

HOUSE BILL REPORT

HB 2509

As Reported by House Committee On: Capital Budget

Title: An act relating to implementing the recommendations of the 2015 review of the Washington wildlife and recreation program.

Brief Description: Implementing the recommendations of the 2015 review of the Washington wildlife and recreation program.

Sponsors: Representatives Tharinger, DeBolt, Blake and Zeiger; by request of Recreation and Conservation Office.

Brief History:

Committee Activity:

Capital Budget: 1/26/16, 2/2/16 [DPS].

Brief Summary of Substitute Bill

- Modifies a portion of the current Washington Wildlife and Recreation Program (WWRP) account structure.
- Shifts funding allocation among the WWRP accounts, as well as within the Habitat Conservation Account and Outdoor Recreation Account.
- Changes some WWRP eligibility and application processes.
- Modifies allowable costs and management requirements under the WWRP.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Tharinger, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

Staff: Christine Thomas (786-7142).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Established Program and Accounts.

The Washington Wildlife and Recreation Program (WWRP) was established in 1990 to provide capital budget funding in the form of grants for the acquisition and development of land for outdoor recreation and habitat conservation. Initially, the WWRP consisted of two accounts: the Habitat and Conservation Account (HCA) and the Outdoor Recreation Account (ORA). Appropriations made for the WWRP were allocated equally between the two accounts. In 2005 legislation created the Riparian Protection Account (RPA) and the Farmland Preservation Account (FPA) and established a statutory formula that allocates appropriated funds to the four accounts.

Grant Application Process.

The statute provides rule-making, grant review, and prioritization authority to the Recreation and Conservation Funding Board (RCFB), which is administered by the Recreation and Conservation Office (RCO). Project applications are submitted by eligible recipients to the RCO in 11 categories including, for example, critical habitat, natural areas, and urban wildlife within the HCA and local parks, trails, and water access within the ORA, as well as riparian protection and farmland preservation. The applications are reviewed and evaluated by the RCO staff and panels of experts. The RCFB considers and then approves a ranked list of projects that is submitted to the Governor and the Legislature for inclusion in the capital budget. Typical projects receiving grant funds include protecting wildlife habitat and recreation opportunities, renovating community parks, developing regional trails, restoring state lands, and protecting farmland.

Eligibility and Match Requirements.

Eligible recipients include state agencies, local governments, Native American tribes, and nonprofit entities (farmland preservation and riparian protection categories only). Local governments, Native American tribes, and nonprofit entities must provide 50 percent match of the total project costs.

2015 Washington Wildlife and Recreation Program Review.

A proviso in the 2015-17 Capital Budget directed the RCO to convene and facilitate a stakeholder process to review and make recommendations on the WWRP. The RCO submitted a report to the Legislature in December 2015, which includes background on the WWRP project funding, a summary of the review process, and a series of statutory and administrative recommendations.

Summary of Substitute Bill:

The Washington Wildlife and Recreation Program Account Structure.

Several modifications are made to the WWRP's account structure including eliminating the RPA as a separate account and creating a new riparian protection funding category within the HCA. The bill also renames the FPA as the Farm and Forests Account (FFA), with 90 percent of funds dedicated to farmland preservation projects and 10 percent for projects on forest land.

Allocations Among Washington Wildlife and Recreation Program Accounts.

The allocation among the WWRP accounts is modified from a structure that varies based on the appropriation level to a structure that provides 45 percent to the ORA, 45 percent to the HCA, and 10 percent to the FFA, regardless of the appropriated amount. The chart below compares the appropriated allocations for the WWRP accounts per RCW 79A.15.030 with the proposed allocation in Substitute House Bill (SHB) 2509.

