WASHINGTON STATE
Recreation and Conservation Funding Board

Agenda
Recreation and Conservation Funding Board Meeting

August 26, 2014
Conference Call and Natural Resources Building, Room 172, Olympia, WA 98504

Time: Opening session will begin as shown; all other times are approximate.

Public Participation and Comment:

- Members of the public may participate by attending at the Natural Resources Building, Room 172, Olympia, WA. If you wish to comment at the meeting, please fill out a comment card and provide it to staff.
- If you are not attending the meeting and wish to submit written comments to the board, you may do so by emailing them to Wendy Loosle at wendy.loosle@rco.wa.gov. Comments must be received by **3:00 p.m. on Friday, August 22** so they can be distributed to board members.
- **Public comment will be limited to 3 minutes per person.**

Special Accommodations: If you need special accommodations to participate in this meeting, please notify us at (360) 902-3000 or TDD (360) 902-1996.

Tuesday, August 26

1:15 p.m.	**Conference Line Open** • Board members to check sound and ability to view materials	*Staff*
OPENING AND WELCOME		
1:30 p.m.	**Call to Order** • **Determine Quorum**	*Chair*
1:35 p.m.	**1. Consent Calendar *(Decision)*** A. Eligibility for City of Edmonds, Civic Center/Field Acquisition RCO #14-1199A Resolution 2014-13	*Chair*
BOARD BUSINESS: DECISIONS		
1:40 p.m.	**2. Washington Wildlife and Recreation Program Administrative Rate** Resolution 2014-14	*Kaleen Cottingham*
2:00 p.m.	**3. Operating and Capital Budget Requests for 2015-2017** A. Operating Budget and Capital Budget Requests Based on Revenue Projections* - Resolution 2014-15 B. Washington Wildlife and Recreation Program (WWRP)* - Resolution 2014-16 C. Youth and Community Athletic Facilities (YACF)* - Resolution 2014-17 *Public comment will occur prior to adopting each individual resolution.	*Kaleen Cottingham*
2:45 p.m.	**ADJOURN**	

Next Regular Meeting:
October 29-30, 2014
Olympia, WA 98501

Recreation and Conservation Funding Board
Resolution #2014-13
August 2014 Consent Calendar

BE IT RESOLVED, that the following August 2014 Consent Calendar items are approved:

A. Eligibility for City of Edmonds, Civic Center/Field Acquisition RCO #14-1199A

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: _____

WASHINGTON STATE
Recreation and Conservation Funding Board

Recreation and Conservation Funding Board Briefing Memo

Item **1A**

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: August 2014

Title: Approve Eligibility for Civic Center/Field, City of Edmonds Parks, Recreation and Cultural Services Department, RCO #14-1199

Prepared By: Kyle Guzlas, Outdoor Grants Manager

Summary

This action will provide a policy waiver so that the Civic Center/Field property is eligible for grant funding.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Resolution #: 2014-13

Purpose of Resolution: Make the Civic Center/Field property eligible for grant funding.

Background

The City of Edmonds Parks, Recreation, and Cultural Services Department has applied for funding from the Washington Wildlife and Recreation Program (WWRP) Local Parks category to purchase 7.92 acres (RCO #14-199A). The property is currently owned by the Edmonds School District and is located adjacent to downtown Edmonds (Attachment A).

The City of Edmonds leases the property from the school district and manages the site for public recreation. This includes a playground, basketball and tennis courts, football field, soccer fields, track, skatepark, petanque courts, portable restrooms, and a stadium. The site is used for sports and community events, e.g., 4th of July, Taste of Edmonds, the Wenatchee Youth Circus, and used by local youth organizations, schools, walking and running groups, and recreation programs.

The City has leased and operated Civic Center/Field since 1977 however the School District intends to sell the property per RCW 39.33[1] (Attachment B).

[1] Revised Code of Washington (RCW). Retrieved from http://apps.leg.wa.gov/RCW/default.aspx?cite=39.33

Conflict with Existing Policy

The property is not eligible for reimbursement, based on the acquisition policies contained in Manual 3, Section 2, which state in part that: "In general, property that already is under public ownership or management is not eligible for (Recreation and Conservation Office) RCO grant funding…" (RCFB, p. 23).[2]

There is one exception to this policy that allows existing public property to be eligible for RCO grant funding, if the following conditions are satisfied:

1. State law requires that the agency selling the land must receive compensation, and
2. The land was not originally acquired by the selling agency for recreation use (for outdoor recreation proposals), and
3. The land has never been publicly managed for… recreation"

The school district is required to receive compensation and did not originally acquire the property for recreation use. However, the City of Edmonds has managed and developed the property as a neighborhood park for recreation. As a result, under Policy 2.3., the property is not eligible for grant funding.

Request for Board Decision

The Parks Department is asking the board to waive the policy so that it can seek grant funding to assist in the purchase the property. A policy waiver would not guarantee funding during this grant cycle. Rather, it would allow Parks Department to compete for funds through the established evaluation process.

Similar Decisions by the Board

In 2012, the board waived this policy to allow the City of Vancouver to acquire John Ball Park when the school district announced its intention to sell the property. Before that time, the city leased, developed and managed the park since 1959.

In 2000, the board waived this policy to allow the City of Edmonds to acquire Marina Beach when the private owner announced its intention to sell the property for development. Before that time, the city had leased and managed Marina Beach, for outdoor recreational opportunities.

Strategic Plan Link

Consideration of this request supports the board's strategies to (1) evaluate and develop strategic investment policies so that projects selected for funding meet the state's recreation needs and (2) regularly monitor progress in meeting objectives and adapt management to meet changing needs.

Staff Recommendation

Staff recommends approval of the policy waiver to allow the Civic Center/Field property to be eligible. This action would permit this grant application to proceed in the evaluation process.

[2] Recreation and Conservation Funding Board (2014). Manual 3: Acquisition Projects. Retrieved from: http://www.rco.wa.gov/documents/manuals&forms/Manual_3_acq.pdf

Attachments

A. Maps of Park and Vicinity in Edmonds, WA

B. Edmonds School District Letter

Maps of Park and Vicinity in Edmonds, WA (1 of 2)

Maps of Park and Vicinity in Edmonds, WA (2 of 2)

EDMONDS 15 SCHOOL DISTRICT

EDMONDS SCHOOL DISTRICT

20420 68th Ave. W., Lynnwood, WA 98036-7400
http://www.edmonds.wednet.edu

Stewart Mhyre, MBA, CSB,
Executive Director
Business & Operations

Serving the communities and Students of Brier, Edmonds, Lynnwood, Mountlake Terrace, Woodway and unincorporated Snohomish County

May 1, 2014

Carrie Hite - Parks, Recreation, & Cultural Services Director
City of Edmonds
700 Main Street
Edmonds WA, 98020

Subject: **Civic Field:** Requirement of Full Value Compensation

Dear Carrie,

We are in receipt of the City's notification of Intent to Purchase the District's property, commonly known as the Civic Field. In regard to the matter of disposing of the Civic Field, the School District sites RCW 39.33 - Intergovernmental Disposition of Property. Specifically RCW 39.33.010 states "The state or any municipality or any political subdivision thereof, may sell, transfer, exchange, lease or otherwise dispose of any property, real or personal, or property rights, including but not limited to the title to real property..." We believe this RCW grants us the right to sell the property. In addition to this authority, as a governmental agency, we have a fiduciary responsibility to the taxpayers of the Edmonds School District to be fiscally responsible and not transfer this property for below its fair market value.

It is the District's intention to sell this property and we will do so after locating a suitable buyer. The sale will conform to the prescribed regulatory surplus process. Even though the property has not yet been advertised for sale the District has already been contacted by a third party interested in purchasing the site. Their interest was expressed formally through the delivery of a Purchase and Sale Agreement to the District offices.

If the city is not able to make a full price proposal to purchase the property, the district will advertise on the open market and sell it for the highest offer (subject, as you know, to the city's right to match that offer pursuant to section 5 of the 1977 lease agreement covering the property). We wish you well with your application for Recreation Conservation Office grant funding and look forward to receiving an offer commensurate with the property's true value.

Please let me know if you have any questions.

Sincerely,

Stewart Mhyre

Stewart Mhyre, Executive Director-Business & Operations

CC: Nick Brossoit, Ed. D - Superintendent

WASHINGTON STATE
Recreation and Conservation Funding Board

Recreation and Conservation Funding Board Briefing Memo

Item **2**

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: August 2014

Title: Washington Wildlife and Recreation Program Administrative Rate

Prepared By: Leslie Connelly, Policy Specialist

Summary

This memo outlines the staff recommendation for changing the administrative rate allowed for the Washington Wildlife and Recreation Program. If the board approves moving forward with a change in the administrative rate, staff will submit a legislative request to the Governor's Office.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Resolution #: 2014-14

Purpose of Resolution: Approve pursuit of a legislative request to change the allowed administrative for the Washington Wildlife & Recreation Program.

Background

In April and July, staff briefed the board on the allowed administrative rate for the Washington Wildlife and Recreation Program (WWRP) and the actual administrative costs to manage the program. See the July meeting materials for more background details (Attachment A). At the July meeting, the board directed staff to move forward and meet with state budget staff, legislative staff, and legislators to determine the level of support for changing the administrative rate for the WWRP.

Board Decision Requested

Staff request board action on whether to pursue legislation to change the administrative rate for the WWRP. Resolution #2014-14 (Attachment B) reflects the preferred option as described in this memo.

Preferred Option

At the July meeting, staff presented to the board eight options for increasing the administrative rate for the WWRP. In general, the board was most supportive of one of the options, which would change the administrative rate based on the actual average cost of administering the WWRP over the previous five biennia. The rate would be set each biennium based on the previous five biennia's actual average cost and be approved by the Office of Financial Management.

Example

Based on the current actual average cost over the previous five biennia (2003-2011), the administrative rate is 4.3 percent. Table 1 below illustrates how the 4.3 percent administrative rate applies at different levels of appropriation for the WWRP.

Table 1: Administrative Rate Based on the Actual Average Cost of Administering the WWRP at the Current Rate of 4.3%.

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
4.3% on total amount	$1,720,000	$2,365,000	$3,010,000	$3,655,000	$4,300,000

Staff Recommendation

Staff will provide a recommendation at the August meeting. As of the writing of this memo, the director and staff have begun meeting with key state budget staff, legislative staff, and legislators to determine the level of support for increasing the administrative rate for the WWRP. At the August board meeting, staff will brief the board on the results of the outreach efforts and present a recommendation of how to proceed.

Attachment C is the current version of the draft legislation. This may be modified with feedback from legislators and staff.

If the board approves moving forward with an increase in the administrative rate, staff will seek permission from the Office of Financial Management (OFM) and the Governor's Office to introduce the agency request legislation by the OFM-established deadline, which is October 1.

Strategic Plan Link

Changing the administrative rate for WWRP to reflect the actual costs of managing the program addresses many aspects of the board's strategic plan, but most importantly goal number two and objective 2A.

Goal 2: We achieve a high level of accountability in managing the resources and responsibilities entrusted to us.

Objective 2.A. Ensure funded projects and programs are managed efficiently, with integrity, in a fair and open manner, and in conformance with existing legal authorities.

- Strategy 2.A.1. – Evaluate and develop policies and practices to reduce the number of projects not starting or finishing on time.
- Strategy 2.A.2. – Regularly monitor progress in meeting objectives and adapt management to meet changing needs.
- Strategy 2.A.3. – Ensure the work of the Board and staff is conducted with integrity and in a fair and open manner.

Attachments

A. July 2014 Board Meeting, Item 4: Washington Wildlife and Recreation Program Administrative Rate

B. Resolution #2014-14

C. Draft legislation

WASHINGTON STATE
Recreation and Conservation Funding Board

Recreation and Conservation Funding Board Briefing Memo

Item **4**

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: July 2014

Title: Washington Wildlife and Recreation Program Administrative Rate

Prepared By: Nona Snell, Policy Director and Leslie Connelly, Policy Specialist

Summary

This memo follows up with board member questions related to the briefing in April about the Washington Wildlife and Recreation Program (WWRP) administration rate. Information is provided to address the question of how much it costs to administer the WWRP program, and to compare this with generally accepted administration costs for nonprofit organizations. The memo also reviews options for increasing the WWRP administration rate to cover program administration costs.

