

Salmon Recovery Funding Board Meeting Agenda



August 12, 2020 – 9:00 A.M.
Online Meeting - Olympia, WA 98501

ATTENTION:

Protecting the public, our partners, and our staff are of the utmost importance. Due to recent health concerns with the novel coronavirus this meeting will be held online. The public is encouraged to participate online and will be given opportunities to comment, as noted below.

If you wish to participate online, please click the link below to register and follow the instructions in advance of the meeting. Technical support for the meeting will be provided by RCO's board liaison who can be reached at Wyatt.Lundquist@rco.wa.gov.

Registration Link: https://zoom.us/webinar/register/WN_iYJwCXr-Sx2kDfS6gdz4gQ

Location: RCO will also have a public meeting location for members of the public to listen via phone as required by OPMA unless this requirement is waived by gubernatorial executive order. In order to enter the building, the public must not exhibit symptoms of COVID-19 and will be required to comply with current state law around Personal Protective Equipment. RCO staff will meet the public in front of the main entrance to the natural resources building and escort them in.

**Additionally, RCO will record this meeting and would be happy to assist you after the meeting to gain access to the information.*

Order of Presentation: In general, each agenda item will include a short staff presentation and followed by board discussion. The board only makes decisions following the public comment portion of the agenda decision item.

Public Comment: General public comment is encouraged to be submitted in advance to the meeting in written form. Please submit written comments to the board by mailing them to the RCO, Attn: Wyatt Lundquist, board liaison, at the address above or at Wyatt.Lundquist@rco.wa.gov.

Public comment on agenda items is also permitted. If you wish to comment, you may e-mail Wyatt.Lundquist@rco.wa.gov or message using the messenger in the Webinar before the start of the item you wish to testify on. Comment for these items will be limited to 3 minutes per person.

Special Accommodations: People with disabilities needing an accommodation to participate in RCO public meetings are invited to contact Leslie Frank by phone (360) 902-0220 or e-mail Leslie.Frank@rco.wa.gov; accommodation requests should be received July 29, 2020 to ensure availability.

Wednesday, August 12th – 9:00 A.M.

OPENING AND MANAGEMENT REPORTS

9:00 a.m.	Call to Order	<i>Chair</i>
	<ul style="list-style-type: none">• Roll Call and Determination of Quorum• Review and Approval of Agenda (Decision)• Approve June 2020 Meeting Minutes (Decision)• Remarks by the chair	

9:05 a.m.	1. Director's Report	<i>Kaleen Cottingham</i>
	A. Director's Report	
	<ul style="list-style-type: none">- 2021 Calendar Discussion- All remaining 2020 SRFB meetings will be online	<i>Wyatt Lundquist</i>

9:25 a.m. **General Public Comment (non-agenda items):** Please limit comments to 3 minutes.

BOARD BUSINESS: DECISION

9:30 a.m.	2. Salmon Recovery Conference 2021	<i>Jeannie Abbott</i>
	<ul style="list-style-type: none">• Whether to cancel, convert, delay in light of COVID-19.	
10:00 a.m.	3. Operating and Capital Budget Requests for 2021-2023	<i>Wendy Brown</i>
	<ul style="list-style-type: none">• Proposed Operating Budget Requests• Proposed Capital Budget Requests	

***Public comment** will occur prior to each decision item decision.
Please limit comments to three minutes.

11:00 a.m. **ADJOURN**

Next regular SRFB meeting: September 16-17, 2020 – Online - **Subject to change considering COVID**

Salmon Recovery Funding Board Briefing Memo

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: August 12, 2020

Title: Salmon Recovery Conference 2021

Prepared By: Jeannie Abbott

Summary

This memo summarizes the options for the 2021 Salmon Recovery Conference considering COVID-19. This is a decision.

