



STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

March 2008

**Item #15: Proposed Changes to Policy on Allocating
Uncommitted National Recreational Trails Program
(NRTP) Funds**

Prepared By: Jim Fox, Special Assistant to the Director
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Presented By: Jim Fox, Special Assistant to the Director

**Approved by the
Director:**

Proposed Action: Decision

Summary

This memo proposes policy changes to the Recreation and Conservation Funding Board's (Board) National Recreational Trails Program (NRTP). If adopted, these policies would change the process used to assign projects to the program's five categories and reduce the amount of unobligated funds carried over to future grant cycles.

Staff Recommendation

The Board directed staff to propose a process for moving qualified but unfunded NRTP projects to a category(ies) with excess funds¹. Doing so would address the challenge the Board has had in meeting NRTP's minimum fund allocation requirements in the program's two motorized categories,² and should help ensure the use of funds in a timely manner. Staff has developed a proposal that recommends that the Board

¹ Excess (unobligated) funds are those that sometimes remain in a category after all projects that applied for grants in that category have been funded. Excess funds also occur when funds that were obligated to a project in a previous grant cycle are no longer needed. Such "returned" excess funds occur when a sponsor either cannot complete a project or completes it under budget.

² For example, requests for *motorized assured access* dollars have been below the minimum in seven of the last nine years, missing the 30 percent minimum by an average of about \$100,000 per year. In the same period, requests for *nonmotorized assured access* dollars exceeded the minimum by an average of about \$500,000 per year.



consider moving funded projects from categories with unfunded projects to category(ies) with excess funds. Doing so would move funds to partly-funded or unfunded alternates. Resolution 2008-016 is provided for Board consideration.

Background

NRTP is a federally-funded grant program in which the law requires the bulk of the appropriation to be distributed among five categories that are subsequently combined into three categories (Attachment A). Each category must receive a minimum percentage of available funds.

When an NRTP application arrives, Recreation and Conservation Office (RCO) staff uses a decision tree (Attachment B) to place the project in the category that is (1) most appropriate to federal rules and (2) provides the best chance for project funding. In accord with federal law, unused funds in any category are carried forward to the same category in the next grant cycle. RCO staff has developed the following proposal to minimize the carryover by moving eligible projects into categories with excess funds.

The same evaluation criteria, scoring system, and evaluation team are used for all projects, except education projects, regardless of category. Therefore, the evaluation scores can be used to compare projects across categories.

RCO staff proposes the following process for moving qualified projects to categories with excess funding:

1. As applications arrive, staff will use the decision tree to determine which category is the best fit for the project and would give it the highest likelihood of success. At that time, staff also will determine if there are other categories in which the project would be eligible.
2. After projects are evaluated, but before the Board meeting when grants are awarded, staff will identify the highest scoring partly-funded or unfunded project and determine whether it could be funded by shifting it (or a funded project higher on the list) to a category with excess funds. Staff would recommend that the Board shift the project if:
 - The project to be shifted is eligible for placement in that category.
 - There are enough excess funds for the project in that category.
 - The category change does not affect an education project(s).³
3. The process would be repeated, in order of project scores, until the excess funds are exhausted or there are no more projects eligible for a move.

³ This criterion is based on past strong support for education projects by the Board and NRTP advisory committee. By federal rule, no more than 5 percent of a NRTP funds may be allocated to education projects.

4. If there are unobligated funds remaining, they will be carried forward to the same category in the next grant cycle.

Analysis

Advantages	Disadvantages
Helps ensure that unobligated funds are used in a timely manner and not carried over to future years.	Because excess funds usually occur in the motorized categories, projects with minor motorized components might be moved into these categories. Doing so could reduce funds that would otherwise be available to motorized projects in future years.
The priority for funding a partly-funded or unfunded project is based on evaluation team scores.	

Staff sought public input on the proposal. Comments were generally, if cautiously, positive, and are shown in Attachment C.

Next Steps

If the Board approves the resolution, RCO staff will implement the proposal for the NRTP's 2008 grants cycle.

