

Topic: Setting Guidance for NTA Prioritization and Funding

Background:

The LIO Executive Committee (EC) is responsible for (1) establishing a vision for the LIO based on local priorities, (2) maintaining accountability and oversight for the LIO, and (3) final, local decision making authority on behalf of the Snohomish-Stillaguamish LIO. In 2017, the EC made the decision to delegate the annual \$100,000 LIO allocation funding decision to the Implementation Committees (IC). Since 2016, there have been three rounds of the LIO direct award. The direct award has funded three habitat projects that are capital in nature¹. Some LIO participants have expressed concern about applying NEP funds to capital habitat projects and wonder if this is the best use of funds that can be applied to work with fewer dedicated sources (i.e. enabling conditions and monitoring).

In 2017 the PSP Leadership Council issued guidance for the use of NEP funds for NTAs. That guidance was to prioritize funding of non-capital efforts (i.e. science, monitoring, and education/outreach). Issuing similar guidance to the basin ICs could advance a consistent message of prioritization.

Another concern raised by LIO participants is the amount of staff/Committee member time it takes to make a decision about a \$100,000 allocation. Members have noted it costs partner entities over \$100,000 (in the aggregate) to make the funding recommendation. Other LIOs have expressed the same concern and have asked for a streamlined approach to making funding decisions.

Gap Analysis:

To inform discussions about NTA funding and prioritization, staff performed an analysis examining two areas of potential gaps: 1) strategies not currently supported by NTAs being proposed and 2) strategies not supported by funded NTAs. An NTA mapping exercise (tagging an NTA to the appropriate outcome within recovery strategies) also revealed several implementation gaps in the LIO's ecosystem recovery framework.

Overall, strategies 03.1 Improve Funding for Restoration and 07.1 On-site Sewage System Management have the fewest number (two and one, respectively) of NTAs proposed that advance an "expected outcome" or goal within the LIO recovery strategy. An estimated 49% of the LIO's 2018 NTAs address SSLIO 10.1 & 10.2 Freshwater and Estuarine Protection and Restoration. Of that 49%, about half of those proposed local NTAs are focused on achieving "restoration site design and implementation" outcomes. This analysis demonstrates that there is a pattern of NTAs being developed with a bias towards projects of a capital nature falling within the scope of strategies 10.1 & 10.2 Freshwater and Estuarine Protection and Restoration².

Combining regional and local NEP allocations, the majority of the LIO's 2018 NTAs selected for funding are within the Habitat Strategic Initiative (67%) with only one project being funded from each of the Stormwater and Shellfish Strategic Initiatives. For comparison, of the funded projects in 2016, 54% were Habitat, with three NTAs from the Stormwater Strategic Initiative and two from Shellfish. Since 2016, there have been three rounds of the LIO direct award allocation. Other than one project, the direct allocation has been applied to three capital projects. The demand for funding capital projects that restore/protect habitat is high, there are more projects of that type being developed than the other two Strategic Initiatives.

This information will be used to assist the Snohomish Implementation Committee with their 2019 direct funding decision. The Implementation Committees have chosen to evaluate NTAs for the direct allocation award with the following criteria in mind: capital projects, programmatic support, and scalability.

¹ Defined as "on-the-ground" efforts that move dirt or purchase property.

² Note: The 2018-2022 Action Agenda did not adopt salmon recovery projects on the Lead Entity 4-year work plan by reference (as was done in the previous 2016 Action Agenda). As such, part of the reason for the high number of habitat restoration projects is due to partners submitting salmon recovery projects as NTAs.

Opportunity for Streamlined Decision-making:

The Stillaguamish Watershed Council (the LIO Implementation Committee for WRIA 5) made a 2018 direct award funding recommendation in the fall of 2018. The Technical Advisory Group prioritized the WRIA 5 (and some “combined basin³” NTAs) for the 4-year Action Agenda. Accordingly, they came up with a list of their top 10 NTAs. That list has been sent to the Strategic Initiative Leads with a request to apply the WRIA 5 allocation to those NTAs in the prioritized order. That list can be re-evaluated annually, as the Committee chooses. This process could also be replicated in WRIA 7 in partnership with our salmon recovery Lead Entity partners.

For Approval:

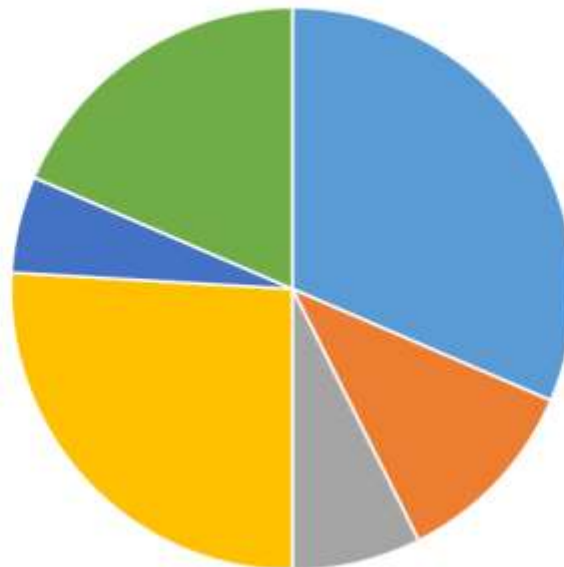
Option 1: Provide funding guidance consistent with the Leadership Council and recommend the ICs adopt a streamlined approach to prioritizing NTAs for local funding.

