

# Straw Funding Models for EPA Puget Sound Geographic Program Appropriation in FY16 and Beyond



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# What We've Heard

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- Increase Opportunities for **Direct Funding** to Locals
- Increase **Predictability of Funding** From Year to Year
- Increase **Transparency** of Funding Policies and Decision-Making
- Reduce **Administrative Burden** on Both Applicants and Lead Organizations
- Streamline **Subaward Processes**
- Funding should **Implement the Action Agenda**
- **Local Priorities** are not being funded with EPA funds
- Need **Check and Balances** in decision-making

# Presentation Outline

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1. Implementation Strategies – Foundation of Funding Models
2. Objective of Meeting
3. Vetting Process
4. Top Down and Bottom Up Approach
5. Overview of Current EPA Puget Sound Funding Model and Allocations
6. Criteria for Funding Model
  - a) EPA Requirements
  - b) Other Considerations
7. Proposed Annual Engagement and Allocation Process
8. Straw Funding Models
  - a) Current Lead Organizations
  - b) One Lead Organization
  - c) Implementation Strategy Leads
  - d) EPA-Issued Annual RFPs
9. Discussion
10. Instructions and Deadline for Feedback

# Implementation Strategies

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PRACTICAL WAY TO USING SCIENCE-BASED, TARGETED, SEQUENCED  
ACTIONS TO ACHIEVE 2020 PUGET SOUND VITAL SIGN TARGETS

# Introducing the Need for and Concept of Implementation Strategies in the 2014-2016 Biennial Science Work Plan

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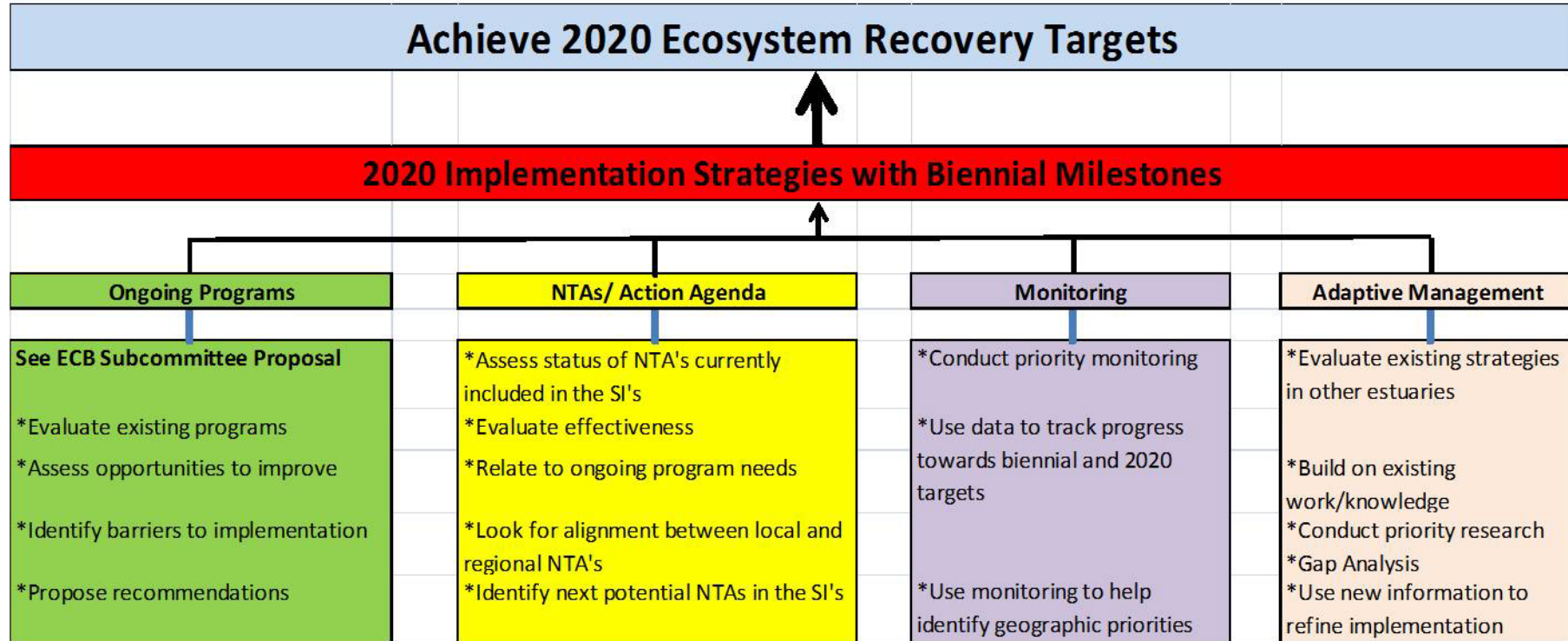
1. There is much ongoing recovery science, and it largely addresses ‘critical uncertainties,’ but results need to be synthesized, and more directly integrated with recovery strategies and actions.
2. In the current strategy for Puget Sound recovery there is much ‘action’ but recovery progress has been slower than hoped at the outset.
3. There is need to better understand the mechanisms and dynamics of recovery, not least to sustain confidence, particularly among sponsors and legislators, that continued investment is justified. This would entail a more explicitly planned and measured (‘adaptive’) approach than currently pertains, that would increase the likelihood of, and provide further insights about progress.
4. ‘Implementation strategies’ defined and supervised by a separate ‘recovery group’ for each target would meet these needs.

