

September 22, 2011

Mr. Marty Brown, Director  
Office of Financial Management  
P.O. Box 43113  
Olympia, Washington 98504-3113

Dear Mr. Brown:

Attached is the Puget Sound Partnership's 2012 Supplemental Budget submittal and related General Fund-State reduction options.

The Partnership's 2012 Supplemental Budget submittal include two requests:

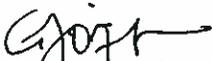
The first request is to increase the Partnership's federal appropriation authority in fiscal year 2013, to provide funding for activities related to implementing the 2020 Action Agenda. The Action Agenda, developed by the Partnership, has been designated by the U.S. Environmental Protection Agency (EPA), National Estuary Program, as the Comprehensive Conservation and Management Plan for the recovery of Puget Sound. Due to implementation delays and reprogramming of funds, additional authority is required to expend federal funds in fiscal year 2013 already awarded by the EPA.

The second request is to increase the Partnership's federal appropriation authority in fiscal years 2012 and 2013, to provide a pass-through agreement from the U.S. Environmental Protection Agency in support of the Northwest Straits Commission. The award period is for one federal fiscal year but crosses two state fiscal years. There is no state funding to provide support for the Commission. The EPA pass-through agreement provision makes its necessary for the Partnership to increase its federal appropriation authority in an amount equal to the EPA award amount.

The Partnership's 5 and 10 percent General Fund-State reduction options will reduce its administrative program and IT funds; reduce its liaison contract for working with local governments and reduce training and materials for Low Impact Development programs. The agency will also eliminate a research contract to analyze organizations and networks across the region for their potential to advance Puget Sound recovery. In addition, the Partnership would reduce grants to local ECO Net organizations that deliver Action Agenda education and stewardship functions at the local level, and further reduce the liaison contract for working with local governments related to Action Agenda implementation. Development of incentives and materials to promote green roofs to reduce stormwater impacts along with lower priority oil spill related studies would be eliminated.

Please let me know if you have any questions.

Sincerely,

  
Gerry O'Keefe

Executive Director

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**State of Washington**  
Summarized Revenue by Account and Source

BASS - BDS029

Budget Period: 2011-13

Dollars in thousands

478 - Puget Sound Partnership

Agency Level

S2 - FY 12 Supplemental

Supporting Text Excluded

9/22/2011  
3:15PM

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013	
<b>001 - General Fund</b>							
AQ - Additional Federal PS Grants		2,468		67			2,868
AR - Northwest Straits Commission Spt		2,468	333	67	333	2,535	2,868
Total - 0366 - Environ Protection A - F		2,468	333	67	333	2,535	2,868
<b>001 - General Fund - Federal</b>		2,468	333	67	333	2,535	2,868
<b>Total - 001 - General Fund</b>		2,468	333	67	333	2,535	2,868
<b>478 - Puget Sound Partnership - Federal</b>		2,468	333	67	333	2,535	2,868
<b>Total - 478 - Puget Sound Partnership</b>		2,468	333	67	333	2,535	2,868

State of Washington  
**Recommendation Summary**

Agency: 478 Puget Sound Partnership

3:14:25PM

9/22/2011

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
<b>2011-13 Current Biennium Total</b>				
<b>Total Carry Forward Level</b>				
Percent Change from Current Biennium				
M1 AQ Additional Federal PS Grants	1.5		2,468	2,468
<b>Carry Forward plus Workload Changes</b>	<b>1.5</b>		<b>2,468</b>	<b>2,468</b>
Percent Change from Current Biennium				
<b>Total Maintenance Level</b>	<b>1.5</b>		<b>2,468</b>	<b>2,468</b>
Percent Change from Current Biennium				
PL AN Base 5% GFS Reduction		(253)		(253)
PL AP Additional 5% GFS Reduction		(254)		(254)
PL AR Northwest Straits Commission Spt			400	400
<b>Subtotal - Performance Level Changes</b>	<b>0.0</b>	<b>(507)</b>	<b>400</b>	<b>(107)</b>
<b>2011-13 Total Proposed Budget</b>	<b>1.5</b>	<b>(507)</b>	<b>2,868</b>	<b>2,361</b>
Percent Change from Current Biennium				