Board Action Requested

This item will be a:

- ☐ Request for Decision
- ☒ Request for Direction
- ☐ Briefing

Background

Washington Wildlife and Recreation Program

The Washington State Legislature established the Washington Wildlife and Recreation Program (WWRP) in 1990[1]. The program was established to acquire the most significant recreation and habitat lands before they are lost to other uses and to develop recreation areas for a growing population. The program also preserves farmland and restores and develops state lands.

Administrative Allowance

When the WWRP program was established, the use of appropriated monies to pay for staff, overhead expenses, or for state, regional, or local agency[2] operation and maintenance of awarded grant projects was prohibited. In 2005, the law was amended[3] to allow up to three percent of the funds appropriated for WWRP to be used by the Recreation and Conservation Office (RCO) for administration of the program.

Since 2005 several administrative requirements and public expectations have added to RCO's management of all grant programs. Examples include: consultation on cultural resources; increased expectations for electronic accessibility of project information; increased requests for disclosure of public information; increased requirements for fiscal accountability and review; increased accountability for grant compliance; and increased efforts to streamline grant processes with technology.

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[1] Section 7, Chapter 14, Laws of 1990 1st Ex. Sess.

[2] Local agency is defined as a city, county, town, federally recognized Indian tribe, special purpose district, port district, or other political subdivision. RCW 79A.15.010(5)

[3] RCW 79A.15.030(7)

RCO currently has eight grant managers that manage nine grant programs on behalf of the board, many of which have sub-grant categories. In addition, RCO has fiscal staff, information technology staff, managers, policy staff, and administrative staff who support the board's grant programs. While the RCO is a very efficient and effective agency, some of the new requirements have stressed our ability to maintain the board's strategic plan goal to achieve a high level of accountability in managing the resources and responsibilities entrusted to us.[4] As a result, administrative requirements discussed above have suffered in the process.

The current allowance of three percent of WWRP appropriations for RCO's administrative functions is inadequate for two reasons: 1) the varied administration amount is an unstable amount of funding to maintain consistent operations; and 2) there is little or no funding left over to respond to new requirements and public expectations. This affects RCO's ability to effectively manage the WWRP program during the grant award cycle and over the long-term.

Increasing the WWRP administration rate will lead to improvements in the following five areas. These changes are designed to increase the quality and efficiency of RCO services provided to project sponsors and the public:

- Meet the board's policy on project implementation;
- Monitor older projects for compliance with contractual requirements;
- Meet legal requirements for cultural resources that may be found on project sites;
- Maintain data systems necessary to provide current information on funded projects, enhance the tools to electronically manage grants, and provide more information to the public and elected officials; and
- Meet agency fiscal monitoring requirements.

RCO Administration Costs

As presented at the April board meeting, bringing more stability to the staffing process is a high RCO priority. Rounding out the ups and downs (i.e. more stable funding) for administration would help to avoid the ramping up during times of large appropriations and laying off during times of lower appropriations. More constant staffing levels allow staff to better balance managing active grants and new applications with the compliance work necessary on older grants. On-going program management is required regardless of whether appropriations are high or low.

Overall Costs to Administer Board Grant Programs

The administration of the board's and other RCO grant programs includes a variety of activities and associated costs for grant and program administration as listed below.

<u>Costs Associated with Grant and Program Administration</u>

- Develop grant program policies for approval by the board;
- Communicate with potential applicants and provide technical assistance to prepare for grant application cycles;

[4] Recreation and Conservation Funding Board Strategic Plan (2012)

- Prepare grant manuals, electronic applications, and other materials necessary to carry out the competitive grant application process;
- Review grant applications for completeness and eligibility;
- Manage and support volunteer advisory committees who evaluate and rank applications;
- Manage and support the board in their role to set policy and approve projects for funding;
- Conduct application evaluations in open public meetings;
- Prepare funding lists and presentations for board approval and submit approved lists to the Governor and Legislature;
- Provide data and information related to WWRP throughout the legislative process and to media outlets;
- Collect and review documents for project grant awards;
- Prepare contracts for each project;
- Address amendments or other project or contract changes;
- Maintain and update data systems (e.g., PRISM, GIS) to collect applicant and project information;
- Provide cultural resources technical assistance and coordinate compliance with legal and executive order requirements;
- Monitor project progress, pay invoices, and conduct audits and inspections;
- Monitor projects for compliance with long-term statutory and contractual requirements;
- Provide public access to and disclosure of grant records; and
- Pay for staff salaries and benefits and the materials necessary to carry out the above tasks.

Overall, RCO's total administration cost varies each biennium. During the period from the 2003-2005 to 2011-2013 biennia, the average RCO administration cost for all of the agency's programs and activities was $7.9 million. The range was $5.4 to $9.4 million. See Table 1 for details of RCO's administration costs over the last five biennia.

Table 1: RCO's Total Administration Cost

Biennium	03-05	05-07	07-09	09-11	11-13	Average
Dollars in Millions	$5.4	$6.9	$8.7	$9.4	$8.9	$7.9

Cost to Administer WWRP

At the April meeting, board members asked what the cost of administering the WWRP program is and to compare that cost with how much private non-profit organizations use to administer their grant programs.

The administrative activities described above and their associated costs span across all of the work of RCO and are not unique to WWRP. In order to determine the portion of administration costs related to WWRP only, staff compared the WWRP appropriations to RCO's total capital appropriations and then applied that percentage to the total administration costs to determine the WWRP administration costs. The calculation looks like this:

	A		B		C
	RCO total administration cost (See Table 1)	**X**	WWRP appropriation / RCO total capital appropriation (See Table 2)	=	WWRP administration cost
Average of Past Five Biennia	$7.9 million		33.4%		$2.6 million

Staff calculated the data for columns A, B, and C for the past five biennia to develop an average over the previous ten fiscal years. See tables 1 and 2 for the calculations to determine the averages for columns A and B, respectively.

Based on this analysis, the average percent of WWRP appropriations compared to RCO's total appropriations is 33.4 percent (column B). The range was 24 to 42 percent over the last five biennia. Applying this WWRP percentage to RCO's total average administration cost (column A) results in an average WWRP administration cost of $2.6 million each biennium (column C). See table 3 for the calculations to determine the averages for column C.

Table 2: WWRP Appropriations Compared to RCO's Total Appropriations

Biennium	03-05	05-07	07-09	09-11	11-13	Average
			-------- *Dollars in Millions* --------			
WWRP Appropriation Only	$45.0	$50.0	$100.0	$70.0	$42.0	**$61.4**
Total RCO Capital Appropriations	$133.4	$153.7	$240.0	$198.9	$175.5	**$180.3**
WWRP Appropriation as a Percent of Total RCO Capital Appropriations	33.7%	32.5%	41.7%	35.2%	23.9%	**33.4%**

Table 3: Average WWRP Administration Cost

Biennium	03-05	05-07	07-09	09-11	11-13	Average
			-------- *Dollars in Millions* --------			
RCO's Total Administration Cost	$5.4	$6.9	$8.7	$9.4	$8.9	$7.9
WWRP Appropriation as a Percent of Total RCO Capital Appropriations	33.7%	32.5%	41.7%	35.2%	23.9%	33.4%
WWRP Administration Cost as a Percent of RCO Total Administration Cost	$1.8	$2.2	$3.6	$3.3	$2.1	**$2.6**

The last step in the analysis was to compare the average biennium WWRP administration cost of $2.6 million to the total RCO total administration cost to develop an average WWRP administration rate. The result is an average WWRP administration rate of 4.3 percent. The range was 3.6 to 5.1 percent over the previous five biennia. See table 4 for the calculations to determine the average WWRP administration rate.

Table 4: Average WWRP Administration Rate

Biennium	03-05	05-07	07-09	09-11	11-13	Average
	-------- *Dollars in Millions* --------					
WWRP Administration Cost as a Percent of RCO Total Administration Cost	$1.8	$2.2	$3.6	$3.3	$2.1	**$2.6**
WWRP Appropriation	$45.0	$50.0	$100.0	$70.0	$42.0	$61.4
WWRP Administration Rate	4.1%	4.5%	3.6%	4.7%	5.1%	4.3%

Calculating one program's administration cost is difficult because of the following variables:

- The WWRP funding level has ranged from $42 million to $100 million over the previous five biennia,
- The number of WWRP applications received has ranged from 115 to 266 over the previous five biennia,
- The number of all of the projects monitored for compliance each year has ranged from 4 to 30 over the previous five biennia,
- Whether data system improvements were completed or deferred for a later time, and
- The level of fiscal monitoring required by program funding source.

Calculating the cost of the WWRP administration rate assumes that all programs, including federally funded programs, require the same level of administration.

RCO's Federal Indirect Rate

Every year RCO negotiates an indirect rate for its administration of federal grant programs. The negotiations are based on the actual allowed cost of administering all programs, including all of the elements listed on page 2. RCO's 2013 federal indirect rate is 4.12 percent.

Nonprofit Organization Administration Costs

According to The Foundation Center[5], there is no single accepted standard percentage of administration applied by nonprofit organizations. Nonprofits spend varying amounts of their budget on administration costs, depending on the scope and structure of their operations.

Options for Increasing the Administration Rate

There were six options for the WWRP administration rate presented to the board at the April meeting. For this memo, staff developed two additional options for the board to consider. All of the options are presented based on WWRP appropriation amounts in $15 million increments.

[5] The Foundation Center: http://foundationcenter.org/, June 17, 2014

Options Presented at April Meeting

Option 1: Maintain the WWRP administration rate at three percent.

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
3% Amount for Administration	$1,200,000	$1,650,000	$2,100,000	$2,550,000	$3,000,000

Option 2: Increase the administration rate to reflect the federal indirect rate (currently 4.12 percent).

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
4.12% on Total Amount	$1,648,000	$2,266,000	$2,884,000	$3,502,000	$4,120,000

Option 3: Increase the administration rate to 5 percent, depending on administrative need (to be justified to OFM).

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
5% on Total Amount	$2,000,000	$2,750,000	$3,500,000	$4,250,000	$5,000,000

Option 4: Maintain a 3 percent administration rate on the first $40 million appropriation for stability and increase to five percent on appropriation amounts above the $40 million base.

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
3% on First $40 Million	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000
5% on above $40 Million	$0	$750,000	$1,500,000	$2,250,000	$3,000,000
Total Blended Administration	$1,200,000	$1,950,000	$2,700,000	$3,450,000	$4,200,000

Option 5: Increase the administration rate to 5 percent on the first $40 million appropriation and maintain 3 percent on appropriation amounts above the $40 million base.

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
5% on First $40 Million	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
3% on above $40 Million	$0	$450,000	$900,000	$1,350,000	$1,800,000
Total Blended Administration	$2,000,000	$2,450,000	$2,900,000	$3,350,000	$3,800,000

Option 6: Increase the administration rate to 5 percent up to $50 million appropriation only with no administration allowance on appropriation amounts above $50 million.

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
5% on First $50 Million	$2,000,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000

New Options for July Meeting

Option 7: Increase the administration rate based on the actual average cost of administering the WWRP program over the previous five biennia. The current rate is 4.3%.

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
4.3% on total amount	$1,720,000	$2,365,000	$3,010,000	$3,655,000	$4,300,000

Option 8: Increase the rate to 5 percent up to $54 million and reduce the rate in 0.5 percent increments for each additional $15 million.

WWRP Appropriation		**Incremental Administration Rate**	**Total Blended Administration Amount**	
--- Dollars in Millions ---			*--- Dollars in Millions ---*	
From	**To**	**%**	**From**	**To**
$0	$54,000,000	5.0%	$0	$2,700,000
$55,000,000	$69,000,000	4.5%	$2,745,000	$3,375,000
$70,000,000	$84,000,000	4.0%	$3,415,000	$3,975,000
$85,000,000	$99,000,000	3.5%	$4,010,000	$4,500,000
$100,000,000	and above	3.0%	$4,530,000	and above

WWRP Appropriations	$40,000,000	$55,000,000	$70,000,000	$85,000,000	$100,000,000
Total Blended Administration	$2,000,000	$2,745,000	$3,415,000	$4,010,000	$4,530,000

Stakeholder Response

The Washington Wildlife and Recreation Coalition's State Policy Committee discussed the proposal to change the WWRP administration rate. The Coalition is supportive of RCO exploring increases to the administrative rates of the Washington Wildlife and Recreation Program. The Coalition encouraged the board and agency to pursue discussions with legislators and staff to determine the most strategic timing and approach for such a proposal. Their letter is Attachment A.

Discussion and Next Steps

Staff recommends the board pursue a statutory change to the WWRP administration rate and direct staff to work with the Governor's office and stakeholders on options 6 and 7.