# Implementation Strategies

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- Targeted approach to achieving 2020 targets (environmental outcomes). Filling a gap by taking the content of the Action Agenda to the next level of more comprehensive, sequenced, and detailed strategies.
- Integrates and sequences near-term actions and ongoing programmatic work.
- Informed by monitoring, and adjusted through adaptive management.
- Define and document the mechanisms and causal pathways by which specific recovery targets are expected to be met.
- Identifies geographic focus necessary to achieve a given 2020 recovery target.
- Specifies the parties and resources needed to carry out these actions.
- Vital Sign Recovery Groups will develop these and will include Vital Sign champions, members of PSEMP, additional technical experts, resource managers, recovery practitioners, etc. This is our version of scientific review and would allow greater direct funding of work (i.e., no competition).
- Investment into these Recovery Groups will be critical if this approach is to succeed.

# Implementation Strategies: Proof-of-Concept Approach



# PSP-EPA Assignment to Vital Sign Recovery Groups

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- Objective is given: develop an implementation strategy to achieve PSP adopted 2020 ecosystem recovery target & interim targets
- Assess/review existing strategies/ongoing programs and existing NTAs
- Identify causal pathways
- Assess monitoring results: trends (are we currently increasing/decreasing?) & gap to close
- Develop strategies/actions (including monitoring and specific NTAs) to fill/close gaps
- Identify actions for others to develop NTAs



# Existing Efforts

Topics, Owners, Funding for Implementation Strategies

Existing effort	Associated LO	Funded?
Eelgrass (DNR)	Marine/Nearshore	Yes
Shellfish (DOH)	Pathogens	Partial
BIBI in small streams (King Co.)	Watersheds	Yes, initial steps
Floodplains (TNC)	Watersheds	Yes
Estuaries (WDFW)	Marine/Nearshore	No/little
Chinook Monitoring & Adaptive Management (PSP)	PSP	Yes – Phase 1 No - Phase 2

# Next Steps for Implementation Strategies

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- Template/outline for each group
  - Review shellfish as start of template
- Charge for each group (what we need done)
- Check-in review of shellfish, eelgrass, floodplains by design, and BIBI work to assess how their approaches fit our template
- Review definition, charge, template/outline & selected Vital Signs with Science Panel (i.e., today and beyond)

## To help achieve intents and objectives for integrating science into implementation strategies, the Science Panel will:

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1. Support the definition and description of implementation strategies;
2. Support the Partnership's selection of a group of implementation strategies to be created during the 2014-16 biennium;
3. Develop advice about how science can be used by recovery groups to develop implementation strategies. This advice may specify approaches to and capacity for:
  - engagement of scientists in recovery groups,
  - synthesis of scientific understandings and advances that have accrued in relation to selected recovery targets, and
  - use of structured decision making (Gregory et al. 2012) to select steps and actions to include in implementation strategies.”

# Implementation Strategies

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QUESTIONS?

# Objective of Meeting

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Present, discuss, and obtain feedback about straw models for the funding of Puget Sound protection and restoration with EPA Puget Sound Geographic Fund appropriations for FY16 and beyond.

