

FUNDING AND PARTNERSHIPS Staff Report: Budget Update

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Proposed Action: Update

Background:

At its November 19, 2010 meeting the Leadership Council adopted Resolution 2010-02 urging the Governor and the Washington State Legislature to support funding proposals and to protect current funding in four specific areas:

1. Assistance to local governments to protect Washington shorelines
2. Support to the Department of Ecology, the Department of Transportation, 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 Departments of Ecology and Fish and Wildlife's oil spill prevention and inspection programs

On December 15, 2010, the Governor released her 2011-13 Biennial budget proposal. This proposal recognized the Partnership's priorities and included funding for these important actions and programs.

As of April 21 the Washington State House and Senate had both passed operating, capital, and transportation budgets. However, they have not reached agreement on a final version of these budgets. It is highly likely that the regular legislative session will end on April 24 without enactment of any budgets for the 2011-13 Biennium. It is anticipated that the Governor will call the Legislature back into session but an exact date has not been announced.

Overall Puget Sound Funding

Despite the general contraction of the overall operating and capital budgets the Legislature has provided important funding to implement activities and projects related to Puget Sound.

Overall the Partnership estimates that the legislative budget proposals provide approximately \$613 million for the 2011-13 Biennium. This is approximately \$14 million less than proposed by the Governor.

2011-13 Biennium Budget Proposals Summary Related to Puget Sound

Budget	Governor	House	Senate
Operating	\$184,616,679	\$181,567,929	\$179,877,929
Capital	\$442,590,191	\$431,435,179	\$434,310,704
Total	\$627,206,870	\$613,003,108	\$614,188,633

Below is a table showing how high priority items related to Puget Sound Recovery stand in each budget.

2011-13 Biennium Budget Proposals Related to Puget Sound

Item	Governor	House	Senate
Leadership Council Priorities			
Shoreline Protection Grants (Ecology)	\$3.5 M	\$3.5 M	\$3.5 M
Statewide Stormwater Retrofit Grants (Ecology)	\$40 M*	\$46 M	\$50 M
WSDOT Stormwater Permits	\$11.3 M	\$7.65 M	\$7.30 M
Puget Sound Acquisition and Restoration (PSAR) (RCO)	\$15 M	\$15 M	\$15 M
Estuary and Salmon Restoration Program (ESRP) (RCO)	\$5 M	\$5 M	\$5 M
Salmon Recovery Funding Board Grants (SRFB) (RCO)	\$70 M	\$70 M	\$70 M
Enhancing Oil Spill Prevention (E2SHB 1186)	\$0	\$463K	\$0
Oil Spill Response (WDFW)	\$0	(\$223K)	(\$223K)
Other Important Items			
Toxics Clean-up in Puget Sound (Ecology)	\$12 M	\$16.4 M	\$20.7 M
Toxic Clean-ups (Statewide) (Ecology)	\$52 M	\$65.3 M	\$63.8 M
Hood Canal Septics (Ecology)	\$2.5 M	\$4 M	\$2.5 M

* Governor's proposal had stormwater funding only for Puget Sound jurisdictions.

Overall the Governor and Legislature agree on funding levels related to shoreline protection and habitat restoration (PSAR, ESRP and SRFB). There are also significant commitments for stormwater grants to local governments and for WSDOT to implement its stormwater permit requirements.

In terms of addressing oil spill funding, the Legislature agreed with the Governor to stabilize funding by shifting \$5M in program from the Oil Spill Response Account to the State Toxics Account. However, the Legislature reduced funding for the Department of Fish and Wildlife to participate in oil spill response drills and conduct preparedness planning.

In addition, the Legislature passed Engrossed Second Substitute House Bill 1186 which requires the Department of Ecology to evaluate and update planning standards for oil spill response equipment every five years; requires a volunteer coordination system to be used as part of an oil spill response; increases the penalties for vessels violating the state's oil spill laws for discharging 1,000 or more gallons of oil; and requires state notification when vessels

experience emergencies resulting in the discharge of oil or the threat of oil discharge. The Governor signed this bill on April 20. Although the Senate does not include funding for this legislation in its budget proposal, funding is like to be included in the final budget.

Puget Sound Partnership

Like other state agencies state funds to the Puget Sound Partnership’s budget are reduced under all three budget proposals with overall funding ranging between \$16.0 million and \$16.5 million.

2011-13 Biennium Operating Budget Proposals for the Puget Sound Partnership

Fund Source	Governor	House	Senate
GF-S	\$5,742,000	\$5,582,000	\$5,156,000
Federal	\$9,600,000	\$9,620,000	\$9,620,000
Other State and Local	\$1,203,000	\$1,259,000	\$1,259,000
Total	\$16,545,000	\$16,461,000	\$16,035,000

All three budgets make a general reduction to the Partnership’s state General Fund appropriation by \$373,000. The Senate makes additional reductions totaling \$426,000 beyond the Governor and the House proposals. The Senate reduces Partnership assistance to local governments on implementation of Low Impact Development (LID) stormwater techniques by (\$130,000) as well as terminating an interagency agreement with the Washington Department of Fish and Wildlife to control invasive tunicates and other invasive species in Puget Sound (\$296,000).