Option 6, which increases the administration rate on the first $50 million appropriation only with no administration rate above the $50 million appropriate level stabilizes the administration rate over time and allows enough funding to complete the administrative tasks associated with the WWRP program. This option will also be explainable to the Governor's Office and the Legislature.

Option 7, which increases the administration rate to 4.28% based on the actual average cost of administering the WWRP program over the previous ten fiscal years, reflects the actual cost of administering the WWRP program. For convenience, staff recommends rounding the rate to 4.5% instead of the actual 4.3%. The additional 0.2% would allow RCO to do some of the administrative work that currently is not accomplished during times of low appropriation levels such as compliance, fiscal monitoring, data projects, etc.

All agency requests for statutory changes must be approved by the Governor's Office. We expect the due date for statutory changes will be at the end of August.

If the request for a statutory change is approved by the Governor's Office, RCO staff will meet with legislators and legislative staff to educate them on the need for the change and associated costs.

The regular legislative session adjourns in mid-April. If this proposal is passed, the change would take effect with the 2015-17 WWRP appropriation.

Attachments

A. Washington Wildlife and Recreation Coalition Letter

Recreation and Conservation Funding Board
Resolution #2014-14
Washington Wildlife and Recreation Program Administrative Rate

WHEREAS, the Recreation and Conservation Funding Board (board) is statutorily authorized to implement the Washington Wildlife and Recreation Program as described in Chapter 79A.25 RCW; and

WHEREAS, the Recreation and Conservation Office (RCO) is the administrator for the Washington Wildlife and Recreation Program on behalf of the board; and

WHEREAS, RCW 79A.15.030 allows up to three percent of the capital budget appropriation for the Washington Wildlife and Recreation Program to be retained by RCO for program administration; and

WHEREAS, RCO staff has demonstrated the need to change the allowable administrative rate for the Washington Wildlife and Recreation Program due to new administrative requirements such as cultural resources consultation, fiscal accountability and review, and grant project compliance. There are also increasing public expectations for electronic accessibility of project information, increased requests for public disclosure, and increased efforts to streamline the grant processed with technology;

NOW, THEREFORE, BE IT RESOLVED that the board hereby approves RCO staff pursuing legislation to change the allowable administrative rate for the Washington Wildlife and Recreation Program. The proposed legislation would change the administrative rate based on the actual average cost of administering the WWRP over the previous five biennia. The rate would be set each biennium based on the previous five biennia's actual average cost and be approved by the Office of Financial Management.

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: _____

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0018.2/15 2nd draft

ATTY/TYPIST: ML:lel

BRIEF DESCRIPTION: Concerning the administrative rate the recreation and conservation funding board may retain to administer the grant programs established in chapter 79A.15 RCW.

AN ACT Relating to the administrative rate the recreation and conservation funding board may retain to administer the grant programs established in chapter 79A.15 RCW; and amending RCW 79A.15.030.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 79A.15.030 and 2009 c 341 s 2 are each amended to read as follows:

(1) Moneys appropriated for this chapter shall be divided as follows:

(a) Appropriations for a biennium of forty million dollars or less must be allocated equally between the habitat conservation account and the outdoor recreation account.

(b) If appropriations for a biennium total more than forty million dollars, the money must be allocated as follows: (i) Twenty million dollars to the habitat conservation account and twenty million dollars to the outdoor recreation account; (ii) any amount over forty million dollars up to fifty million dollars shall be allocated as follows: (A) Ten percent to the habitat conservation account; (B) ten percent to the outdoor recreation account; (C) forty percent to the riparian protection account; and (D) forty percent to the farmlands preservation account; and (iii) any amounts over fifty

million dollars must be allocated as follows: (A) Thirty percent to the habitat conservation account; (B) thirty percent to the outdoor recreation account; (C) thirty percent to the riparian protection account; and (D) ten percent to the farmlands preservation account.

(2) Except as otherwise provided in chapter 303, Laws of 2005, moneys deposited in these accounts shall be invested as authorized for other state funds, and any earnings on them shall be credited to the respective account.

(3) All moneys deposited in the habitat conservation, outdoor recreation, riparian protection, and farmlands preservation accounts shall be allocated as provided under RCW 79A.15.040, 79A.15.050, 79A.15.120, and 79A.15.130 as grants to state or local agencies or nonprofit nature conservancy organizations or associations for acquisition, development, and renovation within the jurisdiction of those agencies, subject to legislative appropriation. The board may use or permit the use of any funds appropriated for this chapter as matching funds where federal, local, or other funds are made available for projects within the purposes of this chapter. Moneys appropriated to these accounts that are not obligated to a specific project may be used to fund projects from lists of alternate projects from the same account in biennia succeeding the biennium in which the moneys were originally appropriated.

(4) Projects receiving grants under this chapter that are developed or otherwise accessible for public recreational uses shall be available to the public.

(5) The board may make grants to an eligible project from the habitat conservation, outdoor recreation, riparian protection, and farmlands preservation accounts and any one or more of the applicable categories under such accounts described in RCW 79A.15.040, 79A.15.050, 79A.15.120, and 79A.15.130.

(6) The board may accept private donations to the habitat conservation account, the outdoor recreation account, the riparian protection account, and the farmlands preservation account for the purposes specified in this chapter.

(7) The board may ((~~apply up to three percent~~)) <u>retain a portion</u> of the funds appropriated for this chapter for its office for the administration of the programs and purposes specified in this chapter. <u>The portion of the funds used for administration must be based on the actual administration costs averaged over the previous five biennia as a percentage of the legislature's appropriation for</u>

this chapter. Each biennium the percentage must be approved by the office of financial management.

(8) Habitat and recreation land and facilities acquired or developed with moneys appropriated for this chapter may not, without prior approval of the board, be converted to a use other than that for which funds were originally approved. The board shall adopt rules and procedures governing the approval of such a conversion.

--- END ---

WASHINGTON STATE
Recreation and Conservation Funding Board

Recreation and Conservation Funding Board Briefing Memo

Item **3A**

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: August 2014

Title: Operating and Capital Budget Requests for 2015-2017

Prepared By: Scott Robinson, Deputy Director
Mark Jarasitis, Chief Financial Officer

Summary

The Recreation and Conservation Office must submit its 2015-17 biennial budget (operating and capital) to the Office of Financial Management on September 12, 2014. Staff is asking the Recreation and Conservation Funding Board to approve several budget requests.

The funding request for Washington Wildlife and Recreation Program is addressed in Memo 3B, and the funding request for the Youth and Community Athletic Fields is in Memo 3C.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Resolution #: 2014-15

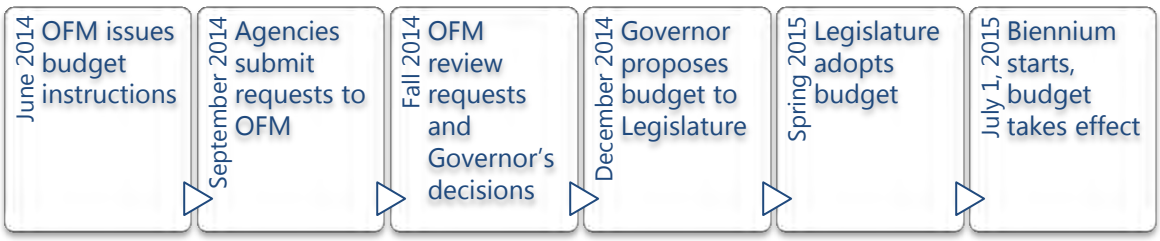
Purpose of Resolution: Approve funding requests for the 2015-17 state biennial budget.

Background

State Budget Process

Washington State enacts budgets on a two-year cycle, beginning on July 1 of each odd-numbered year. The budget approved for the 2015-17 biennium will be effective from July 1, 2015 through June 30, 2017.

The Recreation and Conservation Office (RCO) must submit its 2015-17 biennial budget proposal to the Office of Financial Management (OFM) by September 12. OFM will then analyze the proposal and work with the Governor to develop his budget recommendation. By law, the Governor must propose a biennial budget in December. The following diagram shows the process.



The funds that are appropriated in the 2015-17 biennium for recreation and conservation grant programs will be awarded in June 2015 to projects that have been evaluated and ranked during the current grant round.

Grant Programs

Table 1 shows the appropriations for the board's grant programs over the past three biennia. As indicated, some agency budget requests are based on dedicated fund revenue projections, some are based on expected federal funds, and others are requests for general funds or bond funds. The table does not include funds appropriated for salmon recovery.

Table 1

	Source	Appropriation 09-11	11-13	13-15
STATE PROGRAMS		*Figures in Millions*		
Programs for which the board requests a funding level				
Washington Wildlife & Recreation Program (WWRP)	Bonds	70.0	42.0	65.0
Boating Activities Program	GFS (Operating)	-	-	-
Youth Athletic Facilities Program (YAF)	Donation/Interest/ Bonds	-	-	3.6
Programs for which budget is based on revenue projections				
Aquatic Lands Enhancement Program (ALEA)	Sales/Bonds	5.0	6.8	6.0
Boating Facilities Program (BFP)	Tax/Fees	0*	8.0	6.4
Firearms & Archery Range Recreation Program (FARR)	Tax/Fees	0.5	0.4	0.8
Nonhighway, Off-Road Vehicle Program (NOVA)	Tax/Fees	0*	5.5	8.5
	Subtotal, State Programs	**75.5**	**62.7**	**90.3**
FEDERAL PROGRAMS *(spending authority is sought based on potential federal appropriation)*				
Boating Infrastructure Grant Program (BIG)	Federal	1.0	2.1	2.2
Land & Water Conservation Fund Program (LWCF)	Federal	4.0	4.0	4.0
Recreational Trail Program (RTP)	Federal	4.0	5.0	5.0
	Subtotal, Federal Programs	***9.0***	***11.1***	***11.2***
	RCFB Grant Program Totals	**84.5**	**73.8**	**101.5**

* The legislature reprogrammed these funds to State Parks in 09-11.

Budget Outlook for 2015-17: Operating Budget

The financial outlook for the next biennium continues to be uncertain. The current estimate – based solely on the need to provide increased funding for basic education to comply with court rulings – is that the operating budget will face a shortfall of close to $2 billion. Even though it is projected there will be additional revenue collections, there are also greater projected increases in pension costs, debt service, health care, policy, carry forward, and maintenance enhancements. The most recent update to the revenue forecast was flat; further updates are scheduled in September and November. The November forecast will be used by the Governor as he makes his final budget decisions.

Budget Outlook for 2015-17: Capital Budget

The outlook for the upcoming capital budget is directly related to the operating budget. At this point the outlook is uncertain. The projected available bond capacity for the entire 2015-17 capital budget is $1.9 billion. This is an increase from the last biennium; however, the 2015-17 biennium will include new challenges due to the school funding lawsuit. There is the potential for a significant amount of bonds to be appropriated for smaller class sizes and all-day kindergarten. The final decision will likely not be known until the end of the 2015 legislative session.

Board Decision Requested

Staff is asking the board to approve recommended funding levels for several grant programs and to approve the operating budget submission prepared by the director.

Staff Recommendation

Staff recommends that the board approve the operating budget submission prepared by the director. Staff recommends proposing funding levels based on estimated revenues or federal appropriations for the following grant programs:

- Aquatic Lands Enhancement Act (ALEA)
- Boating Facilities Program (BFP)
- Boating Infrastructure Grants (federal -- BIG)
- Firearm and Archery Range Recreation (FARR)
- Land and Water Conservation Fund (federal –LWCF)
- Nonhighway Off-Road Vehicle Account (NOVA)
- Recreational Trails Program (federal -- RTP)

For the Washington Wildlife and Recreation Program (WWRP), staff has presented several options for the board to consider in selecting a funding level (see Memo 3B). For the Youth and Community Athletic Facilities (YAF) program, staff has prepared Memo 3C and at the August meeting will provide the request numbers derived from the letters of intent that were received from interested applicants. Both of these decisions will be acted upon through separate resolutions.

Analysis

Operating Budget

The final operating and capital budget submission will include funding levels approved by the board and decision packages approved by the director. Decision packages are formal proposals for additions to an agency's budget.

RCO will submit 4 decision packages as outlined below. All of these relate to salmon recovery.

Decision Package 1: Reduces RCO's general fund allotment by 15% ($251,580). This was an exercise required of all state agencies by OFM. All general fund appropriations to the RCO support salmon recovery efforts.