# Vetting Process

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- September 24: Puget Sound Tribes and Tribal Consortia, Olympia (Teleconferencing available at NWIFC North Sound Office in Burlington and the Point No Point Treaty Council Office in Kingston)
- September 26: Local Integrating Organizations, Edmonds
- September 29: State Caucus, Olympia
- October 16: Science Panel, Edmonds
- November 5: Puget Sound Federal Caucus
- November 13: Ecosystem Coordination Board, Edmonds
- Environmental Caucus - TBD
- **DECEMBER 1: WRITTEN COMMENTS DUE TO EPA (details at end of presentation)**
- December 10-11: Leadership Council
- December: EPA Deliberation and Decision
- **January 2015: Decision Communicated to Management Conference**

# Top Down and Bottom Up Approach

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EPA's Puget Sound Program must adhere to all federal laws and policies with respect to the issuing of financial awards and management of a National Estuary Program (NEP).

- National Estuary Programs are focused on the protection, restoration, and recovery of **entire ecosystems**.
- Projects/Programs/Strategies that take place at a local level are necessary to achieve Puget Sound ecosystem recovery.
- Priorities are set at the ecosystem level, and actions that can achieve ecosystem recovery targets, in large part, occur at the local level and are included in the Action Agenda.

**We need both a Puget Sound-wide view and a local perspective to achieve Puget Sound Recovery and Protection.**

# Current EPA Puget Sound Funding Model and FY14 Allocation

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1. EPA Intramural Funding – **4%**
2. Tribal Capacity Agreements (Non-Competitive) – **16%**
3. Interagency Agreements (Selected through Federal Caucus) – **7%**
4. Lead Organizations (Competed - Selected LOs issue competitive and direct subawards.) - **72%**
  - a) Tribal Implementation (NWIFC) – **10%**
  - b) Management of Action Agenda Implementation (PSP) – **11%**
  - c) Stewardship (PSP) – 0% of FY14 Funds (Closing Out); Previously received 2-3.5% of appropriation.
  - d) Marine and Nearshore (DFW and DNR) – **10%**
  - e) Pathogens (DOH) – **10%**
  - f) Toxics and Nutrients (ECY) – **10%**
  - g) Watersheds (ECY and Commerce) – **21%**



# Breakdown of LO Funding – Subawards to Locals, Tribes, and Other Local Work

Lead Organization	Total Rounds 1-4 Funding*	Sub-Awards to Cities	Sub-Awards to Counties/Special Districts	Sub-Awards to NGO's (mostly local work)	Sub-Awards to Tribes	State Agency/Others – Local Work
Watersheds (ECY and COMM)	\$ 18.5M	\$2.481M (13.5%)	\$7.665M (41%)	\$1.227M (6.6%)	\$1.371M (9.1%)	\$0.28M (1.5%)
Marine/Nearshore (WDFW and WDNR)	\$ 15.5M	\$0.679M (4%)	\$3.897M (25%)	\$4.492M (29%)	0.586M (4%)	\$0.773 (5%)
Toxics/Nutrients (ECY)	\$ 15.4M	\$2.57M (16.7%)	\$1.894M (12.3%)	\$1M (6.5%)	0	\$3.542M (23%)
Pathogens (WDOH)	\$ 15.5M	0	\$10.6M (68.3%)	0	\$0.252M (1.6%)	\$2.151M (14%)
<b>SUMMARY</b>	<b>\$ 64.9M</b>	<b>\$5.73M (9%)</b>	<b>\$24.06M (37%)</b>	<b>\$6.72M (10%)</b>	<b>\$2.21M (3%)</b>	<b>\$6.75M (10%)</b>
Tribal (NWIFC)	\$ 15.7M	0	0	0	\$15.2M (97%)	0
Implementation of Action Agenda (PSP)	\$ 11.8M	\$3M (25.4% to LIO Capacity Awards) and \$1.8M to NWSC (15%)				
Stewardship (PSP)	\$ 6M (5 rounds)	0	\$0.503M (8%)	\$1.636M (27%)	0	0

\*Please note that in some cases, not all of Round 4 Funds have been awarded yet and are not represented in this chart.

