

## 2017-19 Biennium Budget Decision Package

Agency: **478 - Puget Sound Partnership**

Decision Package Code/Title: **AE - Federal Funds Technical Adjustment**

Budget Period: **2017-19**

Budget Level: **ML2**

**Agency Recommendation Summary Text:**

The Puget Sound Partnership (Partnership) is requesting a reduction of (3.0) FTEs and (\$1,997,000) in GF-Federal expenditure authority in the 2017-19 biennium. The Partnership’s federal expenditure authority exceeds projected federal revenue. This is a technical adjustment.

**Fiscal Summary:**

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Account				
001-2 General Fund - Federal	(1,690,000)	(307,000)		
<b>Total Cost</b>	(1,690,000)	(307,000)	-	-
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
001-1 General Fund -State				
999-Z Estimated All Other - Other	(3.0)	(3.0)		
<b>Total</b>	(3.0)	(3.0)	-	-
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
001-2 General Fund - Federal	(1,690,000)	(307,000)		
<b>Total</b>	(1,690,000)	(307,000)	-	-
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A - Salaries and Wages	(212,600)	(212,600)		
B - Employee Benefits	(69,800)	(69,800)		
C - Professional Service Contracts	(605,000)	-		
E - Goods\Other Services	(22,700)	(22,700)		
G - Travel	(1,900)	(1,900)		
N - Grants, Benefit Services	(778,000)	-		
<b>Total</b>	(1,690,000)	(307,000)	-	-

**Package Description**

The Action Agenda, developed by the Partnership, has been designated by the U.S. Environmental Protection Agency (EPA) National Estuary Program (NEP) as the Comprehensive Conservation and Management Plan for the recovery of Puget Sound. As a result the Partnership receives federal funds

from EPA grant programs. In the 2017-19 biennium, the Partnership assumes potential federal revenue from two EPA grant programs in the amount of \$8,000,000.

Grant Program	CFDA Number	FY18	FY19	17-19 Biennium
EPA - Action Agenda Implementation Grant	66.123	\$ 3,400,000	\$ 3,400,000	\$ 6,800,000
EPA - National Estuary Program	66.456	\$ 600,000	\$ 600,000	\$ 1,200,000
<b>Total Projected Federal Revenue</b>		<b>\$ 4,000,000</b>	<b>\$ 4,000,000</b>	<b>\$ 8,000,000</b>

The Partnership's current federal carry forward level is overstated by \$1,997,000. This maintenance level budget request reduces federal expenditure authority to more accurately reflect the agency's ability to earn federal revenue.

Agency Contact: Ginger Stewart, CFO, 360-464-1218

**Base Budget:** If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

Excess federal expenditure authority is reflected in Activity A0006 – Policy and Planning.

Carry Forward Budget	FY 2018	FY 2019	FY 2020	FY 2021
Account				
001-1 General Fund - State	226,000	226,000		
001-2 General Fund - Federal	2,278,150	896,150		
02R-1 Aquatic Lands Acct - State	22,300	23,300		
<b>Total Cost</b>	<b>2,526,450</b>	<b>1,145,450</b>	<b>-</b>	<b>-</b>
Activity	FY 2018	FY 2019	FY 2020	FY 2021
A0006 - Policy and Planning	2,526,450	1,145,450		
<b>Total</b>	<b>2,526,450</b>	<b>1,145,450</b>	<b>-</b>	<b>-</b>

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

The Partnership is requesting a reduction of (3.0) FTEs and (\$1,997,000) in federal expenditure authority in Activity A0006 – Policy and Planning. The EPA Stewardship Grant ended in SFY16 and carry forward was not adjusted for the decrease in federal revenue. The reduction is taken as follows:

**Staff:** The Stewardship Program funded 3.0 FTEs during the six-year agreement. One of those positions was eliminated in SFY16 and two additional positions were eliminated in SFY17. The assumed salary savings are based on annual salaries of \$66,000 for two positions and \$80,000 for the third position. Staff saving estimates also assume a 33% benefits rate and the standard agency per FTE cost. Total staff costs savings are (\$614,000) per biennium.

**Contract and Grant Costs:** The Stewardship Program workplan included federal pass-through grants, as well as, several contractual obligations. Therefore, contractual obligations are reduced by (\$605,000) and grants are reduced by (\$778,000).

## Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

N/A

Performance Measure detail: N/A

Fully describe and quantify expected impacts on state residents and specific populations served.

N/A

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions

Identify other important connections		
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Please provide a detailed discussion of connections/impacts identified above.

N/A

What alternatives were explored by the agency and why was this option chosen?

N/A

What are the consequences of not funding this request?

The Partnership's federal expenditure authority will be overstated.

How has or can the agency address the issue or need in its current appropriation level?

The Partnership eliminated the positions, contracts, and grants associated with the Stewardship Program in the 2015-17 biennium.

Other supporting materials:

N/A

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

## 2017-19 Biennium Budget Decision Package

Agency: **478 - Puget Sound Partnership**

Decision Package Code/Title: **AF - FTE Technical Adjustment**

Budget Period: **2017-19**

Budget Level: **ML2**

**Agency Recommendation Summary Text:**

The Puget Sound Partnership (Partnership) is requesting a reduction of (6.0) FTEs to the 2017-19 carry forward level as suggested by the Office of Financial Management (OFM). This is a technical adjustment.

**Fiscal Summary:**

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Account				
<b>Total Cost</b>	-	-	-	-
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
001-1 General Fund -State				
999-Z Estimated All Other - Other	(6.0)	(6.0)		
<b>Total</b>	(6.0)	(6.0)	-	-
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
001-2 General Fund - Federal				
<b>Total</b>	-	-	-	-
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
<b>Total</b>	-	-	-	-

**Package Description**

Partnership is requesting a technical adjustment to its FTE carry forward level to reflect the agency's current staffing plan and anticipated expenditures in the 2017-19 biennium. Carry forward includes expenditure authority for an interagency agreement with the Recreation and Conservation Office (RCO). This maintenance level budget request reduces expenditure authority by the 6.0 FTEs charged to that interagency agreement.

Agency Contact: Ginger Stewart, CFO, 360-464-1218

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

Carry Forward Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
001-1 General Fund -State	2.4	2.4		
999-Z Estimated All Other - Other	8.7	8.6		
<b>Total Cost</b>	11.1	11.0	-	-
Activity	FY 2018	FY 2019	FY 2020	FY 2021
A0004	11.1	11.0		
<b>Total</b>	11.1	11.0	-	-

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

The Partnership is requesting a reduction of (6.0) FTEs in Activity A0004 – Support Local Ecosystem Recovery.

### Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

N/A

Performance Measure detail: N/A

Fully describe and quantify expected impacts on state residents and specific populations served.

N/A

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:

Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

N/A

What alternatives were explored by the agency and why was this option chosen?

N/A

What are the consequences of not funding this request?

The Partnership's FTE expenditure authority will be overstated by the amount of staff time charged to the RCO interagency agreement.

How has or can the agency address the issue or need in its current appropriation level?

N/A

Other supporting materials:

N/A

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

## 2017-19 Biennium Budget Decision Package

Agency: **478 – Puget Sound Partnership**

Decision Package Code/Title: **P1 - Prioritizing Action for PS Recovery**

Budget Period: **2017-19**

Budget Level: **PL**

### Agency Recommendation Summary Text:

The Puget Sound Partnership (Partnership) requests resources to ensure a streamlined Action Agenda process that directs funding to the actions and programs producing the greatest benefit for recovery. The total request of \$525,940 and 1.0 FTE funds a Senior Planning Manager and contractor support to facilitate biennial updates of the Action Agenda. With this funding, the Partnership will be able to maintain an accountable, science-informed, locally and regionally developed plan for Puget Sound recovery. This request is related to Puget Sound Action Agenda implementation.

### Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Account				
02R-1 Aquatic Lands Acct - State	317,470	458,470	317,470	458,470
<b>Total Cost</b>	317,470	458,470	317,470	458,470
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
999-Z Estimated All Other - Other	1.0	1.0	1.0	1.0
<b>Total</b>	1.0	1.0	1.0	1.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
001-2 General Fund - Federal	-	-	-	-
<b>Total</b>	-	-	-	-
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A - Salaries and Wages	107,000	107,000	107,000	107,000
B - Employee Benefits	35,300	35,300	35,300	35,300
C - Professional Service Contracts	183,000	42,000	183,000	42,000
E - Goods\Other Services	7,540	7,540	7,540	7,540
G - Travel	630	630	630	630
<b>Total</b>	333,470	192,470	333,470	192,470

## Package Description

### Background

By statute (RCW 90.71.300 (4)), the Partnership is required to biennially update the list of prioritized actions necessary to achieve the identified goals, targets, and outcomes for Puget Sound recovery and protection. The first Action Agenda was produced in 2010 and biennial updates have occurred on schedule, including the 2016 Action Agenda for Puget Sound issued June 2016.

The Partnership's enabling statute places the Action Agenda as the science-supported cornerstone of the Puget Sound recovery effort. For the Action Agenda to effectively serve this function, updates require a highly collaborative process involving hundreds of partners from a variety of sectors, interests, and technical backgrounds. It was this unified, regionally-owned, scientifically-sound plan for recovery that the Legislature identified as the key missing piece to efficient and effective Puget Sound protection and recovery.

### Current State/Problem

As a consequence of reductions to federal revenue in the 2017-19 biennium, the Partnership lacks resources to adequately fulfill this most foundational function required by statute: the biennial update of the Action Agenda.

Even though the biennial update of the Action Agenda is not a federal statutory requirement, the Environmental Protection Agency (EPA) has provided the majority of funds required to complete the updates every two years. However, EPA has increasingly expressed concern about funding a state-mandated update schedule. In 2016, EPA shifted the focus of its traditional work program for the Partnership from the Action Agenda development and management process to supporting the development of a component of that process - Implementation Strategies (the science-based pathways that inform prioritized actions that will take us from where we are today to the desired outcomes we have set).

The federal funds allocated to the Partnership for plan updates over the years has occurred because the Action Agenda also serves as the Comprehensive Conservation and Management Plan under the EPA National Estuary Program. The creation of the Partnership and the Puget Sound Action Agenda has brought an average of more than \$60 million additional federal dollars per biennium to leverage state and local investments in recovery efforts. Those investments are still being made in the region, and in alignment with the Action Agenda, but the federal government is looking for concurrent state commitment.

### Proposed Solution

The Partnership proposes a three-part solution:

- 1) In the short term, request state funding for upcoming statutorily required Action Agenda update (2018 plan);
- 2) Streamline that process using the framework created in the 2016 Action Agenda update; and
- 3) Concurrently, and for the long term, amend the statute to reduce costs and strain on the system by changing the required update cycle from two to four years.

Action Agenda updates require an intensive collaborative process with participation by hundreds of partners. The design and administration of this process requires senior planning expertise, strong facilitation and diplomacy skills, and the ability to solve difficult interdisciplinary problems. The Senior Planning Manager position would provide the required leadership to oversee Action Agenda updates and facilitate implementation.

The actual Action Agenda update process marks a substantial peak in work load. Because this is a predictable, temporary peak that occurs on a biennial basis, the Partnership has found that the most cost-effective way to address the increased work load is through contract support. The contractor provides critical logistical, tribal and public outreach, compliance, and document preparation support.

#### Connection to Agency Strategic Plan

The Partnership's strategic plan is centered on the three key roles the agency provides in support of the Puget Sound recovery effort. The Action Agenda most directly connects to the "Help Chart the Course" role, which calls for a collaborative approach to setting a prioritized, science-informed shared direction to achieve recovery. As the cornerstone of the Partnership's work, the Action Agenda connects other statutorily required and strategic plan supported roles and functions, including: science planning, monitoring, Vital Signs, State of the Sound reporting, accountability for implementation, and integration of salmon recovery work.

#### Specific Purchase Elements

This request would provide state funds to support a Senior Planning Manager and contractor support for the Partnership to conduct its statutorily required biennial updates of the Action Agenda.

**Base Budget:** If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The Partnership's base budget includes 3.0 FTEs in **Activity A0006 – Policy and Planning** devoted to Action Agenda development. The agency's current staffing plan includes 1.0 FTE for a Senior Planner and 2.0 FTEs for Environmental Planners. The Partnership's base budget also assumes EPA will provide \$125,000 per year towards the 2018 Action Agenda update.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

The Partnership requests 1.0 FTE and ongoing state funds of \$333,470 in FY18 and \$192,470 in FY19 to meet statutory requirements related to the biennial Action Agenda Update process. This request includes a Senior Planning Manager position and contractor support for increased workload during the update cycle. Costs are as follows:

**Senior Planning Manager:** Costs are assumed to be \$150,470 in FY18 and \$150,470 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

**Contractor Support:** Total contractor costs for the 2018 Action Agenda are assumed to be \$475,000 for a two-year period. It is further assumed that EPA will provide a total of \$250,000 of federal funds toward the two-year update process. Contract costs are assumed to be \$167,000 in the first year of the update process (FY17 for the 2018 Action Agenda) and \$308,000 in the second year of the update process (FY18 for the 2018 Action Agenda). Therefore, the Partnership is requesting state funds of \$183,000 in FY18 to

finish the 2018 Action Agenda update and \$42,000 in FY19 to begin the 2020 Action Agenda update. This is an ongoing cost into future biennia calculated as follows:

- FY18: \$308,000 less \$125,000 GF-Federal = \$183,000
- FY19: \$167,000 less \$125,000 GF-Federal = \$42,000

Contractor support for the 2018 Action Agenda update process provides:

- Project Management and Communications support – Coordinating with Partnership staff on work plan and schedules around Partnership deliverables, partner contributions and contractor deliverables and roughly monthly e-newsletters distributed to hundreds of participating partners.
- Public and tribal involvement – materials for public audience on process and draft Action Agenda materials, two to three on-line open houses, two to three public meetings, and three meetings with the Puget Sound Tribal Management Conference.
- Support State Environmental Policy Compliance – prepare SEPA Checklist, facilitate public comment process, prepare responsiveness summary.
- Document preparation – prepare the internal review draft, SEPA draft, Management Conference draft, and final 2018 Action Agenda update.

## Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

This investment will support an accountable, locally and regionally developed, science-driven biennial update of the Puget Sound Action Agenda. This plan, in turn, drives the efficient recovery and protection of Puget Sound, as intended by the legislature. A fully implemented Action Agenda is designed to achieve the goals the Legislature established in statute (RCW 90.71.300(1) including:

- A healthy human population supported by a healthy Puget Sound that is not threatened by changes in the ecosystem;
- A quality of human life that is sustained by a functioning Puget Sound ecosystem;
- Healthy and sustaining populations of native species in Puget Sound, including a robust food web;
- A healthy Puget Sound where freshwater, estuary, nearshore, marine, and upland habitats are protected, restored, and sustained;
- An ecosystem that is supported by groundwater levels as well as river and streamflow levels sufficient to sustain people, fish, and wildlife, and the natural functions of the environment; and
- Fresh and marine waters and sediments of a sufficient quality so that the waters in the region are safe for drinking, swimming, shellfish harvest and consumption, and other human uses and enjoyment, and are not harmful to the native marine mammals, fish, birds, and shellfish of the region.

The Partnership's Leadership Council established indicators with associated targets as a way of measuring outcomes in relation to these goals. A number of the **Results Washington Goal 3** indicators and performance measures were directly adapted from the Puget Sound Vital Sign targets (Chinook salmon, estuaries, shellfish beds, on-site sewage systems, swimming beaches). Achieving these targets is

the primary purpose of the Puget Sound Action Agenda. Without a current, regularly updated Action Agenda to guide actions to achieve those targets, the Goal 3 performance measures will not be reached.

This proposal most closely relates to the **A-0006 Policy and Planning activity**. The capacity added by this request will help to ensure that the Action Agenda is comprehensive and adequately detailed to foster efficient implementation. The performance measure related to Action Agenda “Near Term Actions” implementation status will be a good indicator of performance for this budget request. With the support provided, the Partnership would expect to produce a more focused, high quality plan that can more easily be implemented by partners, thereby improving the performance outcomes for the Policy and Planning activity.

**Performance Measure detail:**

**A-0006 Policy and Planning** currently has two performance measures associated with it. “002136 Percent of highest priority near-term actions reporting 'On Plan' (and 'Completed')” would remain and we would anticipate future incremental increases toward achievement of the 100% target.

The other performance measure, “002129 Percent of Partnership Led Near-Term Actions Reporting 'On Plan' (and 'Completed')” will be proposed for deletion in the next update. The Partnership is reducing its role as an “implementer” and submitted only two actions for the 2016 Action Agenda process, both of which were rated low. Therefore, this performance measure is ceasing to be relevant.

**Fully describe and quantify expected impacts on state residents and specific populations served.**  
All Washingtonians, current and future, will benefit from a healthy and resilient Puget Sound. The Puget Sound area is home to about 70 percent of Washington’s population and accounts for nearly 75 percent of the state’s tax revenue. In addition, goods from all corners of the state are transported across the world through Puget Sound ports. Therefore, a healthy, resilient and properly managed Puget Sound is critical to the wellbeing of every resident and business in the state.

One subset of the population, those hundreds of partners (elected officials, scientists, technical experts, academics, community leaders, tribal leaders, government leaders, etc.) who work closely with the Puget Sound Partnership to develop Action Agenda updates, will benefit even more directly from this package. Individual and partner organizations devote thousands of hours, very often on a voluntary basis each biennium to Action Agenda related work. They expect a reasonable and commensurate amount of basic support from the state to keep their efforts viable and productive. Providing the senior staff leadership and contract support to develop and implement an effective and efficient update process respects the time and resources of partner organizations and strengthens ownership and buy-in to the Action Agenda as the roadmap for Puget Sound recovery.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Identify: Puget Sound region; each of the 12 Puget Sound counties is affected relative to their role and engagement in Puget Sound recovery activities.

		Specifically, almost all Puget Sound counties are participating in Local Integrating Organizations that serve as the local scale coordination forums for Puget Sound recovery work.
Other local gov't impacts?	Yes	Identify: Each of the 120 Puget Sound cities is affected related to their role and engagement in Puget Sound recovery activities. Many of the state agency actions and on-going programs reflected in the Action Agenda directly impact (through permit or master plan requirements, for example) and/or benefit (through grant funding) local efforts in support of Puget Sound recovery.
Tribal gov't impacts?	Yes	Identify: Part of this funding helps to ensure adequate government-to-government communications during the Action Agenda update process in accordance with the Centennial Accord.
Other state agency impacts?	Yes	Identify: The Action Agenda informs the staff and funding allocations of many state agencies. These agencies are active participants in Action Agenda planning processes. The resources provided in this request will help ensure effective use of agencies' budgets and staffing.
Responds to specific task force, report, mandate or exec order?	Yes	Identify: This request is to ensure that the Partnership is able to maintain its statutory responsibilities under RCW 90.71.300(4).
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify: However, the agency is requesting through a separate action an amendment to the statute to reduce the frequency of required updates.
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):

Is the request related to Puget Sound recovery?	Yes	<p>If yes, see budget instructions Section 14.4 for additional instructions</p> <p>This budget request is specifically intended to improve the efficiency and effectiveness of Puget Sound recovery efforts. The proposal helps to implement Habitat Strategic Initiative substrategy 1.2 and 16.1 and regional priorities 1.2-3 and 16.1-3. It also implements Shellfish Initiative Tier 2 substrategy 25.1.</p> <p>100 percent of the budget request benefits Puget Sound recovery efforts.</p>
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

The Partnership is submitting agency request legislation for the 2017 session to adjust the Action Agenda update cycle from two to four years. This change, if approved, would significantly reduce the cost of Action Agenda updates in future years. A modified update would still be needed in 2018 to position the plan’s framework to four years.

What alternatives were explored by the agency and why was this option chosen?

The Partnership considered the following options:

- 1) Continued reliance on federal funding to support biennial update processes. This option was not selected due to the risk created by the combined reduction in financial support from EPA and its staff expressing a lack of support for a biennial update cycle. Reliance on this option could leave the Partnership in a position of great uncertainty where it might become unable to support regular updates of the Action Agenda. Without a current Action Agenda, the ability to meet statutory goals for a healthy, sustainable Puget Sound will be severely compromised.
  
- 2) Statutory amendment to change the Action Agenda update cycle from two years to four years. This option would substantially reduce the staffing burden for updates and reduce the resources required by the hundreds of partners that participate in the Action Agenda update process. However, this option requires legislative action and the outcome is not guaranteed. In addition, it is more of a solution for future updates rather than the 2018 update because the Implementation Plan for the 2016 Action Agenda focused on Near Term Actions that could be completed in a two-year time period. Therefore, even if the statute change is enacted, there will be a need for a 2018 Action Agenda update to transition the planning from a two-year to a four-year cycle. Because of its long-term value, this option was included as an element of the three-part solution to the Action Agenda funding challenge.

Because none of the alternatives considered were viable for achieving the statutory requirement and intent for the Action Agenda established by the Legislature, the proposal for 1.0 FTE with contractor support is the investment that provides the greatest return for the Puget Sound recovery system.

Performing a regular biennial update cycle of the Puget Sound Action Agenda requires stable, experienced staffing and resources to accommodate for the peak in workload during the actual update process. Hiring a Senior Planning Manager will ensure the Partnership has the consistent, experienced leadership needed to oversee an inclusive and efficient update process. Having additional contractor capacity is the most effective and efficient way to deal with the peak in work load associated with the update public processes and document production.

#### **What are the consequences of not funding this request?**

With recent funding reductions, the Partnership is notably understaffed to conduct Action Agenda updates that fully address statutory requirements and provide for the high quality management plan needed by partners to help ensure implementation. The places where the Partnership would need to cut back in the update process would be in the amount of time-intensive collaboration with partners. If partners are not adequately engaged in the update process, then they won't feel a sense of ownership of the plan and the likelihood that specific actions are implemented will be seriously diminished. If the most effective actions are not identified and prioritized for implementation, the likelihood of achieving the statutory goals for Puget Sound recovery and the targets for the Puget Sound Vital Signs (and by default for Results Washington Goal 3) will be substantially diminished.

Additionally, lack of adequate contact and engagement with partners handicaps the Partnership's ability to maximize the value it can provide by being able to see over the whole system and find synergies, opportunities and potential connections across all the partners. This entrepreneurial attribute is one of the value-adds the Partnership brings to the system, but it cannot fully materialize without the staffing to interact closely with partners across the organization.

In creating the Partnership, the Legislature noted that one of the biggest obstacles to Puget Sound recovery was the lack of a comprehensive, science-driven, regionally supported plan for Puget Sound recovery. The Action Agenda was designed to fill that gap in the recovery system. To not adequately invest in the broad collaboration, technical vetting, and public process that garners support is to ignore the lessons from the past that led to the creation of the Puget Sound Partnership. This budget package is necessary to ensure the adequacy and efficiency of millions of dollars in federal, state, local, tribal, and private funds invested in Puget Sound recovery.

#### **How has or can the agency address the issue or need in its current appropriation level?**

As previously noted, at existing funding levels the Partnership would need to reduce the scope of the Action Agenda update process. This reduced scope would result in less collaboration with partners, decreased technical review and vetting of actions, and likely reduced implementation of the resulting plan update.

Another option would be to maintain funding for the Action Agenda by reducing funding to other agency functions, such as Science and Evaluation or Board Engagement. However, every aspect of the Partnership's current work program is explicitly required in statute, needed to support successful Action Agenda updates (from the science foundation to policy decisions to support of local implementers) and is also currently under-resourced. Therefore, reallocation of funds from other Partnership activities

simply compromises implementation of other parts of the agency’s statutory responsibilities and limits the efficacy of future Action Agenda updates.

However, the third part of the proposed three-part solution does include looking for ways to streamline the Action Agenda update process to make it more efficient, and potentially reduce the cost of updates. In keeping with Lean principles, the Partnership is currently conducting an “After Action Review” for the 2016 Action Agenda process. The Partnership is surveying participants to identify efficiencies and process improvements. This information will be used to revise and improve the update process for the 2018 Action Agenda update and beyond.

**Other supporting materials:**

[2016 Action Agenda](#)

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

## 2017-19 Biennium Budget Decision Package

Agency: **478 – Puget Sound Partnership**

Decision Package Code/Title: **P2 – Accelerating PS Salmon Recovery**

Budget Period: **2017-19**

Budget Level: **PL**

### Agency Recommendation Summary Text:

The Puget Sound Partnership (Partnership) requests resources to lead and support the region as it updates Chinook salmon recovery plans using the latest science. The total request of \$828,540 and 1.0 FTE funds a Salmon Recovery Manager and contractor support to ensure all watersheds have established measurable habitat goals as a baseline for their Chinook Salmon Recovery Plan chapter updates. With this funding, the Partnership will establish a consistent framework for evaluating and investing in habitat projects that are shown to support key Chinook salmon species listed under the Endangered Species Act of 1999. This request is related to Puget Sound Action Agenda implementation.

### Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Account				
02R-1 Aquatic Lands Acct - State	304,270	524,270	139,270	139,270
<b>Total Cost</b>	304,270	524,270	139,270	139,270
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
999-Z Estimated All Other - Other	1.0	1.0	1.0	1.0
<b>Total</b>	1.0	1.0	1.0	1.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
001-2 General Fund - Federal				
<b>Total</b>	-	-	-	-
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A - Salaries and Wages	98,600	98,600	98,600	98,600
B - Employee Benefits	32,500	32,500	32,500	32,500
C - Professional Service Contracts	26,400	61,600	-	-
E - Goods\Other Services	7,540	7,540	7,540	7,540
G - Travel	630	630	630	630
N - Grants, Benefit Services	138,600	323,400	-	-
<b>Total</b>	304,270	524,270	139,270	139,270

## Package Description

### Background

Recovering Puget Sound Chinook salmon is integrally connected to nearly every other aspect of Puget Sound recovery and protection. It is critical to protecting the ecosystem, supporting livelihoods, upholding tribal treaty rights, and defining the legacy we leave for future generations.

Puget Sound Chinook salmon were listed under the Endangered Species Act in 1999 and a regional recovery plan, which included 16 salmon recovery watershed chapters, was developed in 2005. Despite emerging technical and scientific information, this plan has not been fully updated in more than ten years due to inadequate funding from federal and state sources to support capacity to undertake this demanding task.

The Partnership's Leadership Council is the regional organization for Puget Sound salmon recovery, thereby authorized to plan, coordinate and monitor the regional recovery plan (RCW 77.85.090). Until August 2016, the Partnership was able to deploy a full-time staff person to carry out the responsibilities of a regional salmon recovery organization, as well as manage the Puget Sound Acquisition and Restoration (PSAR) fund. Due to reductions (more than \$350,000 in FY17) in the Partnership's Pacific Coastal Salmon Recovery Funding (PCSRF) and Environmental Protection Agency (EPA) federal funding, the Salmon Recovery Director position was eliminated in August 2016.