Board Action Requested

This item will be a:

<input checked="" type="checkbox"/>	Request for Decision
<input type="checkbox"/>	Request for Direction
<input type="checkbox"/>	Briefing

Introduction/Background

In July 2019, the Salmon Recovery Funding Board approved funding to begin planning the 2021 Salmon Recovery Conference (SRC). Western Washington University was contracted to assist with conference services, and we selected April 27-28, 2021 to hold the conference in Vancouver, WA.

The SRC Steering Committee (Attachment A) held several meetings to discuss keynote speakers, sessions, conference organization, and theme. The Steering Committee chose "Building a Movement" as the conference theme and has identified a list of potential speakers.

The 2021 Salmon Recovery Conference Steering Committee values Diversity Equity and Inclusion (DEI) and formed the DEI subcommittee to identify priorities and approaches for implementing DEI best practices throughout the Salmon Recovery Conference.

A call for sessions was sent out in June. Sixty-two topics were received. The Steering Committee is in the process of narrowing the list of session topics.

In addition, the SRC Steering Committee took a survey and met to discuss the role COVID-19 restrictions will likely have on the conference. The options discussed included having an in-person conference in April 2021, as planned, with social distancing and cleaning measures in place; moving the conference to the fall of 2021 for an in-person

conference, going completely virtual in 2020 or 2021, or cancelling the conference entirely for 2021.

After much discussion, the Steering Committee recommends that we move to a virtual format for the April 2021 Salmon Recovery Conference.

The virtual format provides the following benefits:

- Socially responsible with the unknown date of nationwide coronavirus vaccine
- Protects against loss of attendance due to potential budget travel restrictions for state agency employees and others
- More affordable overall
- More inclusive, potential to bring in diverse groups
- Opportunity for wider outreach
- Maintains salmon recovery momentum and consistency
- Maintains momentum for conference development

Strategic Plan Connection

The Salmon Recovery Conference supports goal 3 of the Salmon Recovery Funding Board Strategic Plan by building understanding, acceptance, and support of salmon recovery efforts.

<https://rco.wa.gov/wp-content/uploads/2019/07/SRFB-StrategicPlan.pdf>

Attachment A

Steering Committee Members

Name	Affiliation
	Columbia River Intertribal Fish Commission (CRITFC)
Aja DeCoteau	Washington Salmon Coalition
Alicia Olivas	SRFB/Ecology
Annette Hoffman	Puget Sound Partnership
Carrie Byron	Upper Columbia United Tribes (UCUT)
DR Michel	GSRO
Erik Neatherlin	Long Live the Kings
Jacques White	GSRO
Jeannie Abbott	SRFB
Jeff Breckel	NOAA
Jennie Franks	CRITFC
Jeremy Five Crows	Regional Fish Enhancement Groups
John Rosenberg	WDFW
Laurie Peterson	

Mindy Roberts
Nicole Czarnomski
Susan Kanzler
Tara Galuska

WA Environmental Council
WDFW
SRFB/WSDOT
RCO

Salmon Recovery Funding Board Briefing Memo

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: August 12, 2020 (Memo from June 2020 Meeting)

Title: Setting Funding Request Levels for 2021-2023

Prepared By: Wendy Brown, Recreation and Conservation Office Policy Director

Summary

The Recreation and Conservation Office (RCO) will submit its 2021-23 biennial budget request to the Office of Financial Management in early September 2020. The RCO will include in its request the funding levels selected by the Salmon Recovery Funding Board (SRFB) at its August 2020 board meeting. This memo presents options for consideration in setting the Salmon Recovery (SRFB-State) budget request for the 2021-23 biennium. A recommended funding level for the Puget Sound Acquisition and Restoration grant program will also be presented at the August 2020 board meeting, based on discussions with the Puget Sound Partnership.

Board Action Requested

This item will be a:

<input checked="" type="checkbox"/>	Request for Decision
<input type="checkbox"/>	Request for Direction
<input type="checkbox"/>	Briefing

Background

Federal Funding Levels

The Recreation and Conservation Office (RCO) submits a biennial budget request for the 2021-2023 biennium to the Office of Financial Management (OFM) in early September 2020. It will include authorization to spend federal funds received during the biennium and funding necessary to meet the match required by the federal funds and to implement the priorities of the board.