Attachments

Resolution #2008-016

- A. NRTP Fund Distribution Requirements
- B. NRTP Category Decision Tree
- C. Public Comments on the Proposed Policy

RESOLUTION #2008-016
POLICY FOR ALLOCATING UNCOMMITTED
NATIONAL RECREATIONAL TRAILS PROGRAM (NRTP) FUNDS

WHEREAS, the Recreation and Conservation Funding Board (Board) is sometimes challenged in meeting the minimum federal fund allocation percentage requirements for National Recreational Trails Program (NRTP) grant categories; and

WHEREAS, there may not be enough applications submitted to one or more NRTP categories to make use of available funding in those categories; and

WHEREAS, the Board wants to allocate NRTP funds to eligible projects in a timely manner; and

WHEREAS, the RCO staff has developed the process described in the memorandum attached hereto that should reduce the amount of unobligated funds carried over to future grant cycles; and

WHEREAS, establishing such a process would further the Board's strategic goal to "[e]nsure funded projects and programs are managed efficiently"; and

WHEREAS, the RCO staff has solicited and considered public comment on this process;

NOW, THEREFORE BE IT RESOLVED, that the Board does hereby direct its staff to implement in the 2008 NRTP grant cycle the process described in the memorandum attached hereto.

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: March 27, 2008

Attachment A

**Excerpt from Policy Manual 16
 National Recreational Trails Program
 Fund Distribution Requirements**

Federal legislation [23 U.S.C. 206, (d)(3)(A)] requires that not less than:

- ▶ 40 percent of this program’s funds be used for diverse recreational trail use
- ▶ 30 percent for motorized recreation
- ▶ 30 percent for nonmotorized recreation.

“Diverse” means use that combines recreational trail activity within a trail corridor, trail side, or trailhead. The 40 percent “diverse” rule may *not* be waived and must involve:

- ▶ More than one motorized trail activity (MMUse), or
- ▶ More than one nonmotorized trail activity (NMSUse), or
- ▶ A combination of compatible nonmotorized and motorized trail activities.

The 40-30-30 requirement applies to funds apportioned (not obligated) each fiscal year and includes development, maintenance, and education projects. The 30 percent motorized–nonmotorized rules *may not* be waived (in whole or part). Funds are carried over to the next grants cycle if insufficient eligible projects are received.

The following table summarizes this requirement:

“DIVERSIFIED” MUST = AT LEAST 40%				
NMSUSE 1	NMMUSE 2	COMPATIBLE USE 3	MMUSE 4	MSUSE 5
“ASSURED ACCESS” MUST BE AT LEAST 30%			“ASSURED ACCESS” MUST BE AT LEAST 30%	

