

**SALMON RECOVERY FUNDING BOARD SUMMARIZED MEETING AGENDA AND ACTIONS**  
**August 26, 2014**

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**Agenda Items without Formal Action**

<b>Item</b>	<b>Follow-up Actions</b>
N/A	

**Agenda Items with Formal Action**

<b>Item</b>	<b>Formal Action</b>	<b>Follow-up Actions</b>
July 2014 Meeting Summary	APPROVED June 4, 2014 Meeting Summary	No follow-up action requested.
1. Funding for 2015-17 Biennium	<p>APPROVED asking for \$149, 287 and \$770,000 in state general funds for Lead Entity Capacity in the agency's budget request.</p> <p>APPROVED asking for \$55,000 in state general funds for Habitat Work Schedule in the agency's budget request.</p> <p>APPROVED asking for \$40 million in bond funds for the Salmon Recovery Funding Board Grant Program to be included in the agency's capital budget request.</p> <p>APPROVED directing RCO's director to work with the Puget Sound Partnership, the Dept. of Fish and Wildlife, and the Dept. of Natural Resources to include their recommended levels of funding in RCO's budget request for the three jointly-managed grant programs: Puget Sound Acquisition and Restoration Program, the Estuary and Salmon Restoration Program, and the Family Forest Fish Passage Programs.</p>	No follow-up action requested.
2. Communication Plan Follow-up	APPROVED allocating up to \$244,000 in federal project return funds to carry out the recommendations outlined for a salmon recovery communications plan in phased releases, following/subject to regular progress updates to RCO and the Salmon Recovery Funding Board.	No follow-up action requested.

## SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

**Date:** August 26, 2014

**Place:** Olympia, WA

### Salmon Recovery Funding Board Members Present:

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<b>David Troutt, Chair</b>	Olympia	<b>Megan Duffy</b>	Department of Natural Resources
<b>Phil Rockefeller</b>	NWPCC	<b>Carol Smith</b>	Department of Ecology
<b>Nancy Biery</b>	Quilcene		
<b>Bob Bugert</b>	Wenatchee		
<b>Sam Mace</b>	Spokane		

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**It is intended that this summary be used with the materials provided in advance of the meeting. The Recreation and Conservation Office (RCO) retains a recording as the formal record of the meeting.**

### Opening and Welcome

Chair David Troutt called the meeting to order at 10:00 a.m. and a quorum was determined. Board members Susan Cierebiej, Jennifer Quan and Mark Clark were excused. Carol Smith attended as the official designee from Department of Ecology in place of Member Bob Cusimano.

Director Cottingham welcomed Wendy Brown as the new policy director as of August 1, 2014. Ms. Brown will address issues related to policy and serve as the legislative liaison for RCO.

Chair Troutt informed the board of an additional agenda item for the purpose of forming a subcommittee that will advise Director Cottingham regarding a potential substantial Puget Sound Acquisition and Restoration (PSAR) cost increase (for action in early September.)

### Agenda adoption

**Moved by:** Bob Bugert

**Seconded by:** Nancy Biery

**Motion:** APPROVED

### June 4, 2014 Meeting Summary

**Moved by:** Bob Bugert

**Seconded by:** Nancy Biery

**Motion:** APPROVED

### Additional Agenda Item: Advisory Subcommittee

The Puget Sound Partnership (PSP) has requested a large cost increase of \$500,000 from unallocated PSAR funds for an Army Corps of Engineers (ACOE) project. The project is reported to be approximately one million dollars over budget due to debris removal and soil compaction issues surrounding the levee setback. The deadline for project completion is the end of September 2014 in order to meet the window for fall salmon returns. ACOE confirmed that if funding is not available the project would be delayed for

another year, and the cost will likely increase again. Director Cottingham asked to form a subcommittee to address the funding request. The committee would meet on September 4, 2014 in order to respond to PSP's request by September 5, 2014. Chair Trout stated that given the urgency, the amount requested, and PSP's upfront request for additional guidance that he would volunteer to serve on the subcommittee. He also asked that Member Rockefeller join the subcommittee.

