

# WDFW BUDGET AND POLICY ADVISORY GROUP MEETING

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Wednesday June 13, 12:00pm-4:00pm

Washington Department of Fish and Wildlife, 1111 Washington St SE, Olympia WA - Room 175

## Anticipated Outcomes

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- Review and finalize draft findings and funding principles
- Review and revise final draft recommendations on funding approach and discuss what the BPAG might say about potential new, broad-based funding source
- Understand WDFW analysis of potential program cuts and enhancements and make recommendations for 2019 proposals for general fund and fees to address shortfall and fund additional services (if desired)
- Review and provide comments on the draft Long-Term Funding Plan
- Get on the same page about outreach, wrapping up the LT Funding plan, and the 2019 Legislative Session

## Agenda

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<b>12:00 pm</b>	<b>Introductions, Agenda Review, Get Settled (10 min)</b>	<b>All</b>
<b>12:10</b>	<b>Key Questions for Today (10 min)</b> <ul style="list-style-type: none"> <li>• Are the findings and principles done? What else is needed, if anything?</li> <li>• Are there additional refinements to the draft recommendations on overall funding approach and sources?</li> <li>• What do you want to recommend about WDFW's 2019-21 budget request?</li> <li>• How do BPAG members want to be engaged in outreach and the 2019 legislative session?</li> </ul>	<b>Facilitator</b>
<b>12:20</b>	<b>Review Draft Findings &amp; Principles (20 minutes)</b> Draft findings and principles were developed based on the discussion during meeting 2, refined at and after meeting 3 and 4, and circulated for additional review on 5/24. <ul style="list-style-type: none"> <li>• Any remaining concerns?</li> </ul>	<b>All</b>
<b>12:40</b>	<b>BPAG Small Group Meeting Report Out: WDFW license options (20 minutes)</b> This group met by conference call and Webex on May 31 <sup>st</sup> to dive deeper into WDFW's license analysis tool and discuss options for development of potential license packages.	<b>All</b>

<b>1:00</b>	<b>BPAG Small Group Meeting Report Out: Potential alternative/new broad-based funding approaches (15 minutes)</b> This group met on May 22nd to bring together BPAG members who have experience working on budget and funding issues with the legislature to discuss creative and viable broad-based funding ideas.	<b>All</b>
<b>1:20</b>	<b>WDFW Budget Request (1 hour)</b> WDFW staff will present the budget packages for 2019-21 and seek feedback on content, scale, and fund source. <ul style="list-style-type: none"> <li>• Reactions and implications?</li> </ul>	<b>Pamplin</b>
<b>2:05</b>	<b>Break (10minutes)</b>	
<b>2:15</b>	<b>Review Draft Recommendations (20 minutes)</b> Draft recommendations on overall funding approach and sources were developed based on the discussion during Meeting 3 and revised based on comments received at Meeting 4. <ul style="list-style-type: none"> <li>• Are there additional refinements to the recommendations needed?</li> <li>• Are there recommendations on expenditure reductions or program enhancements that are missing?</li> </ul>	<b>All</b>
<b>2:45</b>	<b>Review Draft Long Term Funding Plan (30 minutes)</b> The Draft Long Term Funding Plan has been revised to incorporate information from presentations, discussion, and feedback during Meetings 2, 3, and 4. <ul style="list-style-type: none"> <li>• Reactions?</li> <li>• Are there key messages missing?</li> <li>• Additional thoughts /revisions?</li> </ul>	<b>All</b>
<b>3:15</b>	<b>Wrapping up the LT Funding Plan, Headed into the 2019 Legislative Session (30 minutes)</b> Discuss plans for targeted regional outreach, along with some broad public outreach, over the summer, review the schedule for wrapping up the LT Funding Plan, and discuss how BPAG members wish to be involved in legislative briefings leading up to and during the 2019 session.	<b>Facilitator</b>
<b>3:45</b>	<b>Public Comment (10 minutes, or as needed)</b> <i>Time will be adjusted as needed to allow 3 min per commenter.</i>	
<b>3:55</b>	<b>Next Steps</b>	<b>Facilitator</b>
<b>4:00</b>	<b>Adjourn</b>	

## Materials

1. Draft Long-Term Funding Plan (new)
2. Commercial License Fees and Percent Change Fee Structure (same as distributed on 5/24)
3. Outreach Plan (same as distributed on 4/25)
4. Proviso (same as provided on 12/7)
5. Draft Meeting #4 Summary (same as distributed on 5/24)

Washington Department of  
Fish and Wildlife



Washington  
Department of  
**FISH and  
WILDLIFE**

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# Long-Term Funding Plan

Prepared for the Washington State Legislature —June 6, 2018



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Metadata

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## Executive Summary

# Introduction

## SUSTAINABLE, LONG-TERM FUNDING IS NEEDED TO PROTECT FISH, WILDLIFE, AND THE NATURAL LANDS ON WHICH THEY DEPEND FOR CURRENT AND FUTURE GENERATIONS.



This report describes a new path to long-term funding for the Washington Department of Fish and Wildlife (WDFW). It was prepared by the Department in concert with its Budget and Policy Advisory Group (BPAG) in response to a 2017 Legislative budget proviso.

In the most immediate sense, a new funding path is needed because WDFW suffers from a budget shortfall that has been worsening over recent funding cycles and threatens the Department's ability to deliver the services Washington residents desire. This deficit comes mainly from increases in responsibilities such as requirements for marking and monitoring hatchery salmon, and from increases in personnel and operating costs (e.g., cost of living increases) that were not supported by commensurate funding increases.

In the broader sense, a new funding path also is needed as part of a package of improvements to meet the evolving challenges of conservation. Washington State is one of the smallest western states by geography, yet its population and economy are growing at rates among the highest in the country. The state's natural beauty and abundant populations of native fish and wildlife are at the core of our prosperity, yet at the same time our growth can threaten their very existence. Reliable, adequate funding – and new partnerships and new strategies – are needed to pass our fish and wildlife resources on to the next generations intact.

In the 2017 budget proviso on sustainable funding (SSB 5883, Sec. 307), state legislators directed WDFW to improve the Department's long-term financial stability and operational efficiency and to develop a long-term plan to balance projected expenses and revenues and improve the efficiency and effectiveness of WDFW operations by providing prioritized options for spending reductions and revenue increases.

More specifically, legislators directed that the long-term plan to balance projected expenses and revenues should address:

- Expenditure reduction options that maximize administrative and organizational efficiencies and savings, while avoiding hatchery closures and minimizing impacts to fisheries and hunting opportunities; and
- Additional revenue options and an associated outreach plan designed to ensure that the public, stakeholders, the Fish and Wildlife Commission, and legislators can understand and impact the design of the revenue options.



The Legislature further directed that the range of options be prioritized by impact on achieving financial stability, impact on the public and fisheries and hunting opportunities, and on timeliness and ability to achieve intended outcomes.

This plan was developed to fulfill the 2017 budget proviso. It describes the Department's current work, funding portfolio, and the funding shortfall. It then describes findings and recommendations for sustainable long-term funding including funding principles. Appendices include WDFW's Outreach Plan, a summary of WDFW's zero-based budget analysis, Matrix Consultings report on organizational efficiencies, expenditure reductions and funding source options, a summary of research into selected fish and wildlife agencies across the country, the Legislative Proviso, and the BPAG membership roster.

It is important to see this long-term funding plan in the context of other work needed. In fall 2018, WDFW will begin work with the BPAG on a new strategic plan for the Department. This planning effort will allow deeper dives into the Department's services and performance, and it is anticipated that the new strategic plan will establish priorities and performance measures

that may require adjustments to this funding plan.

## TELLING OUR STORY



## FISHING IN COASTAL COMMUNITIES

“Ilwaco comes alive when the coho/chinook salmon are passing by both Ocean Area 1 and Buoy 10 at the mouth of the Columbia. Charters are full, hotels are full, restaurants are full, and our economy thrives.”

—Butch Smith, Executive Director, Ilwaco Charter Association

Small communities on the coast and all along the Columbia River depend on dollars from fishing and fishing-related tourism. Fishing and razor clam digs are major draws to coastal economies and have supported generations of community-based entrepreneurs. WDFW plays a critical role as the state agency that works to manage for these benefits by setting and promoting razor clam seasons, and enforcing and managing fishing seasons to ensure the resources remain viable into the future. Funding for this work comes from a range of sources including Dingell–Johnson funds and recreational fees and licenses.



# WDFW's Work

## WDFW PROTECTS AND CONSERVES THE ANIMALS, FISH, WATERS, AND LANDSCAPES THAT DEFINE WASHINGTON'S CHARACTER.



Washington is a permanent or temporary home to thousands of plant and animal species, including 140 mammals, 451 freshwater and saltwater fish species, and 341 species of birds that either breed here or stop here on their annual migrations. Washington also hosts 3,100 vascular plant species and more than 20,000 classified invertebrates; more than 2,000 of the invertebrate species are butterflies and moths.

WDFW is the main steward of fish, wildlife, and habitat that support outdoor lifestyles and livelihoods in Washington State. The Department has a two-part mission, established in state law to “preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.”

Practically, the Department’s responsibilities are wide-ranging and include conserving and protecting native fish and wildlife, providing sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences, promoting a healthy economy, maintaining quality of life, and delivering high quality customer service through a motivated and efficiently operating workforce. The Department also has responsibility for compliance with a variety of federal environmental laws, most notably the Endangered Species Act, and for its part in fulfillment of tribal treaty responsibilities for the State.

Habitats, the species that live in them, and the services that humans derive from the ecosystem are intertwined. For that reason, virtually all WDFW’s work provides multiple benefits to fish, wildlife, the habitats on which they depend, and people. A dollar spent, for example, preserving and restoring terrestrial habitats and species likely also has benefits for hunters, fish populations, anglers, wildlife viewers/outdoor recreators, and the broader public in Washington and beyond who depend on us to be wise stewards of fish, wildlife, and natural lands. At the same time, we need a way to talk about what WDFW does and understand performance and progress. To support these discussions, WDFW tracks and describes its work using seven outcomes, plus the leadership and business operations necessary to support the Department. These outcomes and their relationship to the Department’s mission and business operations are illustrated below.

### How Does Washington Compare to Other States?

It is difficult to compare state fish and wildlife agencies because of the many variables involved and due to the different ways in which states organize their responsibilities. Most other state wildlife agencies, like WDFW, are responsible for fish, wildlife, habitat, wildlife areas, management of hunting and fishing, and enforcement. Washington’s tribal treaty responsibilities with the 29 unique tribes in the state<sup>1</sup>, sets it apart from other states and influences the Department’s management of fish and wildlife, particularly the management and recovery of

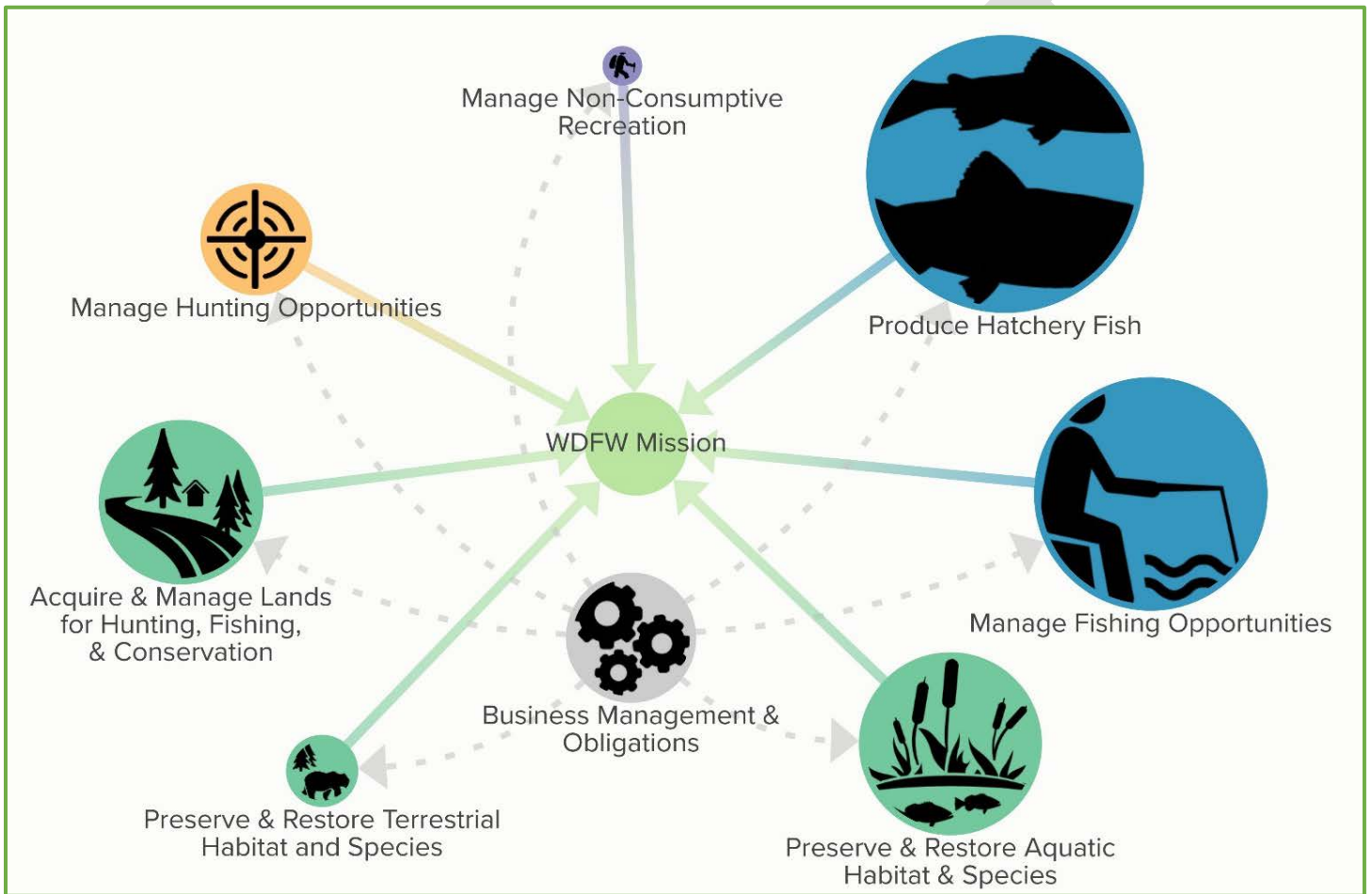
<sup>1</sup> National Congress of American Indians

salmon and steelhead. Washington’s role in hydropower impact mitigation also is a unique state responsibility.

Our rate of growth also sets us apart. From 2015 to 2016, Washington’s gross state product grew at a rate of 3.1%, faster than any other western state;<sup>2</sup> Washington was the fourth fastest growing state in the nation in 2017, with 1.7% growth in population.<sup>3</sup> Washington’s burst of economic and population growth has significant implications for fish and wildlife as rapid development threatens natural habitats.

For a more detailed comparison of state fish and wildlife agencies, see Appendix E.

Figure X. WDFW Outcomes. The size of each circle represents relative spending on that work.



<sup>2</sup> US Department of Commerce: Bureau of Economic Analysis - News Release, May 2017

<sup>3</sup> US Census – Press Release, December 2017



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# Why WDFW's Work Is Important

## WDFW'S WORK CONTRIBUTES TO HEALTH, ECONOMY, AND OVERALL WELL-BEING IN WASHINGTON AND BEYOND.

WDFW is the agency responsible for managing fish and game populations and ensuring hunting and fishing opportunities. As in many western states, hunting and fishing traditions are strong in Washington and hunting and fishing remain a significant part of life for many residents. Commercial fishing contributes significantly to the economy and is part of the fabric of many communities and families and Washington is a premium destination for recreational fishing for salmon and steelhead.