**M1 AQ Additional Federal PS Grants**

The 2020 Action Agenda, developed by the Puget Sound Partnership, has been designated by the U.S. Environmental Protection Agency National Estuary Program as the Comprehensive Conservation and Management Plan for the recovery of Puget Sound. As a result the Partnership receives federal funding to implement programs to restore Puget Sound. Federal funding for activities related to implementing the Action Agenda including performance management, science and monitoring, support for local integrating organizations has been awarded to the Partnership. Due to implementation delays and reprogramming of funds, additional federal authority is provided in fiscal year 13 to continue these programs.

**PL AN Base 5% GFS Reduction**

The Governor has directed state agencies to submit a 5% GFS reduction for the 2011-13 Biennium. To meet this reduction the Partnership would reduce its administrative program and IT funds, reduce its liaison contract for working with local governments and reduce training and materials for Low Impact Development programs. The agency will also eliminate a research contract to analyze organizations and networks across the region for their potential to advance Puget Sound recovery. These reductions will restrict the Partnership's ability to meet its IT needs, reduce coordination with cities and counties, reduce Low Impact Development program support for local governments who are required to implement the new Department of Ecology stormwater permits, and limit coalition development necessary for overall recovery work.

**PL AP Additional 5% GFS Reduction**

The Governor has directed state agencies to submit a 5% and 10% GFS reduction for the 2011 13 Biennium. This decision package represents the second 5% reduction for the Partnership. To meet this reduction the Partnership would reduce grants to local ECO Net organizations that deliver Action Agenda education and stewardship functions at the local level. The Department's liaison contract for working with local governments related to Action Agenda implementation would be further reduced. Development of incentives and materials to promote green roofs to reduce stormwater impacts along with oil spill related studies would be eliminated.

**PL AR Northwest Straits Commission Spt**

The Northwest Straits Commission serves as a "board of directors" for the Northwest Straits Marine Conservation Initiative. The Commission develops recommendations to existing governmental authorities and directs scientific, technical and financial support to marine resources committees to design and initiate projects that protect and restore marine species and habitats to support the overall health of the Northwest Straits marine ecosystem. The Partnership has received a pass-through agreement from the Environmental Protection Agency to support the Commission for one year. Additional Federal appropriation authority is requested to facilitate the additional funding.

**Agency:** 478 Puget Sound Partnership  
**Decision Package Code/Title:** AQ Additional Federal PS Grants  
**Budget Period:** 2011-13  
**Budget Level:** M1 - Mandatory Caseload and Enrollment Changes

**Recommendation Summary Text:**

The 2020 Action Agenda, developed by the Puget Sound Partnership, has been designated by the U.S. Environmental Protection Agency National Estuary Program as the Comprehensive Conservation and Management Plan for the recovery of Puget Sound. As a result the Partnership receives federal funding to implement programs to restore Puget Sound. Federal funding for activities related to implementing the Action Agenda including performance management, science and monitoring, support for local integrating organizations has been awarded to the Partnership. Due to implementation delays and reprogramming of funds, additional federal authority is provided in fiscal year 13 to continue these programs.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-2 General Fund - Basic Account-Federal			2,468,000	2,468,000
<b>Total Cost</b>			<b>2,468,000</b>	<b>2,468,000</b>
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
FTEs		.0	3.0	1.5
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001 General Fund	0366 Environ Protection A		2,468,000	2,468,000
<b>Total Revenue</b>			<b>2,468,000</b>	<b>2,468,000</b>

**Package Description:**

The 2020 Action Agenda, developed by the Puget Sound Partnership, has been designated by the U.S. Environmental Protection Agency National Estuary Program as the Comprehensive Conservation and Management Plan for the recovery of Puget Sound. As a result the Partnership receives federal funding to implement Puget Sound restoration programs. The FFY 2009 Federal Interior appropriations bill provided funding for Puget Sound recovery efforts, some of which went to the Partnership. Due to implementation delays and reprogramming of funds, the Partnership requires additional appropriation authority to expend these funds.

