



STATE OF WASHINGTON

OFFICE OF THE INTERAGENCY COMMITTEE
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February 21, 2007

TOPIC #2B: Financial Services Report

Prepared and Presented By: Mark Jarasitis and Laura Johnson *LEJ*

Proposed Action: Briefing

Summary:

Financial: The attached financial report reflects SRFB activities as of January 31, 2007. The available balance is primarily federal funds; the state-funds portion is at \$265,817. The balance reflects all the activity of recent closures of several projects.

The Board may wish to consider obligating a majority of the available federal balance to fund the upcoming regional organization requests. This obligation will help to lessen the impact of the regional organization requests on the upcoming biennium. In addition, the Board may consider support for the Review Panel (estimated at \$200,000) for its work on the 2007 grant round. These items will be discussed in further detail in later portions of the SRFB meeting.

Grants: The close out of the first Pacific Coastal Salmon Recovery Fund (PCSRF) salmon recovery grants for federal fiscal years 2000 and 2001 (through Department of Commerce's National Oceanic and Atmospheric Administration) is complete. We are now in the process of closing the grant for federal fiscal year 2002.

Audits: I will give an update regarding a recent federal audit finding, concerning the need for slightly altered sub-grantee certification forms for federal grants. We have already instituted the change requested by the Auditor.

New Federal Budgets: We are still learning about federal fiscal 2007 and 2008 plans. For FFY 2007, Congress recently passed a Continuing Resolution, essentially duplicating the overall \$67 million PCSRF appropriations provided in FFY 2006. We will work with NOAA to track the FFY 2007 fund award, and its allocation to the states. Within FFY 2007, Washington would seek about \$25 million in PCSRF funds.

For FFY 2008, the President's recent budget proposal would provide \$67 million to the PCSRF for the five West Coast salmon states. Within that amount, Washington would again seek about \$25 million in PCSRF funds.

Attachments:

- Financial Services Report
- Blue pages - Federal Fiscal 2006, 2007, and 2008 materials



