

SALMON RECOVERY FUNDING BOARD SUMMARIZED MEETING AGENDA AND ACTIONS, AUGUST 11, 2010

Agenda Items with Formal Action

Item	Formal Action	Board Request for Follow-up <i>(Due Date in Italics)</i>
Minutes	<p><u>APPROVED</u> Approved the May minutes as presented.</p>	
Potential Changes in Lead Entity Support from General Fund Funding Level for 2010 Grant Round	<p><u>APPROVED</u></p> <ul style="list-style-type: none"> • Approved a final funding target of \$20.1 million for the 2010 grant cycle • Approved an additional \$250,000 for the Community Salmon Fund program, managed by the National Fish and Wildlife Foundation (NFWF), for fiscal year 2010 	<p>Talk with NFWF about Member Troutt's concerns with Puget Sound subregion approach <i>(August/September)</i></p> <p>Reserve \$750,000 for cost increases, \$150,000 for potential lead entity reductions, and funds as presented for the state review panel, PRISM, and capacity funding in the 11-13 biennium.</p>
2011-13 Biennial Budget Decisions	<p><u>APPROVED</u></p> <ul style="list-style-type: none"> • Approved a capital budget request of \$19.8 million for salmon habitat and restoration grants • Supported the Partnership's capital budget request of \$55 million for salmon habitat and restoration grants in the Puget Sound Acquisition Restoration program • Approved RCO's capital budget request of \$7 million for the Estuary and Salmon Restoration Program (ESRP) • Supported the Department of Natural Resource's capital budget request of \$10.0 million for the Family and Forest Fish Protection Program (FFFP) 	

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: August 11, 2010 Place: Room P198, Natural Resources Building, Olympia, WA
Board members via conference call

It is intended that this summary be used with the notebook provided in advance of the meeting. Due to technical difficulties, there is no audio recording of this meeting. The meeting was moved to P198 because there was no phone service in the originally scheduled room.

Salmon Recovery Funding Board Members Present:

Steve Tharinger, Chair	Clallam County	Jon Peterson	Department of Transportation
David Troutt	DuPont	Craig Partridge	Department of Natural Resources
Bob Nichols	Olympia	Sara LaBorde	Department of Fish and Wildlife
Harry Barber	Washougal		
Bud Hover	Okanogan County		

Opening and Welcome

Chair Steve Tharinger called the meeting to order at 9:07 a.m. and a quorum was determined.

- The Salmon Recovery Funding Board (board) approved the revised agenda.
- The board approved the May 2010 meeting minutes as presented.

Bob Nichols moved to adopt the May minutes.

Seconded by: David Trout

Motion: APPROVED

Board Decisions

Item #1A: Potential Changes in Lead Entity Support from General Fund

RCO Director Kaleen Cottingham noted that this topic is a preview of anticipated general fund budget cuts. Policy Director Steve McLellan reviewed the state's budget picture, stating that revenue is continuing to decline and the pace of recovery is slowing. Budget analysts still expect 1-2% budget cuts for the General Fund during the biennium. He advised the board to be cautious and hold funding for potential budget reductions in this biennium. He noted that Item #1B includes this safety net recommendation.

Item #1B: Funding Level for 2010 Grant Round

Section Manager Brian Abbott explained that staff is recommending a \$20.1 million grant round for 2010 based on higher returned funds and the Pacific Coastal Salmon Recovery Fund (PCSRF) award. He stated that staff recommended reserving \$750,000 for cost increases and \$150,000 for potential lead entity reductions. Brian also noted that staff wanted to award additional funds to the National Fish and Wildlife Foundation small grant program and reserve funds for the state review panel, PRISM, and capacity funding in the 11-13 biennium.

Chair Tharinger clarified that the distribution is subject to board discretion and asked if the money held in reserve could be swept for other purposes. Director Cottingham responded that it is primarily federal funding, and that the state has not been inclined to sweep this kind of money.

