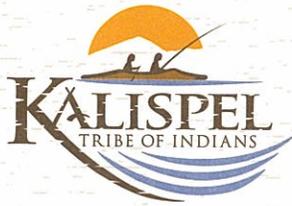


Twenty-one lead entities and seven regions responded to the GSRO regarding the 5 and 10 percent budget reduction exercise.

Only the following two letters were directed to the Salmon Recovery Funding Board.



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Kalispel Tribe of Indians
P.O. Box 39
Usk, WA 99180
(509) 445-1147
(509) 445-1705 *fax*
www.kalispeltribe.com

October 20, 2011

Salmon Recovery Funding Board
Recreation and Conservation Office
P.O. Box 40917
Olympia, Washington 98504-0917

Re: Lead entity budget reduction exercise

Board Members:

In August, the Salmon Recovery Funding Board (Board) directed lead entities to engage in a 5% and 10% budget reduction exercise in light of the anticipated shortfall of the State General Fund budget. The regional organizations are also engaging in a similar exercise to incur potential reductions of the Pacific Coastal Salmon Recovery Fund. As the Board is aware, the Pend Oreille Lead Entity (WRIA 62) does not operate under a regional organization, nor does the Northeast Region receive funding for operations. As the sole lead entity in the northeast, lacking regional support, we are responsible for stretching our lead entity budget and 2% of the statewide project funding to accomplish habitat restoration objectives associated with ESA listed (threatened) bull trout populations in WRIA 62. A budget reduction at this point would impact: 1) the amount of support from the lead entity, 2) the overall process of submitting top quality habitat restoration projects and, 3) the ability to properly educating the public on native salmonid recovery in the Pend Oreille watershed.

Given the current economic climate in Washington State, we anticipate that budget reductions may be eminent. As such, we have carried out the requested exercise to determine the impact(s) of reducing our lead entity operational budget. As the only employed lead entity staff, the coordinator is essential in operating the grant round for sponsors, facilitating meetings and the conducting required day to day operations. If reduced, any decrease in the time invested in this position (0.5 FTE) could detrimental to the program.

As with other lead entities, our Technical Advisory Group members, comprised of federal, tribal, state and local government staff are essential in ensuring that projects submitted for funding at the state level are biologically and technically sound. Recently

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several of these members have indicated that it is becoming increasingly difficult to be involved in the lead entity process. This is in large part due to budget reductions in their respective agencies with maintained or increasing expectancies within their positions. The core elements that involve the technical group are to develop and support a lead entity strategy and implementation schedule of projects that reflect the appropriate habitat restoration direction and also provide the appropriate technical review of proposed projects. Therefore we would avoid reducing these tasks or the time invested from technical group members until absolutely necessary. We may however be able to streamline local processes somewhat to minimize the costs associated with meeting; this however would not likely reduce costs to even a 5% decrease in the budget.

Regardless of a 5% or 10% reduction, the impact to our lead entity operations would first and foremost reduce the extent of our education and outreach ability. For reference, Pend Oreille County is an area that has heavily relied on logging operations and mills as an economic driver. A sizeable portion of what we as resource managers do, is to implement actions to rectify the impacts of a century of debilitating forest practices. Hydropower facilities are the other principal, if not more significant player in decline of native salmonid populations in the Pend Oreille watershed. Steps are in place to begin environmental impact mitigation of these facilities and their operations. A significant objective is getting local communities to understand what led to the decline in our salmonid populations and why preserving these native species and their respective habitat is so critical. Demonstrating the progression of salmon recovery, especially with state and federal funds, is essential in maintaining forward momentum. The 2011-2013 biennium was one in which the Pend Oreille Lead Entity had anticipated a sizeable amount of effort and funding be invested toward our education and outreach program. A 5% or 10% reduction in the State General Fund alone would reduce our education and outreach program by 11% and 22%, respectively. It would be unfortunate to limit this program in an effort to absorb a reduction in funding, yet necessary if funding designates it as such. Being a public process, with use of public funds and a bottom-up community approach, we owe the public the opportunity to be involved and informed with relevant information.

A larger concern is if and when budget cuts reduce the amount of time we can invest in the salmon recovery process to a point where the lead entity program in WRIA 62 becomes unviable. If this were to occur, we would have to discuss other options and/or seek additional funding to continue. We are also concerned about a reduction in project funding, since projects are becoming more expensive to implement. As we expect other are doing, we are relying more heavily on cost sharing the responsibilities of the lead entity to make certain that our overall goals and objectives are met.

