Trust Land Transfer Proviso
Phase 2 Work Group Meeting 5.1

Administrative Funding

May 27, 2022 | 1:00 to 3:00 p.m.
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
“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

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

<table>
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<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td><strong>Program oversight and monitoring</strong></td>
<td><strong>TLT transactions</strong></td>
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<tr>
<td><strong>Examples:</strong> Website, application process, advisory committee and performance tracking</td>
<td><strong>Examples:</strong> Appraisals, surveys, outreach, agreements, legal support and closing</td>
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<td>Relatively fixed and stable</td>
<td>Highly variable according to project funding level</td>
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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

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<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
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<tbody>
<tr>
<td>Codify TLT Intent</td>
<td>X</td>
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<tr>
<td>Authorize use of general funds for oversight and monitoring expenses (Category 1)</td>
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<tr>
<td>Authorize use of capital funds for transaction expenses (Category 2)</td>
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<tr>
<td>Authorize use of excise tax</td>
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<tr>
<td>Establish practical admin rate limit “up to 10%”</td>
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<td>Authorize through budget proviso without codification</td>
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Other Options, Questions, Discussion
### Next Meeting

**June 2022**

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- Website, signs, manual
- Pilot project

See you in June!