

January 4, 2008

**TOPIC #18: Policy for Expending Uncommitted Funds in the
National Recreation Trails Program**

Prepared and Presented By: Jim Fox

Approved by the Director:

Proposed Action: Discussion

Summary

In most years, it has been a challenge to meet the National Recreational Trails Program's (NRTP) minimum fund allocation requirements in the program's two motorized categories. Typically, this is due to the few motorized requests received^[1]. Because of federal restrictions, unobligated funds cannot be shifted to categories with unfunded projects. The Recreation and Conservation Funding Board (RCFB) is considering establishing a process for moving qualified unfunded projects to a category with excess funds in order to ensure the use of funds in a timely manner. If the Board decides to pursue this issue, staff will circulate a proposal for stakeholder review and bring the issue to the March 2008 RCFB meeting for action.

Staff Recommendation

If the RCFB chooses to develop a process to make use of unobligated funds in a particular grant cycle rather than carrying the funds forward to the next cycle, the process should be easily understood, fair, and transparent, while adhering to the federal rules for the program. Staff recommends taking the following proposal out for public

^[1] For example, requests for *motorized assured access* dollars have been below the minimum in seven of the last nine years, missing the 30 percent minimum by an average of about \$100,000 per year. In the same period, requests for *nonmotorized assured access* dollars exceeded the minimum by an average of about \$500,000 per year.

comment: when there are unobligated funds in one or more NRTP categories, the next highest scoring partially-funded or unfunded project may be moved by the RCFB to the category with excess funds if the project is eligible to be placed in that category. The process would be repeated until funds are exhausted or there are no more unfunded projects eligible for moving.

Background

The NRTP is a federally funded grant program. Federal law requires the bulk of the appropriation to be distributed to five categories using required percentages (Attachment 1). When a project proponent applies for an NRTP grant, RCO staff uses a decision tree to place the project in the most appropriate category and the category where the project is most likely to be successful. However, except for education projects, the same evaluation criteria, scoring system, and evaluation team are used for all projects, regardless of the category they are placed in. Currently, if there are unused funds in any of the NRTP categories, the funds are carried forward to the same category in the next grant cycle.

Analysis

Since the same evaluation criteria, scoring system, and evaluation team are used for all projects, the project score can be used to compare projects across categories. Should the Board desire to pursue a process for moving unfunded projects into categories with excess funds, staff recommends the following:

1. Formally adopt in the NRTP policy manual the decision tree used to determine in which category a project is placed.
2. After projects are evaluated, but before the RCFB meeting when grants are awarded, staff will use the decision tree to decide if any unfunded projects are eligible to be moved to a category that may have excess funds. Staff will include this information in the Board briefing memo prior to the meeting when grants are awarded.
3. At the RCFB funding meeting, starting with the highest scoring partly-funded or unfunded project, the board may shift the project(s) to a category with excess funds if the project is eligible to be placed in that category. This would be repeated, in order of project scores.
4. If there are no more eligible unfunded projects, in accord with the federal rule, remaining excess funds will be carried forward to the same category in the next grant cycle

Next Steps

If the Board decides to pursue this issue, staff will circulate a proposal for stakeholder review (including the decision tree) and bring the issue to the March 2008 RCFB meeting for action.

Attachment 1

Federal legislation [23 U.S.C. 206, (d)(3)(A)] requires that not less than:

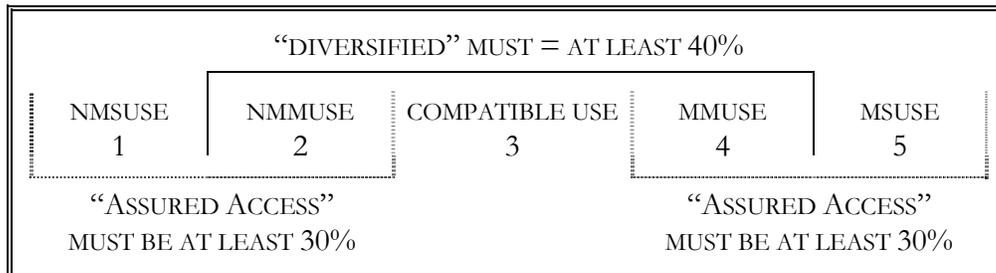
- ▶ 40 percent of this program’s funds be used for diverse recreational trail use
- ▶ 30 percent for motorized recreation
- ▶ 30 percent for nonmotorized recreation.

“Diverse” means use that combines recreational trail activity within a trail corridor, trail side, or trailhead. The 40 percent “diverse” rule may *not* be waived and must involve:

- ▶ More than one motorized trail activity (MMUse), or
- ▶ More than one nonmotorized trail activity (NMSUse), or
- ▶ A combination of compatible nonmotorized and motorized trail activities.

The 40-30-30 requirement applies to funds apportioned (not obligated) each fiscal year and includes development, maintenance, and education projects. The 30 percent motorized–nonmotorized rules *may not* be waived (in whole or part). Funds are carried over to the next grants cycle if insufficient eligible projects are received.

The following table summarizes this requirement:



NMSUSE = NONMOTORIZED SINGLE USE
NMMUSE = NONMOTORIZED MULTIPLE USE

MMUSE = MOTORIZED MULTIPLE USE
MSUSE = MOTORIZED SINGLE USE

Note that it is possible to exceed the minimum percentage requirements: a diverse motorized project (such as snowmobile and trail motorcycle) may satisfy the 40 percent diverse use requirement and the 30 percent motorized use requirement simultaneously. The same applies for nonmotorized use.