We implore the Board to consider alternatives to any reduction in funding and look forward to the discussion of this exercise at the December Board meeting. We also greatly appreciate the support and leadership that the Board has consistently provided lead entities over the past decade. Thank you for your continuous support.

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Sincerely,



Nick Bean, Lead Entity Coordinator (Pend Oreille/WRIA 62)
Kalispel Natural Resource Department
Kalispel Tribe of Indians

cc: Megan Duffy, Governor's Salmon Recovery Office
Lloyd Moody, Governor's Salmon Recovery Office
Cheryl Baumann, Lead Entity Advisory Group



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North Olympic Peninsula Lead Entity for Salmon

Clallam County Courthouse
223 E. Fourth Street, # 5
Port Angeles, WA 98362
360/417-2326

Wednesday, October 26, 2011

Washington Salmon Recovery Funding Board
Recreation and Conservation Office
P.O. Box 40917
Olympia, WA 98504-0917

To Washington's Salmon Recovery Funding Board,

Thank you for the opportunity to respond to how our organization and our work would be impacted by a 5 or 10 percent budget reduction as a result of the state's current funding difficulties. Let us first paint a picture of our current situation and where we expect to go from here. The main and sustaining source of funding for our Lead Entity has always been the operating funds provided by the Salmon Recovery Funding Board. We are grateful for those funds and would be lost without it. We are also thankful for the ongoing capital funding which has allowed many important local restoration efforts to be completed here on the North Olympic Peninsula.

That operating funding has basically remained stagnant for the 12 years of lead entity operations. We have Run our entire program, including operation costs, coordinator salary and benefits, indirects, supplies, travel, etc. all from that \$80,000 grant. In many years, the budget would have come up short, except for the fact that fairly regular turnover in the coordinator position meant a savings when the position went unfilled. On numerous occasions, staff cover costs out of pocket for things like meeting food, project plaques, and thank yous to technical team members who volunteer for our program year round and do a tremendous amount of lead entity work for free.

The PSAR funding gave us the resources we needed to tackle some of the larger and more important needs such as developing prioritized capital and non-capital work plans, updating our strategy, assisting project sponsors with earlier project development and developing the Habitat Work Schedule. Having experienced a 55% funding cut, we have seen a voluntary reduction in staff hours to help alleviate budget shortfalls, as well as other cutbacks for things like professional services for work on adaptive management.

This year we lost \$75,000 in National Estuary Program annual funds to the local implementing organizations. This funding was used by the lead entity to assist in developing a WRIA 19 Salmon Recovery Plan and a Channel Migration Zone study of the Hoko River to help inform the Shoreline Masterplan update.

In addition, we are awaiting the outcome of our County's current budget negotiations. The County has a budget shortfall. While our lead entity staff are not union employees, their working conditions are currently impacted by some union practices. There may be furloughs or some form of cutbacks, but general fund budget reductions and departmental negotiations continue.

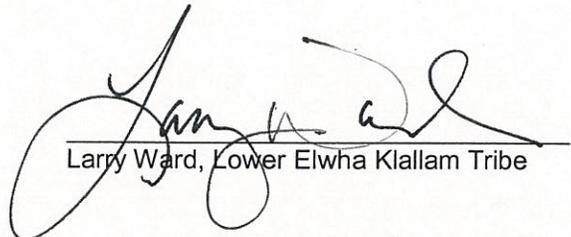
The two funding cutbacks already experienced are not insignificant and we are still finding our way through them. From a program management standpoint, it would be best if we did not have to experience another 5 to 10 percent in cuts. There is a compounding effect which occurs when you consider the stagnant funding, reduced buying power due to inflation and more funding reductions on top of that.

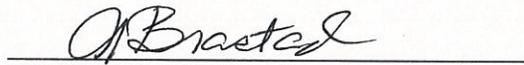
But if there is no way around a cutback to lead entities, we will consider an approach which allows us to reduce our expenditures, while still managing our ongoing restoration and recovery efforts including running a grant round, recruiting new technical team and citizen members, updating the Habitat Work Schedule and doing some community outreach. There is no one thing we can point to as an unnecessary and easy to remove expense. However, we will make whatever changes are needed to handle any further funding shortfalls.

Thank you for listening and the opportunity to comment.

Sincerely,


Scott Chitwood, Jamestown S'Klallam Tribe


Larry Ward, Lower Elwha Klallam Tribe


Andy Brastad, Clallam County


Steve Rankin, Citizen

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