



STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

May 2009

Item #13: Consideration of Biennial Grant Round and Other Grant Cycle Options

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Approved by the Director:

Proposed Action: Briefing

Summary

This memo explores the advantages and disadvantages of three alternatives to the annual grant cycle currently used by the Salmon Recovery Funding Board (board).

Staff Recommendation

Recreation and Conservation Office (RCO) staff recommends that the alternatives be refined based upon board direction. RCO staff would then solicit input from project sponsors, lead entities and regional organizations on the range of options. Staff would present results of feedback and recommend an option at the board's August 2009 meeting. Based on board direction, any changes to the grant round would be implemented beginning in 2010.

Background

At the February 2009 meeting, the board directed RCO staff to explore the use of a biennial grant round. RCO staff worked with Review Panel representative Steve Leider to identify options for board consideration. Options B, B(1), and C also incorporate the Regional Allocation Task Force recommendations regarding a design cycle and keeping certain classes of funds within the regions (Attachment A).

Option	Brief Description
A. Status Quo	Make no changes to the current grant cycle process.
B. Biennial cycle	<ul style="list-style-type: none">• Lead entities develop a list once per biennium, following existing process for selection and review.• Board approves one list per biennium, with projects and alternates.• List is approved after the Legislature appropriates funds, near the beginning of the biennium.• RCO staff enters agreements with sponsors as funds are available from state and federal sources, up to each lead entity and regional allocation.• Process would be established on how lists can be amended (to address changed circumstances, matching funds or new opportunities).• A smaller design cycle would be held every other year.• Funds stay in regions, which may carry them forward within the biennium, but not into a new biennium.



Option	Brief Description
B (1) Biennial cycle with legislative approval	<ul style="list-style-type: none"> • Same as above, but with legislative approval of the lists when setting the funding level. The SRFB-approved list would be submitted to the Governor and Legislature with the Board's budget request in early September of even-numbered years.
C. Regional cycles based on project readiness	<ul style="list-style-type: none"> • Board allocates project funds for each region • Funds stay in regions, which may carry them forward within the biennium, but not into a new biennium. • Regions identify and select a grant cycle that works best within their given regional area (could include a continuous open cycle, annual round, or biennial schedule) • Review panel continues to review each project • Board approves projects as they are proposed by regions • RCO staff enters agreements with sponsors as funds are available up to each regional allocation.

Example of Option B (1)

Washington Wildlife and Recreation Program

Option B (1) is based on the successful approach used in the Washington Wildlife and Recreation Program (WWRP). The WWRP provides grants for parks, trails, and protection of critical habitat, riparian areas, and farmland. During even numbered years (e.g., 2008), applicants submit projects that volunteer committees evaluate and rank. The Recreation and Conservation Funding Board (RCFB) approves the ranked lists of projects and submits the lists to the Governor and Legislature. The Legislature approves the list as part of the appropriation to the program. By statute, the Legislature can remove projects from the list but cannot reorder it; the intent is simply to help appropriators understand the nature and importance of the projects they fund. Agreements are signed after budget approval.

Puget Sound Partnership

The Puget Sound Partnership uses a similar approach. The Partnership provides a list of projects to the Legislature along with its budget request for the Puget Sound Acquisition and Restoration grant program. The list illustrates demand for the funds and shows what would likely be funded if the funding was appropriated. The Legislature does not approve the list.

Analysis

Timing and Implementation

	2009-11 Biennium			2011-13 Biennium
Option	Calendar Year 2009	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012
A. Status Quo	Run regular cycle – select projects in December 2009 for contracts in early 2010.	Run regular cycle – select projects in December 2010 for contracts in early 2011.	Run regular cycle – select projects in December 2011 for contracts in early 2012.	Run regular cycle – select projects in December 2012 for contracts in early 2013.

Option	2009-11 Biennium			2011-13 Biennium
	Calendar Year 2009	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012
B. Biennial cycle	Run regular cycle – select projects in December 2009 for contracts in early 2010.	Fund design only and alternate projects from previous list with federal funds Build project lists for 2011-13 biennium	Staff enters agreements (January-June) as state and federal funds are available.	Fund projects from list as federal funds available. Select projects for 2013-15.
B(1) Biennial cycle with legislative approval	Run regular cycle – select projects in December 2009 for contracts in early 2010.	Send list to the legislature for approval	Following legislative appropriation, staff enters agreements (July-December) as state and federal funds are available.	Fund projects from list as federal funds available. Select projects for 2013-15.
C. Regional cycles based on project readiness	Run regular cycle – select projects in December 2009 for contracts in early 2010.	Fund design only and alternate projects from previous list with federal funds Set regional project allocation for 2011-13 biennium based on available funding; adjust award as actual funding is known.	Beginning in July, review and fund projects as they are brought forward by regions. Adjust regions' allocation if federal funding is received.	Review and fund projects as they are brought forward by regions. Set regional project allocation for biennium based on available funding; adjust award as actual funding is known.