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Focus of this meeting

# Criteria for Funding Model - EPA

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1. Model MUST satisfy EPA and federal government policies.
  - a) Competition: EPA Order 5700.5A1 issued under the authority of the Federal Grant and Cooperative Agreement Act of 1977 (as amended, 31 U.S.C. 6301(3)) states that **“It is EPA policy to promote competition to the maximum extent practicable in the award of assistance agreements.”**
  - b) Oversight: The recent Inspector General findings compel greater oversight by EPA on subawards.
  - c) Reporting: Timely reporting of progress and financial status to EPA is a fundamental term and condition of awards and subawards.
  - d) Inherently Governmental Activities: Certain input can be solicited, but funding decisions are made by EPA for EPA-administered funds due to fiduciary responsibilities.
2. Model MUST ensure that investments are allowable under Section 320 of the Clean Water Act Authority and the Congressional Appropriation language.
3. Model MUST ensure that funds are spent in a timely manner (i.e., Unliquidated Obligations are kept to a minimum). High ULOs place future appropriations in jeopardy.

# Criteria – Other Goals and Considerations

1. Fund the highest priorities of the Action Agenda to ensure investments are furthering the regional, scientifically-supported recovery plan.
2. Minimize administrative/overhead burden (including workload) and cost.
3. Minimize complexity of processes where possible (by streamlining processes, allowing for increased efficiency, etc.).
4. Regarding the **SUBAWARD** processes:
  - a) Allow direct (non-competitive) funding where allowable and advisable.
  - b) Increase predictability of funding allocations.
  - c) Increase transparency of funding policies with respect to process, allocations, decision-making, etc.
  - d) Create opportunity for feedback on applications.
5. Continuously incorporate monitoring data and effectiveness information in decision-making to demonstrate adaptive management.
6. Create flexibility in the system to address emergent issues.
7. Have a system of Checks and Balances built into decision making.

# Management Conference Engagement

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INCREASED PREDICTABILITY AND TRANSPARENCY

CHECKS AND BALANCES

# Previous Management Conference Engagement Process for FY14 Funds

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- Leadership Council – Introduction to investment themes of each Lead Organization
- Three Listening Sessions – Open invitation to Leadership Council, Science Panel, Ecosystem Coordination Board, Local Integrating Organizations, and all Puget Sound stakeholders.
- Leadership Council – Briefing on what was heard during the Listening Sessions, and changes that were made in response to feedback with respect to EPA investments.

# Straw Model for Annual Allocation Decision-Making Roles (Improved Annual Management Conference Engagement Process)

Phase One	Phase Two	Phase Three	Phase Four
<p>1. <b>Science Panel</b> recommends Implementation Strategies for emphasis of upcoming funding cycle(s).</p> <p>2. <b>Leadership Council</b> approves the recommendations. (Check &amp; Balance)</p> <p>3. <b>EPA</b> provides concurrence. (Check &amp; Balance)</p>	<p>1. <b>Ecosystem Coordination Board</b> recommends allocation formula by Implementation Strategy.</p> <p>2. <b>Leadership Council</b> endorses allocation formula. (Check &amp; Balance)</p> <p>3. <b>EPA</b> approves allocation formula. (Check &amp; Balance)</p>	<p>1. <b>Vital Sign Recovery Groups</b> affirm priorities of Implementation Strategies with Science Panel, as appropriate.</p> <p>2. <b>EPA</b> approves on basis of EPA guidance, appropriation language and NEP/CCMP priorities. (Check &amp; Balance)</p>	<p>Proposals are solicited, submitted, selected, and funded within bounds of allocation formula(s) and in approved categories of projects from implementation strategies.</p>

# Straw Funding Models

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A: CURRENT LEAD ORGANIZATION MODEL