At the same time, the positive benefits of WDFW's work are not limited to ensuring hunting and fishing opportunities in the state. Multiple benefits improve the economy, public health, and the well-being of Washington citizens and other residents throughout the Pacific Northwest.

In addition to hunting and fishing opportunities, WDFW's work provides outdoor recreation opportunities for many users including horseback riders, ATV riders, mountain bikers, dog trainers, hikers, nature watchers, and target shooters. A 2011 survey produced by the Department of Human Dimensions of Natural Resources at Colorado State University, in cooperation with WDFW, found that over 80% of Washington residents reported frequent participation in outdoor recreation near their homes. These outdoor activities improve the health and well-being of people who participate in them.

The benefits of WDFW's work go well beyond people who hunt, fish, or recreate on state lands. Healthy natural lands provide direct services to people by filtering and cleaning air and water, lessening flood damage, supporting pollinators and mitigating the effects of climate change. A 2017 national report studied the connection between Americans and nature. The study, which included nearly 12,000 adults and children between 8-12 years old, found that "American's value nature in remarkably broad and diverse ways...a pattern that held across demographic differences of age, race and ethnicity, residential location, educational attainment, income level, and gender."<sup>4</sup> Robust ecosystems and natural resources contribute to a higher quality of life and improved well-being, even for people who never or rarely hunt, fish, or use state lands. While Washingtonians are very involved in nature, with over 80% reporting participation in outdoor activities, the 2011 Colorado State University and WDFW survey found that nearly 90% of residents believe nature needs protection, regardless of their use of nature.

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<sup>4</sup> The Nature of Americans: Disconnection and Recommendations for Reconnection,

Healthy natural lands and native species contribute to the aesthetic beauty and character of the state improving quality of life and contributing to a favorable business environment . According to a [2018 article in U.S. News and World Report](#), Seattle ranks #10 on the list of 125 best places to live across the country. The report states "The natural beauty of Seattle... is one of the biggest draws for residents. The scenery and proximity to nature, perhaps, contribute to Seattle's inherent attitude: one of calm and patience." Washington was ranked America's top state for business in 2017 according to CNBC, which scored the states based on 10 categories of competitiveness developed from an array of business and policy experts, official government sources, and the states themselves. As the study notes "one way to attract qualified workers is to offer them a great place to live." Washington scored 5<sup>th</sup> overall in Quality of Life, which includes factors like livability, parks and recreation, and environmental quality.

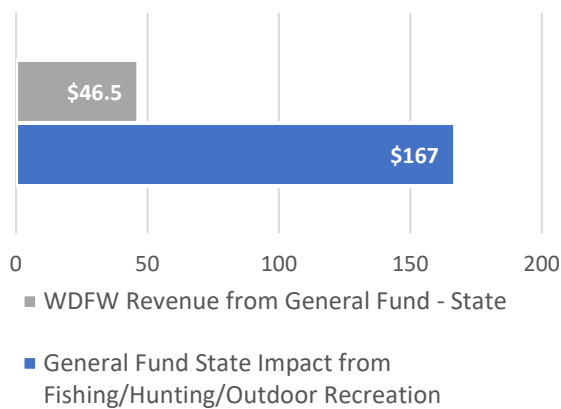
Conserving fish and wildlife also provides direct economic benefits to the state. The Outdoor Industry Association estimates that nationally the outdoor recreation industry contributes \$887 billion to our national economy annually, creates 7.6 million direct jobs, and generates \$124.5 billion in federal, state, and local tax revenue. A study by the Recreation and Conservation Office in 2015<sup>5</sup> estimates that, in Washington State, outdoor recreation contributes \$20.5 billion to the state economy each year through direct spending and sales circulation through the economy producing supply chain activities to create outdoor recreation goods and services, and household wages that further stimulate economic activity. In addition

to monetary stimulation, the report estimates outdoor recreation supports nearly 200,000 jobs in Washington State. Employment supported by outdoor recreation includes both full and part time jobs in food and beverage service, sporting goods and other retail stores, amusement and recreation industries, and hotels and motels.

A 2017 Washington Department of Revenue publication<sup>6</sup> estimates that recreational activities such as hunting, fishing, and wildlife watching contribute nearly \$167 million dollars in FY 2018 to the State General Fund through sales tax and business and occupation taxes. A report prepared for WDFW in 2008 estimated that commercial and recreational fishing in the state support \$540 million in personal income and over 16,000 jobs.

In contrast, general fund revenue allocated to the Department to support the protection and restoration of habitats and species that make hunting, fishing, and outdoor recreation attractive, is about \$93 million per biennium, or \$46.5 million per year. Even looking across state land management agencies, our investment in natural resource management and conservation is significantly less than the economic return for hunting, fishing, and wildlife watching alone (i.e., not considering timber revenue). In total, the

Figure X. WDFW General Fund Contribution vs. Revenue Annually (in millions)



<sup>5</sup> Earth Economics. (2015, January). *Economic Analysis of Outdoor Recreation in Washington State*

<sup>6</sup> Washington Department of Revenue. (2017) DOR GFS Estimate

Washington Department of Natural Resources, the Washington State Parks Commission, and WDFW were allocated approximately \$151 million a year in the FY17-19 biennium.<sup>7</sup>

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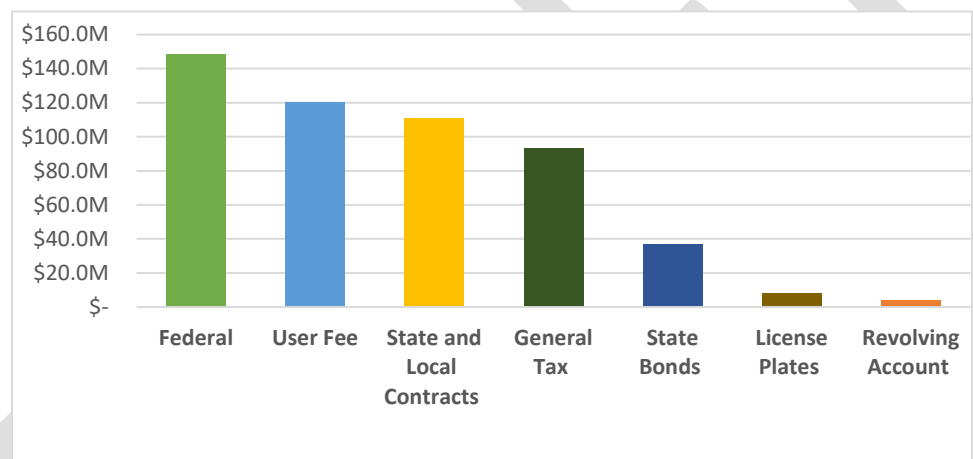
<sup>7</sup> General Fund numbers are according to the HYPERLINK "<https://www.ofm.wa.gov/budget/state-budgets/2017-19-enacted-budgets/interactive-state-budget-2017-19-enacted>" Washington Office of Financial Management 2017-19 Enacted Budget Tool

# WDFW's Current Funding

WDFW SPENDS APPROXIMATELY \$260 MILLION PER YEAR, FUNDED BY A MIX OF RESTRICTED AND UNRESTRICTED STATE AND FEDERAL SOURCES.

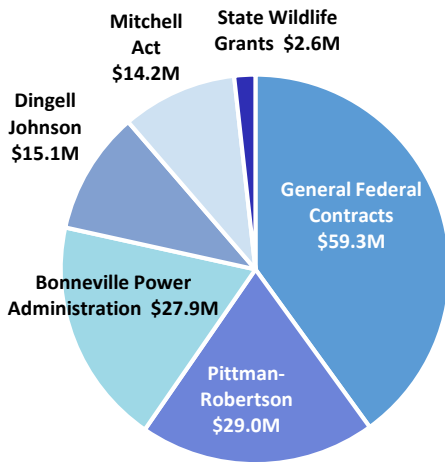
Funding for the Department's budget is from six main sources: federal funding, user fees, state and local contracts, state general fund, state bonds, and license plates. A small amount of funding also revolves through the Department and is used to capitalize equipment. Figure [number] shows expenditures from each funding source.

Figure X. 2015-2017 Biennium Funding Sources (Includes Operating, Capital, and Interagency Expenditures) <sup>8</sup>



<sup>8</sup> This includes all operating, capital, and interagency agreement expenditures.

Figure X. WDFW Sources of Federal Revenue



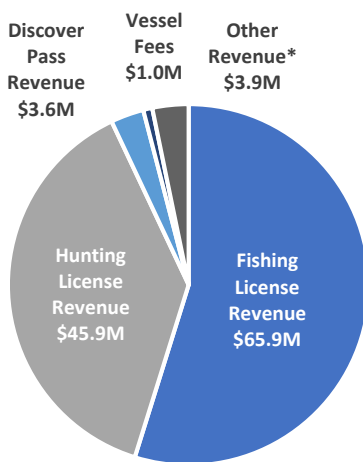
WDFW’s four biggest funding sources are federal funding, user fees, state and local contracts, and general tax. Each of these funding sources is comprised of revenue from numerous individual accounts.

Federal funding is approximately 28% of the Department’s spending. Half of this funding is from General Federal Contracts. The remaining federal funding is comprised mostly of Pittman-Robertson, Dingell-Johnson, and Mitchell Act allocations, along with funding provided as mitigation for the federal Columbia River hydropower system.

User fees are approximately 23% of the Department’s spending. In this analysis, user fees include the full range of hunting and fishing licenses and endorsements, license transaction fees, access passes such as the Discover Pass, application fees, and other costs paid directly by users.

State and local contracts are outside funding given for specific projects and tied to specific outcomes. They make up approximately 21% of the Department’s spending. The largest sources are habitat restoration projects funded by the Recreation and Conservation Office, and funding from other state agencies who draw on WDFW expertise.

Figure X. WDFW Sources of User Fee Revenue



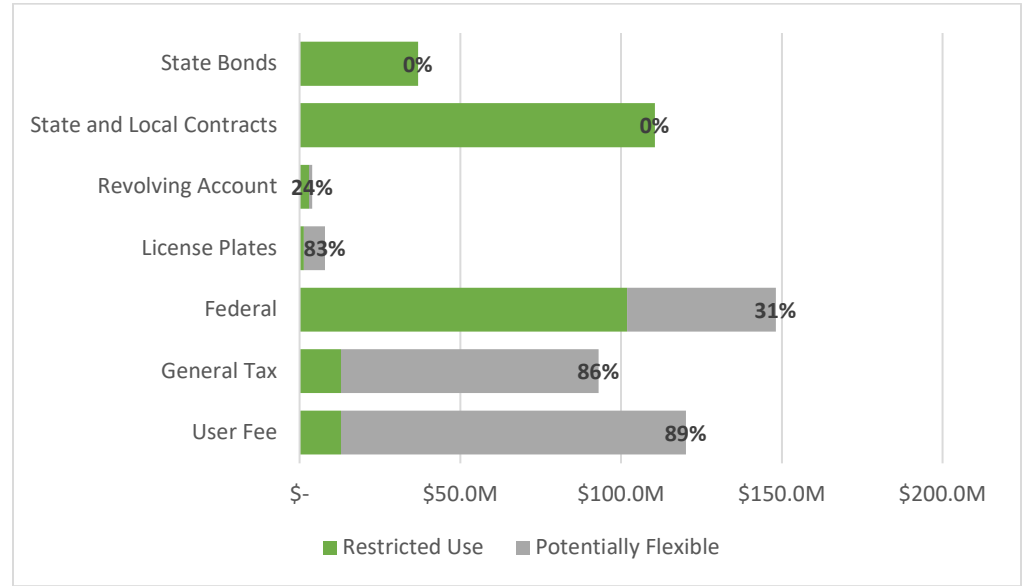
Finally, general tax makes up approximately 18% of the Department’s spending. It is funded mostly by the state sales tax, real estate excise tax, and business and occupation tax managed through the state’s general fund. The general fund also receives landing taxes from commercial fishing. WDFW also receives funding from the Aquatic Lands Enhancement Account and the Toxics Control Account, which is included here. Figure [number] shows the component accounts for federal funding. Figure [number] shows component accounts for user fees.

### About Half WDFW’s Funding Is Restricted

In addition to understanding the total budget amounts, sources, and spending, it is important to understand how flexible (or not) funding is. About half of WDFW funds are restricted, meaning they can be spent only on specified activities, such as wildlife rehabilitation or rockfish research. This has implications for the ease with which the Department can manage funds to shifting priorities, or address emerging or critical issues. Figure X shows the flexible spending by fund source.



Figure X. Flexibility by Fund Source



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## TELLING OUR STORY



## PARTNERSHIP & COMMITMENT RESTORING FISHERS IN WASHINGTON

“I value the Department’s work to restore fishers at Mount Rainier National Park and throughout the Olympics and Cascades. This partnership between nonprofit organizations, state and federal entities, local tribes and Canadian First Nations is a sign of a Department that is demonstrating ever greater commitment to working with the people of Washington to conserve the full range of species that make this a great place to live.”

—Mitch Friedman, Executive Director, Conservation Northwest

Fishers are a member of the weasel family that vanished from Washington’s forests more than 70 years ago. Across the country, the fishers’ range was dramatically reduced by trapping, predator control and habitat loss. With support from private landowners, federal agencies, and non-profit conservation organizations, WDFW is leading a proactive effort to re-establish the species in its native habitat and avoid an endangered species listing. So far, more than 150 fishers have been released on federal forestlands in the Olympic National Park and southern Cascade Mountains. While the challenges to more than 250 species of greatest conservation need in the state are immense, the Washington Department of Fish and Wildlife is working to restore the health of our wildlife populations and the habitats that support them. Conservation Northwest has worked with WDFW and other state and federal partners on projects ranging from the I-90 wildlife corridor to efforts to restore iconic species like wolverines and sharp-tailed grouse. Funding for species and habitat conservation comes from partners, state wildlife grants, personalized license plates, and the state general fund, among other sources.

# How WDFW Allocates Funding

WDFW ALLOCATES FUNDING ACROSS 42 STRATEGIES IN SEVEN OUTCOMES, PLUS LEADERSHIP AND BUSINESS SERVICES. EACH OUTCOME USES REVENUE FROM MULTIPLE FUNDING SOURCES.

WDFW carries out its mission by focusing on seven key outcomes: preserve and restore terrestrial habitats and species; preserve and restore aquatic habitats and species; acquire and manage lands; manage hunting opportunities; produce hatchery fish; manage fishing opportunities; provide non-consumptive recreational opportunities.

Figure [number] shows the amount of funding for each outcome, plus leadership and business services, in the 2015-2017 biennium, and the source of funding by major funding type.

Figure [number] shows the proportion of each of WDFW's main funding sources that are applied to each outcome. Figure [number] shows the same information through the funding source lens, that is, proportionally how much of each funding source goes to each outcome.

