

**CBP Enhance Partnering, Leadership and Management Goal Implementation Team**  
**Budget & Finance Workgroup**  
**Meeting Minutes**

**Date:** October 20, 2016  
**Time:** 1:00pm – 3:00pm  
**Location:** CBPO, Room 305A  
**Call-in:** 866-299-3188  
**Code:** 410-267-5731

**Meeting Website:** <http://www.chesapeakebay.net/calendar/event/23872/>  
**Adobe Connect Link:** <https://epawebconferencing.acms.com/budgetfinancewg/>



**Members In Attendance:**

Greg Allen, EPA	Amy Handen, NPS
Kate Baker, Chesapeake Conservancy	<b>Nicki Kasi, PA DEP</b>
<b>Greg Barranco, EPA</b>	Nicole Lehmer, CRC
<b>Russ Baxter, VA Office of Natural Resources</b>	Paul Marchetti, PA IIA Pennvest
Jamie Baxter, Chesapeake Bay Funders Network	<b>Dan Nees, UMD Environmental Finance Center, Chair</b>
<b>Sheila Besse, DC DOEE</b>	Jake Reilly, NFWF
<b>Jessica Blackburn, Alliance/CAC</b>	<b>Kristin Saunders, UMCES</b>
<b>Dr. Elliott Campbell, MD DNR</b>	<b>Julie Winters, EPA, Coordinator</b>
<b>Jana Davis, Chesapeake Bay Trust</b>	<b>Rebecca Hindin, EPA (guest)</b>
Sarah Diebel, DoD	
<b>Jim Edward, EPA, Vice-Chair</b>	
<b>Emily Freeman, CRC</b>	

<b>Agenda Item, Discussion Lead and Desired Outcome</b>	<b>Time</b>	<b>Materials, Notes, and <a href="#">Action Items</a></b>
<b>Introductions</b> (Discussion Lead: Dan Nees) <i>A recap of action items from previous meeting, including progress made and next steps.</i>	1:00-1:10	<b>Summary of Action Items from September 2016 Meeting:</b> <ul style="list-style-type: none"> <li><b>ACTION:</b> Add the “overarching recommendation” of establishing a Finance Advisory Board to the Symposium one-pager. (<i>Jim Edward</i>) <b>Complete.</b></li> <li><b>ACTION:</b> Form small team with workgroup members and set meetings to develop workplans and timeframes in the “EFC Report Response Next Steps” process. (<i>Jim Edward, Julie Winters, Emily Freeman, Greg Allen, Elliot Campbell, Lisa Wainger, Diane Davis, Russ Baxter; and will solicit for other members</i>). <b>In Progress.</b></li> <li><b>ACTION:</b> Draft a funding communication product/newsletter and bring back to workgroup. (<i>Emily Freeman, Greg Allen</i>) <b>Not started.</b></li> </ul>

		<ul style="list-style-type: none"> <li>• <b>ACTION:</b> The workplan small group will expand the process to define each item in 2.B.i-iii in the 2016-2017 workplan, and present to the workgroup at the October meeting. Workgroup Chair will reach out to members to form a small group. (Dan Nees) <i>In progress.</i></li> </ul>
<b>Environmental Finance Symposium Report Response</b> (Discussion Lead: Jim Edward) <i>Review response letter to EFC; small group “Charge” and membership; and proposed path forward. These topics will be reviewed by the Management Board on October 13, 2016, and will be presented to the Principal’s Staff Committee on October 26, 2016.</i>	1:10 – 1:40	<p><b>Materials:</b></p> <ul style="list-style-type: none"> <li>• Charge to Environmental Finance Symposium Report Action Team</li> <li>• EFC Report Recommendations Matrix (Draft) (Mary Gattis, LGAC)</li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• Presented at GIT6 meeting on October 18, 2016             <ul style="list-style-type: none"> <li>○ At request of GIT6 members, language was added to the Charge that the Action Team will seek input on priorities from the PSC</li> </ul> </li> <li>• Presenting to PSC on October 26, and asking for feedback on prioritization of recommendations</li> <li>• We did not come to consensus on the placement of #6 at the September 28, 2016 B&amp;FWG meeting             <ul style="list-style-type: none"> <li>○ “Identify work being done by the CBP...”</li> </ul> </li> <li>• Much of this work will probably be done simultaneously</li> <li>• Nicki Kasi (NK): How does the prioritization in #4 connect to the prioritization that the PSC does?             <ul style="list-style-type: none"> <li>○ Jim Edward (JE): #4 is focused less on overall priorities, and more on which items to act on first so that other responses can build on them                 <ul style="list-style-type: none"> <li>▪ It’s the logic to the order in which we address recommendations, versus overall priorities for the Program</li> </ul> </li> </ul> </li> <li>• Picking priorities before initial analyses are completed has some associated risk             <ul style="list-style-type: none"> <li>○ Don’t want to throw recommendations out before analyzing</li> </ul> </li> <li>• The Action Team will go through analysis for all recommendation, while taking PSC priorities into account</li> <li>• JE: PA Principal, LGAC Principal, and Commission Principal will be briefed and come to Oct. 26 PSC meeting with understanding of recommendations and ready to discuss</li> <li>• Elliott Campbell (EC): No insight on whether MD Principal has been briefed, but both DNR and MDE are very interested in this topic             <ul style="list-style-type: none"> <li>○ MD has a list of action items for the State that can be shared with the workgroup</li> </ul> </li> <li>• Russ: Critical to identify the most important recommendations that should be implemented collectively, and which could happen state-by-state</li> <li>• NK: This Action Team should be focused so they are using their time most</li> </ul>