Option 2: Do not provide funding guidance or recommend a streamlined approach to prioritization.

Project distribution
All Strategic Initiatives (2016-18)

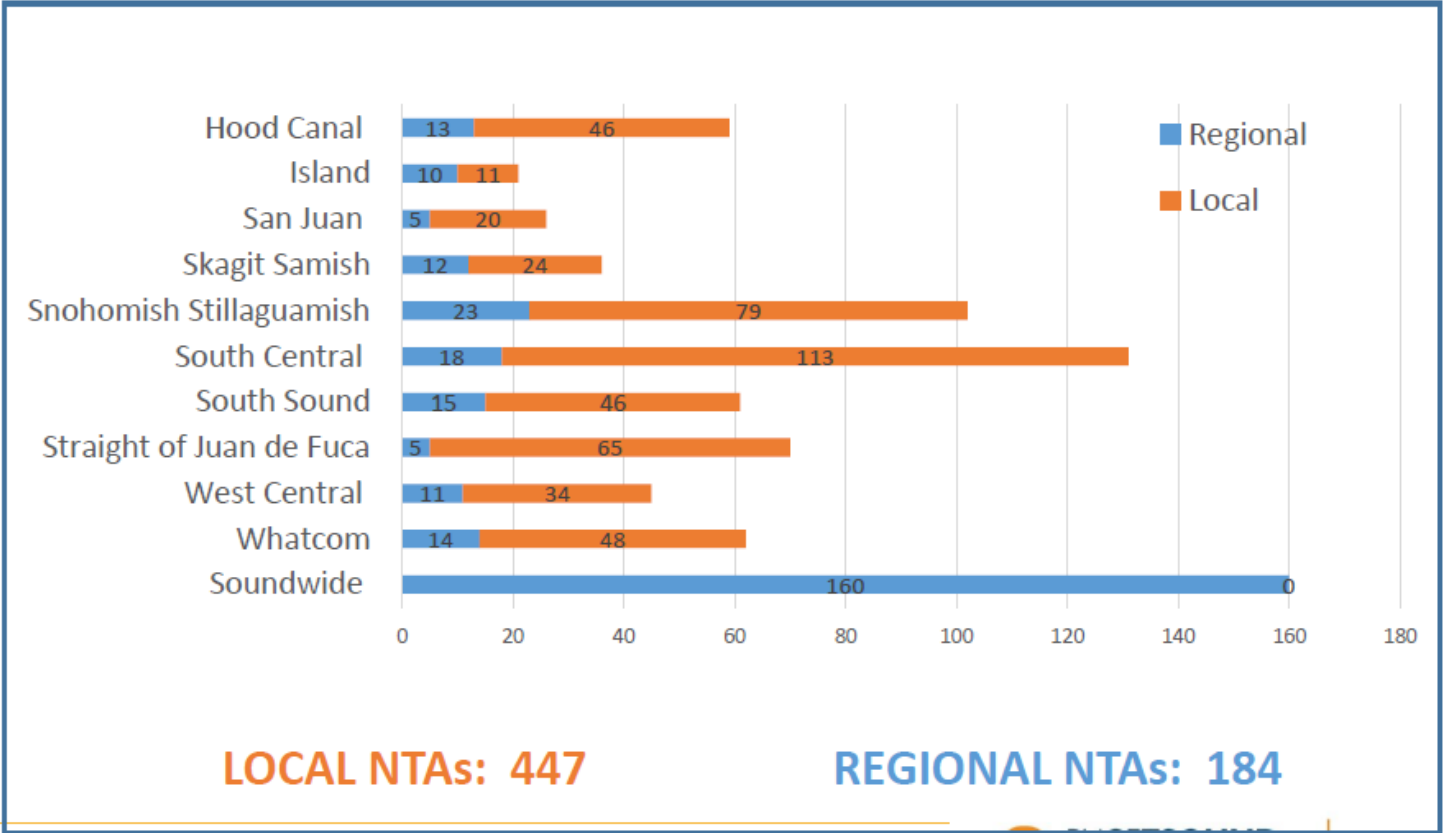
“Make non-capital project needs – such as science, monitoring, and education- outreach – the highest priorities for NEP funding across all three Strategic Initiatives;...”

-Leadership Council, 1/12/17



- Research and monitoring
- Education and outreach
- Capital projects
- Barriers, incentives and technical assistance
- Operations
- Plans and planning support

³ Refers to NTAs that would be implemented in both LIO watershed (WRIAs 5 and 7).



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