

3/14/97
Comments by 3/21

ECOSYSTEM ROUNDTABLE NEEDS ASSESSMENT
Needs Assessment Group Final Draft
March 11, 1997

On December 13, 1996, the Ecosystem Roundtable formed an ad-hoc needs assessment group¹ to assess the human, financial, and other resources that will be needed to accomplish the Roundtable's mission over the next 2-3 years. The purpose of the following "needs assessment" is to identify staffing and resource requirements in developing and funding near-term restoration programs from start to finish, i.e., from the development of priorities and actions plans through project selection, project implementation, and financial reporting. This paper identifies: 1) key Roundtable assumptions regarding the scope and duration of the needs identified in this document; 2) specific tasks and services to be provided; and 3) resource options and specific recommendations to address the specific tasks and services.

I. KEY ASSUMPTIONS

- A. The Ecosystem Roundtable is a stakeholder forum, advisory to the CALFED agencies, to fashion consensus and provide guidance regarding near-term ecosystem restoration priorities and expenditures. Final authority for decision making will continue to reside with the agencies currently possessing the relevant legal authority. The Roundtable is intended to be interim and supplanted by a variety of new institutional arrangements or new institution(s) as part of the CALFED long-term process. Accordingly, any needs identified here, as well as any solutions proposed will not be used to forestall or supplant the development or implementation of the long-term arrangements/institutions noted above.
- B. The purpose of this "needs assessment" is to identify the staffing and resource requirements of (1) the relevant federal and state agencies, (2) the CALFED Bay-Delta Program, and (3) the Roundtable itself in developing and funding near-term Bay-Delta restoration programs. The needs assessment should be oriented to the tasks that are required from start to finish, i.e., from planning the interim program through recommendations on specific activities for funding and financial management and reporting.
- C. It is assumed that the Roundtable and the CALFED agencies will conduct planning and program development that cuts across current legal mandates, taking a systemic view of Bay-Delta watershed ecosystem restoration programs. This has previously been described as the "virtual pool" concept. Part of this mandate is to aid in the coordination of programs with closely related purposes.
- D. Thus, the Roundtable assumes that it will be advising the CALFED agencies on the coordination of at least the following programs: (1) State, federal, and user-contributed funds under the Category III Program (portions of the CALFED Bay-Delta

¹ Workgroup members include Nat Bingham, Rich Golb, Cynthia Koehler, Jason Peltier, Tim Quinn, Allen Short, David Yardas, Bill Gaines, and Gary Bobker.

Ecosystem Restoration funds authorized by Proposition 204 and P.L. 104-333, Title XI²; (2) CVPIA Restoration Fund, (3) Four Pumps mitigation monies, (4) Tracy fish agreement mitigation monies, and (5) Proposition 204 funds under the Delta Levees, Delta Tributary Watersheds, River Parkways, and Sacramento Valley Water Management accounts. The Roundtable may also be called upon to provide advice and coordination with regard to other funding sources which can provide cost sharing on actions consistent with the CALFED Ecosystem Restoration Program Plan such as EPA 319 grants and NRCS Farm Bill programs. However, it is not assumed -- at this stage -- that any of the funds listed above will actually be consolidated so as to allow for the administration and management by a single fiscal entity. It is recognized that this could have significant benefits and is a future possibility.

- E. The Roundtable will act as a decision maker for projects funded by stakeholder Category III contributions. The Roundtable assumes that in the latter case CALFED must concur with the stakeholder funding decisions if credit is going to be provided against a stakeholders obligation to fund the long-term CALFED restoration program.
- F. The planning, project development, selection, implementation and financial functions required to carry out the Roundtable's mission will require certain types of expertise at various junctures in the process. Therefore, this needs assessment considers the full range of options to fulfill these needs, including: new or existing staff (either CALFED Bay-Delta Program, CALFED member agencies or the Roundtable itself), consultants, stakeholder technical representatives, or special outside experts.³
- G. A full range of restoration investments and programmatic activities will be considered for funding and support, including: projects, studies, regulatory programs, establishing endowment funds, establishing land trusts, land and water purchases, etc. While some of