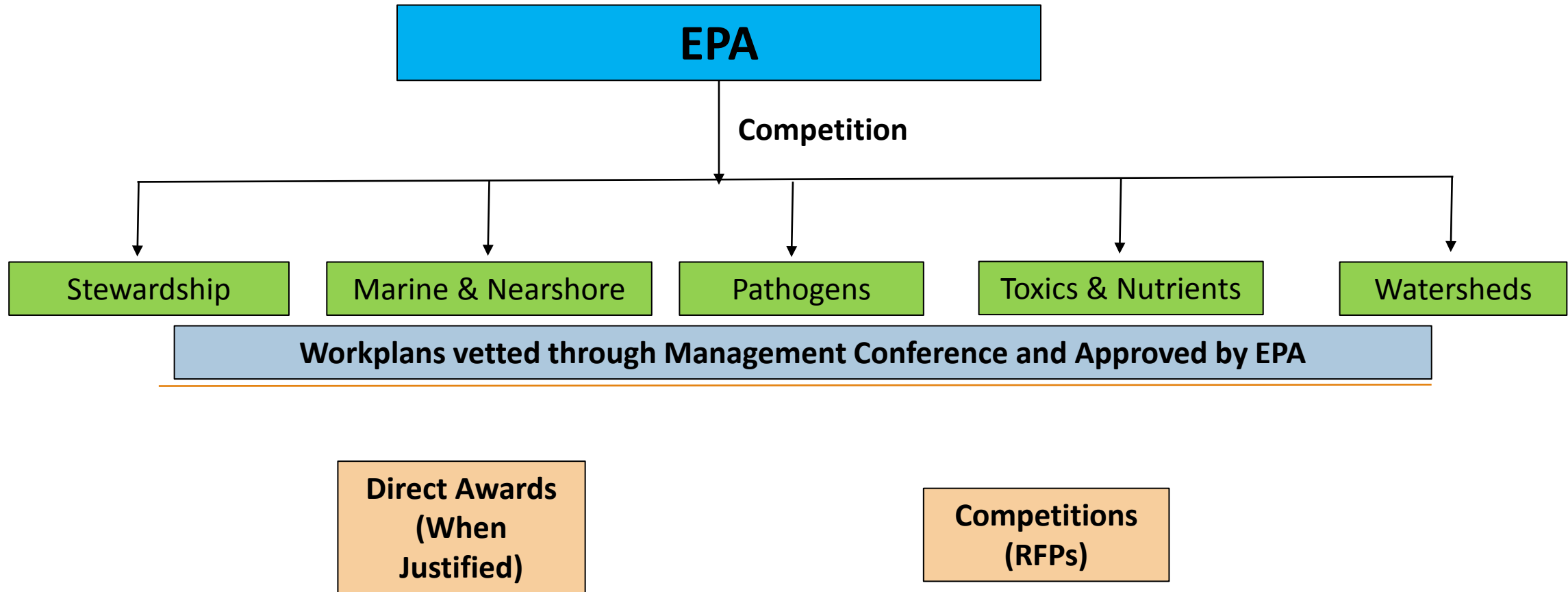
B: IMPLEMENTATION STRATEGY LEADS

C: ONE LEAD ORGANIZATION

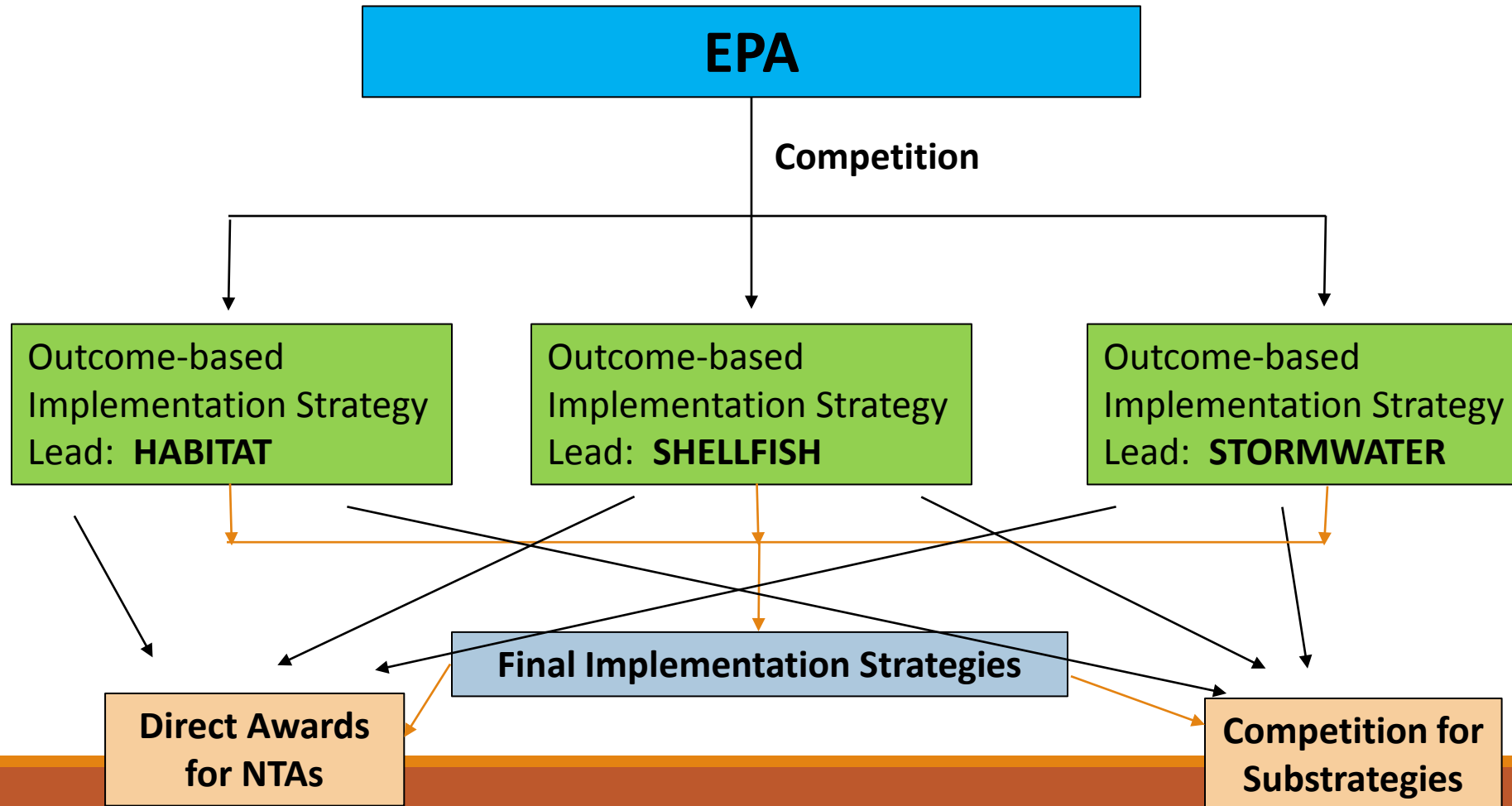
D: EPA-ISSUED ANNUAL REQUEST FOR PROPOSALS



