

SENATE BILL REPORT

E2SHB 1374

As of March 23, 2007

Title: An act relating to the Puget Sound partnership.

Brief Description: Creating the Puget Sound partnership.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Uptegrove, Sump, Hunt, Appleton, Chase, Kenney, Simpson, Roberts, Dickerson, Conway and Springer; by request of Governor Gregoire).

Brief History: Passed House: 3/10/07, 78-19.

Committee Activity: Water, Energy & Telecommunications: 3/23/07.

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Staff: Sam Thompson (786-7413)

Background: The Puget Sound Action Team (PSAT) was created in 1996 to define, coordinate, and implement the state's agenda for restoring the environmental health of Puget Sound. PSAT develops a biennial work plan and budget, coordinates research and monitoring efforts, updates a Puget Sound management plan, and coordinates efforts of government entities.

The Puget Sound Partnership, a gubernatorial advisory body created in 2005, worked for a year to develop a new strategy to protect and restore the health of Puget Sound by the year 2020. Among other recommendations, the Partnership recommended creating a new, ongoing Puget Sound Partnership to actively manage that task.

Summary of Engrossed Second Substitute Bill: A new independent state agency, the Puget Sound Partnership (Partnership), is created to clean up and restore Puget Sound by the year 2020. The Partnership has several major components:

- the Action Agenda, stating the Partnership's goals and responsibilities;
- the Leadership Council (Council), which leads the Partnership;
- the Executive Director (Director), who administers the agency;
- the Coordination Board, a stakeholder group serving as the communication link between the Partnership and local entities; and
- the Science Advisory Council, a technical and scientific group that advises the Council and Director.

PSAT is abolished and most of its powers, duties, and functions are transferred to the Partnership.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

2020 Visions: The Council will develop a science-based Action Agenda to restore Puget Sound by 2020. The Action Agenda and its goals are based upon six visions:

- a healthy human population supported by a healthy Puget Sound that is not threatened by changes in the ecosystem;
- a quality of human life that is sustained by a functioning Puget Sound ecosystem;
- healthy and sustaining populations of native species in Puget Sound;
- a healthy Puget Sound where freshwater, estuary, nearshore, marine, and upland habitats are protected, restored, and sustained;
- an ecosystem that is supported by groundwater and river- and stream-flow levels sufficient to sustain people, fish, wildlife, and natural environmental functions; and
- fresh and marine waters and sediments of sufficient quality that waters in the region are safe for human uses and enjoyment and are not harmful to native species.

The Partnership will investigate regulations that hinder success and human activities involving removal of flora and fauna. Based upon its findings, the Partnership will recommend changes to the Governor and Legislature.

Action Agenda: The Action Agenda includes setting strategic goals, priorities, and measurable outcomes, identifying entities responsible for completing actions, establishing outcomes, and relying upon a sound science foundation. Water-quantity, watershed, and marine-resource plans will be integrated where appropriate. The Council must evaluate the effectiveness and efficiency of the overall management system.

State agencies implementing Action Agenda elements must biennially provide the Partnership with their cost estimates and work with the Partnership to develop biennial budget requests.

The Council must submit its funding request to the Governor and Legislature by September of each even-numbered year. Funding recommendations must identify funding needs by plan element and periods in which specific funding is needed. The Council must also develop a financing strategy to secure stable, long-term funding, including proposed new funding sources.

The Council must adopt the Action Agenda by September 1, 2008, and revise it every six years. Until the Action Agenda is adopted, the existing Puget Sound Management Plan and 2007-2009 Puget Sound biennial plan will remain in effect. The Puget Sound Management Plan will continue to serve as the Federal Clean Water Act comprehensive conservation and management plan until the Environmental Protection Agency approves the Action Agenda as the new management plan.

The Partnership will provide technical assistance to local entities; identify and prioritize environmental needs, gaps, and ways to narrow gaps; promote public education; and integrate local restoration efforts.

Leadership Council: The Council consists of seven voting members appointed by the Governor, with the advice and consent of the Senate, to four-year terms. Terms of initial appointments are staggered. The Council also has two non-voting members: the Commissioner of Public Lands and the chair of the Puget Sound Science Advisory Council.

The Council will provide leadership, have overall responsibility, and make final Partnership decisions. It will develop, approve, revise, and oversee Action Agenda implementation. It

will also allocate funds; enter into contracts; make grants; expend gifts, grants and endowments; and receive and expend funding from public agencies. Authority to administer Partnership programs and budgets resides with the Director.

The Council has many other authorities and duties, including:

- adopting procedural rules to carry out internal Partnership management;
- creating the Science Advisory Committee and approving most members of the Coordination Board; and
- creating entities to assist the Council.

The Council will become the new regional organization for Puget Sound salmon recovery. The Partnership will inherit all of PSAT's duties and functions, save one: PSAT's authority over the Shellfish On-site Sewage Grant Program, which is transferred to the Department of Health.