### Current State/Problem

The Partnership is responsible for adequately supporting and leading the Chinook recovery efforts in Puget Sound to improve the trajectory of recovery and build and enhance relationships with important partners. Since August 2016, the duties of the Salmon Recovery Manager position have been spread among multiple staff, a solution that is not sustainable from a workload perspective internally, nor from the perspective of its impacts on our relationships with partners. Most importantly, we need to accelerate our work on salmon recovery to meet the Chinook Vital Sign target and goals outlined in the federally approved recovery plan. Recovering the 22 species of Chinook salmon in the Puget Sound basin is a complex process, one that requires consistent and clear vision and communication. Multiple staff carrying the responsibility reduces the consistency needed to guide the process and produces downstream impacts on the rate of species recovery.

It is a critical time to have a strong support mechanism for Puget Sound salmon recovery because the watersheds have now begun to update the 2005 Chinook salmon recovery watershed chapters to fully integrate mechanisms for understanding effectiveness of actions and to capitalize on new data that may suggest smarter investments as more is learned. As the watersheds work to update their plan chapters, it will be important to have a person who can provide the value our founders envisioned the Partnership would provide – who can look across the systems to bring consistency, be accountable for maintaining the momentum of the update process, keep those doing the work accountable, have the capacity to meet the expectations and requirements of a regional organization, and steward the state's commitment to Puget Sound salmon recovery for our tribal, federal, and local partners.

### Proposed Solution

The Partnership is proposing a two-pronged solution to advance Puget Sound salmon recovery work:

- 1) Request state funding for a regional Salmon Recovery Manager
- 2) Request state funding for a second phase of watershed Chinook Plan updates

### SALMON RECOVERY MANAGER

The Salmon Recovery Manager serves as the primary staff person responsible for carrying out the responsibilities of a regional salmon recovery organization. Key roles include:

- Develop, hold, and communicate the collective vision for salmon recovery in Puget Sound;
- Provide primary staffing support to the Puget Sound Salmon Recovery Council;
- Represent the Partnership and 15 lead entities at the statewide level, such as at the Council of Regions, Salmon Recovery Network, Salmon Recovery Funding Board meetings, biannual Salmon Recovery Conference;
- Work directly with the federal government, tribal, state, and local partners to update, implement, and monitor the Puget Sound Salmon Recovery Plan;
- Work directly with the federal government, tribal, state, and local partners to develop a steelhead recovery plan;
- Oversee the management of the PSAR and Salmon Recovery Funding Board grant programs;
- Mobilize funding; and
- Facilitate adaptive management and reporting.

This position is critical to sufficiently represent Puget Sound – the most complex salmon recovery region in Washington – in the statewide effort to recover and delist salmon.

### CHINOOK PLAN UPDATES – Phase 2

The Partnership is requesting funding to update the 2005 Chinook salmon recovery plans to build on a recent effort to fill key information gaps, complete prioritized monitoring plans, and implement adaptive management processes. This effort will lead to improvements in assessing and reporting on progress, identifying priorities and implementing effective strategies and actions. Ultimately, this investment will support the most effective and beneficial use of local, state and federal dollars toward improving and reporting on Chinook salmon recovery efforts across Puget Sound.

Since 2014, all salmon recovery watersheds have made progress to 1) develop consistent frameworks for monitoring and adaptive management; 2) identify habitat types of greatest importance for Chinook recovery; and 3) articulate key strategies currently being pursued in the implementation of watershed-scale salmon recovery efforts. Two watersheds (Skokomish and Lake Washington/Cedar/Sammamish [WRIA 8]) are currently completing development of their monitoring and adaptive management frameworks and undertaking comprehensive updates to their recovery chapters. In addition, the Partnership is putting in place guidance and the building blocks for all salmon recovery watersheds to undertake comprehensive updates.

In the interim, until full funding of the update process can be secured, the Partnership is requesting support for the next building block to the plans – establishing measurable habitat goals for all 14

remaining watershed chapters (Skokomish and WRIA 8 are being completed this fall). Goals that describe the desired future condition of the most important types of habitat on which Chinook salmon rely – in each watershed – will provide the foundation for complete chapter updates. In the absence of funding for complete chapter updates, the capacity to have every watershed articulate 1) the most significant habitats on which its Chinook populations rely; and 2) the quantity of each of those habitat types that must be protected and/or restored to support Chinook recovery will represent a substantial, highly meaningful body of work from which individual watersheds and the Puget Sound region can build in designing recovery strategies and directing funding toward projects and recovery actions that will have the greatest impact on the species. By building on the process and outcomes of goal setting, other funding received by watersheds can support continued efforts to develop adaptive management frameworks and complete comprehensive chapter updates.

Setting habitat goals will allow each salmon recovery watershed to engage with the tribes to discuss how habitat goals will support tribal harvest goals. It also will allow each salmon recovery watershed to engage the tribes and WDFW on how habitat goals support hatchery fish, ideally leading to better coordination among habitat, harvest, and hatchery managers. This coordination is vital to efficient allocation of precious state resources among these three pillars of salmon recovery – and has been greatly hampered by the lack of habitat goals to date.

Taken together, the Phase 1 and proposed Phase 2 investments provide a strong foundation for the next phase of updating watershed recovery chapters. In addition, this effort will allow us to identify and implement strategies and approaches that are effective across multiple watersheds, and highlight barriers to recovery that need regional attention.

#### Connection to Agency Strategic Plan

The Partnership's strategic plan is centered on three key roles the agency provides in support of the Puget Sound recovery effort:

- Help Chart the Course
- Support and Empower Partners
- Manage Shared Measurement and Accountability

This decision package funds activities that bolster all three roles. The regional Salmon Recovery Manager supports the second role by creating a supportive environment, working to remove barriers, educating key partners, and working to mobilize funding. The updated Chinook Plans support the other two roles by feeding into the development of future Action Agenda updates and including a framework for monitoring and reporting on outcomes.

**Base Budget:** If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The Partnership's base budget for regional salmon recovery is in **Activity A0004 – Support Local Ecosystem Recovery** and the Partnership receives federal PCSRF through an interagency agreement with the Recreation and Conservation Office (RCO). Both federal funding sources (EPA and PCSRF) for this work decreased in FY17.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

The Partnership requests 1.0 FTE and state funds of \$304,270 in FY18 and \$524,270 in FY19 to hire a Salmon Recovery Manager and to provide funding to local watersheds to advance chapter updates to their Chinook Recovery Plan. Costs are as follows:

**Salmon Recovery Manager:** Costs are assumed to be \$139,270 in FY18 and \$139,270 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

**Chinook Plan Updates (one-time):** Costs are assumed to be \$165,000 in FY18 and \$385,000 in FY19. Costs are one-time and include sub-grants to local watershed and contractor support calculated as follows:

- Sub-grants: 14 watersheds will receive \$33,000 in FY18 to fund existing technical staff or hire contractors to develop the scientific basis for goals and input from policy makers. It is assumed watersheds will utilize 30 percent of their sub-grants in the first year, therefore, costs are assumed to be \$138,600 in FY18 and \$323,400 in FY19.
- Contractor Support: \$88,000 will be used to hire a regional team of technical experts to guide each watershed through selection of goals. Contractor support will ensure both consistency among watersheds and a strong scientific foundation for the products. It is assumed 30 percent of the contract funds will be utilized in the first year, therefore, costs are assumed to \$26,400 in FY18 and \$61,600 in FY19.

## Decision Package Justification and Impacts

**What specific performance outcomes does the agency expect?**

The outcomes anticipated with the hiring of the Salmon Recovery Manager are that the Puget Sound salmon recovery program leverages a central role to bring consistent, technical, and professional support and leadership to bear across numerous partners struggling with similar issues in different contexts. Partners are supported, and the state is able to make a highly efficient use of resources while building a solid foundation for ongoing recovery and protection work.

The end goal of this investment is for all salmon recovery watershed chapters to have set “SMART” (Specific, Measurable, Achievable, Results-Oriented and Time-bound) goals that define the changes needing to take place in habitat types most critical to Chinook recovery. Since goals set measurable benchmarks for where – and by when – work needs to happen for Chinook populations to rebound, they are the most fundamental element of the recovery planning process and can in turn be utilized to refine priority recovery strategies, hypotheses, and monitoring plans associated with recovery program implementation.

At the end of the biennium, the Partnership will be able to more accurately report on current status and gaps in progress of the Chinook recovery effort. Through our own reporting, the State of the Salmon and State of the Sound reports, we will more accurately tell the story of what is working, what isn’t working, and why.

In addition to fulfilling the intent of RCW 77.85.150 and RCW 77.85.090, this decision package directly supports implementation of aspects of **Results Washington Goal 3** (Sustainable Energy and a Clean Environment – Goal Topics: Healthy Fish and Wildlife and Working and Natural Lands) including:

- Outcome measure 2.2 and indicators 2.2a, 2.2b, 2.2c;
- Outcome measure 4.4 and indicators 4.4b, 4.4c, and 4.4d

Performance Measure detail:

**A004 - Support Local Ecosystem Recovery** has two performance measures associated with it, of which one would be impacted by this decision package:

- 002131 Number of acres per year of marine, estuarine and nearshore river habitat restored, enhances or protected as part of the effort to restore populations of salmon and other species with declining populations
- 002132 Percentage of the five Puget Sound bio-geographic regions that experience an improvement in wild Chinook abundance in two to four populations.

The National Oceanic and Atmospheric Administration’s National Marine Fisheries Service (NOAA/NMFS) set abundance goals for all 22 listed Chinook salmon populations back in 2007. All watersheds with natal populations are tracking progress toward those goals. However, NOAA/NMFS did not provide guidance on or set specific measurable habitat goals for Puget Sound watersheds.

It is useful to note that since Chinook salmon spend several years at sea, projects done today will not show an effect on populations for at least six years. In contrast, restoration projects done today will have immediate or nearer-term effects on some habitat measures, such as acres or functions restored. Therefore, tracking progress toward habitat goals allows us to evaluate the effectiveness of our recovery efforts on timescales that allow more frequent course correction.

While the decision package does not implement projects that would directly influence achievement of these targets, without the foundational work of a regional vision and consistent measures-based plans, the chances of these measures improving are nominal. Puget Sound is a complex ecosystem with a complicated human infrastructure dedicated to salmon recovery. A steady, consistent, visionary hand at the wheel is necessary to focus minds and investments, and achieve our goal of self-sustaining, harvestable salmon populations.

No new performance measures will be introduced.

**Fully describe and quantify expected impacts on state residents and specific populations served.**

All Washingtonians, current and future, will benefit from a healthy and resilient Puget Sound. The Puget Sound area is home to about 70 percent of Washington’s population and accounts for nearly 75 percent of the state’s tax revenue. In addition, goods from all corners of the state are transported across the world through Puget Sound ports. Therefore, a healthy, resilient and properly managed Puget Sound is critical to the wellbeing of every resident and business in the state.

The State of Washington passed the Salmon Recovery Act in 1998. At that time, the legislature found that “...it is in the interest of the citizens of the state of Washington for the state to retain primary responsibility for managing the natural resources of the state, rather than abdicate those responsibilities to the federal government...” (RCW 77.85.005)

Recovery of salmon is necessary for the Washington way of life – salmon fuels our economy, our recreation, and our families.

The many partners who work directly with the Partnership on salmon recovery issues and efforts will benefit most immediately from these investments. The regional Salmon Recovery Manager will serve a wide variety of partners, including tribes; local, state, and federal government agencies; the environmental, agricultural, and business communities; and private citizens engaged in salmon recovery efforts.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	<b>Identify:</b> Puget Sound region; each of the 12 Puget Sound counties is affected relative to their role and engagement in Puget Sound salmon recovery activities. County staff participate in the recovery effort as members of local watershed groups.
Other local gov't impacts?	Yes	<b>Identify:</b> Each of the 120 Puget Sound cities is affected related to their role and engagement in Puget Sound salmon recovery activities. Many city staff participate as members of local watershed groups.
Tribal gov't impacts?	Yes	<b>Identify:</b> The staff position in this package helps to ensure adequate government-to-government communication related to salmon and habitat issues in support of treaty rights. Tribal members also serve as members of local watershed groups and can use habitat goals to evaluate how local efforts support tribal harvest goals.
Other state agency impacts?	Yes	<b>Identify:</b> Staff from several state agencies, including the Departments of Ecology, Fish & Wildlife, and Natural Resources as well as the Washington State Conservation Commission participate in the salmon recovery effort as technical advisors and members of local watershed groups.
Responds to specific task force, report, mandate or exec order?	No	<b>Identify:</b>

Does request contain a compensation change?	Yes	Identify: The previous lead salmon position at the Partnership was a Director level, the requested position has been rescoped to a Manager level.
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	Yes	Identify: The requested regional Salmon Recovery Manager position oversees the PSAR capital program process. The updated Chinook plans will result in more strategic projects submitted through the various capital habitat funding programs.
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	Yes	<p>If yes, see budget instructions Section 14.4 for additional instructions</p> <p>This request is specifically intended to improve the efficiency and effectiveness of Puget Sound salmon recovery efforts. This package is critical to implementing Habitat Strategic Initiative substrategy 6.1, as the watershed 4-year work plans are derived from the salmon recovery plan chapters to be updated under this proposal.</p> <p>100 percent of the budget request benefits Puget Sound recovery efforts.</p>
Identify other important connections		RCO PCSRF

Please provide a detailed discussion of connections/impacts identified above.

