

Trust Land Transfer Proviso
Phase 2 Work Group Meeting 5.0

Administrative Funding

May 11, 2022 | 10:00 a.m. to 12:00 p.m.



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

Agenda



- Today's goal and purpose
- Overview and discussion
 - Review proposed framework for revitalized TLT tool
 - Focus on TLT administrative funding: Discuss history and costs, and brainstorm some funding options
- Next steps

Today's Purpose



- Review what the legislative report said about today's topic
- Gain a shared understanding of TLT administrative funding and costs
- Engage in preliminary discussions related to TLT funding that DNR staff will use to develop detailed recommendations for Meeting 5.1 on May 27th



From the Legislative Report



Administrative funding (Page 37)

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, and other tasks outlined in this framework, plus all the tasks associated with the transfer itself, such as appraisals and surveys.



Historical Funding

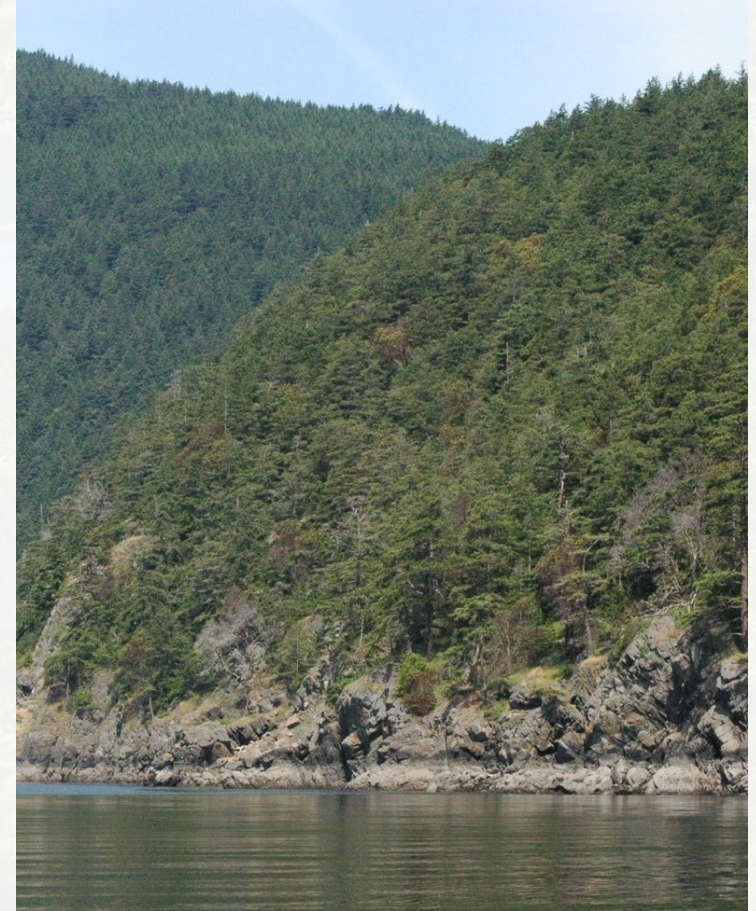


- Since 1989, TLT administrative funding has only been provided from capital budget appropriations. No operating budget funding. No dedicated funding. Total DNR administrative costs in past TLT proviso language not to exceed **1.9%** of the TLT appropriation for any given biennium.
- No capital funding during two biennia, hence no TLT administrative funding during fiscal years 1995 to 1997 and 2021 to 2023.

Diversity of Recipients



- An increasing number and diversity of groups have become TLT recipients. Over \$882 million dollars of property and over 126,000 acres have been transferred.
- Only Washington state agencies were recipients from 1989 through 1999. Expansion of TLT recipients beyond Washington state agencies (through this revitalization process) creates a higher degree of risk.



Funding Needs



- No GIS tracking system is currently in place for past projects, due to a lack of funds. Agency TLT staff memory has been waning due to retirements.
- No past funding for any DNR or attorney general oversight or enforcement of past TLT projects (leases and fee conveyances). No specific RCWs or WACs exist for TLT enforcement, but some legal tools are still available.



Funding Needs



- Past inter-trust exchanges doubled costs and workloads per project.
- No past TLT funding proviso language to work on applications, or to prepare project information for the legislature, or to respond to the public.
- DNR has been running out of TLT funds in recent biennia, and not completing all tasks or projects.



Costs Will Increase



- TLT working group recommendations involve additional costs and process.
- Funding shortfalls in administrative costs would trigger a future lack of full implementation of desired outreach, monitoring, staff, and advisory committee support.
- Final recommendations for desired TLT processes will determine the final amount of funding needed for administrative costs.

In short, past 1.9% limit of total TLT appropriation for DNR administrative costs is no longer adequate to meet DNR costs or address needed TLT tool enhancements.

