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STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

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Topic #8a: 2008 Grant Round Regional Allocation of Funds

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Approved by the Director: Kaleen Cottingham *KC*

Proposed Action: Discussion and possible decision

Summary

Starting in the 2006 grant round, the Salmon Recovery Funding Board (SRFB) allocated a specific percentage of available grant funds to each of the seven regions of the state involved with salmon recovery. (The Hood Canal region was included with the Puget Sound region.) The allocation formula used in 2006 and 2007 was considered transitional, with the intent that the SRFB would revisit the formula for the 2008 grant cycle.

Staff Recommendation

Staff recommends adoption of a second transitional target regional allocation as represented in Table 1 below. Target allocations to each region would be "conditional" and not guaranteed. Each region would be able to receive its full allocation based upon SRFB Review Panel analysis of regional responses to a set of oversight criteria. In addition, projects of concern identified by the SRFB Review Panel may not be funded by the SRFB. Any unused funds by any one region will be retained in the SRFB state-wide fund for allocation at the SRFB's discretion.

Staff also recommends the previous Puget Sound regional allocation, which included the Hood Canal regional allocation, now be broken into two distinct regional amounts. Since the initial work was done, Hood Canal Coordinating Council has been designated the regional organization for the Hood Canal Evolutionarily Significant Unit (ESU) by GSRO and in statute. The organization is responsible for implementing the Hood Canal summer chum and Puget Sound Chinook recovery plans, as well as any future Puget Sound steelhead recovery plans. This will require coordination with the Puget Sound Partnership, as the new Chinook recovery organization, as well as the North Olympic



Peninsula Lead Entity (NOPL) for that area that is within the Hood Canal regional boundaries.

Table 1: Staff Recommendation for 2008 Target Regional Allocations

Regional Area	Current Allocation	Proposed 2008 Allocation
Coast	8%	9.0%
Lower Columbia	15%	16.5%
Mid-Columbia	10%	9.5%
Northeast	2%	2%
Puget Sound	38.8%*	38%
Hood Canal	6.2%*	6%
Snake	9%	8.5%
Upper Columbia	11%	10.5%
Total	100%	100%

*The transitional allocation for Puget Sound and Hood Canal was combined and totaled 45%. The Hood Canal allocation includes funding for summer chum, Chinook and steelhead.

Background

In early 2006, the SRFB convened an Issues Task Force (ITF) to address a number of issues related to salmon recovery, including the evolving role of regional organizations to oversee recovery planning and implementation. The ITF was chaired by SRFB Member Steve Tharinger and included state agency SRFB members and representatives from regional organizations, lead entities, and the Governor's Salmon Recovery Office.

One of the main issues discussed by the ITF was whether or not to allocate a specific percentage of available grant funds to each of the eight regional areas prior to the beginning of the grant round. The ITF produced two options for allocating funds from a recommended allocation formula based upon objective parameters. More detailed information on the ITF's work is provided in attachment A.

The ITF options would have led to significant changes in funding levels for some regions compared to previous grant cycles. As a result, the SRFB adopted a transitional allocation formula for 2006 based on a recommendation from the Council of Regions. Historic funding levels, the ITF recommendation, and the approved 2006 target allocations are shown in table 2 below. The 2006 target allocation formula was considered transitional with the intent of moving toward the allocation model recommended by the ITF. For the 2007 grant cycle, the SRFB adopted the same target allocation percentages as used in 2006 (except for the specific 2006 allocation of

\$250,000 for Hood Canal summer chum projects) and directed RCO staff to prepare a recommendation for addressing regional allocation for the 2008 grant cycle.

Analysis

In preparation for revisiting the regional allocations, RCO staff met with stakeholders, including the Lead Entity Advisory Group and Council of Regions, in the spring and fall of 2007 to receive input on how to proceed and the specific issues needing to be addressed. The following is a summary of comments generated from these meetings:

- Encourage input from all lead entities, not just those able to attend Lead Entity Advisory Committee meetings.
- Transparency is very important. Frustrations were expressed about adopting the Council of Regions recommendation without it having previously been made available for public comment.
- A minimum level of funding is needed for each lead entity in order to justify the effort of competing in a grant round.
- Revisit the options created through the ITF process including parameters used and weighting of the parameters.
- More time is needed to discuss the original parameters used, consider other parameters, and develop a revised allocation formula.
- Don't spend more time scrutinizing the allocation formula developed by ITF as it would only shift the allocations by a few percentages.
- The focus should be on investing time and resources on securing additional funds for all regions and not negotiating over the funds we have.
- Focus on developing the very best projects possible and don't worry about the funds a region didn't get.