RCW 79A.15.030	SHB 2509
Appropriations of \$40 million or less are allocated as follows: <ul style="list-style-type: none"> • 50 percent - HCA • 50 percent - ORA 	Appropriations at all levels are allocated as follows: <ul style="list-style-type: none"> • 45 percent - HCA • 45 percent - ORA • 10 percent - FFA
Appropriations over \$40 million are allocated as follows: <ul style="list-style-type: none"> • \$20 million - HCA • \$20 million - ORA • amounts between \$40 million and \$50 million are allocated as follows: <ul style="list-style-type: none"> • 10 percent - HCA • 10 percent - ORA • 40 percent - RPA • 40 percent - FPA • amounts over \$50 million are allocated as follows: <ul style="list-style-type: none"> • 30 percent - HCA • 30 percent - ORA • 30 percent - RPA • 10 percent - FPA 	

Shifts Allocation Within the Habitat and Conservation Account.

An additional funding category is established for riparian habitat within the HCA, and the percentage of funding for state lands restoration and enhancement is increased. The percentage of funding for each of the remaining categories decreases. The chart below shows the allocations for the HCA per RCW 79A.15.040 with the shifts in the proposed allocation in SHB 2509.

RCW 79A.15.040	SHB 2509
Allocations within the HCA are allocated as follows: <ul style="list-style-type: none"> • 45 percent - critical habitat • 30 percent - natural areas • 20 percent - urban wildlife habitat • 5 percent - state lands restoration and enhancement (Department of Fish and Wildlife (DFW) and Department of Natural Resources (DNR)) 	Allocations within the HCA are allocated as follows: <ul style="list-style-type: none"> • 35 percent - critical habitat • 25 percent - natural areas • 15 percent - riparian habitat • 15 percent - urban wildlife habitat • lesser of 10 percent or \$3 million for state lands restoration and enhancement (DFW, DNR, and State Parks and Recreation Commission (State Parks)). Amounts in excess of \$3 million are for riparian habitat.

Allocations Within the Outdoor Recreation Account.

The percentage of funds for state recreational lands within the ORA is increased by 5 percent, while the amount for water access sites is decreased by 5 percent. The chart below shows the allocations for the HCA per RCW 79A.15.050 with the shifts in the proposed allocation in SHB 2509.

79A.15.050	SHB 2509
<p>Allocations within the ORA are allocated as follows:</p> <ul style="list-style-type: none"> • 30 percent - State Parks, at least 50 percent for acquisition • 30 percent - local parks, at least 50 percent for acquisition • 20 percent - trails • 15 percent - water access sites • 5 percent - state recreational lands (DFW and DNR) 	<p>Allocations within the ORA are allocated as follows:</p> <ul style="list-style-type: none"> • 30 percent - State Parks, 40-50 percent for acquisition • 30 percent - local parks, 40-50 percent for acquisition • 20 percent - trails • 10 percent - water access sites • lesser of 10 percent or \$3 million for state recreational lands (DFW, DNR, and State Parks). Amounts in excess of \$3 million are for water access sites.

Washington Wildlife and Recreation Program Eligibility and Application Processes.

The bill makes modifications to increase eligibility for new applicants in several categories, such as:

- expanding eligibility for nonprofit nature conservancies within the HCA to include the natural areas, critical habitat, and urban wildlife habitat categories;
- allowing State Parks to apply for funding from the restoration and enhancement category within the HCA, in addition to the DFW and the DNR; and
- allowing other state agencies not eligible to apply for the WWRP funds, such as the Department of Transportation or the Department of Corrections, to enter into interagency agreements with eligible state agencies to apply in partnership for riparian protection funds.

The bill also makes modifications to the application and scoring processes including:

- directing the RCFB to consider multiple benefits provided by a project when setting acquisition priorities for the HCA, meaning the projects are compatible with habitat conservation or provide additional conservation benefits;
- directing the RCFB to consider maintenance and operating costs, and whether conservation easements can be used to meet the purposes for the project when setting acquisition priorities for the HCA;
- setting priorities for forest land projects including community support, likelihood of conversion of the site to nontimber or highly developed use, consistency with local land use plans, and existence of multiple benefits; and
- specifying that in addition to reviewing an application with the appropriate local governments, applicants must also confer with them on such matters as project purpose and scope, project elements and costs, and benefits to the community, for the purpose of early review of potential projects.