² The Roundtable assumes that decisions regarding the expenditure of the \$60 million in the Bay-Delta Agreement Subaccount of Prop 204 will be made by the CALFED agencies with the advice and recommendations of the Roundtable pursuant to Article 78536.5 of that measure. The Roundtable assumes the same process will be employed regarding the allocation of any federal funds that become available under Title XI of P.L. 104-333 to the extent feasible in FY 1998. Accordingly, the Roundtable expects that the state will not attempt to allocate these funds without first consulting the Roundtable. This expectation is consistent with Lester Snow's announcement regarding the scope of Roundtable responsibilities at the November 8, 1996 Roundtable meeting and subsequent briefing materials.

³ At least several workgroup members feel that some degree of independent staff and/or consultant capability would be helpful in providing such advice. While it is understood that all decisions relating to these tasks and recommended resources to accomplish them will remain with CALFED, the Roundtable's Needs Assessment Workgroup expects CALFED to engage in an open dialogue with the Workgroup as it deliberates over choosing specific options.

the restrictions tied to specific funds will preclude some funds from being used for certain types of restoration investments, the Roundtable will proceed on the assumption that the virtual pool concept will allow it to match proposed ecosystem restoration activities to appropriate legal mandates and sources of funding.

- H. Strict conflict of interest practices will be adhered to during the project development and selection processes. Clearly, it would be inappropriate for any organization represented on the Roundtable or umbrella stakeholder team to benefit financially or in any other way through their advisory role on the Roundtable or their support role to the Roundtable, respectively.
- I. All significant work products (e.g., goals and objectives, limiting factors analysis, workplans, request for proposals, selection criteria, proposal review process, peer review process, recommendations) will be developed through a joint CALFED/ stakeholder effort.
- J. The Roundtable recognizes that there is a spectrum of options available for, and costs associated with, managing ecosystem restoration funds and expects that it will, in cooperation with the CALFED agencies, fully explore these options.
- K. It is assumed that all restoration investments for which the Roundtable will have an advisory or decision making role will include a monitoring component.
- L. It is the Roundtable's understanding the CALFED does not want to assume responsibility for managing existing stakeholder contributions to the Category III program (\$21.7 million) and the 38 approved Category III projects. The Roundtable, therefore, assumes that the Category III Steering Committee will retain responsibility for managing these activities. With regard to future stakeholder contributions to Category III, it is assumed that the Roundtable will inherit from the Category III Steering Committee the responsibility for determining an appropriate fiscal agent for the financial management of these funds.

II. OVERALL NEEDS SUMMARY

The following needs assessment sets forth staffing and resource requirements based on the types of tasks it is anticipated that the Roundtable, the CALFED agencies and the CALFED Bay-Delta Program will be required to undertake from start to finish to carry out the Roundtable's mission of developing and implementing a program of near-term restoration actions. Further it provides options and specific recommendations to fulfill these requirements.

A. Restoration Program Planning Tasks

Task A1: Establish Annual Program Goals and Objectives.

Task A2: Identify Limiting Factors.

Task A3: Develop an Annual Workplan to Address Identified Limiting Factors.

B. Restoration Program Implementation Tasks

Task B1: Develop a Grants Program.

B1(a) Project Selection Tasks

B1(b) Grants Management Tasks

Task B2: Develop a Program to Fund CALFED Agency Projects and Programs.

C. Adaptive Management Monitoring

Task C1: Establish Standards for Ascertaining Program/Project Success and Lessons Learned.