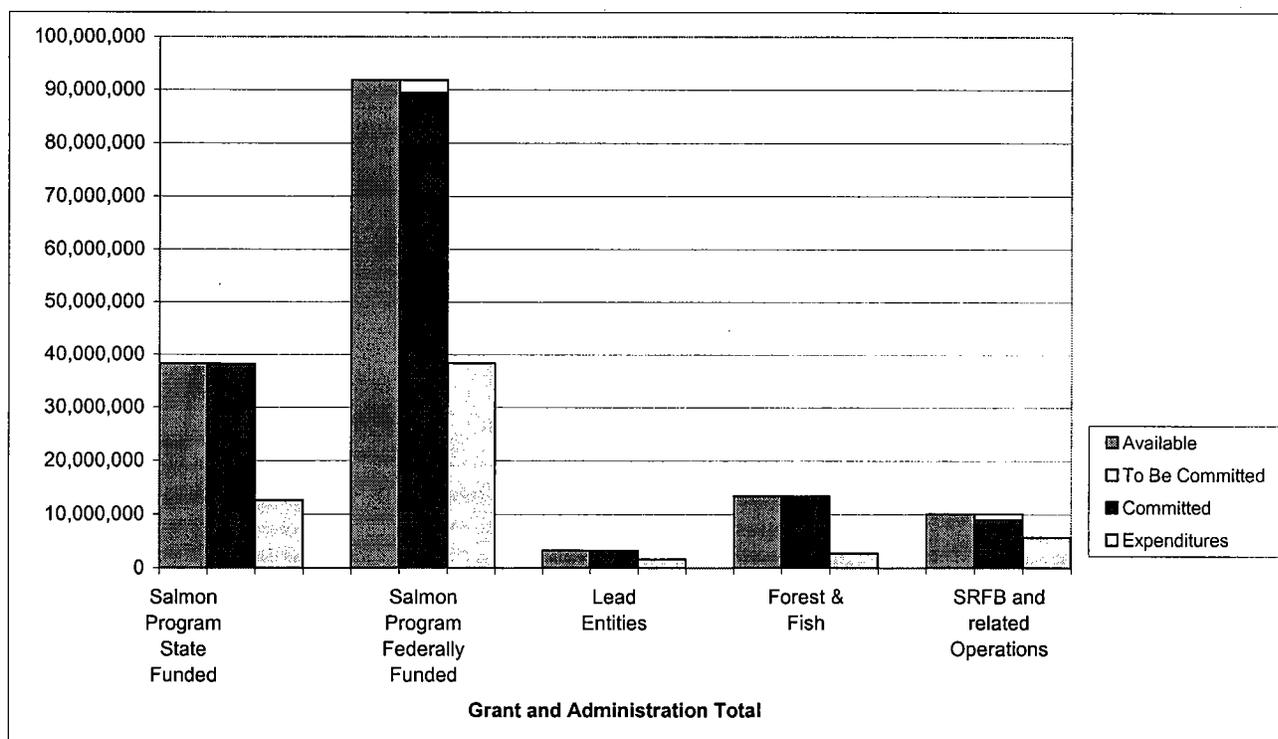
Salmon Recovery Funding Board

For the Period of July 1, 2005 - June 30, 2007, actuals through 01/31/2007 (fm19)

Percentage of biennium reported: 79%

	BUDGET	COMMITTED		TO BE COMMITTED		EXPENDITURES	
	new and reapp. 2005-2007	Dollars	% of budget	Dollars	% of budget	Dollars	% of comm
Grant Programs							
State Funded Activities	\$4,929,872	\$4,858,602	99%			\$2,983,780	61%
State Funded Projects	29,733,787	29,536,239	99%			9,387,237	32%
State Funded Total	38,260,862	37,995,046	99%	265,817	1%	12,577,927	33%
Federal Funded Activities	11,218,379	11,218,378	100%			8,613,109	77%
Federal Funded Projects	73,244,066	57,549,415	79%			27,301,747	47%
Federal Funded Total	91,843,995	89,325,493	97%	2,518,501	3%	38,383,785	43%
Lead Entities	3,249,000	3,249,000	100%	-	0%	1,625,495	50%
Forest & Fish	13,378,647	13,378,647	100%	-	0%	2,757,491	21%
Sub Total Grant Programs	146,732,504	143,948,186	98%	2,784,318	2%	55,344,698	38%
Administration							
SRFB General	3,551,896	3,551,896	100%	-	0%	2,478,357	70%
Monitoring Strategy	591,000	591,000	100%	-	0%	364,292	62%
Technical Panel	357,275	357,275	100%	-	0%	357,275	100%
Family Forest Fish Pass Prog	5,551,389	4,433,308	80%	1,118,081	20%	2,481,365	56%
Sub Total Administration	10,051,560	8,933,479	89%	1,118,081	11%	5,681,289	64%
Grant and Administration Total	\$156,784,064	\$152,881,665	98%	\$3,902,399	2%	\$61,025,988	40%

note: Includes federal awards thru FFY 2006



FFY 06: Overall PCSRF appropriation was \$67.5, see PL 109-108. Became \$66.5 million after rescission. Oregon received \$6.4 million. Idaho got \$2.2 million. California got \$6.4 million. Alaska got \$21.7 million.

FFY 06 PL 109-108	As Passed, 11/22/05 -- WA marked as \$25 million of total	Federal Fiscal 2006 PCSRF	As of Feb 15, 2006, post-rescission
		↓ \$1,000,000 \$110,000 \$23,890,000	START Commerce Dept, FFY '06 : Tribal grant NOAA Sec. 7 biologist NET start
	\$2,500,000 \$2,400,000 \$490,000 \$350,000 \$750,000 \$6,490,000 \$17,400,000	<i>Less, Committee Report and authorized items:</i> Forests & Fish Mass Marking - trailers Puget Sound Tribal Hood Canal 3% SRFB admin Subtotal: Remaining, for SRFB distribution	\$2,450,000 \$2,352,000 \$480,200 \$343,000 \$702,300 \$6,327,500 \$17,082,500

