

FUNDING AND PARTNERSHIPS
Action Item 2: State Agency Puget Sound Budget Requests

Prepared and Presented by: Jim Cahill

Proposed Action

Adoption of a resolution encouraging the Governor and the Legislature to support and protect specific Puget Sound related programs in the 2011-13 Biennial budget.

Background

The Governor is currently developing her 2011-13 Biennial state budget proposal. This proposal is due to the Legislature no later than December 20. The state of Washington is facing a projected \$4.8 Billion shortfall in the state General Fund for the 2011-13 Biennium, which has prompted the Governor to request 10% budget reduction proposals from state agencies. Additional reductions request are anticipated. In addition, due to declining state revenues for the last three years, as well as previously issued debts, the state's capacity to issue general obligation bonds is projected to decrease by 45% from \$1.8 Billion to \$1.1 Billion. The current budget situation will make it extremely difficult for any enhancements to occur in the operating budget and will likely result in further reductions to programs impacting Puget Sound. Capital budget programs are also likely to be significantly reduced.

Beginning in January 2011 the Legislature will begin the process of adopting a budget, based upon the Governor's proposal, for the 2011-13 Biennium.

The Action Agenda has prioritized Near Term Actions (NTA) within each strategic priority: Priority A protecting intact ecosystem processes structures and functions, Priority B restoration of ecosystem processes, structures, and functions, and Priority C reduce the sources of water pollution.

Based upon this prioritization and the current budget request from state agencies it would be beneficial or the Leadership Council to endorse additions and protection of priority programs critical to implement the Action Agenda. Programs identified by staff for Leadership Council endorsement includes:

1. Assistance to local governments to protect Washington shorelines.
2. Support to the Department of Ecology and local governments to implement the NPDES stormwater permits and to retrofit existing stormwater systems.
3. Salmon and habitat restoration grants to local government, and salmon and watershed groups through the Puget Sound Acquisition and Restoration Program and the Estuary and Salmon Restoration Program.
4. Maintenance and if possible enhancement of the Department of Ecology's oil spill prevention and inspection program.

This resolution will provide Leadership Council input into the Governor's and Legislative budget development process and provide staff a greater ability to advocate for the selected programs in these arenas.

There are three alternatives to the proposed resolution.

- 1) Do not adopt the resolution
- 2) Selectively reduce the list of items
- 3) Add additional programs that might be subject to additional budget reductions.

The proposed resolution tries to identify the most important items for the Governor and Legislature consider. Being on record is extremely beneficial during the legislative session.

Action Agenda Consistency

The items endorsed in the resolution are consistent with the Action Agenda.

Stakeholder Input

This proposal has not been shared with stakeholders or the ECB.

Consequences of Delay

Delay in adoption will eliminate the ability of the Leadership Council to influence the Governor's budget process. Adoption beyond March will significantly reduce the Leadership Council's influence on the legislative budget process.

Attachments:

- Resolution

Resolution 2010-02 Support for State Budget Requests Related to Puget Sound

WHEREAS, the top priority in the Action Agenda for the strategic priority of restoration of ecosystem processes, structures, and functions is to implement restoration projects in the salmon recovery three-year work plans and the Estuary and Salmon Restoration Program (ESRP); and

WHEREAS, the second highest priority in the Action Agenda for the strategic priority of protecting intact ecosystem processes, structures and functions is to provide funding and technical assistance to local jurisdictions to update shoreline management programs by established deadlines; and

WHEREAS, the second highest priority in the Action Agenda for the strategic priority of reduce the sources of water pollution is the provision of financial and technical assistance to cities and counties to implement NPDES Phase I and II stormwater permits, as well as the Department of Ecology or permit oversight and implementation; and

WHEREAS, the third highest priority in the Action Agenda for the strategic priority of reduce the sources of water pollution is the retrofit of existing stormwater systems in high priority areas of Puget Sound; and

WHEREAS, an important priority in the Action Agenda for the strategic priority of reduce the sources of water pollution is the continuation of the Department of Ecology's and oil spill prevention and inspection program and this program is projected to have a \$6 million shortfall in the 2011-13 Biennium; and

WHEREAS, the State of Washington is facing a projected \$4.8 Billion shortfall in the state General Fund for the 2011-13 Biennium which has prompted the Governor to request 10% budget reduction proposals from state agencies and additional reductions request are anticipated, many of which will impact high priority Puget Sound recovery activities; and

WHEREAS, Due to declining state revenues for the last three years as well as previously issued debts the state's capacity to issue general obligation bonds is projected to decrease by 45% from \$1.8 Billion to \$1.1 Billion; and

WHEREAS, the Department of Ecology has proposed an additional \$3.0 million request to providing funding to local jurisdictions to update their shoreline management plans; and \$7.0 million request to address a revenue shortfall in the Oil Spill Account; and

WHEREAS, the Recreation and Conservation Office has requested a \$7 million capital budget appropriation to support Estuary and Salmon Restoration Program (ESRP) and a \$55 million capital budget appropriation to support implementation of salmon recovery projects through the Puget Sound Acquisition and Restoration Program (PSAR).

NOW, THEREFORE BE IT RESOLVED that the Leadership Council of the Puget Sound Partnership encourages the Governor and the Washington State Legislature to support funding proposals and protect current funding in the following areas:

1. Assistance to local governments to protect Washington shorelines
2. Support to the Department of Ecology and local governments to implement the NPDES stormwater permits and to retrofit existing stormwater systems
3. Salmon and habitat restoration grants to local government, and salmon and watershed groups through the Puget Sound Acquisition and Restoration Program and the Estuary and Salmon Restoration Program
4. Maintenance and if possible enhancement of the Department of Ecology's oil spill prevention and inspection program

Resolution Moved By: _____

Resolution Seconded By: _____

Approved/Denied/Deferred (underline one)

DATE: November 19, 2010