



STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

MEETING DATE: July 2009 **ITEM NUMBER:** 4

TITLE: Legislative and Budget Update

PREPARED BY: Rachael Langen, Deputy Director
Megan Duffy, Policy and Planning Specialist

APPROVED BY THE DIRECTOR:

Proposed Action: Briefing

Summary

This memo describes various legislative actions taken during the 2009 session and summarizes the effects on the Recreation and Conservation Office (RCO) and the Recreation and Conservation Funding Board (board).

2009-11 Biennial Capital Budget

The legislature and Governor approved funds for a majority of the board's grant programs, as follows:

Table 1: Funded State Grant Programs

Program	Legislative and Gubernatorial Funding	Application Status
Aquatic Lands Enhancement Account (ALEA)	Funded at \$5.025 million	Eight projects will be funded by this appropriation (see item #5a)
Firearms and Archery Range Recreation (FARR)	Funded at \$495,000	Grant applications were due May 1. 12 proposals were submitted.
Washington Wildlife and Recreation Program (WWRP)	Funded at \$70 million	95 projects will be funded by this appropriation (see item #5b)

Table 2: Federal Grant Programs

Program	Legislative and Gubernatorial Funding	Federal Funding Notes	Application Status
Boating Infrastructure Grants (BIG)	Authority to spend \$1 million of federal funding during biennium	Washington usually receives \$100,000 for grants. The remainder is held for projects that compete and win in a national competition.	Applications were due May 1. Three proposals were submitted.
Land and Water Conservation Fund (LWCF)	Authority to spend up to \$4 million of federal funding during biennium	We expect to receive only \$500,000 from the National Park Service for grants this year.	Grant applications were due May 1. 22 proposals were submitted.
Recreational Trails Program (RTP)	Authority to spend up to \$4 million of federal funding this biennium	We are waiting to see how much will be awarded by the federal government.	Applications were due April 1. 90 proposals were submitted.



The legislature did not fund the following three grant programs, opting instead to use the funds to keep state parks open and fund some programs at the Department of Natural Resources.

- **Boating Facilities Program (BFP):** The legislature did not provide funds for projects in the upcoming biennium, so the RCO will not process the applications submitted. Staff has notified all applicants. The legislature appropriated sufficient operating funds to manage existing grants.
- **Nonhighway and Off-road Vehicle Activities (NOVA):** The legislature did not provide funds for projects in the upcoming biennium, so the RCO will not process most applications submitted this year. We will process applications for noise enforcement projects, which may be funded with returned funds. Staff notified applicants that they could be eligible for Recreational Trail Program funding, but that they would have to change their applications by May 15, 2009 to be considered in this grant round; twenty-nine projects were resubmitted for the RTP funding. The legislature appropriated sufficient operating funds to manage existing NOVA grants.
- **Youth Athletic Facilities (YAF):** The legislature did not fund this grant program, which was funded at \$2 million during the last biennium. In addition, several bills were introduced that would have addressed funding for the King County arts and cultural programs by diverting future funding from the YAF account. These bills did not pass.

Legislative Changes to the Lists of WWRP Projects

- The legislature changed project funding amounts in six of the eleven categories in the ranked lists provided by RCO. Five categories were unchanged.
- The total dollar amount for each category was allocated according to the statutory formula.
- All 269 projects approved by the board and submitted to the Governor were kept on the lists with an identified dollar amount (including, in a couple of cases, a zero) or marked as an alternate.
- At the \$70 million level, the list submitted by the RCO would have funded 87 projects; the legislature's changes result in funding for 95 projects.
- Most of the differences between the lists provided by RCO and those approved by the legislature appear to be explained by: (a) shifting funds from acquisition to development projects to provide a greater economic stimulus and create jobs; and (b) either to prevent loss of federal matching funds or because project sponsors could no longer provide matching funds.
- One project is to be considered "removed" from the list and not to be funded—the Elk River NRCA-Phase 2 (Restoration) 2008 project. Under the original WWRP statute, the legislature retains the authority to remove projects.
- Eight projects lost funding or had funding reduced; 16 other projects changed status by receiving funding. Attachment A provides further details.
- It is RCO's understanding the budget notes are expected to clarify that partially funded projects are still eligible as alternates for additional funding. Additionally, we anticipate that the budget notes will correct errors where alternate projects were listed with zero funding.