RCO is proposing to add new sections to Washington Administrative Code to implement RCW 77.85, which will provide more clarity around the expectations for regional salmon recovery organizations.

The proposed Salmon Recovery Manager will help oversee and leverage PCSRF and EPA National Estuary Program funds related to Puget Sound salmon recovery, in addition to PSAR.

### What alternatives were explored by the agency and why was this option chosen?

The Partnership considered the following alternatives to requesting a regional Salmon Recovery position:

- 1) Maintain current staffing strategy. Currently, the responsibilities of this position are spread out among three staff on top of their prior full-time commitments. In addition to the consistency concern mentioned previously, this model is inefficient because the three staff must spend extra time coordinating due to engagement in various forums and conversations.
- 2) Fully fund the position using PCSRF. Freeing up existing PCSRF funding to support this position would mean the loss of another Partnership staff position who acts as a liaison to multiple watersheds. The direct support to watersheds is a key function of the team that the Manager would oversee and the loss of a position would result in other staff being overcommitted and a significant reduction in the support provided to local partners. In addition, this option would continue the state's reliance on uncertain federal funds to implement its salmon recovery responsibilities.
- 3) Place responsibility on the Leadership Council members. As the designated regional salmon recovery organization, the Leadership Council could be asked to step in and staff this role. However, given the members' other commitments, no one member would be able to manage the responsibility and so we would continue to have a role split in pieces. In addition, any Leadership Council member agreeing to do this work would expect to be briefed and staffed for success, which again places almost the same demand on agency staff.

The request to make this a state-funded position promotes the long-term sustainability of the position and ensures the Partnership can sufficiently represent Puget Sound in the statewide effort to recover and delist salmon. One point of contact is required to consistently communicate across the Council of Regions, Puget Sound Salmon Recovery Council, and the Salmon Recovery Funding Board, to integrate the decisions and needs of the Puget Sound Salmon Recovery Council and local watersheds, engage with various technical and policy bodies, and make decisions around funding and policy.

In particular, reinstating this position is important to the tribes. Our tribal partners were deeply concerned about the loss of this position in 2016, to the point of questioning the state's commitment to salmon recovery in Puget Sound. Fully funding this position with state funds will demonstrate clearly to the tribes that the State of Washington takes salmon recovery in Puget Sound seriously, and continues to be committed to success and excellence in this endeavor.

The Partnership considered the following alternatives to requesting phase 2 support for the Chinook Plan updates:

- 1) Seek federal funding from the NOAA/NMFS. NOAA provides PCSRF to RCO and RCO provides PCSRF funds to the Partnership through an interagency agreement to support its role as the regional salmon recovery organization. However, these funds are insufficient to cover the need for both regional management and support of local watershed groups. In 2016, NOAA reduced

the amount of PCSRF funding awarded to Washington State, in large part because Washington uses a portion of funding to support capacity, such as regional directors. NOAA is committing a number of its scientists to supporting monitoring and adaptive management of the Puget Sound Chinook Recovery Plan on an ongoing basis, but is unable to provide financial resources for watershed chapter updates at this time.

- 2) Utilize a portion of the PCSRF. The Partnership worked with the Governor's Salmon Recovery Office and the watersheds to allocate a portion of the PCSRF funding toward adaptive management of the chapters. Unfortunately, with funding cuts to capacity for 2016-2017, the primary focus of the watersheds will be on the legally mandated capital project development rather than on adaptive management.
- 3) Shift the funding responsibility to the local level. The process for updating and adaptively managing the plans must be managed at the local level because each of the recovery areas represents unique geographic, economic, and socio-economic contexts that require tailored approaches to engaging stakeholders and developing ecologically meaningful products. Local recovery area resources are limited and local funding is not available to support this effort in a manner or timeframe that would advance all the watersheds using a consistent format and approach.

The approach described in this proposal follows the "Washington Way" to recovery plan updates and adaptive management, because it is the most effective foundation for strong implementation, tracking, and reporting. However, recognizing that the state also faces severe resource constraints, we opted not to ask for full funding to complete all the watershed plan updates, but rather to achieve a major foundational element (measurable habitat goals) needed for the plan updates. While the development of salmon recovery goals is not, by itself, equivalent to an update of each watershed's Chinook recovery chapter, it is arguably the single most challenging and important element of the chapter update process. Local watershed groups include representatives of city, county, state, and tribal governments, as well as the environmental, agricultural, and business communities, along with other local groups. Salmon recovery goals must be firmly grounded in good science, but also owned and supported by all of these partners. Goal-setting discussions are often challenging, as they must balance the needs of different stakeholders. Local watershed groups need funding to provide the scientific and facilitation support to host these discussions effectively and ensure a sound result.

State funding to support watershed groups to set measurable habitat goals is the most effective investment we can make in salmon recovery planning. It will allow watershed groups to take the hardest step in recovery planning, and the results will be useful in many other aspects of salmon recovery. This investment would demonstrate the state's continued commitment to strong, watershed-based, locally implemented salmon recovery plans (RCW 77.85.005).

**What are the consequences of not funding this request?**

If this request is not funded, Puget Sound salmon recovery will have disjointed leadership due to an overloading of existing staff capacity and we will struggle to fulfill all the commitments in our regional contract with the Governor's Salmon Recovery Office. In addition, the Partnership will be unable to

provide a satisfactory level of support to the Puget Sound salmon recovery community and will need to reduce our engagement in state-level discussions and negotiations, which could lead to further funding reductions for Puget Sound salmon recovery. In addition, Puget Sound tribes will remain deeply concerned about the state’s commitment to salmon recovery in Puget Sound.

In the absence of leadership from Washington State, the Puget Sound Chinook salmon recovery plans will remain out of date and the Partnership will not be able to report accurately on progress made, priority needs for recovery, or most effective investment of other state, local and federal dollars. In addition, low snowpack, warming ocean temperatures and increased summer temperatures are creating a greater urgency to ensure that dollars invested in salmon recovery actions are focused on the right things, in the right places, at the right times. The establishment of goals across the watersheds will ensure that efforts remain focused. Without a coordinated effort to establish goals in a timely manner and using consistent guidance and format, we can anticipate an inefficient use of resources toward sporadic and uncoordinated planning efforts, inconsistent reporting, investment in less effective efforts, and duplication across recovery areas.

**How has or can the agency address the issue or need in its current appropriation level?**

If the proposed position is not funded with support from the state, the duties will continue to be spread across multiple staff. This model is inefficient and unsustainable. The agency may choose to fully fund the position using PCSRF through the contract with RCO for the 2017-19 biennium, resulting in consequences described in the alternatives section above.

Without state investment in Phase 2 of the Chinook Plan updates, the project cannot proceed within the agency’s current funding level. If no funding is received, Partnership staff would make the building blocks developed this year – scientific guidance for goal setting and evaluation of habitat health, and a toolkit for chapter updates – available to all 14 watershed chapters to use. However, despite this information being available and useful, local funding constraints would prevent watersheds from setting measurable goals in the absence of additional funding support.

**Other supporting materials:**

Attachment: Draft WAC (RCO)

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

## 2017-19 Biennium Budget Decision Package

Agency: **478 – Puget Sound Partnership**

Decision Package Code/Title: **P3 - Sound Science – Sound Decisions**

Budget Period: **2017-19**

Budget Level: **PL**

### Agency Recommendation Summary Text:

The Puget Sound Partnership (Partnership) requests resources to ensure peer-reviewed science and data provides the basis for solid decisions about investments in Puget Sound recovery. The total request of \$499,680 and 2.0 FTEs funds a Science Program Specialist and PSEMP Coordinator to facilitate the basic science and monitoring functions outlined in statute. With this funding, the Partnership will compile, analyze, and disseminate credible, useful scientific knowledge needed by partners about Puget Sound ecosystems, especially about the effectiveness of different recovery and protection actions, as a means to increase the efficiency of recovery actions. This request is related to Puget Sound Action Agenda implementation.

### Fiscal Summary:

<b>Operating Expenditures</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Account				
02R-1 Aquatic Lands Acct - State	249,840	249,840	249,840	249,840
<b>Total Cost</b>	249,840	249,840	249,840	249,840
<b>Staffing</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
FTEs				
999-Z Estimated All Other - Other	2.0	2.0	2.0	2.0
<b>Total</b>	2.0	2.0	2.0	2.0
<b>Revenue</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
001-2 General Fund - Federal	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Object of Expenditure</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
A - Salaries and Wages	175,600	175,600	175,600	175,600
B - Employee Benefits	57,900	57,900	57,900	57,900
E - Goods\Other Services	15,080	15,080	15,080	15,080
G - Travel	1,260	1,260	1,260	1,260
<b>Total</b>	249,840	249,840	249,840	249,840

## Package Description

### Background

The Partnership's enabling statute (RCW 90.71.300) places the Action Agenda as the science-informed cornerstone of the Puget Sound recovery effort. The foundation and credibility of that Action Agenda, including its evaluation, ranking, monitoring and adaptive management processes, are derived from the ability to rely on information and advice from a strategic science program [RCW 90.71.290(1)].

A strategic science program provides the means by which we understand:

- how the ecosystem functions
- how human wellbeing is related to ecosystem processes and the services provided to people by the ecosystem (e.g., purification and delivery of water)
- how human actions positively and negatively affect ecosystem structures and processes
- whether we are making progress toward desired ecosystem outcomes
- whether specific investments in protection and restoration are producing the desired outcomes

The Partnership is required to document the strategic science needs of the region through the Biennial Science Work Plan, which reviews the science being done in support of Puget Sound recovery, identifies gaps, and recommends actions to fill those gaps. (RCW 90.71.290(5))

The statute's expectation of a strategic science work program also includes coordination of an assessment and monitoring program (RCW 90.71.290(1), (a) and (b)). This fundamental role of the Partnership is primarily fulfilled by the Puget Sound Ecosystem Monitoring Program (PSEMP), whose charter was endorsed by the Partnership's Leadership Council in 2011. PSEMP engages multiple entities and volunteers with interest, expertise, and capacity in Puget Sound ecosystem monitoring through a Steering Committee and 13 topical workgroups. PSEMP and its workgroups are the main avenue through which the Partnership gathers and vets data associated with the Vital Sign indicators. PSEMP, however, is not a statutorily recognized board of the Partnership and its charter calls for the group to be independent. To function effectively in support of the Puget Sound recovery effort, PSEMP relies heavily on guidance from the Partnership's Science Panel and support from Partnership staff.

### Current State/Problem

State funding for science and monitoring support that was envisioned when the Partnership's enabling statute was enacted, did not become a reality. Over the past five years, the Partnership has used a combination of state and federal carry forward money from the U.S. Environmental Protection Agency (EPA) to provide staff support to PSEMP, as well as relied on Science Panel and PSEMP volunteers to meet the agency's minimum obligations to provide science support for the development of the Action Agenda. But, the regional recovery system has more need for science support than the Partnership has been able to provide.

This gap in service has been magnified by the Partnership's diminishing federal revenue projections. In June 2016, EPA reduced the Partnership's primary federal grant and funded the University of Washington Puget Sound Institute to perform some elements of a strategic science program. With a reduction to the annual federal award and with minimal federal carry forward funding available in FY17, the PSEMP Coordinator position was not filled after the incumbent retired in July 2016.

### Proposed Solution

To manage the basic science and monitoring functions outlined in statute, and better meet the science and monitoring needs of the greater recovery system, the Partnership is requesting state investment in two full-time positions.

**Science Program Specialist:** This new position would provide state-funded staff capacity to fulfill the Partnership's statutory responsibilities to support a strategic science program. Additional efforts made possible by this science program staffing include support for:

- the Science Panel to develop and implement elements of a strategic science program and to develop, implement, and track biennial science work plans;
- the Ecosystem Coordination Board's Finance Subcommittee to incorporate and regularly update a funding strategy for science; and
- topical work groups, including PSEMP work groups and subcommittees of the Science Panel, to develop scientific information and advice (e.g., assessment of ecosystem vulnerability to climate change and other pressures) and deliver it in a format useful to decision makers.

**PSEMP Coordinator:** This request restores a core function that fulfills the Partnership's responsibility to support PSEMP's Steering Committee and work groups. State funding support for PSEMP staffing will enable the Partnership to:

- advise and facilitate the work of PSEMP's Steering Committee by supporting and guiding the development of annual work plans for program staff, the Steering Committee, and topical work groups that align with the Partnership's needs for monitoring information and advice;
- coordinate staff support for PSEMP's topical work groups; and
- oversee integration of PSEMP work into the Action Agenda, Implementation Strategies, and the Biennial Science Work Plan.

With these two positions, the Partnership can advance a strategic science agenda in support of Puget Sound recovery that is both comprehensive and defensible.

### Connection to Agency Strategic Plan

The Partnership's strategic plan is centered on three key roles the agency provides in support of the Puget Sound recovery effort and this request aligns with two of the elements:

**Help Chart the Course** includes development of a "prioritized, science-informed set of actions and programs designed to reach specific outcomes." A fully staffed strategic science program provides the underpinnings for this work.

Through the **Manage Shared Measurement and Accountability** function, the Partnership is the entity that ensures: accountability of partners for actions, effectiveness of actions and investments against anticipated outcomes, and consistent and adequate evaluation of progress. The requested PSEMP Coordinator position will be responsible for facilitating the monitoring data needed for the analysis of effectiveness and evaluation of progress.

