



**STATE OF WASHINGTON**

**RECREATION AND CONSERVATION OFFICE**

May 2009

**Item #4: 2009-11 Budget and Legislative Update**

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**Approved by the Director:**

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**Proposed Action: Briefing**

**Summary**

This memo describes various legislative actions taken during the 2009 session, and summarizes the effects on the Recreation and Conservation Office (RCO) and Salmon Recovery Funding Board (board).

**2009-11 Biennial Budget**

As noted in the director's management report, the Legislature has passed the operating and capital budgets, but the Governor has not yet signed them. The capital budget includes \$10 million in state funding for salmon recovery efforts funded by the SRFB. The RCO anticipates that we may receive as much as \$60 million in the biennium from Pacific Coastal Salmon Recovery Funds (PCSRF).

RCO staff will present the most current budget information at the May board meeting. That information will inform the board's decisions for the following May agenda items:

- a. Agenda item #7: approving lead entity and region allocations for 2009-11
- b. Agenda item #8: approving the ground round amount and policies
- c. Agenda item #9: approving monitoring contract extensions or a re-bid process

**Transition of the Governor's Salmon Recovery Office and the Lead Entity Program**

As part of an effort to consolidate salmon recovery activities and programs and make them more efficient, SHB 2157 moves the Governor's Salmon Recovery Office (GSRO) to the RCO and requires the RCO to coordinate lead entities directly. The Governor requested this legislation, and RCO staff worked with the Governor's office to prepare bill language and fiscal notes.

GSRO Transition

The transition to RCO has two parts: (1) the administrative move of an office and staff from one agency to another and (2) an opportunity to better connect various pieces of the salmon recovery system.



Rachael Langen is the lead for the administrative transfer of the GSRO from the Office of Financial Management to RCO. A crucial goal is to keep communication open with GSRO staff and to ensure that they receive the information they need during this time of change. GSRO staff will not relocate to the RCO facility for several months.

On April 27, Kaleen and Rachael met with GSRO staff, regional salmon recovery coordinators, the LEAG chair, and RCO staff to discuss the transition. Meeting participants discussed the role of the GSRO in salmon recovery, prioritized the services and support they need from GSRO, and suggested ways to structure the organization to improve coordination and efficiency. Results of the meeting will be presented at the May board meeting.

#### Lead Entity Transition

Currently, the board funds lead entities through the RCO, which contracts with the Department of Fish and Wildlife (WDFW) to implement the program. Requiring the RCO to coordinate lead entities directly saves 0.5 FTE and \$140,000. Rachael Langen is coordinating the transition of this program for RCO, and working closely with WDFW staff.

Rachael, Megan Duffy, and Brian Abbott met with the Lead Entity Advisory Group (LEAG) on April 14 to update them on the transition and share a list of organizational issues that the RCO is addressing.

Lead entity contracts with RCO will be in effect July 1 with similar, if not identical, deliverables as the current contract with WDFW. Contracts reflecting coordination decisions and direction from the board will be developed before June 30, 2010.

In response to RCO inquiries, the lead entities identified the following challenges and opportunities related to the transition and let the RCO know what they will need to be successful.

#### Challenges and Opportunities

LEAG expressed two primary concerns.

1. Whether the RCO can continue the legacy of support that WDFW provided to them as individual organizations and to LEAG as a network of organizations. Lead entities value WDFW's role as advocate for lead entities with the SRFB and the legislature. Some fear that this role will be lost. Lead entities complimented RCO as a great grant management organization, but they worry that the new role of coordinating lead entities does not fit the agency's mission.
2. The move to RCO will lead to a loss in the connection with the field staff at WDFW. LEAG is particularly concerned about their relationships with the watershed stewards who provide technical assistance to both the lead entities and project sponsors.

Several participants noted that this is an opportunity to build on the strength of the support they have received from WDFW.

#### What is Needed for Success

Lead entities asked RCO to keep the relationships and linkages between them and WDFW strong, both locally and at the state level. Participants also suggested that RCO might support them by coordinating training and mentoring opportunities. Lead entities also were interested in how they could have a successful business relationship with RCO.

## **Status of Legislation Seeking Efficiencies**

### SHB2157 and ESHB1244

SHB2157 (as noted above) and ESHB1244 (the state operating budget), both of which passed and at the time of this memo are awaiting the Governor's signature, address efficiencies associated with salmon recovery. In addition to organizational changes, the bills:

- consolidate the reporting requirements of the GSRO, Forum on Monitoring Salmon Recovery and Watershed Health, and SRFB;
- direct the RCO to lead studies to identify efficiencies within the local and regional organizations involved in salmon recovery; and
- require the Monitoring Forum to develop high-level indicators.