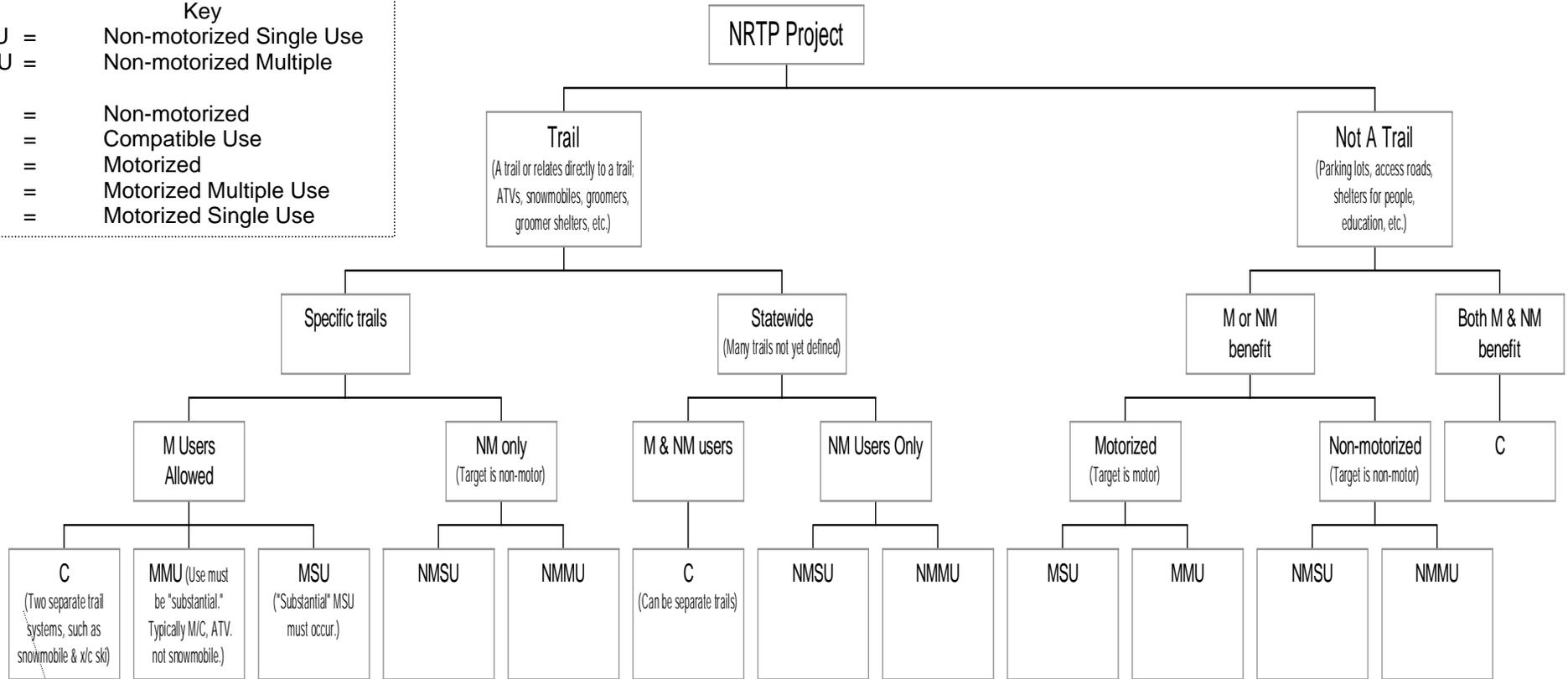
NMSUSE = NONMOTORIZED SINGLE USE
 NMMUSE = NONMOTORIZED MULTIPLE USE

MMUSE = MOTORIZED MULTIPLE USE
 MSUSE = MOTORIZED SINGLE USE

Note that it is possible to exceed the minimum percentage requirements: a diverse motorized project (such as snowmobile and trail motorcycle) may satisfy the 40 percent diverse use requirement and the 30 percent motorized use requirement simultaneously. The same applies for nonmotorized use.

Attachment B: NRTP Category Decision Tree

Key	
NMSU =	Non-motorized Single Use
NMMU =	Non-motorized Multiple Use
NM	Non-motorized
C	Compatible Use
M	Motorized
MMU =	Motorized Multiple Use
MSU =	Motorized Single Use



NRTP Manual 16: "...projects are... motorized multiple-use or motorized single use if the application shows the amount of approved motorized use on a trail to be more than incidental. In addition, at least one of the following criteria must be met: (1) If an education project, it must target motorized use or (2) if a trail project, the manager must have certified it as having a motorized primary management objective (see definition, page 20) or if a trail project, it must be open to motor vehicles *and* include features clearly designed to accommodate recreational motorized trail vehicles (climbing turns, tread hardening, groomed paths, ORV/snowmobile-related signs, loading ramps, etc.)."

Attachment C: Public Comments on the Proposed Fund Allocation Policies, National Recreational Trails Program (NRTP)

On February 20, 2008, Recreation and Conservation Office staff contacted approximately 1,000 addresses with the following message.

The Recreation and Conservation Funding Board (RCFB) would like to hear your comments about changes it is considering for NRTP. The proposal would change the process used to assign projects to the program's five categories.

This change is proposed because, in many years, it has been a challenge to meet NRTP's minimum fund allocation requirements. This means that funds often must be carried to the next year, rather than put to use on current proposals. To help address this, RCFB is considering a process for moving qualified unfunded projects to a category that has sufficient funds.

This table summarizes the comments received.

NRTP Fund Allocation Policy Change ~ Public Comments	
	Comment
1. John Spring, NRTP Advisory Committee, 2/20/08	<p>At first reading the proposed changes make sense and probably should be implemented. My only concern is the blending of projects and motorized or non-motorized does not get a chance to develop their sport.</p> <p>As outlined non-motorized projects would more than likely benefit by this change, but it could go the other way just as easily some day.</p> <p>I guess bottom-line is I would agree with this change. Seeing unused funds drives me crazy personally because I know every penny could be used and used well if agencies and organizations would simply apply for it and the more that apply helps keep the "bad" projects from getting funded through the competitive process.</p>
2. James Horan, State Parks, 2/20/08	<p>1] Pretty innovative – I like it.</p> <p>2] By moving a qualified unfunded project to a category with excess funds along with the unfunded project's score, can this have the effect of moving a project in the excess funds category below the line, if, for example, the qualified unfunded project has a higher score than a project in the excess funds category? Or, do you assure all projects originally in the excess funds category get funded and the qualified unfunded project(s) are ranked only against each other?</p>
3. Rick Hood, State Trails Coalition and past NRTP advisory committee member, 2/21/08	I have read the proposed program changes and fully support such.
4. Tom Windsor, NRTP Advisory Committee, 2/21/08	I support this initiative. However, I believe that RCFO should also explore ways to get motorized recreation organizations more involved in requesting grants.
5. Ron Ingram,	I am in favor of the proposal. I think it is a great idea.