Bringing credible, useful scientific knowledge about Puget Sound ecosystems, especially about the effectiveness (or lack thereof) of different recovery and protection actions, enabling wide and free distribution and use of that information, is one of the unique ways the Partnership can increase the efficiency and effectiveness of the recovery system. Understaffing these functions is a key barrier at this time to realizing the full potential of this powerful function.

#### Specific Purchase Elements

This request would provide state funds to support two full-time staff positions:

- Science Program Specialist
- PSEMP Coordinator

**Base Budget:** If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

Both positions expand the capacity of an existing program to fulfill statutory mandates and funder expectations. The Partnership's Science and Evaluation program, which includes PSEMP, is currently funded through a combination of state and federal funding sources. The carry forward funding for the Science and Evaluation program is in activity **A0002 – Setting Priorities and Evaluating Progress with Science.**

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

The Partnership requests 2.0 FTEs and ongoing state funds of \$249,840 in FY18 and \$249,840 in FY19 to meet statutory requirements related to a strategic science program. This request includes a Science Program Specialist and a PSEMP Coordinator position. Costs are as follows:

**Science Program Specialist:** Costs are assumed to be \$127,870 in FY18 and \$127,870 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

**PSEMP Coordinator:** Costs are assumed to be \$121,970 in FY18 and \$121,970 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

#### Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Funding these two positions will enable the Partnership's strategic science program to produce credible, efficiently-developed scientific information (including hypotheses and evidence) and advice about how the ecosystem functions, how human wellbeing is sustained, and how human actions affect ecosystem structures and processes. The positions will also produce monitoring information and advice about progress toward desired ecosystem outcomes and the impact of investments on outcomes. This science and monitoring information would be available in formats that support decisions about recovery approaches and investments.

This proposal to more fully support the agency's strategic science program and Science Panel aligns with expectations in Washington State statute to:

- Implement a “state-sponsored Puget Sound science program” (RCW 90.71.290(2))
- Provide “ongoing funding for staffing of the panel to ensure that it has sufficient capacity to provide independent scientific advice” (RCW 90.71.270(4))
- Provide “a shared state and federal responsibility for the staffing and administration of” the Partnership’s science program (RCW 90.71.270(5))

This proposal to more fully support PSEMP aligns with expectations in Washington State statute to:

- Continue and develop a monitoring program (RCW 90.71.290(1), (a) and (b))
- Implement a “state-sponsored Puget Sound science program” (RCW 90.71.290(2))
- Provide “ongoing funding for staffing” and “a shared state and federal responsibility for the staffing and administration of” the Partnership’s science program (RCW 90.71.270(4) and (5)).

This proposal aligns with **Results Washington Goal 5** (efficient, effective, and accountable government) by focusing on:

- effective government: e.g., clearly positioning and resourcing the Partnership to execute its assignments as the science-based backbone for Puget Sound recovery
- fiscal responsibility: e.g., sharing the costs of implementing a science program across multiple entities
- accountability: e.g., improving the capacity to share scientific information and advice to report on Partnership and Results Washington Goal 3 outcome measures

Performance Measure detail:

**A0002 - Setting Priorities and Evaluating Progress with Science** currently has two performance measures associated with it:

- 002756 Annual percentage of Vital Sign indicators, for which data are available, showing improvement
- 002130 Percentage of sampling sites reporting improved condition, based on marine water condition index.

This proposal would provide improved staff capacity for the strategic science and monitoring programs, to ensure that recovery actions and strategies are grounded in science and demonstrate effectiveness. As a result, we would anticipate an increase in the credibility of the reporting with incremental increases toward achievement of the targets over time.

In addition, because a number of the **Results Washington Goal 3** indicators and performance measures are directly adapted from the Puget Sound Vital Sign targets (Chinook salmon, estuaries, shellfish beds, on-site sewage systems, swimming beaches), the benefits generated from the reporting of this data should contribute to incremental achievement of these measures as well.

Fully describe and quantify expected impacts on state residents and specific populations served. All Washingtonians, current and future, will benefit from a healthy and resilient Puget Sound. The Puget Sound area is home to about 70 percent of Washington’s population and accounts for nearly 75 percent of the state’s tax revenue. In addition, goods from all corners of the state are transported across the

world through Puget Sound ports. Therefore, a healthy, resilient and properly managed Puget Sound is critical to the wellbeing of every resident and business in the state.

One way we ensure the Puget Sound recovery effort makes the best investments with public funding is through a robust strategic science program and a monitoring program focused on effectiveness. A better staffed Science Panel, strategic science program, and PSEMP will improve credibility of and access to information so that all residents can understand how the ecosystem functions, the status of progress toward Puget Sound ecosystem recovery, and the impact of investments on recovery.

Science Panel members, members of the Panel’s subcommittees, participants in PSEMP’s Steering Committee and topical work groups, and partners who rely on the science products these groups produce will be the most direct beneficiaries of this proposal as the science program work efforts will be better resourced, better coordinated with PSEMP and other aspects of recovery effort, and more readily used by decision makers.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	<p><b>Identify:</b> Puget Sound region; each of the 12 Puget Sound counties is affected related to their role and engagement in Puget Sound recovery activities.</p> <p>Specifically, King, Pierce, and Kitsap counties are actively engaged in PSEMP.</p>
Other local gov’t impacts?	Yes	<p><b>Identify:</b> Each of the 120 Puget Sound cities is affected related to their role and engagement in Puget Sound recovery activities.</p> <p>Specifically, the cities of Seattle and Tacoma are actively engaged in PSEMP.</p>
Tribal gov’t impacts?	Yes	<p><b>Identify:</b> Each Puget Sound tribe is affected related to their role and engagement in Puget Sound recovery activities.</p> <p>Specifically, the Nooksack tribe is actively engaged in PSEMP.</p>
Other state agency impacts?	Yes	<p><b>Identify:</b> Numerous state agencies are affected related to their role and engagement in Puget Sound recovery activities.</p> <p>Specifically, the Departments of Ecology, Natural Resources, Fish &amp; Wildlife, and Health are actively engaged in PSEMP.</p>
Responds to specific task force, report, mandate or exec order?	No	<p><b>Identify:</b> However, the Science Panel and PSEMP both play a vital role in the production of the</p>

		biennial State of the Sound report required by statute.
Does request contain a compensation change?	No	Identify: However, the PSEMP Coordinator position was rescoped from its previous iteration (PSEMP Coordinator) to ensure the key functions were addressed at the appropriate staff level.
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	Yes	<p>If yes, see budget instructions Section 14.4 for additional instructions</p> <p>This budget request is specifically intended to improve recovery by providing scientific information and advice to inform the effectiveness of Puget Sound recovery efforts. This proposal helps to implement Habitat Strategic Initiative substrategies 1.2, 1.3, and 8.3 and regional priorities 1.2-3, 1.3-2, and 8.3-2. It also implements Shellfish Strategic Initiative Tier 2 priority 25.2.</p> <p>100 percent of the budget request benefits Puget Sound recovery efforts.</p>
Identify other important connections		JLARC

Please provide a detailed discussion of connections/impacts identified above. The Joint Legislative Audit and Review Committee (JLARC) is in the process of conducting a statutorily prescribed review of the Partnership. We have received many questions about the functioning of PSEMP. As a result, we anticipate that a recommendation regarding the structure and management of PSEMP is likely. If that is the case, having the PSEMP Coordinator position will be a critical resource in implementing the recommendation.

What alternatives were explored by the agency and why was this option chosen?

The Partnership considered the following alternatives to add staff capacity for the strategic science program:

- 1) Contract for strategic science program support. The Partnership could procure personal services or enter into interagency agreements to provide the necessary support for the strategic science program and consistent staffing for the Science Panel. Such an approach might offer some benefits (e.g., greater ability to vary the work load over the course of a biennium, increase in actual or apparent independence of scientific advice), but these do not outweigh concerns that a contractor would (1) increase transaction costs in delivering the staff support and (2) compromise the ability to (a) align the Science Panel with the Partnership's other boards and executive director and (b) ensure the Partnership's use of information and advice from the Science Panel.
- 2) Greater support for the strategic science program. The Partnership could propose a greater level of state-funded support for the strategic science program to address concerns about capacity expressed by the Science Panel (e.g., in the 2016-18 Biennial Science Work Plan), but has elected to limit this request to the most critical, foundational need. The consequence of this approach is that the Science Panel, other boards, and executive director will need to pursue a diversity of approaches to funding the broader needs for a functional strategic science program.
- 3) Reliance on federal funding. The Partnership could pursue additional federal support to meet the objectives of this proposal, but prefers the proposed approach because it better addresses the expectation in Washington State statute that the Partnership is implementing a "state-sponsored Puget Sound science program" (RCW 90.71.290(2)) and that "the legislature ... provide ongoing funding for staffing of the panel to ensure that it has sufficient capacity to provide independent scientific advice (RCW 90.71.270(4)). In addition, EPA's recent funding decisions for Puget Sound science may limit the feasibility of this alternative. Additionally, reliance on federal funding creates risk and uncertainty in the event those funds are reduced or redirected.

The proposed Science Program Specialist position was chosen as the best alternative because it places staffing in the context of the broader Science and Evaluation program to ensure consistency of methods and products. This proposal will increase staff support for the Science Panel and the strategic science program to align with the intent expressed in statute to "provide ongoing funding for staffing of the panel to ensure that it has sufficient capacity to provide independent scientific advice." This proposal also builds institutional capacity, which builds a stronger base for the program and the organization into the future.

The Partnership considered similar alternatives to add staff capacity in support of PSEMP (contract support, increased support, and federal support), the analysis of which produced the same conclusion that staff support is the most cost-efficient and effective way to meet the need.

PSEMP's design recognizes the value of the existing network of ecosystem monitoring efforts in the Puget Sound region and builds from that network and the backbone role of the Partnership. Partnership staff are uniquely positioned to support an aligned, efficient, and effective monitoring program because they are part of the work teams that coordinate other aspects of ecosystem recovery. Through regular interactions with staff colleagues and Partnership boards focused on developing and refining Action Agendas, evaluating the implementation recovery actions and programs, and supporting other aspects of the science program, Partnership staff are well-positioned to align PSEMP's work with the Partnership's needs and to encourage the use of PSEMP information and advice in Partnership decisions.

#### What are the consequences of not funding this request?

Science and monitoring are critical elements of Puget Sound recovery. If this proposal is not funded, the Partnership's existing science staff will not meet the Science Panel's expectations of staff support for the strategic science program, nor for the PSEMP Steering Committee and topical work groups. The Partnership currently provides a "life support" level staff capacity for the Science Panel, the strategic science program, and PSEMP, which:

- limits the impact of Science Panel and PSEMP members and their advice in key ecosystem recovery planning discussions, especially the development and refinement of Implementation Strategies and the development of Biennial Science Work Plans that are well integrated with the Action Agenda;
- compromises the coordination of Science Panel subcommittees and PSEMP work groups and the ability of some of these groups to produce deliverables and advance work plan initiatives; and
- jeopardizes the alignment of PSEMP's annual work plans with the Partnership's interests in monitoring.

As a result, decisionmakers, partners, and other implementers are not getting the breadth of science and monitoring advice and information needed to ensure Puget Sound recovery investments are made in the highest priority, most effective actions and programs to achieve our regional goals. This status is not sustainable without additional investment if the state is to keep a science-based recovery system as contemplated in the statute.

The loss or even significant weakening of science as the foundation for the collective Puget Sound recovery effort will undermine its credibility. Science Panel members are volunteers as are many PSEMP participants and the state has never funded either of the science accounts set up to support their work.

#### How has or can the agency address the issue or need in its current appropriation level?

For FY17 the Partnership has developed a staffing approach that provides limited support to the Science Panel and implementation of the strategic science program. The Science and Evaluation Director serves as the lead staff scientist, provides some of the administrative support to the Science Panel, and also provides staff support for PSEMP and oversees the agency's accountability staff. Devoting only a portion of an FTE to Science Panel support and implementation of the strategic science program compromises the ability of the Partnership to:

- refine and encourage implementation of the 2016-18 Biennial Science Work Plan to ensure the right science is being conducted to support the next update of the Action Agenda;
- complete a Puget Sound climate change vulnerability assessment, which will be integrated in future Action Agendas to reinforce the importance of ecosystem resiliency in the face of change;
- develop and refine the monitoring, research, and adaptive management elements of Implementation Strategies, which will be used to drive future Action Agenda updates;
- evaluate implementation of the near-term actions and ongoing programs called for in the 2014 and 2016 Acton Agendas so that we reinvest in what is producing results and redirect resources from actions that are not;
- develop timely, accessible reports on the status of Vital Sign indicators and progress toward recovery to identify emerging trends in implementation and needed science; and
- develop and communicate information about the effectiveness of recovery actions and programs to all audiences that should rely on the information for decision-making.