These grants will be used for activities consistent with the Partnership's enabling statute and current budget, including:

Performance Management (\$343,000)

Tracking actions and insuring that progress is being made in restoring Puget Sound on schedule is one of the key responsibilities for the Puget Sound Partnership and the Leadership Council. PSP is developing a Performance Management system that systematically links budgeting, policy development, planning, science, monitoring, and strategic actions. To assist in this effort the agency is developing a Performance Accountability Application for tracking progress by state and federal agencies in implementing Near Term

Actions in the Action Agenda. This system will help track outcomes of state, federal and local expenditures, to learn which actions are successful and which are not to inform revisions to the Action Agenda and target future appropriations. This system will build upon the Office of Financial Management Results through Performance Management System (RPMS) and the Recreation and Conservation Office (RCO) Project Information System (PRISM). The Partnership has submitted its investment plan to the Department of Information Services for review in August and is awaiting final approval.

#### Action Agenda Update (\$361,000)

The Partnership is required by its enabling statute to review and if needed revise the Action Agenda's strategies. The Partnership is currently in the process of revising the Action Agenda. This process includes holding public and stakeholder workshops to gather input and refine strategies. The Partnership had originally planned to update the Action Agenda in 2010 but moved the update to 2011 to better align with state and legislative budget processes. Federal funding is used for consultant support to complete Action Agenda revision and for an interagency agreement with the UW climate impacts group to consider the impact of climate change on recovery strategies. 1.0 FTE Senior Strategic Advisor would be responsible for a portfolio of policy issues related to the action agenda update, including land use and compensatory mitigation and special projects related to top priority threats to Puget Sound Recovery. This FTE will partially replace staff loaned from other agencies that will be leaving before the end of 2011.

#### Puget Sound Strategic Science and Coordinated Monitoring Program (\$560,000)

The Partnership's enabling statute requires that the Science Panel develop and implement a Strategic Science Program that includes a Puget Sound monitoring program. The Partnership will build upon the existing Puget Sound Assessment and Monitoring Program to develop and implement a monitoring framework to provide soundwide data consistency and access. This framework and accompanying data will be linked to the goals, outcomes, and actions of the Action Agenda, the Dashboard of Ecosystem Indicators, and adaptive management and monitoring programs for salmon recovery and watershed health. Delays have occurred in establishing workgroups to refine and manage the monitoring program as well as to prepare necessary data sets. The agency workplan also includes several studies related to stormwater monitoring that will be initiated this biennium. The agency will also be using contract resources to update the biennial Science workplan and to prepare for the Salish Sea Conference. 1.0 FTE Science Monitoring Coordinator would be responsible for implementation and coordination of the Puget Sound monitoring program on an ongoing basis.

#### Local Integration Organizations for Action Areas (\$1,204,000)

The Partnership's enabling statute (RCW 90.71.260 (2)) requires the Partnership to work with local organizations in seven geographic Action Areas of Puget Sound (Strait of Juan de Fuca, The San Juan Islands, Whidbey Island, North Central Puget Sound, South Central Puget Sound, South Puget Sound, and Hood Canal). PSP is working within each Action Area to support the development of Local Integrating Organizations (LIOs). The LIO program will enable local areas to prioritize strategies and actions across multiple objectives of salmon recovery, water quality, toxics reduction etc, as well as to coordinate locally and regionally on Puget Sound recovery. The Partnership has provided \$750,000 a year to the LIOs to enable local areas to prioritize strategies and to coordinate locally and regionally on Puget Sound recovery. Grants are also provided to finalize monitoring components for local watersheds. In addition, the Partnership provides support to LIOs and other salmon recovery organizations through funding provided by RCO and EPA. OFM carry-forward calculations provided an uneven amount of FTE by fiscal year for the biennium. An additional FTE is added to fully cover the Ecosystem Recovery Coordinator positions funded by RCO and EPA.

