



**STATE OF WASHINGTON**

**RECREATION AND CONSERVATION OFFICE**

June 2008

**Item #6: 2009 – 2011 Biennium Budget Decisions**

**Prepared By:** Mark Jarasitis, Chief Financial Officer

**Presented By:** Kaleen Cottingham, RCO Director

**Approved by the  
Director:**

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**Proposed Action: Decision**

**Summary**

The Recreation and Conservation Office must submit its 2009-2011 biennial budget (operating and capital) to the Office of Financial Management in early September 2008. The attached budget appropriations summary sheet (Attachment A) lists the current funding levels in both the operating and capital budgets, and shows the proposed or estimated requests for the 2009-11 biennium. The summary sheet also includes the Salmon Recovery Funding Board and other programs' funding.

**Staff Recommendation**

Recreation and Conservation Office staff recommends that the Board approve the 2009-11 budget items as shown in Resolution, #2008-025.

**Background**

The Recreation and Conservation Office must submit its 2009-2011 biennial budget (operating and capital) to the Office of Financial Management in early September 2008. The attached budget appropriations summary sheet (Attachment A) lists the current funding levels in both the operating and capital budgets, and shows the proposed or estimated requests for the 2009-11 biennium. The summary sheet also includes the Salmon Recovery Funding Board and other programs' funding.



## **Analysis**

It is unlikely that there will be new capital budget resources available because the debt limit will be limiting bonding capacity. This will potentially affect the Washington Wildlife and Recreation Program (WWRP) and other capital budget requests. However, most of the agency's programs are funded by a dedicated revenue source, such as the motor vehicle fuel tax. For these programs, staff will base the final budget request on the latest revenue projections.

### Motor Vehicle Fuel Tax

The February 2008 State Motor Fuel Tax Revenue Forecast projected that funding based on the motor vehicle fuel tax would increase in the new biennium by about 9 percent from the current levels. It is likely that this projection will be lowered given the recent high energy prices and focused attention on fuel efficiency and alternative commuting. RCO staff will manage and size our programs within the revenue available.

### Boating Activities

SHB 1651, RCW 79A.60 created the Boating Activities Program in the RCO and added \$2 million to the operating budget for the current biennium. The program provides funds to State Parks and RCO boating activities grants using a statutory formula based on the amount available for distribution. OFM has determined that the Boating Activities Program funding level will not be carried forward into the base budget for 2009-2011. If this funding source is to continue, the RCO will need to request a specific level of funding for the Boating Activities Program. The Board will need to decide whether, and how much, is reasonable to request for the upcoming biennium, especially given the limits and other priorities for new funding from the general fund.

### Washington Wildlife and Recreation Program

The Board will need to approve a specific budget request for the Washington Wildlife and Recreation Program. Attachment B shows three possible funding levels and the resulting distribution to the eleven funding categories.

Funding for WWRP was doubled in 2007, after being near the \$50 million level since 1989. The 2007 increase brought WWRP purchasing power its highest level ever, yet funding has declined as a percentage of the State's bonds from 1989. Sustaining the current level of investment and purchasing power will depend on the State's bonding capacity and our ability to compete for bond funding. For the upcoming grant round, the RCO has received 370 grant applications for WWRP totaling \$272.2 million

### Youth Athletic Facilities

The Youth Athletic Facilities grant program initially was created and funded with a \$10 million contribution as part of the initiative to build Qwest Stadium. The legislation stated that long-term funding would come from unspent funds (funds in excess of what is needed for bond repayment) or residual funds after the stadium debt was paid. The Board awarded grants for the \$10 million, but no unspent or residual funds have come into the account.

The 2005-2007 State Capital Budget included a \$2.5 million appropriation to the Youth Athletic Facility Account from the state building construction account and bonds. The budget also included a proviso that the funds be matched dollar for dollar with private contributions of at least \$500,000. The fund received no donations, so the RCO could neither conduct a grant round nor spend the money. The 2007-2009 State Capital Budget removed the proviso and reappropriated funds. The Board awarded grants that have obligated all of the \$2.5 million and interest.

The program is fully obligated, and it is unclear if any unspent or residual funds will come into the account. The Board will need to decide if it wants to request funds for this program.

#### Additional Items

The final operating and capital budget also may include enhancement items such as decision packages approved by the director. These may include requests from the Biodiversity Council and Invasive Species Council. Before a final decision is made to move forward with decision packages, the Director and staff will review how other agencies, non-profits, and grants may contribute to the potential decision package and decrease the need of General Fund State requests. The RCO also will look for ways to cut costs to fund new requests.