NRTP Fund Allocation Policy Change ~ Public Comments	
	Comment
NRTP Advisory Committee, 2/21/08	
6. Reed Waite, Washington Water Trails Assoc., 2/22/08	<p>First, the intent of the changes, to maximize the amount of money going to trails in Washington state each year, is admirable. It would be easy to carry over unused motorized funds. RCO is to be commended for exploring ways to stay within the federal guidelines and to look at the entire picture to achieve the best results for all.</p> <p>Second, my only concern is the terminology utilized in the [draft] NRTP Category Decision Tree (Appendix 2, Manual 16, Page 35, February 5, 2008).</p> <p>The first branching of the tree has one box labeled "Trail" and a second box labeled "Not A Trail." At first glance one would wonder why, in a National Recreation Trails Program, things that are "Not A Trail" are receiving consideration. I hope a positive, more descriptive label for this second category will be found.</p> <p>The words "closely associated with an existing trail" appear a number of times in Manual 16. The descriptor for box one is "a trail or relates directly to a trail...". For box 2 how about "Trail Related" with a descriptor "A trail project, not development or maintenance, closely related to a trail..."? </p>
7. Gail Garman, Nooksack Nordic Ski Club, 2/22/08	<p>I support the proposed change in funding to move qualified unfunded projects to a category that has sufficient funds as long as they fit in the category's intended funding purposes. I think using the grant money available rather than carrying it forward would reflect better on the continued needs for these funds for a wider array of projects. The current system of carrying funds forward for categories that are not used in a given year, may lead grant funders to believe there are more than sufficient funds are available and may lead them to consider cutting back funding in these categories. I feel the changes suggested by RCFB would help allay this possibility.</p> <p>Thank you for seeking our input and considering this change.</p>
8. Jeanne Koester, Dir. Northeast Chapter BCHW, 2/25/08	<p>Thank you, the proposed changes, as identified, makes good sense and will help get funds out to projects. The decision tree will be an easy tool to follow when making decisions of what to fund.</p>
9. Doug Conner, NRTP advisory committee, 2/24/08	<p>I support the proposed policy changes. While I am a mainly a motorized user it doesn't make since to continue to carry these excess funds. They should be used to help fund grants as long as they could qualify under the policy changes. I am on the NRTP advisory board and this would get more value from our grant evaluation time.</p>
10. Jacqueline Beidl, Wenatchee National Forest, 2/21/08	<p>The proposal appears to make good common sense to me.</p>
11. Tom Savage,	<p>Trying to allocate all the funds within the year sounds like a good idea.</p>

NRTP Fund Allocation Policy Change ~ Public Comments	
	Comment
<p>Gifford Pinchot National Forest, 2/27/08</p>	<p>It has been disappointing not to get some of our proposals funded and then hear that there was funding left over.</p>
<p>12. Randy Person, State Parks, 2/27/08</p>	<p>There are implications that remain unsaid in your note. Here's my interpretation of what I think you said. The motorized requests are frequently running less than is available, and that money accumulates. The years there are more requests are insufficient to spend down the surplus (if that wasn't so, you'd have no problem, right?). Therefore, you have an ever-growing surplus in one category with not enough projects to spend it.</p> <p>As to project positioning, it appears you (staff) make a "best fit" choice, when a project may actually meet the min quals for more than one category. Once there, so far, a project is stuck. You would, in effect, allow a project to "back up" the tree to a decision point where it could have gone more than one way, and then wind up at a new destination.</p> <p>If this is what you describe, the solution seems reasonable. If the surplus actually does get spent down from time to time, which you don't address, then I'd prefer the money remain available to the motorized projects.</p> <p>There are some confusing things in the report, which is why I started with my interpretation. One is the term "minimum." When something doesn't reach a minimum, often the consequences are that nothing can start. Although I'm sure your use of the term is accurate, I find my version more understandable. "In many years there have been too few projects to spend the mandatory amount in certain categories" or something like that, seems to tell the story better.</p> <p>Also, when the term "assured access" is used in the first page footnote, it's undefined and not clarified until the chart on the third page.</p> <p>I also presume most of the movement would be among the diversified categories, as I don't see how any of the single use projects could leap around. So here's one thing you might consider considering. Say some "best fit" nonmotorized multiple use projects are considered for jumping to motorized multiple use, because they at least meet the min quals by allowing some motorized use. If you just go by score, it would have been evaluated primarily for the nonmotorized aspects, and may have only minimal to do with the motorized alternate funding source. A slightly lower scoring project may have scored that way because it split its use more evenly, and therefore didn't score strongly in the "best fit" category. However, it may have a better motorized component than the higher scoring transfer candidate. So (more work for staff, of course) as you consider moving projects from one fund source to another, consider making "best fit" judgments based on the new location. That way, when you give away motorized money to a non-motorized project (yes, that's the most negative approach), you can maximize the benefit to the donor fund.</p> <p>We all hate to see someone else's money go unused. You're trying to do good things. Good luck.</p>