**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

The [2015 State of the Sound Report to the Governor and Legislature](#) includes Science Panel comments on implementing the Action Agenda and findings from the monitoring program, which state, in part, that:

- To date, the Partnership’s adaptive management approach has been applied in a patchy and incomplete manner, partly because of inadequate resources. (p. 34)
- Addressing [critical scientific] uncertainties and enhancing the collection of critical information to assess progress in recovery are absolutely essential for ensuring wise investments are being made and that the scientific information is in-hand to adaptively manage the recovery effort. (p. 37)

[2016 Biennial Science Work Plan](#)

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

## 2017-19 Biennium Budget Decision Package

Agency: **478 – Puget Sound Partnership**

Decision Package Code/Title: **P4 - Accountability for PS Recovery**

Budget Period: **2017-19**

Budget Level: **PL**

### Agency Recommendation Summary Text:

The Puget Sound Partnership (Partnership) requests resources to implement an accountability program as directed in statute that builds a performance management framework for Puget Sound ecosystem recovery. The total request of \$727,480 and 2.0 FTEs funds a Performance Management Analyst, a Budget Analyst, and contractor support to collect and analyze data about investments in Puget Sound recovery and effectiveness of Action Agenda Near Term Actions and ongoing program implementation efforts. With this funding, the Partnership will ensure accountability of partners for actions, effectiveness of actions, and consistent and adequate evaluation of progress. This request is related to Puget Sound Action Agenda implementation.

### Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Account				
02R-1 Aquatic Lands Acct - State	363,740	363,740	363,740	363,740
<b>Total Cost</b>	363,740	363,740	363,740	363,740
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
999-Z Estimated All Other - Other	2.0	2.0	2.0	2.0
<b>Total</b>	2.0	2.0	2.0	2.0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
001-2 General Fund - Federal	-	-	-	-
<b>Total</b>	-	-	-	-
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A - Salaries and Wages	156,000	156,000	156,000	156,000
B - Employee Benefits	51,400	51,400	51,400	51,400
C - Professional Service Contracts	140,000	140,000	140,000	140,000
E - Goods\Other Services	15,080	15,080	15,080	15,080
G - Travel	1,260	1,260	1,260	1,260
<b>Total</b>	363,740	363,740	363,740	363,740

## Package Description

### Background

In creating the Partnership, the legislature included a series of accountability mandates to track the performance of Puget Sound protection and restoration efforts. Those mandates include:

- Determine accountability for the performance of the effort to protect and restore Puget Sound, and to track and report results to the legislature, the Governor and public (RCW 90.71.200).
- Assess progress in implementing the Action Agenda and “report on whether expected results have been achieved” (RCW 90.71.370 and 90.71.340).
- Address determinations of Action Agenda inconsistency and noncompliance and holding meetings to discuss and resolve performance issues (RCW 90.71.350).
- Review the expenditures of funds to state agencies for Puget Sound protection and recovery (RCW 90.71.370).

To date, the Partnership has had partial success in response to these mandates. Investments in a Performance Analyst position and technology-based data collection tools has facilitated tracking and reporting on the implementation of Action Agenda “Near Term Actions” (NTAs are two to four year activities that contribute to achieving the recovery targets). NTAs are developed at the local and regional levels and are actively tracked and measured by the Partnership.

Through a budget proviso, the Partnership has also been tasked with providing to the Governor a single prioritized list of state agency budget requests for each budget cycle. Through this process, the Partnership is able to gain information on planned state agency investments supportive of Puget Sound recovery.

The Partnership has a clear statutory mandate to analyze, evaluate and report on all activities related to implementation of the Puget Sound Action Agenda. RCW 90.71.340, 350, 370 each require the Partnership to receive information about, analyze and report “on progress in completing [actions] and whether expected results have been achieved.” The Joint Legislative Audit and Review Committee (JLARC) has highlighted these accountability tasks as key parts of the statute that the Partnership has not fully addressed, in particular noting the lack of non-compliance evaluations. Yet, this analysis, evaluation and reporting as required by statute is not possible without full information about the ongoing programs of other state agencies.

### Current State/Problem

During the 2015-17 biennium there has been no significant evaluation of NTAs and programs, and very limited performance issue identification and improvement. This lack of evaluation and performance management is a big gap in the Partnership’s science and evaluation program and represents a considerable missed opportunity for the Partnership to add value to the recovery effort.

There are two reasons for this lack of ongoing program evaluation. First, the Partnership has lacked sufficient resources to tackle such a significant evaluation effort – from data collection to analysis – given the number, size and complexity of programs that advance Puget Sound recovery. This complexity

is compounded when one considers programmatic and project efforts that are not NTAs in the county, city, tribal, and non-governmental sectors.

Second, during past efforts to catalog state agency programs supporting Puget Sound recovery and more recent conversations about ongoing program documentation with JLARC, state agencies have expressed concerns about such effort, including:

- 1) the level of effort involved on their part in collecting ongoing program information necessary for programs evaluations, and
- 2) the ways in which findings from those program evaluations could be used by the Partnership or others.

#### Proposed Solution

The Partnership is proposing two steps to move the accountability program in a productive direction:

- 1) Add staff capacity to mine and analyze existing expenditure data and create streamlined data collection tools to fill the gaps; and
- 2) Develop an ongoing program evaluation effort in collaboration with state agencies to ensure the Partnership can fulfill its accountability responsibilities in a manner that also addresses the state agency needs and concerns.

#### STAFF CAPACITY

The Partnership is requesting two full-time staff positions to handle the volume of data collection and analysis required by the accountability mandates in statute.

**Budget Analyst** to focus, in collaboration with the Office of Financial Management (OFM) and other state agency budget and accounting staff, on mining Puget Sound related expenditure data from existing state budget systems and other financial data sets. Where gaps in data exist, an efficient and lean process for collecting and reporting the data will be developed. This position would focus on our state partners with the ultimate goal of determining how much the State of Washington invests in Puget Sound recovery efforts. The budget analyst would manage the Puget Sound budget ranking process and contribute analysis of the financial data for use in State of the Sound and other reporting outlets.

**Performance Analyst** to focus on analyzing existing NTA performance tracking and evaluation data and information from the proposed ongoing program evaluations as the basis for the performance management and improvement of Action Agenda NTAs and programs. This tracking and evaluation work will inform the identification of performance issues (as well as best practices) that need to be addressed with partners. The position will be responsible for pursuing lines of evidence and seek to work with implementing partners to collaboratively investigate and address the performance issues.

The Performance Analyst would be the primary staff lead for the Leadership Council's Performance Management and Accountability subcommittee and would bring performance issues to the committee for consideration. The position will work with partners to develop and use Lean tools, including A3 templates for root cause analysis and problem-solving, and will oversee any action plan tracking or management resulting from Leadership Council deliberations.

In addition, the Performance Analyst will be responsible for ensuring that the NTA tracking, evaluation and performance management work is articulated and reported in the biennial State of the Sound report per statute (RCW 90.71.370(3)). It will be important to ensure that attention is called to lessons learned and recommendations to inform strategies and content in Action Agenda updates and Implementation Strategies development and updates.

## PROGRAM EVALUATION

The Partnership is requesting contract funds to solicit for and secure the services of one or more vendors with expertise in programmatic evaluations. The contractor(s) and the Partnership will work in tandem with state agencies to select, develop and complete three to five programmatic evaluations related to key ongoing programs identified in the Puget Sound Action Agenda. The first six months of the 2017-19 biennium will be dedicated to working with state agencies to select the programs and develop the evaluation criteria. Programs chosen for evaluation will be targeted to those highlighted in the Action Agenda and important to Implementation Strategies for achieving the Puget Sound Vital Sign targets. The Partnership will move forward in conducting three to five programmatic evaluations during the remainder of the biennium. The Partnership, and other state agencies, will use these evaluation reports to inform Action Agenda performance management.

While the format of the evaluation has yet to be determined, we anticipate being able to answer the following questions:

- How does the program align with the priorities of the Action Agenda?
- What and how much does the program contribute to Puget Sound recovery (both in terms of investment and outcomes)?
- What recommendations can be made to improve the program's impact on Puget Sound recovery?

### Connection to Agency Strategic Plan

The Partnership's strategic plan is centered on the three key roles the agency provides in support of the Puget Sound recovery effort. This request directly supports the "Manage Shared Measurement and Accountability" role with the goal of ensuring accountability of partners for actions, effectiveness of actions, and consistent and adequate evaluation of progress.

### Specific Purchase Elements

This request would provide state funds to support two full-time staff positions and targeted contract support:

- Performance Management Analyst
- Budget Analyst
- Contract support for Programmatic Evaluations

**Base Budget:** If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The Partnership's base budget includes 1.0 FTE in Activity A0002 – Setting Priorities and Evaluating Progress with Science for performance management activities. No base funding exists for contractor support for programmatic evaluations.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

The Partnership requests 2.0 FTEs and ongoing state funds of \$363,740 in FY18 and \$363,740 in FY19 to meet statutory requirements related to accountability and effectiveness monitoring. This request includes a Performance Analyst position, a Budget Analyst position, and contract support for programmatic evaluations. Costs are as follows:

**Performance Analyst:** Costs are assumed to be \$111,870 in FY18 and \$111,870 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

**Budget Analyst:** Costs are assumed to be \$111,870 in FY18 and \$111,870 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

**Programmatic Evaluations:** Costs are assumed to be \$140,000 in FY18 and \$140,000 in SFY19 to solicit for and secure the services of one or more vendors with expertise in programmatic evaluations.

## Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The anticipated outcomes of this request include:

- action and program tracking information is evaluated so that performance issues can be identified, prioritized and addressed;
- the Partnership is able to quantify how much the state contributes to Puget Sound recovery, restoration, and protection;
- Puget Sound protection and restoration efforts are more successful and effective because implementation performance issues are surfaced and resolved and best practices are shared; and
- the Puget Sound Vital Signs move in a positive way toward achieving their targets.

This proposal aligns with **Results Washington Goal 5** for efficient, effective, and accountable government by focusing on:

- Accountability: e.g., evaluating actions and programs to ascertain whether or not they are achieving their stated goals.
- Effective government: e.g., producing recommendations about how key state programs and activities could be more effective.
- Fiscal responsibility: e.g., ensuring that state programs and activities are more effective and therefore better value for money for taxpayers.

This proposal also aligns with **Results Washington Goal 3** for sustainable energy and a clean environment. Many of the programs that are identified in the Action Agenda as contributing to Puget Sound recovery are the fundamental drivers behind the outcomes articulated in this goal. This is especially relevant for goal topics 'Healthy Fish and Wildlife,' 'Clean and Restored Environment,' and

‘Working and Natural Lands.’ If better evaluation and performance management leads to the increased efficiency and effectiveness of these programs, then the outcome targets in this goal will have a greater chance of being realized.

Finally, this request aligns closely to Washington State’s Lean approach supported and advocated by the Governor’s Office. The evaluation model is intended to examine state programs to identify if they are achieving their stated goals and recommend changes to programs that will increase their efficiency and effectiveness. This is in close alignment with the Lean philosophy of focusing on what adds value and reducing effort that does not.

**Performance Measure detail:**

This proposal influences performance measures within two activities.

**A005 – Administration**

002755 Annual non-state funding leveraged for Action Agenda implementation  
(Through the course of program evaluations we may learn how much the state investment is leveraged with local and federal sources.)

**A006 – Policy and Planning**

002136 Percent of highest priority near-term actions reporting ‘On Plan’ (and ‘Completed’)  
(Enhancing accountability efforts should yield more complete data and addressing barriers to implementing actions through performance management will increase timely completion of actions.)

No new performance measure will be introduced.

**Fully describe and quantify expected impacts on state residents and specific populations served.**  
All Washingtonians, current and future, will benefit from a healthy and resilient Puget Sound. The Puget Sound area is home to about 70 percent of Washington’s population and accounts for nearly 75 percent of the state’s tax revenue. In addition, goods from all corners of the state are transported across the world through Puget Sound ports. Therefore, a healthy, resilient and properly managed Puget Sound is critical to the wellbeing of every resident and business in the state.

The accountability effort will benefit all federal, state, and local partners working on Puget Sound recovery by highlighting and sharing best practices, recommending alignment of funding sources, and being able to provide decisionmakers with the information they need to make smart investments. An accountability program that aims to maximize the benefit the state receives from its investments is the most effective way to steward public funding.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Identify: Puget Sound region; All 12 Puget Sound counties have NTAs in the Action Agenda on which they must report progress. County programs and

		projects may benefit from the results of the programmatic evaluations at the state level.
Other local gov't impacts?	Yes	Identify: Many of the 120 cities in the Puget Sound region have NTAs in the Action Agenda on which they must report progress. City programs and projects may benefit from the results of the programmatic evaluations at the state level.
Tribal gov't impacts?	Yes	Identify: Many of the Action Agenda NTAs and programs have tribal partners and/or produce outcomes that support tribal treaty rights.
Other state agency impacts?	Yes	Identify: State agencies are the owners and managers of many of the NTAs and programs in the Action Agenda on which they must report progress. The ongoing program evaluations proposed in this request could place additional data sharing burdens on the agencies.
Responds to specific task force, report, mandate or exec order?	Yes	Identify: This proposal is a response to state statute (RCW 90.71 340/350/370). The proposal is also made in response to previous, and likely future, findings from JLARC that the Partnership is not fulfilling the intent of the accountability sections.
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	Yes	If yes, see budget instructions Section 14.4 for additional instructions  Relates to NTAs and programs that are vital to the implementation of the Puget Sound Action Agenda.

		Specifically, it helps to implement Habitat Strategic Initiative substrategies 1.3 and 8.3 and regional priorities 1.3-6 and 8.3-6.  100 percent of the budget request benefits Puget Sound recovery efforts.
Identify other important connections		JLARC review

Please provide a detailed discussion of connections/impacts identified above.