#### **Next Steps**

The RCO is asking the Board to approve the budget items as outlined below and in the resolution.

- For the operating budget, we seek your general approval to include, as appropriate, decision packages to address workload or other operations issues, including implementation of the Biodiversity Council's conservation strategy and Invasive Species Council's strategic plan. The requests will be realistic in proportion to projected revenue and federal funding levels.
- For the capital budget, we seek your approval on the level of the Washington Wildlife & Recreation Program (WWRP) request. Attachment B shows four possible WWRP funding levels and the resulting amounts available for the eleven different categories. The decision on the final amount should also be made after close consultation with our key partners, particularly the Washington Wildlife and Recreation Coalition.
- For the capital budget, we seek your decision about a request for funding in the Youth Athletic Facilities program.
- For the operating budget, we seek your approval on whether to request, and if so what level for the Boating Activities program.

**Attachments**

Resolution 2008-025

- A. Budget Appropriations Summary Sheet
- B. Funding scenarios for the Washington Wildlife and Recreation Program

## RESOLUTION 2008-025

### Recreation and Conservation Office 2009-11 Operating & Capital Budget Request

**WHEREAS**, the Recreation and Conservation Office (RCO) must submit a 2009-11 Operating and Request Budget to the Office of Financial Management; and

**WHEREAS**, the operating budget will be in conformance with the Office of Financial Management instructions, including carry-forward, maintenance level, and enhancement items; and

**WHEREAS**, the Recreation and Conservation Office (RCO) must also submit a 2009-2011 Capital Request Budget to the Office of Financial Management; and

**WHEREAS**, for federally supported programs and revenue-supported state programs, the capital amounts requested will need to reflect estimated federal apportionments and the current revenue projections by the Departments of Transportation and Licensing; and

**WHEREAS**, the RCO finds there is a continuing and compelling need for funding to maintain and enhance the state's quality of life and ecosystem health by investing in outdoor recreation opportunities and important plant, fish and wildlife habitat; and

**WHEREAS**, the Washington Wildlife and Recreation Program and other RCO administered grant programs are critical components furthering the goal of maintaining and enhancing the state's quality of life and healthy ecosystems;

**NOW, THEREFORE, BE IT RESOLVED**, that:

1. The Board hereby approves the 2009-2011 Capital Budget request shown below.

Program	2009-11 Request
Boating Facilities Program	Based on the latest revenue projections/estimates
Aquatic Lands Enhancement Account	Based on the latest revenue projections/estimates
Nonhighway and Off-road Vehicle Activities	Based on the latest revenue projections/estimates
Firearm and Archery Range Recreation	Based on the latest revenue projections/estimates
Washington Wildlife and Recreation Program	\$
Youth Athletic Facilities	Based on the latest revenue projections/estimates or request as

	directed by the Board
Land and Water Conservation Fund	Based on the latest revenue projections/estimates
National Recreational Trails Program	Based on the latest revenue projections/estimates
Hatchery	Based on the latest estimates
Salmon Recovery Funding Board	Per SRFB guidance
Biodiversity Council	Per Council guidance
Invasive Species Council	Per Council guidance
Boating Activities Program	\$

2. The Director is authorized to modify and/or update the amounts as new revenue forecasts become available or to comply with Office of Financial Management budget instructions.
3. The Director is authorized to apply for outside funding sources to supplement the capital budget consistent with the Committee and agency mission.
4. The Director shall submit any necessary reappropriation requests.

**AND BE IT FURTHER RESOLVED:**

5. The Board hereby approves the 2009-11 Operating Budget elements as presented, and that enhancements including new positions shall be submitted with the budget if the Director determines they are justified to address staff workload or other operations issues.
6. The Director shall modify and/or update the request outlined as necessary to meet the budget needs of the affiliated Board and Councils, to provide for scheduled rent, services, personnel increment dates, labor contract costs, other operations costs and to comply with Office of Financial Management directives.

