


June 1, 2020

**TO:** David Schumacher, Director of Office of Financial Management

**FROM:** Laura Blackmore, Executive Director 

**SUBJECT:** Immediate Actions to Capture Operating Budget Savings

Making reductions is a difficult task, and our response to the 15% reduction request does not come without consequences. We were able to reach the steep reduction target by reducing expenditures, delaying work and extending contract performance periods, and of course harvesting savings which have occurred because of COVID-19 and social distancing. For an agency of 50 FTEs, our focus must be on retaining institutional knowledge which means retaining talented and dedicated staff and filling high priority vacancies. This focus best positions us to deliver on our mission, fulfill our backbone roles, and preserve our ability to address JLARC's recommendations: integrate salmon recovery more fully into our work, and strengthen the monitoring and accountability programs.

The reduction target of \$720,000 as proposed by OFM stems from the Partnership's entire GF-S appropriation for FY2021 which includes funding for non-discretionary expenditures such as central services (through SAFS, WaTech, and DES), office leases, and IT support from RCO. Inclusion of appropriated amounts for non-discretionary expenditures causes the Partnership to cut deeper into areas of discretionary spending such as contracts that support the Partnership's core program activities – specifically Puget Sound Ecosystem Monitoring Program (PSEMP), Scientific Research, and Accountability and Monitoring. Each of these program areas rely heavily on contractors to perform the work that furthers the purpose of the agency, and is critical and valuable to internal and external stakeholders.

Our submittal includes the following reductions and delays, which are outlined in the attached *FY2021 Budget Savings Options* document (covering savings in FY2021):

- COVID-related savings and adjustments tied to training, travel, meetings, and delayed field work
- More reductions to training, travel and meetings by implementing alternatives to in-person meetings
- Reducing in-person board meetings where feasible and consistent with Open Public Meetings Act requirements
- Smaller cuts to several contracts by adjusting statements of works where feasible

- Delays to larger contracts – mostly tied to delaying the final contract deliverables funded by the newly funded Puget Sound Scientific Research Account (2019 session) into the next biennium. We are optimistic that contractors (principal investigators) will not be harmed by the 1-2 month delay, but we realize that the delay reduces our ability to commission new science research in the next biennium.

Our submittal does not include reductions to:

- IT Pool funding received through the FY2020 supplemental budget for our Puget Sound Information System project. The IT Pool funding includes funding to complete a key phase of the project and 0.9 FTE. Thus far, we have been able to utilize federal funding for the project, but it now requires state funding to complete modules that support needs specific to the state's Puget Sound recovery efforts. Tribal, state, and local partners strongly support this system, which will help the agency improve statewide data collection, reporting and decision-making, and sustain recent monitoring and accountability improvements aimed at addressing JLARC's recommendations. If the IT Pool is reduced through OFM or legislative action, the agency requests an opportunity to buyback/buydown another reduction.

Other impacts related to these reductions:

- 1:1 state match is required for federal awards under the National Estuary Program and the Puget Sound Geographic Program. We use the agency's appropriation and allocated list of Puget Sound Acquisition and Restoration (PSAR) projects as match. The state also matches the federal awards received by the tribes, which are increasing by \$1 million this next period, putting more pressure on our ability to provide the agency's state match and the tribes' match as state operating and capital expenditures are decreased.

Thank you for considering our request. Please let us know if you have questions.