## **Narrative Justification and Impact Statement**

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

This request will provide Federal-spending authority to improve implementation of the Action Agenda priorities and Near Term Actions.

## **Performance Measure Detail**

**Activity:**

**Incremental Changes**

No measures submitted for package

***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

Yes. These additional federal funds directly support Puget Sound Partnership activities A002 "Action Agenda Implementation, Science, and Performance Management" and A004 "Salmon Recovery, Local Integration and Technical Assistance" as identified in the agency strategic plan.

***Does this decision package provide essential support to one of the Governor's priorities?***

Yes. Implementing the 2020 Action Agenda and the recovery of Puget Sound has been identified as one of the Governor's priorities.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

Yes. This decision package supports the statewide result "Improve the Quality of Washington's Natural Resources". Providing funding to facilitate Action Agenda implementation will directly support the purchase strategy "Preserve, Maintain and Restore Natural Systems and Landscapes".

Implementing the 2020 Action Agenda and the recovery of Puget Sound has been identified as a high priority in the POG process.

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

Citizens, tribes, and the business community widely support the Puget Sound Action Agenda and the statewide salmon recovery efforts that will be made with this funding. This additional Federal Puget Sound Restoration funding is the result of efforts to fund Puget Sound restoration by Senator Maria Cantwell, Senator Patty Murray and Representative Norm Dicks.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The Partnership could file unanticipated receipts for these dollars once they have been awarded. It would be preferable for budgeting and managing expenditures to approve additional expenditures in the 2012 Supplemental budget. Waiting until the 2013 Supplemental is not a viable option because of the uncertainty about being able to expend the additional Federal dollars.

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

The Partnership would be required to file unanticipated receipts to be able to access these funds or risk losing them. Not being able to expend these dollars would delay implementation of actions in the Action Agenda and ultimately result in negative impacts to Puget Sound recovery

***What is the relationship, if any, to the state's capital budget?***

None

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

None

***Expenditure and revenue calculations and assumptions***

A total of \$2.4 million in additional federal revenue would be anticipated to offset these expenditures.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

These increased expenditures are most likely to be one time. However, if the base grant for estuaries under the NEP program is raised in

FFY 2011 budget then a portion of this expenditure would be biennialized

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages		219,300	219,300
B Employee Benefits		62,200	62,200
C Personal Service Contracts		1,177,800	1,177,800
E Goods And Services		258,700	258,700
N Grants, Benefits & Client Services		750,000	750,000
<b>Total Objects</b>		<b>2,468,000</b>	<b>2,468,000</b>

**Agency:** 478 Puget Sound Partnership  
**Decision Package Code/Title:** AN Base 5% GFS Reduction  
**Budget Period:** 2011-13  
**Budget Level:** PL - Performance Level

### Recommendation Summary Text:

The Governor has directed state agencies to submit a 5% GFS reduction for the 2011-13 Biennium. To meet this reduction the Partnership would reduce its administrative program and IT funds, reduce its liaison contract for working with local governments and reduce training and materials for Low Impact Development programs. The agency will also eliminate a research contract to analyze organizations and networks across the region for their potential to advance Puget Sound recovery. These reductions will restrict the Partnership's ability to meet its IT needs, reduce coordination with cities and counties, reduce Low Impact Development program support for local governments who are required to implement the new Department of Ecology stormwater permits, and limit coalition development necessary for overall recovery work.

### Fiscal Detail

	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
<b>Operating Expenditures</b>			
001-1 General Fund - Basic Account-State	(157,000)	(96,000)	(253,000)
<b>Total Cost</b>	<b>(157,000)</b>	<b>(96,000)</b>	<b>(253,000)</b>

### Package Description:

The Governor has directed state agencies to submit a 5% GFS reduction for the 2011-13 Biennium. To meet this reduction the Partnership proposes to make four sets of reductions.

