

MEMORANDUM

Date: June 5, 2019
To: Chehalis Basin Board
From: Andrea McNamara Doyle (Director, Office of Chehalis Basin)
Re: 2019-2021 Capital Budget Appropriation for Office of Chehalis Basin

This memorandum summarizes (1) the final 2019-2021 Capital Budget appropriation for the Office of Chehalis Basin (OCB); and (2) the approach Ecology will use to cover funds for core OCB operations and staffing that were not included in the agency's final 2019-2021 Operating Budget.

Enacted OCB 2019-2021 Capital Budget

The final 2019-2021 Capital Budget includes \$73.2 million for the OCB. The appropriation mirrors the Chehalis Basin Board's budget recommendations to provide \$49.5 million for on-the-ground construction and \$23.7 million for advancing the long-term strategy. The final budget continues to allow the Board discretion to allocate funding between those two categories as needed to meet the Board's objectives, as long as at least \$10 million is provided to the Aberdeen Hoquiam North Shore Levee (NSL). Since the Board's original budget recommendation included \$10 million for the NSL, no action is needed by the Board to fulfill the budget proviso requirement.

In addition to the \$73.2 million new appropriation, the Capital Budget also re-appropriated the full amount of unexpended funding from the 2017-19 biennial budget. This included re-appropriation of the OCB's spending authority for \$10 million of federal funds, which means that the OCB will be able to accept and use up to \$10 million above the \$73.2 million during 2019-21 if federal grants funds are obtained. The OCB is currently waiting to hear the results of the Federal Emergency Management Agency (FEMA) grant application.

OCB Operations and Staffing

The final 2019-2021 Operating Budget did not include the \$1.46 million in state general operating funds the Chehalis Basin Board recommended and Ecology requested for core OCB operations and staffing. Instead of providing the requested General Fund – State operating funds, the legislature included language in the Capital Budget explicitly authorizing use of capital funds to pay for OCB in the same manner that costs associated with the engagement of other state agencies, tribes, and other parties is funded. OCB has staff evaluated options for how to cover these operating expenses without negatively affecting the Board's other planned capital spending priorities. Staff determined that there is enough unobligated re-appropriated funds from the 2017-2019 biennium to cover the costs of core OCB operations and staffing during 2019-21. This means there will be no adjustments needed to the Board's capital spending priorities for next biennium and therefore no action needed by the Board.