Figure X. WDFW Total Expenditures by Outcome 2015-2017 Biennium (Includes Interagency Spending)

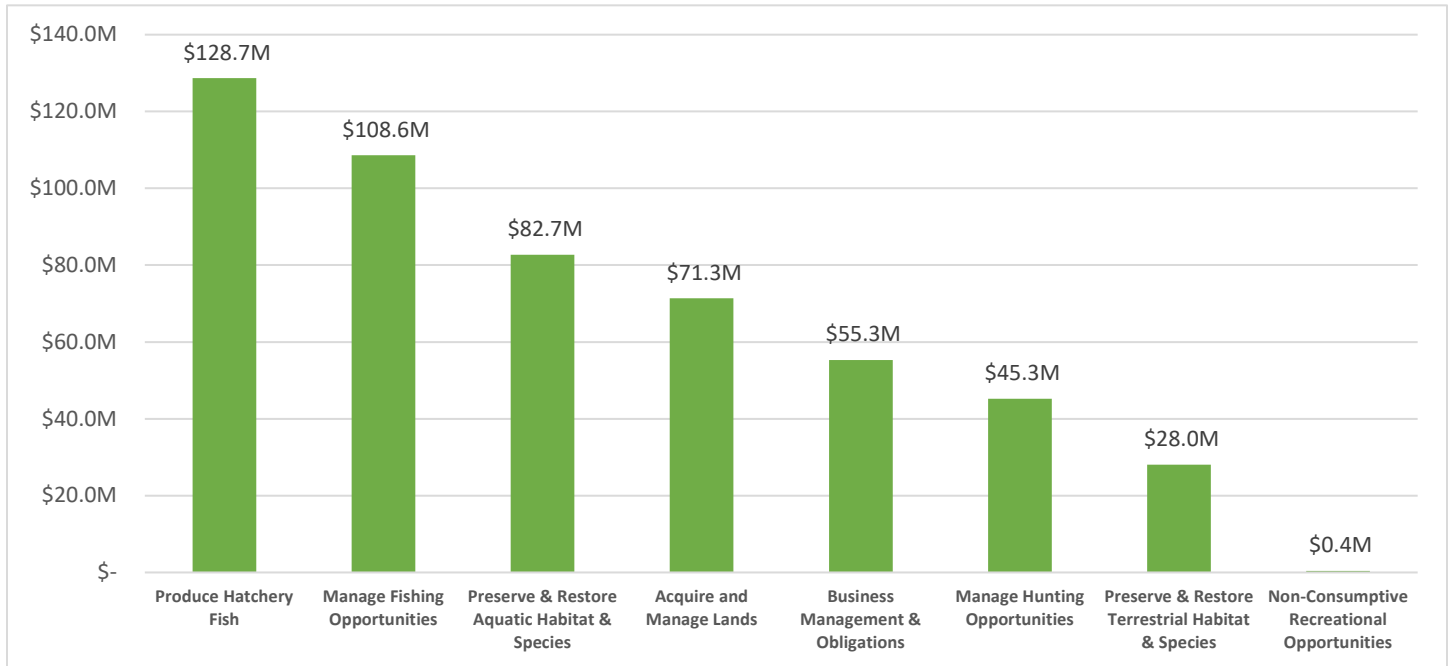


Figure X. WDFW Expenditures by Outcome and Source, 2015-2017 Biennium (Operating, Capital, and Interagency Expenditures)

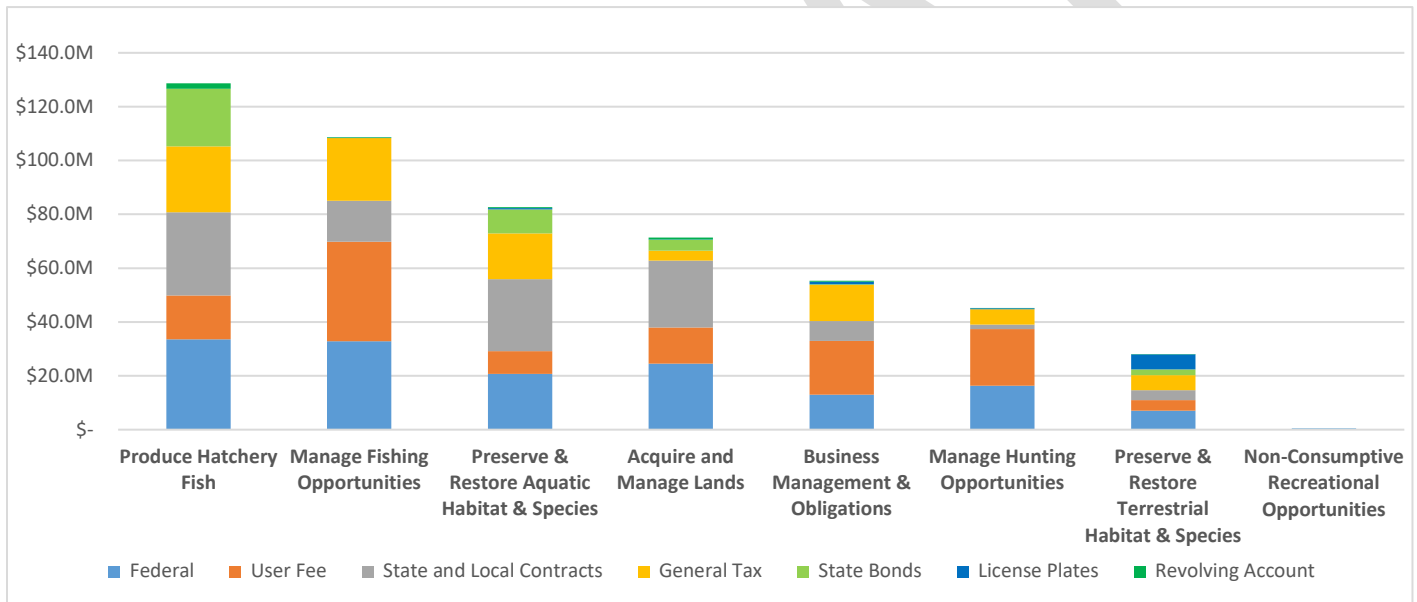
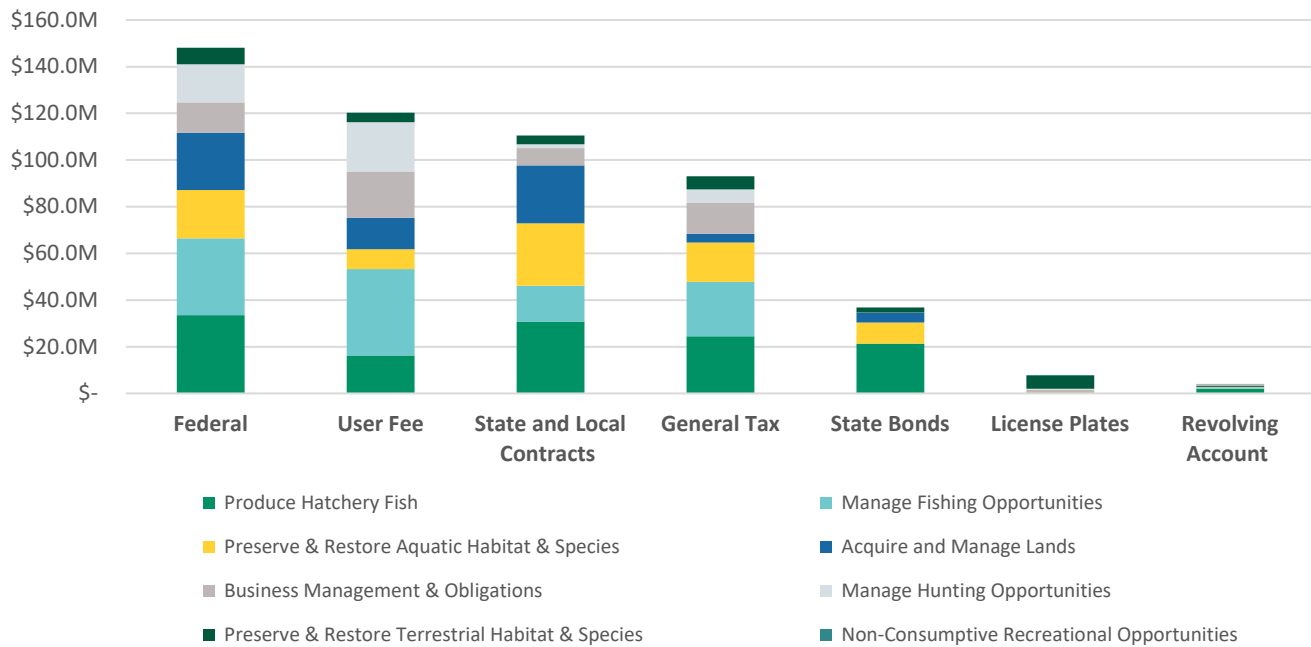


Figure X. WDFW Expenditures by Source and Outcome, 2015-2017 Biennium (Operating, Capital, and Interagency Expenditures)



## Explore the Work and Spending Further

The seven outcomes are connected to a series of strategies that collectively contribute to the Department’s work to manage a portfolio of some of the widest ranging environmental, legal and social responsibilities of any agency in Washington State.

For example, the outcome “Manage Hunting Opportunities” is connected to 9 strategies as depicted in Figure X below. WDFW views hunters as the original conservationists in North America and among the main economic drivers of wildlife conservation today. Managing wildlife species while providing sustainable hunting means enforcing hunting opportunities and regulations, providing hunter education, setting sustainable hunting seasons, surveying and studying game species populations, responding to wildlife concerns, and securing hunting on private lands.

Figure X. Manage Hunting Opportunities as WDFW Outcome with associated strategies.



You can explore the strategies and outcomes and how they are funded more fully at [\[link to kumu\]](#)

# The Funding Challenge

THE WDFW BUDGET SHORTFALL HAS INCREASED DURING THE PAST THREE BUDGET CYCLES. THE 2019 SHORTFALL IS PREDICTED TO BE OVER \$30 MILLION.



Over the past several budget cycles, funding for the Department has fallen farther and farther behind what is needed to continue to provide existing services. The Department's funding challenges are the result of two primary factors: a structural shortfall, and a longer-term shift in the Department's landscape of work and customer base.

## The Structural Shortfall Has Three Main Causes

The term "structural shortfall" means that the Department's spending authorization from the Legislature routinely is greater than the funding allocated by the Legislature or contributed by user fees. It has three main causes:

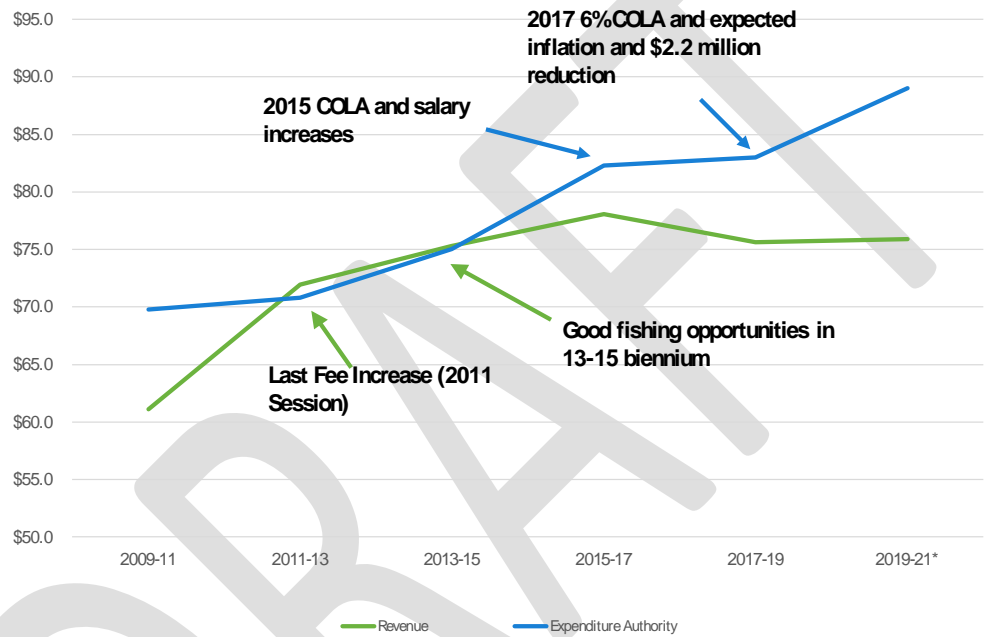
- *First, increasing staff costs approved by the Legislature were not fully funded.* The non-restricted portion of the State Wildlife Account entered the 2017-19 biennium facing a gap of more than \$11 million between projected fishing and hunting license revenue and the spending level authorized by the Legislature. The gap was caused by several factors, the largest of which was state employee cost-of-living increases, or COLAs, and targeted salary adjustments for certain job classes. Additional budget reductions to flexible state funds in the enacted operating budget increased the gap to over \$15 million.
- *Second, increasing costs to manage fisheries under the Endangered Species Act have not come with commensurate federal funding.* Key federal funds have not kept pace with inflation, nor has federal funding risen with the costs of complying with requirements for managing fisheries and hatcheries as required by federal laws, policies, court rulings, and treaties. This shortfall added over

\$12 million to the projected funding gap in the 2017-19 biennium and is expected to increase in the 2019-21 biennium.

- *Third, cuts taken in 2008 were never restored.* In 2008 WDFW, like most state agencies, took a [amount] cut in spending. These cuts, which were never restored, represent a current shortfall of [number].

The 2017-19 biennium budget shortfall was approximately \$27 million, or approximately \$13.5 million per year. The 2019 budget shortfall is estimated at \$30 million. Figure [number] shows the funding shortfall over time and how it has increased.

**Figure X. Non-Restricted State Wildlife Account Structural Deficit**



To prevent loss of services, the Legislature provided short-term funding relief of \$10.1 million from the state general fund for the 2017-19 biennium, and WDFW took a variety of one-time actions to make up the rest such as spending down reserve funds. While the Legislature could choose to fill the gap again with general fund, the one-time actions the Department took in 2017-19 are no longer available. The Department identified \$3 million in recommended cuts for 2019-21; if action is not taken the remaining \$30 million shortfall must be addressed in service reductions.

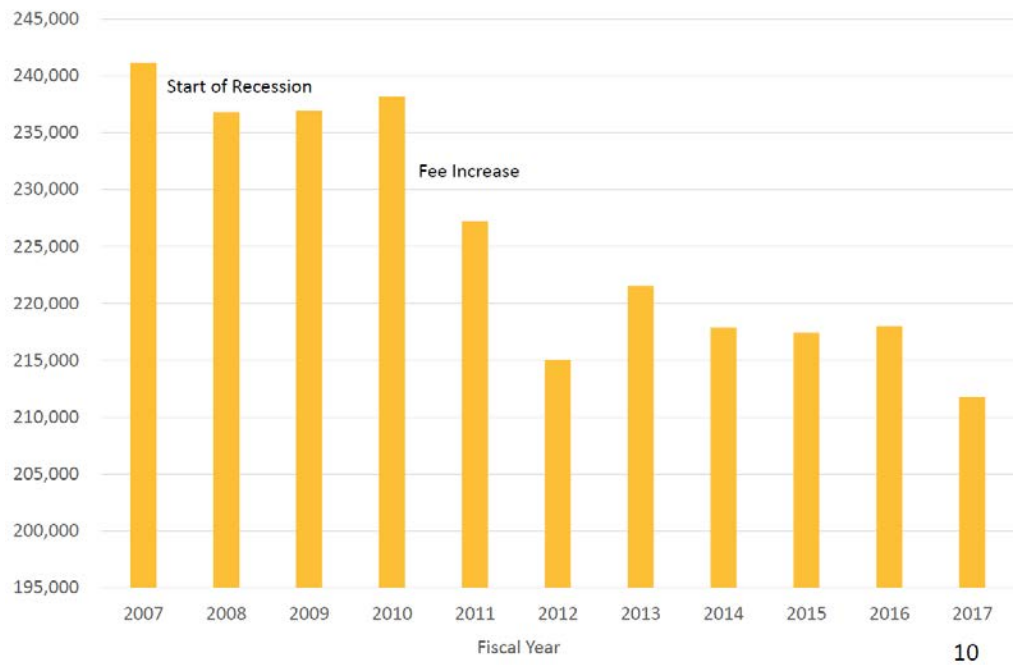
### Shifting Customer Base Contributes to Funding Uncertainty

While the structural shortfall is an important piece of the Department’s funding challenge, it is not the only cause of the budget deficit. The landscape of financing for fish and wildlife agencies is shifting. Traditionally, state fish and wildlife agencies have been funded largely through hunting and fishing license fees and federal excise taxes on the purchase of firearms and ammunition (Pittman-Robertson Act funds) and fishing gear (Dingell-Johnson Act funds). In Washington State, the combination



of hunting and fishing license fees and federal excise taxes tied to hunting and fishing once made up [amount] of the Department’s budget. Fish and wildlife agencies across the country, including WDFW, are currently seeing a fundamental shift in their customer base and landscape of work. Figures [X-X] show the decline in hunters and fishers from 2007-2017. This decline likely has multiple causes: decreased access to private lands, less opportunities for success, decreased perception of opportunity for success, and changing customer profiles. This drop in customers results in a combined loss of approximately \$5.4 million a year in license revenue.