D. Financial Coordination and Reporting Tasks

Task D1: Comprehensive Reporting Mechanisms

Task D2: Evaluate Potential to Consolidate Available Funding Sources

III. OVERALL NEEDS ASSESSMENT

A. Restoration Program Planning Tasks

Program planning entails tasks that are primary policy and/or scientific in nature. Planning tasks and staffing/resource needs are divided into three categories below.

Task A1: Establish Annual Program Goals and Objectives. This task should be based on CALFED's ongoing work to develop its long-term restoration program (i.e., ERPP) and other relevant restoration programs (e.g., AFRP). Additional work will be needed to tailor these programmatic goals and objectives to annual program development.

Options:

- CALFED program staff
- Other agency staff
- Blue Ribbon Panel of outside experts
- Technical umbrella team
- Ecosystem Roundtable
- Mix of options

Discussion/Recommendations:

This annual task should not require significant time or resources since the point is to synthesize the goals and objectives of existing restoration programs and cull out priorities for immediate action. For the first year, this task was accomplished largely through interaction between CALFED and the Ecosystem Roundtable. In future years, it will be important to provide for stakeholder technical input which may result in

CALFED needing additional staff to facilitate a more inclusive process.

Task A2: Identify Limiting Factors. This task builds on goals and objectives identified in Task A1 to determine limiting factors affecting specific environmental resources. For example, given objective X, determine the potential factors creating/exacerbating the problem (e.g., insufficient habitat type, barriers to species migration, insufficient flows, over-harvesting, etc.).

Options:

- CALFED program staff
- Other agency staff
- Blue Ribbon Panel of outside experts
- Technical umbrella team
- Technical workshops (e.g., 1996 Spring-run Workshop)
- Consultants
- Mix of options

Discussion/Recommendations:

As above, this task is limited in scope and should not entail extensive staffing or resource requirements. Needs are probably limited to conducting a limited series of focused workshops to address specific technical questions. For the first year, this task is being accomplished through convening: 1) an "umbrella technical team" comprised of CALFED and agency and stakeholder technical experts with interest and knowledge of the broad Bay-Delta ecosystem; and 2) "focused geographical technical teams" comprised of umbrella team members and experts from specific geographic areas or experts on specific issues.

Task A3: Develop an Annual Workplan to Address Identified Limiting Factors. This Task calls for the development of a specific Annual Workplan or blueprint setting forth the types of activities that should occur over the planning period. It includes the development of a research agenda and an adaptive management program.

Options:

- CALFED program staff
- Other agency staff
- Blue Ribbon Panel of outside experts
- Technical umbrella team
- Ecosystem Roundtable
- Technical workshops (e.g., 1996 Spring-run Workshop)
- Consultants
- Mix of options

Discussion/Recommendations:

This task involves bringing together the information developed in the two tasks above in the form of recommendations for specific types of activities. It is recommended that CALFED program staff directly include the "umbrella technical team" in the preparation of this document. It also entails a significant policy component and should include significant stakeholder involvement. This Task is likely to be beyond the ability of the Roundtable itself or existing CALFED Program staff and could require some supplementation. This may result in CALFED needing additional staff to facilitate a more inclusive process.

B. Restoration Program Implementation Tasks

Program implementation entails less substantive policy and scientific expertise and a greater level of management and administrative capacity. A key consideration is ensuring that the implementation activities are consistent with the guidance of the Annual Workplan developed in Task A3. Specific tasks include: (1) development and selection of proposals to conduct specific activities delineated in the Annual Workplan; and (2) development of agency programs identified in the Annual Workplan.

Different staffing and resource requirements will be entailed depending upon how the Annual Workplan is implemented. For example, if the Annual Workplan relies heavily on agency action in the form of agency-directed projects or regulatory programs, less outside staffing will be required. To the extent that the Annual Workplan dictates a grants program as the major implementation route, substantial resources will be necessary to solicit, process and manage the grants.