The 2011 Joint Legislative Audit and Review Committee (JLARC) report on the Partnership highlighted gaps in how the Partnership addressed its accountability responsibility in statute. The Partnership is currently in the middle of a follow up JLARC review, where considerable emphasis has been placed on the Leadership Council’s accountability role. This proposal, in part, creates a foundation to fill the gap between legislative intent and current practice.

What alternatives were explored by the agency and why was this option chosen?

The Partnership evaluated multiple alternatives to achieving the anticipated outcome related to adding staff capacity, including:

- 1) Contract out data and analysis services. The scope of work for both proposed staff positions could be contracted out. Such an approach might offer some benefits (e.g., greater ability to vary the work load over the course of a biennium, depending on the reporting cycles and other state agency capacity to participate in program evaluations), but these do not outweigh concerns that a contractor would (a) increase transaction costs in delivering the staff support and (b) compromise the ability to build trusting relationships with the state agency program staff. In addition, the extra contract management demands on existing performance management staff would reduce staff capacity to maintain current levels of performance tracking.
- 2) Build a data collection tool for state agencies to self-enter data on programs. This tool would likely be similar to the tool used for NTAs and so would be familiar to state agency partners. Self-reporting financial and performance data does not always promote reliability and completeness and introduces quality control issues. Additionally, a streamlined tool that partners would be inclined to voluntarily use would not support the underlying documentation of the assumptions needed to adequately explain the data. A tool that provides for detailed assumptions would be too cumbersome for most partners.
- 3) Add only the Performance Analyst or the Budget Analyst, but not both. While any increase in capacity will enable greater performance, the two positions are intended to provide very different functions. The Performance Analyst is looking at the efficacy of the actions and on-going programs while the Budget Analyst is focusing on how the actions and programs are funded. Both positions are needed to have the complete data set required for evaluations. Having only one would leave a data gap that would prevent comprehensive and complete evaluations.

The Partnership is in the best position to look from a broad perspective at all the activities, NTAs and programs; collect performance tracking information across the Action Agenda; and identify performance issues that could be managed to bring significant benefits to the whole system. We can identify trends and patterns in a way that individual owners and managers of actions and programs cannot. Once issues are identified, the Partnership has the key relationships and communication links with many partners, and the Leadership Council has the influence to help address and tackle those issues. That is why as a backbone organization the Partnership is best placed to manage the shared measurement system and coordinate the performance management of the Action Agenda.

Options considered for the Programmatic Evaluations included:

- 1) Enlist Partnership board members to be evaluators. The benefit of this option is that board members learn firsthand about challenges in the system. The majority of board members have other responsibilities and are likely to be too busy to undertake intensive evaluation work. In addition, resources would still need to be expended to develop the evaluation system and to staff the board members.
- 2) Partnership develops an evaluation model without collaborating with sister agencies. In this way, the Partnership would decide which programs to evaluate and the methodology for doing it. However, given the concerns expressed by state agencies about the potential impacts of programmatic evaluations, and the Partnership's stated mission to be collaborative, this approach was deemed counter-productive. In addition, current staff do not have the experience and expertise necessary to conduct programmatic evaluations and current staffing levels do not accommodate the addition of this workload.
- 3) Use an audit checklist model. The audit checklist would be a more formal and paper based approach that would request answers to specific questions about how the program is managed. This approach would also involve a request for evidence to back up the statements made in response to the audit questions and a formal site visit or meeting. The Partnership considers this method, which may be perceived as quasi-regulatory by other state agencies, to be too rigid and not in line with its collaborative mission.

The approach for the evaluation of Action Agenda ongoing programs is a challenge that the Partnership has wrestled with since its inception in 2007. A lack of resources to tackle this complex issue allied to concerns from other state agencies about the potential impact of programmatic evaluations suggests that the Partnership needs to be both cautious and collaborative in its approach. In addition, there is an added benefit to having an unbiased evaluator from outside of the state agency family. This may help assure state agency partners that the evaluations will be as fair and impartial as possible.

Rather than imposing an evaluation model on state agencies, the Partnership thinks that it would be more productive and ultimately more successful to develop the model collaboratively and on a limited scale through the first few iterations. By taking this approach the Partnership plans to set up a model that can be scaled up in future biennia.

**What are the consequences of not funding this request?**

If the request is not funded, the Partnership will continue to track the implementation of NTAs to the extent of existing capacity, but will have limited capacity to use that information to identify, discuss and resolve performance issues.

Convening partners in this way is a fundamental component of the Partnership’s Puget Sound recovery backbone role and a key area in which the agency can add value to the recovery effort. Therefore, without those efforts, common barriers to achieving Puget Sound recovery actions and programs may continue without mitigation. There will be a diminished number and quality of opportunities to coordinate with our partners to address recovery issues. We will not be able to fully pursue evidence or lines of investigation and we will have comparatively limited opportunities to undertake Action Agenda performance management. If we are not able to use targeted evaluation to refine our assumptions about what approaches work, then decisionmakers will not be able to make data-driven management and investment decisions that improve our recovery activities and programs and make them more cost effective.

Ultimately, if the request is not funded, the Partnership will continue to be challenged in meeting its statutory mandate, and will be seriously disadvantaged in its effort to add value to Puget Sound recovery efforts.

**How has or can the agency address the issue or need in its current appropriation level?**

The Partnership will continue to track the implementation of NTAs and possibly some programs, but will have very limited capacity to use that information to identify, discuss and resolve performance issues.

The Partnership will continue to gather NTA financial data and provide the Governor with list of prioritized budget requests.

**Other supporting materials:**

[2011 Joint Legislative Audit and Review Committee report](#)

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

## 2017-19 Biennium Budget Decision Package

Agency: **478 – Puget Sound Partnership**

Decision Package Code/Title: **P5 - Effective Governance of PS Recovery**

Budget Period: **2017-19**

Budget Level: **PL**

### Agency Recommendation Summary Text:

The Puget Sound Partnership (Partnership) requests resources to strengthen partner relations at the federal, tribal, and local levels through dedicated staff liaisons, strategic communication, and identification of system efficiencies. The total request of \$694,080 and 2.0 FTEs funds a Tribal/Federal Liaison, Strategic Communications Manager, and contractor support to collaborate with partners in identifying potentially overlapping structures and processes between local ecosystem recovery and watershed-level salmon recovery organizations. With this funding, the Partnership will identify opportunities to consolidate existing systems to streamline efforts, maximize utilization of available funding, and ultimately create a more sustainable system to support Puget Sound recovery. This request is related to Puget Sound Action Agenda implementation.

### Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Account				
02R-1 Aquatic Lands Acct - State	333,340	360,740	278,540	278,540
<b>Total Cost</b>	<b>333,340</b>	<b>360,740</b>	<b>278,540</b>	<b>278,540</b>
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
999-Z Estimated All Other - Other	2.0	2.0	2.0	2.0
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
001-2 General Fund - Federal	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A - Salaries and Wages	197,200	197,200	197,200	197,200
B - Employee Benefits	65,000	65,000	65,000	65,000
C - Professional Service Contracts	54,800	82,200	-	-
E - Goods\Other Services	15,080	15,080	15,080	15,080
G - Travel	1,260	1,260	1,260	1,260
<b>Total</b>	<b>333,340</b>	<b>360,740</b>	<b>278,540</b>	<b>278,540</b>

## Package Description

### Background

Puget Sound recovery is multi-faceted, with numerous efforts that were ongoing long before the Partnership was created and many that have joined since. The Partnership was founded to take those many activities and guide them into a cohesive and effective Puget Sound recovery system.

The tribes have been working on Puget Sound recovery for decades through their emphasis on habitat protection. In the Puget Sound region there are 17 treaty tribes with rights to resources directly tied to the work of the Partnership. The Centennial Accord commits state agencies to a government-to-government relationship with treaty tribes. While the Partnership works closely with tribal governments, to date, the agency's tribal liaison role has been inadequately staffed.

Likewise, dozens of federal agencies have been funding recovery supportive efforts since before the Partnership was formed. Significant federal investment in the region is not always aligned within the federal family (and at times works at cross purposes) nor with the Action Agenda. Recognizing this inefficiency, the federal government is working to align its resources dedicated to Puget Sound. This federal cooperation presents an opportunity for the Partnership to have a dedicated liaison focused on making connections between the federal and state work on behalf of Puget Sound.

Since the Partnership began, the alignment of efforts has progressed well with respect to the merging of plans under the Puget Sound Action Agenda. However, aligning social and workgroup structures that support recovery efforts is more complex and challenging.

Ensuring a unified and aligned system takes committed liaisons to serve as ambassadors with key partners. But it takes more. It also requires consistent, strategic communication. A strategic communications professional would enable the Partnership to effectively communicate the value of the work being done in the context of the community, the economy, and the ecosystem. The Partnership currently does not have a staff member charged with this function or with these skills, resulting in our partners often experiencing the details of the work and burden, without understanding the benefits of the work.

A final step in promoting effective governance of the Puget Sound recovery system is identifying and addressing system efficiencies. In the FY 2014 supplemental budget, the Legislature included a proviso for the Partnership to evaluate the many different groups convened at local scales that contribute to Puget Sound recovery. Some of these groups existed prior to the Partnership and some were created by the Partnership. The evaluation considered Lead Entities (salmon recovery), Local Integrating Organizations (ecosystem recovery), Watershed Planning Groups, Regional Fisheries Enhancement Groups and a number of others. That evaluation resulted in many recommendations, some of which related to group consolidation to improve efficiency (Ross 2014).

The report notes that the Partnership is responsible under statute (RCW 90.71.250) for supporting the Ecosystem Coordination Board (ECB) and is the regional recovery organization for salmon recovery under RCW 77.85.090. Therefore, the Partnership supports both the ECB and the Puget Sound Salmon

Recovery Council (SRC). The Ross 2014 report recommends further evaluation of consolidating those two bodies.

Similarly, the Partnership supports the Local Integrating Organizations (LIOs) as the local hubs for coordinating Puget Sound recovery work. For salmon recovery, the Partnership works with Lead Entities to coordinate salmon recovery work at the watershed scale under RCW 77.85. The Ross 2014 report also recommends further evaluation of consolidating those two group structures.

#### Current State/Problem

This package proposes addressing three gaps and one opportunity in developing a more effective framework to manage the Puget Sound recovery system. The gaps are in staff capacity to cover the tribal/federal liaison role and the strategic communications role. The opportunity is aligning the work and boundaries of local recovery workgroups.

Budget reductions in the spring of 2016 necessitated eliminating one communications position and laying off the staff person serving in an ad hoc tribal liaison role. The agency has not had staff with federal legislative experience for several years – the federal liaison role is being filled by the Executive Director, who is overcommitted and cannot sustain the federal workload.

Lack of capacity in these key roles has impeded the Partnership’s ability to (i) foster the necessary dialogue and relationship-building with the 17 Puget Sound tribal communities, which have unique, diverse, and time-intensive needs and are a critical partner for successful recovery, (ii) take full advantage of opportunities to advocate with the federal government, and (iii) establish a clear, consistent understanding with all partners about the value of participating in an integrated recovery system.

The history of ecosystem recovery is a tale of two programs and one great opportunity to LEAN the system. With the listing of Chinook salmon under the Endangered Species Act in 1999, a structure to support salmon recovery was formed. For Puget Sound, that structure included 15 Lead Entities coordinating salmon recovery work in 16 watersheds. When the Partnership was created, it built a similar structure to support the broader ecosystem recovery effort – including nine LIOs. In some areas, the boundaries of these groups are the same or very similar and many of the same people serve on the parallel coordinating committees. The parallel structure also exists at the board level with the SRC and ECB serving similar roles for their respective systems. These overlapping structures can be confusing and do not promote the most efficient use of available recovery funding.

#### Proposed Solution

The Partnership is proposing the addition of two full-time staff and funding to conduct an evaluation of avenues to achieve the system integration opportunity.

#### STAFF CAPACITY

The **Tribal/Federal Liaison** would:

- Work directly with the governments and staff of the 17 treaty tribes in Puget Sound to foster greater understanding by the Partnership of tribal priorities, and of the Partnership by the tribes;
- Work directly with the 17 treaty tribes to foster coordination of projects, programs, monitoring, research, and policy development with the Action Agenda and Puget Sound Salmon Recovery Plan, and vice versa;
- Work closely with the Tribal Management Conference, a new body established under the U.S. Environmental Protection Agency's National Estuary Program funding model, to foster engagement in the Action Agenda;
- Coordinate with federal elected officials and their staffs to advance policy and funding initiatives important to Puget Sound;
- Forge relationships with the region's federal caucus and key staff at the agencies' headquarters in DC to foster coordination of efforts and investments to advance Puget Sound recovery; and
- Serve as an active voice in DC to discuss on-going needs related to salmon recovery planning and habitat restoration as well as general recovery actions, the cost of which needs to be shared proportionately by federal, state, and local entities.

The **Strategic Communications Manager** would:

- Identify opportunities to proactively position the agency and its programs, products, and accomplishments for partners and key decision-makers;
- Design the key messages to be delivered;
- Quickly assess inaccurate, misleading, or true but negative information and propose actions that steward the credibility of the agency;
- Provide coaching on identifying communications opportunities and establish communication pathways so information is advanced for action; and
- Improve risk and crisis management communication.