#### Administration (\$87,500)

In order to meet information technology standards the Partnership will need to begin to replace its personal computers in conformance with the standard replacement cycle. There are also some additional costs to the agency to transfer servers to the new Department of Enterprises Services. The Partnership has reexamined its costs related to personal computer replacement and other IT needs and is able to reduce the amount of funding needed for this purpose by \$60,000 for the biennium. This reduction will slow the rate at which the Partnership can make desired IT improvements, but will maintain core IT functions. The Partnership also will transfer some IT and other administrative costs to federal funds as appropriate

#### Public Education and Board Operations (\$44,600)

To fulfill Action Agenda responsibilities, the Partnership needs to work through a comprehensive and diverse coalition of partners. An array of partners currently exists, but it is a fraction of what is required to successfully achieve and sustain Puget Sound recovery. To accomplish this the agency would provide research funding to the University of Washington to analyze existing and potential partner organizations, networks, capabilities and relationships in conjunction with Puget Sound recovery needs. This proposal will eliminate

funding for this work, thereby limiting the strategic development of an effective regional structure for Action Agenda implementation. The agency may attempt to backfill this need by reprogramming federal funds identified for other research work.

**Stormwater Low Impact Development Assistance (\$64,000)**

For the last four years the Partnership has provided training and assistance to local governments and private developers on the use of Low Impact Development (LID) techniques. The agency had planned to contract with the WSU Puyallup Research and Extension Center to hold additional LID Technical workshops on how to meet the Department of Ecology's LID stormwater requirements. The agency is proposing to eliminate its funding for this training. This will reduce the likelihood that these trainings will continue and would likely require participants to pay additional costs in registration fees. This reduction would likely result in a smaller number of local government and private developers receiving LID training. The Partnership is also working with the Department of Ecology to update the LID guidance manual to provide stormwater managers and site designers with a common understanding of LID goals and specifications for individual practices and flow reduction credits. The agency is proposing to reduce by two thirds the number of hard copies of this manual, relying primarily on electronic distribution instead. This program is funded with State Toxics Control Account. To make this reduction the agency would propose to reduce the state General Fund and backfill other agency programs with the State Toxics Control Account.

**Local Government Action Agenda Implementation (\$56,900)**

Local governments are critical partners in developing and implementing the Action Agenda to restore Puget Sound. The agency maintains a contract with the Washington Association of Counties to provide information and liaison functions between the agency and city and county governments on development and implementation of the Action Agenda. At the 5% level the Partnership would propose to reduce the contract by 25% for the biennium resulting in less interaction between state and local government leaders in Action Agenda development and implementation.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

**Performance Measure Detail**

**Activity:**

**Incremental Changes**

No measures submitted for package

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

Yes, this reduction will impact the Partnership's strategic plan goal to "Build and sustain support for long term implementation of actions needed to protect and restore the Puget Sound ecosystem."

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, "Cleaning up Puget Sound" is a major component of the Governor's "Concern For Our Environment" priority. These funding reductions will reduce the ability of the Partnership and local organizations to implement the Puget Sound Action Agenda and delay actions necessary to meet the 2020 Puget Sound recovery goals.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

This decision package impacts the statewide result of "Improve the Quality of Washington's Natural Resources".

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

The coalition mapping funding was originally planned as a match for EPA's grant to the Partnership for Puget Sound Education, Outreach and Stewardship activities. The Partnership will need to identify additional match internally and solicit additional match from local partners to meet its obligations.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The agency reviewed its entire budget in light of its strategic priorities and its obligations in its EPA workplans. These funding reduction proposals were the lowest priority activities identified through this process.

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

Not taking this reduction will allow the Partnership to engage at a higher level with cities and counties in development and implementation of the Action Agenda and to continue to train local governments in LID stormwater techniques.

***What is the relationship, if any, to the state's capital budget?***

None

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

The agency would need to revise its existing contract with the Washington Association of Counties.

***Expenditure and revenue calculations and assumptions***

Reduction estimates provided by the Office of Financial Management's Budget office.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

This decision package is proposed as an ongoing reduction to the Partnership budget.