Hunting Customers by Year



As “traditional” WDFW customer participation declines, these individuals are replaced by a new generation of not only hunters and anglers, but non-consumptive users as well. Activities like hiking, camping, backpacking, swimming, bicycling, boating, and nature viewing are becoming of larger interest to the Department’s customers.

## Efficiencies Will Not Solve the Budget Crisis

To help inform a long-term funding strategy, the legislature directed WDFW, with the Office of Financial Management to “consult with an outside management consultant to evaluate and implement efficiencies to the agency’s operations and management practices.” Matrix Consulting was hired to carry out this evaluation. They examined administrative staffing and processes, the decentralized nature of organizational authority and operations, budgeting and accounting processes, and executive, program, and regional management structures including accountability. They also compared WDFW’s administrative, budgetary, staffing, and organizational approaches to other state agencies and to other states. Matrix made many recommendations for improvements particularly around strategic planning, performance measurement, and communication; they did not find signs of gross over-staffing, inefficiency, or significant ways to reduce costs. A number of the actions Matrix recommended would create new costs for example, better strategic planning and performance management may have higher costs (at least in the short term) from increased staff efforts. Adopting automated software tools for budget, contracts, time accounting, HR, and payroll require costly technology. The full Matrix report is available here [\[add link\]](#).



## AT A CRITICAL POINT IN SHRUB-STEPPE HABITAT CONSERVATION

“We are losing shrub-steppe habitat across the Columbian River Basin before its full value to the sage land ecosystem, to animals of all kinds, and to wildlife enthusiasts is recognized. If we can’t successfully conserve these places, the primordial strut of the Greater Sage-Grouse, and everything it represents, will be lost forever. The wilderness experience of future generations will be diminished.”

—Jen Syrowitz, Executive Director, Washington Wildlife Federation

Washington Department of Fish and Wildlife works with other state and federal agencies and non-profits to meet the challenges of habitat fragmentation to save important species such as sage grouse and pygmy rabbits. Increasingly the Department has built its strategies around connecting conservation aims with outdoor recreation aims, better serving those who participate in hunting, fishing and wildlife viewing, and all the many Washington citizens who are beneficiaries of a resilient natural landscape—even those who never travel further than their local city park. Wildlife monitoring and lands management are supported by Pittman-Robertson funding, Discover Passes, and hunting license revenue. Many of the Department’s wildlife areas are mitigation lands bought and managed through funding from the Columbia Basin hydropower projects. Payments in Lieu of Taxes, payments made to compensate a government for some or all of the property tax revenue that would have come from private ownership, are sourced through the State’s General Fund.

# Findings and Recommendations

## INCREASED INVESTMENT IS NEEDED TO ENSURE HEALTHY FISH AND WILDLIFE POPULATIONS AND PUBLIC LANDS NOW AND FOR THE FUTURE



The Budget and Policy Advisory Group was established in 2017 to advise the Director of WDFW on broad budget and policy questions and decisions. It is made up of 20 appointed members representing a broad range of fish, wildlife, recreation, land management, and conservation interests. The first task of the group was to work with the Department to develop this Report.

Detailed versions of the information summarized in the preceding sections was provided to the BPAG. The Group spent from December 2017 to August 2018 reviewing and considering the information and deliberated on it in a series of 6 meetings. WDFW convened the BPAG to provide a multi-stakeholder perspective on the work required by the budget proviso. The BPAG offered the Department the following findings and recommendations, with which the Department agrees.

[Some members of the BPAG are interested in advocating even more forcefully for sustainable funding for fish and wildlife conservation, these members have written a letter describing their views which is included as Appendix 1.]

### Findings

1. The Department's mission – *to preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities* – remains vital and is increasingly important to supporting economic prosperity, promoting public health, and ensuring a high quality of life for all Washingtonians, including those who never hunt, fish, or visit a wildlife area now and for generations to come.

2. The Department's funding has not kept pace with its responsibilities. The Legislature has not adjusted the Department's budget to reflect modern realities resulting in a structural deficit where funding authority routinely exceeds appropriations. Significant funding cuts from 2008 have not been restored. With a few exceptions, user fees have not increased in ten or more years, and many of the newer, growing user groups do not participate directly in Department funding the way hunters and anglers historically have.
3. The Department has an ongoing process improvement program tasked with finding and implementing efficiencies. An independent Organizational Assessment of Operational and Management Practices did not reveal any major cost savings to be found from improving efficiency within the Department.
4. Washington's unique context sets it apart from other states.. Co-management responsibilities, significant commercial fisheries, hatcheries, ESA listed species, and substantial recent and projected population growth increase the need for adequate funding and the demands for expertise of Department staff. Continuing rapid population growth and loss of habitat will put further pressure on access to and use of public lands, and on the survival of many of Washington's fish and wildlife species.
5. Hunter and angler participation numbers are declining while other outdoor recreation such as nature watching, hiking, ATV riding, mountain biking, horseback riding, and recreational/target shooting grows in popularity. An increasing diversity of users with different priorities and interests increases the potential for user conflict and demands more services and attention from the Department.
6. Over half of the Department's funding sources have restrictions on their use and this constrains the Department's ability to manage effectively.
7. Heavy reliance on user fees makes the Department's funding particularly vulnerable when stakeholders are at odds with one another or disagree with an individual Department action or policy and weakens the stability and reliability of funding and programs.
8. Over time, lack of stable, adequate funding has brought about adverse and non-productive outcomes including competition between stakeholders for scarce resources and insufficient investment in habitat protection and restoration in species of most concern especially non-game fish and wildlife. This has contributed to a lack of sustainable and productive hunting and fishing opportunities and put Washington at substantial risk of a crisis in fish and wildlife conservation.
9. Although the challenges are significant, they can and must be met through a combination of better long-range visioning and strategic planning, keener outcome-based performance management, new and expanded partnerships, and appropriate, sustainable funding.



## PRESERVING HABITAT FOR WILDLIFE AND HUNTING

“Hunting has always played a critical role in conservation in North America. When WDFW makes habitat acquisitions like the 4-O Ranch near Asotin, it supports hunting lifestyles and traditions not just for hunters but also for anyone who values wildlife in the state.”

—Wayne Marion, Rocky Mountain Elk Foundation

WDFW purchases lands from willing sellers to maintain the landscapes and habitat that fish and wildlife need to thrive and to ensure public access for hunting, fishing, wildlife watching, and related recreation. Recently, the Department purchased the 4-O Ranch Wildlife Area near Asotin to support elk and mule deer populations as well as steelhead, redband rainbow and bull trout. The land also supports a variety of other wildlife including bighorn sheep, black bears, golden eagles, wild turkeys and more. Since the Slnlahekin Wildlife Area in Okanogan County was purchased in 1939, the Department has acquired more than a million acres dedicated to preserving and protecting fish and wildlife habitat for current and future generations and allowing 24/7/365 public access for high-quality hunting and fishing that fuels tourism for rural communities. Funding for land acquisitions like the 4-O Ranch comes from sources such as the Washington Wildlife and Recreation Program in the state capital budget, Pittman-Robertson and other federal grants.



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# Funding Challenge

## Recommendations

Three types of recommendations are made. First are recommendations intended to set the stage for sustainable funding by encouraging continuous improvement and efficiencies. Second is a set of recommendations on the composition and sources of funding going forward for the long-term. Finally, a set of recommendations looks farther into the future to suggest that a more sustainable vision for conservation and management of fish, wildlife, and other natural resources held by the state in the public trust is needed. Principles for sustainable long-term funding are meant to complement recommendations and guide their implementation.



## Principles for Long-Term, Sustainable Funding

1. **Address the full Department mission and the needs of Washingtonians now and into the future.** Urgent action and increased investment are needed to solve the ongoing budget shortfall and get us on a more sustainable path to ensure hunting, fishing, and outdoor recreation opportunities, and vibrant, thriving ecosystems for future generations.
2. **Ensure a Mix of Funding Sources.** Funding for fish and wildlife conservation should be drawn from a variety of sources which both recognize the value of healthy natural lands and native species to all



The Budget and Policy Advisory Group deliberately rejected an approach that would rely mostly on user fees for funding. The broad benefits provided by conservation of fish and wildlife conservation demand a broad-based funding source.

Washingtonians and provide a connection to hunters, anglers, and other users.

3. **Maintain Affordability for all Washingtonians.** Hunting, fishing, and outdoor recreation fees should be affordable; fee schedules should provide accommodation for the young, elders, families, and low-income users.
4. **Communicate Funding, Spending, and the Department's Work More Clearly.** Revenue sources and funding decisions should be clearly and broadly communicated. Funding decisions should clearly track back to Department's mission, strategic goals, priorities, governing principles, and responsibilities.
5. **Address the Concerns of Users and Stakeholders.** Sustainable long-term funding becomes more in reach as relationships between the Department and its users and stakeholders improve.

## Recommendations on Continuous Improvement and Efficiencies

**Recommendation 1 – Organizational Efficiencies Report.** The Department should implement recommendations related to management structure and decision making, and organizational structure contained in the Organizational Assessment of Operational and Management Practices. Many of these recommendations will require additional resources to implement. Successfully addressing recommendations dealing with improvements to strategic planning, performance management, and external communications is particularly important.

**Recommendation 2 – Streamlining Shared Responsibilities and Administrative Requirements.** The Department should evaluate its interagency agreements and shared responsibilities with other state agencies, federal, tribal, and local partners with a view toward identifying opportunities for streamlining work, clarifying and streamlining regulations and requirements, and other efficiencies which could be gained without sacrificing environmental protection or conservation values. Lean process improvements may create an appropriate model for these evaluations. One of the initial steps should include evaluating Chapter 77 RCW to identify reporting or other administrative provisions that may be out-of-date and no longer needed.

**Recommendation 3 – Ensure Partners Pay Their Fair Share.** The Department should pursue full federal funding for spending that results from Federal mandates and requirements such as the Endangered Species Act and the operation of Mitchell Act hatcheries on the Columbia River.

## Approach to Funding and Funding Sources

**Recommendation 5 – Increase the Amount and Stability of Funding.** The Legislature should increase the amount and stability of funding to fish and wildlife management and conservation. In the short term, overall, funding for the

## WHO PAYS NOW?

All residents pay through general taxes. If you divide the amount of general fund money the Department spends by the number of people in Washington, each person contributes about \$6.30 / year.

Hunters and anglers pay through general taxes and they contribute through targeted Federal taxes on hunting and fishing gear and ammunition, and through license fees.

Recreational users pay through general taxes and they contribute through purchase of the Discover Pass.

Department needs to increase at least enough to eliminate the current structural budget shortfall and provide capacity to address ongoing compensation and health care costs. The stability of funding also needs to be strengthened, so the Department can effectively sustain programs during economic downturns and plan for the future. In the longer term increased investment overall is needed to protect and restore fish and wildlife species managed by the Department for the public trust, prevent a new wave of threatened and endangered species listings, and ensure healthy natural lands for the benefit of all Washingtonians.

**Recommendation 6 – Most Funding Should Come from a Broad-Based Source Such as the General Fund.** The Legislature should increase the percentage of Department funding that comes from a broad-based source of revenue such as a dedicated portion of the state sales tax, a dedicated portion of the real estate excise tax, public utility tax dedication, or a dedicated general fund appropriation. The goal is for 50% or more of the Department’s funding to come from a dedicated, reliable, broad-based revenue source. Currently approximately 18% of the Departments spending is from the general fund.

**Recommendation 7 – Revenue from User Fees and Licenses Should Supplement Broad-Based Funding.** Revenue from fishing and hunting license fees and other user fees (e.g., Discover Pass) should supplement, not replace, broad-based general funding sources. License and recreation fees cannot and should not be expected to fully recover the costs of Department programs and activities related to hunting, fishing, and recreation programs. The goal is for users to meaningfully participate in funding for fish and wildlife management and conservation programs through appropriate, affordable, and balanced fees.

**Recommendation 8 – Improve Products and Update Fees for Hunters and Anglers.** License fees for hunters and anglers should be evaluated and updated to create a new baseline fee structure that is simplified, offers the products hunters and anglers want, and is fair and balanced. In many cases license fees have not increased in 10+ years and are expected to increase as part of this effort. At the same time, products and access for hunting and fishing must improve, the regulations should be simpler and easier to access and understand, and more focus should be given to recruitment, retention, and reactivation of hunters and anglers. The Department must work to ensure meaningful and sustainable hunting and fishing opportunities state-wide where feasible, including restoring opportunity where it has been lost, particularly closer to population centers.

**Recommendation 9 – Improve Products and Update Fees for Recreational Users Too.** Like hunters and anglers, non-consumptive recreational users such as hikers, bird-watchers, horseback riders, mountain bikers, target shooters, and ATV riders also should continue to directly participate in fish and wildlife conservation funding to supplement broad-based funding sources through an appropriate license or user fee or by other means. The most likely mechanism for this participation is through the existing Discover Pass, which has not increased in cost for 10+ years. The ongoing re-evaluation of the Discover Pass led by the Ruckelshaus Center should specifically address the need to increase recreational user participation in fish and wildlife funding and to increase rather than simply sustain revenue to the

Department from recreational users. At the same time, just like for hunters and anglers, products and access recreational users must improve.

**Recommendation 10 – Ensure Stability and Predictability of Hunting and Fishing License Costs and Other User Fees.** Once license fees for hunters and anglers are at a new baseline, there should be small, automatic annual or biennial increases tied to the consumer price index or a similar index to ensure fees keep pace with inflation and compensation costs. A similar increase also should apply to any recreational user fees. The Fish and Wildlife Commission should have the responsibility for reviewing these biennial increases and ensuring the inflation-indexed increase amount is warranted by actual program costs.



## Looking to the Future

**Recommendation 12 – Strategic Planning.** Over the next year, the Department should undergo a strategic planning effort. This planning should engage partners and stakeholders in coming together around a long-term vision for fish and wildlife conservation in Washington which recognizes the broad benefits of effective conservation to all residents and seeks to improve opportunities and services for hunters, anglers, and those who recreate on Department-owned lands. Planning should identify specific goals and performance measures for each of the outcomes identified in the recently completed Zero-Based Budget exercise and should describe how quickly goals can be achieved under the current funding scenario.

**Recommendation 13 – Public Engagement.** The Department needs to do a much better job engaging Washington residents in fish and wildlife conservation and

listening to users. Ongoing public engagement planning and implementation of the resulting plans should be a high priority and should ensure understanding concerns and goals of users and all Washington residents relative to fish and wildlife conservation and provide opportunities for engagement in WDFW planning and priority setting.

**Recommendation 14 – A Sustainable and Long-Range Vision for State Lands.** The Legislature should direct state agencies with land management responsibilities to look across these responsibilities and develop recommendations for streamlining and consolidating work where appropriate, eliminating duplication, increasing efficiency, and improving access and user satisfaction across all user groups.

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## TELLING OUR STORY



## INVESTING IN ENFORCEMENT AND HATCHERIES

“The fifteen independent chapters of Puget Sound anglers have spent thousands of hours volunteering at hatcheries, organizing kids’ fishing events, and educating anglers on release techniques to protect wild salmon, steelhead, halibut and rockfish. Given how much we have invested, we also want to recognize the importance of investments in enforcement and the hatchery mission of the agency.”