Decision Package 2: Asks for 59% of the general fund reduction back. This equates to $149,287. (Agencies were directed that they may ask for funds back in a separate decision package).

Decision Package 3: Requests $55,000 of general funds to fund a strategic assessment of RCO's Habitat Work Schedule (HWS) database. HWS is a system that tracks all past and future salmon recovery projects necessary to implement the federally approved salmon recovery plans. Currently this system is 100% funded with federal funds which may be terminated or substantially reduced at any time. This assessment would allow RCO to have a strategy in place to either find alternative funds or build an alternative tracking system. This is a one-time request.

Decision Package 4: Requests $770,000 for the restoration to the historic general fund- state appropriation level for the lead entity program. This will increases Washington State's competitiveness for federal dollars from the Pacific Coastal Salmon Recovery Fund and strengthens the state's innovative and important work in community-based recovery efforts for salmon species listed under the Endangered Species Act. This would be an on-going request.

The final budget submission will also include requests for salmon recovery grant and operating funding (determined in consultation with the Salmon Recovery Funding Board), and for operating funding for the Washington Invasive Species Council. Since all of these decision packages relate to salmon recovery, the decision to pursue these requests will be presented to the Salmon Recovery Funding Board for concurrence.

Capital Budget

Washington Wildlife and Recreation Program: The funding request for the Washington Wildlife and Recreation Program (WWRP) is discussed in Memo 3B, and will be requested under Resolution 2014-16.

Youth and Community Athletic Facilities: The funding request for the Youth and Community Athletic Facilities (YAF) is discussed is Memo 3C, and will be requested under Resolution 2014-17.

Revenue-Based Budget Requests: Several of the board's grant programs are supported by either federal funds or dedicated state revenues. RCO staff has worked with the appropriate agencies to estimate the federal apportionments and revenue projections for the 2015-17 biennium.

The grant program budget requests that would reflect those projections are as follows:

Table 2

Program	2015-17 Request
Aquatic Lands Enhancement Account	$6,600,000
Boating Facilities Program	$9,360,000
Boating Infrastructure Grant Program (BIG)	$2,200,000
Firearm and Archery Range Recreation (FARR)	$580,447
Land and Water Conservation Fund	$4,000,000
Nonhighway and Off-road Vehicle Activities (NOVA)	$8,670,000
Recreational Trails Program	$5,000,000

Attachments

A. Resolution 2014-15

Recreation and Conservation Funding Board
Resolution #2014-15
Recommending a Funding Level for Recreation and Conservation Office Administration and Grant Programs in the 2015-17 Biennium

WHEREAS, the Recreation and Conservation Office (RCO) must submit a 2015-17 Operating Request Budget to the Office of Financial Management; and

WHEREAS, the operating budget will be in conformance with the Office of Financial Management instructions, including carry-forward, maintenance level, and enhancement items; and

WHEREAS, the RCO must also submit a 2015-17 Capital Request Budget to the Office of Financial Management; and

WHEREAS, for federally supported programs and revenue-supported state programs, the amounts requested will need to reflect estimated federal apportionments (LWCF and BIG), and the current revenue projections by the Departments of Transportation and Licensing; and

WHEREAS, the Recreation and Conservation Funding Board (board) finds there is a continuing and compelling need for funding to maintain and enhance the state's quality of life and ecosystem health by investing in outdoor recreation opportunities and important plant, fish and wildlife habitat; and

WHEREAS, the RCO administered grant programs are important components furthering the Governor's initiatives of having a clean environment and healthy communities; and

WHEREAS, requesting budget support for these grant programs, and the RCO administration necessary to implement those grant programs, enables the board to fulfill its mission and goals;

NOW, THEREFORE, BE IT RESOLVED that:

1. The board hereby approves the 2015-17 budget requests shown below.

Program	2015-17 Request
Aquatic Lands Enhancement Account	$6,600,000
Boating Facilities Program	$9,360,000
Boating Infrastructure Grant Program (BIG)	$2,200,000
Firearm and Archery Range Recreation (FARR)	$580,447
Land and Water Conservation Fund	$4,000,000
Nonhighway and Off-road Vehicle Activities (NOVA)	$8,670,000
Recreational Trails Program	$5,000,000

2. The Director is authorized to modify and/or update the amounts as new revenue forecasts become available or to comply with Office of Financial Management budget instructions or directives. The Director also shall modify and/or update the request as necessary to meet the budget needs of the affiliated boards and councils, and to provide for scheduled rent, services, personnel increment dates, labor contract costs, and other operations costs.

Recreation and Conservation Funding Board
Resolution #2014-15
Recommending a Funding Level for Recreation and Conservation Office Administration and Grant Programs in the 2015-17 Biennium

3. The Director is authorized to apply for outside funding sources to supplement the capital budget consistent with the board and agency mission.

4. The Director shall submit any necessary re-appropriation requests.

5. The Director shall seek concurrence by the Salmon Recovery Funding Board in the submittal of any operating and capital budget requests within their jurisdiction.

6. The Director shall coordinate with the Department of Fish and Wildlife, Department of Natural Resources, and the Puget Sound Partnership in any jointly administered grant program budget requests.

7. The Director shall coordinate with the Washington Invasive Species Council in budget requests related to the administration of that Council.

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: _____

WASHINGTON STATE
Recreation and Conservation Funding Board

Recreation and Conservation Funding Board Briefing Memo

Item **3B**

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: August 2014

Title: Washington Wildlife and Recreation Program Budget Request for 2015-17

Prepared By: Scott Robinson, Deputy Director
Mark Jarasitis, Chief Financial Officer

Summary

The Recreation and Conservation Office must submit its 2015-17 biennial capital budget to the Office of Financial Management on September 11, 2014. Staff is asking the Recreation and Conservation Funding Board to determine the amount of the request for the Washington Wildlife and Recreation Program.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Resolution #: 2014-16

Purpose of Resolution: Approve funding requests for the Washington Wildlife & Recreation Program for the 2015-17 biennium.

Background

Please see memo 3A for a description of the budget process and overview.

Board Decision Requested

Staff is asking the board to decide on the amount of funding to request for the Washington Wildlife and Recreation Program (WWRP). Staff will enter the request amount into Resolution #2014-16 during the meeting, before the vote.

Staff Recommendation

Staff is not making a funding recommendation regarding the WWRP. At the Recreation and Conservation Funding Board's (board) July 2014 meeting in Vancouver, WA staff provided an analysis (Attachment A) for review and discussion. The Washington Wildlife and Recreation Coalition has recommended a funding level of $97 million (see attachment B.) The Washington Fish and Wildlife Commission and the State Parks and Recreation Commission both are supportive of $97 million (see attachments C and D, respectively).

Strategic Plan Link

Consideration and approval of the 2015-17 funding requests enables the board to fulfill its goals, and supports the following objectives and strategies:

- Objective 1.A. – Provide leadership to help our partners strategically invest in the protection, restoration, and development of habitat and recreation opportunities. We do this through policy development, coordination, and advocacy.
- Strategy 1.A.1. – Evaluate and develop strategic investment policies and plans so that projects selected for funding meet the state's recreation and conservation needs.
- Objective 1.B. – Provide funding to help partners protect, restore, and develop habitat and recreation facilities and lands.

Attachments

A. July 2014 Board Meeting: Item 7 – 2015-17 Budget Requests Preview

B. Letter from the Washington Wildlife and Recreation Coalition

C. Letter from the Washington Fish and Wildlife Commission

D. Resolution from the State Parks and Recreation Commission, July 24, 2014

E. Resolution #2014-16

WASHINGTON STATE
Recreation and Conservation Funding Board

Recreation and Conservation Funding Board Briefing Memo

Item **7**

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: July 2014

Title: 2015-17 Budget Requests Preview

Prepared By: Nona Snell, Policy Director

Summary

The Recreation and Conservation Office (RCO) must submit operating and capital budget requests for the 2015-17 biennium to the Office of Financial Management by early September. This memo provides background on the requests to assist the board with providing direction and the final budget requests at the August meeting.

Board Action Requested

This item will be a:

- ☐ Request for Decision
- ☒ Request for Direction
- ☒ Briefing

Operating Budget

RCO receives administrative funds from a variety of sources in both the operating and capital budgets. The agency uses a portion of dedicated funds from the Recreation Resources Account, the NOVA Program Account, and the Firearms Range Account. The agency also charges a percentage for administration from programs where it is allowed by statute or interagency agreement such as the Washington Wildlife and Recreation Program, Youth Athletic Facilities Program, Family Forest Fish Passage Program and Salmon Federal funding. Finally some programs are charged the agency's federally approved indirect rate; these include the Puget Sound Acquisition and Restoration Program, the Puget Sound Estuary and Salmon Restoration Program, the Recreational Trail Program, the Land and Water Conservation Fund and Boating Improvement Grants. RCO combines these funds to pay for the support functions of the agency. These functions include grant management, board support, policy work, communications, information technology and fiscal management.

Although the economic outlook for the 2015-17 biennium has stabilized, the operating budget outlook continues to be challenging. The current 2013-15 budget was balanced with a number of one-time solutions such as transfers from capital budget accounts, suspending teacher cost-of-living adjustments (COLAs), savings related to the Affordable Care Act, and additional tax collections. After maintaining current programs, making mandatory payments for pension and debt obligations, increasing health care costs, and mandatory education costs, the operating budget revenues are expected to be between $1 billion and $3 billion short of expenses.

The Office of Financial Management (OFM) is requiring agencies to reduce Near-General Fund budgets by 15 percent below the current level. This applies to the state operating budget programs not protected by the state constitutional provisions or by federal law (only one-third of the operating budget is not required by the state constitution or federal law). RCO must prioritize its budget reductions and must

submit budget requests building off of this lower budget base. OFM has directed agencies to "severely limit requests for new or expanded programs or for new policy initiatives."

The Near-General Fund reduction will have little to no direct impact on the Recreation and Conservation Funding Board programs, as all such funds received by RCO go to salmon recovery purposes (including a share of the cost of the director and policy director.)

Capital Budget

Bond Funding Capacity

The capital budget bond capacity is expected to remain essentially the same as the current biennium (approximately $2 billion) because it is based on stabilized revenue and interest costs. Some additional capacity is available because a 2014 supplemental capital budget was not adopted. However, pressures from K-12 educational needs (class size and all-day kindergarten) and the operating budget deficit may decrease the amount of bonds available for regularly funded programs such as the RCO's Washington Wildlife and Recreation Program (WWRP) and salmon grant programs. More details about the WWRP and Youth Athletic Facilities (YAF) programs are below.

Dedicated Funds

Many of RCO's programs depend on dedicated funds that are collected for and dedicated to certain purposes. The budget requests for these programs are based on the amount of expected collections for the 2015-17 biennium. These recreation and conservation programs are found in Table 1 below.

Table 1. Dedicated Fund Sources for RCO Programs

Program	Revenue Source
Aquatic Lands Enhancement Account	Revenue from DNR managed aquatic lands, including sale of geoduck harvests (a portion)
Boating Facilities Program	Motor vehicle fuel tax attributed to boating
Firearm and Archery Range Recreation (FARR)	Concealed weapons permits (a portion)
Nonhighway Off-Road Vehicle Activities (NOVA)	Motor vehicle fuel tax attributed to off highway usage and off-road vehicle permits
Youth Athletic Facilities (YAF) Program	Stadium revenue in excess of debt service (enough revenue has not be collected to contribute to the YAF)

Federal Funds

The following RCO programs receive federal funds. The budget requests for these programs are based on the amount of expected federal appropriations for the state 2015-17 biennium. These recreation and conservation programs are found in Table 2 below.

Table 2. Federal Fund Sources for RCO Programs

Program	Revenue Source
Boating Infrastructure Grant (BIG) Program	U.S. Fish and Wildlife Service/Department of Interior
Land and Water Conservation Fund	National Park Service/Department of Interior
Recreational Trails Program	Federal transportation funds dedicated to trails

Budget Requests

In August, the board will decide on the amount of 2015-17 funds to include in RCO's budget request for all of the recreation and conservation programs. The Salmon Recovery Funding Board will make the same determination on funds for salmon recovery. Several other RCO-managed grant programs will have funding requests proposed by partner organizations (Department of Natural Resources, Puget Sound Partnership, and Washington Department Fish and Wildlife).