Since the original transitional target allocation, some new developments have emerged that should be taken into consideration when establishing the next target allocation formula.

- The coastal watersheds have moved significantly toward organizing on a regional level. (Transitional target allocations for the coastal region were scaled back in 2006 and 2007 until progress towards regional coordination was demonstrated.)
- WRIA 20 has moved from being part of the Puget Sound region to being included in the Coast region, i.e., a change in number of WRIsAs for the Coast and Puget Sound.
- Puget Sound steelhead were listed as threatened under the Endangered Species Act.
- Final recovery plans were adopted for Upper Columbia spring Chinook and steelhead, Hood Canal summer chum, and Puget Sound Chinook.
- Regional coordination was explored in the Northeast region but is not possible at this time.

Options for Consideration

For the 2008 grant round, staff presents the following options for SRFB consideration.

Option 1 – Second Transitional Allocation

This option, recommended by RCO staff, is to adopt a second transitional target allocation that moves closer to the formula recommended by the ITF and reflects the changes over the last year in watershed characteristics, listed salmonid populations, and recovery planning progress listed above. This option is illustrated in column D in table 2.

Pros and Cons - Option 1 - Second Transitional Allocation

PROS	CONS
Moves toward the target allocation in the original 2006 ITF options.	Doesn't reflect listing of Puget Sound steelhead.
Continues gradual rather than abrupt changes from historic funding levels.	Doesn't reflect any changes that may have occurred with adoption of final recovery plans for Upper Columbia spring Chinook and steelhead, Hood Canal summer chum, and Puget Sound Chinook.
Allows for time to revisit the ITF's target allocation formula and parameters if needed.	Still a significant decrease in funding from historical levels for the Puget Sound region.
Recognizes the coast region's progress toward regional coordination.	Lower Columbia region's allocation still below ITF's target allocation options.

Option 2 – Retain Current Transition Allocation Formula

This option would retain the same target allocation percentages as used in 2006 and 2007 and use these same percentages for the 2008 grant round. This option is represented in column C in table 2.

Pros and Cons - Option 2 – Retain First Transitional Allocation Formula

PROS	CONS
Allows for time to revisit the target allocation formula and parameters if needed.	Does not move closer toward ITF's target allocation formula.
Regions already working with this target allocation amount.	Doesn't reward the Coast for work toward regional coordination and incorporating WRIA 20.
	Doesn't reflect listing of Puget Sound steelhead.
	Doesn't reflect any changes that may have

PROS	CONS
	occurred with adoption of final recovery plans for Upper Columbia spring Chinook and steelhead, Hood Canal summer chum, and Puget Sound Chinook.

Table 2: Proposed Regional Target Allocation 2008 Grant Round

	A	B	C	D	E
Regional Area	2001-2005 Historic Funding	ITF 2006 Recommendation	2006-2007 Transitional Allocation	Recommended 2008 Allocation	Estimated Funding Amount
Coast	10%	9%	8%	9%	\$1,800,000
Lower Columbia	7%	17%	15%	16.5%	\$3,300,000
Mid-Columbia	6%	8%	10%	9.5%	\$1,900,000
Northeast	2%	3%	2%	2%	\$400,000
Puget Sound	63%	41%	38.8%*	38%	\$7,600,000
Hood Canal		6%	6.2%*	6%	\$1,200,000
Snake	3%	6%	9%	8.5%	\$1,700,000
Upper Columbia	9%	10%	11%	10.5%	\$2,100,000
Total				100.0%	\$20,000,000

* The transitional allocation for Puget Sound and Hood Canal was combined and totaled 45%. The Hood Canal was included in the Puget Sound allocation. An additional \$250,000 was awarded to Puget Sound for Hood Canal summer chum in 2006 only. The Hood Canal allocation includes funding for summer chum, Chinook and steelhead.

Next Steps

The SRFB needs to determine the target regional allocations for the 2008 grant round. Resolution #2007-07 is provided for SRFB consideration.

In addition, RCO staff requests direction on how to proceed with addressing regional target allocation for the 2009 grant round and beyond.

Attachment A Issue Task Force 2006 Summary

In early 2006, the SRFB convened an Issues Task Force (ITF) to address a number of issues related to salmon recovery, including the evolving role of regional organizations to oversee recovery planning and implementation. The ITF was chaired by SRFB Member Steve Tharinger and included state agency SRFB members, representatives from regional organizations, lead entities, and the Governor's Salmon Recovery Office. One of the main issues discussed by the ITF was whether or not to allocate a specific percentage of available grant funds to each of the eight regional areas in advance of the next grant cycle.

