently	Reduces the time it takes for feedback to be received
Mid-July: Full Review Panel meets to discuss potential POCs	Less meeting time for Review Panel
Mid-July: Draft project lists submitted by lead entities	Allows RCO to verify allocations; does not require a ranking submittal before Lead Entities are prepared to provide one
End-of-July: Final Review Panel comments on POCs provided	Reduces review cycles
August 15: Final Lead Entity ranked list due	Only one ranked list submittal is required
Simplified Regional Submittal, removing questions 4-5, which will be included in Lead Entity progress reports	Saves time for Regions
Projects that remain a POC after second review have the option to be forwarded to the SRFB by the Lead Entity	Reduces review cycles

Summary of Benefits

- Timeline shifted earlier to reduce conflict with field season
- Only one complete application required from project sponsors, with an opportunity to make revisions at final application submittal (the final application is a formality and does not require additional information; revisions are optional)
- Review Panel time shifted to earlier in the process; emphasis on interaction with lead entities to create better projects
- Earlier feedback from full Review Panel (conference calls with Review Panel member prior to site visit)
- Finishing process earlier (Sept vs. Dec) will:
 - Allow time for new project outreach at the end of the year
 - Result in money on the ground sooner for projects

Recommendations

Recommendation 1.1: Redesign Grant Round Process

Purpose	Simplify the process to make it easier and less time-consuming for project sponsors and other participants; identify issues earlier in the process; reduce the overall amount of time that the process takes from start to end.
Overview	Shift process to earlier in the year; redesign process to reduce iterations of the application; provide Review Panel interaction earlier in the process.
Approach	RCO Grant Section leads development of new process in 2019 to roll out for the 2020 grant round. Reviews with WSC and SRFB. Incorporate into manual 18. Present to board in December 2019.
Risks	Site visits need to be completed in Mid-May and some sites are difficult to get to before end of May; delayed formal Review Panel feedback for projects with earlier site visits; more POCs may be brought to the SRFB.

Recommendation 1.2:

Formalize Biennial Grant Round Option

Purpose	When a Lead Entity has a full project list submitted with enough projects for two years, it can be beneficial to skip the grant round the second year. This can allow for more time to spend on outreach for new projects and revising watershed strategies. Some Lead Entities have already done this, and the intent of this recommendation is to formalize the process.
Overview	Formalize option for skipping second -year grant round within biennium through Manual 18. Lead entities would resubmit unfunded or alternate project list in second year.
Approach	RCO Grant Section creates language for Manual 18 to include in next release. RCO and WSC to evaluate benefits of this practice and determine if it should be standardized for all Lead Entities eventually, making recommendations in 2020.
Risks	Lack of consistency across Lead Entities for sponsors; projects rated high in first year may not be the highest priority in second year; presents difficulties in funding acquisition projects.

Recommendation 2.1:

Update WAC

Purpose	Address sponsor concerns regarding the need for role clarification and improved consistency of the process across Lead Entities. This recommendation will work in tandem with Recommendation 2.2: Manual 19 Update.
Overview	Update the rules (WAC) to add definitions, role clarifications, and expectations for Lead Entities, Lead Entity Coordinators, Regions, Fiscal Agents, Citizen Committees, local Technical Committees, Regional Organizations, and GSRO's role in interfacing with them.
Approach	RCO Policy group drafts WAC update, reviews with Regions and Lead Entities and then presents to SRFB for approval with public comment period pursuant to Administrative Procedures Act.
Risks	Lead Entities may feel constrained.

Recommendation 2.2:

Update Manual 19

Purpose	Address sponsor concerns regarding the need for role clarification, lack of consistency of the process across Lead Entities, project decisions being made subjectively based on loudest voice and politics, and lack of transparency of Lead Entity evaluation processes. This recommendation will work in tandem with Recommendation 2.1: WAC Update.
Overview	Add the following to Manual 19: <ul style="list-style-type: none">• Role definitions for all participants in project development and prioritization• Recommendations on who should be involved in project ranking and minimum level of engagement in the process required• Qualifications for Lead Entities and recommendation to communicate with RCO on staff transitions and expectations• Process for Lead Entities to publish their evaluation processes and criteria on a website to increase transparency, which will be required in Lead Entity Scopes of Work
Approach	GSRO drafts changes to Manual 19, crosswalks with Manual 18 and WAC. Lead Entities and Regions review, release along with next Manual 18 release in Jan 2019. Update Manual 19, if necessary, after WAC updates are completed.
Risks	Lead Entities may feel constrained.

Recommendation 2.3:

Document Evaluation Process and Identify Best Practices

Purpose	Address sponsor concerns regarding the lack of consistency of the process across Lead Entities, project decisions being made subjectively based on loudest voice or politics, and lack of transparency of Lead Entity evaluation processes. This recommendation will work in tandem with Recommendation 2.2: Manual 19 Update.
Overview	Lead Entities document their evaluation processes and criteria based on Scope of Work requirements and Manual 19. WSC compares processes, identifying best practices and providing recommendations to RCO on practices that should be standardized. Examples of practices that might make sense to standardize are having a minimum threshold of a project rating to be included on a ranked list or evaluation of “fit to strategy” early in the grant round.
Approach	Lead Entities document their evaluation processes and criteria first half of 2019, WSC reviews and compares the processes in 3 rd quarter 2019 and identifies best practices. By October 2019, WSC recommends to RCO which practices should be standardized. RCO incorporates any changes in Manual 18 and 19 for 2020 grant round.
Risks	May be difficult for Lead Entities to identify best practices and which processes to standardize; time-consuming process for Lead Entity Coordinators and WSC.