Member Rockefeller moved to form a subcommittee to address the PSP funding request. Member Biery seconded; motion approved.

## **Decisions**

### **Item 1: Funding for 2015-17 Biennium**

Brian Abbott, Executive Coordinator, Governor's Salmon Recovery Office (GSRO), reviewed the information presented to the board on 2015-17 biennial budget at the June meeting. The Recreation and Conservation Office (RCO) will submit the 2015-17 biennial budget request to the Office of Financial Management (OFM) September 11, 2014. The Salmon Recovery Funding Board (board) must decide on the amount of state funds RCO should include in its operating and capital budget requests related to salmon activities and programs. The budget approved for the 2015-17 biennium will be effective from July 1, 2015 through June 30, 2017.

For salmon activities and programs within the operating and capital budget, RCO developed requests to fund: 1) lead entity capacity to improve our competitiveness for federal funds; 2) the Habitat Work Schedule data system to address the elimination or reduction of federal funds and; 3) state salmon capital budget request to continue providing match for the PCSRF.

### **Monitoring to Achieve De-listing of Certain Salmon Populations**

NOAA reviews the status of listed salmon every five years and determines whether a species warrants de-listing based on the best scientific and commercial data available. Currently insufficient monitoring data exists to meet the NOAA threshold for de-listing. Due to the tight budget for general funds, the regional organizations decided not to submit a funding request for monitoring activities. The regions will develop a memo regarding monitoring and bring the Council of Region's conclusions back the board. The short-term goal is to identify monitoring for delisting as an eligible project type for next year's grant round.

### **Lead Entity Capacity**

Since the creation of the lead entity program in 1999, the board has not met the objective to enhance the current capacity for lead entities. Lead entities recruit, review, and prioritize projects funded by the board by engaging support from the local communities. Lead entities also develop the three-year work plans for future projects consistent with the approved regional recovery plans. Because an RCW established the lead entities there must be a robust response from the state to support the regional groups.

In 2009, the state reduced funds and the board agreed to offset that reduction with federal funds. In the current biennium (2013-15), the lead entity basic capacity funding consists of 27% from state general fund and 73% from federal funds. Lead entity capacity funding has not kept pace with inflation and several lead entities struggle to maintain effectiveness. The continued downturn in federal funding and pressures on the state budget could have a significant impact on the future capacity of lead entities.

In 2012, NOAA changed the application requirements based on three priority categories:

- 1.** Projects that address factors limiting the productivity of Pacific salmon listed under the Endangered Species Act or populations necessary for tribal treaty fishing rights or native subsistence fishing.

2. Effectiveness monitoring of habitat restoration actions at a watershed or larger scale for ESA listed salmon, status of monitoring projects that directly contribute to the population viability assessment for ESA-listed salmon, or monitoring necessary for the exercise of tribal-treaty rights or native-subsistence fishing on salmon.
3. Projects consistent with Congressional authorization that demonstrate a need for PCSRF funding.

Mr. Abbott asked that the board approve the submittal of an operating budget request for Lead Entity Capacity that would add back the 15% cut as part of the OFM directive. This request will total \$149,287 in state general funds. The staff also asked the board to approve the submittal of a separate request to restore the 50/50 ratio of state to federal funds; this request will be for \$770,000 in state general funds.

Chair Troutt asked if RCO witnessed a strong indication that we do not receive funds from NOAA based on project types. Director Cottingham stated that conversations between NOAA and RCO indicate reduced funding based on project types and that Washington funds have reduced while Oregon and California received increased funds. Mr. Abbott indicated that Oregon and California put their PCSRF money towards priority one projects and not capacity projects. NOAA adopted this prioritization process a few years ago.

Member Bugert asked if we knew the percentage of priority one projects that Oregon and California submit for funding. Mr. Abbott indicated that other states submit roughly 80-90% of priority one projects while we submit about 60%.

