Meeting Date: January 22, 2019
Title: Recommendation on Whether to Conduct a Supplemental Grant Round for the Washington Wildlife and Recreation Program, Farm and Forest Account
Prepared By: Marguerite Austin, Recreation and Conservation Section Manager

Summary
The Legislature is expected to adopt a state capital budget for the 2019-21 biennium during the 2019 Legislative session. If they approve the Governor’s proposed budget for the Washington Wildlife and Recreation Program, there will be funds for the Farm and Forest Account above the amount needed to fund the applications received in 2018 for both the Farmland Preservation category and the Forestland Preservation category. Staff is asking the Recreation and Conservation Funding Board to consider opening a grant cycle for this account to solicit additional project proposals to use all available funds.

Board Action Requested
This item will be a: [ ] Request for Decision
[ ] Request for Direction
[ ] Briefing

Resolution: 2019-03
Purpose of the Resolution: Approve a supplemental grant round for the Washington Wildlife and Recreation Program’s Farm and Forest Account.

Background
After funds are set aside for program administration, funding for the Washington Wildlife and Recreation Program (WWRP) is split into three accounts. Forty-five percent is allocated to the Habitat Conservation Account, forty-five percent to the Outdoor Recreation Account, and the remaining ten percent goes to the Farm and Forest Account. The Recreation and Conservation Funding Board (board) proposed a budget request of $130 million for WWRP in July. On December 13, the Governor released the proposed State Capital Budget for the 2019-21 biennium. Book 1 provides $80 million for WWRP, while book 2 includes $115 million for WWRP. The table below shows the funds available to each account at various funding levels.
### Table

<table>
<thead>
<tr>
<th>WWRP Account</th>
<th>Percent</th>
<th>Governor’s Book 1</th>
<th>Governor’s Book 2</th>
<th>Board Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm and Forest Account</td>
<td>10%</td>
<td>$7,676,800</td>
<td>$11,035,400</td>
<td>$12,474,800</td>
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<tr>
<td>Habitat Conservation</td>
<td>45%</td>
<td>$34,545,600</td>
<td>$49,659,300</td>
<td>$56,136,600</td>
</tr>
<tr>
<td>Outdoor Recreation</td>
<td>45%</td>
<td>$34,545,600</td>
<td>$49,659,300</td>
<td>$56,136,600</td>
</tr>
<tr>
<td>Administration</td>
<td>---</td>
<td>$3,232,000</td>
<td>$4,646,000</td>
<td>$5,252,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td><strong>$80,000,000</strong></td>
<td><strong>$115,000,000</strong></td>
<td><strong>$130,000,000</strong></td>
</tr>
</tbody>
</table>

The board adopted ranked list of WWRP projects for the 2019-21 biennium at their October 2018 meeting. Although there was a reasonable amount of interest in the Farm and Forest Account, the ranked list only includes 16 proposals requesting just over $5 million for Farmland Preservation Category projects and one proposal requesting $350,000 for the Forestland Preservation Category. Grant funds for these categories allow applicants to purchase and protect working lands, such as farmland or forestland. If the Legislature adopts either of the Governor’s proposed budgets, there are not enough pending Farm and Forest Account projects to use all of the available funds.

### Options and Analysis

After discussing the issue described above, staff outlined three options for board consideration.

**Option 1: Do Nothing**

If the Legislature adopts a budget that exceeds the funds requested, money would remain in the account until the Legislature re-appropriates the funds and approves new ranked lists for the 2021-23 biennium.

**Option 2: Authorize a Supplemental Grant Round**

Provide applicants with another opportunity to submit grant proposals for board consideration this fall for the 2019-21 biennium. To facilitate this option, RCO would open PRISM and accept new applications through June 1st. RCO staff and advisory committees would review and rank projects and present for board approval by October 2019. If the Legislature pre-approves, the board would have authority to approve the list and award grants in October. If not, the list would be submitted to the Governor and Legislature for approval as part of the 2020 Supplemental Capital Budget.

**Option 3: Wait Until the Budget is Approved then Authorize a Supplemental Grant Round**

This option is identical to option 2, with one key change - the timeline. RCO would open PRISM, however, applications would be due in July, following Legislative approval of the capital budget.

### Analysis

Option 1, *Do Nothing*, is a medium risk option. However, it means the loss of valuable time for project implementation. In general, WWRP funds are appropriate once and can be re-
appropriated at least once. If we wait, it will be two years before we have a new ranked list, get approval from the Governor and Legislature, and approval of a new capital budget. This could result in increased costs, loss of willing sellers, and potentially the loss of matching resources for projects that must expend funds within a specified timeframe.

Option 2, *Authorize a Supplemental Grant Round*, is a lower risk option that could work for farmland and forestland projects. Although the board has adopted a biennial grants cycle, this option would give applicants an opportunity to access grant funds much sooner. The timeline for application, technical review, evaluation, and board approval of ranked lists is more consistent with the regular grant cycle. Applicants know what to expect and the timeline allows staff to keep its focus on issuing agreements for funded projects, active grant management, and preparing for the 2020 grants cycle, since a 2019 grant cycle would involve only two WWRP categories.

Also, with expedited approval of the board’s authority to adopt the ranked lists and award grants, projects could be underway four months after the Legislature approves the state capital budget. If the board forwards its ranked lists to the Governor and Legislature for approval, the projects still could be underway within nine months. One area of concern is that if the Legislature adopts a lower budget there could be little or no funds available for the supplemental lists of projects.