Recommendation 2.4: Facilitation Training

Purpose	Address sponsor concerns regarding ineffective committee meetings and lack of facilitation skills across Lead Entities.
Overview	Encourage facilitation training for Lead Entities and provide options such as the State basic 3-day facilitation training. Facilitation skills will also be included as a qualification for Lead Entity Coordinators, and facilitation training will be recommended in the Manual 19 Update (Recommendation 2.2).
Approach	Identify options and communicate to Lead Entity Coordinators. Add training recommendation to Manual 19.
Risks	Skills improvement can be difficult to measure; Lead Entity organizations have different levels of emphasis on professional development.

Recommendation 3.1:

Develop Targeted Investment Program

Purpose	Support funding larger, more complex projects to accelerate salmon recovery. The issue is that large and complex programs, which could have significant impact on salmon recovery, are not getting funded . This was identified during the current state analysis.
Overview	Set aside funding above grant-round status quo level for larger, more complex projects that would be selected by the Board; statewide competition. Lead entities would submit proposed projects with concurrence of their Regions.
Approach	Develop policy and program in 2019. Roll out for implementation in the 2020 grant round. Policy group leads design of program and criteria for ranking projects. Review with WSC, Regions and SRFB. SRFB finalizes program and criteria in December 2019.
Risks	Changes how funding has historically been allocated; if funding is not above status quo, the larger, complex projects may still not be funded.

Recommendation 3.2:

Evaluate Whether Regional Priorities are Being Achieved

Purpose	During the Lean Study, the question was raised in the Lead Entity workshops and other stakeholder interviews as to whether prioritization is occurring at the right level – i.e., should prioritization occur at the Regional level versus at a Lead Entity level? The purpose of this recommendation is to examine this question in more detail and determine whether the current approach is working to achieve regional priorities.
Overview	Evaluate at a regional level if funding is going to the highest priority projects and identify reasons if it is not.
Approach	Formally ask all Regions to review whether funding in their Region is going to the highest priority projects and provide reasons if it is not.
Risks	Regions may not conduct reviews consistently, and outcomes may not be beneficial.

Recommendation 3.3: Improve Efficiency with Capacity Funding

Purpose	The Lean Study time survey had inconsistent and inconclusive results, partially because it is difficult for Lead Entities to look back over a year to determine how their time was spent. To better determine where efficiencies could be gained, it would be beneficial to have a more accurate picture of how time is spent. The data could be then used to identify potential administrative functions within Lead Entities for consolidation.
Overview	Track how Lead Entities are spending their time to assist with the identification of functions to consolidate, revisiting billing codes and options for time reporting. Identify Lead Entity administrative functions for potential consolidation.
Approach	GSRO redefines billing codes with review by Lead Entities and identifies options to improve time reporting prior to FY 2020. Time to be tracked in FY 2020. Lead Entities identify two administrative functions to consolidate by the end of 2020.
Risks	It may be difficult to agree which functions should be consolidated; Lead Entities may not want to give up funding for consolidated functions.

Recommendation 3.4: Improve Alignment of Capacity to Project Funding

Purpose	Identify options to improve the alignment of capacity funding to project funding, resulting in a more cost-effective project development and prioritization process.
Overview	Identify and evaluate options to better align capacity funding to project funding across Lead Entities, such as having standard percentage of capacity to project funding, having a base amount plus additional amount based on workload, or consolidation of Lead Entities. Define capacity and provide guidance for how capacity funds should be used.
Approach	Form a committee with Lead Entity and RCO representatives in July 2020 after completion of Recommendation 3.3, Improve Efficiency with Capacity Funding, which will provide data on how capacity funding is being used. Committee reviews data and identifies options for improving alignment of capacity with project funding, making recommendations to the SRFB by the end of 2020.
Risks	Potential resistance among Regions and Lead Entities to any changes to the current funding scenario.

Recommendation 3.5: Inter-Agency Funding Coordination

Purpose	Collaborate with other state agencies to improve the funding of larger, more complex projects.
Overview	Work with other state agencies to collaborate on funding larger, more complex projects.
Approach	Continue working with a group of large project funders to collaborate on how to fund larger, more complex projects.
Risks	All agencies compete for same capital budget dollars.