Director Cottingham indicated that the two decision packages, if adopted by the governor and the legislature, would include the increase approved by the Salmon Recovery Funding Board last year regarding the base amount for Lead Entity Capacity.

Member Biery moved to approve the proposed lead entity operating budget requests to add back the 15% cut for a total of \$149,287, and to restore the 50/50 ratio of state to federal funds through a request for \$770,000 in state general funds. Member Mace seconded; motion passed.

Member Rockefeller asked for clarification regarding the importance of the 50/50 split. Director Cottingham indicated that 50/50 split represents the historic balance. After the recession, the board made decisions to compensate for the loss of general funds in the operating budget. The restoration of the 50/50 balance will increase the competitive edge of our projects. Member Bugert asked if there was a ceiling, are there calculations that it could be less. Director Cottingham indicated that the request is an amount that could change depending on legislative decisions.

### **Habitat Work Schedule**

Mr. Abbott indicated that to prepare for the potential loss of federal funding RCO/GSRO has proposed a budget request for \$55,000 to assess the potential benefits, logistics, and ease of moving to a non-proprietary software program in the event of the elimination or significant reduction in federal funding. GSRO would hire a private consultant to analyze what that change looks like and how to make it work with the system we have in place. Although HWS will receive federal funds through 2015, we want to prepare for the future.

Member Bugert moved to approve the operating budget request for the Habitat Work Schedule up to \$55,000 in state general funds in order to assess and strategize the future of the HWS data system in the event that federal funding is eliminated or significantly reduced. Member Biery seconded; motion passed.

### **Bond Funding Capacity**

The capital budget bond capacity, based on the stabilized revenue and interest costs, is expected to

remain the same as the current biennium approximately \$2 billion.

Staff recommends the following budget request to OFM:

- **Salmon Recovery Funding Board Grant Program:** Request up to \$40 million in capital budget funding for the state match portion of the Salmon Recovery Funding Board grant program to protect or restore salmon habitat.

Director Cottingham indicated that we have four salmon recovery grant programs currently administered by RCO either jointly or alone. We jointly administer PSAR projects with PSP and they have asked RCO to include \$140 million in our budget request. DNR is expected to request \$1.5 million for the FFFPP, which remains in RCO's budget. We jointly administer the ESRP program with Fish and Wildlife and they have suggested that we include \$20 million in our budget request.

Chair Troutt asked to talk about the state salmon capital funding, asking for the same amount every time does not allow for larger projects. PSP and the Puget Sound Salmon Recovery Council (PSSRC) changed their approach regarding funding requests, is that a model that we could use statewide? Our current SRFB process does not fully fund big system changing type of projects. Chair Troutt asked if we could develop a system to fund the bigger projects across the state of Washington. Perhaps RCO could develop a process to rank and provide scientific review so statewide projects are ready for implementation when we ask for funds?

Member Bugert asked for clarification, do PSP and the PSSRC strategically ask for an increase when they had projects they knew they could easily accomplish? Chair Troutt indicated that PSP changed their budget approach and asked to fund the base amount and larger system wide projects queued up and ready to implement. Amounts were dwindling and with this approach, the amount provided went from \$15 million to \$70 million. Chair Troutt emphasized that by barely hanging on with minimal requests we do not allow salmon recovery to be successful. Member Smith indicated that the Conservation Commission presents shovel ready projects for funding, but that might put the base funding at risk because the legislature may choose to only fund projects ready for implementation. Director Cottingham indicated that many applicants work hard to get things ready without a guarantee they will receive funding as it can take a year or longer for funding approval. Chair Troutt indicated the benefit of initiating a subcommittee to start the conversation around changing the capital-funding request and have a process ready for the next biennium.

Director Cottingham stated that we will compete with Floodplain by Design funding proposed by The Nature Conservancy and Dept. of Ecology plus a big effort in the Chehalis basin related to flooding and habitat. There will be many issues on the plate for these kinds of restoration projects. Member Rockefeller indicated that we should anticipate the central and eastern Washington flooding and fires request for restoration efforts. We might also compete with those needs and perhaps we should be proactive to support salmon recovery and stabilization.

