

Trust Land Transfer Proviso  
Phase 2 Work Group Meeting 5.1

# Administrative Funding

May 27, 2022 | 1:00 to 3:00 p.m.



WASHINGTON STATE DEPARTMENT OF  
**NATURAL RESOURCES**

# Today's Purpose



- Refresh understanding of past Trust Land Transfer (TLT) administrative funding and costs
- Discuss TLT funding options



# Agenda



- Review proposed framework for revitalized TLT tool; what did the legislative report say about funding TLT?
- Review recent TLT administrative costs
- Review how TLT administrative funding rates compare to those of the Recreation and Conservation Office (RCO)
- Discuss future TLT funding options

# From the Legislative Report



“Currently, DNR utilizes approximately 1.9% of the appropriation to cover administrative costs....**this amount is often insufficient**, so DNR must draw on funds that are needed for other trust management needs. **The work group’s preliminary recommendation is for DNR to include administrative costs in the legislative budget request.**”

This funding is needed to maintain the webpages, evaluate applications, administer the advisory committee, track and report on transfers...plus all the tasks associated with the transfer itself....”  
(page 37)



# Admin Costs Can Vary



Biennium	\$ admin cost per project/ \$ admin cost per acre
21-23	n/a
19-21	\$98,000/project \$241/acre
17-19	\$190,000/project \$287/acre
15-17	\$37,200/project \$88/acre
13-15	\$48,077/project \$99/acre
11-13	\$111,250/project \$119/acre
09-11	\$60,920/project \$92/acre



# Future TLT Costs Will Increase



- TLT working group recommendations increase process and oversight.
- The final TLT work group recommendations will better frame the amount needed to cover program administrative costs.



1.9% limit of total TLT appropriation for program administrative costs will not be adequate to meet or address the cost of proposed TLT enhancements.

# RCO/TLT Eligible Cost Comparison



RCO-approved project administrative costs from Manual 3, Page 20, are listed in black text. DNR's expected costs for TLT also include the costs in orange text.

- Advertising
- Attorney fees—document review and drafting, clearing title, and other project related work.
- Billing preparation
- Communication
- Consultation
- Contract award
- Correspondence
- GIS mapping
- Meetings
- Negotiations
- Progress report preparation
- Project administration
- Public hearings
- Room rental
- Salaries and benefits
- Site visits
- Taxes (administrative goods and services)
- Travel costs to site and meetings
- **TLT application cost estimates, reviews, scoring, assistance**
- **OFM, Governor, Legislature package**
- **Surveys**
- **Webpages**
- **TLT Advisory Committee administration**
- **Best interest of trust analysis**
- **Tracking and monitoring historic and current TLT projects**
- **Diversity, equity, inclusion reviews**
- **Tribal outreach**
- **DNR internal and Leg. briefings**

# Two Categories of TLT Funding Needs



## 1 Program oversight and monitoring

*Examples:* Website, application process, advisory committee and performance tracking

Relatively fixed and stable

## 2 TLT transactions

*Examples:* Appraisals, surveys, outreach, agreements, legal support and closing

Highly variable according to project funding level



# RCO Funding Requirements



Recreation and Conservation Office (RCO):

- 4% for RCO to administer program, for example running the advisory groups
- 5 to 10% for successful grantee to complete the transaction
- Appraisals funded separately and in addition to the 5 to 10% transaction allowance.