NRTP Fund Allocation Policy Change ~ Public Comments	
Comment	
<p>13. Bob Pacific, Mt Baker-Snoqualmie National Forest, 3/4/08</p>	<p>If the project has value but loses out because it didn't rate quite high enough to get in the funded category then I think the projects should be moved to another category with left over funds. Not if it falls into the bogus projects category - getting funds because there is money left over in another particular grant program even though it should not.</p>
<p>14. Steve Drew, RCFB, 2/20/08</p>	<p>1] In general I am, as you know, in favor of seeing funds invested in the year they become available. The limitation for moving funds makes this a bit more complex, in my opinion, to achieve in a way that does not advantage one category over another. As you point out, staff starts out applying a subjective policy which directs projects onto one list or another. This can get dicey when deciding between one of the single use lists or a multi use list.</p> <p>2] Is a hiking trail also used by trail runners? Is a hiking trail accessible to snowshoers even though not focused upon that use? If a trail is hiked by a photographer, fisherperson, equestrian, berry picker or mushroom gatherer even though the grant is aimed at the single user group could it not qualify on another list? And the trailhead parking and related facilities might be aimed at a hiking trail when in reality it gets used by nonhighway and even off road users or snowmobile users as well.</p> <p>3] The ranking of the next unfunded project on one list might be higher than another for the simple reason that the up list projects consumed on average, more money. The first unfunded project on one list might be the third project overall on that list, for instance, when the first unfunded project on another might be the 7th. While the 3rd from the first list might have a higher score does this make it better to fund than the 7th project on another list?</p> <p>4] Finally, focusing only on the down list unfunded projects in order to find projects which can qualify all or in part under another category unevenly favors unfunded projects in the multi use categories whenever a single use category has unfunded projects. I suppose the reverse could also occur but do not think we have seen that. To balance this I would propose looking both up list (at funded projects) and down list (at unfunded projects) to find those projects which in total or in part, upon reexamination, could qualify under a category with unspent money. This would have the result of making both the remaining funded and unfunded projects in a single use category "more pure" while perhaps funding a higher ranked project prior to part or all of a much lower ranked project which might qualify under another category.</p> <p>5] So, what I am saying is that if you examine the entire list regardless of if the projects are funded or not in order to see if a funded project could, on reexamination, qualify in whole or in part under a multi-use category then you would free up money for the next ranked project in the single use category even when it is clearly a single use project prior to when you would skip down the list for all or part of a project with a lower ranking.</p> <p>6] Would this be more work? Yes, I expect so but the result is likely to be more equitable.</p>
<p>15. John Keates,</p>	<p>The 40/30/30 allocation among trail uses would still be in effect for the program if</p>