Washington Wildlife and Recreation Program

The WWRP is funded in the capital budget with general obligation bonds. This memo provides background on the statutory funding formula and explores information on which the board can determine a budget request for the program. This memo provides some optional ways to look at an appropriate WWRP funding request: 1) based the request on the percent of total bonds appropriated for WWRP in the past, 2) based the request on a per capita foundation; and 3) based on the percent of applications received that were funded.

Background – WWRP Funding Formula

Table 3 includes the statutory[1] funding formula for the WWRP program. Depending on the appropriation amount, different amounts are allocated to the WWRP categories.

Table 3. Washington Wildlife and Recreation Program Statutory Funding Formula

Account	Under $40M	$40 - $50M	Over $50M
----- *Dollars in Millions* -----			
Habitat Conservation	50%	$20M ***plus*** 10% of amount over $40M	$21M ***plus*** 30% of amount over $50M
Outdoor Recreation	50%	$20M ***plus*** 10% of amount over $40M	$21M ***plus*** 30% of amount over $50M
Riparian Protection	0%	40% of amount over $40M	$4M ***plus*** 30% of amount over $50M
Farmland Preservation	0%	40% of amount over $40M	$4M ***plus*** 10% of amount over $50M

[1] RCW 89A.15.030

Table 4 provides examples of the dollar amounts for the categories based on different appropriation levels.

Table 4. WWRP Statutory Funding Formula with Funding Level Examples

WWRP Accounts	Funding Levels ---------- *Dollars in Millions* ----------						
	$40M	**$50M**	**$60M**	**$70M**	**$80M**	**$90M**	**$100M**
Habitat Conservation Account							
Critical Habitat	$8.7	$9.2	$10.5	$11.8	$13.1	$14.4	$15.7
Natural Area	$5.8	$6.1	$7.0	$7.9	$8.7	$9.6	$10.5
State Lands Restoration	$1.0	$1.0	$1.2	$1.3	$1.5	$1.6	$1.7
Urban Wildlife	$3.9	$4.1	$4.7	$5.2	$5.8	$6.4	$7.0
Subtotal	**$19.4**	**$20.4**	**$23.3**	**$26.2**	**$29.1**	**$32.0**	**$34.9**
Outdoor Recreation Account							
Local Parks	$5.8	$6.1	$7.0	$7.9	$8.7	$9.6	$10.5
State Lands Development	$1.0	$1.0	$1.2	$1.3	$1.5	$1.6	$1.7
State Parks	$5.8	$6.1	$7.0	$7.9	$8.7	$9.6	$10.5
Trails	$3.9	$4.1	$4.7	$5.2	$5.8	$6.4	$7.0
Water Access	$2.9	$3.1	$3.5	$3.9	$4.4	$4.8	$5.2
Subtotal	**$19.4**	**$20.4**	**$23.3**	**$26.2**	**$29.1**	**$32.0**	**$34.9**
Riparian Protection Account	**$0.0**	**$3.9**	**$4.9**	**$5.8**	**$6.8**	**$7.8**	**$8.7**
Farmlands Preservation Account	**$0.0**	**$3.9**	**$6.8**	**$9.7**	**$12.6**	**$15.5**	**$18.4**
Administration (3%)	**$1.2**	**$1.5**	**$1.8**	**$2.1**	**$2.4**	**$2.7**	**$3.0**

For background purposes, Table 5 shows the amount of bonds requested and the amount actually appropriated by biennia. On average, the program receives 67 percent of the amount requested by RCO.

Table 5: WWRP Requests, Appropriations, and Percent Difference

Biennium	WWRP Request	WWRP Appropriation	Difference
---- *Dollars in Millions* ----			
95-97*	$90	$45	50%
97-99	$113	$45	40%
99-01	$70	$48	69%
01-03	$90	$45	50%
03-05	$55	$45	82%
05-07	$50	$50	100%
07-09	$100	$100	100%
09-11	$100	$70	70%
11-13	$100	$42	42%
13-15	$90	$65	72%

* *NOTE: Budget request information is only available starting with the 1995-97 biennium.*

Figure 1 shows the value of past appropriations based on nominal 2014 dollars. The purpose of this analysis is to demonstrate that the $61 million appropriation in 1991 is worth $103 million in today's dollars. The average appropriation based on 2014 dollars is $73 million.

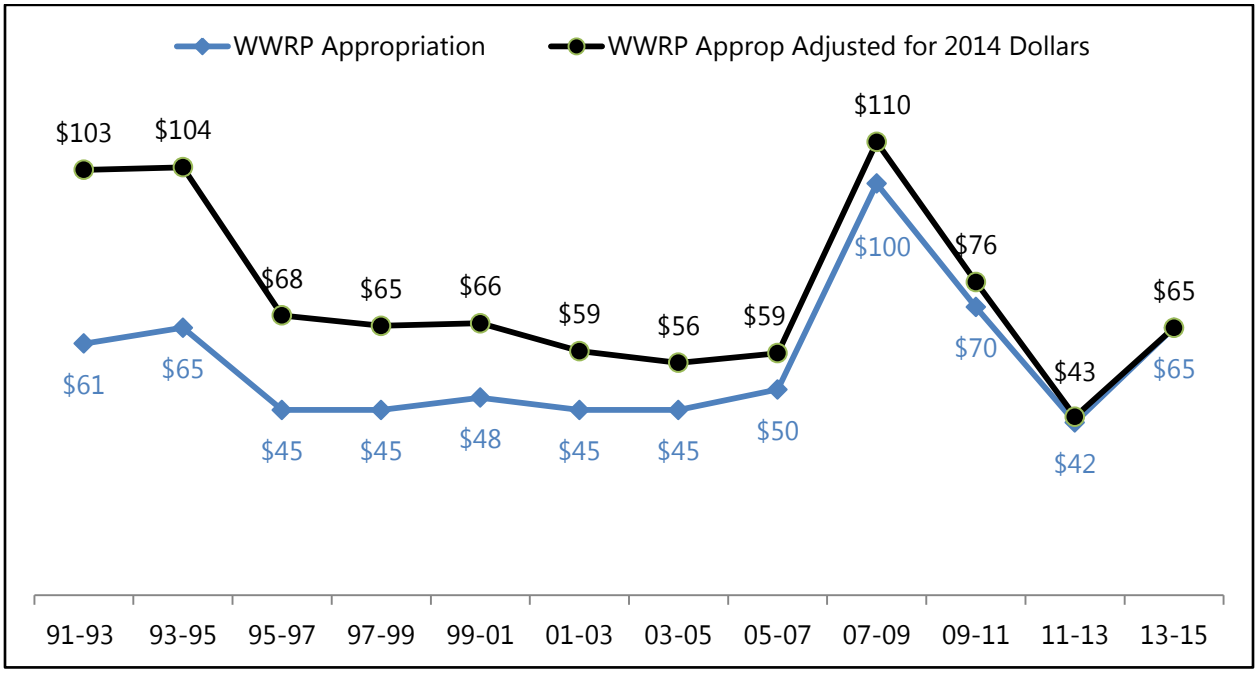


Figure 1. WWRP Appropriation by Biennium, Adjusted for 2014 Dollars. Amounts in millions (RCO, 2014).

Option 1: Percent of Bond Capacity

To determine the amount of bonds we should request for WWRP, there are a few possible options. One way is to base the request on the past percent of WWRP appropriation of the total amount of bonds available (bond capacity) in the past.

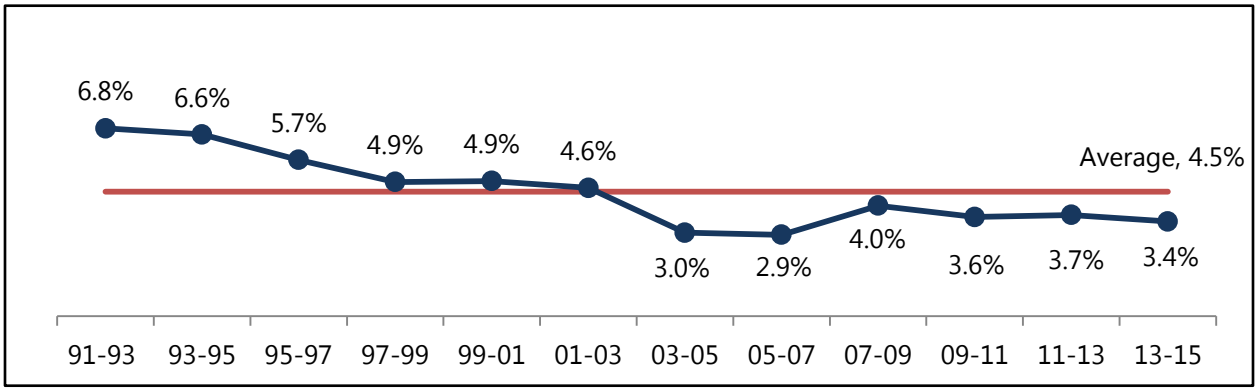


Figure 2. WWRP as a Percent of Bond Capacity, Listed by Biennium (RCO, 2014).

The average percentage of WWRP appropriations of the total bond capacity since the 1991-93 biennium is 4.5%. The amount of bond capacity available for the 2015-17 biennium is expected to be $2 billion.[2] If the average percentage of WWRP funds to total bond capacity is used to determine the budget request, the board would request would be $90 million.

[2] Based on the June 17, 2014 Economic and Revenue Forecast Council's revenue forecast.

Option 2: Per Capita

Another way to view the budget request amount for WWRP is the amount appropriated per capita. Since 1992, the average per capita appropriation (adjusted for inflation[3]) for WWRP is $11.80.

Washington's population continues to increase. In fact, annual estimates prepared by the Office of Financial Management show the state's population increased by 85,800 between 2013 and 2014. This 1.25 percent gain — up from 0.95 percent in 2013 — and marks the largest one-year increase since 2008. A reflection of the population increase is housing growth, which in 2014 increased by 32 percent over the previous year. The state added 31,000 housing units, compared to a 23,500-unit increase in 2013.[4]

The population growth is putting additional pressure on the use of and need for additional recreation and conservation space.

Table 6: WWRP appropriations per capita, adjusted for 2014 dollars.

Biennium	WWRP Appropriation	State Population	WWRP per Capita
	----- Dollars in Millions -----		
91-93	$100	5.14	$19.51
93-95	$101	5.36	$18.81
95-97	$66	5.57	$11.85
97-99	$64	5.75	$11.05
99-01	$64	5.89	$10.88
01-03	$58	6.06	$9.50
03-05	$55	6.21	$8.83
05-07	$57	6.42	$8.89
07-09	$107	6.61	$16.17
09-11	$74	6.72	$10.98
11-13	$42	6.82	$6.16
13-15	$65	7.11	$9.15

The estimated population for 2015-17 is 7,105,670. If the WWRP budget request is based on the average per capital since 1991 of $11.80, the request amount would be $84 million.

Option 3: Applications Received and Funded

Table 7 displays the amount needed to fund all applications received each biennia since 1999 and the actual WWRP appropriation. Historically, the appropriation has met an average of 50% of the funding requested.

[3] The Bureau of Labor Statistics Consumer Price Index calculator was used to adjust to 2014 nominal dollars. The calculator uses the average Consumer Price Index for a given calendar year. The data represents changes in prices of all goods and services purchased for consumption by urban households.

[4] http://www.ofm.wa.gov/pop/april1/

Table 7. Percentage of Applications Funded Through Appropriation

Biennium	Total Applications ($)	WWRP Appropriation	Percent of Applications ($) Funded
----- *Dollars in Millions* -----			
99-01	$78.9	$48.0	59%
01-03	$62.6	$45.0	70%
03-05	$116.7	$45.0	37%
05-07	$85.1	$50.0	57%
07-09	$141.5	$100.0	69%
09-11	$212.4	$70.0	32%
11-13	$162.6	$42.0	25%
13-15	$127.5	$65.00	49%

The amount needed in 2015-17 to fund 50% of the applications received in 2014, which is $152 million, is $75.5 million.

Youth Athletic Facilities (YAF) Program

The Youth Athletic Facility (YAF) program was created as part of the Stadium and Exhibition Center bond issue approved by voters as Referendum 48 in 1997. Referendum 48 required the professional football team affiliate to deposit at least $10 million into the YAF account. The referendum also required that any moneys in the Stadium and Exhibition Center Account not required for payment of bond principal and interest or for reserves must be transferred to YAF. Bond principal and interest payments for the stadium and exhibition center project are scheduled to end in 2021, and no transfers to YAF have yet occurred.