*Resolution moved by:* \_\_\_\_\_

*Resolution seconded by:* \_\_\_\_\_

*Adopted/Defeated/Deferred (underline one)*

*Date:* \_\_\_\_\_

## Recreation and Conservation Office Appropriations Summary Sheet

	2007 - 2009 Amount	Source	2009 - 2011 Proposed	
<b>Grants Budget</b>				
Recreation and Conservation Funding Board				
<u>WA Wildlife &amp; Recreation Program (WWRP)</u>	100,000,000	Bonds		Needs RCO decision
<u>Boating Facilities Program (BFP)</u>	8,021,000	Tax/Fees	revenue proj.	
<u>Other State- Funded Programs</u>				
Aquatic Lands Enhancement Program (ALEA)	5,025,000	Sales	revenue proj.	
Boating Activities	2,000,000	GFS transfer		Needs RCO decision
Nonhighway, Off-Road Vehicle Program (NOVA)	9,036,000	Tax/Fees	revenue proj.	
Firearms and Archery Range Recreation Program (FARR)	472,000	Tax/Fees	revenue proj.	
Youth Athletic Facilities Program (YAF)	2,500,000	Donation/Interest		Needs RCO decision
<i>Subtotal, Other St Programs</i>	<i>19,033,000</i>			
<u>Other Federal-Fund Programs</u>				
Boating Infrastructure Grant Program (BIG)	200,000	Federal *	1,000,000	estimated
Land & Water Conservation Fund Program (LWCF)	1,000,000	Federal *	6,000,000	estimated
National Recreational Trail Program (NRTTP)	3,500,000	Federal *	5,000,000	estimated
<i>Subtotal, Other Fed Programs</i>	<i>4,700,000</i>			
<b>RCFB Grant Program Totals</b>	<b>131,754,000</b>			
<u>Salmon Programs, SRFB</u>				
Projects and Activities, State	18,000,000	Bonds/Other		needs SRFB decision
Projects and Activities, Federal	42,000,000	Federal *	50,000,000	estimated
Family Forest Fish Passage Program (FFPPP)	6,000,000	Bonds/Other		needs FFFPP recom.
<b>SRFB Grant Program Totals</b>	<b>66,000,000</b>			
<b>Grant Budget Totals</b>	<b>197,754,000</b>			

<u>Operating Budget</u>			
RCO General	6,666,789	State General/Fed	revenue proj.
SRFB General	4,349,980	State General/Fed	revenue proj.
SRFB Technical Panel	200,000	State Funds	continue
Monitoring	550,000	State General	continue
PNAMP	40,000	State General	continue
Lead Entities' Support	5,367,458	State General/Fed	continue
Biodiversity	500,000	State General	continue
Invasive Species Council	200,000	State General	continue
<b>Operational Funds Total</b>	<b>17,874,227</b>		

<u>Other Programs Administered</u>				
Forest & Fish Pass-Through	8,500,000	Federal *	4,000,000	estimated
US Fish and Wildlife Hatchery Reform Funds	6,000,000	Federal *	6,000,000	estimated

<b>Grants, Programs and Operational Funds Total</b>	<b>230,128,227</b>		?????	
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\* Appropriation authority, not actual revenues or receipts. Reappropriations not included.

\*\* Revenues from Qwest Field financing appears unlikely; the \$2,500,000 in 2007-09 was a reappropriation of special one-time funding.

Prepared: 05/21/08

**WWRP budget comparison, \$50M, \$75M, \$100M, \$125M**

Account/Category	\$50,000,000	\$75,000,000	\$100,000,000	\$125,000,000
Habitat Conservation Acct 50%				
-Critical Habitat - 40%	8,148,000	11,058,000	13,968,000	16,878,000
-Natural Area - 30%	6,111,000	8,293,500	10,476,000	12,658,500
-Urban Wildlife - 20%	4,074,000	5,529,000	6,984,000	8,439,000
-Restoration and Enhancement on State Lands - 10%	2,037,000	2,764,500	3,492,000	4,219,500
<b>Subtotal</b>	<b>20,370,000</b>	<b>27,645,000</b>	<b>34,920,000</b>	<b>42,195,000</b>
-State Parks - 30%	6,111,000	8,293,500	10,476,000	12,658,500
-Local Parks - 30%	6,111,000	8,293,500	10,476,000	12,658,500
-Trails - 20%	4,074,000	5,529,000	6,984,000	8,439,000
-Water Access - 15%	3,055,500	4,146,750	5,238,000	6,329,250
-Development and Renovation State Lands - 5%	1,018,500	1,382,250	1,746,000	2,109,750
<b>Subtotal</b>	<b>20,370,000</b>	<b>27,645,000</b>	<b>34,920,000</b>	<b>42,195,000</b>
Riparian Protection Acct -	3,880,000	11,155,000	18,430,000	25,705,000
Farmlands Preservation Acct	3,880,000	6,305,000	8,730,000	11,155,000
Administration *	1,500,000	2,250,000	3,000,000	3,750,000
<b>Total</b>	<b>\$ 50,000,000</b>	<b>\$ 75,000,000</b>	<b>\$ 100,000,000</b>	<b>\$ 125,000,000</b>

\* The administration is prorated across all categories.