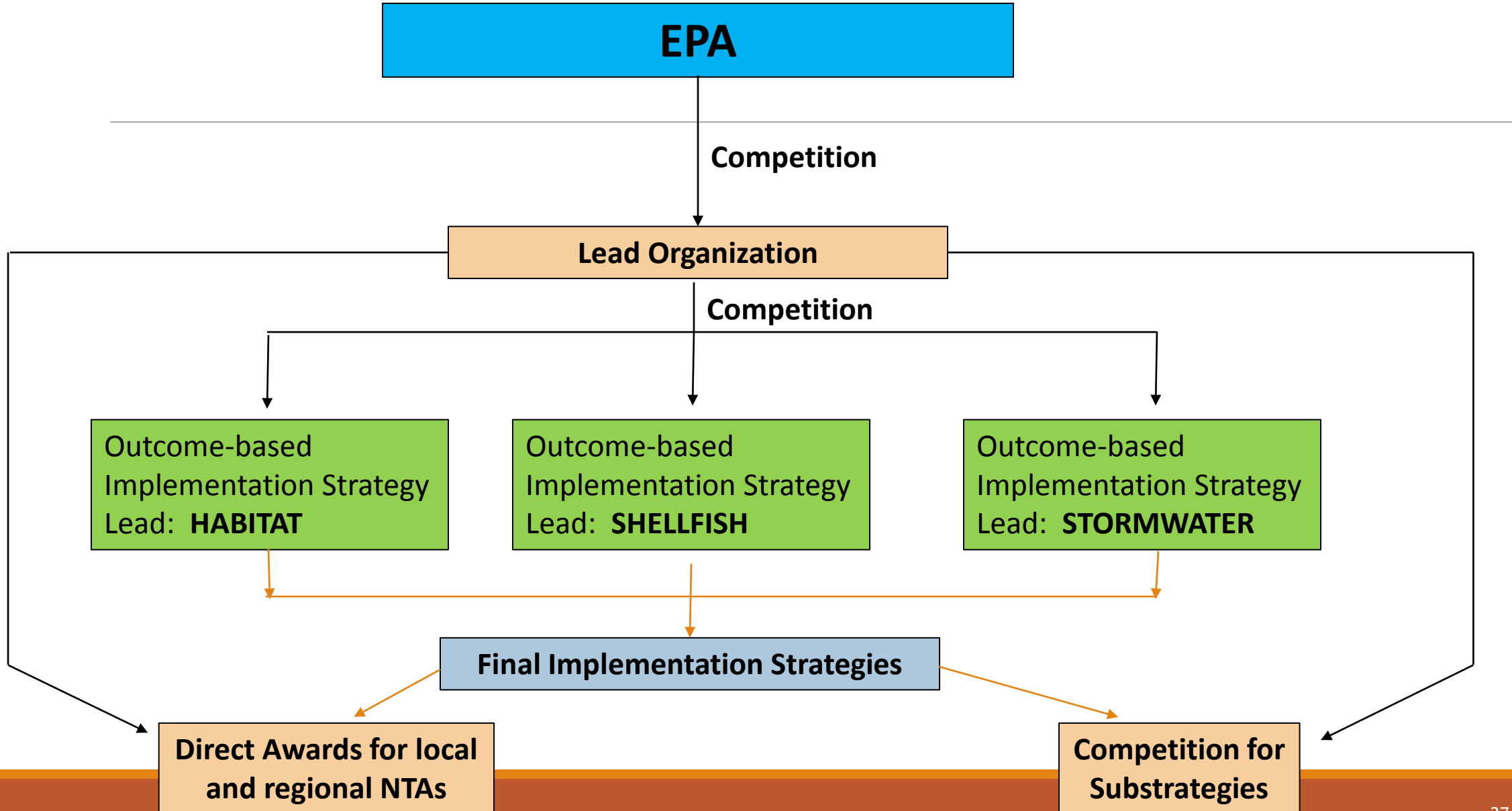
# Straw Model A: Current Lead Organization Model