The ITF developed an allocation proposal based upon the following physical and biological factors within a region:

- Number of Water Resource Inventory Areas (WRIAs) – This parameter is based upon the number of watersheds in a region and comes closest to representing the complexity of a regional area.
- Number of salmonid stream miles – This parameter includes the number of miles of known and potential salmon, steelhead, and bull trout habitat for both river and marine shorelines. This parameter was used to represent the geographic extent of salmon habitat. Data was compiled by the Washington Department of Fish and Wildlife.
- Number of listed populations – This parameter addresses the primary focus for federal funds. Congress has expressed a desire that Pacific Coast Salmon Recovery Funding be used for listed species. The listed populations include primary, secondary, and Major Population Groups as identified in each region's salmon recovery plan. Data for this parameter was provided by the Governor's Salmon Recovery Office.
- Salmon and Steelhead Stock Inventory (SaSI) status – This parameter was used as a way to address non-listed species as well as listed populations. The inventory uses a scientific determination of each salmonid stock status as healthy, depressed, critical, unknown, or extinct.

The ITF developed two options for weighting the four parameters identified above. Option 1 emphasized stock status, with somewhat lower but similar weights for watersheds and salmonid miles. Option 2 emphasized watersheds and salmonid miles with, a smaller weight for stock status. The two weighting options are shown in table A.

Table A: Issues Tasks Force 2006 Regional Allocation Options

	Option 1	Option 2
WRIAs	20%	30%
Salmonid Miles	20%	30%
SaSi Stocks	10%	5%
Listed Populations	50%	35%

For the 2006 grant cycle, the ITF Chair recommended the following:

- Allocations were “conditional” and not guaranteed. Regions would be able to receive the full allocation based upon SRFB Review Panel analysis of regional responses to a set of oversight criteria.
- The recommended allocation options were not recommended for immediate implementation at the time due to the significant changes from historical funding levels for some regions e.g., Puget Sound and Lower Columbia.
- A “transitional” allocation was recommended to begin moving toward an allocation based upon the objective parameters and Options 1 and 2.

The transitional allocation recommendation did not include a recommendation on whether to move toward Option 1 or Option 2. The historic funding levels, the two ITF options, the ITF recommendation, and final formula adopted for 2006 and 2007 are presented in table B below. The data used to develop Options 1 and 2 is shown in tables C and D respectively.

Table B: Allocation Percentages Proposed and Adopted for 2006-2007

Regional Area	2001-2005 Historic Funding	ITF Option 1	ITF Option 2	ITF 2006 Recommendation	Approved 2006-2007 Allocation
Coast	10%	11%	13%	9%	8%
Lower Columbia	7	29	23	17	15
Mid-Columbia	6	7	8	8	10
Northeast	2	3	5	3	2
Puget Sound	57	27	29	41	45*
Hood Canal	6	7	7	6	NA
Snake	3	8	6	6	9
Upper Columbia	9	8	9	10	11

* The Hood Canal allocation was included in the Puget Sound allocation. An additional \$250,000 was awarded to Puget Sound for Hood Canal summer chum in 2006 only.

Table C: Option 1 (from Issues Task Force 2006)

OPTION I Region	WRIAs 20%		Salmonid Miles 20%		SaSI Stocks 10%		Listed Populations 50%		Based on the Four Proposed Criteria	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Total Increment (90%)	Percent
	Coast	5.0	\$300,000	5,194	\$735,144	125	\$348,162	4	\$208,696	\$1,592,003
Lower Columbia	5.0	\$300,000	2,764	\$391,209	66	\$183,830	63	\$3,286,957	\$4,161,995	29%
Mid Columbia	5.0	\$300,000	1,972	\$279,111	27	\$75,203	7	\$365,217	\$1,019,532	7%
Northeast	6.0	\$360,000	417	\$59,021	4	\$11,141	1	\$52,174	\$482,336	3%
Puget Sound	15.3	\$918,000	6,824	\$965,850	187	\$520,851	29	\$1,513,043	\$3,917,745	27%
Hood Canal C.C.	2.7	\$162,000	996	\$140,971	50	\$139,265	12	\$626,087	\$1,068,323	7%
Snake River	3.0	\$180,000	1,120	\$158,522	11	\$30,638	11	\$573,913	\$943,073	8%
Upper Columbia	6.0	\$360,000	1,061	\$150,171	47	\$130,909	11	\$573,913	\$1,214,993	8%
Total	48.0	\$2,880,000	20,348	\$2,880,000	517	\$720,000	138	\$7,200,000	\$14,400,000	100%

Table D: Option 2 (from Issues Task Force 2006)