The RCO receives annual federal Pacific Coastal Salmon Recovery Fund (PCSRF) awards administered through the National Oceanic and Atmospheric Administration (NOAA). The minimum required match is 33 percent. The PCSRF announcement and awards are made on an annual cycle. RCO applies for each award in the winter and receives funding in October, and funds are authorized to be spent in the biennial budget. RCO expects similar grant awards for federal fiscal years 2021 and 2022, which would be covered by the capital budget for 2021-2023.

RCO recommends including in the budget request an authorization to spend \$50 million in PCSRF awards, which is the total potential grant award expected during the 2021-23 biennium. The alternatives for selecting the amount to request in state funding is set forth in the remainder of the memo.

Planning for 2021-23 Operating and Capital Budget Requests

Washington State enacts budgets on a two-year cycle, effective on July 1 of each odd-numbered year. The budget approved for the 2021-23 biennium will be effective from July 1, 2021 through June 30, 2023.

The RCO will submit its 2021-23 biennial budget request to OFM in September 2020. The board will make decisions at its August 2020 meeting regarding the amount of state funds that RCO should include in its operating and capital budget requests related to salmon activities and programs.

When COVID-19 reached Washington State in February, it didn't take long for the state's economy to come to a crashing halt. Many businesses closed their doors, unemployment hit a high of 16.3 percent in April (from 5.1 percent in March and 3.8 percent in February), housing construction took a steep decline, car and truck sales declined, and so on. As a direct result, the revenue from taxes on sales and service, business and occupation, tobacco, and transportation, which fund a large portion of the state's budgets, took a nosedive. Knowing a budget crisis was on the horizon, the Governor vetoed 147 new spending items in the 2020 supplemental operating budget for a total savings of \$445 million over the next three years. However, on June 17, 2020, the full extent of the budget shortfall was announced when the Economic and Revenue Forecast Council released its most current budget outlook, indicating a reduction in state general fund of \$4.5 billion in the current biennium (2019-21) and \$4.4 billion in the upcoming biennium (2021-23).

Prior to release of the official revenue forecast in June but with a strong indication of the impacts, on May 13, 2020, the Governor and OFM director issued several directives aimed at addressing COVID-related impacts to the current budget. Agencies were directed to freeze all hiring, large equipment purchasing, and new personal services contracts, with some exceptions. Agencies were also asked to prepare plans to cut 15 percent of their general fund expenditures in the current biennium. RCO submitted this plan, which provides for cuts in a new orca recovery position that was funded in the 2020 supplemental budget, as well as some cuts to new salmon-related projects also funded in the 2020 supplemental. No cuts to recreation-related projects or programs were submitted.

The most recent directive by the Governor to address the state's multi-billion-dollar shortfall came on June 24, 2020, in the form of rescission of the July 1, 2020 general wage increase for some state employees and furloughs for most state employees. For RCO, the target savings from these two directions equates to \$184,000 in the current biennium from both the agency's general fund appropriation and our dedicated accounts. We expect the Legislature to consider extending these cost-savings measures into the 2021-23 biennium.

The 2021-23 budget instructions direct agencies to submit budget proposals that identify reductions equal to 15 percent of near general fund maintenance levels. RCO receives such limited general funds in the operating budget, which almost all support salmon recovery programs.

Given the general fund impacts, the RCO will not submit any operating budget decision packages.

We believe the capital budget for 2021-23 will be less impacted by the coronavirus pandemic than the operating budget, but bond capacity is expected to be reduced from the projected levels. At the end of the 2020 legislative session, bond capacity was estimated to be \$3.327 billion. However, following the June 2020 revenue forecast, bond capacity is now predicted to be \$3.108 billion – down by \$219 million. In addition, if there is a 2020 supplemental capital budget to help with economic recovery, those supplemental bond appropriations would use a portion of that \$3.108 billion capacity, leaving a lesser amount available in 2021-23.