Chair Troutt asked how RCO presents the \$40 million request to the legislature, and how can we make that a larger request. Mr. Abbott indicated that we typically ask for what really needs funding for PCSRF match. Director Cottingham indicated that RCO might have more success if they created a new program to avoid confusion with the federal match requirement. Legislative conversations regarding funding for various projects and enhancement work shows there is plenty of investment within the state for salmon related projects. We need to be careful and not detract from what we currently receive.

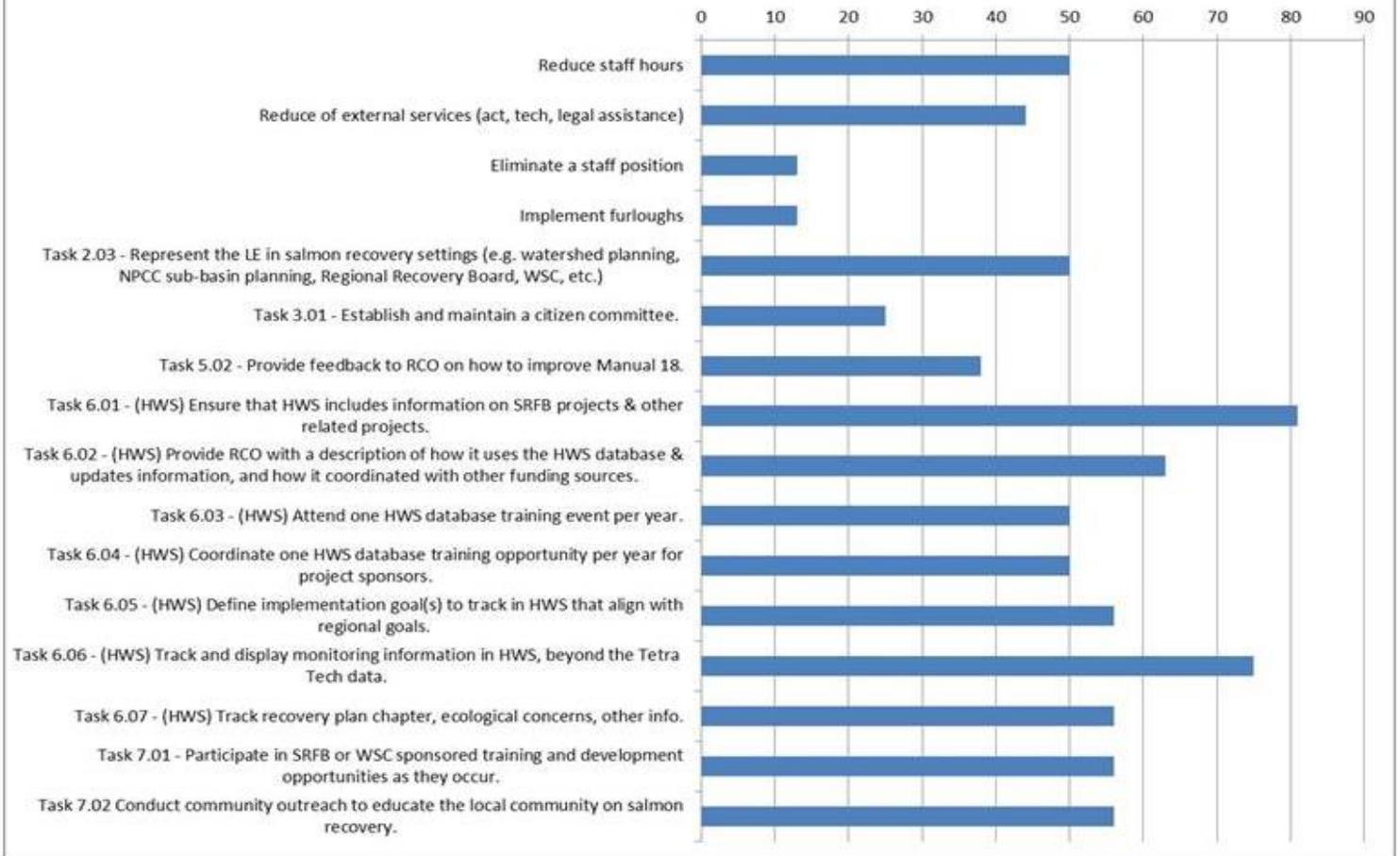
Member Rockefeller moved to approve the capital budget request for the Salmon Recovery Funding Board Grant Program of up to \$40 million in general obligation bonds in the capital budget. Member Mace seconded; motion passed.