Category	Total Projects incl. alternates	As submitted by RCO at \$70 million	Legislature Total Funded	Number of Projects Changed
Local Parks	76	17	21	8
State Land Development	13	5	5	0
State Parks	11	5	5	4
Trails	36	9	11	4
Water Access	27	7	7	0
Critical Habitat	16	3	3	2
Natural Areas	8	4	4	0
St. Land Restoration	21	11	12	3
Urban Wildlife Habitat	15	4	5	3
Farmland Preservation	14	12	12	0
Riparian Protection	32	10	10	0
Total	269	87	95	24

Capital Budget Funding for Salmon Recovery

The Salmon Recovery Funding Board (SRFB) received \$10 million in state funds for the next biennium, along with the authority to spend \$60 million in federal funds. The state funding decreased from \$18 million in the 2007-2009 biennium. The RCO expects the SRFB to get a \$30 million federal grant for federal fiscal year 2009.

The legislature also appropriated \$33 million in grants to help recover Puget Sound, down from \$40 million in the last biennium. The SRFB approves these grants in conjunction with the Puget Sound Partnership. The legislature also funded the Family Forest Fish Passage Program at \$5 million and transferred the Estuary and Salmon Restoration Program from the Department of Fish and Wildlife to RCO, along with \$7 million for the biennium.

Operating Budget

The legislature did not fund the RCO's operating costs at the current level. In all, the agency's operating funding was reduced by \$476,000, to \$17.9 million for the biennium. This is an overall reduction of 2.6% in the operating budget. All of these reductions were from state general funds. Because these reductions were, for the most part, part of the Governor's proposed budget, they were not a surprise. Here are some of the specific budget reductions:

- Biodiversity Council funding decreased from \$500,000 to \$400,000.
- Monitoring Forum funding decreased from \$590,000 to \$301,000.
- Salmon Recovery Funding Board funding decreased from \$496,000 to \$420,000.
- Recreation and conservation program operating costs were cut by \$11,000.

The Invasive Species Council was funded at \$200,000, which is the same level as in the 2007-09 biennium.

Legislative Update: Washington Wildlife and Recreation Program

SHB 1957 addressed several issues relevant to the Washington Wildlife and Recreation Program.

- Nonprofit nature conservancy organizations and associations were added to the list of eligible recipients of funding from the Riparian Protection and Farmland Preservation Accounts. RCO staff will develop nonprofit criteria, including examining potential planning requirements. Results of that effort will be presented to the board at its September and/or November meeting. (See Agenda Item 6d for further detail.)
- The Conservation Commission was added as an eligible recipient of funding from the Riparian Protection Account and the Farmlands Preservation Account. RCO staff is working with the Conservation Commission to determine how to implement this change. (See Agenda Item 6a for further detail.)
- The bill included the following language requiring RCO to evaluate mechanisms for acquisition of conservation land. Staff is currently determining how to best address this legislative directive.

SHB1957, Sec. 7: "Within existing funds, the recreation and conservation office must evaluate the use of land preservation mechanisms such as fee simple acquisitions, conservation easements, term conservation easements, and leases and the ability of each to respond to future economic, social, and environmental changes. The recreation and conservation office must compare the relative advantages and disadvantages and costs of each of these land preservation mechanisms. The recreation and conservation office must report its findings and recommendations to the appropriate committees of the legislature by January 1, 2010."

SB 5348, the board's request legislation, removes mitigation banking projects from the statutory list of eligible projects in the Habitat Conservation and Riparian Protection Accounts in WWRP. This bill passed the Senate and House unanimously. Governor Gregoire signed it on March 25, 2009.