Allowable Costs and Management Requirements.

The bill modifies allowable costs and management requirements under the WWRP by:

- adding noxious weed control to allowable incidental costs paid from the HCA grants for land acquisitions, in addition to currently authorized costs such as fencing and surveying;
- specifying that development, recreational access, or fee simple acquisition projects must be accessible for recreation and outdoor education, unless the RCFB approves limitation to protect sensitive species, water quality, or public safety; and
- allowing the RCFB to waive a local match for projects that meet the needs of an underserved population or a community in need, as defined by the RCFB.

Implementing Provisions.

The bill includes new and modified definitions and provisions for implementing the revised WWRP, including:

- making changes to allocations under the WWRP to be effective for appropriations after July 1, 2016;
- making nonprofit nature conservancies eligible for new categories for projects submitted in 2016;
- giving the RCFB until November 2017 to implement and develop the new program for forest lands;
- requiring full implementation beginning in the 2019-21 Capital Budget cycle; and
- adding an emergency clause.

Substitute Bill Compared to Original Bill:

The substitute bill:

- provides examples of what might be included in the "conferring" process created in the bill between project sponsors and local governments;
- clarifies the definition of "multiple benefits" to be considered in setting acquisition priorities;
- directs the RCFB to consider maintenance and operating costs, and whether conservation easements can be used to meet the purposes for the project when setting acquisition priorities for the HCA;
- provides more detail in the meaning of "community support" as a criterion for critical habitat and natural areas proposals;
- specifies that the statewide significance of a site is a criteria for prioritization of all critical habitat and natural areas projects;
- directs the RCFB to implement certain sections of the bill in 2016 and 2017 for purposes of preparing the prioritized list of projects for the 2017-19 budget cycle;
- makes technical changes; and
- adds an emergency clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) This bill is in response to many years of discussions around the WWRP and how to improve the program to meet various stakeholder needs. Extensive outreach and involvement facilitated by the RCO resulted in a bill that meets the needs of many stakeholders and will ensure the integrity and credibility of the WWRP. The simplified allocation formula is more straight forward and will help address the backlog of parks and recreation needs on local and state lands; focus on projects with multiple benefits; and include working forest lands as a new category. The bill provides for reduced match requirements for underserved communities and communities hit by emergencies; stronger language for public access; due diligence and community support of local projects; and greater eligibility for nonprofit nature conservancies in several categories. The bill should take effect for the upcoming budget cycle by way of an emergency clause. Although stakeholders did participate in the extensive process, and are supportive of the statutory changes, not all parties are uniformly satisfied, but they do agree that the bill represents the best path forward. More definitive language for some of the terms such as "confer" with local governments and "multiple benefits" should be considered. Also, payments in lieu of taxes, which affect county budgets, should be considered.

(Opposed) None.

(Other) The new allocation formula adversely impacts riparian protection projects. Any mitigation would be encouraged as significant losses to the riparian category lead to habitat loss and degradation, and major issues in protecting rivers, lakes, birds, and fish. The reduced match provision should include projects with existing necessary public safety risks.

Persons Testifying: (In support) Larry Otos and Doug Levy, Washington Recreation and Park Association; Laura Berg, State Association of Counties; Scott Richards, The Nature Conservancy; Bill Clarke, Trust for Public Land; Cynthia Wilkerson, Department of Fish and Wildlife; Andrea McNamara-Doyle, Wendy Tyner, and Hannah Clark, Washington Wildlife and Recreation Coalition; and Kaleen Cottingham, Washington State Recreation and Conservation Office.

(Other) Chester Baldwin, Backcountry Horsemen of Washington; and Mark Smith, Ducks Unlimited.

Persons Signed In To Testify But Not Testifying: None.