<b><u>Object Detail</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
C Personal Service Contracts	(53,500)	(3,400)	(56,900)
E Goods And Services	(103,500)	(72,600)	(176,100)
J Capital Outlays		(20,000)	(20,000)
<b>Total Objects</b>	<b>(157,000)</b>	<b>(96,000)</b>	<b>(253,000)</b>



**Agency:** 478 Puget Sound Partnership  
**Decision Package Code/Title:** AP Additional 5% GFS Reduction  
**Budget Period:** 2011-13  
**Budget Level:** PL - Performance Level

### Recommendation Summary Text:

The Governor has directed state agencies to submit a 5% and 10% GFS reduction for the 2011 13 Biennium. This decision package represents the second 5% reduction for the Partnership. To meet this reduction the Partnership would reduce grants to local ECO Net organizations that deliver Action Agenda education and stewardship functions at the local level. The Department's liaison contract for working with local governments related to Action Agenda implementation would be further reduced. Development of incentives and materials to promote green roofs to reduce stormwater impacts along with oil spill related studies would be eliminated.

### Fiscal Detail

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(110,000)	(144,000)	(254,000)
<b>Total Cost</b>	<b>(110,000)</b>	<b>(144,000)</b>	<b>(254,000)</b>

### Package Description:

The Governor has directed state agencies to submit an additional 5% GFS reduction for the 2011 13 Biennium. To meet this reduction the Partnership proposes to make four sets of reductions.

#### Public Education and Board Operations (\$161,000)

In March 2010, the Partnership was designated by the Environmental Protection Agency to serve as the Lead Organization for a Regional Stewardship Program to implement specific elements of the Action Agenda. State funds are used as match for the federal investment in this program. The Partnership relies on the ECO Network and its respective members for program delivery an extensive regional network of over 600 local outreach organizations partnering in Puget Sound recovery. The ECO Network maintains 11 county level coalitions, which collaborate on projects and programs. The Partnership provides small annual grants of \$6,800 to \$10,000 to these local coalitions for collaborative projects that build issue awareness and advance Best Management Practices. To meet the reduction target the Partnership would reduce support to ECO Network partners, including a 36% cut to the block grant program. These reductions will limit Puget Sound related work, and reduce local collaboration on innovative programs.

PSP relies on technology based communications (web, social media) as a cost effective means of providing information to/from partners, ensuring transparency and public access to information and resources. The agency had anticipated contracting for functional improvements to its website and social media tools. To meet this reduction the agency would reduce funding for this work by 90% (\$40,000), thereby limiting functional improvements for partners and the public.

**Stormwater Low Impact Development Assistance (\$35,000)**

For the last four years the Partnership has provided training and assistance to local governments and private developers on the use of Low Impact Development Stormwater Techniques (LID). LID consist of techniques with the goal of managing stormwater on site and reducing flows into freshwater or Puget Sound. One LID technique that is just beginning to be utilized is the use of vegetated roofs. In order to promote this technique the Partnership had proposed to develop region wide incentives and materials to promote the use of vegetative roofs in commercial and industrial buildings. This program would be eliminated. This program is funded with State Toxics Control Account. To make this reduction the agency would propose to reduce the state General Fund and backfill other agency programs with the State Toxics Control Account.

**Local Government Action Agenda Implementation (\$20,000)**

Local governments are critical partners in developing and implementing the Action Agenda to restore Puget Sound. The agency maintains a contract with the Washington Association of Counties to provide information and liaison functions with city and county governments on development and implementation of the Action Agenda. At the 5% level the Partnership would propose to reduce the contract by 25% for the biennium. To achieve an additional 5% reduction this contract would be reduced an additional \$20,000. This will result in less interaction with state and local government leaders in Action Agenda development and implementation.