However, pent up demand for facilities and interest exists among local park stakeholders to support a budget request from bond funds. Stakeholders estimate that between $5 and $10 million in demand exists. Based on the budget demands on the capital budget bond funds, staff recommends requesting $3.6 million in bond funds for Youth Athletic Facilities, which is based on the amount appropriated for the 2013-15 biennia for four specific projects. (See Item 5 regarding the youth facilities letters of intent.)

Next Steps

In August, the board will decide on the amount of 2015-17 funds to request for all of the recreation and conservation the programs. Budget requests are due to the Office of Financial Management by September 11, 2014.

WASHINGTON WILDLIFE AND RECREATION COALITION

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EXECUTIVE DIRECTOR
Joanna Grist

June 20, 2014

Ms. Harriet Spanel
Recreation and Conservation Funding Board
1111 Washington Street SE
Olympia Washington 98501

Dear Chair Spanel and Members of the Board,

The Washington Wildlife & Recreation Coalition and the 280 member organizations we represent respectfully urge the Recreation and Conservation Funding Board to pass a recommendation in favor of funding the Washington Wildlife and Recreation Program (WWRP) for $97 million for the 2015-17 biennium.

As you know, the Washington Wildlife & Recreation Program, the state's premier tool for habitat conservation and recreation opportunities, was created in 1989 to protect our natural heritage. With rapid population growth, that need persists today.

The Coalition took great care to balance the state's growing recreation and conservation needs with the budget challenges that our state faces. As in 2012, we used a metric based approach to determine WWRP need, measuring historical spending on WWRP per capita, historical funding of WWRP as a percentage of the capital construction budget, real estate prices as measured through the real estate excise tax and the construction cost index as provided by WSDOT.

These metrics suggest a need range between $97 and $106 million.

$97 million represents the beginning of a response to the population explosion Washington State experiences while remaining cognizant of budget constraints. Pressures for outdoor recreation opportunities and public access to our state's outdoor legacy continue to grow, while some of our state's best places are lost or paved over.

As a result, we see neighborhoods without safe, accessible parks, hunters and anglers losing access to the land their families have visited for generations, and the fragmentation of wildlife habitat.

We understand that the state faces significant budget challenges and that our state and local agency partners struggle to continue to provide high quality stewardship of public lands. In recognition of those challenges, we have launched a stewardship

agenda to help ensure that our public lands are the well-maintained, desired neighbors that they should be.

For these reasons, we respectfully request that the Board recommend funding the WWRP grant program at the $97 million level so that this program will protect our quality of life, promote public access, and preserve our natural heritage for our kids and grandkids.

Respectfully,

Joanna Grist

Joanna Grist
Executive Director

State of Washington
DEPARTMENT OF FISH AND WILDLIFE
Mailing Address: 600 Capitol Way N, Olympia, WA 98501-1091 • (360) 902-2200 • TDD (360) 902-2207
Main Office Location: Natural Resources Building, 1111 Washington Street SE, Olympia, WA

August 1, 2014

The Honorable Jay Inslee
Governor of Washington
Post Office Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee:

On behalf of the Fish and Wildlife Commission (Commission), I encourage you to include $97 million for the Washington Wildlife and Recreation Program (WWRP) in your Book 1 proposal for the capital budget.

The WWRP grant program is our state's premier conservation and recreation program, utilizing a nationally recognized, competitive process to fund only the highest quality proposals in every corner of the state.

The Commission views this investment as a priority because the WWRP:

- **Helps adapt for climate change**. The agency can continue to meet its mission to preserve and protect fish and wildlife habitat and their related recreational and commercial activities in the face of a changing climate by using WWRP grants to drive landscape scale conservation.

- **Promotes public access**. With growing restrictions and fees for access to private lands, WWRP grants ensure that the public can enjoy and access their outdoor heritage.

- **Protects fish and wildlife habitat**. The agency acquires properties through WWRP to protect wildlife habitat from fragmentation through development. Without the WWRP, mule deer winter range, salmon riparian habitat, and sage grouse range are all at risk.

An analysis of the rising costs of real estate prices, Washington State Department of Transportation's construction cost indicator, per capita spending on the outdoors, and the number of WWRP requests over the past 24 years showed a need range for the WWRP of $97-$106 million. In light of other budget challenges facing our state, we believe that $97 million is a balanced request that keeps up with our state's growing recreation and conservation needs.

Additionally in 2015, we look forward to working with your office and stakeholders, such as the Washington Wildlife and Recreation Coalition, to restore funding for Payment in Lieu of Taxes

and addressing stewardship concerns through funding operations and maintenance and weed control.

Thank you for all that you do for our state's fish, wildlife and future generations.

Sincerely,

Miranda Wecker

Miranda Wecker, Chair
Washington Fish and Wildlife Commission

A Resolution of the Washington State Parks and Recreation Commission regarding support of $97 million in the 2015-2017 Capital Budget for the Washington Wildlife & Recreation Program

WHEREAS, the Washington Wildlife & Recreation Program (WWRP) is one of the key funding sources for state park acquisition and development therefore contributing to the long-term future of the State Park system; and

WHEREAS, an analysis of the rising costs of real estate prices, Washington State Department of Transportation's construction cost indicator, per capita spending on the outdoors and the number of WWRP requests over past years shows a need range for the WWRP of $97 - $106 million.

WHEREAS, population growth continues in Washington state necessitating the need for further park acquisition and development to ensure per capita access to state and local parks; and

WHEREAS, there is a direct link to children's health and general human health by the amount of time spent outdoors recreating such as parks provide; and

WHEREAS, current WWRP capital state projects such as parking at Tolmie State Park and picnic shelters at Lake Sammamish State Park help sell additional Discover Passes and entice new members in to our State Parks system; and

WHEREAS, the Commission has prioritized WWRP grants that alleviate inholdings within our State Parks system; and

WHEREAS, the WWRP directly aids the Commission in its goals for environmental education, cultural appreciation and recreational benefits;

NOW THEREFORE, BE IT RESOLVED That the Washington Parks and Recreation Commission support $97 million for the Washington Wildlife and Recreation Program in the capital budget for the 2015-2017 biennium.

Adopted this 24th day of July, 2014

Chair

Washington State Parks & Recreation Commission

Recreation and Conservation Funding Board
Resolution #2014-16
Recommending a Funding Level for the Washington Wildlife and Recreation Program for the 2015-17 Biennium

WHEREAS, the Recreation and Conservation Office (RCO) must submit a 2015-17 Capital Request Budget to the Office of Financial Management; and

WHEREAS, the Recreation and Conservation Funding Board (board) finds there is a continuing and compelling need for funding to maintain and enhance the state's quality of life and ecosystem health by investing in outdoor recreation opportunities and important plant, fish and wildlife habitat; and

WHEREAS, the Washington Wildlife and Recreation Program is a critical component to furthering the goal of maintaining and enhancing the state's quality of life and healthy ecosystems; and

WHEREAS, requesting budget support for these grant programs, and the RCO administration necessary to implement those grant programs, enables the board to fulfill its mission and goals;

NOW, THEREFORE, BE IT RESOLVED that the board hereby approves the 2015-17 Budget request shown below.

Program	2015-17 Request
Washington Wildlife and Recreation Program	$_____

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: _____

WASHINGTON STATE
Recreation and Conservation Funding Board

Recreation and Conservation Funding Board Briefing Memo

Item **3C**

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: August 2014

Title: Youth and Community Athletic Facilities Capital Budget Request for 2015-17

Prepared by: Leslie Connelly, Policy Specialist

Summary

This memo outlines the staff recommendation for requesting a capital budget appropriation for the 2015-17 biennium for the Youth and Community Athletic Facilities program. If the board approves an amount to request for the program, staff will submit a capital budget request to the Governor's Office.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Resolution #: 2014-17

Purpose of Resolution: Approve a capital budget request funded by general obligation bonds for the Youth and Community Athletic Facilities program for the 2015-17 biennium.

Background

Please see memo 3A for a description of the budget process and overview.

At the July Recreation and Conservation Funding Board (board) meeting, staff briefed the board on the history and scope of the Youth Athletic Facilities grant program. See the July meeting materials for more background details (Attachment A). During the meeting, the board discussed a potential capital budget request to reinvigorate the program, including a narrower scope of the types of projects (improving and maintaining existing facilities) and a larger scope of the types of applicants (cities, counties, park districts, Native American tribes, and non-profit sports organizations) that the program might include.

Staff recommended the board request $3.6 million in the capital budget for the program based on the amount of funds allocated in the current budget. A representative from the Washington Parks and Recreation Association provided public comment and recommended a funding level of $5 to $10 million.

The board directed staff to initiate a solicitation to potential applicants for letters of intent to apply for a grant should the Legislature appropriate funds in the 2015-17 capital budget. To initiate the request for letters of intent, staff sent an e-mail to 2,275 individuals and organizations and posted a notice on the agency's Web site (Attachment B). The Washington Recreation and Parks Association also distributed the notice to its membership. The letter of intent is in a survey format, which is open from July 25 to August 22 (Attachment C).

As of the writing of this memo, the process is still open for applicants to submit a letter of intent. So far, over 70 letters of intent are submitted requesting over $16 million in grant funds and providing over $25 million in match. At the August board meeting, staff will provide the board with a list of the letters of intent received and the final numbers.

Board Decision Requested

Staff request board action setting the amount of funds to request in the capital budget for the Youth and Community Athletic Facilities program for the 2015-17 biennium. Resolution #2014-17 (Attachment D) is a draft resolution pending the board's decision on the amount of funding to request.

Staff Recommendation

Staff recommends the board request a reasonable amount for funds to support the need expressed through the letter of intent process, between $3.6 and $10 million. Staff also recommends the board request retaining up to five percent of any funds appropriated for program administration. Five percent was the administrative rate allowed in the Youth Athletic Facilities program in the 2005-07 supplemental capital budget.

If the board approves moving forward with a capital budget request, staff will include this request as part of our capital budget submitted to the Governor's Office by the September 11th deadline.

Strategic Plan Link

Consideration of capital funds for the Youth and Community Athletic Facilities program enables the board to fulfill its goals and supports the following objectives and strategies:

- Objective 1.A. – Provide leadership to help our partners strategically invest in the protection, restoration, and development of habitat and recreation opportunities. We do this through policy development, coordination, and advocacy.
- Strategy 1.A.1. – Evaluate and develop strategic investment policies and plans so that projects selected for funding meet the state's recreation and conservation needs.
- Objective 1.B. – Provide funding to help partners protect, restore, and develop habitat and recreation facilities and lands.

Attachments

A. July 2014 Board Meeting, Item 5: Youth Athletic Facilities Program
B. Request for Letters of Intent – Youth and Community Athletic Facilities Grants
C. Letter of Intent Survey
D. Resolution #2014-17

July 2014 Board Meeting
Item 5: Youth Athletic Facilities Program

APPROVED BY RCO DIRECTOR KALEEN COTTINGHAM

Meeting Date: July 2014

Title: Youth Athletic Facilities Program

Prepared By: Leslie Connelly, Policy Specialist

Summary
This memo summarizes staff recommendations to request capital budget funding for a youth and community athletic fields grant program for the 2015-17 biennium.

Board Action Requested
This item will be a:

- ☐ Request for Decision
- ☒ Request for Direction
- ☐ Briefing

Background

At the April meeting, the board directed staff to develop recommendations for a youth and community athletic facilities grant program, similar to the Youth Athletic Facilities (YAF) program previously funded with the stadium and exhibition center bond issue[1] created in 1997.

YAF Program 2000-2012

The YAF program was funded through the youth athletic facilities account[2] which received funds from excess revenue in the stadium and exhibition center account. The board awarded $13,691,331 to 209 projects from fiscal years 2000 to 2012. Project sponsors contributed $30,061,500 in match (68%) for a total investment of $44,439,871.

Expenditures in the YAF account were distributed according to state law which required grants to be awarded as follows:

- Eligible project sponsors were cities, counties, and qualified nonprofit organizations;
- Funds were used to acquire, develop, equip, maintain, and improve community outdoor athletic facilities;
- Funds were divided equally between:
    - New development of community outdoor athletic facilities,
    - Improvement of existing community outdoor athletic facilities, and
    - Maintenance of existing community outdoor athletic facilities[3];

[1] Referendum 48, Chapter 43.99N RCW
[2] RCW 43.99N.060(4)
[3] In 2007, grants for maintaining facilities were not available.

- Eligibility criteria were established by the board[4];
- Grants were awarded on a competitive basis;
- Funds were awarded proportional to the population of the city or county where the facility was located[5]; and
- RCO retained one and one-half percent of the moneys for administrative purposes.