—Ron Garner, President Puget Sound Anglers, State Board

WDFW enforcement and hatchery workers are putting in the time and effort to conserve resources and increase production to ensure fishing opportunities for this and future generations. Protecting conservation gains is hard work and requires diligent effort given that poaching means stealing hard won gains and investments that serve multiple, competing interests in the state. Funding for this work comes from a range of sources including the Capital Budget, Dingell–Johnson funds, the state general fund, and commercial and recreational fees and licenses.

# The Path to Sustainability

## IT WILL TAKE TIME TO ACHIEVE SUSTAINABLE FUNDING AND WE MUST BEGIN NOW

Washington State is not alone as it faces the need to revisit funding for fish and wildlife conservation.

Nationally, a Blue Ribbon Panel on Sustaining America's Diverse Fish and Wildlife Resources made up of business and conservation leaders found that we are facing an impending fish and wildlife crisis and recommended a federal investment of \$1.3 billion from existing revenue from development of energy and mineral resources to fund state Wildlife Action Plans.

Over the past 17 years, at least four states have passed legislation to dedicate a portion of state sales tax to fish and wildlife conservation, usually tied to a broader investment in recreation and public lands. Ten states dedicate a portion of real estate taxes to conservation-related investments. Six states authorize bonds for investment in conservation and recreation. Close to home, Oregon and California are in the midst of efforts to create more sustainability funding models for fish and wildlife conservation – with Oregon focused on state income tax and wholesale beverage taxes and California focused on a major ballot initiative which would authorize \$4 billion in general obligation bonds for state and local parks, environmental protection projects, water infrastructure projects, and flood protection projects.

The ability of the WDFW Budget and Policy Advisory Group to come together around the findings and recommendations made in this report demonstrate that when the stakes are high – as they are now – stakeholders in Washington can come together to protect the fish, wildlife, and natural lands that are our heritage and our future. Now is the time for the Legislature to act to ensure we pass on thriving fish and wildlife resources to future generations.

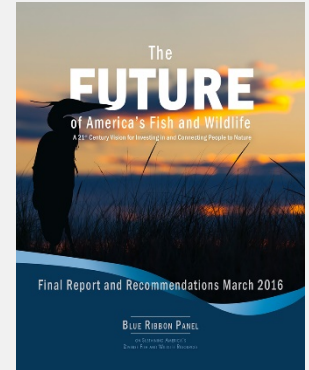
In 2019 WDFW will [summary of 2019 approach/request after June meeting]. Support for this is a critical first step in putting fish and wildlife conservation on a path to sustainability.

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## RECOVERING AMERICA'S WILDLIFE ACT – FEDERAL FUNDING INITIATIVE

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Funding for fish and wildlife conservation is also an issue at the federal level. In [year] a group of 26 national business and conservation leaders from outdoor recreation retail and manufacturing, energy and automotive industries, private landowners, educational institutions, conservation organizations, sportsmen's groups, and state fish and wildlife agencies, the Blue Ribbon Panel on Sustaining America's Diverse Fish and Wildlife Resources made two recommendations. First, they recommended Congress dedicate \$1.3 billion a year in existing revenue from the development of energy and mineral resources on federal lands and waters to support implementation of State Wildlife Action Plans that are designed to conserve over 12,000 species of greatest conservation need before they need more costly conservation measures required by the Endangered Species Act. Current funding for these state plans is less than 5% of the need. Second, they recommended a working group to examine the impact of societal changes on the relevancy of fish and wildlife conservation and make recommendations on how programs and agencies can evolve to engage and serve broader constituencies.



The Recovering America's Wildlife Act currently being considered in Congress would act on the first recommendation. Funds would be allocated through a proven mechanism, the Wildlife Conservation and Restoration subaccount of the Pittman-Robertson Act, which was originally passed in 1937. If this legislation passes in its current form, Washington could receive up to \$28 million in new funding to restore habits, conserve native wildlife, fight invasive species, and monitor emerging diseases.

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## THE IMPORTANCE OF FORESTS AND PARTNERSHIPS WITH FOREST LANDOWNERS

“Forests are vital for wildlife and for people whose jobs and lifestyles depend on natural resources, and well managed working lands work for both of these outcomes. The Washington Department of Fish and Wildlife demonstrates good sense when it works as partners with forest landowners across the Cascades and Olympic Peninsula on conservation initiatives that decrease the need for regulation, keep working lands working, and help conserve species.”

—Jason Callahan, government relations director, Washington Forest Protection Association

The Washington Forest Protection Association works to protect and enhance the values of sustainable working forests. The association, working with WDFW and other state and federal entities, encourages forest landowners to adopt conservation measures that protect species, avoid future endangered species listing, and preserve local job opportunities. Recognizing both economic and ecological values of forested lands, the Department has built its capacity to work with forest landowners through incentive based programs that assists small forest landowners with correcting their fish passage barriers for the benefit of salmon, steelhead and people throughout the state. These management efforts are funded with State Wildlife Grants, federal funding, partnerships and Washington’s capital budget.





## COMMERCIAL FISHING ON WASHINGTON'S COAST

“In a commercial fishing family your livelihood depends on salmon, crab, and albacore tuna. In Westport and other communities along the coast, this is not just about having some fun out on the water. It’s not our hobby. Our businesses and our income depends on the Department’s ability to manage resources for our communities’ future.”

—Greg Mueller, Washington Trollers Association Executive Director

Commercial fishers make a living in one of the toughest jobs there is in terms of physical safety, financial security and environmental challenges. The importance of fisheries is central to the existence of Washington’s coastal cities and people in coastal towns. Whether you dunk your Washington-sourced crab in a vat of butter, enjoy your local salmon at a restaurant, or buy Washington sourced local shellfish, you are helping Washington commercial fishers support our state’s cultural and economic vibrancy. WDFW’s management, regulatory and enforcement work is supported by the State’s General Fund, federal funding sources, and NOAA joint enforcement agreements.



## NATURE'S IMPACT ON OUR ECONOMIC FUTURE

“Fishing, hunting and nature tourism are major drivers for Washington State’s economy and deserve more positive attention from the legislature. Olympia, like many other cities in Washington, is seen as a gateway to the outdoors. Nature is what differentiates Washington from other states, and outdoor recreation brings benefits to both rural and urban areas. Investing in nature means investing in our economic future.”

—Cary Chandler, Association of Washington Business, V.P. Government Affairs

Nature is the foundation of Washington’s economy. Few things are more important to attracting new businesses and talent than vibrant outdoor recreation opportunities, including hunting, fishing and wildlife viewing. WDFW’s work is a fundamental cornerstone for quality of life in Washington. Seventy-two percent of Washington residents participate in outdoor recreation each year and some 201,000 direct jobs are supported by outdoor recreation according to new research by the Outdoor Industry Association. The Department is also working to develop new means to connect with populations that do not hunt or fish, but who are visiting our fish and wildlife lands for recreation and wildlife watching. Funding for this work comes from a range of sources including the Capital Budget, Dingell–Johnson funds, Pittman–Robertson Funds, the state general fund, and recreational fees and licenses.



## PASSING ALONG TRADITIONS TO FUTURE GENERATIONS

“When it comes to family-friendly fishing, full of fast action and good times, there are few fisheries that compare to Columbia River shad fishing. As a granddad trying to teach 6- and 8-year-old granddaughters to fish, I see this as a golden opportunity.”

—Andrew Marks, Coastal Conservation Association Member

Recreational and subsistence fishing are traditions closely connected with the identities and community character of the Pacific Northwest. The Department works with outdoorspeople and their organizations to develop interest in the outdoors among youth; providing health and education benefits as well as increasing long-term commitment to conservation.

Funding for management and enforcement of fisheries comes from a range of sources including Dingell–Johnson funds, the state general fund, and recreational fees and licenses.



## PARTNERING TO PROTECT PUBLIC LANDS

“The Department plays an essential role on the frontline of conserving our resources. The Mule Deer Foundation has long supported the work of the agency to preserve habitat and discourage poaching. Without the critical work of WDFW’s understaffed enforcement and underfunded wildlife management efforts on the eastside of the state, we would be seeing more poaching of deer and elk, less habitat, and fewer places to enjoy hunting and wildlife viewing.”

—Rachel Voss, Mule Deer Foundation State Chair

With supportive eyes working to reduce poaching on the landscape, and with philanthropy and boots on the ground to protect species and habitat, the Mule Deer Foundation has been a steady partner in WDFW’s efforts to conserve deer, elk and other species, as well as a major advocate for public lands.

The Mule Deer Foundation has worked with WDFW to clear brush for fire fuel reduction in areas such as the L.T. Murray Wildlife Area, helped raise funds to help recover habitat after the Carleton Complex fire, and worked hand in hand with the agency to mend fences to protect both people and elk by keeping herds off of I-90. Support for wildlife monitoring and lands management partnerships comes from Washington Wildlife and Recreation Program and State Wildlife Grants as well as Pittman-Robertson funds, Discover Passes, and hunting license revenue.

# Appendix A

## Appendix A: Outreach Plan

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# Appendix B

## Appendix B: Zero-Based Budget Analysis

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# Appendix C

## Appendix C: Independent Analysis of Organizational Efficiencies

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# Appendix D

## Appendix D: Expenditure Reductions and Funding Sources Options and Evaluation

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# Appendix E

## Appendix E: Summary of Research into Selected State Fish and Wildlife Programs

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# Appendix F

## Appendix F: Legislative Proviso

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# Appendix G

## Appendix G: BPAG membership

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License	2017 Resident Fee	2017 Nonresident Fee	2018 Resident Out-the-Door Total (per HB 1597)
Undesignated commercial crew	\$0	\$0	\$35.00
Annual commercial crew	\$0	\$0	\$40.50
Albacore crew	\$0	\$0	\$40.50
Non-salmon charter	\$330	\$480	\$480
Salmon charter	\$620	\$925	\$700
Salmon Gill Net--Grays Harbor--Col R	\$585	\$890	\$585
Salmon Gill Net--Puget Sound	\$585	\$890	\$585
Salmon Gill Net--Willapa Bay--Col R	\$585	\$890	\$585
Salmon Purse Seine	\$735	\$1,190	\$750
Salmon Reef Net	\$585	\$890	\$585
Salmon Troll	\$585	\$890	\$585
Salmon Delivery License	\$585	\$890	\$635
Emergency Salmon Delivery License	\$330	\$580	\$380
Baitfish Lampara	\$255	\$365	\$405
Baitfish Purse Seine	\$600	\$1,055	\$450
Bottom Fish Jig	\$200	\$255	\$250
Bottom Fish Pot	\$200	\$255	\$250
Bottom Fish Troll	\$200	\$255	\$250
Carp	\$200	\$255	\$250
Columbia River Smelt	\$450	\$755	\$500
Emerging Commercial Fishery (Food Fish)	\$290	\$400	\$440
Food Fish Drag Seine	\$200	\$255	\$250
Food Fish Set Line	\$200	\$255	\$250
Herring Dip Bag Net	\$245	\$345	\$395
Herring Drag Seine	\$245	\$345	\$395
Herring Gill Net	\$280	\$380	\$430
Herring Lampara	\$245	\$345	\$395
Herring Purse Seine	\$280	\$380	\$430
Sardine Purse Seine	\$290	\$400	\$440
Sardine Purse Seine--Temporary	\$290	\$400	\$440
Smelt Dip Bag Net	\$200	\$255	\$250
Smelt Gill Net	\$450	\$755	\$500
Whiting Puget Sound	\$400	\$625	\$450
Nonlimited Entry Delivery License	\$250	\$340	\$400
Burrowing Shrimp	\$290	\$400	\$340
Crab Ring Net--Puget Sound	\$200	\$255	\$250
Dungeness Crab Coastal	\$520	\$625	\$570
Dungeness Crab--Puget Sound	\$235	\$290	\$285
Emerging Commercial Fishery (Shellfish)	\$290	\$400	\$440
Geoduck	\$70	\$70	\$70
Geoduck Diver	\$255	\$365	\$425

Hardshell Clam Mechanical	\$600	\$1,055	\$650
Oyster Reserve	\$200	\$255	\$250
Razor Clam	\$235	\$290	\$285
Sea Cucumber Dive	\$235	\$290	\$385
Sea Urchin Dive	\$235	\$290	\$385
Shellfish Dive	\$200	\$255	\$250
Shellfish Pot	\$200	\$255	\$250
Shrimp Pot--Puget Sound	\$290	\$400	\$440
Shrimp Trawl--Puget Sound	\$290	\$400	\$440
Spot Shrimp--Coastal	\$255	\$365	\$405
Squid	\$255	\$365	\$405
Ocean Pink Shrimp Delivery License	\$255	\$405	\$405
Fish Dealer	\$355	\$355	\$505
Wholesale Fish Buyer	\$200	\$200	\$350
Wholesale Fish Buyer with just one buyer	\$0	\$0	\$0
Alternate Operator	\$105	\$105	\$255
Food Fish Guide	\$220	\$800	\$370
Game Fish Guide	\$250	\$670	\$480
Combination Food and Game Fish Guide	\$435	\$1,435	\$815
Limited Fish Seller Endorsement	\$155	\$155	\$175

2018 Resident % Change	2018 Nonresident Out-the-Door Total (per HB 1597)	2018 Nonresident % Change	2019 Resident Out-the-Door Total (per SB 6317)	2019 Resident Final % Change	2019 Nonresident Out-the-Door Total (per SB 6317)
New	\$110.00	New	\$35.00	New	\$110.00
New	\$123	New	\$40.50	New	\$123
New	\$40.50	New	\$40.50	New	\$40.50
45%	\$555	16%	\$480	45%	\$865
13%	\$775	-16%	\$700	13%	\$1,085
0%	\$660	-26%	\$585	0%	\$970
0%	\$660	-26%	\$585	0%	\$970
0%	\$660	-26%	\$585	0%	\$970
2%	\$825	-31%	\$750	2%	\$1,135
0%	\$660	-26%	\$585	0%	\$970
0%	\$660	-26%	\$585	0%	\$970
9%	\$710	-20%	\$635	9%	\$1,020
15%	\$455	-22%	\$380	15%	\$765
59%	\$480	32%	\$405	59%	\$790
-25%	\$725	-31%	\$450	-25%	\$835
25%	\$325	27%	\$250	25%	\$635
25%	\$325	27%	\$250	25%	\$635
25%	\$325	27%	\$250	25%	\$635
25%	\$325	27%	\$250	25%	\$635
11%	\$575	-24%	\$500	11%	\$885
52%	\$515	29%	\$440	52%	\$825
25%	\$325	27%	\$250	25%	\$635
25%	\$325	27%	\$250	25%	\$635
61%	\$470	36%	\$395	61%	\$780
61%	\$470	36%	\$395	61%	\$780
54%	\$505	33%	\$430	54%	\$815
61%	\$470	36%	\$395	61%	\$780
54%	\$505	33%	\$430	54%	\$815
52%	\$515	29%	\$440	52%	\$825
52%	\$515	29%	\$440	52%	\$825
25%	\$325	27%	\$250	25%	\$635
11%	\$575	-24%	\$500	11%	\$885
13%	\$525	-16%	\$450	13%	\$835
60%	\$475	40%	\$400	60%	\$785
17%	\$415	4%	\$340	17%	\$725
25%	\$325	27%	\$250	25%	\$635
10%	\$645	3%	\$570	10%	\$955
21%	\$360	24%	\$285	21%	\$670
52%	\$515	29%	\$440	52%	\$825
0%	\$70	0%	\$70	0%	\$70
67%	\$480	32%	\$425	67%	\$810

8%	\$725	-31%	\$650	8%	\$1,035
25%	\$325	27%	\$250	25%	\$635
21%	\$360	24%	\$285	21%	\$670
64%	\$460	59%	\$385	64%	\$770
64%	\$460	59%	\$385	64%	\$770
25%	\$325	27%	\$250	25%	\$635
25%	\$325	27%	\$250	25%	\$635
52%	\$515	29%	\$440	52%	\$825
52%	\$515	29%	\$440	52%	\$825
59%	\$480	32%	\$405	59%	\$790
59%	\$480	32%	\$405	59%	\$790
59%	\$480	19%	\$405	59%	\$790
42%	\$580	63%	\$505	42%	\$890
75%	\$425	113%	\$350	75%	\$735
0%	\$0	0%	\$155	New	N/A
143%	\$330	214%	\$255	143%	\$640
68%	\$525	-34%	\$300	36%	\$765
92%	\$555	-17%	\$375	50%	\$760
87%	\$1,045	-27%	\$640	47%	\$1,490
13%	\$250	61%	\$175	13%	\$560



2019  
Nonresident  
Final % Change

New
New
New
80%
17%
9%
9%
9%
-5%
9%
9%
15%
32%
116%
-21%
149%
149%
149%
149%
17%
106%
149%
149%
126%
126%
114%
126%
114%
106%
106%
149%
17%
34%
131%
81%
149%
53%
131%
106%
0%
122%

-2%
149%
131%
166%
166%
149%
149%
106%
106%
116%
116%
95%
151%
268%
N/A
510%
-4%
13%
4%
261%

# WDFW 2017-19 operating budget outreach plan

Update – April 23, 2018

A proviso in the 2017-2019 state operating budget requires the Washington Department of Fish and Wildlife (WDFW), in consultation with the Office of Financial Management (OFM), to develop a long-term plan for financial stability that includes options for spending reductions, operational efficiencies, and additional revenues. The proviso directs WDFW to develop an outreach plan to provide information and solicit input from the public, department stakeholders, the state Fish and Wildlife Commission, and members of the Legislature.