Jeff Breckel extended thanks for the work of the board regarding monitoring. The Council of Regions (COR) discussed monitoring fish populations based on NOAA criteria for de-listing. When we look at monitoring projects in terms of fish population, restoring habitat and watershed processes, and the ability to address VSP and threats criteria, we start seeing large funding gaps. We discovered that there was no prudent way to incorporate those funding needs in the current fiscal situation. This process highlighted the need to start looking at the monitoring picture for salmon recovery and to find the gaps in various regions to determine if we are making progress towards delisting and should continue receiving funds. The COR felt that the state general fund request from RCO would best serve the Lead Entities and GSRO. The ability to maintain the capacity of GSRO is very important to the regions.

Darcy Batura and Amy Hatch-Winecka, presented a response to the June request for Washington Salmon Coalition to provide feedback on how Lead Entities would respond to a 15% reduction focused on the State General Fund, the WSC created a survey asking each Lead Entity to identify what services or functions would likely be reduced or curtailed, and what, if any, specific tasks would no longer be accomplished if the budget reduction went into effect (Scope of Work tasks 1-7). The survey focused on potential impacts to staff hours or salary and specific tasks in the RCO scope of work. Seventeen Lead Entities, or 68%, responded to the survey.

The following table shows the percent of Lead Entities that would apply a 15% reduction to key tasks. For this summary, we only include the tasks that received >25% response. Complete results can be reviewed at: <https://www.surveymonkey.com/results/SM-WMYH2TZ8/>

## Potential Impacts of a 15% Reduction to State General Fund LE Capacity



All of the tasks outlined within this contract are crucially important to implementing salmon recovery at the local level. Lead Entity's perform these and many more tasks to ensure our projects are based in sound science and receive a robust citizen review. There are no obvious places for budget cuts to occur in this program, a program that already runs very lean and effectively.

Key areas impacted by a reduction include:

Staff time and external services

- Habitat Work Schedule
- Communication and Outreach
- Professional Development and participation in WSC meetings and other watershed planning efforts

Please note that although singled out, these activities are not expendable. Maintaining the integrity of our project data in HWS remains critical to delisting. These data along with resources for communication and outreach are critical to our ability to tell the Salmon Story in Washington State.

Lead Entities have made massive strides in our communities and with the support of the SRFB, have been able to increase opportunities for projects and programs in our areas. A reduction to this progress will set salmon recovery back even beyond current estimations. These programs exist on such small budgets when compared to other programs, yet their benefits are the very foundation for a functional natural resource economy. New revenue sources, not less, need to be identified to assist in recovery and implementation.

Member Bugert thanked the WSC for their work and the information that they presented on recommendations and perspectives. It is very helpful and important to hear their perspectives.

Member Bugert moved to direct Kaleen Cottingham to work with the Puget Sound partnership, the Dept. of Fish and Wildlife, and the Dept. of Natural Resources to include their recommended levels of funding in RCO's budget request for the three jointly-managed grant programs: Puget Sound Acquisition and Restoration Program, the Estuary and Salmon Restoration Program, and the Family Forest Fish Passage Programs. Member Biery seconded; motion passed.

Chair Troutt asked if we are seeking additional funding for the FFFPP. Director Cottingham indicated the request for \$11.5 million would not cover current capacity within the program. There are plenty of projects on the list and this funding would help get some of these projects off the ground. Member Bugert asked about the fish passage board. Mr. Abbott indicated that the last legislative session looked at the statewide fish passage criteria and evaluating passage issues on private and state land. The passage board will establish criteria by the end of the year and determine funding for future projects.

