



STATE OF WASHINGTON

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TO: SRFB Members and Designees
FROM: Laura E. Johnson, Director 
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SUBJECT: **TOPIC # 9: Unused Portions of 2006 Regional Allocations**

Summary

At the December 6, 2006 SRFB funding meeting, three of the eight salmon recovery regions fully utilized the funds pre-allocated to the region. The five regions that did not fully utilize their pre-allocated amounts requested that any unused portion of the pre-allocation be made available to unfunded projects on their lists or to supplement funded projects. The total amount of funds left unused (the difference between the pre-allocation target and the funded amount for 95 projects) is \$115,362. Board action on this issue will likely set a precedent in future grant cycles as well for how unused funds are applied to projects.

Staff Recommendation

Within 180 days of the December 6, 2006, SRFB meeting, provide regions and lead entities with the opportunity to request the remaining portion of their pre-allocation for unfunded projects on their lists or to supplement funded projects. After that time (June 6, 2007), unused 2006 funds would be returned to the general "pot" for distribution in the next grant round, without being earmarked for any specific region.

Background

Portions of regional 2006 pre-allocations may be unused due to:

- An insufficient number of submitted projects,
- The potential for some projects to be funded by another source,
- One or more of the funded projects unable to being implemented (for example due to lack of a willing landowner),
- A funded project costing less than originally requested, due to refinement in the cost estimate or willingness of an applicant to adjust the requested amount.



Analysis

In the event that there are unused portions of the 2006 Round regional pre-allocation now or in the near future, there are several options for distributing the funds:

1. Return any unused funds to the general "pot" for use in the next grant round.

Advantage: The SRFB did not develop a policy prior to the 2006 Round on how to address unused regional funds. Had lead entities and regional boards known in advance, they might have submitted "alternate" projects or projects that could expand in scope should additional funds be available.

Disadvantage: It delays the use of these funds for a year and increases the size of the SRFB's reappropriation request in the biennial capital budget; regions that have unused funds lose them, effectively reducing their allocation from the target amount.

2. Reserve and earmark any unused funds for use by the salmon recovery region in the next grant round.

Advantage: Keeps the unused funds within the region, therefore respecting the targeted allocation.

Disadvantage: Delays use of these funds for a year and increases the size of the SRFB's reappropriation request in the biennial capital budget.

3. Apply the unused funds to a funded project on the regional/lead entity ranked project list that would benefit from additional funding.

Advantage: Keeps the unused funds within the region and, depending on when the funds become available, utilizes them before the next grant cycle.

Disadvantage: Lead entities and regional organizations were not aware of this option prior to the 2006 Round.

4. Apply the unused funds to the next unfunded project (not a POC) on the regional/lead entity ranked project list.

Advantage: Keeps the unused funds within the region and, depending on when the funds become available, utilizes them before the next grant cycle.

Disadvantage: Lead entities and regional organizations were not aware of this option prior to the 2006 Round and may not have submitted extra projects for evaluation.

Staff recommends that the Board adopt options #3 and #4 above, but limit the time that these options are available to 180 days after the SRFB grant awards of December 6, 2006. After that time limit (June 6, 2007), unused funds would be returned to the general "pot" for use in the next grant cycle, and not be earmarked for any specific region.

- ▷ Funds added to a funded project would be reviewed and approved (or disapproved) by the SRFB Amendment Subcommittee.

- ▷ Funds applied to the next unfunded project (or the next project that could benefit from the amount of funding available) on a regional/lead entity ranked project list would be reviewed and approved (or disapproved) by the SRFB.

A summary of the staff recommendation is illustrated as follows:

Distribution of Unused 2006 Regional Funds Staff Recommendation

Unused Regional Pre-Allocation

Due to:

- Not enough projects to fully use allocation
- A funded project receives funding from another source
- A funded project cannot be implemented
- A funded project costs less than originally requested