This document describes the outreach initiatives that began in September 2017 and will continue through September 2018 to support the long-term funding plan. This document is one element of a larger, agency-wide communication plan being developed for the remainder of the 2017-19 biennium.

## Outreach Goals

WDFW has three primary goals for outreach related to the budget proviso:

1. Provide clear and concise information about current WDFW activities and funding to build trust and awareness among key stakeholders.
2. Generate discussion and ideas about who should pay for WDFW programs and services in the future.
3. Solicit public input and engagement that will lead to support for the department's funding and policy proposals to the Governor and Legislature.

## Target Audiences

The proviso specifies that outreach should engage the public, stakeholders, the Fish and Wildlife Commission, and members of the Legislature. In addition, WDFW will work with tribal nations on a government-to-government basis and through coordination with tribal natural resource consortiums.

## Outreach Methods

**Promotion of Budget and Policy Advisory Group (BPAG) activities.** The 20-member advisory group includes representatives of many key stakeholder groups. All advisors

are expected to inform members of their interest groups and share those members' input during the BPAG meetings. Five meetings are scheduled; all are open to the public and include opportunities for public comment.

**Commission meetings and workshops.** Presentations at commission meetings and focused workshops on selected topics will ensure the commission's full participation in development of the long-term finance plan. Discussions are planned monthly through September 2018 and as needed in the future. Commission meetings, usually broadcast on TVW, also offer opportunities for public updates and input.

**Outreach to existing WDFW advisory groups.** The Department manages more than 50 advisory groups, and the staff members who work with those groups are providing regular updates on the proviso work. Advisory group members' feedback will be solicited and relayed to the Director's Office.

**Staff liaisons to outdoor groups.** WDFW has designated staff liaisons for various stakeholder organizations throughout the state. The intent is to improve WDFW's network and connections with organizations and their membership through more regular, consistent communication. In the summer of 2018, staff liaisons will conduct one-on-one discussions, along with BPAG members, about the proviso work products and 2019-21 legislative budget and policy proposals. Liaisons will relay feedback to the Director's Office.

**Broad public engagement.** Broad engagement through online sources such as web-portals, webinars, survey forms, or similar will be made available. Public meetings may be held.

**Outreach to outdoor writers.** Several outdoor media writers regularly cover WDFW-related activities. WDFW public information and budget staff will reach out to key reporters to ensure they understand the nature of WDFW's funding challenges and elements of the long-term plan, as well as the components of future legislative budget and policy proposals.

**Quarterly legislative updates.** Beginning in fall 2017, WDFW has provided quarterly progress reports to legislative budget and policy committees. Committee work sessions and one-on-one briefings will be offered as proviso products are completed. The goal is to ensure lawmakers are informed before final products come to the Legislature for consideration in 2019. Legislative tours with lawmakers and committee staff will take place through the summer of 2018.

**Director's bi-monthly bulletin.** Information on proviso activities will appear in the WDFW's Director's Update and Bulletin, which is distributed to about 50 advisory groups and hundreds of organizations.

**Tribal engagement.** The Department will interact on a government-to-government basis with interested tribes to provide meaningful opportunities for them to influence and inform proviso work products. This will include briefings with the Northwest Indian Fisheries Commission, the Upper Columbia United Tribes, and the Columbia River Intertribal Fisheries Commission.

**News releases, social media, and WDFW website.** Throughout this effort, WDFW will inform the public about its activities through website content, social media posts, and news releases. A website has been established to provide information regarding the proviso work and the 2019-21 budget development process.

**WDFW agency communication and outreach plan.** A short-term agency plan is being developed to guide outreach and public information through the summer of 2019. Following the conclusion of the 2019 legislative session, the department will develop a five- to 10-year plan to describe WDFW’s long-term strategies.

## Timeline

Outreach activities will take place from September 2017 through September 2018, when the long-term funding plan is due to the Legislature. Beginning in September 2018, outreach and engagement will focus on legislative budget and policy proposals in addition to the long-term plan.

Outreach methods	2017				2018									
	S	O	N	D	J	F	M	A	M	J	J	A	S	
BPAG activities				X		X	X		X		X	X		
Fish and Wildlife Commission meetings	X	X		X	X	X	X			X		X	X	
Outreach to existing advisory groups										X	X	X		
Staff liaisons to outdoor groups										X	X	X		
Broad public engagement											X	X	X	
Outreach to outdoor writers													X	
Quarterly legislative updates	X				X			X			X			
Legislative tours and briefings	X		X		X	X	X	X	X	X	X	X	X	
Director’s bi-monthly bulletin		X		X		X		X		X		X		
Tribal engagement			X	X		X				X	X			
News releases, social media, website	X	X	X	X	X	X	X	X	X	X	X	X	X	
2018-2019 WDFW communication and outreach plan and related activities										X	X	X	X	

(13) (a) \$5,500,000 of the general fund—state appropriation for fiscal year 2018, \$5,500,000 of the general fund—state appropriation for fiscal year 2019, and \$325,000 of the performance audits of government account—state appropriation are provided solely as one-time funding to support the department in response to its budget shortfall. In order to address this shortfall on a long-term basis, the department must develop a plan for balancing projected revenue and expenditures and improving the efficiency and effectiveness of agency operations, including:

- (i) Expenditure reduction options that maximize administrative and organizational efficiencies and savings, while avoiding hatchery closures and minimizing impacts to fisheries and hunting opportunities; and
- (ii) Additional revenue options and an associated outreach plan designed to ensure that the public, stakeholders, the commission, and legislators have the opportunity to understand and impact the design of the revenue options.
- (iii) The range of options created under (a)(i) and (ii) of this subsection must be prioritized by impact on achieving financial stability, impact on the public and fisheries and hunting opportunities, and on timeliness and ability to achieve intended outcomes.

(b) In consultation with the office of financial management, the department must consult with an outside management consultant to evaluate and implement efficiencies to the agency's operations and management practices. Specific areas of evaluation must include:

- (i) Potential inconsistencies and increased costs associated with the decentralized nature of organizational authority and operations;
- (ii) The department's budgeting and accounting processes, including work done at the central, program, and region levels, with specific focus on efficiencies to be gained by centralized budget control;
- (iii) Executive, program, and regional management structures, specifically addressing accountability.

(c) In carrying out these planning requirements, the department must provide quarterly updates to the commission, office of financial management, and appropriate legislative committees. The department must provide a final summary of its process and plan by May 1, 2018.

(d) The department, in cooperation with the office of financial management shall conduct a zero-based budget review of its operating budget and activities to be submitted with the department's 2019-2021 biennial budget submittal. Information and analysis submitted by the department for the zero-based review under this subsection shall include:

- (i) A statement of the statutory basis or other basis for the creation of each program and the history of each program that is being reviewed;
- (ii) A description of how each program fits within the strategic plan and goals of the agency and an analysis of the quantified objectives of each program within the agency;
- (iii) Any available performance measures indicating the effectiveness and efficiency of each program;
- (iv) A description with supporting cost and staffing data of each program and the populations served by each program, and the level of funding and staff required to accomplish the goals of the program if different than the actual maintenance level;
- (v) An analysis of the major costs and benefits of operating each program and the rationale for specific expenditure and staffing levels;
- (vi) An analysis estimating each program's administrative and other overhead costs;
- (vii) An analysis of the levels of services provided; and
- (viii) An analysis estimating the amount of funds or benefits that actually reach the intended recipients.

# WDFW BUDGET AND POLICY ADVISORY GROUP MEETING #4 –SUMMARY

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Wednesday, May 2, 2018, 9:00am-4:00pm  
Hal Holmes Community Center, Ellensburg Washington

## Committee Members in Attendance

Jason Callahan	Fred Koontz	Mike Peterson
Bill Clarke	Wayne Marion	Butch Smith
David Cloe	Andy Marks	Jen Syrowitz
Mitch Friedman	Greg Mueller	Dick Wallace
Eric Johnson	Mike Peterson	

## Facilitator

Elizabeth McManus, Ross Strategic

## WDFW Representation

Barbara Baker, Fish and Wildlife Commissioner	Shannon Haywood
Ellie Burelson	Mike Livingston, Region 3
Jim Brown, Region 2	Nate Pamplin
Raquel Crosier	Peter Vernie
Jeff Davis	Jason Wettstein
Rob Geddis	

## Welcome

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Nate Pamplin, Washington Department of Fish and Wildlife (WDFW) Policy Director, welcomed the Budget and Policy Advisory Group (BPAG) and provided an update on the WDFW Director Search. The Commission has received applications and begun narrowing down the list for initial interviews. The Department would like to have the new director begin in July or August. Nate also described that a number of BPAG members presented the group's preliminary findings at the April Commission meeting which was an engaging session for the Commission.

Elizabeth McManus (facilitator) followed Nate by noting that the group is over halfway through the initial task of providing advice on a Long-Term funding plan. She explained that the group would need to leave the meeting with convergence around the findings and principles and a clear path forward for remaining work on the draft recommendations, including any new recommendations based on the day's meeting.

**BPAG members expressed the following thoughts on the path forward:**

- The BPAG will need to take ownership of the final Long-Term Funding Plan and sell it to the Legislature and the general public.
- One member suggested that it would be a good idea to vet the document with key legislators and staff to ensure the recommendations are politically viable. Another member expressed that if the group thinks an option is valuable, it should be supported even if it's not popular with the legislature.
- Several members noted that this effort needs to be highlighted and done in a way that makes it stand apart from the other budget processes underway. The group needs to highlight the sense of urgency behind it.
  - Another member suggested relating this effort to other noteworthy work happening around Puget Sound, like the efforts around salmon and southern resident killer whales.

## BPAG Draft Findings & Principles

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The group reviewed the revised list of Draft Findings and Principles ([Meeting Materials, page 4](#)). Findings and funding principles were originally developed based on BPAG discussions during the first two meetings and have been revised based on feedback from the group.

The group was largely in agreement with the latest version of the draft findings and principles. There was discussion about the audience of this document and how best to communicate the findings and principles. BPAG members requested that both the Findings and Principles sections be dramatically shortened where possible.

### Findings

Findings are intended to provide a common framework and understanding as the group begins to discuss potential WDFW expenditure reductions or additions and potential revenue sources.

1. The Department's mission – *to preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities* – remains vital and is increasingly important to promoting public health, supporting economic prosperity, and ensuring a high quality of life for all Washingtonians, including those who never hunt, fish, or visit a wildlife area.
2. The Department has an ongoing process improvement program tasked with finding and implementing efficiencies. An independent Organizational Assessment of Operational and Management Practices did not reveal any major cost savings to be found from improving efficiency within the Department.
3. Washington's unique context sets it apart from other fish and wildlife agencies. Co-management responsibilities, significant commercial fisheries, hatcheries, ESA listed species, and substantial recent and projected population growth increase the need for adequate funding and the demands for expertise of Department staff. Continuing rapid population growth and loss of habitat will put further pressure on access to and use of public lands, and on the survival of many of Washington's fish and wildlife species.
4. Hunter and angler participation numbers are declining while other outdoor recreation such as nature watching, hiking, ATV riding, mountain biking, horseback riding, and recreational/target shooting grow in popularity. Managing a diversity of users with



different priorities and interests increases the potential for user conflict and demands more services and attention from the Department.

5. The Department's funding has not kept pace with its responsibilities. The Legislature has not adjusted the Department's budget to reflect modern realities resulting in a structural deficit where funding authority routinely exceeds appropriations. Significant funding cuts from 2008 have not been restored. With a few exceptions, user fees have not increased in ten or more years, and many of the newer, growing user groups do not participate directly in Department funding the way hunters and anglers historically have.
6. Over half of the Department's funding sources have restrictions on their use and this constrains the Department's ability to manage effectively.
7. Heavy reliance on user fees makes the Department's funding particularly vulnerable when stakeholders are at odds with one another or disagree with a Department action or policy and weakens the stability and reliability of funding and programs.
8. Over time, lack of stable, adequate funding has brought about adverse and non-productive outcomes including competition between stakeholders for scarce resources and insufficient investment in habitat protection and restoration in species of most concern especially non-game fish and wildlife. This has contributed to a lack of sustainable and productive hunting and fishing opportunities and put Washington at substantial risk of a crisis in fish and wildlife conservation.
9. Although the challenges are significant, they can and must be met through a combination of better long-range visioning and strategic planning, keener outcome-based performance management, new and expanded partnerships, and appropriate, sustainable funding.

### Funding Principles

The following principles are intended to guide actions and decisions to sustainably fund and efficiently manage the Department for the benefit of all Washingtonians. The Department will use these principles to guide funding decisions for the 2019-21 biennium and will carry them forward for continued discussion (and refinement if needed) as they begin a longer-term strategic planning process.

The group noted that there was overlap between the principles, and the findings and recommendations. They suggested the principles may be better suited as an appendix or side bar to the Long-Term Funding Plan instead of a stand-alone section.

1. **Address the full Department mission and the needs of Washingtonians now and into the future.** A long-term funding plan should look to the long term, and this has been the focus of the effort. Shorter term actions also will be needed to address the ongoing structural budget shortfall as the longer-term funding portfolio takes shape. Urgent action is needed to solve the ongoing structural shortfall and get us on a more sustainable path to ensure vibrant, thriving ecosystems and native species for the future.
2. **Ensure a Mix of Funding Sources.** Funding for fish and wildlife conservation should be drawn from a variety of sources which both recognize the value of healthy natural lands

and native species to all Washingtonians and provides a connection to hunters, anglers, and other users.

3. **Maintain Access for all Washingtonians.** Hunting, fishing, and outdoor recreation fees should be affordable and accessible; fee schedules should provide accommodation for the young, elders, families, and low-income users.
4. **Increase Alignment and Transparency.** Funding decisions should reinforce the Department's mission, strategic goals, priorities, governing principles, and responsibilities. Revenue sources and funding decisions should be clear and broadly communicated.
5. **Address the Concerns of Users and Stakeholders.** Sustainable long-term funding becomes more in reach as relationships between the Department and its users and stakeholders improve.

