The Washington Department of Natural Resources (DNR) Forest Resilience Division (FRD) has identified the business need to establish a grant program for state-funded grants to successfully implement work funded by the Washington State Legislature to facilitate increased forest health and resilience work across all-land ownerships. Examples of this need include the change from a competitive solicitation to a competitive grant program for community organizations to utilize funds from the Wildfire Response, Forest Restoration, and Community Resilience account (RCW 76.04.511) and state provided funds for urban forest management (RCW 76.15).

However, existing guidance in Washington State does not address the authorities required for state agencies to create and manage state-funded grant programs¹. As a state agency, DNR has the authority to enter into contracts and federal subawards², but the authority to create state grant programs as DNR deems necessary does not exist in the Revised Code of Washington (RCW). This lack of authority forces FRD staff to modify intended grant work to make it fit into an existing competitive procurement model. This creates barriers to effectively achieving the goals of the programs as outlined by the Legislature.

Other Washington state agencies, such as the Recreation and Conservation Office (RCO), implement state-funded grant programs, providing an opportunity to review sources of authority used. The ability to create a grant program primarily comes from two places: statute or funding source. Some agencies have built grant implementation generally into their powers and duties³ while others have specific RCWs and Washington Administrative Code (WAC)⁴ authorizing the creation of grant programs⁵.

¹ Office of the Washington State Auditor, *State Grants* (2011), 3.

² see <u>RCW 43.30.345</u>, <u>RCW 76.04.025</u>, <u>RCW 76.14.070</u>, <u>RCW 76.15.030</u>

³ <u>RCW 43.330.040 (2)(a)</u>

⁴ Title 286 WAC

⁵ RCW 89.08.645

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Finally, some agencies have been directed by the Legislature to create a grant program as part of their budget⁶.

These methods allowed agencies to build grant programs, however, the agencies with general authority have the advantage of flexibility in determining the type of program (grant vs. procurement) based on need and best fit rather than relying on piecing together limited program-specific authority that cannot expand to include emerging needs.

Establishing the general authority to create state-funded grant programs in RCW will enable all Divisions within DNR, including FRD, to create cohesive, comprehensive, and effective grant programs that operate separately from the procurement process. Legislature has directed FRD to disburse funding to entities such as underserved populations, individuals, and small community-based nonprofits. These groups often struggle to meet requirements present in personal service contracts and competitive solicitations. While there are processes in place for contract negotiation, the administrative burden of navigating them frequently deter these entities from applying in the first place.

In order to build programs and implement work that aligns with the intent of the funding provided by the Washington State Legislature, the Forest Resilience Division recommends adding the authority to create state-funded grants as the DNR deems necessary into Title 76 RCW.

⁶ 5187-S.SL c 475 § 311 (2)

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