Option 3, *Wait Until the Budget is Approved then Authorize a Supplemental Grant Round*, if selected, has most of the advantages of option 2. There are, however, two primary differences:

1. Everyone would know, in advance, how much money would be available for grants, and
2. There would be a much more compressed timeline between application submittal and board adoption of the ranked list.

**Advantages and Disadvantages**

If the board selects options 2 or 3, these options would allow eligible applicants to apply for grants during the supplemental cycle and begin project implementation early on. Approval has several possible advantages. For example, it would:

1. Allow applicants another opportunity to seek funds for important farmland and forestland projects within the 2019-21 biennium.
2. Allow applicants to take advantage of available match for proposed projects.
3. Allow applicants the opportunity to get projects underway more quickly thus increasing the likelihood of reducing future reappropriation requests.
4. Reduce the time from application submittal to actual project implementation. The timeframe for most projects is 14-15 months from the application deadline. With this option the timeline would be five to 10 months.

There are some possible disadvantages to these options or issues to consider. For example:

1. Applicants could submit a project proposal that would not receive funding. However, that is expected in all of the board’s competitive grant programs.
2. Outside of this memo, there has been no public review of this proposal, although the director has had conversations with several key stakeholders, who are supportive of this option.
3. The Legislature could enact a budget that would not include enough funds to support a supplemental grant round.
4. These options will increase the workload issue for RCO staff.

**Implementation Strategy**

After considering the options staff outlined an implementation strategy for the preferred Option 2 as compared to a schedule for Option 3. This timeline will be finalized following board approval of an option.

<table>
<thead>
<tr>
<th></th>
<th>Tentative Schedule for Option 2</th>
<th>Tentative Schedule for Option 3</th>
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</thead>
<tbody>
<tr>
<td>Application Webinar</td>
<td>March 7, 2019</td>
<td>May 1, 2019</td>
</tr>
<tr>
<td>PRISM Opens for Applications</td>
<td>March 7, 2019</td>
<td>May 1, 2019</td>
</tr>
<tr>
<td>Pre-Applications Due</td>
<td>May 1, 2019</td>
<td>June 2, 2019</td>
</tr>
<tr>
<td>Applications Submitted</td>
<td>June 4, 2019</td>
<td>July 16, 2019</td>
</tr>
<tr>
<td>Technical Review Meetings</td>
<td>June 17-21, 2019</td>
<td>July 23-31, 2019</td>
</tr>
<tr>
<td>Technical Completion Deadline</td>
<td>July 15, 2019</td>
<td>August 6, 2019</td>
</tr>
<tr>
<td>Evaluation Meetings</td>
<td>August 13-14, 2019</td>
<td>August 20-21, 2019</td>
</tr>
<tr>
<td>List Submitted to the Board</td>
<td>October 1-2, 2019</td>
<td>October 1-2, 2019</td>
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**Strategic Plan Link**

Consideration this policy supports the board’s goal to help our partners protect, restore, and develop habitat and recreation opportunities that benefit people, wildlife, and ecosystems. It also supports the board’s goal to achieve a high level of accountability in managing the resources and responsibilities entrusted to us and to ensure funded projects and programs are managed efficiently.

**Public Comment**

No public comment has been received to date. The director has had conversations with several key stakeholders, who are supportive of this option. Staff is circulating this proposal for public review and will update the board on comments received at the upcoming board meeting.

**Staff Recommendation**

Staff recommends that the board approve Options 2, which would allow RCO staff to offer a supplemental grant cycle on a timeline that more closely mirrors the traditional cycle.
Next Steps

If approved by the board, RCO staff will notify applicants of the upcoming grants cycle and then begin the work needed to prepare projects for board consideration at their October 2019 meeting.

Attachments

A. Resolution #2019-03, Conducting a Supplemental Grant Round for the Washington Wildlife and Recreation Program, Farm and Forest Account
Recreation and Conservation Funding Board
Resolution #2019-03
Conducting a Supplemental Grant Round for the
Washington Wildlife and Recreation Program, Farm and Forest Account

WHEREAS, the Recreation and Conservation Funding Board (board) provides grants for the Washington Wildlife and Recreation Program (WWRP), Farm and Forest Account, and

WHEREAS, applicants submitted 17 Farm and Forest Account projects requesting $5.4 million in grant funds during the 2018 grants cycle, and

WHEREAS, the Legislature is expected to adopt a state capital budget for the 2019-21 biennium that may include more funds than needed for the 2018 grant applications submitted, and

WHEREAS, the board recognizes and wants to be responsive to the need for grants for Farmland Preservation and Forestland Preservation and ensure there are enough projects to use all available fund, and

WHEREAS, the Farmland Preservation and Forestland Preservation advisory committees support offering a supplemental grant cycle to allow submittal of additional grant proposals for the 2019-21 biennium; and

WHEREAS, offering a supplemental grant cycle supports the board’s goal to help its partners protect, restore, and develop habitat and recreation opportunities that benefit people, wildlife, and ecosystems,

NOW, THEREFORE BE IT RESOLVED, that the Recreation and Conservation Funding Board authorizes a supplemental grant cycle to solicit additional grant proposals for the Washington Wildlife and Recreation Program, Farm and Forest Account for the 2019-21 biennium, and

BE IT FURTHER RESOLVED, that the Director is delegated authority to administer this supplemental grant cycle consistent with board adopted policies and guidance provided by the Governor or Legislature.

Resolution moved by: ________________________________

Resolution seconded by: ________________________________

Adopted/Defeated/Deferred (underline one)

Date: ________________________________