Task B1: Develop a Grants Program. Some of the grants management tasks listed below should/could be performed by the Roundtable (or sub-groups) in conjunction with agency and CALFED Program staff, particularly those that are largely decisional or policy in nature (e.g., crafting project selection criteria). However, other tasks are likely to require specific grants management expertise and additional staffing beyond current capacity (e.g., contract administration). Following is a list of subtasks followed by specific recommendations:

Options:

- CALFED Program staff
- Other agency staff
- Technical umbrella team
- Ecosystem Roundtable
- Consultants
- Private, non-profit organization
- Mix of options

Subtasks B1(a) Project Selection Tasks:

Subtask (a1): Develop and administer an annual RFP process consistent with Action Plan.

Recommendation (a1): CALFED program staff, the Roundtable and possibly others with appropriate expertise.

Subtask (a2): Establish criteria to assist in the evaluation of project proposals.

Recommendation (a2): Criteria should be developed by CALFED program staff, the umbrella technical group, the Roundtable and possibly others.

Subtask (a3): Develop and implement a proposal review process based on the Annual Workplan and evaluation criteria, including recommendations for each proposal.

Recommendation (a3): This process should be developed by CALFED-program staff, the umbrella technical group, the Roundtable and possibly others.

Subtask (a4): Provide a peer review process for solicited projects.

Recommendation (a4): Impartial review of both project adequacy and feasibility will require the services of experts outside of the process. Criteria and guidance for peer reviewers should be developed by CALFED program staff, the umbrella technical group, the Roundtable and possibly others.

Subtask (a5): Evaluate and select final projects.

Recommendation (a5): The Roundtable will act in an advisory capacity to CALFED program staff for projects approved using federal and state funds and as a decision maker for projects funded by stakeholder contributions.

Subtask (a6): Identify and promote opportunities for cooperative (multi-source) project funding.

Recommendation (a6): While some Roundtable members and/or current CALFED program/agency staff could contribute, fulfillment of this task will probably require additional CALFED program staff and possibly others.

Subtasks B1(b) Grants Management:

Subtask (b1): Negotiate, oversee and administer contracts awarded.

Recommendation (b1): It is recommended that the full range of options be explored by a joint CALFED/Roundtable team for managing grant contracts for state and federal monies.

Subtask (b2): Receive, review and determine the adequacy of project deliverables, products and invoices.

Recommendation (b2): It is recommended that the full range of options be explored by a joint CALFED/Roundtable team for managing grant contracts for state and federal monies. The Roundtable, or a Roundtable subcommittee, and the CALFED agencies should review all significant work products and results.

Subtask (b3): Maintain detailed financial records on each grant awarded, address cost overruns, prepare annual (or quarterly) financial statements, and other aspects of contract management.

Recommendation (b3): It is recommended that the full range of options be explored by a joint CALFED/Roundtable team for managing grant contracts for state and federal monies. Financial records should be readily available for Roundtable review. Further, a Roundtable subcommittee should be convened to address cost overruns.

Subtask (b4): Ensure compliance with applicable state and federal reporting requirements.

Recommendation (b4): It is recommended that the full range of options be explored by a joint CALFED/Roundtable team for managing grant contracts for state and federal monies.

Task B2: Develop Agency Projects and Programs. This task involves development of agency restoration actions and programs responsive to the Annual Workplan (e.g., regulatory programs, agency restoration projects) to the extent that such activities are either not currently underway or are underway, but are in need of additional support.

Options:

- CALFED Program staff
- Other agency staff
- Technical umbrella team
- Ecosystem Roundtable
- Consultants
- Mix of options

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Agency Project / Program Management ?

Discussion/Recommendations:

Such activity would not result in a need for additional CALFED staff. In fact, contractual arrangements might be much simpler when funding CALFED agency projects. However, additional agency staff may be required. In any case, the Roundtable would expect to provide input and advice on program development and expenditures.

C. Adaptive Management Monitoring

Programmatic monitoring to determine overall program success will need to be funded and staffed separately through a combination of existing programs and new programs.