FFY 07: Overall PCSRF appropriation was \$67.5, see PL 110-5. Rescission - unknown as of 2/26/07; likely to be 1.28%. Allocation among states - unknown as of 2/26/2007

FFY 07 PL 110-5 Passed 2/15/07	???	Federal Fiscal 2007 PCSRF	
		START Commerce Dept, FFY '07 : Tribal grant NOAA Sec. 7 biologist NET start	\$24,500,000?? ?? ?? ??
		<i>Less, other items:</i> Forests & Fish Mass Marking - trailers Puget Sound Tribal Hood Canal 3% SRFB admin Subtotal: Remaining, for SRFB distribution	?? ?? ?? ?? ?? ?? ??

House Joint Resolution – H.J.RES. 20
Revised Continuing Appropriations Resolution, 2007 (Enrolled as Agreed to or Passed by Both House and Senate)
Passed Feb. 15, 2007 – Public Law 110-5.

Highlighted portions affect PCSRF

TITLE I--FULL-YEAR CONTINUING APPROPRIATIONS

Sec. 101. (a) Such amounts as may be necessary, at the level specified in subsection (c) and under the authority and conditions provided in the applicable appropriations Act for fiscal year 2006, for projects or activities (including the costs of direct loans and loan guarantees) that are not otherwise provided for and for which appropriations, funds, or other authority were made available in the following appropriations Acts:

...

(8) The Science, State, Justice, **Commerce**, and Related Agencies Appropriations Act, 2006.

...

(c) The level referred to in subsection (a) shall be the amounts appropriated in the appropriations Acts referred to in such subsection, including transfers and obligation limitations, except that--

...

(2) such level shall be calculated without regard to any rescission or cancellation of funds or contract authority, other than--

(A) ~~the 1 percent government-wide rescission~~ made by section 3801 of division B of Public Law 109-148;

(B) ...; and

(C) ~~the 0.28 percent across-the-board rescission~~ made by section 638 of Public Law 109-108, relating to Science, State, Justice, **Commerce**, and related agencies.

Sec. 102. Appropriations made by section 101 shall be available to the extent and in the manner that would be provided by the pertinent appropriations Act.

Sec. 103. ...

Sec. 104. Except as otherwise expressly provided in this division, the requirements, authorities, conditions, limitations, and other provisions of the appropriations Acts referred to in section 101(a) shall continue in effect through the date specified in section 106.

Sec. 105. ...

Sec. 106. Unless otherwise provided for in this division or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this division shall be available through September 30, 2007.

Sec. 107. ...

Sec. 108. ...

Sec. 109. ...

Sec. 110. ...

Sec. 111. ...

Sec. 112. Any language specifying an earmark in a committee report or statement of managers accompanying an appropriations Act for fiscal year 2006 shall have no legal effect with respect to funds appropriated by this division.

Sec. 113. Within 30 days of the enactment of this section, each of the following departments and agencies shall submit to the Committees on Appropriations of the House of Representatives and the Senate a spending, expenditure, or operating plan for fiscal year 2007 at a level of detail below the account level:

...

(2) Department of Commerce, including the United States Patent and Trademark Office.

...

Sec. 114. Within 15 days after the enactment of this section, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate--

(1) a report specifying, by account, the amounts provided by this division for executive branch departments and agencies; and

(2) a report specifying, by account, the amounts provided by section 111 for executive branch departments and agencies.

Sec. 115. ...

February 27, 2007

Vice Admiral Conrad C. Lautenbacher Jr., U.S. Navy (RET.)
Under Secretary of Commerce for Oceans and Atmosphere and NOAA
Administrator
National Oceanic and Atmospheric Administration
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington DC 20230

Dear Connie:

Sorry to miss the March meeting of the SAB. Unfortunately, a long standing conflict precludes my being there.

As you develop your spending plan for FY 07 funds, pursuant to the Continuing Resolution approved by Congress, I hope you provide the FY 06 level of funding of \$67.5 million for the Pacific Salmon Coastal Recovery Fund.

