

Sustainable Funding Alternatives for Conservation Districts in Washington State

Developed by the WACD Sustainable Funding Committee

November 8, 2024

Introduction

The Sustainable Funding Committee was approved by WACD members in 2021 as a standing, or evergreen, committee as delineated in the WACD articles and bylaws.

Resolution 2021-07B — WACD establish a sustainable funding committee — as adopted:

The WACD president establishes (under Part X, §1 of the WACD by-laws) a permanent committee to review and develop identified and new opportunities for consistent and stable funding for CDs statewide. The sustainable funding committee will report progress and recommendations to the WACD board quarterly or as actions required. A progress report to the membership will be made at least annually. (Consider adding WACD as the recipient of possible sources of revenue for distribution to CDs.)

The Workgroup is made up of 8 Conservation District (CD) Managers/Executive Directors and Supervisors: Mark Craven, Snohomish CD; Aneesha Dieu, Columbia CD; Bridget Gallant, Benton CD; Dave Hedrick, Ferry CD; Richard Leitz, Columbia Basin CD; Heather McCoy, Whidbey Island CD; Sarah Moorehead, Thurston CD; and Stu Trefry, Pierce CD. The Workgroup receives staff support from Heather Wendt, WACD's Director of Development and Engagement.

Background

The Sustainable Funding Committee was created by Resolution 2015-09 as a temporary committee. In 2021, the temporary committee was made a permanent standing committee. In the fall of 2023, the committee surveyed conservation districts to determine their current and future funding needs. 24 CDs (53% of districts) responded to the Survey. Of those responding, the existing sources of funding they considered to be sustainable funding varied greatly. 87.5% of the responding CDs indicated they could do more work than what was identified in their long-range plan.

During the winter of 2023 and spring of 2024, the Committee continued to refine the funding opportunities matrix.

Summary of Funding Options from the Funding Opportunities Matrix

Option 1 – Assessment / Rates and Charges

This option already exists for CDs per RCW 89.08.400 and 89.09.405. However, this is not a feasible option for some conservation districts as they either do not have the necessary political support or the number of parcels in their county is limited due to federal and state land ownership. While this is valuable revenue, limitations apply and this option cannot fully fund CDs.

Option 2 – Provide Local Control of Rates and Charges

This option is being moved forward by the Rates and Charges Workgroup per Resolution 2023-28: *“WACD to work with conservation districts, Washington State Conservation Commission, others, and the legislature in 2024 to change Chapter 89.08 RCW, to allow local jurisdictions to set their own rate as appropriate for their local areas.”* This option will support increased revenue for those CDs where R&C is feasible, however it will not provide sustainable funding to all 45 districts.

Option 3 – Tax on the Sale of Real Property

This option would be a tax on the sale of real property distributed to county natural resource agencies (weed control, local parks, county natural resources agencies, etc.). Districts with low numbers of parcels would not generate a significant amount of revenue. There is the potential for funds generated under this option to be distributed by the SCC.

Option 4 – Statewide Per Parcel Conservation Assessment

This option would create a statewide per parcel conservation assessment set by the legislature, on all parcels. It would be in addition to local rates and charges. **This option is not legal, you cannot charge a flat fee on all statewide parcels.** It was suggested that we revise the language to charge a % (property tax) instead of a flat fee.

Option 5 – A Model like Missouri – Dedicated Sales Tax

In 1976, through an initiative petition, Missourians amended their state constitution by creating a dedicated one-eighth-cent sales tax for conservation which included CDs and parks. This option would be a stable source of funding for all conservation districts utilizing a model that already exists. It would create partnerships with other entities that would benefit from the sales tax. There is the potential for funds generated under this option to be distributed by the SCC.

Option 6 – CD Authority to Impose Rates and Charges

By increasing the authority of the supervisors, there may also be an increase in participation of CD elections. Junior taxing districts are not popular. This funding mechanism may change the relationship between SCC and districts and have the potential to jeopardize SCC funding.

Option 7 – Local Mitigation Fees

Counties and municipalities charge developers impact fees (stormwater, utilities, ILAs, etc.) and require them to conduct mitigation. The fees could be passed through to CDs via interlocal agreements to conduct/oversee the mitigation. This funding mechanism speaks to the basic CD philosophy of being locally led.

Option 8 – Dedicated Fee for Referrals from the 319 Account

Funds would be reserved for use by districts to address referrals. The additional funds could help leverage other grant dollars. A referral could provide a positive path for the CD to work with a landowner. Landowners would have the option to choose where they want to go for services while their fines are put back into the system to support other private landowners. This scenario could create conflict with the WA Department of Ecology, which is currently receiving the funds. This scenario does not provide a certain or consistent amount of funding for CDs. There is a potential for bad publicity if private landowners perceive that the district gets cash for them being turned in.