NRTP Fund Allocation Policy Change ~ Public Comments	
	Comment
NRTP Advisory Committee, 2/20/08	this change were adopted.
16. Rick Hood, past NRTP Advisory Committee member, 2/20/08	<p>In general, which categories have had too few qualified applications and which had too many that could be shifted.</p> <p>I do want to offer a comment, but want to hear your response first.</p>
17. Wayne Mohler, NRTP Advisory Committee (past member), 2/21/08	<p>I don't see that this proposed policy change is appropriate. A project should be placed in its proper eligibility category prior to scoring. Taking a "second look" based on remaining funds and shifting projects to another category appears to allow shifting to another category simply for convenience in funds management and appears to be a mechanism to do exactly what is prohibited (i.e., shifting of categories) at the federal level.</p> <p>I looked at, but to not understand basis for or the validity of the NRTP Category Decision Tree (Attachment 2) What is its standing and how does it tie back with the five category (30-40-30) matrix?</p> <p>Is it correct that this proposed change - if adopted - would apply to the 2008 grant cycle, but would be for the obligation and expenditure of FY 2009 funds? Is this the last year of the current Highway funds authorization? I've read a little about the recently issued Surface Transportation report, and it appears that there may be significant changes to the program.</p> <p>With the explanation provided I do not favor the proposed policy change. Possibly an explanation of the NRTP Category Decision Tree (Attachment 2) would help. However, it seems the projects should be placed in the proper eligibility at the outset. Changing categories after the projects are rated and ranked has the potential to undermine the credibility of the process. Thinking back, this is why the Federal rules were changed several years back to not allow the state committees to "waive" the 30-40-30 rule. It erodes the "assured" part of "assured access".</p>
18. Alan E. Dragoo Veradale, WA, 2/25/08	<p>Thank you for the opportunity to comment on RCFB's proposed changes to the allocation procedures for the NRTP.</p> <p>While I am not completely opposed to the proposed changes, I am finding it difficult to imagine a project that could be eligible for placement in more than one category without severely stretching the definitions of the categories. Can you provide such an example, so I can more completely understand and comment on the proposal?</p>
19. Dave McMains, NRTP Advisory Committee, 2/22/08 and Alan Dragoo, Pacific Northwest Four-Wheel Drive	<p>This is a note sent to me by a member of the PNW4WDA I am forced to agree with him in his observations.</p> <p>Thank You, Dave McMains</p> <hr/> <p>By my reading of the rules, they cannot legally use motorized funds for a project that</p>

NRTP Fund Allocation Policy Change ~ Public Comments	
	Comment
Association, 2/21/08	<p>does not benefit motorized users. The only way I see that they could possibly justify it is by being VERY liberal in their interpretation of what benefits motorized users. For example, saying that building a parking lot for the hiking trail benefits motorized users by relieving congestion at the motorized trailhead 5 miles down the road.</p> <p>I don't like the proposals for either program. In both cases it seems like they are planning to play VERY loose with the interpretation of the rules. I believe the unused money should be carried over so that it is available when a big project comes along.</p> <p>One idea I might find acceptable would be to allow them to "borrow" the unused funds from one category to fund projects in another category as long as those funds were available to fund projects in the "lender" category in future years.</p> <p>One way this could be done for the NRTP program is to select projects like this:</p> <ol style="list-style-type: none"> 1. Score all projects and rank them together, regardless of what categories they fit. 2. Select nonmotorized projects until the 30% minimum is reached. 3. Select motorized projects until the 30% minimum is reached. 4. Select additional (some will likely have been selected in steps 2 and 3) compatible projects until the 40% minimum is reached. 5. If the minimum was not reached in any of steps 2-4, add the unused amount to that category's loan balance, but not removed from the available funds. 6. Select projects in categories with loan balances until those balances are exhausted. 7. Select projects regardless of category until all funds are exhausted. <p>In each of the selection steps, you start at the top of the list and select the highest ranked projects that fit the desired categories and have not yet been fully funded.</p> <p>Loan balances carry over from year to year, so if the motorized category had \$50,000 unused for three straight years, its balance would be \$150,000. If \$70,000 more than the 30% minimum were allocated to motorized projects in the fourth year, its balance would then be \$80,000.</p> <p>Does that sound reasonable? Alan</p>
20. Colleen Maguire, State Parks, 2/27/08	<p>I don't support the movement of motorized funds to other qualified unfunded projects in the NRTP. I believe that there are many worthwhile projects for motorized trails. I am not sure people are aware that the competition is not that stiff with the motorized project. Maybe a campaign to explain the available funds would help the situation.</p> <p>Additionally, I suggest that RCO change their fee structure for motorized users. If RCO lifted the minimum of \$10,000 to \$25,000 for education there would be more recreational staff on the trails educating on the wilderness, speed, resource protection, etc. Possibly lifting the \$75,000 limit to \$100,000 for equipment/maintenance as the cost of those services may be higher within the motorized community.</p>
21. Howard Briggs, Kittitas Co. Grooming Council,	<p>Regarding proposals to modify the NRT Program, The State Parks Snowmobile Program is becoming more underfunded each year because of increasing costs for groomer repair part, diesel fuel, and higher bids per mile. Another problem is that there is little to no \$ left for education and enforcement programs that we really need.</p>

NRTP Fund Allocation Policy Change ~ Public Comments	
	Comment
2/28/08	Our State Parks owned grooming machines are also going to need replacements and the costs are huge. Can the allowable amounts for projects in the motorized category be raised to fully use available NRTP \$ for these needed items? Money for Motorized projects should NOT be shifted to more non motor projects, because they often get about 70% of all \$ anyway. Please consider my comments – Thanks you.