The Council's duties include developing a process to review and address citizen concerns with the Action Agenda; conforming to the 1989 Centennial Accord when working with Indian tribes; submitting funding recommendations to the Governor and Legislature; conducting internal reviews of Partnership effectiveness; and recommending statutory changes to improve effectiveness.

Executive Director: The Governor appoints the Director in consultation with the Council. The Director, who is accountable to the Governor and Council, administers operations, staff, Partnership programs, and the Partnership budget. The Director also prepares and updates the Action Agenda, enters into contracts and agreements with non-profit organizations, and promotes interagency and regional coordination.

Coordination Board: The Coordination Board, the Partnership's stakeholder entity, will be appointed by October 1, 2007. It will have 19 voting members and non-voting members from the Legislature and appropriate federal and state agencies. Voting members include representatives from each of 14 geographic salmon recovery areas, environmental and business communities, and tribal government. The Coordination Board serves as the communication and implementation link between the Partnership and local entities. It assists cities, counties, ports, tribes, watershed groups, and other governmental and private organizations; disseminates regional and basin-wide plans devised or approved by the Partnership to these groups; identifies local entities' capabilities, financial limitations, and regulatory barriers; and communicates this information to the Council and Director.

Science Advisory Committee: The Science Advisory Committee advises and assists the Council and Director in developing and revising the Action Agenda and by developing a strategic science program. The Science Advisory Committee also develops a biennial science work plan and Puget Sound science update. It may collaborate and consult with other scientists.

The Science Advisory Committee will be created by November 1, 2007. It will consist of nine members representative of technical and scientific disciplines. Members are nominated by federal and state agencies, members of the science-education community, business and environmental communities, and the Coordination Board. Members are appointed by the Council after a vetting process.

Local Government Partners: Local governmental entities that support and help implement the Action Agenda are considered Puget Sound Partners. These local governments are entitled to preferences under grant-loan programs, including the Public Works Trust Fund and Water Quality Account. Grant preferences only apply to Puget Sound Partners as compared to other local governments eligible for inclusion as Puget Sound Partners. A Puget Sound Partner will not receive preference over a local government not located in the Puget Sound basin.

Funding Conditions: Any funding made directly available from the Partnership to another entity must be prioritized according to the Action Agenda and conditioned with interagency agreements to ensure that the funding is used consistently with the Action Agenda. If funding is provided to an entity that is not required to disclose information under the state's Public Disclosure Act, that entity must contractually agree to disclose information.

Funding made available directly to an agency other than the Partnership, via a budget proviso in the Omnibus Appropriations Act, may be conditioned in an interagency agreement only if the funding is identified for Action Agenda implementation and specifically mentions the Partnership. The Partnership may only play an oversight role for other funds provided to state agencies. This oversight role includes the duty to report to the Governor and to the Legislature as to whether funds were used consistently with the Action Agenda.

State of the Sound Report: The Partnership will submit a progress and recommendation report to the Governor and Legislature in January 2009 and every two years thereafter. The report will:

- assess participating entities' progress and compliance with funding terms;
- recommend needed statutory changes;
- identify and review Partnership and select Puget Sound-related agency funds; and
- recommend ways to better match future funds to needs.

Strategic Science Program: The Science Advisory Committee will develop, and the Council will adopt, a strategic science program, which may include an assessment and monitoring program, with baselines, protocols, guidelines, and quantifiable measures.

Puget Sound Science Update: The Science Advisory Committee will develop a Puget Sound science update by April 2010, with subsequent updates as needed. The update will describe current scientific understanding and serve as the scientific basis for selecting indicators measuring the health of Puget Sound, and for status and trends of those indicators within the ecosystem framework.

Biennial Science Work Plan: The Science Advisory Committee will develop, and the Council will adopt, a biennial science work plan that:

- identifies science and technical recommendations;
- describes existing science-related activities being conducted by regional entities;
- identifies gaps and necessary actions to fill gaps;
- specifies work for the next biennium; and
- recommends improvement to on-going science work.

Biennial Funding Request: The Council will submit its funding recommendations for the Action Agenda to the Governor and Legislature. The initial submittal is due by September 1, 2008, and subsequent submittals by September 1 every even-numbered year thereafter.

Basin-Wide Restoration Assessment: Upon request by the Director, the Washington Academy of Sciences will assess the extent to which implementation of the Action Agenda has made progress toward Action Agenda goals. The Partnership will use the assessment as a basis to change the Action Agenda, environmental indicators, and budget requests to the Governor and Legislature.

Performance Audit: The Joint Legislative Audit and Review Committee will audit the Partnership in 2011 and 2016. The audit will determine the extent to which Partnership provided funds contribute to overall restoration success, and the efficiency of the Partnership structure. Audits will be submitted to the Governor and Legislature for review.

Puget Sound Recovery Account: The Puget Sound recovery account is created in the State Treasury for deposit of monies appropriated to the Partnership for plan implementation activities. Financial assistance received by the Partnership from nonstate sources may be deposited into the account. Monies in the account may be spent only after appropriation. Expenditures from the account may be used only to implement the Action Agenda.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.