



July 12, 2022

TO: AHSS Executive Committee

FROM: Elizabeth McManus, LIO Coordinator, (206) 890-9286 | emcmanus@rossstrategic.com

SUBJECT: LIO Coordination Capacity for October 1, 2022 through September 30, 2025

It is time for the ***Executive Committee to make the yearly decisions about capacity support for AHSS for the contract period starting October 1, 2022. This year, PSP has asked LIOs to enter into 3-year contracts instead of 1 year contracts to reduce annual administrative burden.***

This memo provides background information on the capacity decision and a proposal for task and budget allocations for the Executive Committee's consideration. ***There are three decisions to make: (1) fiscal agent for the contract; (2) contract support/service provider; (3) budget allocation between contract tasks and work priorities.*** Each is described more fully below with options presented.

1. Fiscal Agent.

- The fiscal agent holds the contract between AHSS and the Puget Sound Partnership and is responsible for subcontracting to the service provider (current Ross Strategic) for LIO capacity support services.
- The fiscal agent can bill to the contract for their administrative costs; historically these billings have been low.
- Thurston County has always been the fiscal agent for the AHSS contract.
- ***Recommendation: Continue with Thurston County as the fiscal agent if they are willing to continue to serve.*** They have the experience and systems in place to manage to PSP's administrative requirements. Thurston County is the only county wholly within the geography served by AHSS.
- ***Other options:***
 - Another AHSS entity serves as fiscal agent. Historically there has not been huge interest from other entities. Other entities on the AHSS Executive Committee are: Mason County, Pierce County, Squaxin Island Tribe, Nisqually Tribe. Other entities that participate in AHSS include the Conservation Districts, the cities of Olympia and Tumwater, and some NGOs (e.g., DERT, Capital Land Trust). Research would be needed to assess interest and financial implications (e.g., what overhead or administration might be charged).
 - Develop a 501(c)3 organization to be the LIO and serve as a fiscal agent. This likely could not be completed in time for the contract year starting Oct. 1, 2022 but could be pursued for future years; when it has been considered in the past the decision has been that the investment was not worth it particularly given the challenges county and tribal governments might have in participating in a governing board for a 501(c)3. This could be reconsidered and researched if the Executive Committee wishes.
 - You also might decide that you do not wish to be a LIO anymore and forgo the capacity funding; that seems unlikely based on your past discussions, but it is always an option.
- This decision is not needed today, but will be needed relatively quickly (e.g., sometime in August).



2. Contractor Support.

- The contract between the fiscal agent and PSP is to provide funding for LIO coordination capacity support. Historically that support has been subcontracted by the fiscal agent to an external contractor, currently Ross Strategic.
- Ross Strategic is preparing this memo (as part of ongoing LIO capacity support), so will not make a recommendation on this point but rather lay out options. Ross Strategic would be happy to continue to serve as the contractor on this effort.
- **Options:**
 - Option 1: continue with current contractor support.
 - Option 2: do an RFP to see if there is other contractor interest and make a selection.
 - Option 3: bring the LIO coordination capacity “in house” to one of the AHSS participants and have them provide fiscal agent and coordination services.
- This decision is not needed today, but will be needed relatively quickly (e.g., by early September at the latest).

3. Budget Allocations Between Tasks and Optional Tasks.

- The total budget for LIO coordination capacity is \$125,000 per year for three years. (\$375,000 total.) This is the same budget as the last few years.
- The LIO coordination capacity scope of work is developed by the Puget Sound Partnership and is made up of four tasks that specify work required for funding (mandatory) and a fifth task that has a menu of subtasks you can select from.
- For the required tasks (1-4) you select a budget amount based on a specified range.
- For the task with a menu of subtasks (task 5) you select the subtasks you wish to carry out and then also select a funding amount from a specified range.
- Table 1, below, summarizes the 2022-2025 SOW required tasks and budget ranges and suggested budget allocations based on past years’ work. It also describes the subtasks that can be selected in task 5 and makes recommendations as to how to move forward.
- This is intended only as a starting place for your discussion; and alternatives are included in the table. The full contract information also is attached.
- ***Your decisions could (1) adjust the budget amounts for each required task within the specified range to provide more or less emphasis for certain tasks; and/or (2) adjust the budget amounts and/or selected work described in task 5, staying within the menu specified by the Puget Sound Partnership.***
- Selections need to be made for 2022-23; in future years you could continue with those selections moving forward or you will have a chance to make adjustments in year or in future years to select different allocations between tasks or different task 5 subtasks depending on shifting priorities.
- Shifting resources between tasks requires contract amendment. Shifting within a task does not.
- Our experience is that the tasks are sufficiently broad to accommodate a wide range of adaptive and shifting work priorities under the general themes (e.g., updating and adaptively managing the ERP can mean different things in different years, depending on emphasis).