Legislative Update: Efficiencies in Salmon Recovery Efforts

SHB 2157 transitions two salmon recovery-related programs to the RCO: 1) the Governor's Salmon Recovery Office and 2) the administration of the lead entity program. This was done to better consolidate salmon recovery activities and programs and make them more efficient. The Governor requested this legislation, and RCO staff worked with the Governor's office to prepare bill language and fiscal notes. The legislation was approved, and the RCO has been working to make the change effective July 1, 2009.

In addition to the transition of those programs to RCO, both SHB 2157 and ESHB 1244 (the state operating budget) also address efficiencies associated with salmon recovery. The RCO, in consultation with the Salmon Recovery Funding Board and other agencies is directed to conduct several assessments.

- The first assessment is on additional coordination and incentive opportunities with lead entities, regional salmon recovery organizations, lead agencies, and WRIA planning units.

- The second assessment is of watershed and regional-scale capacity issues relating to the support and implementation of salmon recovery. The assessment is to examine priority setting and incentives to further promote coordination and to ensure that effective and efficient mechanisms for delivery of Salmon Recovery Funding Board funds are being used. The Salmon Recovery Funding Board is directed to distribute its operational funding to the appropriate entities based on this assessment.

Legislative Update: Other Items of Interest

Senate Confirmations of Board Members

Board members Bill Chapman, Karen Daubert, Jeff Parsons, and Steven Drew were submitted for Senate confirmation, but the Senate Natural Resources, Ocean and Parks Committee did not schedule a confirmation hearing. State law allows members to serve while confirmation is pending. In the past, this process has often stretched over several years.

Eliminating Boards and Commissions

In an effort to reduce the size and cost of government, several bills were introduced in the House and Senate eliminating or suspending boards, commissions, and statutory advisory committees. Two bills, HB1497 and SB 5588, would have eliminated the Salmon Recovery Funding Board and the advisory committees for the Nonhighway and Off-road Vehicle Activities (NOVA) and Firearms and Archery Range Recreation (FARR) programs. Neither bill passed. It is expected that the Governor and the legislature will take these issues up in the next legislative session.

Next Steps

RCO staff will work with state and local partners in carrying out approved legislative directives. We will provide progress reports at the September and November board meetings.

Attachments

- A. Details of Changes to WWRP Categories

ATTACHMENT A: DETAILS OF CHANGES TO WWRP CATEGORIES

Six of the eleven categories deviated from the \$70 million list provided by RCO:

Local Parks

The two lowest ranked acquisition projects that would have received funding (Tolle Anderson Park Acquisition in Issaquah and Meydenbauer Bay Waterfront Acquisition in Bellevue) were changed to alternates and the resulting \$1,562,000 applied to development projects that would have been alternates.

State Parks

Two large acquisition projects that would have received funding (Pearrygin Lake-Hill Acquisition and Loomis Lake Acquisitions) were changed to alternates and the resulting \$3,607,000 applied to development projects that would have been alternates.

Trails

One acquisition project that would have been funded (The Ridge Acquisition in Richland) was changed to an alternate and the resulting \$1,300,000 applied to three development and combination projects that otherwise would have been alternates. It is RCO's understanding that Richland intended to withdraw this project due to unrelated factors.

Critical Habitat

The number one project (West Branch Little Spokane River Phase II—a WDFW project) was reduced by \$2,332,252 and the resulting funds applied to the Okanogan Similkameen Phase 2 project to take full advantage of federal matching funds. RCO was told that the reduced funding for the West Branch project is not a "cap."

State Lands Restoration and Enhancement

Funding for the Elk River NRCA-Phase 2 (Restoration) 2008 project, which would have been funded, was changed to zero. RCO's understanding is that this project is to be considered "removed" from the list and not to be funded.

Urban Wildlife Habitat

The fourth-ranked Antoine Peak Acquisition Phase 3 project, which would have been funded, was changed to zero (although RCO was told that it was intended that this project be an alternate) and the resulting \$1,468,350 applied to fully fund the Lynch Cove Estuary WDFW project (near Belfair) and partially fund the Mud Lake/Lewis River project. RCO is not aware of the reason for this shift.