		<p>efficiently to benefit everyone and move the appropriate recommendations forward</p> <ul style="list-style-type: none"> <li>• JE: What about Paul Marchetti for PA for the Action Team? <ul style="list-style-type: none"> <li>○ NK: That was one of our thoughts, and I’m currently talking to Dana Aunkst with how best to do this.</li> </ul> </li> <li>• Jessica Blackburn (JB): At this time, I don’t believe CAC wants to appoint a member to the Action Team, but I will follow up with a final answer</li> <li>• Julie Winters (JW): I really like this matrix. It might be important moving forward in capturing who (jurisdictions, Advisory Committees, etc.) thinks which recommendations are most important <ul style="list-style-type: none"> <li>○ Ex. EPA may not prioritize the same as LGAC <ul style="list-style-type: none"> <li>▪ The context of who this is a priority for may become important down the road</li> </ul> </li> </ul> </li> <li>• Still looking for a Chair for the Action Team</li> <li>• <b>ACTION:</b> Distribute Maryland’s list of action items for the Environmental Finance Symposium recommendations to workgroup members (<i>Elliott Campbell</i>). <i>In progress</i>. Update (10/24/16): MD Action Items cannot be shared at this time, as they are part of a report being reviewed by the State House before delivery to the General Assembly. The report will likely be released in December 2016, at which time the Budget and Finance Workgroup will be able to review the action items.</li> <li>• <b>ACTION:</b> Revise language in the Oct. 26 PSC agenda to characterize the “ask” of PSC members in terms of which recommendations they see as priority, and the corresponding implementation scales/responsible parties (<i>Greg Barranco</i>).</li> </ul>
<p><b>Workplan Development</b> (Discussion Lead: Dan Nees, Julie Winters)</p> <p><i>Review the drafted guidance in items 2.b.i-iii of the 2016-2017 workplan, and expand if necessary. Use this guidance to begin developing a process to identify topics that the workgroup would like to be engaged in, both internally and externally.</i></p>	<p>1:40 – 2:30</p>	<p><b>Materials:</b></p> <ul style="list-style-type: none"> <li>• 2016-2017 Budget and Finance Workgroup Workplan (Draft)</li> </ul> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• The Charge and the Work Plan should feed off of each other</li> <li>• Dan Nees (DN): I need clarification on what our goals are; whom we report to for internal/external work; and what product(s) are we responsible for delivering?</li> <li>• JE: For the past 2 years, GIT6 had an ad hoc group pull the GIT Funding together. In FY2017, the B&amp;FWG will be responsible for the process</li> <li>• Kristin Saunders (KS): The workgroup also brings a broad view of the suite of opportunities to get certain things funded <ul style="list-style-type: none"> <li>○ Look at whether it makes sense to fund things with GIT Funding; a different pot of \$’ or a different arm of the Partnership that has resources</li> </ul> </li> </ul>