In addition to the state law requirements, the board adopted policies and evaluation criteria for the YAF program[6]. The primary focus of the program was to fund the athletic facility needs of people through the age of 18 who participate in sports and athletics. An athletic facility was defined as a "facility dedicated to the purposes of sports and athletics."

Funding compatible multi-generational use of facilities, including amateur adult use, was strongly encouraged. To achieve this, applicants were encouraged to propose facilities sized for adults but which would primarily serve youth. The board defined the three funding categories as follows:

- "New" athletic facility – the acquisition or development of land or structures to provide an athletic facility or facilities not previously available for youth or community athletic purposes.
- "Improving" athletic facility – work done to add playing capacity to an existing athletic facility by:
  - Changing the use from one type to another
  - Extending the time of use or season of use, or
  - Expanding the physical size to accommodate new or extended types, seasons, or hours of use.
- "Maintaining" athletic facility – work to continue or retain the originally designed and built facility to an accepted standard of safe use.

Applicants were required to provide a one-to-one match to the grant amount requested. If additional match was provided, it was recognized with additional points in the evaluation criteria. The previous minimum and maximum grant requests are identified in Table 1.

Table 1. YAF Program Minimum and Maximum Grant Amounts in 2007

Category	Minimum Grant	Maximum Grant
New a new athletic facility	$25,000	$150,000
Improve an existing athletic facility	$15,000	$75,000
Maintain an existing athletic facility	$5,000	$25,000

The board established two policies to prioritize YAF funding. First, a preference for athletic fields was established and such fields were awarded three additional points in the evaluation criteria. Second, elements necessary for athletic play (e.g., "in bounds" element such as goals, nets, mounds, fences, etc.) were a priority and support elements (e.g., scoreboards, bleachers, restrooms, etc.) were only eligible if part of a larger project that included "in bounds" elements. The most recent evaluation criteria (2007) are found in Attachment A.

[4] RCW 79A.25.820(2).
[5] Proportionality was applied in the context of community need in the evaluation criteria. This requirement did not apply in 2007.
[6] Youth Athletic Facilities: 2007-08 Policies & Project Selection (November 2007)

YAF Program 2014

In fiscal year 2014, the legislature appropriated $3,630,000 for four youth recreation grants through the state building construction account. These four projects were specifically identified in the capital budget and received $3,480,444 in funds after RCO retained $149,556 for administration. RCO administered the projects similar to the policies in the YAF program. The projects are currently underway. Project sponsors are contributing $4,256,856 in match (55%) for a total investment of $7,737,300.

Options for Consideration

The board has two basic options to consider when requesting funds for youth and community athletic facilities. The first option is to request funds for appropriation in the youth athletic facilities account and administer the program per the state law requirements. The second option is to request funds for appropriation in general obligation bonds, similar to the state building construction account funds allocated in fiscal year 2014. With either option, the board could update and revise program policies in preparation for a new grant cycle. A third option could be to propose legislative changes to the YAF statute, along with a budget request.

Option 1 – Youth Athletic Facilities Account

Requesting funds for appropriation in the youth athletic facilities account would require the program to be administered according to state law requirements such as the types of eligible applicants, the funding distribution between categories, and the types of eligible project. The board would have the responsibility to develop policies regarding grant amounts, program preferences, and evaluation criteria. An advantage to the approach is that the youth athletic facilities account is an established account with known policy priorities. A disadvantage to this approach is that development of new athletic facilities is also eligible for funding in the Washington Wildlife and Recreation Program local parks category and the Land and Water Conservation Fund.

Option 2 – General Obligation Bonds

Requesting funds from general obligation bonds would provide more flexibility for the board to define the intent and purpose of the program. An advantage of this approach is that the board could make strategic decisions about funding priorities and target the program to address the gap in the types of projects funded through the Washington Wildlife and Recreation Program local parks category. For example, improving existing athletic facilities is eligible for funding in these other programs, but they typically do not score as well as other projects.

Staff Recommendations

RCO staff recommends the board pursue option two and create a targeted program to address funding gaps for youth and community athletic facilities. This program could be called the "Youth and Community Athletic Facilities" (YCAF) program. The YCAF program could be guided by the intent of the youth athletic facilities account, but be limited in scope to address unmet needs across the state. Staff recommends the board focus on improving existing facilities because these types of facilities do not compete well in existing grant programs and represent a focus area of importance to the Governor's Outdoor Recreation Task Force. Staff recommends the board request $3.6 million to fund the YCAF program with three percent allocated to RCO program administration.

Improving existing facilities would have a similar scope to the definitions previously used in the YAF program which include changing the use of a facility from one type to another, extending the time of use or season of use of a facility, or expanding the physical size of a facility. The primary focus of the YCAF program would remain similar to The YAF program facilities serve kids and young adults through the age of 18, and the YCAF program would have a similar focus and also encourage compatible use of the facilities by adults.

Staff recommends the maximum grant award would be $250,000 with a one-to-one match from the project sponsor. Eligible project sponsors would be cities, counties, park districts, non-profit organizations, park districts, and Tribes.

Letters of Intent

Along with any option the board chooses, staff recommends that the board solicit letters of intent from prospective applicants who would like to apply for a grant should funding be appropriated in the 2015-17 capital budget. Staff would issue the solicitation notice immediately after the July board meeting. Letters of intent would be accepted from mid-July to early August in 2014. Applicants would be required to submit a letter of intent in order to be considered for future funding. Entities that did not submit a letter of intent could not apply for funds if money was appropriated. However, there would be no obligation to apply if an entity submitted a letter of intent.

During the winter of 2015, RCO staff would draft revised evaluation criteria for board consideration in anticipation of an upcoming application cycle. The criteria would be adopted at the board's spring meeting in 2015.

If funding was appropriate in the 2015-17 budget, applicants that submitted a letter of intent would be invited to submit a complete application in the summer of 2015. Applications would be evaluated by an existing grants evaluation committee such as the Washington Wildlife and Recreation Program local parks advisory committee. A final ranked list would be presented to the board in the fall of 2015 and projects would be able to start immediately upon signing a grant contract.

Request for Direction

Staff request direction from the board as how to pursue a funding request and letter of intent solicitation for the 2015-17 biennium.

Strategic Plan Link

Requesting appropriations for a youth athletic and community facility program fits within the board's mission to provide leadership and funding to help our partners protect and enhance Washington's natural and recreational resources for current and future generations. It also meets the board's strategy 1.B.5. to provide funding to protect, preserve, restore, and enhance recreation opportunities statewide.

Attachments

A. Youth Athletic Facilities Evaluation Criteria (2007)

Youth Athletic Facilities Evaluation Criteria (2007)

Applicants provide written responses to team-scored evaluation questions 1- 6 if submitting a grant application for:

- "New Facilities"
- "Improving or Renovating Existing Facilities" or
- "Maintaining Existing Facilities." (NOT available in 2007)

Table 1. Summary of Questions and Scores for NEW Facilities, IMPROVING Existing Facilities, and MAINTAINING Existing Facilities

Scored by	#	Title	Max. Points	Multiplier	Total
Team	1	Need	5	3	15
Team	2	Community priorities	5	3	15
Team	3	Availability	5	1	5
Team	4	Facility management	5	1	5
Team	5	Readiness to proceed	5	1	5
Team	6	Partnerships	5	2	10
RCO Staff	7	Preference for outdoor fields	3	1	3
RCO Staff	8	Multi-generation use	1	1	1
RCO Staff	9	Matching shares	2	1	2
RCO Staff	10	Proximity to people	1	1	1
RCO Staff	11	GMA Preference	0	1	0
					Total possible points = 62

KEY:
RCO Staff = Question scored by RCO staff
Team = Question scored by the evaluation team
Title = Question title
Max = Maximum points given by evaluators
Multiplier = Multiplier or weight of each question

TEAM SCORED QUESTIONS

The following questions, 1-6, are scored by evaluators. Written responses are requried.

1. **Need**. What is the community's need for new or improved athletic facilities?
   Consider the number and condition of existing athletic facilities, the number of leagues, teams, or players in the community; whether the community has gone through a public process to reveal deficient numbers or quality of available facilities; and whether significant unserved or under-served user groups are identified.

   Your discussion of need must include *measurable (quantifiable)* evidence. At a minimum, please include the following information in your answer.

   - Type of facility to be funded
   - Service area, either in square miles or in a radius by miles
   - The population of the service area, youth and adult (estimated or actual)
   - Number and type of similar facilities inside the service area
   - Number of leagues, teams, and players served in the service area
   - Number of leagues, teams, and players that are expected to use the new or improved facility

   In general, proposals from communities with fewer facilities and higher demand will score higher than proposals from communities with more facilities and lower demand. Applicants shall define "community."

   a. No need is demonstrated ..... (0 points)
   b. Modest need is demonstrated ..... (1-2 points)
   c. Strong need is demonstrated ..... (3-4 points)
   d. Unusually high or urgent need is demonstrated ..... (5 points)

   Evaluators will give a maximum score of 5 that is later multiplied by 3.

2. **Community Priorities**. What evidence is available to support the project as a community priority? How well does the community support this project?

   The applicant must demonstrate how the proposed project satisfies community athletic facility needs and provides for a priority community athletic facility. Evidence includes but is not limited to letters of support; voter approved initiatives/bond issues/referenda; ordinance or resolution adoption; media coverage; public involvement in a comprehensive planning process that includes this project; a capital improvement program that includes the project; a local park or comprehensive plan that includes the project by name or by type.

   If you submit letters of support or other documents, remember to attach one copy to your application in PRISM. If the support documentation is extensive, highlight the pertinent page(s) and provide to RCO staff. Applicants shall define "community."

a. No evidence presented that the proposed project satisfies the community athletic facility needs or provides for a priority community athletic facility ..... (0 points)
b. Little or modest evidence that the proposed project satisfies the community athletic facility needs or provides for a priority community athletic facility ..... (1-2 points)
c. Adequate or strong evidence that the proposed project satisfies the community athletic facility needs or provides for a priority community athletic facility ..... (3-4 points)
d. There is overwhelming evidence that the proposed project satisfies the community athletic facility needs or provides for a priority community athletic facility ..... (5 points)

Evaluators will give a maximum score of 5 that is later multiplied by 3.

3. **Availability.** On project completion, what is the anticipated availability of the facility during a calendar year?

Consider seasons of use, types of use, hours of use, restrictions (if any) on access. Describe the use policy for the facility, that is: what sports, leagues, teams, and players have access and under what conditions. Also, please fill in the matrix below. In the left column, write the name of the team, league, school, or organization that will use the facility, and then check the boxes to indicate which month(s) apply.

▼ NAME	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Example: Recreation League baseball						*X*	*X*	*X*				

a. Availability is restricted to "special interest" team or league ..... (0 points)
b. Availability is limited to 1 or 2 seasons and daylight hours ..... (1-2 points)
c. Available for 3 or more seasons ..... (3 points)
d. Available for 3 or more seasons and extended hours ..... (4 points)
e. Available year around and includes evening use ..... (5 points)

Evaluators will give a maximum of 5 points.

4. **Facility Management.** Does the applicant have a plan for the long-term maintenance and operation of the facility?

   Describe how the facility will be kept in usable condition and made available over time. Can you demonstrate how it will ensure that the land or facility will be available for the originally intended athletic uses (type of sport or sports, age of participants) throughout the project's intended life? Describe your organization's structure and indicate how long your organization has been involved in youth or community athletics. Do you have a written management plan for the facility? If yes, please attach a copy.

   a. Evidence is lacking, no plan presented ..... (0 points)
   b. Weak evidence, poor plan ..... (1 point)
   c. Evidence and/or plan is adequate ..... (2 points)
   d. Good evidence, plan is well done ..... (3-4 points)
   e. Solid evidence, outstanding plan ..... (5 points)

   Evaluators will give a maximum score of 5.

5. **Readiness to Proceed**. How soon after the grant is approved will the project begin?

   Provide evidence that the applicant can move swiftly towards project completion by documenting availability of 50% match; architectural and engineering work completed; appraisal and review completed; permits secured; needed labor pool, paid or volunteer, is available. In addition to your answer, please estimate your project timeline in the matrix below.