**Oil Spill Studies (\$38,000)**

The 2011 Biennial Budget directs the Partnership to conduct a review of the state's oil spill prevention and response program. In an effort to improve understanding of oil spill risk the agency had proposed to complete an analysis of ship traffic patterns in Puget Sound. Although this study would provide useful information it is a lower priority in comparison to other agency priorities. Further, to account for this type of reduction, the Partnership is in discussion with Ecology, the state's oil spill prevention and response lead, on how their oil spill program might better address these issues of risk management. The study proposed for reduction is funded with State Toxics Control Account. To make this reduction the agency would propose to reduce the state General Fund and backfill other agency programs with the STCA.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

**Performance Measure Detail**

**Activity:**

**Incremental Changes**

No measures submitted for package

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

Yes, this reduction will impact the Partnership's strategic plan goal to "Build and sustain support for long term implementation of actions needed to protect and restore the Puget Sound ecosystem."

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, "Cleaning up Puget Sound" is a major component of the Governor's "Concern For Our Environment" priority. This request will directly support achievement of this priority. Reduction in this funding will reduce the ability of the Partnership and local organizations to implement the Puget Sound Action Agenda and delay actions necessary to meet the 2020 Puget Sound recovery goals.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

This decision package impacts the statewide result of "Improve the Quality of Washington's Natural Resources".

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

Grants to Eco Net organizations were originally planned as a match for EPA's grant to the Partnership for Puget Sound Education, Outreach and Stewardship activities. The Partnership will need to find additional match internally and/or from local partners and grant recipients to meet its obligations.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The agency reviewed its entire budget in light of its strategic priorities and its obligations in its EPA workplans. These funding reduction proposals were the lowest priority activities identified through this process.

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

Not taking this reduction will allow the Partnership to engage at a higher level with cities and counties in development and implementation of the Action Agenda and to continue to train local governments in LID stormwater techniques. It would also provide greater support to partners delivering public education and stewardship services under the Action Agenda.

***What is the relationship, if any, to the state's capital budget?***

None

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

The agency would need to revise its existing contract with the Washington Association of Counties.

***Expenditure and revenue calculations and assumptions***

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

This decision package is proposed as an ongoing reduction to the Partnership budget.

<b><u>Object Detail</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
C Personal Service Contracts	(49,000)	(84,000)	(133,000)
N Grants, Benefits & Client Services	(61,000)	(60,000)	(121,000)
<b>Total Objects</b>	<b>(110,000)</b>	<b>(144,000)</b>	<b>(254,000)</b>



**Agency:** 478 Puget Sound Partnership  
**Decision Package Code/Title:** AR Northwest Straits Commission Spt  
**Budget Period:** 2011-13  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

The Northwest Straits Commission serves as a "board of directors" for the Northwest Straits Marine Conservation Initiative. The Commission develops recommendations to existing governmental authorities and directs scientific, technical and financial support to marine resources committees to design and initiate projects that protect and restore marine species and habitats to support the overall health of the Northwest Straits marine ecosystem. The Partnership has received a pass-through agreement from the Environmental Protection Agency to support the Commission for one year. Additional Federal appropriation authority is requested to facilitate the additional funding.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-2 General Fund - Basic Account-Federal	333,000	67,000	400,000
<b>Total Cost</b>	<b>333,000</b>	<b>67,000</b>	<b>400,000</b>

**Revenue**

<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001 General Fund	0366 Environ Protection A	333,000	67,000	400,000
<b>Total Revenue</b>		<b>333,000</b>	<b>67,000</b>	<b>400,000</b>

**Package Description:**

The Northwest Straits Commission, composed of five gubernatorial appointees, one Tribal appointee from the Department of the Interior, and seven citizens from each of the Marine Resources Committees serves as a "board of directors" for the Northwest Straits Marine Conservation Initiative, an important component in the overall effort to restore the Puget Sound by 2020. Funding for the Commission has traditionally come in the form of a Federal award from the National Oceanic and Atmospheric Administration (NOAA) to the Washington State Department of Ecology (Ecology) which provides administrative support for the Commission. Federal funding from NOAA was eliminated in the Federal fiscal year 2011 budget. To maintain the Commission for an additional year, EPA Region 10 has subsequently made a pass-through grant, awarded to the Puget Sound Partnership in August 2011 from the EPA Managing Action Agenda Implementation Assistance Agreement. The Partnership will pass this funding to the Department of Ecology. This request is for additional General Fund Federal authority necessary to facilitate the increased federal funding for Commission support.

