



EPA FUNDING GUIDANCE TO THE PUGET SOUND STRATEGIC INITIATIVE LEADS

For the

Investments of the EPA Federal Fiscal Year 2021 Allocation

Final September 7, 2021

Purpose: For the EPA Puget Sound National Estuary and Geographic Program to provide guidance to the recipients of the three Strategic Initiative Lead 2.0 (SIL 2.0) Cooperative Agreements. The guidance will inform the SILs 2.0 on their funding decisions and processes in their implementation of the current approved Action Agenda with Congressional appropriated Puget Sound Geographic Funds in the Federal Fiscal Year 2021 (FY21).

Objective: SILs 2.0 funding decisions and processes will result in addressing stressors and sources that impact Puget Sound protection and recovery outcomes in a manner that is efficient, effective, transparent, and well understood.

I. Background: EPA's National Estuary Program and Geographic Funds are best at creating longer-term strategic approaches and activities, being catalytic, supporting synergies, piloting approaches, testing alternatives, leveraging other funding, and creating the capacity for more engagement and collaboration across the Management Conference.

Looking forward, the new EPA Puget Sound Funding Model and the 2022 Action Agenda are moving away from Near-Term Actions and one-time tactical projects and towards implementing higher level strategic approaches and shared priority activities that will achieve shared desired outcomes as determined by the Puget Sound National Estuary Program Management Conference and recovery community members.

The alignment of policies, regulations, and ongoing programs (e.g., land use, stormwater management) for Puget Sound recovery is a priority that our recovery partners such as tribes, state agencies, and local governments are essential in supporting and should be helping to lead. Towards that end, EPA wants to support increased partner involvement at the local level in activities such as integrated and cross jurisdictional planning, Action Agenda implementation,

upcoming comprehensive plan updates, innovative pilots, and influencing implementation of ongoing programs and policy.

Federal Fiscal Year 2021 Allocation to the Strategic Initiative Leads:

The final allocation of EPA Puget Sound Geographic Funds to the three new Strategic Initiative Leads are \$5.8M for Habitat, \$4.05M for Shellfish, and \$4.95M for Stormwater.

Specific Considerations and Context for FY21 Allocation Funding Guidance:

The FY21 allocation to the newly competitively selected SILs 2.0 is the first year of funding in support of their EPA-approved multi-year cooperative agreements. This is a year of great transition in many areas of the Puget Sound Recovery Program. Context of this transition year relevant to the Funding Guidance includes:

1. Current funding authority is 2018-2022 Action Agenda that includes Near-Term Actions (NTAs) developed under Regional Priorities. Many, but not all, regional priorities were based upon Implementation Strategies.
2. An updated Action Agenda is currently under development to be approved in mid-2022 that will not include Near-Term Actions but will instead articulate desired outcomes, strategies, and actions that will enable partners to collectively advance progress toward the statutory goals and Vital Signs that guide Puget Sound recovery. The Implementation Strategies are serving as a primary source of information for this Action Agenda update.
3. Transition to implementation of a new EPA Funding Model via the SILs 2.0 (FY21 through FY25) described in the [All-Boards Webinar](#) that took place on February 25, 2020.
4. New SILs 2.0 starting work as of July 1, 2021.
5. New EPA-funded Base Agreement with the Puget Sound Partnership to begin on October 1, 2021 that will now include support for Implementation Strategies and Science (formerly covered in the IS-Science agreement) in addition to many of the agency's backbone organization functions.

Guidance: After careful consideration of many factors and the needs of our recovery partners, the FY21 Funding Guidance endeavors to be both flexible and forward-looking in this transitional year.

II. EPA/NEP Funding Priorities: The SILs 2.0 should incorporate the following NEP Funding Priorities into developing funding decision processes and making funding decisions:

1. **Relationship to critical/priority pathways in Implementation Strategies and the desired outcomes, strategies, and actions in the Action Agenda.** Also, consider needs identified to improve, manage, or operationalize Implementation Strategies. This factor could also cover activities, such as science and monitoring, which are necessary to inform a body of work. Ultimately, Implementation Strategies and the Action Agenda should provide a clear and credible justification for funding decisions related to Puget Sound recovery.

2. Non-capital projects, or elements of capital projects, that have fewer dedicated funding sources. These can include activities (but are not limited to) such as science, monitoring, education, behavior change, and planning.
3. Pilot/Priming/Planning investments that can be replicated or expanded with other sources of funding if successful: This would be especially important to consider if other sources of funding were identified that could be leveraged with the EPA investment. Some of the pre-work for expensive capital projects come to mind.
4. Climate change adaptation, resilience, and mitigation.
5. Work that protects Tribal Treaty Rights.
6. Environmental Justice and Diversity Equity and Inclusion activities.
7. Agency directives from Congress/OMB/ EPA initiatives: These could include coordinated investment and EPA initiatives/priorities, such as riparian protection and restoration, and should be referred to when making funding decisions.