Acquisition: Major Activity	**Estimated date of completion**
Initiate land owner contact	
Determine value (appraisal, estimate, etc)	
Escrow	
Closing	
Final billing to grant (if awarded)	

OR

Development	**Estimated date of completion**
Planning (A&E) documents	
Secure permits	
Issue bids	
Begin construction	
50% completion	
90% completion	
Complete project	
Final billing to grant (if awarded)	

a. Significant barriers exist before the project can proceed ..... (0 points)
b. A number of barriers exist but steps are underway to eliminate the barriers *in the next 12 months* ..... (1-2 points)
c. Few barriers exist and are readily removed ..... (3-4 points)
d. The project is ready to move forward immediately..... (5 points)

Evaluators will give a maximum score of 5.

6. **Partnerships**. Does the applicant have partners that bring ***measurable value*** to the proposed project? Does the applicant have partnership arrangements? If so, what value does the partnership bring to the project?

Measurable value must include money, land, labor, materials, services or other necessary support. Letters of endorsement, by themselves, are not evidence of measurable value unless they include a statement of, or reference to, the value that the endorsing person or organization is bringing to the project.

a. None ..... (0 points)
b. The applicant has a partner but there are few additional resources or little additional value as a result ..... (1 point)
c. Partnership offers some value toward completion of the project ..... (2-3 points)
d. Partnership results in significant value for the project ..... (4 points)
e. The partnership will result in outstanding value for the project ..... (5 points)

Evaluators will give a maximum score of 5 that is later multiplied by 2.

STAFF-SCORED OBJECTIVE QUESTIONS

RCO staff scores the following questions (7-11) based on objective information applicants have already submitted. No further response to these questions is needed.

7. **Preference for Outdoor Fields**.
Does the project involve an outdoor athletic field?

a. *No* outdoor field involved ..... (0 points)
b. *One or more* outdoor fields are involved ..... (3 point)

8. **Preference for Multi-Generation Use**.
Is the proposed facility sized for adult use and either usable by or adaptable to youth use?

a. No ..... (0 points)
b. Yes ..... (1 point)

9. **Matching Shares**.
Is the applicant providing a matching share greater than 50 percent?

a. No ..... (0 points)
b. Yes 51 to 75 percent ..... (1 point)
c. Yes more than 75 percent ..... (2 points)

10. **Proximity to People**.
State law requires RCFB to give funding preference to projects located in populated areas. Populated areas are defined (RCW 43.51.380) as a town or city with a population of 5,000 or more, or a county with a population density of 250 or more people per square mile. Is the project located in an area meeting this definition?
    a. No ..... (0 points)
    b. Yes ..... (1 point)

11. **GMA Preference**.
Has the applicant made progress toward meeting the requirements of the growth management act (GMA)? RCW 43.17.250 (GMA-preference required.)

State law requires that:
(1) Whenever a state agency is considering awarding grants to finance public facilities, it shall consider whether the applicant[7] has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040 ("state law").
(2) When reviewing such requests, the state agency shall accord additional preference to applicant* that have adopted the comprehensive plan and development regulations. An applicant* is deemed to have satisfied the requirements for adopting a comprehensive plan and development regulations if it:
    a. Adopts or has adopted within the time periods specified in state law;
    b. Adopts or has adopted by the time it requests a grant or loan; or
    c. Demonstrates substantial progress toward adopting within the time periods specified in state law. An agency that is more than six months out of compliance with the time periods has not demonstrated substantial progress.
(3) A request from applicant* planning under state law shall be accorded no additional preference based on subsection (2) over a request from an applicant* not planning under this state law.

This question is scored by RCO staff based on information obtained from the state Department of Community, Trade, and Economic Development, GMA Division. To qualify for the current grant cycle, the GMA comprehensive plan and development regulations must be completed by RCO's Technical

Completion Deadline.
- The applicant does *not* meet the requirements of RCW 43.17.250 .....(minus 1 point)
- The applicant *meets* the requirements of RCW 43.17.250 ..... (0 points)
- The applicant is a nonprofit organization ..... (0 points)

RCO staff subtracts a maximum of 1 point; there is no multiplier.

[7] City and county applicants only. This segment of the question does not apply to nonprofit organizations.

Invitation to Submit a Letter of Intent

The Recreation and Conservation Office (RCO) is accepting letters of intent for the Youth and Community Outdoor Athletic Facilities program until 5:00 p.m. on August 22, 2014. You must submit a letter of intent in order to be eligible to apply for grant funds. Projects without a letter of intent on file with RCO will not be eligible. The best bet is to submit a letter of intent now and decide later whether you are ready to apply for a grant should funds become available.

Submit a letter of intent by completing the survey at this link.

Who can apply?

Cities, counties, park districts, non-profit sports organizations, and Native American tribes may apply.

What types of projects are eligible?

We are seeking projects that increase or maintain the capacity of an existing youth and community outdoor athletic facility for purposes of competitive play. The primary focus of the facility must be to serve people through the age of 18. The facility may accommodate adult play as a secondary compatible use.

To achieve a multi-generational use, applicants should consider submitting proposals for facilities sized for adults but that primarily serve youth. Facilities must be designed for barrier-free access. Facilities for professional or semi-professional athletic competition are not eligible.

Increasing the capacity of an existing facility may involve changing the facility from one type to another; improving the facility to extend the time or season of use; or expanding the physical size of a facility.

Acquiring land is eligible if it is necessary to increase the capacity of the existing facility. Examples of increasing capacity are:

- Adding lights to an existing facility to allow scheduling of evening games;
- Changing an unused or underused tennis court to a high-demand basketball court;
- Changing the field surface to allow more games per season or extend the number of seasons;
- Expanding a youth-sized softball field to accommodate broader community uses; and
- Reorienting a softball field so it can accommodate another athletic activity like soccer.

Maintaining the capacity of an existing facility retains the original design and capacity of the facility by bringing it to, or keeping it at, an accepted standard of safe use. Examples of maintaining capacity are:

- Resurfacing an existing handball court or replacing an existing irrigation system;
- Resurfacing an infield or seeding or installing new sod on an outfield;
- Replacing or realigning a lighting system; and
- Replacing fixtures like scoreboards, goals, fences, bases, nets, or lane markers.

Proposed projects must include work within the field of play such as playing surfaces, goals, nets, bases, fences, irrigation, drainage or field lighting. Support amenities such as scoreboards, bleachers, landscaping, restrooms, concession stands, and parking lots are eligible only if these items are part of a larger project that includes work within the field of play.

What is the maximum grant amount?

The maximum grant request amount is undetermined at this time, but we are considering a maximum amount of $250,000. We encourage you to request the amount you need while ensuring you provide a

one-to-one matching share. For example, if you request $250,000 in grant funds, you must provide at least $250,000 in match.

When will funds be available?

There are no funds available at this time. The Recreation and Conservation Funding Board is considering requesting a capital appropriation from the State Legislature based on the letters of intent received. If funds are appropriated, applicants may submit a full application in the spring 2015. The Recreation and Conservation Funding Board would then approve grant awards in the fall 2015. Applicants must commit to the matching share at least one month before the board awards grants.

Do you have questions?

If you have questions about this solicitation, please contact your grants manager. Click here to find the grants manager assigned to your county or call us at (360) 902-3000.

Youth and Community Outdoor Athletic Facilities Letter of Intent Survey

Welcome!

This Recreation and Conservation Office survey is for organizations interested in submitting a grant application for the Youth and Community Athletic Facilities program. The information you provide will help decision makers understand the need and interest in funding for this program. Applicants may include cities, counties, Native American tribes, nonprofit organizations and park districts. Funds are for public outdoor recreation athletic facilities that are used for competitive sports such as swimming pools, soccer fields, basketball courts, and running tracks.

You must complete a separate survey for each project proposal. RCO will tally the survey results and create a "Letter of Intent" list. Completing the survey does not obligate you to submit a grant application; however, only projects on the Letter of Intent list will be eligible for fund consideration. They survey closes at 5:00 PM on August 22, 2014.

If you have questions, please contact an RCO grants manager or call (360) 902-3000.

Contact Information

- Name: _____
- Organization: _____
- Street Address: _____
- City, State, Zip Code: _____
- Telephone: _____
- E-mail: _____

Project Name: _____

Project Location Information

- Park or Site Name: _____
- Street Address: _____
- City or Town and Zip Code: _____
- County: _____
- Legislative District: _____

Project Description

Describe Your Project in 1-2 Sentences: _____
_____

Primary Focus of the Project

- ☐ Increase Capacity – Add playing capacity to an existing outdoor athletic facility. Examples include adding lights to an existing facility to allow scheduling of evening games; changing an unused or underused tennis court to a high-demand basketball court; changing the field surface to allow more games per season or extend the number of seasons; expanding a youth-sized softball field to accommodate broader community uses; and reorienting a softball field so it can accommodate another athletic acidity like soccer.
- ☐ Maintain Capacity – Retain the original design and capacity of the facility by bringing it to, or keeping it at, an accepted standard of safe use. Examples include resurfacing an existing handball court or replacing an existing irrigation system; resurfacing an infield or seeding or installing new

sod on an outfield; replacing or realigning a lighting system; and replacing fixtures like scoreboards, goals, fences, bases, nets, or lane markers.

Type of Facilities

Project Type

- ☐ Acquisition and Development
- ☐ Development

Primary Outdoor Athletic Facilities (Check All that Apply)

- ☐ Baseball Field
- ☐ Football Field
- ☐ Hockey Field
- ☐ Lacrosse Field
- ☐ Multipurpose Field
- ☐ Rugby Field
- ☐ Soccer Field
- ☐ Softball Field
- ☐ Other (please specify):
- ☐ Basketball Court
- ☐ Bocce Ball Court
- ☐ Handball, Racquetball, Squash Court
- ☐ Hockey (ice)
- ☐ Ice Rink
- ☐ Multipurpose Court
- ☐ Tennis Court
- ☐ Volleyball Court
- ☐ BMX Track
- ☐ Disc Golf Course
- ☐ Equestrian Arena
- ☐ Gold Course
- ☐ Horseshoe Pits
- ☐ Skate Park
- ☐ Swimming Pool
- ☐ Track and Field

Users Served

Number of Users Served Each Year

- Youth Served Currently: _____
- Youth Served when the Project is Complete: _____
- Adults Served Currently: _____
- Adults Served when the Project is Completed: _____

These Improvements will Serve Primarily

- ☐ Community Outdoor Recreation
- ☐ Select or Competitive Teams or Leagues
- ☐ School Sports or Athletics

Will the Proposed Improvements Attract Additional Competitive Tournaments or Events?

- ☐ Yes
- ☐ No

If Yes, What is the Geographic Reach? (Check All that Apply)

- ☐ Local
- ☐ County
- ☐ Region
- ☐ State
- ☐ National

Identify any Underserved Populations that will Benefit from the Project (Check All that Apply)

- ☐ People with Disabilities (Recreation Facility Must Be Fully Accessible)
- ☐ Minorities (non-white, non-Caucasians)
- ☐ Girls and Women
- ☐ Rural Residents

- ☐ Suburban Residents
- ☐ Urban Residents
- ☐ Low Income or Economically Disadvantaged Populations
- ☐ Time and Money
- ☐ How Long will it Take You to Complete Your Project (From Grant Award to Completion)?
- ☐ 18 months or less
- ☐ 24 months or less
- ☐ 36 months or less
- ☐ More than 36 months

Project Funding

- Grant Request (The Recreation and Conservation Funding Board is considering a $250,000 maximum; however, please ask for the amount you want.): _____
- Your Match (Match must be equal to or greater than the grant request.): _____

Recreation and Conservation Funding Board
Resolution #2014-17
Recommending a Funding Level for the Youth and Community Athletic Facilities Program for the 2015-17 Biennium

WHEREAS, the Recreation and Conservation Office (RCO) must submit a 2015-17 Capital Request Budget to the Office of Financial Management; and

WHEREAS, the Recreation and Conservation Funding Board (board) finds there is a continuing and compelling need for funding to maintain and enhance the state's quality of life by investing in outdoor recreation opportunities; and

WHEREAS, the Youth and Community Athletic Facilities program is a critical component to furthering the goal of maintaining and enhancing the state's quality of life and healthy ecosystems; and

WHEREAS, requesting budget support for this grant program, and the RCO administration necessary to implement it, enables the board to fulfill its mission and goals;

NOW, THEREFORE, BE IT RESOLVED that the board hereby approves a general obligation bond capital budget request for 2015-17 biennium in the amount shown below and a request to retain five percent of any appropriation for program administration.

Program	2015-17 Request
Youth and Community Athletic Facilities Program	$_____

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: _____