Option 9 – Direct the Non-Regulatory Portion of 319 Account Funds to the SCC

This could be a more efficient way of distributing the funds with a greater ability to meet EPA’s needs while being less confusing for landowners. EPA reporting would increase. Ecology is currently the designee for EPA programs in WA. The level of funding is unknown and would be limited to water quality and would exclude other resource concerns. There would be “interest” from other entities currently eligible for funds from 319 Grants (counties, cities, nonprofits, etc.).

Spring Legislative Workshop Survey

In May 2024, WACD hosted a Spring Legislative Workshop where the Sustainable Funding Committee held a session to gather more information from CDs on their funding needs and funding option preferences. In-person attendees were queried, and the survey was sent out afterward to CDs who were not present. As a result, data was collected from 42 of the state’s 45 CDs.

Funding Constraints on Long-Range Planning

The majority of Districts, 31 out of 42, indicated that their Five Year Plans would change if they did not have funding constraints.

Figure 1 – “Would Your Five-Year Plan Change?” In-Person Responses



Figure 2 – “Would Your Five-Year Plan Change?” Email Responses



Evaluation and Ranking of Funding Alternatives

During the workshop, attendees were asked to rank their favorite alternatives. Figures 3 and 4 illustrate the answers for both in-person attendees and those who were emailed the survey. Note that both groups selected Option 5 the Dedicated Sales Tax (Missouri Model) as the alternative that ranked highest. Figure 5 illustrates the combined top two alternatives that were selected.