Key elements of these bills are as follows:

SHB2157, Sec. 6: "(1) By December 1, 2009, the recreation and conservation office, in consultation with the department of ecology, the department of fish and wildlife, regional fisheries enhancement groups, lead entities, planning units and lead agencies, and regional salmon recovery organizations shall provide an assessment to the governor on additional coordination and incentive opportunities with lead entities, regional salmon recovery organizations, lead agencies, and WRIA planning units, and shall include any additional coordination and incentive opportunities for those organizations that exist and operate within a shared watershed boundary or portions of a shared watershed boundary.

"(2) By December 1, 2009, the recreation and conservation office and the office of regulatory assistance, working in coordination with the departments of ecology and fish and wildlife, must identify and recommend one pilot project outside of Puget Sound that will effectively integrate salmon recovery and watershed planning missions and objectives. The pilot project's purpose is to demonstrate ways to achieve efficient permitting processes to implement projects identified in local or regional salmon recovery or WRIA-based watershed plans."

SHB2157, Sec. 7: "By December 1, 2009, the department of ecology must provide recommendations to the legislature on grant programs related to restoration and protection of water quality and for increases, augmentation, or conservation of water quantity supplies that may be more effectively and efficiently funded through the salmon recovery funding board. The recommendations should include ways to integrate salmon recovery data into reporting of watershed health."

ESHB1244, Sec. 304: "The recreation and conservation office, under the direction of the salmon recovery funding board, shall assess watershed and regional-scale capacity issues relating to the support and implementation of salmon recovery. The assessment shall examine priority setting and incentives to further promote coordination to ensure that effective and efficient mechanisms for delivery of salmon recovery funding board funds are being utilized. The salmon recovery funding board shall distribute its operational funding to the appropriate entities based on this assessment."

ESHB1244, Sec. 907: "The governor shall convene a work group consisting of representatives from the natural resource agencies. The work group shall consider the experience of other states and their organizational structures to identify consolidation opportunities to improve service delivery. The work group shall submit a comprehensive written recommendation to the governor and the office of financial management by September 1, 2009."

### Eliminating Boards and Commissions

In an effort to reduce the size and cost of government, several bills were introduced in the House and Senate eliminating or suspending boards, commissions, and statutory advisory committees. Two bills, HB1497 and SB5588, would have eliminated the Salmon Recovery Funding Board. The bills also would have eliminated the Lower Columbia Fish Recovery Board, moving the functions of that board to the Department of Natural Resources. RCO worked with legislators and staff to point out the importance of the Salmon Recovery Funding Board to salmon recovery and for attracting federal funding. Neither of these bills passed.

### Lower Columbia Fish Recovery Board

While the bills above would have suspended or abolished the Lower Columbia Fish Recovery Board, HB1063 continues the board by eliminating its July 1, 2010 statutory sunset. This bill passed and was signed by the Governor.

## **Other Legislation of Interest**

### Senate Confirmations of Board Members

Two citizen members of the board, Harry Barber and David Troutt, were submitted for Senate confirmation, but the Senate Natural Resources, Ocean and Parks Committee did not schedule a confirmation hearing. State law allows members to serve while confirmation is pending. In the past, this process has often stretched over several years.

### Preservation of Farmland

SB5968 would have required state agency land acquisitions, or land acquisitions funded by state dollars, that take land zoned for agriculture out of production to be approved by the county legislative body. This would have affected future SRFB-funded acquisition projects. This bill did not pass the legislature.

### Acquisition of Conservation Land

A bill addressing the Washington Wildlife and Recreation Program, SHB1957, included language requiring RCO to address mechanisms for acquisition of conservation land. This bill is currently awaiting signature by the Governor.

SHB1957, Sec. 7: Within existing funds, the recreation and conservation office must evaluate the use of land preservation mechanisms such as fee simple acquisitions, conservation easements, term conservation easements, and leases and the ability of each to respond to future economic, social, and environmental changes. The recreation and conservation office must compare the relative advantages and disadvantages and costs of each of these land preservation mechanisms. The recreation and conservation office must report its findings and recommendations to the appropriate committees of the legislature by January 1, 2010.

## **Next Steps**

SRFB staff will work with state and local partners in carrying out approved legislative directives, and will provide progress reports at the August and October board meetings.