Task C1: Establish Standards for Ascertaining Program/Project Success and Lessons Learned. Standards should apply to all relevant activities whether part or a grant program, CALFED agency program, or other. This task appears to call for primarily biological proficiency (as opposed to policy or grants management expertise).

Options:

- CALFED program staff
- Other agency staff
- Blue Ribbon Panel of outside experts
- Technical umbrella team
- Mix of options

Discussion/Recommendations:

This task is limited in scope and should not entail extensive staffing or resource requirements. Needs are probably limited to conducting a focused workshop attended by appropriate entities with monitoring responsibilities, CALFED staff, and the technical umbrella team. The workshop would address whether the existing monitoring programs need to be augmented to collect and analyze data that could be used to determine the success of the restoration program. To the extent shortfalls occurred, specific funding proposals could then be prepared and considered by the Roundtable and CALFED.

D. Financial Management, Coordination and Reporting Tasks

A key principle that will guide Roundtable activities is ensuring that Bay/Delta watershed programs are integrated (See Subtask (a6)). Consistent with this integration principle is the need to develop comprehensive reporting mechanisms for Bay/Delta ecosystem investments.

Task D1: Comprehensive Reporting Mechanisms for Bay/Delta Ecosystem

Investments. This task involves gathering and synthesizing information, including funding data, about a large number of restoration programs being conducted under federal, state, CALFED, and stakeholder auspices. In addition, this effort would seek to develop consistent reporting formats across these programs. At a minimum it includes: preparing an annual financial and programmatic report on ecosystem investment activities under Proposition 204, H.R. 4236, and related authorities. The report would include information on amount of funds leveraged with matching funds, challenge grants, and all relevant private funding sources.

Options:

- CALFED program staff
- Other agency staff
- Blue Ribbon Panel of outside experts
- Ecosystem Roundtable
- Mix of options

Discussion/Recommendations:

This task could be probably be accomplished using existing CALFED program/agency staff since most of the programs are being implemented by CALFED agencies.

Task D2: Evaluate Potential to Consolidate Available Funding Sources: This task involves a joint CALFED agency/Roundtable sub-group to address the viability and timing of consolidating available funding sources for the purpose of facilitating financial management.

IV. OUTSTANDING ISSUES

A. Peer Review of the Underlying Ecological Programs (ERPP, AFRP)

The Roundtable starts from the assumption that it is not duplicating the work of other entities in developing the ecological basis of the programs that will provide the guidance for near-term spending priorities, primarily the CALFED Bay-Delta Program's ERPP and the CVPLA Anadromous Fish Restoration Plan, as well as others. Further discussion is required on whether, and to what extent, a more programmatic "peer review" of these key foundational programs is being provided for in these other contexts and what role, if any, the Roundtable process should have in such efforts.

B. Stakeholder Input on Policy Questions Beyond Roundtable Meetings

Clearly the task list above involves numerous policy as well as technical recommendations. We need to resolve the role that stakeholder representatives (both policy and technical) will play in the ongoing development of various work products, prior to formal Roundtable consideration. (For example, BDAC has established a series of sub-groups that includes stakeholders with policy expertise, including those who do not necessarily sit on BDAC itself, to work through tasks that are not appropriate for BDAC meetings or require more frequent meetings.)

C. Role of Outside Experts

In various places throughout, this document identifies the need for assistance from different types of outside expertise (e.g., academics, consultants, private non-profit trust or management organizations, etc.). Additional work is needed to clarify what, exactly, is needed in each such instance, who might be eligible and/or best qualified, etc.

D. Other

In the course of developing this document, it has become apparent that various evolving issues are likely to need attention from time to time which have not been thought through to date. These include, for example, potential interim "trust services," such as interim ownership of acquired land and/or acquired water resources. Other such issues may include appropriate reserve fund policies and dealing with unsolicited proposals as well as others.

program / policy development ?