Figure 3 – Favorite Alternative In-Person Responses

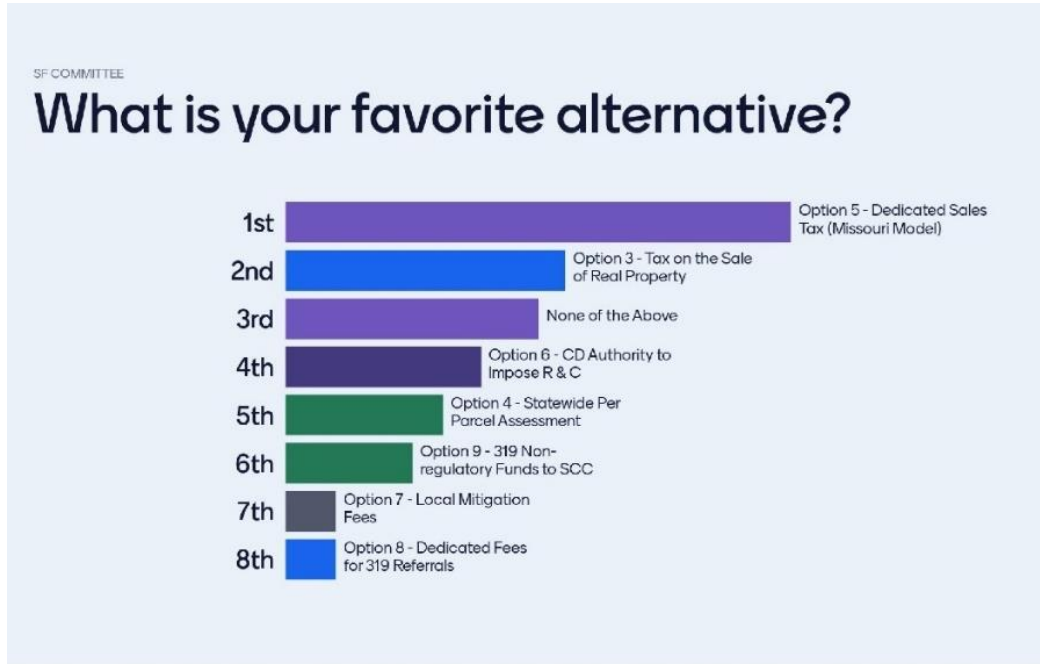


Figure 4 – Favorite Alternative Email Responses

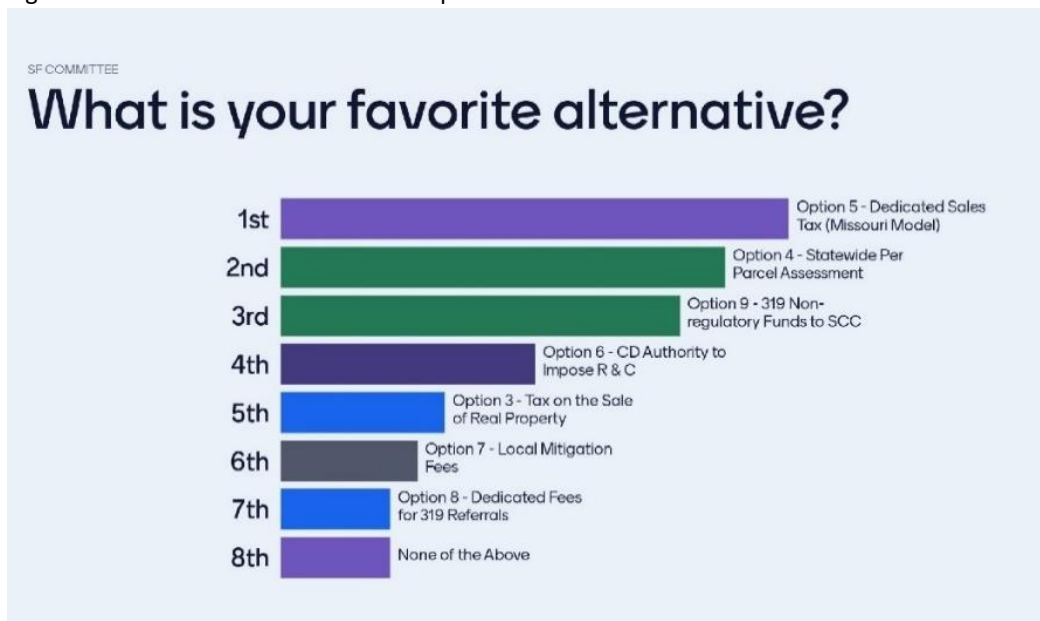
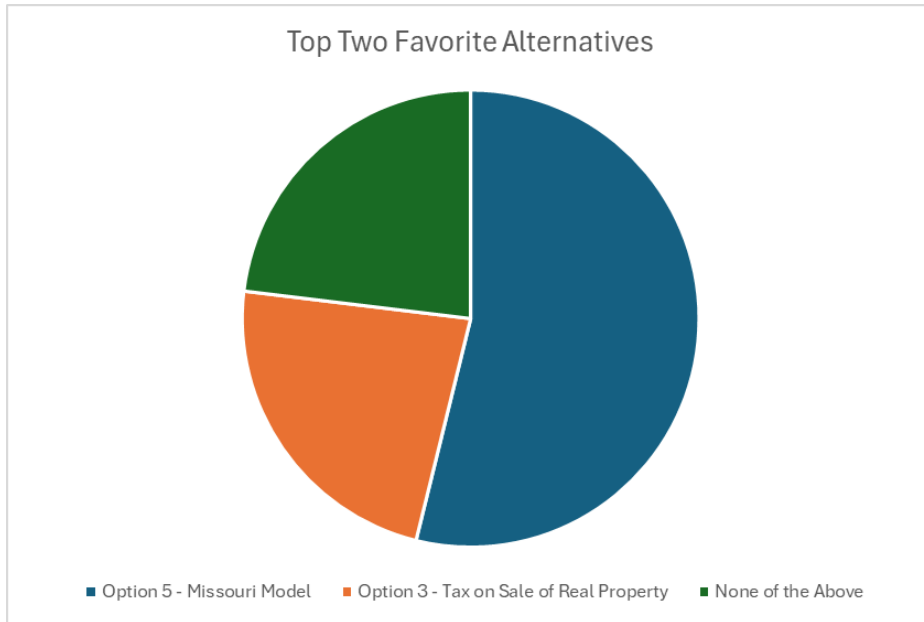


Figure 5 – Combined Ranking for the Top Two Alternatives



During the workshop, attendees were also asked to rank their least favorite alternatives. Figures 6 and 7 illustrate the answers for both in-person attendees and those who were emailed the survey. Both groups have Options 3 & 6 in their top three least favorite alternatives. Option 3 is a Tax on the Sale of Real Property and Option 6 is CD Authority to Impose Rates and Charges. When combined, however, Options 3 and 8 were the least favorite alternatives as illustrated in Figure 8. Option 8 represents Dedicated Fees for 319 Referrals.