III. Funding Mechanisms: There will be two potential funding mechanisms for the subawards made by the SILs 2.0 FY21 allocation. These are:

1. Strategic Initiative Lead Advisory Team (SIAT) Recommended Awards

Below are two pathways by which the SILs 2.0 may award funds based upon SILs 2.0 Strategic Initiative Advisory Teams (SIAT) recommendations. The SIAT may also recommend a hybrid approach of the two pathways (a & b) below.

a. *Implementation of 2018-2022 Action Agenda through direct NTA Awards:*

- Directly fund NTAs as in the previous funding model given the transitions occurring this year.
- EPA’s expectation for this option, if selected, is that it be conducted with rigor such that any NTAs awarded must advance an Implementation Strategy, be recommended by the respective SIAT and approved by the appropriate SIL as the grants/contracting agency.
- EPA expects that updated information will be requested of NTA Owners whose NTAs are being actively consider for funding prior to selection for funding. EPA also expects that the SILs 2.0 and LIOs will agree on a standardized approach and questions to ask NTA Owners who are considered for funding through direct award to ensure the selection process is based on updated information and aligns with NEP funding priorities described above.

b. *Competitions*

- SILs 2.0 develop a Request for Proposal (RFP) process based upon SIAT identified priorities aligned with the criteria above.
- If RFP competitions are held prior to the approval of the 2022-2026 Action Agenda, these must be justified and approved by EPA (as we have done in past years). After the approval and adoption of the 2022-2026 Action Agenda,

RFP competitions will not require EPA approval and are expected to be the main mechanism used to implement the Action Agenda via the SILs 2.0.

- RFP processes will clearly define the role of SIATs to follow EPA Grants Policies and any appearance of conflict of interest.

2. **SIL/LIO Subawards (\$500,000 over five years per LIO):** EPA strongly encourages that SILs 2.0 and LIOs work together to establish a 5-year award based upon a co-developed, five-year workplan that will provide funding to the LIOs for implementation support of Implementation Strategies and the Action Agenda. This is an opportunity for transformational change and accelerated progress across the Puget Sound protection and recovery system by creating an enabling environment for coordination of implementation at all spatial scales. Please note that the intent and purpose of these subawards are separate and distinct from the EPA-funded LIO capacity subawards managed through PSP.

LIOs have three potential paths to choose from moving forward with Subawards from the SILs 2.0:

a. LIOs can move forward directly into the five-year co-developed workplan activities.

- Under this option, EPA encourages the SILs 2.0 to award at least \$200,000 in the initial subaward (per LIO) with the expectation of additional funds added in subsequent incremental funding awarded to the SILs 2.0 to catalyze implementation of the Implementation Strategies and the Action Agenda.
- The priority activities for EPA in these work plans is collaboration to provide geographic specificity through the integration of local plans and expertise throughout the Implementation Strategies to operationalize them. That is, understand where a strategy is best implemented locally to achieve a regional outcome or goal while aligning implementation efforts across spatial scales throughout our recovery system. This could include:
 - Collaboration in the identification and development of Sound-wide recovery activities.
 - Collaboration on operationalizing Implementation Strategies within LIO geographies (what needs to happen, where, and in what sequence).
 - Collaboration to adaptively manage Implementation Strategies.
 - Collaboration on the expansion of existing Implementation Strategies to better align recovery needs at different geographic scales.
- **Other LIO activities could include (but are not limited to):**
 - Work with and across local jurisdictions to understand and implement Action Agenda strategies and actions.
 - Connect implementation across geographic scales to achieve desired recovery outcomes.
 - Seek and participate in multi-benefit approaches and opportunities.
 - Build fundraising capacity for LIOs and LIO priority projects
 - Seed projects to move them closer to the implementation phase, including (and in particular) projects that might benefit from the Federal (MART) and State streamlined permitting initiatives.

- Provide information at multiple city and county forums to raise awareness of the Puget Sound recovery effort and provide input on specific issues.
- Engage local schools in Puget Sound recovery and/or environmental education.
- Develop and implement an LIO communication plan and portfolio of resources that is coordinated with and available to partners (SILs, PSP, EPA).
- Develop or maintain a portfolio of local success stories.

OR

b. For the first year of this multi-year subaward, LIOs could choose to support one SIL-approved 2018 NTA for \$100,000 if it meets the NEP Funding Priorities and is approved by the appropriate SIL.

- EPA expects that updated information will be requested of NTA Owners prior to selection for funding. EPA also expects that the SILs 2.0 and LIOs will agree on a standardized approach and questions to ask NTA Owners who are considered for funding through the \$100,000 subaward to ensure the selection process is based on updated information and aligns with NEP funding priorities described above.
- NTA funding in the first year may be included in the overall five-year workplan development (above) to streamline processes.

OR

c. LIOs could choose to support a single SIL-approved 2018 NTA for \$100,000 as above, and then opt out of additional subaward support through the SILs 2.0 for the remainder of this funding model.

IV. Additional Information of Interest:

The Puget Sound Action Agenda serves as the Comprehensive Conservation and Management Plan (CCMP) required for each EPA National Estuary Program. A new EPA Puget Sound funding model has been initiated in 2021 to better align investments made under the Strategic Initiatives with the Puget Sound Action Agenda, to address various interests of stakeholders, and to build upon the learning and successes of the first Strategic Initiative Leads. Federal Fiscal Year 2021 is the first year of funding for the second group of Strategic Initiative Leads (SILs 2.0).

As part of the 2021 funding model, EPA held a competition to select the organizations that would serve as Strategic Initiative (SI) Leads 2.0. The SILs 2.0 are:

- Habitat: Washington State Department of Fish and Wildlife, with the Washington State Department of Natural Resources

- Shellfish: Washington State Department of Health, with the Washington State Department of Agriculture and Ecology
- Stormwater: Washington State Department of Ecology, with the Washington State Department of Commerce and the Washington State University Stormwater Center

SILs 2.0 will continue to convene Strategic Initiative Advisory Teams (SIATs) for input to inform Puget Sound Geographic Funds funding decisions. As agencies responsible for contracting and managing EPA subawards, SILs 2.0 make final decisions based primarily upon these recommendations and in accordance with the availability of funds. All funding decision processes should be transparent, inclusive, include conflict of interest policies, with criteria that are easily understood and communicated broadly to the Management Conference.