Member Troutt asked if staff could work with NFWF to ensure that the additional funds would go to areas that did not get money under the Puget Sound subregion approach. Brian explained why the funds were distributed at the regional rather than lead entity level. Director Cottingham stated that she did not expect the regional approach to change based on the additional money, but committed to passing Member Troutt's concern to NFWF.

Bud Hover moved to approve a final funding target of \$20.1 million in grant awards for salmon habitat and restoration projects during the 2010 grant cycle.

Seconded by: Bob Nichols

Motion: APPROVED

Bud Hover moved to approve an additional \$250,000 for the Community Salmon Fund program, managed by the National Fish and Wildlife Foundation (NFWF), for fiscal year 2010.

Seconded by: Bob Nichols

Motion: APPROVED

Item #2: 2011-13 Biennial Budget Decisions

Policy Director Steve McLellan explained that the board needed to make four budget request decisions:

- the level of capital funds to request for SRFB grants;
- whether to support the Puget Sound Partnership's request for Puget Sound Acquisition Restoration (PSAR) program funding;
- the level of capital funds to request for Estuary and Salmon Restoration Program (ESRP); and

- whether to support the Department of Natural Resources request for Family and Forest Fish Passage Program (FFPP).

Steve then gave a budget overview, stating that staff expects a \$3 billion shortfall in operating budget. He explained the Governor's new budget process, including public testimony/hearings, advisory committee, and an analysis of agency operating budget activities. He noted that in the analysis, the RCO listed salmon recovery as an essential activity based on ESA requirements and tribal treaty rights. He explained that the amount available in the capital budget is dependent on the operating budget, so the situation is highly uncertain. There will be pressure to move expenses to the capital budget, and analysts expect the K-12 system to put great pressure on the budget. The staff recommendation reflects these pressures and budget constraints.

Steve noted that the SRFB grants are match for the federal PCSRF award, and stated that staff suggests asking for \$19.8 to match the anticipated awards. PSAR funds have contributed match in the past, but staff believes it is a bad practice because the money may be needed to match other federal programs.

Bud Hover moved to approve a capital budget request of \$19.8 million for salmon habitat and restoration grants.

Seconded by: Bob Nichols

Motion: APPROVED

Steve then explained that the Partnership consulted with the RCO regarding the amount for the PSAR request. They are asking the board to support a request for \$55 million. RCO would continue to manage the grants. Chair Tharinger asked if there was a demonstrated need for \$55 million. Steve McLellan replied that there is a strong list of projects to support the request, and the capacity exists to implement them.

Bud Hover moved to support the Partnership's capital budget request of \$55 million for salmon habitat and restoration grants in the Puget Sound Acquisition Restoration program.

Seconded by: David Troutt

Motion: APPROVED

Steve McLellan then explained that for ESRP, the request amount is based on the number of viable projects and the capacity to implement them. The request was revised to \$7 million after the memo was distributed. Director Cottingham noted that a group of agencies requests the funding, but that the funds go into the RCO budget and the RCO manages the

grants. The projects typically match SRFB projects and serve in a complementary role; they are not competing with each other for funds.

Bob Nichols moved to approve RCO's capital budget request of \$7 million for the Estuary and Salmon Restoration Program (ESRP).

Seconded by: Bud Hover

Motion: APPROVED

Steve McLellan then explained that the FFFPP funds are in DNR's budget, and that they are asking the board to support for their request. This amount is based on the number of participants and predicted levels of enrollment. Eighty projects are on a waiting list for this program. In response to a question from the chair, Brian Abbott noted that the amount of match required is based on the landowner and harvest level.

Bob Nichols moved to support the Department of Natural Resource's capital budget request of \$10.0 for the Family and Forest Fish Protection Program (FFFPP).

Seconded by: David Troutt

Motion: APPROVED

Conclusion

The board discussed the October meeting, and asked to meet in person in Olympia.

Meeting Adjourned at 9:46 a.m.

Approved by:

Steve Tharinger, Chair

Date