Task	PSP Range	Proposal	Work Required & Past AHSS Priorities
1 – Facilitate and maintain the LIO	20-30k	30k	<p><u>Required work for funding:</u> LIO meetings, participation in LIO coordinator coordination tasks (monthly coordinator meetings with PSP and a number of coordinator workshops each year), support participation in PSP Boards, like the ECB, maintain LIO website, serve as a point of contact for the LIO.</p> <p><u>Past experience and moving forward:</u> The large budget allocation is to support multiple Council and Technical Team meetings and because participation in coordinator meetings is now monthly.</p>
2 – Advance 2022-26 Action Agenda; support 2026-30 AA update	25-35k	35k	<p><u>Required work for funding:</u> coordinate and catalyze implementation of the 2022-26 Action Agenda in the LIO geography, coordinate local contributions and content to adaptively manage the 2022-26 Action Agenda, support preliminary scoping for the 2026-30 Action Agenda.</p> <p><u>Past experience and moving forward:</u> Besides participation in the regional processes described above, in the past this is the task we have used to support identification project and suites of projects to put forward for funding. We would expect that type of work to continue here; the large proposed budget allocation is in recognition that there will be many new funding opportunities coming as part of the Bipartisan Infrastructure Law spending as well as state investments which we want to be prepared for.</p>
3 – Performance management	5-15k	5k	<p><u>Required work for funding:</u> Quarterly reports to PSP; support project sponsors receiving NEP funding with getting information on projects into Puget Sound Info.</p>
4 – Adaptive management and communication of ERP (the South Sound Strategy)	20-30k	25k	<p><u>Required work for funding:</u> Update and adaptively manage the local plan to best reflect local needs and priorities and show how local work helps to advance Puget Sound scale priorities; present information from local plan in format and level of detail that helps local and regional planners and decision makers see and present lines of work that are needed; provide LIO plan progress update to PSP; maintain Miradi files reflective of local plan; attend related Miradi workshops; review materials and provide input on Puget Sound Info platform.</p> <p><u>Past experience and moving forward:</u> In the past we have used this task to update ERP maps and related materials and to explore local target setting. We would expect that type of work to continue here; there also are opportunities to update the ERP to better incorporate new WRIA 13 and 14 freshwater strategies, Shore Friendly work, and the new water resources plans, as well as to better identify major projects or suites of projects to put forward for BIL and other new funding. This could include developing an integrated list of local priority projects to help inform collaboration and joint funding applications.</p>
5 – LIO choice tasks	NTE 70k	30k	<p><u>Past experience and moving forward:</u> Historically selections have emphasized moving as much funding as is allowed to local groups who doing Puget Sound recovery work, as well as on funding strategies, and on diversity, equity, and inclusion. This proposal continues the emphasis on direct funding and DEI. Work on funding strategies, including project lists and BIL funding strategies, is anticipated to be folded into task 2 and task 4 (described above). Integrating it with</p>



			<p>the required work under tasks 2 and 4 leverages the funding. <u>Alternatively</u>, you could reduce the budgets for task 2 and 4 and support funding strategy work under subtask 5.05 here.</p> <p><u>Recommended subtasks and rationale:</u></p> <ul style="list-style-type: none">• Subtask 5.03: catalyze implementation of high priority public engagement, awareness raising, behavior change, incentive, and/or compliance project and programs identified in the LIO ERP or the Action Agenda. Work with LIO committees to identify outreach and education activities aligned with both the LIO ERP and the 2022-26 Action Agenda and provide seeds funds of \$20,000 for these activities. (\$20,000 is the maximum allowed by PSP.)• Subtask 5.07: equity and environmental justice. Explore and implement ways of creating effective and meaningful participation in LIO activities and, where needed, provide stipends to representatives from marginalized or underrepresented community organizations or coalitions to enable them to participate in a substantive way as LIO members. This has been a high priority for the AHSS council, scoping work was begun this year and we would be able to continue and move it forward in future years. <p><u>Other options and rational for not recommending:</u></p> <ul style="list-style-type: none">• Subtask 5.01: participate in regional forums or coordinating groups; not suggested because other subtasks seemed to more directly benefit the South Sound, also capacity to bring benefits of this participation back to the full LIO or solicit engagement across the LIO to inform participation not funded.• Subtask 5.02: inform local decision makers of work of the LIO; not suggested because local elected officials already participate on AHSS executive committee.• Subtask 5.03 (non-seed money work): reactivate ecoNet; not suggested because they are already working together through South Sound Green. (Seed money part of this subtask is recommended, see above.)• Subtask 5.04: contribute to removal of policy or other barriers to implementation of the ERP; not suggested because the structured approach required is intense and little interest in pursuing this at Council level, also, because AHSS geography is large, barriers and strategies to overcome them might not be consistent across jurisdictions.• Subtask 5.05: pursue funding for 2022-26 Action Agenda implementation: could include sequenced list of project priorities, cost-benefit analysis of projects to show benefit to funders, strategic development of grant proposals or grant coordination, identify and target funding gaps, develop integrated funding strategy, work with PSP Bipartisan Infrastructure Law team. Not recommended because we believe this work can more efficiently be integrated into the required work of tasks 2 and 4 (above). Alternatively, you could reduce funding in task 2 and 4 and fund this type of work here.• Subtask 5.06: incorporate PSP planning tools such as structured decision making to improve and refine local planning; not suggested because these processes are very rigid, it is not clear what decisions or actions we'd apply them to, and it is unlikely we could get adequate participation across the LIO to make it worthwhile.• Subtask 5.07: equity and environmental justice (recommended, see above).
		125k	<p>Note: the fiscal agent will have administrative costs; those will be removed proportionally across the full budget at the task level. Meaning, the budget amount for each task will be reduced to cover fiscal agent administration.</p>