## **Item 2: Communication Plan Follow-up**

Brian Abbott, Executive Coordinator, Governor's Salmon Recovery Office (GSRO), updated the board on the Communication Plan. Pyramid Communications developed the Communication Plan and identified two primary goals. One is to visually tell a common story and make the message immediately apparent and relevant. The second is to recognize the change in the funding landscape and cast of champions since 1999, and to amplify the voice of salmon recovery by targeting essential decision makers. Mr. Abbott encouraged clarification regarding why we do this work. Is it clean air, sustainability, salmon, preserving the Pacific Northwest? This communication plan gives folks doing the work an opportunity to tell their stories with a relatively small budget.

In cooperation with the work group GSRO developed a proposal with four recommendations for the SRFB to consider funding:

- 1.** Improve internal network communications
- 2.** Strengthen capacity of regions to lead
- 3.** Branding and creating a visual framework
- 4.** Update the Lead Entity directory

Improve internal network communications: specifically the salmon recovery network. This proposal would fund a third party facilitator/consultant to help understand issues and perspectives while pulling together regional, federal, and state groups in order to develop a well-articulated purpose for the forum. One goal is to develop a process for regional scale conversations regarding how habitat recovery investments can work in tandem with hatchery and harvest decisions to recover at risk stocks. The second goal would create awareness between agencies regarding priorities for salmon recovery and a network of support. The resulting structure and commitments from folks participating will be formalized with agreements like Memos of Understanding. This task would have an estimated budget of \$65,000 to accomplish by December 2015.

Member Rockefeller stated that given the tribes interest we should actively seek to include their participation. Mr. Abbott indicated that tribes would be included. Chair Troutt emphasized the importance to include "tribes" in the language surrounding the communication plan.

Member Mace asked what articulated problems occur now that this communication plan recommendation attempts to resolve. Mr. Abbott indicated that the past was plagued by trust issues between different groups who now recognize the need to work together to move salmon recovery

forward. An independent facilitator would bring the groups together and accomplish the tasks without putting additional stress on GSRO and WDFW.

Member Bugert asked where the money would come from. Director Cottingham indicated that the funds requested are unallocated PCSRF funds. Member Bugert asked where this task would fall within the NOAA priorities. Mr. Abbott indicated this task would still fall under priority three funding. Member Bugert asked about the level of commitment from NOAA. Mr. Abbott indicated that this would present a good forum for NOAA.

Strengthen the capacity of regions to understand, outline, and implement the communication plan by establishing commitments and building off the existing framework. GSRO would conduct up to seven briefings for regional organizations to explain the importance of the communication strategy and the benefits of a region specific approach. Regions would provide a letter of interest, matching funds, a schedule, and a commitment to develop a region specific communication plan. The briefings would cost up to \$21,000 to conduct throughout the regions. Each region would receive up to \$20,000 to accomplish communication strategy within their area.

Member Bugert asked where the funds for regions would come from. Mr. Abbott indicated they already have the funds in most cases, but they need to have the commitment and funds. Member Mace asked where the regions currently stand in terms of support. Mr. Abbott indicated that the regions originally brought the communication plan forward and helped form the recommendations so there is broad support, but that regions need to provide match for this process. To understand how to use and implement the regional communication plan, it is vital to develop region specific trainings, which would be \$50,000 for everything. Member Bugert asked if the regions are providing cost for trainings. Mr. Abbott indicated that regions are participating but not contributing funds for this section.

Branding a network and creating a visual framework or an info-graphic that shows the salmon story for the state of Washington. This info-graphic would create a recognizable visual framework that clearly illustrates salmon recovery and how it works within Washington State. The long-term goal is a clearly recognizable visual identity for salmon recovery by bringing the partners together to create a common theme, packaging, and information to share. Member Biery indicated that stakeholders might help fund the branding portion. Second, Member Biery asked if we were to approve some or the entire communication plan, what kind of feedback would the SRFB and others receive regarding progress. Mr. Abbott indicated that SRFB would be active participants in the process, the discussion, and would receive regular updates.