Figure 6 – Least Favorite Alternative In-Person Responses

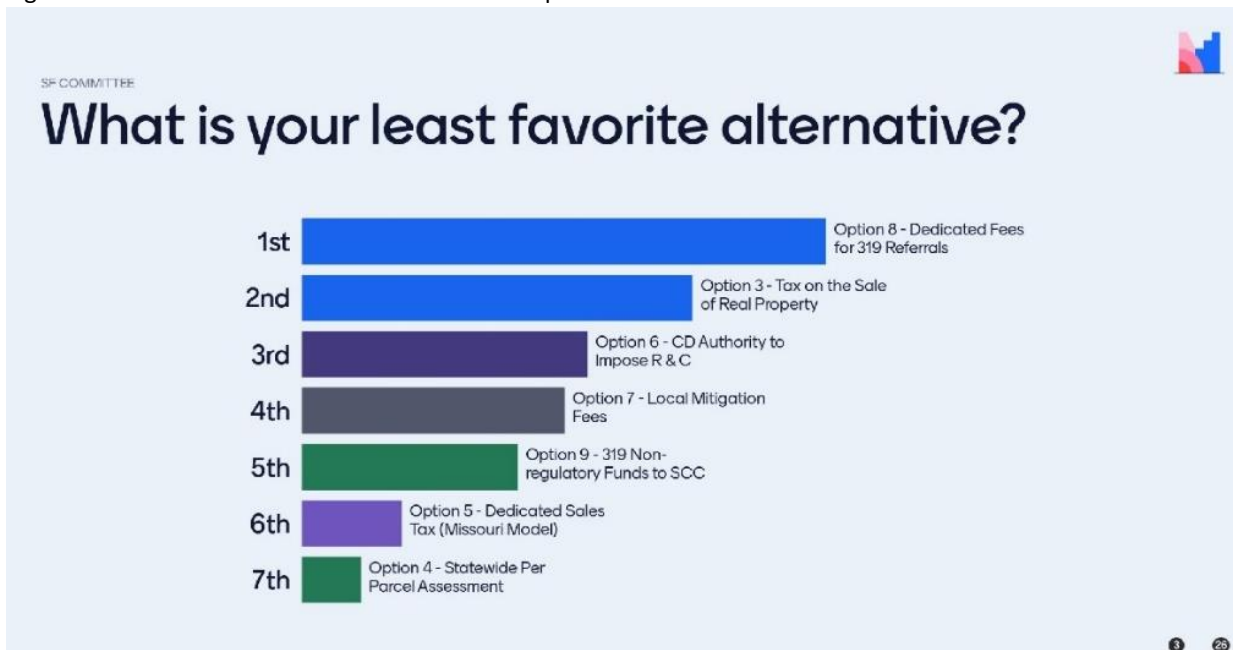


Figure 7 - Least Favorite Alternative Email Responses

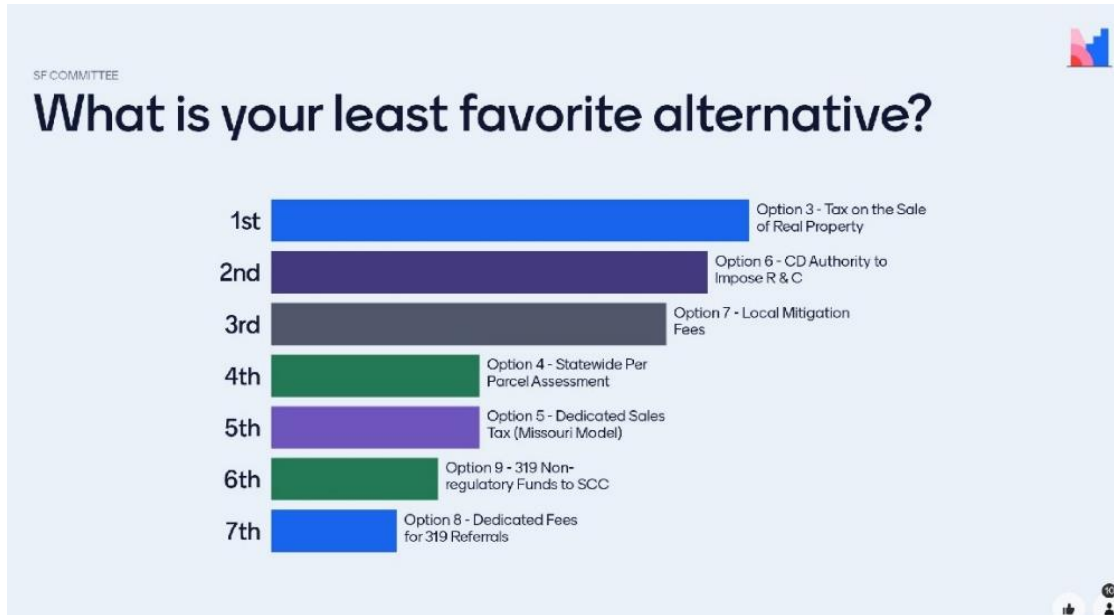
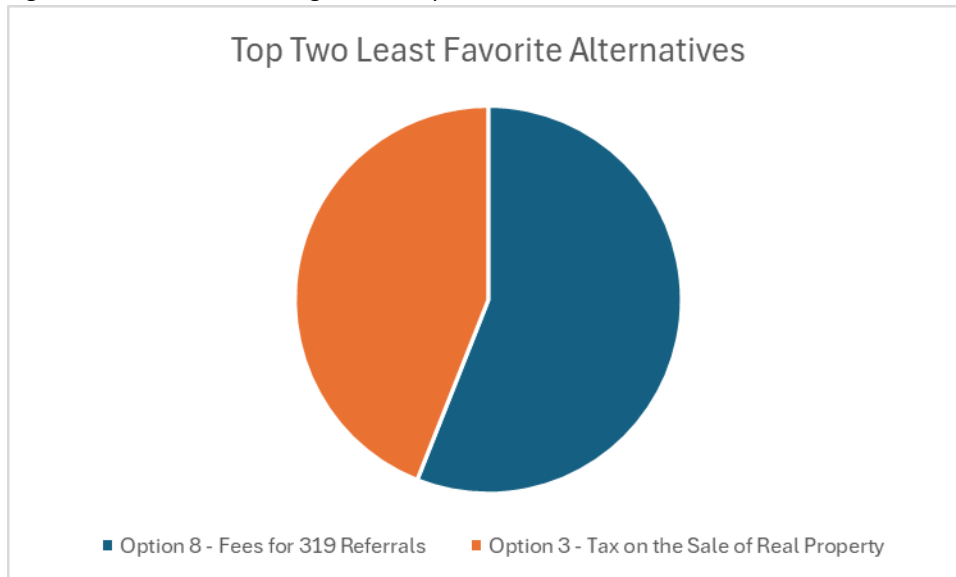