Other Timing Considerations

Federal Funding: The board receives federal funds annually. The processes account for these funds by funding alternate and design only projects.

Advantages and Disadvantages

The following table compares the advantages and disadvantages of each option.

Option	Advantages	Disadvantages
A. Status Quo	<ul style="list-style-type: none"> Familiar process has worked in the past Annual cycle can capture opportunities that could be missed in a biennial cycle. 	<ul style="list-style-type: none"> An annual grant cycle may be less efficient than a biennial cycle. Consider time for staff and lead entities to manage process Projects funded in second year of biennium can have longer reappropriation periods Annual cycle can exclude more expensive or complex projects due to funding limits If the total funding for grants is reduced, there may not be enough funding to make an annual cycle worthwhile.

Option	Advantages	Disadvantages
B. Biennial cycle	<ul style="list-style-type: none"> • Reduces time spent on project evaluation and selection • Minimizes staff time for getting projects under agreement • Has potential to allow for more expensive and complex projects 	<ul style="list-style-type: none"> • Creates larger “spikes” in staff workload with more projects getting under agreement
B(1) Biennial cycle with legislative approval	<ul style="list-style-type: none"> • Same as biennial cycle, plus: • Increases visibility of projects with public and appropriators • Promotes understanding of the results of the expenditures 	<ul style="list-style-type: none"> • Same as biennial cycle, plus: • Adds additional steps and delays project agreements until the end of the legislative cycle • May require legislation to help ensure that project lists are not changed during the process
C. Regional cycles based on project readiness	<ul style="list-style-type: none"> • Improves ability to implement projects that are ready to proceed • Allows regions and lead entities to do the work in a manner that reflects local considerations and other time constraints • Has potential to allow for more expensive and complex projects 	<ul style="list-style-type: none"> • Carryover may create problems with reappropriation; limits could mitigate problem • Likely would add funding decisions to each board meeting • Consider time for staff and others

Next Steps

Following the May board meeting, staff will refine these options based on board direction and will solicit input from project sponsors, lead entities and regional organizations. Staff will then summarize the feedback and make a recommendation for the August board meeting.

If the board decides to approve a change to the grant cycle in August, staff would work with the regions, lead entities, and GSRO to provide more detail on how the preferred option would be implemented in 2010. Staff would bring updates and requests for funding decisions to the board as needed.

Attachments

- A. Related Excerpts from ATF Recommendations, December 2008

Attachment A: Related Excerpts from the Regional Allocation Task Force

#2 - Keep certain classes of funds in the regions

Note – Currently the classes of funds identified below are used by the SRFB to fund various elements of salmon recovery, including project cost increases. If the following recommendation were to be implemented, resources to address cost increases would need to be:

- identified from the overall SRFB budget before the grant round; or
- addressed within regional budgets/allocations; or,
- SRFB funds would not be used to address cost increases

If implemented, this strategy would not apply retroactively. It would apply to the 2009 grant round and forward.

2A - Funds committed to projects:

Funds that have been committed to projects, but circumstances have changed such that the original project can no longer be implemented.

Funds could be applied to the following, all of which must have been through the local and regional technical and citizen review processes, as well as favorably reviewed by the SRFB Technical Review Panel:

- An alternate project
- An existing project that requires more resources
- The subsequent phase of an existing project
- A design project.

The funds must be obligated

- Before the next grant cycle after determining that funds will not be used for a given project; OR
- In conjunction with grant funds from the next grant round.

If funds are not obligated within two years of the original funding agreement, funds must be returned to the SRFB. (obligation defined as in the contract agreement phase, not necessarily under contract)

2B - Unused allocation:

Each year Regions receive a predetermined allocation which equates into a specific dollar amount available for new projects. In the event all the allocation can't be utilized, these funds would be available for use within the region before or in conjunction with the next grant round.

Funds may be applied to the following, all of which must have been through the local and regional technical and citizen review process, as well as favorably reviewed by the SRFB Technical Review Panel:

- A project from the approved project list for the next grant round
- An alternate project
- An existing project that requires more resources
- The subsequent phase of an existing project
- A design project

Unused portions of allocated funds from the previous grant round must be:

- obligated before the next grant cycle OR,
- in conjunction with grant funds from next grant round.

3- Revise the Grant Cycle

Revise the current grant round to allow for a continuous rolling project design cycle. It would be at the discretion of each individual regional organization to elect to make use of this optional design cycle within its region, and if so, to determine with what frequency and the process through which design projects would be considered and submitted.

Design grants would be based on a percentage of annual regional allocation. Up to 20% of a regional allocation may be distributed for design-only projects via the continuous design cycle.

- Regions should strategically solicit design projects that are identified and/or consistent with recovery plans
- Design projects would be subject to the citizen review process and to local, regional and SRFB technical review processes
- Must be consistent with or identified in implementation schedules