While RCO administers many capital grant programs, this memorandum focuses on funding for the Salmon Recovery Funding Board grant program. Other salmon recovery focused grant program funding level requests will be decided based on recommendations from other state agencies who jointly manage those programs (Estuary and Salmon Restoration Program, Puget Sound Acquisition and Restoration Program, Coastal Restoration Grants, Brian Abbott Fish Barrier Removal Board, and Family Forest Fish Passage Program).

Operating Budget

In the operating budget related to salmon activities and programs, RCO will once again request a portion of lead entity funding – approximately 33 percent of the total funding needed for the biennium. Given the enormous reductions in state general funds predicted in 2021-23, OFM has directed us to reduce our general fund carry forward number by 15 percent, and we may be asked to reduce our carry-forward levels even further. We are currently working with the lead entities on addressing the general fund

reductions in the next biennial budget. By the time of the board meeting, we will be able to share the plan for the 15% general fund reduction.

Capital Budget

Of the six salmon programs administered by RCO, five are managed jointly with other agencies or organizations: Estuary and Salmon Restoration Program (ESRP), Puget Sound Acquisition and Restoration Program (PSAR), Coastal Restoration Grants, Brian Abbott Fish Barrier Removal Board Grants, and Family Forest Fish Passage Program (FFFPP). The Salmon Recovery Funding Board has exclusive authority over the SRFB grant program and shares authority over the Puget Sound Acquisition and Restoration Program with the Puget Sound Partnership.

This discussion will focus exclusively on the Salmon Recovery Funding Board grant program. Budget requests for the other grant programs will be set in consultation with the other managing agencies. The board will be asked to support the funding requests in those other grant programs. We will present the expected budget requests in those partner programs.

Salmon Recovery Funding Board Grant Program

A couple of factors can influence the amount of capital funding RCO requests for the state portion of the Salmon Recovery Funding Board grant program:

1. The amount needed to match federal Pacific Coastal Recovery Funds (PCSRF).
2. The number of project applications and their requested funding amounts.

Federal Pacific Coastal Recovery Funds Match

PCSRF provides a significant portion of the funds necessary for salmon recovery in Washington and requires a minimum 33 percent match from the state. The state bond funds appropriated for the Salmon Recovery Funding Board grant program are used for match. In years when the Legislature has appropriated less than the full 33 percent, RCO has relied on a portion of the bonds appropriated for the Puget Sound Acquisition and Restoration and Family Forest Fish Passage programs to meet our match requirement. However, this is risky as the Puget Sound Partnership may need to use PSAR as match for federal funding it receives from the Environmental Protection Agency (EPA).

The 2018 and 2019 PCSRF awards brought in \$37.445 million of federal funds (\$18.8 million for 2018 and \$18.645 for 2019), and the minimum state match was \$12.4 million. We have been notified that our 2020 federal award will be \$18.5 million, but we do not know the award amount for 2021 or 2022. We should assume that Washington will receive a similar amount to the most recent awards, which conservatively can be assumed at \$18 million. Two \$18 million awards would equate to a minimum of \$11.9

million in state matching funds needed. For context, table 1 lists historic funding levels of both state and federal funds since 2005.

Table 1. Historic Funding Levels for Salmon Projects (all figures shown in millions)

Biennium	State Request	State Appropriation	Federal Award	State Match Required
05-07	\$30.0	\$18.0	\$47.9	\$15.8
07-09	\$42.0	\$18.0	\$46.9	\$15.5
09-11	\$24.0	\$10.0	\$54.0	\$17.8
11-13	\$19.8	\$10.0	\$50.0	\$16.5
13-15	\$40.0	\$15.0	\$40.5	\$13.4
15-17	\$40.0	\$16.5	\$38.5	\$12.7
17-19	\$55.3	\$16.5	\$37.4	\$12.4
19-21	\$88.9	\$25.0	Estimate: \$36.0	\$11.9
Average	\$42.5	\$16.1	\$43.9	\$14.5

Requests for Grant Funding

At the September 2019 SRFB meeting, the board discussed the option of developing salmon recovery project lists in advance of the submittal of the biennial budget request. The logic of this option was to base the request on actual projects likely to occur in the upcoming biennium and use the list to help justify the funding request.