# Funding Option A



Request legislation that would:

- 1) Codify the intent of TLT
- 2) Authorize allocation of general funds for oversight and monitoring costs (Category 1)
- 3) Authorize use of capital funds for transaction related expenses (Category 2); could establish practical admin rate limit such as “up to 10%”



# Funding Option B



Request legislation that would:

- 1) Codify the intent of TLT
- 2) Would not define funding sources or level, or differentiate between funding categories. General vs. Capital, but may establish practical admin rate limits such as “up to 10%”



# Funding Option C



Request legislation that would:

- 1) Codify the intent of TLT
- 2) Authorize use of a portion of the state's share of real estate excise taxes to fund TLT admin costs

Notes:

- Excise tax (RCW 82.45) similar to property tax
- Conservation futures permitted to counties (RCW 84.34) to preserve lands of public interest for future generations
- Possible alternate or supplemental funding source for TLT



# Funding Option D



- No new legislative request
- Continue to fund TLT entirely through capital budget proviso without additional codification or supporting legislation

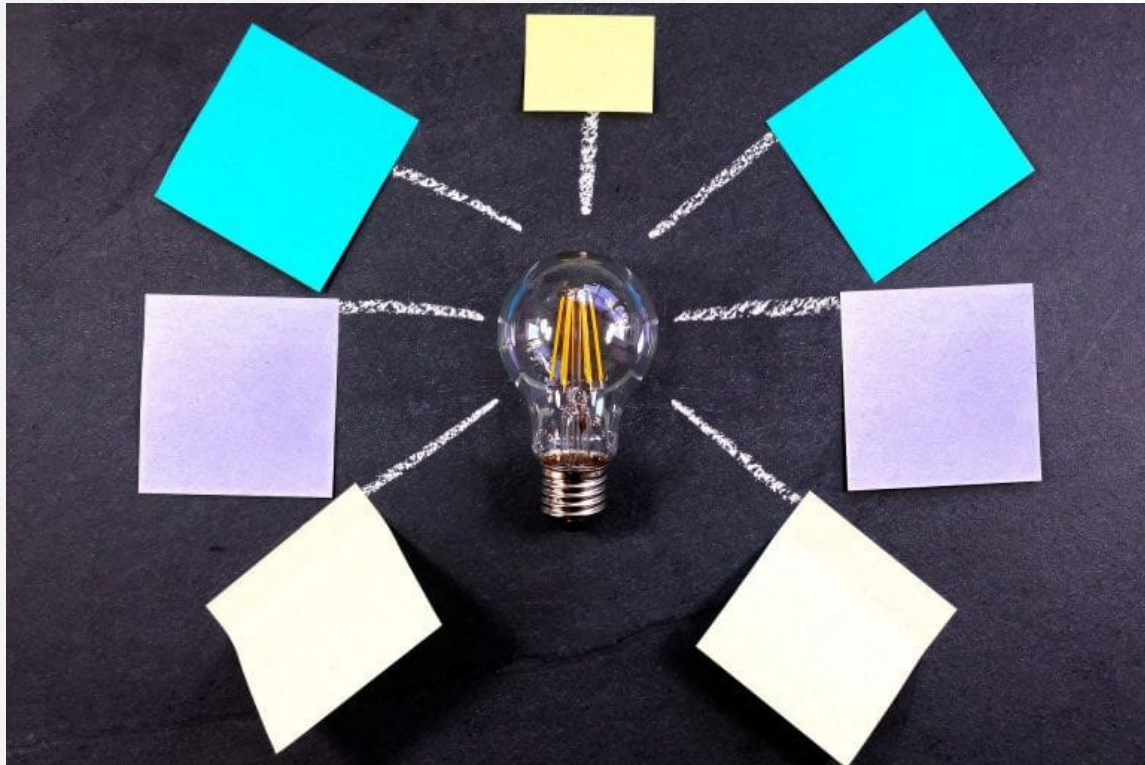


# Funding Options Summary



	A	B	C	D
Codify TLT Intent	X	X	X	
Authorize use of general funds for oversight and monitoring expenses (Category 1)	X			
Authorize use of capital funds for transaction expenses (Category 2)	X			
Authorize use of excise tax			X	
Establish practical admin rate limit “up to 10%”	X	X	X	
Authorize through budget proviso without codification				X

# Other Options, Questions, Discussion



# Next Meeting



## June 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8 <i>Meeting 6.0</i>	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

- Website, signs, manual
- Pilot project

See you in June!