# Straw Model B: Implementation Strategy Leads Organized by Strategic Initiatives

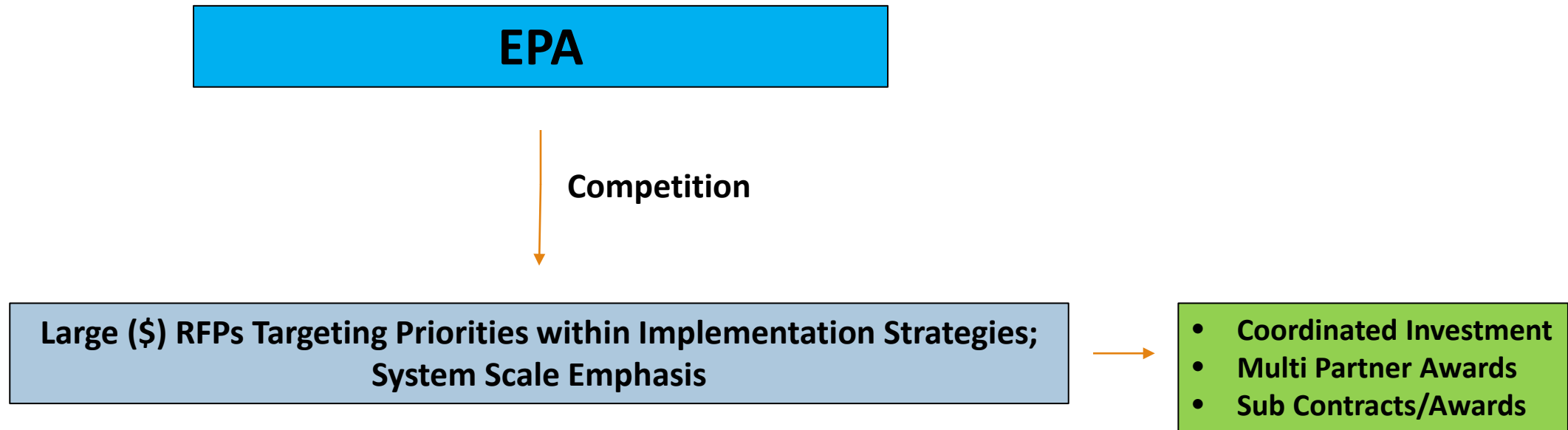


# Straw Model C: One Lead Organization



# Straw Model D: EPA-Issued Annual RFPs

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Examples: Stormwater Retrofits; Multi-Year Whole Watershed Protection/Restoration (e.g., Dungeness Watershed); Large Floodplain and Riparian Projects; Shoreline Armoring Removal; Culvert Removal; Large Conservation Easements

# Discussion

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# Written Comments

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Please send written comments by email to:

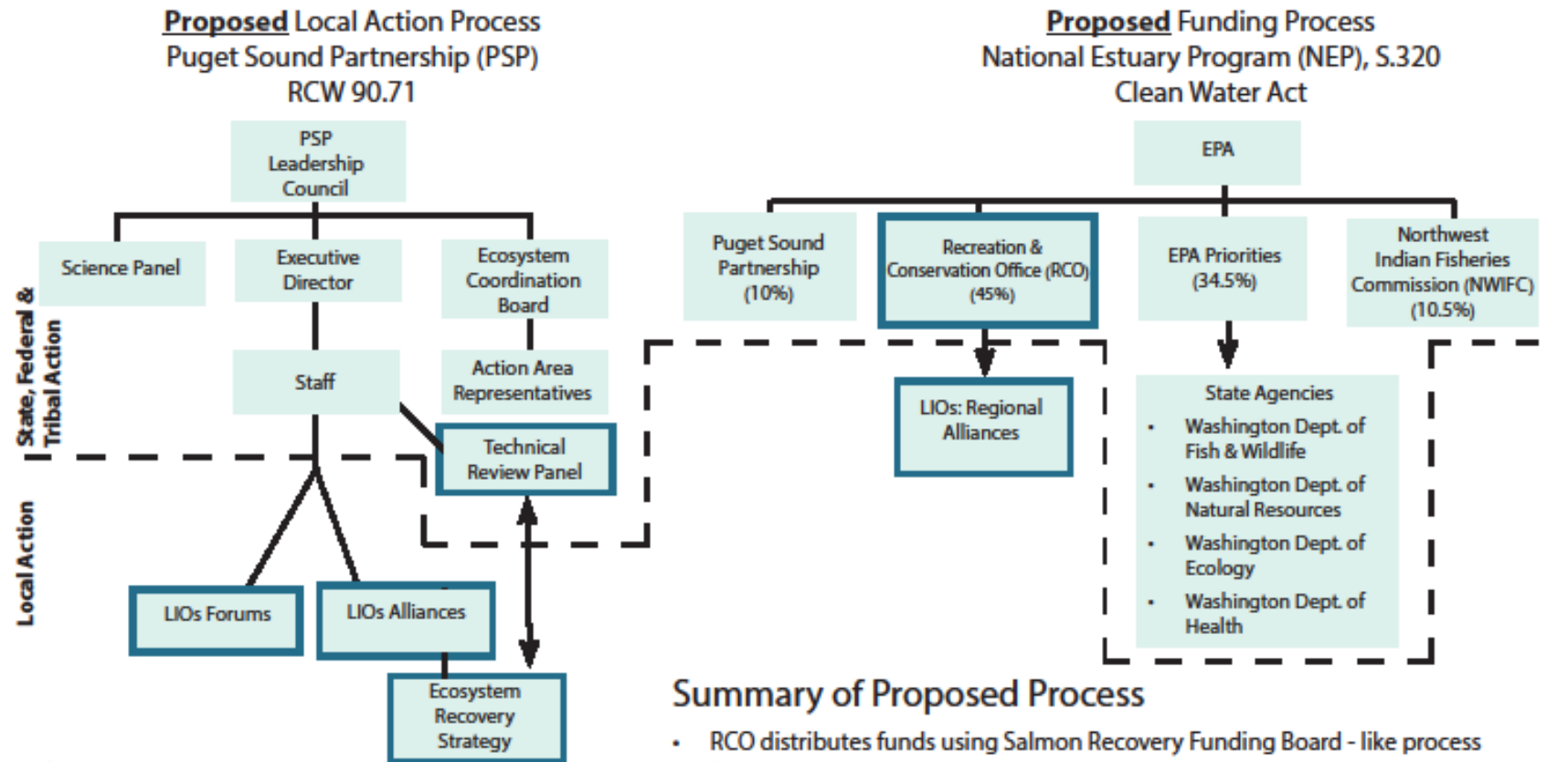
Angela Bonifaci, EPA

[bonifaci.angela@epa.gov](mailto:bonifaci.angela@epa.gov)

Deadline: December 1, 2014

## Thank You for Your Feedback

# “Acting Locally for Puget Sound” Proposed Process



## Summary of Proposed Process

- RCO distributes funds using Salmon Recovery Funding Board - like process
- Focuses recovery through local action
- Puts Lead Integrating Organizations (“LIOs”) into statute
- Provides options for LIO structure - formal or informal
- Establishes minimum requirements for local plans (“Ecosystem Recovery Strategy”)
- Creates state technical review team for approval of local plans
- Directs half of EPA funds to regional alliances to implement approved local plans.
- Retains state and federal discretion on EPA priorities and Tribal funding



“A policy and funding initiative of the Alliance for a Healthy South Sound”

Proposed Process