Following much discussion, the board directed RCO to work with the lead entities to develop a planned project forecast list (PPFL) that shows the two-year work plan for each lead entity and can be used as a basis for our budget request. During this transitional time as we work towards this new list, the plan is for the PPFL to be approved by each lead entity citizen advisory committee but not ranked. Projects will also not have been reviewed by the technical review panel. The list will be used to give the board a more solid basis from which to make its budget request and to illustrate the need to the Governor and Legislature.

Included in that direction to RCO was to set the PPFL funding level to \$60 million. This provided an important target to the regions and lead entities from which to meet or exceed their allocations at that level. At the \$60 million state capital funding level, the funding categories would include:

- \$2.40 million for lead entity pre-design costs
- \$0.64 million for Regional Fisheries Enhancement Groups pre-design costs

- \$54.49 million for projects
- \$2.47 million for RCO administration

Next Steps

Following approval of staff recommendations, RCO will submit its 2021-23 biennial budget request to OFM in early September 2020.

Motions

Move to approve a bond fund amount of \$_____ for the SRFB funded projects, including funding for RCO administration, Lead Entity pre-design costs, RFEG pre-design costs and request authority to spend up to \$50 million in federal PCSRF funds.

Move to support the funding requests of our partners:

- \$75 million, the first \$30 million will be allocated to lead entities and watershed planning areas, using an allocation formula. Any remaining PSAR funds over \$30 million are allocated to a ranked large capital project list.
- \$80 million in the Brian Abbott Fish Barrier Removal Program.
- \$20 million in the Estuary and Salmon Restoration Program.
- \$15 million in the WA Coastal Restoration and Resiliency Program.
- \$10 in the Family Forest Fish Passage Program.

Setting Funding Levels for 2021-23

Wendy Brown

Recreation and Conservation Office

Item 3



WASHINGTON STATE
RECREATION AND CONSERVATION OFFICE

Salmon Recovery
Funding Board

Operating Budget, 2021-23

Slide to be updated in advance of board meeting

August 2020

Item 3

WASHINGTON STATE
RECREATION AND CONSERVATION OFFICE
Salmon Recovery
Funding Board

SRFB Capital Budget Request, 2021-23

- Planned project forecast list (PPFL) to be the basis of SRFB 2021-23 budget request
- PPFL will be reviewed by lead entity citizen advisory committee but not ranked
- \$60 – \$80 million:

	\$60 m	\$70 m	\$80 m
Lead Entity Pre-Design Costs	\$2.40 m	\$2.40 m	\$2.40 m
Regional Fishery Enhancement Group Pre-Design Costs	\$0.64 m	\$0.64 m	\$0.64 m
RCO Administration	\$2.47 m	\$2.88 m	\$3.30 m
Projects	\$54.49 m	\$64.08 m	\$73.66 m

Other Salmon Recovery Program Requests, 2021-23

Program	2019-21 Funding Amount	2021-23 Estimated Request Amount
Salmon Recovery Funding Board	\$25 m	tbd
Puget Sound Acquisition and Restoration	\$49.5 m	\$75 m
Estuary and Salmon Restoration	\$10 m	\$20 m
Brian Abbott Fish Barrier Removal Board	\$26.5 m	\$80 m
Family Forest Fish Passage Program	\$5 m	\$10 m
Coastal Restoration Grants	\$12.3 m	\$15 m
Pacific Coastal Salmon Recovery Fund (federal)	\$37.145 m	\$50 m