**Narrative Justification and Impact Statement**

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

The Northwest Straits Commission will continue to work with local integrating organizations to identify local priorities for action in the Puget Sound Region, continue to participate on the Ecosystem Coordination Board, and will continue to support the important work of the NWSC and the Marine Resources Committees. This will result in marine managers, local leaders and community members being informed about issues affecting marine ecosystems in Puget Sound. This work will also result in local citizen volunteers and stakeholders being actively engaged in developing, promoting and implementing projects that advance Action Agenda priorities.

**Performance Measure Detail**

**Activity:**

**Incremental Changes**

No measures submitted for package

***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

Yes. These Federal funds support Activity A004 "Salmon Recovery, Local Integration and Technical Assistance" as identified in the agency strategic plan. This request will impact the Partnership's strategic plan goal to "Build and sustain support for long-term implementation of actions needed to protect and restore the Puget Sound ecosystem."

This package also supports the Puget Sound Action Agenda Near Term Action D.3 (7): Engage with stakeholders throughout the region to advance shared priorities. This will include continued and expanded outreach and collaboration with private and nongovernmental interests, including the Puget Sound business caucus, environmental caucus, conservation organizations, agricultural groups, shellfish growers, and private landowners in the implementation of the Action Agenda.

Finally, this package supports the longer term science-based actions necessary to increase and improve the ability of collaborative groups and processes to implement Action Agenda priorities, continued and enhanced collaboration among key stakeholders to advocate for Action Agenda implementation, and sustained funding for local staff to facilitate implementation of the Action Agenda.

***Does this decision package provide essential support to one of the Governor's priorities?***

Yes, "Cleaning up Puget Sound" is a major component of the Governor's "Concern For Our Environment" priority. This request will directly support achievement of this priority. Reduction in this funding will reduce the ability of the Partnership and local organizations and local citizens in the seven northern counties of Puget Sound to implement the Puget Sound Action Agenda and delay actions necessary to meet the 2020 Puget Sound recovery goals.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

This decision package impacts the statewide result of "Improve the Quality of Washington's Natural Resources".

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

The Northwest Straits Marine Conservation Initiative, authorized by Congress, is nationally recognized as an innovative approach to bring sound science and an ecosystem perspective together with citizen energy and entrepreneurship. Federal, State and Local governments, tribes, and citizens support the work of the Northwest Straits Commission. United States Senator Patty Murray, Senator Maria Cantwell, and Congressman Rick Larsen are involved with and support the work of the Commission. In 2004, an independent national evaluation panel led by Bill Ruckelshaus confirmed that the mission of the Northwest Straits Commission was worthwhile and encouraged continued support. Senator Murray and Congressman Larson introduced legislation reauthorizing the Northwest Straits Commission in May 2011.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The Partnership would have preferred for EPA to sign an agreement with the Department of Ecology but EPA has maintained that this

is the most appropriate way for them to award the funding. There is not state funding available to provide support for the Commission.

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

If this request for additional Federal Appropriation Authority is not granted, the Puget Sound Partnership will not be able to provide funding to support the continued high performance of the Northwest Straits Commission. This will result in the agency being unable to perform several actions identified in the Puget Sound Action Agenda as described above. This will also result in the inability of the Partnership to fulfill our obligations to the EPA under the Managing Implementation of the Action Agenda Assistance Agreement.

***What is the relationship, if any, to the state's capital budget?***

None

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

No changes to existing statutes or rules would be necessary. This arrangement will require an agreement with the Washington State Department of Ecology.

***Expenditure and revenue calculations and assumptions***

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

This decision package is proposed as a one-time expenditure.

<b><u>Object Detail</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
E Goods And Services	333,000	67,000	400,000