Figure 8 – Combined Ranking for the Top Two Least Favorite Alternatives



Other Funding Ideas

Conservation Districts were also asked for additional alternatives the Workgroup should consider. Those themes are listed below:

- Built-in Fees – ex. license plate fees
- Referendums
- Tax/Fees on Land Conversions, Marijuana sales, Landowner Consultations, 0.25% of hotel tax
- Keep Building CTA
- Remove or raise the cap/per acre amount for Rates and Charges and make it easier to get approved by the local authorizing authority.

- Tap unclaimed lottery monies
- Transfer funds from regulatory agencies who are conducting conservation technical assistance to the Commission
- Grants from non-profits
- Round-up for conservation campaign with retail stores like REI
- Partnerships with groups like Subaru and REI
- Change the state constitution to allow for a statewide per-parcel assessment
- Local Opportunities – CD equipment rental programs and services and investing savings in LGIP or higher earning savings accounts as allowed by law.

District Funding Needs

Districts were also surveyed on their funding needs and asked, “If you could fund your current operation from a single source, how much funding would you need?” The survey broke down the amount into three categories: funding for staff, funding for conservation projects, and funding for administrative costs. The results of the survey are compiled in Table 1 below. Districts were also surveyed on the amount of funds needed on an annual basis to implement all the conservation needs outlined in their five-year plans. The results of that survey are illustrated in Table 2. Lastly, districts were asked what the cost would be to fully meet the conservation needs in their communities on an annual basis. That figure was approximately 1.5 billion dollars, indicating that the need greatly exceeds available funding.

Table 1 - Summary of Funding from a Single Funding Source¹

Funding for Staff ²	Funding for Conservation Projects ³	Funding for Administrative Costs ⁴	Total
\$45,045,943	\$88,026,881	\$16,744,174	\$149,816,998

Table 2 - Summary of Funding Needs for Five-Year Plan Implementation¹

Funding Needed Annually To Implement Five-Year Plans	Funding Needed for All Five Years
\$169,656,823	\$848,284,115

¹ Represents data from 42 of 45 Conservation Districts

² Represents the amount of funding needed to support district technical staff

³ Represents the amount of funding needed to support district cost-share and other projects

⁴ Represents the amount of funding needed to support administrative staff, operations, communications, etc.

Recommendations:

The Sustainable Funding Committee recommends that the top two scenarios be further investigated in the next calendar year with the goal of developing a detailed recommendation, timeline, and associated cost proposal for the Association's consideration in December 2025. The top two scenarios were the Missouri Model followed by the Tax on the Sale of Real Property. If the group has sufficient time a third alternative may be explored.

References:

[Funding Opportunities Matrix](#)

[Missouri Model](#)

[Consolidated Alternative Ranking Data](#)