## BPAG Draft Recommendations

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In addition to the draft findings and principles, BPAG members discussed the Initial Draft Recommendations on Funding Approaches and Sources. The initial draft was circulated as a means of gauging the group's convergence around topics that have been discussed during the first three BPAG meetings. The Group's high-level thoughts and feedback on the initial draft commendations are included below, followed by a revised set of draft recommendations that begin to incorporate the high-level feedback of members as well as more detailed revisions.

### **BBAG members provided the following feedback on the initial draft recommendations:**

- The group generally agreed on a recommendation that significant funding for the Department should be from a broad-based general source because the benefits of the departments work accrue to all Washington residents.
- Several participants expressed concern that it is politically difficult to get any general fund revenue, including public utility tax dollars and sales tax. However, other members noted that the BPAG's job is to include all recommendations that the group supports, not just those that are politically viable.
- One member suggested that the group think more creatively about linking recommendations to multiple benefits in order to make them broadly appealing.
- A number of BPAG members discussed including a recommendation to review and revise Title 77 to eliminate reporting and other requirements that might have been important in the past but are no longer needed and to ensure the Department's mission reflects the depth and breadth of the Department's responsibilities to all Washingtonians.
- The BPAG discussed adding new recommendations to touch on the need for a broader strategic planning effort that includes developing a strategy to better coordinate the conservation work and remove the siloed processes that are common across the state agencies.
  - While the group did not reach consensus, a number of members also suggested adding a recommendation that the Commission be responsible for fee setting, instead of the Legislature.

### **Revised Draft Recommendations**

*Continuous Improvement and Efficiencies*

**Recommendation 1 – Organizational Efficiencies Report.** The Department should implement recommendations related to management structure and decision making, and organizational structure contained in the Organizational Assessment of Operational and Management Practices. Many of these recommendations will require additional resources to implement. Successfully addressing recommendations dealing with improvements to strategic planning, performance management, and external communications is particularly important.

**Draft Recommendation 2 – Streamlining Shared Responsibilities and Administrative Requirements.** The Department should evaluate its interagency agreements and shared responsibilities with other state agencies, federal, tribal, and local partners with a view toward identifying opportunities for streamlining work, clarifying and streamlining regulations and requirements, and other efficiencies which could be gained without sacrificing environmental protection or conservation values. Lean process improvements may create an appropriate model for these evaluations. One of the initial steps should include evaluating Chapter 77 RCW to identify reporting or other administrative provisions that may be out-of-date and no longer needed.

**Recommendation 3 – Ensure Partners Pay Their Fair Share.** The Department should pursue full federal funding for spending that results from Federal mandates and requirements such as the Endangered Species Act and the operation of Mitchell Act hatcheries on the Columbia River.

*Approach to Funding and Funding Sources*

**Recommendation 5 – Increase the Amount and Stability of Funding.** The Legislature should increase the amount and stability of funding to fish and wildlife management and conservation. In the short term, overall, funding for the Department needs to increase at least enough to eliminate the current structural budget shortfall and provide capacity to address ongoing compensation and health care costs. The stability of funding also needs to be strengthened, so the Department can effectively sustain programs during economic downturns and plan for the future. In the longer term increased investment overall is needed to protect and restore fish and wildlife species managed by the Department for the public trust, prevent a new wave of threatened and endangered species listings, and ensure healthy natural lands for the benefit of all Washingtonians.

**Recommendation 6 – Most Funding Should Come from a Broad-Based Source Such as the General Fund.** The Legislature should increase the percentage of Department funding that comes from a broad-based source of revenue such as a dedicated portion of the state sales tax, a dedicated portion of the real estate excise tax, public utility tax dedication, or a dedicated general fund appropriation. The goal is for 50% or more of the Department's funding to come from a dedicated, reliable, broad-based revenue source. Currently approximately 18% of the Departments spending is from the general fund.

**Recommendation 7 – Revenue from User Fees and Licenses Should Supplement Broad-Based Funding.** Revenue from fishing and hunting license fees and other user fees (e.g., Discover Pass) should supplement, not replace, broad-based general funding sources. License and recreation fees cannot and should not be expected to fully recover the costs of Department programs and activities related to hunting, fishing, and recreation programs. The goal is for users to meaningfully

participate in funding for fish and wildlife management and conservation programs through appropriate, affordable, and balanced fees.

**Recommendation 8 – Improve Products and Update Fees for Hunters and Anglers.** License fees for hunters and anglers should be evaluated and updated to create a new baseline fee structure that is simplified, offers the products hunters and anglers want, and is fair and balanced. In many cases license fees have not increased in 10+ years and are expected to increase as part of this effort. At the same time, products and access for hunting and fishing must improve, the regulations should be simpler and easier to access and understand, and more focus should be given to recruitment, retention, and reactivation of hunters and anglers.

**Recommendation 9 – Recreational Users Should Contribute Too.** Like hunters and anglers, non-consumptive recreational users such as hikers, bird-watchers, horseback riders, mountain bikers, target shooters, and ATV riders should directly participate in fish and wildlife conservation funding to supplement broad-based funding sources through an appropriate license or user fee or by other means. The most likely mechanism for this participation is through the existing Discover Pass system. The ongoing re-evaluation of the Discover Pass led by the Ruckelshaus Center should specifically address the need to increase recreational user participation in fish and wildlife funding and to increase rather than simply sustain revenue from recreational users.

**Recommendation 10 – Ensure Stability and Predictability of Hunting and Fishing License Costs and User Fees.** Once license fees for hunters and anglers are at a new baseline, there should be small, automatic biennial increases tied to the consumer price index or a similar index to ensure fees keep pace with inflation and compensation costs. A similar biennial increase also should apply to any recreational user fees. The Fish and Wildlife Commission should have the responsibility for reviewing these biennial increases and ensuring the inflation-indexed increase amount is warranted by actual program costs and spending authorization to the Department.

#### *Looking to the Future*

**Recommendation 12 – Strategic Planning.** Over the next year, the Department should undergo a strategic planning effort. This planning should engage partners and stakeholders in coming together around a long-term vision for fish and wildlife conservation in Washington which recognizes the broad benefits of effective conservation to all residents and seeks to improve opportunities and services for hunters, anglers, and those who recreate on Department-owned lands. Planning should identify specific goals and performance measures for each of the outcomes identified in the recently completed Zero-Based Budget exercise and should describe how quickly goals can be achieved under the current funding scenario.

**Recommendation 13 – Public Engagement.** The Department needs to do a much better job engaging Washington residents in fish and wildlife conservation and listening to users. A new public engagement plan should focus on understanding concerns and goals of users and all Washington residents relative to fish and wildlife conservation and providing opportunities for engagement in WDFW planning and priority setting.

**Recommendation 14 – A Sustainable and Long-Range Vision for State Lands.** The Legislature should direct state agencies with land management responsibilities to look across these

responsibilities and develop recommendations for streamlining and consolidating work where appropriate, eliminating duplication, increasing efficiency, and improving access and user satisfaction across all user groups.

## WDFW Carry Forward Budget Analysis

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Nate Pamplin presented WDFW's carry-forward budget analysis. The Department anticipates a budget shortfall of approximately \$33 million in the 2019-2021 budget. This shortfall could be addressed through gaining efficiencies, cuts to current work, additional funding, or a combination of the three. The carry-forward analysis lays out the Department's options in the event no new funding becomes available. The Department would like the BPAG's input on their analysis, especially on an overall funding target for 2019-2021 (i.e., which potential cuts to take and which to try to "buy back" with new funding), fund sources, and recommendations on fee setting if increases to fees are recommended.

To start, Nate reviewed the context for the \$33 million shortfall. He reviewed the shortfall in the 2017-2019 budget and outlined the one-time budget fixes such as spending down accounts ([Meeting Materials, Page 35](#)) implemented to maintain services in 2017-2019. He reiterated that these one-time fixes are not available as solutions to the 2019-2021 budget shortfall.

Nate described that for the carry-forward budget analysis, the Department began by identifying all potentially flexible funding, which they defined as funding that can fund two or more outcomes ([Meeting Materials, Page 44](#)). Flexible funding is about half of the agency's budget. Department leadership also took a qualitative look at agency performance for each outcome and considered whether a relatively small change in funding would lead to a dramatic shift in performance, e.g., would a small cut drive performance disproportionately down, similarly would a small increase drive performance disproportionately up.

Next, the Department established cross-program teams that used the flexible funding analysis to identify a 20% reduction in the flexible funding and then prioritize those reductions. The teams used the following criteria, including Legislative criteria laid out in the Proviso, to prioritize the reductions.

- Financial stability\*
- Public impact\*
- Fishing impact\*
- Hunting impact\*
- Timeliness\*
- Ability to achieve an outcome\*<sup>1</sup>
- Conservation impact
- Long-term impact
- Species protection priority
- Obligation priority
- Economic return on investment
- Political viability
- Can others do it?
- Cost Savings

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<sup>1</sup> \* indicates the criteria was specified by the Legislature in the Budget Proviso

This exercise identified \$3 million in reductions the Department recommends regardless of funding levels. Detailed information on the reductions was not available but will be provided after affected staff are briefed. At a high-level, the changes include: trout hatchery efficiencies; ceasing triploid trout purchases; IT efficiencies; habitat monitoring reductions; and volunteer grant assistance reductions.

In addition to the \$3 million in recommended reductions above, the Department identified \$30 million in additional potential cuts. These cuts would be made in the service areas listed below. Nate explained more specifically how much additional funding would be needed in order to avoid cuts and maintain current service levels in each of these areas ([Meeting Materials, Pages 55-57](#)).

Potential cuts would be realized in the following service areas:

- Wildlife conflict and response:
- Public health and safety – shellfish program
- Lands management
- Hunting maintenance
- Customer service
- Conservation
- Fisheries and hatchery production
- Columbia River Salmon and Steelhead Endorsement

For each set of cuts, there would be related reductions in business management obligations that would have impacts on IT, policy and public engagement, and human resources capacity.

Finally, Nate provided a draft list of potential enhancement activities that might be undertaken. These are largely activities the Department believes would have (relatively) significant benefits to outcomes without (relatively) significant additional investment. At a high-level, potential enhancements include: Payment in Lieu of Taxes, Regional Fisheries Enhancement Group, fishing and hunting enhancements, and conservation enhancements ([Meeting Materials, Page 59](#)). More information on potential enhancements will be available to the group later in May.

**Advisory Group questions and comments:**

- A number of BPAG members said they understood why WDFW had to provide the analysis of potential cuts but expressed frustration that they wanted the BPAG discussions to focus on developing a long-term funding approach that completely fills the budget shortfall and gives the Department the resources needed to meet its mission.
- A BPAG member asked how this analysis relates to the Zero-Based Budget analysis. Nate answered the Zero-Based Budget analysis was built based on what the public expects of the Department and was used to help build this budget.
- A BPAG member asked if the potential cuts in the carry-forward budget analysis includes reductions that could require a change in statute, that is, because they would result in under-performing on a statutory responsibility or result in the Department failing to meet a part of its mission.

- BPAG members discussed the Department’s mission and whether it was broad enough as currently written to fully capture the responsibility they believe the Department has to protect and conserve fish and wildlife populations for current and future generations. This issue was not resolved although BPAG members did agree that the current mission is two-part. Part one addresses conservation and part two addresses providing sustainable fishing, hunting, and recreation opportunities.
- A number of Advisory Group members noted that there is momentum behind conservation in the state right now (e.g., as evidenced by investments related to Southern Resident Killer Whales) and the Department and the BPAG should utilize it as much as possible.
- Several BPAG members expressed interest in a more detailed look at where the cuts could be and what enhancements might look like, including the percentage and dollar amount of the potential cuts. Nate said that additional details could be made available after potentially affected staff were briefed.
- A number of BPAG members expressed an interest in discussing potential additional/new broad-based funding sources for the Department and in looking at ideas that would be creative and potentially viable in the Legislature. BPAG members asked for an additional meeting in June to focus on what types of broad-based funding sources might be viable.
- A number of participants observed that, given that the Matrix Report determined the Department’s funding need is real and cannot be solved through efficiencies, the group’s time and effort going forward should focus on additional funding and on possible enhancements.

## WDFW License Analysis and Options

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Peter Vernie, WDFW Licensing Division Manager, discussed the Department’s analysis and ideas for changing the current license fee structure and approach. Based on past efforts, the Department has the following observations and context for discussions of licensing :

- Complicated license packages are difficult to understand and communicate
- Large license fee increases are not well-supported
- Enforcement, conservation, and the Department’s mission are well-supported
- Many members of the hunting and fishing community feel other outdoor enthusiasts should be contributing

WDFW has developed a license tool that allows users to “turn the dials” on different license options and see the resulting changes in costs and revenue outcomes. Peter walked the group through five pre-populated draft scenarios as examples ([Meeting Materials, Page 136](#)). Examples of license changes observed in the scenarios include: incremental, across the board increases to license fees, renewal of the Columbia River Steelhead and Salmon Endorsement, elimination of two and three-day licenses, and the creation of a conservation stamp that would be a once-a-year fee added to the purchase of hunting or fishing licenses, and would be required to use other agency resources like boat ramps.

### **Advisory Group Questions and Comments:**

- A number of members expressed concern with the Conservation Stamp, citing the existing confusion with numerous access stamps and passes in Washington state. However, other

members supported the idea because it taps in to WDFW customers that are not currently paying (i.e. boat ramp users that are not paying for use)

- Nate noted that a recent report examined the access and user passes in Washington, and a follow up report led by the Office of Financial Management is underway.
- One member suggested the creation of a “Pioneer License”, which provides license discounts for seniors or long-time residents.
- The group noted that this license exercise should take into consideration past BPAG discussions about creating a baseline fee and implementing small, yearly increases. There will need to be further discussion about what index to tie regular increases to, but the necessary first step is establishing the framework.
- In response to one members question, Peter added that this effort will include work to clarify and better communicate the fishing and hunting regulations.

## Regional Outreach, Long Term Funding Plan, and 2019 Legislative Session

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Due to time constraints, this agenda item was not discussed as a separate topic; although discussion of the long-term funding plan and the 2019 legislative session occurred as part of talking about other discussion topics.

## Public Comment

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One person provided comment during the public comment session of this meeting.

- The commenter brought to the group’s attention the application of rotenone to Eastern Washington lakes. He noted concerns associated with rotenone and provided a handout detailing the work of the National Rotenone Task Force and proposed policy changes, for the BPAG’s review.
  - BPAG members thanked the commenter for his remarks.
  - Nate also thanked the commenter for his remarks and committed to providing the information to the Fish and Wildlife Commission

## Next Steps

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The Budget and Policy Advisory Group has two remaining in person meetings in July and August. In addition, the group decided to schedule an additional half-day meeting in June and a series of optional webinars/conference calls in June to discuss WDFW’s carry-forward budget process as described below. In addition, small groups will meet on licensing options and on considering creative, new sources of broad-based funding.