Comparison to RCO



Recreation and Conservation Office (RCO), Manual 3, Acquisition Projects, Page 21:

Agencies provided up to 5% of total costs of properties and incidental costs. Up to 10% with RCO approval on case-by-case basis. Over 10% with approval by Conservation Funding Board.



Comparison to RCO



RCO-approved project administrative costs from Manual 3, Page 20, are listed in black text. DNR's costs for TLT also include or will 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
- OFM, Governor, Legislature package recommendations
- Surveys
- Webpages
- TLT Scoring Committee work
- Application assistance and evaluation
- Track historic and current TLT projects and provide reports
- DEI reviews
- Tribal Consultations
- DNR internal and Leg. Briefings

The Need for Dedicated Funding



Dedicated funding is preferred to extreme variations with the biennial capital budget appropriations. Changing TLT proviso rules and unknown funding levels have led to dissatisfaction by stakeholder groups and led to some agency complications.

- Agencies and stakeholders (recreation, conservation) **desire to know a minimum level of funding** will be present; avoids wasting applicant's money and staff time for biennia with little or no funding.

The Need for Dedicated Funding, Continued



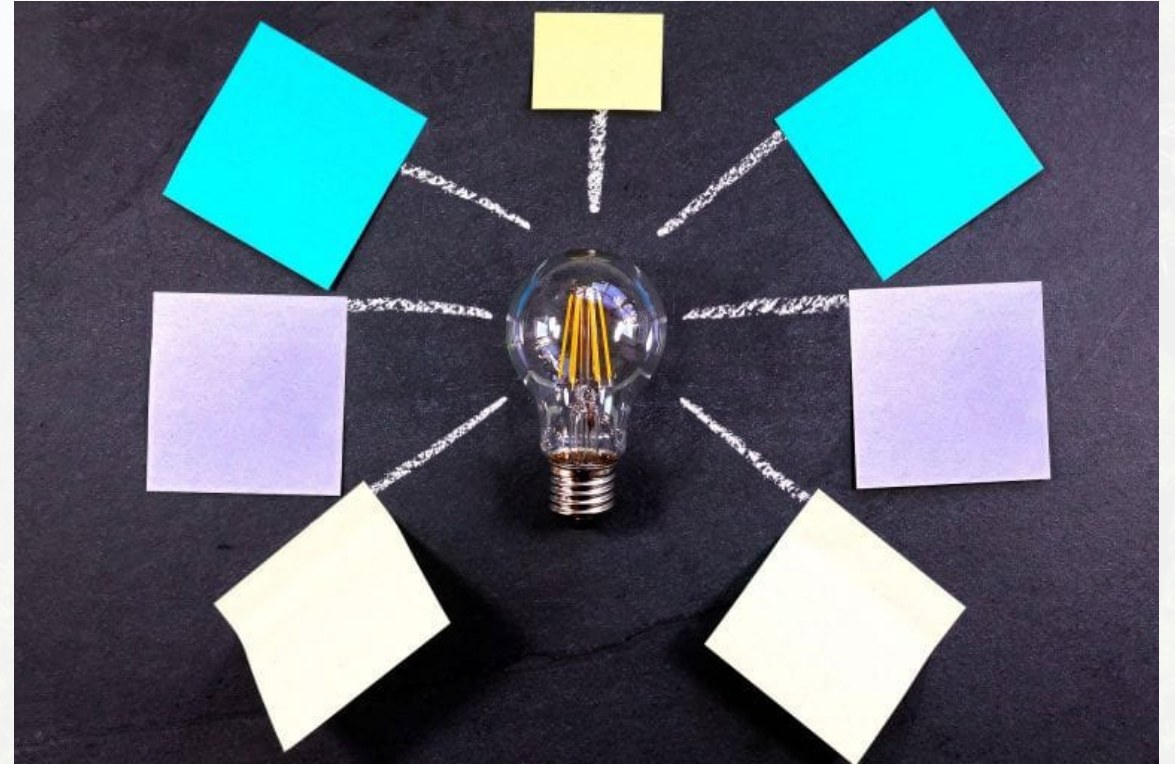
- Predictable funding allows DNR to have skilled real estate professional staff available and trained to meet the legislature's and trusts' needs.
- DNR trust management funds are very limited and cannot support desired TLT reforms.
- Predictable funding helps reposition state trust lands to meet beneficiaries' needs for the 21st Century.



Discuss options



Provide your ideas for how to fund TLT administrative costs.



Next Steps: Preparing for Meeting 5.1



DNR staff:

- Develop funding recommendation(s) based on today's discussion and any other suggestions prior to meeting 5.1.

Work group:

- Gather additional information on funding options (if desired)
- Suggest alternate funding option(s) to consider
- Coordinate and communicate with relevant interested parties on topic

Meeting 5.1: What to Expect



- Review DNR staff recommendations
- Discuss and refine recommendations



Thank you



May 2022

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27 <i>Meeting 5.1</i>	28
29	30	31				

See you on May 27th from 1-3 pm!