Update LE director with a short-term goal of an annual update and add information on regional organizations, agencies, and tribes. The long-term goal would determine and incorporate other elements of salmon recovery into the directory. Implementing these recommendations will allow salmon recovery partners to speak with one voice, create an environment of cooperation, and encourage innovation to address strategic salmon recovery priorities. GSRO asks the board to approve \$244,000 in project return funds to carry out the four recommendations outlined in this memo.

Jeff Breckel representing the Council of Regions (COR) thanked the SRFB for their support of the communication strategy. How do we build and maintain momentum for salmon recovery within the state? How do we effectively work together to complement each other? This communication plan would allow that opportunity within specific geographic areas and the COR supports the outlined tasks. We found that consistency is vital and tasks one and two represent critical items. The process has energized folks to move the strategy forward. We ask that you allow regions to start this work by funding the communication plan. Chair Troutt, asked how a phased approach to the tasks would affect momentum. Mr. Breckel stated that getting the internal house in order is crucial, but discouraged waiting as it could

lose momentum within regions. Chair Troutt asked how many regions are ready to start working on a communication plan. Mr. Breckel indicated that at least four regions are ready to move ahead on this.

Member Mace asked what the timeframe is for implementing the requested \$244,000. Mr. Abbott indicated that because tasks are interconnected funding the entire package allows completion of tasks in order. Member Bugert asked what the advantage would be of funding the entire amount. Mr. Abbott indicated that having the entire package funded would allow transition between the stages and implementation to occur easily. Member Bugert indicated that a phased approach would allow for evaluation and he reiterated the importance of the tribes in this process. Member Bugert asked Mr. Breckel if he thought the partners were committed to the internal communication plan. Mr. Breckel indicated that a core group is supportive and that there is a building process to accomplish a synthesized approach.

Chair Troutt asked if the communication plan would help facilitate the forward momentum of changing how we ask for funds in the next biennium. Mr. Breckel indicated that the timing would be ideal to start and would synchronize with funding requests for the next biennium. With regards to the returned funds, Mr. Abbot stated that as of August 26, 2014 there remains \$557,000, not counting the money available for cost overruns. Chair Troutt clarified that the cost overruns are set aside and the \$557,000 is available for allocation.

Chair Troutt indicated that based on the conversations and materials presented it appears that the communication plan should move forward to deliver products. This communication plan represents a valuable tool towards recovery and we should apply available funds to the entire package rather than a phased approach and possibly losing momentum. Member Bugert indicated that funding the package in entirety would benefit the overall salmon recovery and emphasized the need for regular updates on the progress and success. He also indicated that based on the conversation the regions have stated the communication plan is a priority over funding monitoring and lead entity capacity. Member Bugert emphasized that progress reports should show the effectiveness of the plan. Member Rockefeller indicated he felt similar and since a logical sequence is inherent in the process, we should take the second alternative and add "phased released following regular progress updates" so we can track and signal to others involved the importance of measurable progress. Member Biery agrees with Member Rockefeller and including metrics across the board will indicate improvement.

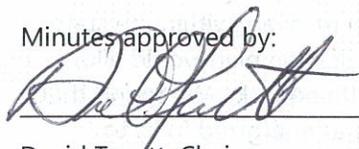
Member Rockefeller moved to approve up to \$244,000 in project return funds to carry out the recommendations outlined for a salmon recovery communications plan in phased releases following/subject to regular progress updates to RCO or the Salmon Recovery Funding Board. Member Biery seconded; motion approved.

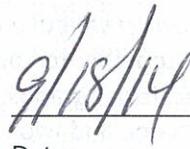
Director Cottingham suggested keeping the subcommittee to continue the work on the communication plan.

### **Closing**

Meeting adjourned at 11:45 a.m.

Minutes approved by:

  
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David Troutt, Chair

  
\_\_\_\_\_  
Date