Although I am aware that Congressional report language from 06 directing \$25 million of these funds to the State of Washington does not apply, I can tell you that these funds are being put to extremely good use in Washington State by the tribes, and by the state's Salmon Recovery Funding Board, which I chair. I enclose our latest report on the use of those funds and the success we are having.

As you know, the Salmon Recovery Funding Board provides grant funds to protect or restore salmon habitat and assist related activities. It works closely with local watershed groups known as lead entities, and has helped finance over 500 projects. It is a wonderful example of empowering citizens to take responsibility for improving habitat in their own back yards, and protecting a species in serious decline. The Salmon Recovery Plan ceremony which you attended a year ago last summer is an example of the kind of citizen enthusiasm these funds generate.

I also co-chair a governor's task force on monitoring. While it is clear we have a long way to go in our restoration efforts, it is also clear we are making demonstrable progress, and that we are producing sustainable and measurable benefits for fish and their habitat.

February 27, 2007

I would be glad to discuss this with you further. Your regional NOAA office has been instrumental in the success we have achieved here and your personal involvement and commitment is greatly appreciated.

Thank you for considering this request.

Sincerely Yours,

William D. Ruckelshaus

WDR:dlh
Enclosure

STATE OF WASHINGTON
FY2008 Federal Appropriations Request Form

House/Senate Appropriations Subcommittee of Jurisdiction: COMMERCE (NOAA)¹

Name of Project or Program: Pacific Coastal Salmon Recovery Fund - PCSRF

Federal Agency Request is For: Salmon Recovery Funding Board

Project or Program Description/Justification for Support and Activities to be Funded:
PCSRF funds Alaska, Washington, Oregon, California and Idaho to help recover federally-listed endangered Pacific salmon populations. Washington State receives PCSRF funds through its Salmon Recovery Funding Board (SRFB).

Using PCSRF and state matching funds, the Salmon Recovery Funding Board provides grants to protect or restore salmon habitat and assist related activities. It works closely with local watershed groups known as lead entities, and has helped finance over 700 projects statewide. As SRFB Chairman William D. Ruckelshaus notes: "It is a wonderful example of empowering citizens to take responsibility for improving habitat in their own back yards, and protecting a species in serious decline. ... While it is clear we have a long way to go in our restoration efforts, it is also clear we are making demonstrable progress, and that we are producing sustainable and measurable benefits for fish and their habitat."

FY2007 Appropriated Amount:

- **House-Passed Report Level:** FFY 2006, was at \$20 million for all states
- **Senate-Passed Report Level:** FFY 2006, at \$67 million for all states, with \$25 million specified for WA.
- **FY2007 Continuing Resolution/Report Level:** \$67 million – WA state share of this likely to remain approximately \$25 million

FY2008 Request: At least \$67 million overall, with direction to continue WA's share at at least \$25 million. Vital to the state's salmon recovery to continue PCSRF funding at least at current levels. This level has been recommended by the Administration since 2006, and Congress has appropriated at this level.

FY2008 President's Budget Amount: \$67 million (specific state shares undefined)

Other Funding Sources and Amounts: The state's capital budget will provide at least \$9 million/yr in matching funds. Since 2000, \$172 million in state and federal grants through SRFB have attracted \$101 million in matching funds.

Is the Program Authorized? (Y/N) If Authorized, State the Authorization Bill and Section: Yes. *Will need to get specific reference to you next week if needed*

