

WRIA 8 Salmon Recovery Council Briefing Memo: Pacific Coastal Salmon Recovery Fund (PCSRF) Reduction for 2016 – 2017 Fiscal Year

July 21, 2016

Background

Washington State receives federal salmon recovery funding through annual awards from the Pacific Coastal Salmon Recovery Fund (PCSRF), administered by the National Oceanic and Atmospheric Administration (NOAA). This PCSRF funding supports salmon recovery capital project implementation and capacity to implement recovery plans in watersheds throughout Washington State. The Washington Recreation and Conservation Office (RCO) applies for PCSRF annually, and the funds are competitive across six western states. In 2016, RCO applied for \$25 million and was informed by NOAA that the award will be \$18.5 million—26% less than requested. The total PCSRF available for 2016 is \$65 million.

NOAA's priorities for PCSRF funding are the following, in order of importance: 1) projects benefitting populations that are either ESA-listed or necessary for tribal treaty fishing rights, 2) monitoring activities at watershed or larger scales, and 3) capacity, which includes outreach, planning, and coordination.

Washington's 2016 PCSRF award was reduced because 18% of the funding requested was for the third, or lowest, priority—capacity activities supporting lead entities and regional organizations. Other eligible states put a greater percentage of their application in the project category. This reduction in federal funds in turn reduces the minimum necessary state matching share, which opens the door for the state legislature to commit less funding to salmon recovery for both capital and capacity activities.

Immediate Implications of the PCSRF Reduction

WRIA 8 receives a \$60,000 lead entity "base grant" each year to support watershed capacity. With the PCSRF reduction, funding to regions and lead entities statewide must be reduced by over \$800,000. The Salmon Recovery Funding Board (SRFB) will determine how to implement the reduction at their August 11 meeting. A proposal submitted by RCO to the SRFB in June would reduce WRIA 8's lead entity grant for the period July 1, 2016 – June 30, 2017 from \$60,000 to \$45,658.

Long-Term Outlook

Federal funding reductions and continued pressures on the state budget could pose ongoing challenges for salmon recovery capacity funding. The legislature provides a relatively small amount of state general funds in the RCO budget to support lead entity capacity. With increases from the state general fund unlikely, RCO is likely to propose an increase to the state's capital funding for salmon recovery (\$50 million request for the 2017 – 2019 biennium). The intent is to bring a larger matching share to Washington's PCSRF application in order to gain greater favor in the NOAA scoring process while still maintaining capacity resources through PCSRF. Whether this would work in practice remains to be seen.

WRIA 8 Salmon Recovery Council Decision and Next Steps

Puget Sound lead entities and the Puget Sound Partnership are in discussion about developing a collective regional proposal for how to address the PCSRF reduction for SRFB consideration in early August. Given the fluid and time sensitive nature of this discussion, the WRIA 8 SRC is asked to authorize Jason Mulvihill-Kuntz, as WRIA 8 Salmon Recovery Manger, to make budget and work plan decisions.