Attachment: FY2019-21 Budget Savings Option

**Budget Savings Options 2020**

Dollars in Thousands

Agency: Puget Sound Partnership

Agency Priority H, M, L	Impact 1-5	Program/Activity	GF-S				Other Funds				FTE Change		Brief Description and Rationale	Effective Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)
			FY 20	FY 21	FY 22	FY 23	Fund	FY 20	FY 21	FY 22	FY 23	FY 20				
M	1	Professional Development/ Training		\$ 15									Agency provides every staff member with \$750 to be used for professional development. This cut will reduce that amount by half, but will provide the funding needed for required training (WAC/RCW). Additionally, the Partnership conducts several all-staff trainings a year on general training topics that are of benefit to everyone. Cancelled first aid/CPR and ended a contract for core competency related trainings early.	7/20	Staff will be limited on attendance of courses, or conferences, that have a fee associated. Agency will maintain LinkIn Learning access.	None
M	1	Travel		\$ 52									This reduction will require our staff to attend more meetings virtually, while leaving enough funding for site visits when necessary. Some of this the agency is in control of arranging, but many of these meetings are set up by our partners and our ability to participate virtually will be dependent on whether they implement a technology solution that we can utilize. There is also some savings incorporated into these figures from conducting an FY20 congressional education outreach event virtually and limiting the number of staff traveling to the event in FY21.	4/20	Fewer in person meetings and opportunities to network and build relationships face to face.	None
H	1	Boards Program		\$ 19									The Partnership supports 4 boards, three of which are required by statute. This reduction will require more meetings to be conducted virtually.	4/20	Leadership Council meetings are subject to the Open Public Meetings Act, so we retained funding to host those in-person in FY21. We also retained funding to support at least one in-person meeting a year for the other three boards. Virtual meetings have been surprisingly successful, but Board members and staff value in-person meetings for relationship-building and discussion of difficult topics. Changes to OPMA to allow virtual meetings to continue indefinitely would help assuage safety concerns for the Leadership Council, save additional funding, increase efficiency and reduce our carbon footprint.	Maybe

H	1	Orca Task Force Support		\$ 22										Unobligated funding from Orca Task Force support proviso	5/20	The agency has and planned to use a portion of these funds to create incentives for others to act on Orca Task Force recommendations. Loss of these funds will remove our ability to continue to do so.	None
H	1	Accountability and Monitoring- JLARC		\$ 111										The Monitoring and Accountability Proviso awarded to the Partnership was intended to enhance the Partnership's development of evidence to support adaptive management of Puget Sound recovery efforts, enable the agency to fulfill its accountability roles identified in statute, and increase alignment of investments with Puget Sound recovery goals.	7/20	The reduction will result in 1-2 fewer externally supported program evaluations and will reduce the availability of information about programmatic contributions toward Puget Sound recovery goals that is used to inform the 2022 Action Agenda update and the Partnership's biennial ranking of sister agency decision packages.	None
H	4	Puget Sound Scientific Research		\$ 445										FY21 -- savings accomplished by extending final deliverables from some 2019-2021 awards into next biennium	6/20	Four salmon survival study investments that were scheduled for funding will not be supported in 2019-2021; completion of 10 marine survival studies and 1 Chinook effectiveness study will be delayed into early FY22, which means that 2019-2021 studies will depend upon and expend 2021-2023 appropriations. More than \$300K of 2021-2023 appropriation would be expended to complete studies that were intended for funding in 2019-2021.	None
H	1	PSEMP (state funded)		\$ 41										Unobligated funds that had been earmarked for a PSEMP symposium to be held in FY21	7/20	Portion of PSEMP strategic plan will not be implemented in 2019-2021, but this work can be picked up in 2021-2023 with continuing state fund allotment to PSEMP coordination	None
H	1	Vital Signs		\$ 15										Unobligated funds that had been earmarked for learning/sharing about how Puget Sound and others assess and report on ecosystem conditions	7/20	Small portion of Vital Sign improvement program will not be carried out in 2019-2021, compromising professional development and shared learning from and for other ecosystem recovery programs	None
			\$ -	\$ 720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Total	\$ 720		

**Priority:**

L = Low priority agency activity or program  
M = Medium priority agency activity or program  
H = High priority agency activity or program

**Impact:**

1 = Allows continuation of the program/activity at a reduced level  
2 = Eliminates the ability to perform program objectives  
3 = Eliminates agency function  
4 = Long term implications (moves the problem to next biennium)  
5 = Short term (reduction to one time increase)