		<p>to get the work done</p> <ul style="list-style-type: none"> <li>• JW: In addition, I would like to eventually see detail incorporated about what Teams look at in regard to goals of the Program, actions to meet those goals, and how it is financed (as part of the overall Strategy Review System [SRS]) <ul style="list-style-type: none"> <li>○ Are we spending \$ on the most important actions that will move the bar toward our goal(s)? <ul style="list-style-type: none"> <li>▪ Not all current and previously funded projects seem to work on “moving the bar”</li> </ul> </li> </ul> </li> <li>• DN: I would be pleased if, on the internal side, there was a layer of finance and funding that ingrained itself into the SRS process</li> <li>• The workgroup’s external influence could be evaluating whether or not the products we are sending out of the Program are working efficiently</li> <li>• DN: Where we have the most interpretation and need for clarification is in 2b.</li> <li>• JW: For <b>1.a.i-iii</b>, we need to start developing a process now, in order to know what will the work will look like down the road <ul style="list-style-type: none"> <li>○ Jana Davis (JD): Workgroup should start talking about process in January 2017, with a process down by March 1, 2017 <ul style="list-style-type: none"> <li>▪ Screening for redundancies is part of CBT’s responsibility and should be built into the process <ul style="list-style-type: none"> <li>▫ CBT is open to being responsible for that task, with Workgroup guidance</li> </ul> </li> </ul> </li> </ul> </li> <li>• JW: (example) through the new strategy review system (SRS), topics being discussed are not separated by GIT <ul style="list-style-type: none"> <li>○ All people who might have similar issues will have the chance to talk about projects in a new context that can be built into the tasks of the SRS <ul style="list-style-type: none"> <li>▪ This is one way we can screen for redundancies and identify gaps</li> </ul> </li> <li>○ KS: You can also build questions in to meeting templates that relate specifically to redundancy, finance, and funding <ul style="list-style-type: none"> <li>▪ But in beginning stages, also keep it a separate topic of conversation</li> </ul> </li> </ul> </li> <li>• <b>3.a</b> → Are we still looking to identify opportunities, or is this specific to CBARA?</li> <li>• A standard template (CBARA) could tie funding to particular outcomes in the Bay agreement <ul style="list-style-type: none"> <li>○ Is this useful for jurisdictions and the overall Program?</li> <li>○ If Staying with a “lump sum” is easier, is there value in breaking a template down into \$ toward specific outcomes?</li> </ul> </li> <li>• A plan has to precede <b>3a</b>. – should be initiated Feb. 1, 2017 <ul style="list-style-type: none"> <li>○ Submit a proposal to OMB May 1, 2017 <ul style="list-style-type: none"> <li>▪ Has to go through B&amp;FWG, GIT6, &amp; MB before submittal to OMB</li> </ul> </li> </ul> </li> </ul>
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		<p>a model</p> <ul style="list-style-type: none"> <li>• <b>2.b.ii</b> is for the initial meeting with teams <ul style="list-style-type: none"> <li>○ <b>2.b.iii</b> is once issues are known and it is clear who we should be bringing in</li> </ul> </li> <li>• Finance experts may come to meet with the B&amp;FWG workgroup, and the workgroup can disseminate information to GITs</li> <li>• <b>ACTION:</b> Draft 3-5 paragraphs as a template for meeting with GITs/workgroups to discuss finance in the work they are currently doing (<i>Dan Nees</i>).</li> </ul>
<p><b>Updates and Announcements</b></p> <ol style="list-style-type: none"> <li>1. Final EFC Report on financial incentives for conservation on agricultural lands</li> <li>2. CBARA OMB Budget Report to Congress analysis</li> </ol>	2:30 – 2:50	<p><b>Materials</b></p> <ul style="list-style-type: none"> <li>• Financial Incentives for Water Quality Protection and Restoration on Agricultural Lands in Pennsylvania</li> </ul> <p><b>Notes:</b></p> <p><b>Financial Incentives for Ag. Lands in PA</b></p> <ul style="list-style-type: none"> <li>• Focused in on PA because EFC had a parallel project on financing strategy</li> <li>• Where can investments be made to create best financial incentives for moving landowners and producers to better water quality practices? <ul style="list-style-type: none"> <li>○ Voluntary financing incentives; not regulatory</li> </ul> </li> <li>• Looked at subsidy programs; tax programs (most effective and efficient) <ul style="list-style-type: none"> <li>○ Big incentives for businesses to get total tax rate down</li> </ul> </li> <li>• Also looked at more market-based programs, e.g. non-regulated</li> <li>• Meant to provide framework for where resources could go, and have better understanding of what incentivizes land owners and operators to make change</li> <li>• One idea was to put a loan program in place to lend farmers money for anything in their operation for below market interest rates <ul style="list-style-type: none"> <li>○ Provided they put conservation practices in place and keep them there (if they remove them, interest rates go up) <ul style="list-style-type: none"> <li>▪ Figuring out how to integrate conservation into the business of farming</li> </ul> </li> </ul> </li> </ul> <p><b>CBRA OMB Report to Congress</b></p> <ul style="list-style-type: none"> <li>• Report is still in OMB</li> <li>• Templates will likely not be used by OMB, they will just take the “rolled up” numbers that States submit <ul style="list-style-type: none"> <li>○ Templates would be more for jurisdictional, Program use</li> </ul> </li> </ul>
<p><b>Action Items, Wrap-up, Next Steps</b> (Discussion Lead: Dan Nees, Emily Freeman)</p> <p><i>A review of next steps, actions items and decisions.</i></p>	2:50 – 3:00	<ul style="list-style-type: none"> <li>• <b>Next Meeting:</b> November 16, 1-3 pm</li> <li>• <b>ACTION:</b> Distribute Maryland’s list of action items for the Environmental Finance Symposium recommendations to workgroup members (<i>Elliott Campbell</i>). <b>In progress.</b> Update (10/24/16): MD Action Items cannot be shared at this time, as they are part of a report being reviewed by the State House</li> </ul>

		<p><i>before delivery to the General Assembly. The report will likely be released in December 2016, at which time the Budget and Finance Workgroup will be able to review the action items.</i></p> <ul style="list-style-type: none"> <li>• <b>ACTION:</b> Revise language in the Oct. 26 PSC agenda to characterize the “ask” of PSC members in terms of which recommendations they see as priority, and the corresponding implementation scales/responsible parties (<i>Greg Barranco</i>). <i>Complete.</i></li> <li>• <b>ACTION:</b> Draft 3-5 paragraphs as a template for meeting with GITs/workgroups to discuss finance in the work they are currently doing (<i>Dan Nees</i>).</li> </ul>
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