OPTION II Region	WRIAs 30%		Salmonid Miles 30%		SaSI Stocks 5%		Listed Populations 35%		Based on the Four Proposed Criteria	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Total Increment (90%)	Percent
	Coast	5.0	\$450,000	5,194	\$1,102,717	125	\$174,081	4	\$146,087	\$1,872,885
Lower Columbia	5.0	\$450,000	2,764	\$586,813	66	\$91,915	63	\$2,300,870	\$3,429,598	23%
Mid Columbia	5.0	\$450,000	1,972	\$418,667	27	\$37,602	7	\$255,652	\$1,161,921	8%
Northeast	6.0	\$540,000	417	\$88,532	4	\$5,571	1	\$36,522	\$670,624	5%
Puget Sound	15.3	\$1,377,000	6,824	\$1,448,775	187	\$260,426	29	\$1,059,130	\$4,145,331	29%
Hood Canal C.C.	2.7	\$243,000	996	\$211,457	50	\$69,632	12	\$438,261	\$962,350	7%
Snake River	3.0	\$270,000	1,120	\$237,783	11	\$15,319	11	\$401,739	\$924,841	6%
Upper Columbia	6.0	\$540,000	1,061	\$225,257	47	\$65,455	11	\$401,739	\$1,232,450	9%
Total	48.0	\$4,320,000	20,348	\$4,320,000	517	\$720,000	138	\$5,040,000	\$14,400,000	100%

Needed Updates to ITF Options

Since the original development of the ITF's regional allocation model, some data has changed which would alter the allocation percentages in both ITF options. Therefore, the original target allocation percentages are "outdated" and would require recalculation based upon new and updated data.

Updates to the data for the four parameters would include:

- Identify the number of salmonid river miles and marine shoreline miles for WRIA 20. The number of miles would then be removed from the North Olympic Peninsula lead entity area (Puget Sound region) and added to the coast region.
- Obtain guidance from GSRO regarding populations for Puget Sound steelhead, Hood Canal summer chum, and Lake Ozette sockeye.
- Verify watersheds and salmonid river miles in all regions.
- Review previous public comments received regarding data quality.
- Other unknowns?

RESOLUTION #2007-07
Salmon Recovery Funding Board
Regional Allocation for 2008 Grant Round

WHEREAS, Chapter 77.85 RCW established the Salmon Recovery Funding Board (SRFB) and authorizes the SRFB to adopt policies and rules for distribution of funds for salmon recovery; and

WHEREAS, the SRFB desires to allocate available grant funds to the seven salmon recovery regions on the basis of objective parameters related to the number of watersheds, the number of salmonid stream miles, the status of health of each salmonid population, and the number of listed salmonid populations in each region; and

WHEREAS, the Issues Tasks Force in 2006 utilized the above parameters to develop options for distributing grant funds to each region engaged with salmon recovery; and

WHEREAS, the SRFB recognizes that implementing an objective allocation based upon the identified parameters would result in a significant change in funding levels for some regions; and

WHEREAS, the SRFB desires to ease the transition to allocating funds based upon the identified parameters; and

WHEREAS, the SRFB implemented a transitional allocation approach in the 2006 and 2007 grant round and seeks to continue to move toward allocation of grant funds based upon objective parameters;

NOW, THEREFORE BE IT RESOLVED, that a second transitional allocation of available SRFB grant funds will be implemented for the 2008 grant cycle based upon the following target allocation for each region: nine percent to the coast region, sixteen and a half percent to the lower Columbia River region; nine and a half percent to the middle Columbia River region; two percent to the northeast region; thirty-eight percent to Puget Sound, six percent to Hood Canal region; eight and a half percent to the Snake River region; and ten and a half percent to the upper Columbia River region; and

BE IT FURTHER RESOLVED, that the regional allocation is considered conditional and will be awarded based upon analysis of each regional organization's response to a set of oversight criteria and a review of each project's benefit to salmon and certainty of success from the SRFB Technical Review Panel; and

BE IT FURTHER RESOLVED, that the previous Puget Sound regional allocation, which included the Hood Canal regional allocation, now be broken into two distinct regional amounts. Since the initial work was done, Hood Canal Coordinating Council has been designated the regional organization for the Hood Canal Evolutionarily Significant Unit (ESU) by GSRO and in statute. The organization is responsible for implementing the Hood Canal summer chum and Puget Sound Chinook recovery plans, as well as any future Puget Sound steelhead recovery plans. This will require coordination with the

Puget Sound Partnership, as the new Chinook recovery organization, as well as the North Olympic Peninsula Lead Entity (NOPLE) for that area that is within the Hood Canal regional boundaries; and

BE IT FURTHER RESOLVED, that the Recreation and Conservation Office staff is directed to take the necessary steps for implementation of this revision beginning with the 2008 grant cycle.

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: December 13, 2007