Language Request: N/A

¹ SEE: <http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/com.pdf>

LIMITED ACCESS SYSTEM ADMINISTRATION FUND—Continued

Special and Trust Fund Receipts (in millions of dollars)—Continued

Identification code 13-5284-0-2-306	2006 actual	2007 est.	2008 est.
02.60 Permit title registration fees, Limited access system administration fund	8	7	7
04.00 Total: Balances and collections	8	7	7
Appropriations:			
05.00 Limited access system administration fund	-8	-7	-7
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 13-5284-0-2-306	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 Direct program activity	3	16	7
10.00 Total new obligations	3	16	7
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4	9	
22.00 New budget authority (gross)	8	7	7
23.90 Total budgetary resources available for obligation	12	16	7
23.95 Total new obligations	-3	-16	-7
24.40 Unobligated balance carried forward, end of year	9		
New budget authority (gross), detail:			
Mandatory:			
60.20 Appropriation (special fund)	8	7	7
Change in obligated balances:			
73.10 Total new obligations	3	16	7
73.20 Total outlays (gross)	-3	-16	-7
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	2	7	7
86.98 Outlays from mandatory balances	1	9	
87.00 Total outlays (gross)	3	16	7
Net budget authority and outlays:			
89.00 Budget authority	8	7	7
90.00 Outlays	3	16	7

Fee collections equaling no more than three percent of the proceeds from the sale or transfer of fishing permits within a limited access system are deposited into this Fund to administer an exclusive central registry system for the limited access system permits.

Object Classification (in millions of dollars)

Identification code 13-5284-0-2-306	2006 actual	2007 est.	2008 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	1		
41.0 Grants, subsidies, and contributions	2	16	7
99.9 Total new obligations	3	16	7

Employment Summary

Identification code 13-5284-0-2-306	2006 actual	2007 est.	2008 est.
Direct:			
1001 Civilian full-time equivalent employment	24		

PACIFIC COASTAL SALMON RECOVERY

For necessary expenses associated with the restoration of Pacific salmon populations, \$66,825,000 to remain available until September 30, 2009: Provided, That of the funds provided herein the Secretary of Commerce may issue grants to the States of Washington, Oregon, Idaho, California, and Alaska, and the Columbia River and Pacific

Coastal Tribes for projects necessary for restoration of salmon and steelhead populations that are listed as threatened or endangered, or identified by a State as at-risk to be so-listed, for maintaining populations necessary for exercise of tribal treaty fishing rights or native subsistence fishing, or for conservation of Pacific coastal salmon and steelhead habitat, based on guidelines to be developed by the Secretary of Commerce: Provided further, That funds disbursed to States shall be subject to a matching requirement of funds or documented in-kind contributions of at least thirty-three percent of the Federal funds: Provided further, That non-Federal funds provided pursuant to the second proviso be used in direct support of this program.

Note.—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 13-1451-0-1-306	2006 actual	2007 est.	2008 est.
Obligations by program activity:			
00.01 State of Washington	25		
00.02 State of Alaska	22		
00.03 State of Oregon	7		
00.04 State of California	6		
00.05 State of Idaho	2		
00.06 Columbia River Tribes	1		
00.07 Pacific Coastal Tribes	4		
00.08 Grants to States and Tribes		20	67
10.00 Total new obligations	67	20	67
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	67	20	67
23.95 Total new obligations	-67	-20	-67
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	68	20	67
40.35 Appropriation permanently reduced	-1		
43.00 Appropriation (total discretionary)	67	20	67
Change in obligated balances:			
72.40 Obligated balance, start of year	254	241	196
73.10 Total new obligations	67	20	67
73.20 Total outlays (gross)	-80	-65	-69
74.40 Obligated balance, end of year	241	196	194
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	1	5	17
86.93 Outlays from discretionary balances	79	60	52
87.00 Total outlays (gross)	80	65	69
Net budget authority and outlays:			
89.00 Budget authority	67	20	67
90.00 Outlays	80	65	69

This account funds State, Tribal and local conservation initiatives to help recover Pacific salmon populations. State and local recipients of this funding will provide matching contributions of at least thirty-three percent of Federal funds. In addition, funds will be available to Tribes that do not require matching dollars. A 2006 Program Assessment Rating Tool analysis found that the program has substantially improved its ability to demonstrate effectiveness. The program has developed performance measures and has demonstrated progress in salmon recovery efforts. However, recovery continues to be slow and the program should be permitted to target funding based on the recovery needs of threatened, endangered, or other sensitive salmon populations. The language proposed here states that the Secretary will establish terms and conditions for the effective use of the funds to help address this concern.