## SYSTEM INTEGRATION

Based on the findings of the Legislature-directed evaluation of watershed based groups (Ross 2014), this request would provide funding for an independent contractor to evaluate the development and implementation of options to align the ECB and the SRC and consolidate the functions of the LIOs and the salmon recovery Lead Entities. Contract support would be used to assess the Ross 2014 findings and supporting data; conduct targeted outreach to participants in the ECB, SRC, LIO, and Lead Entities to identify and evaluate options for consolidation alternatives; detail the pros, cons, and risks of those alternatives; and make a specific recommendation for how the state should proceed with aligning Puget Sound ecosystem recovery and Puget Sound salmon recovery efforts. The output of this work will include a final report on development and implementation options and a formal recommendation to the state.

The system integration actions directly support the role of the Partnership in finding the most effective and efficient ways of reaching recovery. Having multiple, overlapping efforts results in greater costs and inefficiencies on numerous levels. Looking past financial consequences, which over the years are

significant, many of the same partners attend many of the same meetings, and we risk losing our most committed partners by simply asking too much of them for too long. Merging systems reduces monetary costs and time investments, and creates a more sustainable system.

#### Connection to Agency Strategic Plan

The Partnership's strategic plan is centered on three key roles the agency provides in support of the Puget Sound recovery effort. This request directly supports the "Support and Empower Partners" role. The underlying objectives of this role are to create a supportive environment, work to remove barriers, educate key partners, and work to mobilize funding. The Tribal/Federal Liaison role would educate key partners, help staff understand partner perspectives, and work to remove barriers. The Strategic Communications Manager would educate key partners and help to mobilize funding. The system unification work would remove barriers and create a supportive environment.

#### Specific Purchase Elements

This request would provide state funds to support two full-time staff positions and funding for an implementation contract:

- Tribal/Federal Liaison
- Strategic Communications Manager
- Contract Support for System Integration

**Base Budget:** If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The Partnership's base budget includes 1.0 FTE in **Activity A0005 – Administration** to support the Partnership's communication needs. No base funding exists for contractor support.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:**

The Partnership requests 2.0 FTEs and state funds of \$333,340 in FY18 and \$360,740 in FY19. This request includes a Tribal/Federal Liaison position, a Strategic Communication Manager position, and contractor support to identify opportunities for consolidating existing systems to streamline efforts related to Puget Sound recovery. Costs are as follows:

**Tribal/Federal Liaison:** Costs are assumed to be \$139,270 in FY18 and \$139,270 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

**Strategic Communication Manager:** Costs are assumed to be \$139,270 in FY18 and \$139,270 in FY19. Costs include salary, benefits, and standard agency FTE costs. This is an ongoing cost into future biennia.

**System Unification/Consolidation (one-time):** Contractor costs are assumed to be \$54,800 in FY18 and \$82,200 in FY19. This is a one-time request.

#### **Decision Package Justification and Impacts**

**What specific performance outcomes does the agency expect?**

The outcomes from this investment would be:

- Significantly improved relationships with the 17 treaty tribes in Puget Sound;

- Improved coordination of federal and state efforts to recover salmon and Puget Sound;
- Increased focus on federal policy and funding initiatives that would benefit Puget Sound;
- Better understanding at the federal level of the significance of Puget Sound recovery to the nation;
- Increased trust in the Partnership’s effectiveness as a backbone agency;
- Increased trust in the processes established to recover Puget Sound collaboratively;
- Increased support by decisionmakers for funding Puget Sound restoration programs and projects; and
- A more efficient, cost effective group structure for Puget Sound ecosystem and salmon recovery efforts.

A number of the **Results Washington Goal 3** indicators and performance measures were directly adapted from the Puget Sound Vital Sign targets (Chinook salmon, estuaries, shellfish beds, on-site sewage systems, swimming beaches). Achieving these targets is the primary purpose of the Puget Sound Action Agenda and the work of the ECB and LIOs. In addition, the SRC and the watershed leads are exclusively focused on achieving the Pacific Salmon performance measures (2.2, a, b, and c) of Goal 3.

This request is inspired by Lean principles in government. We have a number of groups convened to address similar Puget Sound issues. Using the 2014 evaluation as a starting point will help the region develop options that efficiently align work and improve planning and coordination for more effective Puget Sound recovery.

**Performance Measure detail:**

The elements of the package create an enabling condition that is supportive of all the Partnership’s work, and indirectly all the Activity Performance Measures. Existing measures are unlikely to see incremental changes because of this funding in the near term.

A new performance measure will not be introduced.

**Fully describe and quantify expected impacts on state residents and specific populations served.**

All Washingtonians, current and future, will benefit from a healthy and resilient Puget Sound. The Puget Sound area is home to about 70 percent of Washington’s population and accounts for nearly 75 percent of the state’s tax revenue. In addition, goods from all corners of the state are transported across the world through Puget Sound ports. Therefore, a healthy, resilient and properly managed Puget Sound is critical to the wellbeing of every resident and business in the state.

In the near term, the package directly affects those working with the new staff positions, such as members of the 17 Puget Sound treaty tribes or staff of federal partners and elected officials. Citizens and decisionmakers may learn about key issues related to Puget Sound recovery based on the Strategic Communication Manager’s efforts.

The integration effort most directly benefits the local scale coordinating groups (Lead Entities and LIOs) and the members of the ECB and SRC. With careful consideration and implementation of alternatives that are tailored to the constituencies and geographies, the Partnership expects that participants in both Puget Sound salmon and ecosystem recovery work will experience improvements in their work and improvements in the rate of progress for both salmon recovery and the overarching recovery of the Puget Sound ecosystem. Also, once any concerns are addressed, those participants involved in more than one local coordinating group may appreciate the more respectful and efficient use of their time.

The long term benefit for people living in the Puget Sound will be a more effective stewarding of resources to ensure the advancement and efficient delivery of Puget Sound and salmon recovery services.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	<p><b>Identify:</b> Puget Sound region; improved collaboration with region and county partners in Puget Sound recovery.</p> <p>All Puget Sound counties are participating in both salmon recovery and ecosystem recovery efforts. More specifically, almost all Puget Sound counties are participating in Local Integrating Organizations that serve as the local scale coordination forums for Puget Sound recovery work, and all participate in salmon recovery forums. Additionally, a number of county representatives serve on both the ECB and the SRC.</p>
Other local gov't impacts?	Yes	<p><b>Identify:</b> Improved collaboration with local government partners in Puget Sound recovery.</p> <p>Representatives of Puget Sound cities serve on virtually all of the regional and local groups that would be considered for unification under this budget proposal.</p>
Tribal gov't impacts?	Yes	<p><b>Identify:</b> Improved collaboration with 17 treaty tribal governments in Puget Sound recovery.</p> <p>The Puget Sound tribes are the strongest supporters of Puget Sound salmon recovery efforts. Tribal governments understand that sustainable, harvestable salmon populations depend on a healthy Puget Sound. The tribes participate in all of the groups affected by this proposal and will be important participants in this work.</p>

Other state agency impacts?	Yes	<p>Identify: Improved collaboration with sister agencies in Puget Sound recovery</p> <p>Other state agencies like Washington Department of Fish and Wildlife, Washington Department of Ecology, and Washington Department of Natural Resources are active participants on both the ECB and the SRC.</p> <p>Because tribal relations with “the state” are strained and from that perspective individual agencies are not necessarily seen individually, improved relations with the Partnership could help improve relations with other agencies.</p>
Responds to specific task force, report, mandate or exec order?	Yes	<p>Identify: The request is supportive of the Centennial Accord and tribal treaty rights.</p> <p>This budget request stems from the 2014 budget proviso that directed the Partnership to evaluate watershed based groups for effectiveness and efficiency.</p>
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	Yes	Identify: Depending on the integration options identified, statutory changes may be required under the Partnership’s statute (RCW 90.71) and the salmon recovery statute (RCW 77.85)
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General’s Office):
Is the request related to Puget Sound recovery?	Yes	<p>If yes, see budget instructions Section 14.4 for additional instructions Arguably <i>required</i> for Puget Sound recovery.</p> <p>This budget request is specifically intended to improve the efficiency and effectiveness of Puget Sound recovery efforts. It helps to implement</p>

		<p>Stormwater Strategic Initiative substrategy 27.1 (communications), which is also a Shellfish Tier 2 substrategy. In addition, it helps to implement Habitat Strategic Initiative substrategy 16.1 and regional priority 16.1-3 (stakeholder coordination) as well as implements Shellfish Tier 2 substrategies 26.2 and 28.4.</p> <p>100 percent of the budget request benefits Puget Sound recovery efforts.</p>
Identify other important connections	Yes	This position would improve our connection with federal elected officials and their staff, and federal agency leaders and staff.

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

The Partnership considered the following options for the Tribal/Federal Liaison:

- 1) Contract out the duties. Contracted staff would be less able to build effective relationships, would have less access to necessary information, would likely cost more than an agency FTE, and affect consistency of message, work, and access to information. Also, building relationships with tribes requires them to trust that the Partnership is committed to working closely with them; a contracted staff person would not inspire this trust.
- 2) Request a full-time position for both the Tribal and Federal functions. When initially conceived, the tribal liaison and the federal liaison positions were two separate full time positions as each function can require special expertise. However, given the constrained revenue at the state level, we chose to combine the highest priority functions from each into one position. Although the workload could easily fill a full time position for each, getting half-time focused on tribal and half-time on federal is still an improvement over current capacity.

Improved coordination with tribes and federal partners depends on strong relationships. Building relationships takes time and stability, which only a full-time staff person can provide. The Tribal/Federal Liaison will need to have instant access to up-to-date information about Partnership initiatives. A senior staff person is the best approach to achieve these outcomes.

The Partnership considered the following alternatives for the Strategic Communications Manager:

- 1) Continue staffing status quo but cut in-house program services. While this option would redirect resources to strategic communications, it would do so at the detriment to the agency's other program functions and potentially the agency's credibility if standards are not maintained by staff doing ad hoc communications for their programs because professional capacity is not currently available in-house.

- 2) Recruit volunteers, interns, or loaned executives to supplement current staff. All “free” assistance is welcome despite the workload impacts to orient and supervise the individuals. These types of capacity tend to work best on a limited time-focused project, rather than an on-going function that requires relationship building for success.
- 3) Contract out all communication activities. Contracted staff would be less able to build effective relationships, would have less access to necessary information, and would likely cost more.

We need full-time staff in the Strategic Communication Manager position because of the complexity of the work and number of partner relationships to be managed. Continuous knowledge built on an experience base with the Partnership, as well as deep familiarity with our audiences and partners is required. Adding a Strategic Communications Manager enables our communication staff to fully support the communication needs of our programs and projects, as well as allowing us to fulfill our backbone role of supporting our partners in their recovery work.

The Partnership considered the following options for the system consolidation work:

- 1) A fully staff-led effort to identify alignment options. With recent budget driven staff reductions, staff capacity is grossly insufficient to undertake an effort of this magnitude. As this work will be controversial and possibly contentious, it is critical that it is adequately resourced to maximize the likelihood of a successful outcome. Further, it was determined that staff would likely be perceived as biased with predetermined approaches for integration.
- 2) Ask key ECB and SRC members to voluntarily work together to develop integration options. Discussions with members of both groups suggested that an objective, third party facilitated approach was more likely to produce acceptable, durable results. The same was considered with LIOs and Lead Entities.

There is a longstanding history with the salmon and ecosystem recovery efforts and suggested changes can be highly controversial. The 2014 report commissioned by the Legislature recommended further assessment of implementation of integration efforts. An objective, third party-led effort to formulate options and evaluate implementation alternatives has a much higher likelihood of acceptance by the ecosystem and salmon recovery communities. A staff-led effort would likely be viewed as biased, with predetermined integration objectives.

**What are the consequences of not funding this request?**

If this decision package is not funded, the following outcomes are likely to occur:

- Our agency’s relationship with the 17 treaty tribes is likely to deteriorate. The tribes and the agency have discussed the options and the next available option (adding the tribal liaison role to the functions of an existing, fully allocated FTE) will be not be a satisfactory response to this problem. Deterioration in the legally protected recovery outcomes sought by the treaty tribes, along with deterioration of inter-governmental relationships, could result in consequences that are profound and costly in the long term.

- Limited staff capacity for actively seeking intergovernmental opportunities specifically for Puget Sound will mean we likely miss opportunities, including for funding. Increasing resource constraints are limiting our Executive Director’s ability to dedicate adequate time to working closely with federal partners.
- Continue the status quo for agency communications, with task-oriented communication and externally facing social media only. Not having a strategic communication function puts at risk partner relationships, adequate funding from decisionmakers, adoption of policies that will benefit Puget Sound recovery, and prioritization of Puget Sound recovery as a government investment.
- System integration will not be advanced until sufficient funding becomes available. Therefore, the Partnership would continue to support separate Puget Sound ecosystem recovery coordinating bodies (i.e., ECB and LIOs) and salmon recovery forums (i.e., SRC and Lead Entities). The types of opportunities identified in the Ross 2014 report would not be achieved.

**How has or can the agency address the issue or need in its current appropriation level?**

For the Tribal/Federal Liaison and Strategic Communications roles, we would continue with our current unsustainable model of these functions being add-ons to full workloads. We have seen that not enough time and attention has been dedicated to the tribal relationship in this model and that the state/tribal relationships have suffered for it. Progress has been made on the federal front, but it too is limited by the Executive Director’s time constraints and will require greater dedicated time moving forward to reach its full potential. Our communications lead could work on narrow strategic communications projects, as workload is freed up by interns or other short-term assistance.

If this budget package is not funded, the Partnership would not undertake the system consolidation work.

**Other supporting materials:**

Attachment: Watershed Proviso Report (Ross 2014)

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)