October 4, 2011,

From: John T Woeste  
Chair, National Sea Grant Advisory Board  

To: Leon Cammen  
Director, National Sea Grant College Program  

Re: Recommended Allocation Principles and Framework  

As requested in your letter dated March 2011 to the National Sea Grant Advisory Board for a strategy to maintain a viable national Sea Grant program, the Board unanimously recommends the following allocation principles and framework.

The principles are:
- Maintain the national network
- Preserve Sea Grant Model
- Funding to State Programs:
  - Need-driven
  - Competitive
  - Merit-based
  - Stable funding to manage program
  - Institutionalizes regional research
  - Program Director retains discretion within program, helps set regional priorities
- Funding for National Programs:
  - National Strategic Investments: competitively available to programs
  - Fund a functional national office
- Phase in new policy
  - Not to exceed two 4-yr planning cycles (8yrs)
  - Adhere to statutory limit of 15% per state.

Building upon these principles, the Board recommends the following framework:
- State (75% Federal Funds)
  - Base to program (50% Federal Funds)
    - Administration/Extension/Education/Communication/ Research
    - Fair and equitable needs-based distribution of funds to state programs
  - Regional Competitive Research (15% Federal Funds)
    - Regionally funded NSIs; competitive among states
    - Total funding determined by need-based allocation to the states.
  - Merit Pool (10% Federal Funds)
- Administration/Extension/Education/Communication/ Research
  - Competitive
  - Performance based
    - Total state budgets should strive for 40-60% research
- National (25% Federal Funds)
  - Competitive National Programs
    - Fellowships
    - National Strategic Investments
  - National Sea Grant Office-
    Program leadership, evaluation, and accountability

The Board recommends continued use of the Board as you develop a detailed allocation policy for the future.