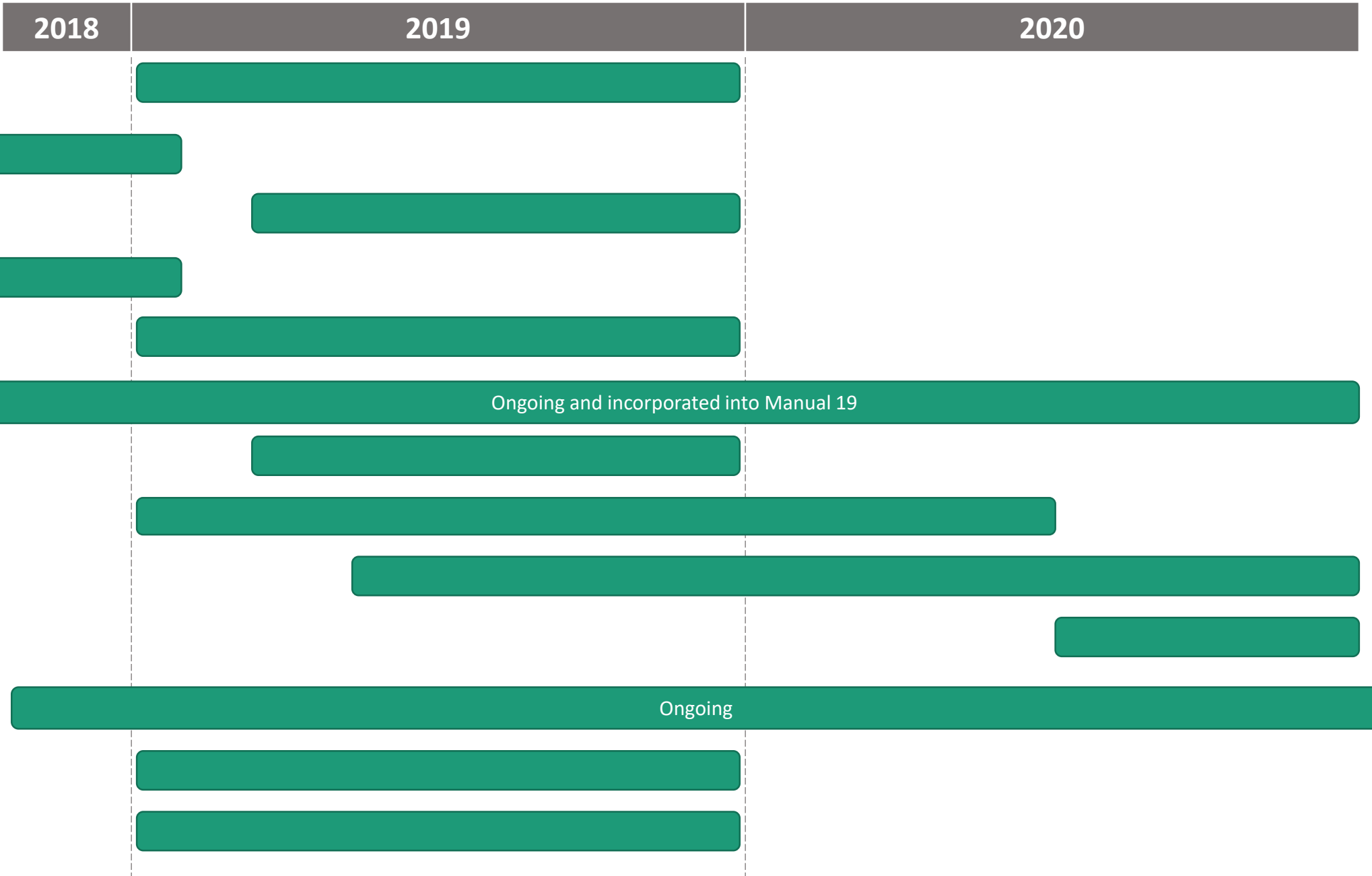
Recommendation 4.1: Enhance PRISM to Improve Process Efficiency

Purpose	Reduce inefficiencies in the review process caused using SharePoint and email to distribute and respond to review comments.
Overview	Enhance PRISM to automate review comments with one place for Review Panel comments and local technical review comments, and improve attachment of documents.
Approach	Continue current project, developing changes in 2019 to roll out before the end of 2019.
Risks	HWS replacement may delay implementation of this recommendation.

Recommendation 4.2: Establish Process Metrics

Purpose	Develop metrics that will support the measurement of process efficiency and the success of the improvements implemented.
Overview	Develop metrics with dashboard to track: <ul style="list-style-type: none">• Alignment of capacity with project funding• Cost per mile of stream restored or protected in geographical areas• Leveraged and required match (including incorporation of leveraged match reporting in PRISM) Determine how metrics will be used
Approach	PRISM application group develops metrics in 2019. RCO works with WSC to determine how metrics will be used. Training or communication will be required for project sponsors on reporting leveraged funding from other sources besides RCO.
Risks	Metrics may not be used, and match may not be reported by sponsors.

Recommendation



Success Factors

- Make changes incrementally – not too much at once!
- Good communication between all parties involved in the implementation
- Consider stakeholder concerns and priorities when designing policies and process
- Build projects into existing work programs as a priority
- Track and report on status of all recommendations (red, yellow, green light), holding people accountable
- Incorporate discussions and project status into WSC and SRFB meetings
- Celebrate successes along the way!