### June Meeting

**Date:** Wednesday, June 13<sup>th</sup>

**Time:** 12pm – 4pm



**Location:** Washington Department of Fish and Wildlife (1111 Washington St SE, Olympia WA 98501)  
- Room 175

**Meeting #5 - July**

**Date:** Friday, July 13<sup>th</sup>, 2018

**Time:** 9am-4pm

**Location:** Washington Department of Fish and Wildlife (1111 Washington St SE, Olympia WA 98501)  
- Room 172

**Meeting #6 - August**

**Date:** Wednesday, August 1, 2018

**Time:** 9am-4pm

**Location:** Washington Department of Fish and Wildlife (1111 Washington St SE, Olympia WA 98501)  
- Room 172

DRAFT

# WDFW DRAFT 2019 BUDGET AND AGENCY-REQUEST LEGISLATION

Nate Pamplin, Policy Director

JUNE 13, 2018

# OUTLINE

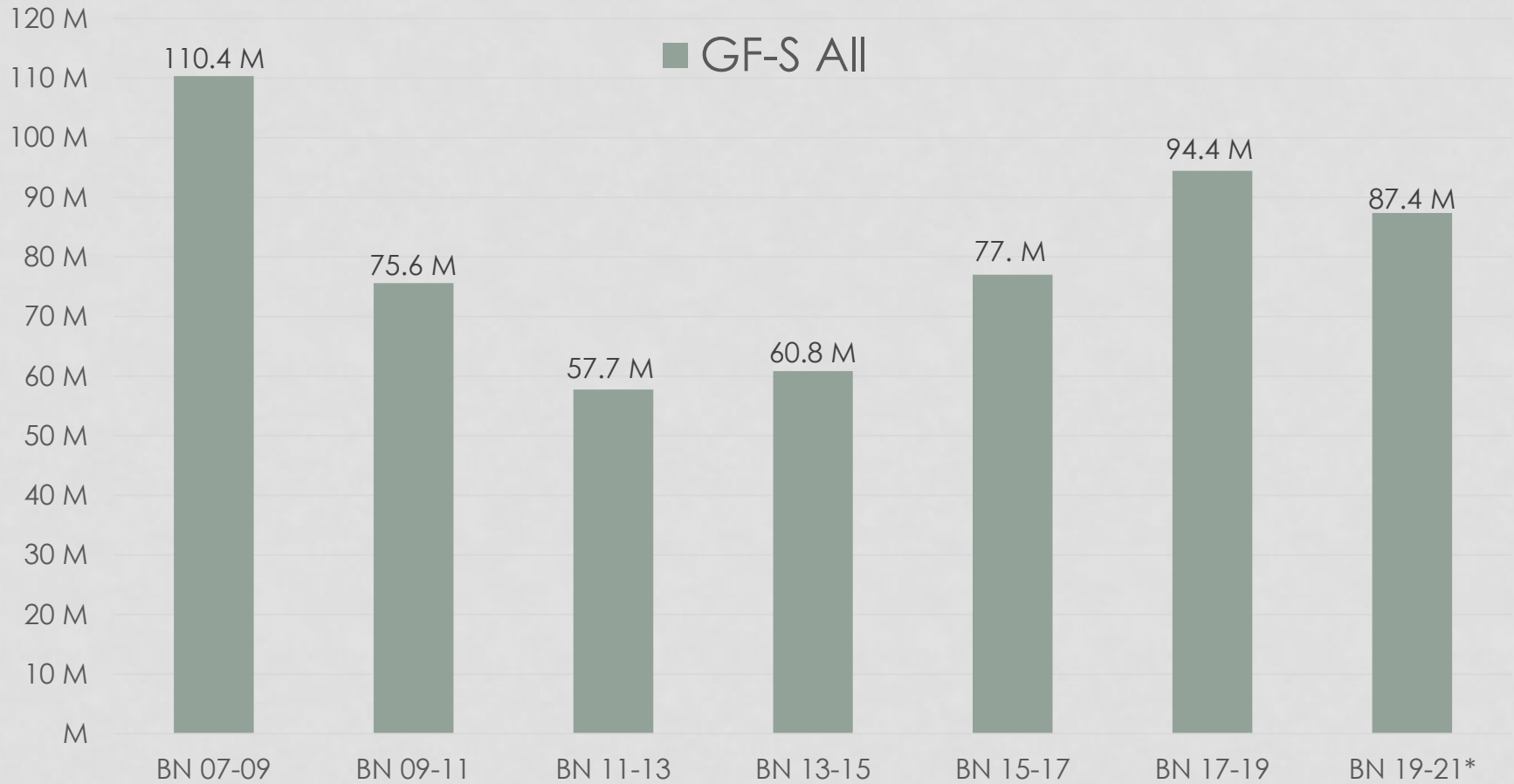
- 2017-19 WDFW Budget Balancing Decisions
- Proviso Orientation
- 2019-21 Operating Budget Requests
- 2019 Agency-Request Legislation
- Outreach

# BPAG ENGAGEMENT

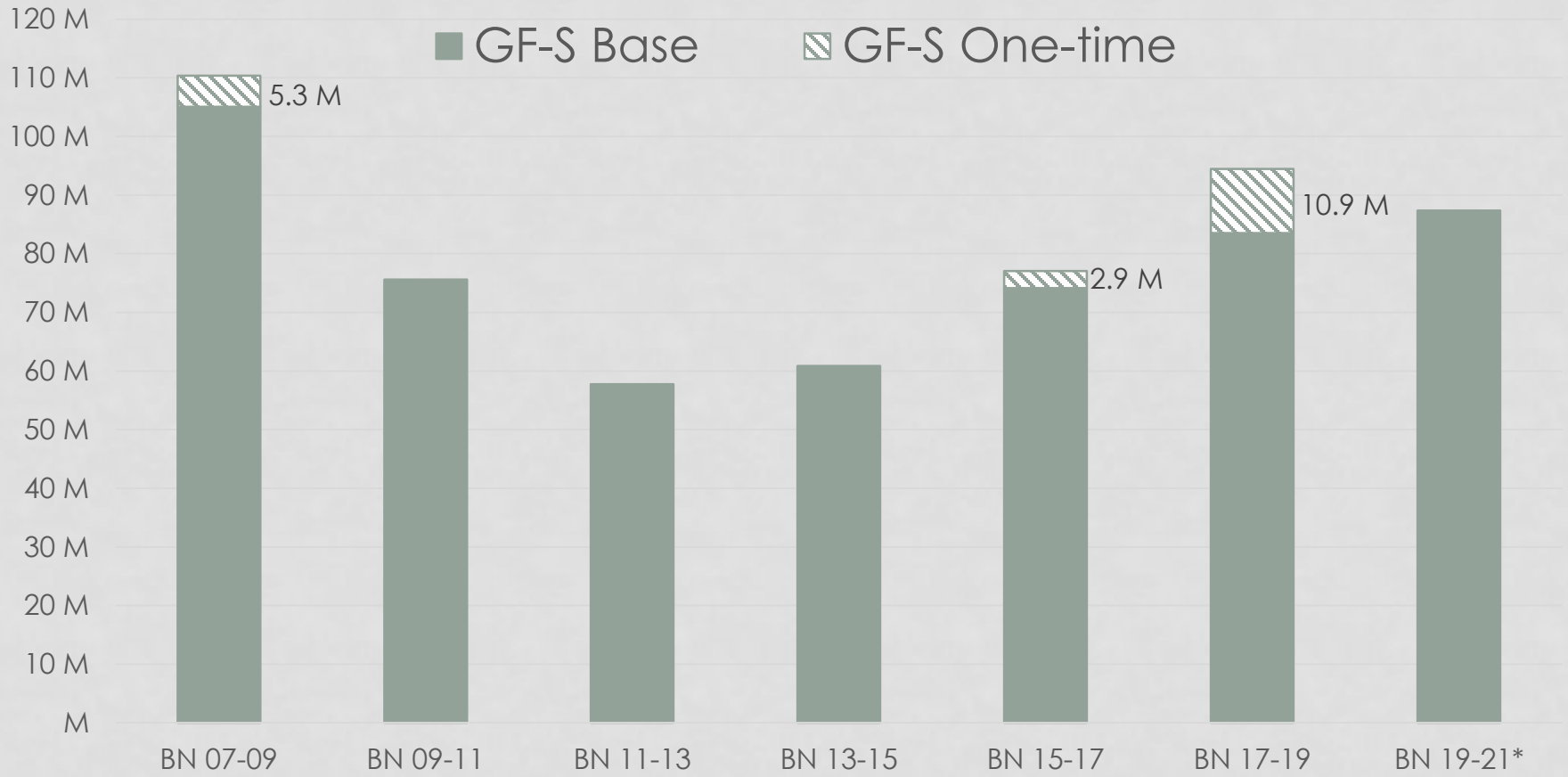
- Desired Outcomes
- Fund Source Guidance
- Overall Funding Target
- Bill Guidance



# GF-S SINCE 2007-09

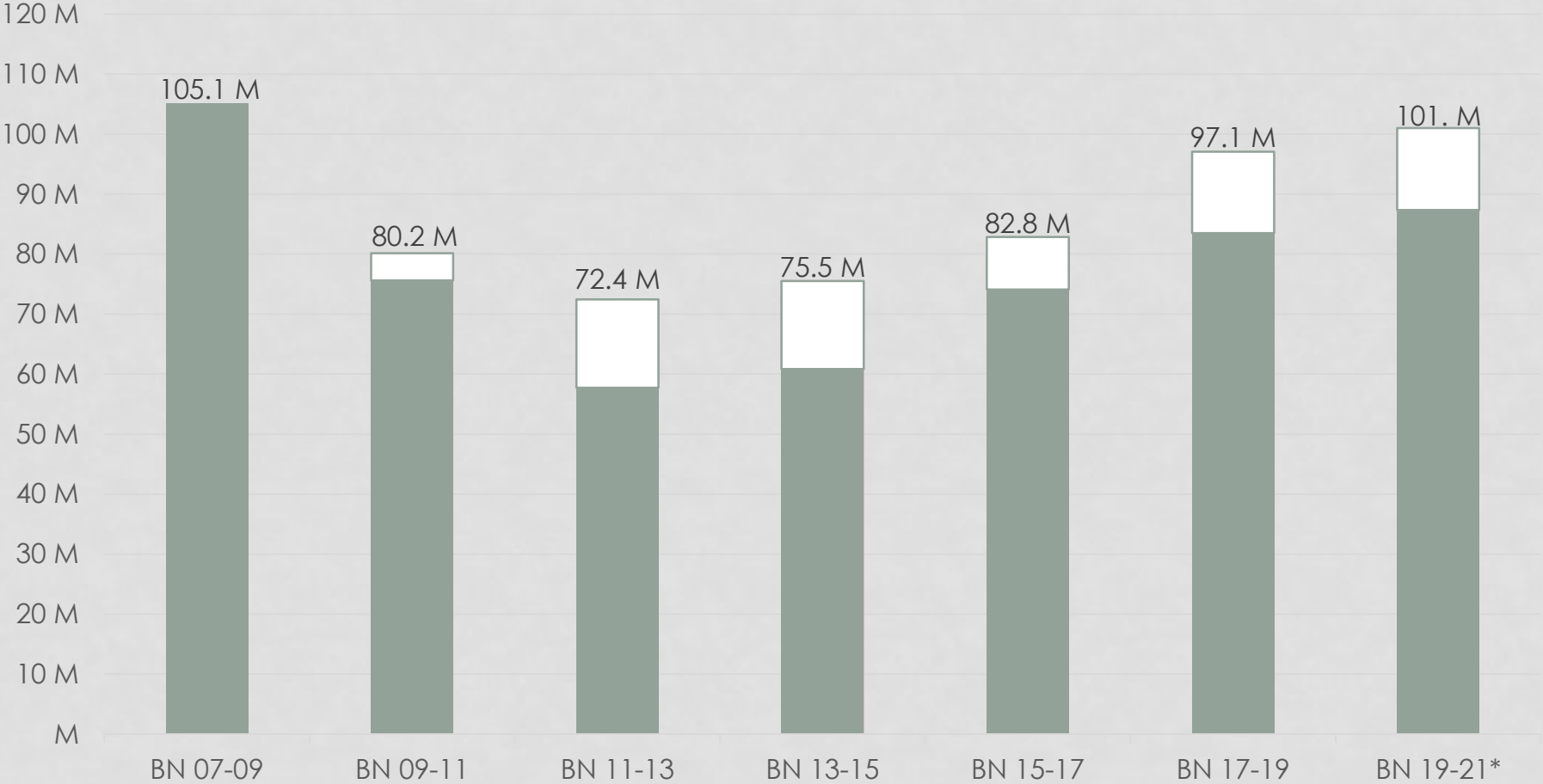


# GF-S BASE VS ONE-TIME

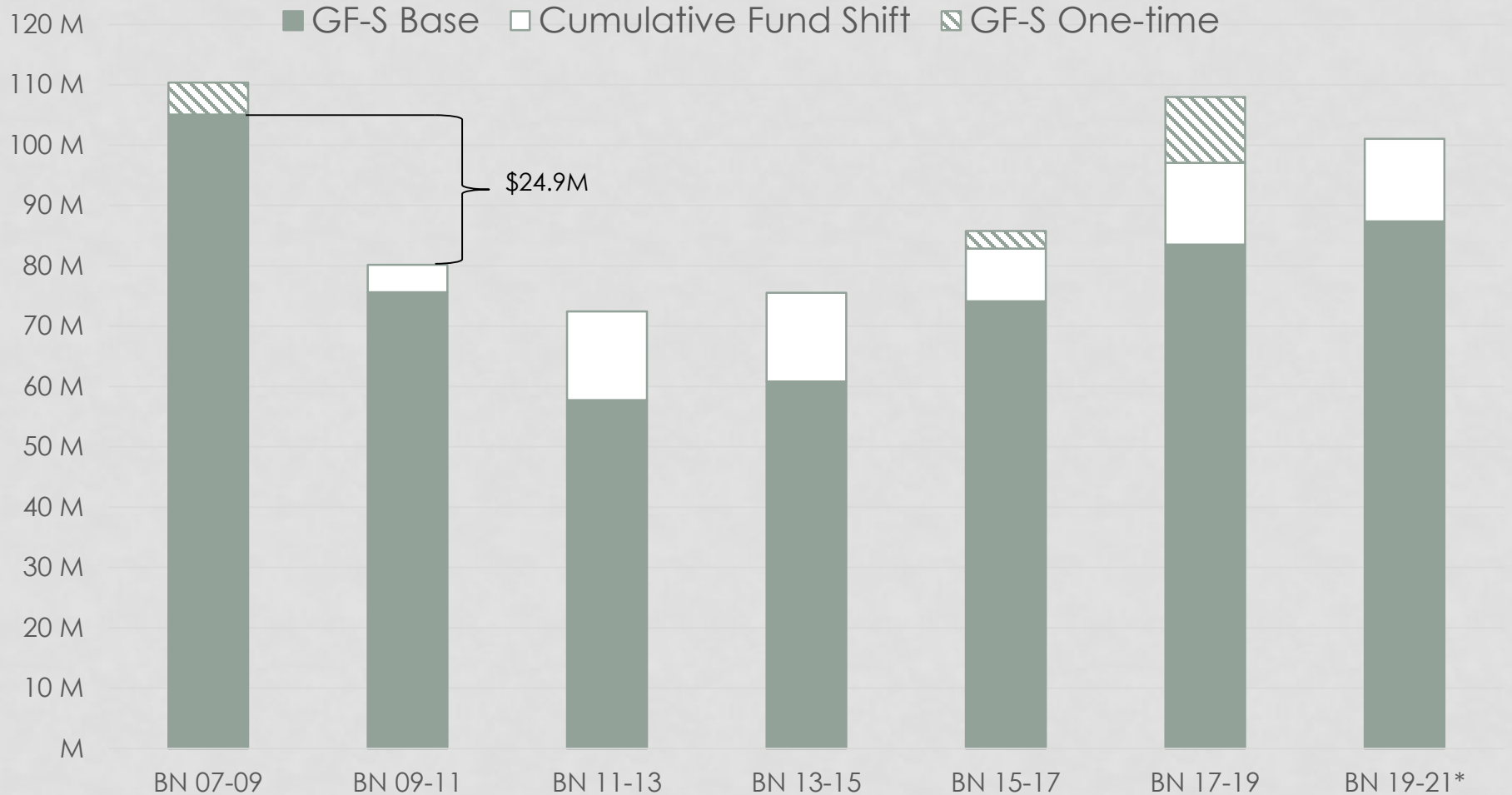


# GF-S BUYING POWER

■ GF-S Base    □ Cumulative Fund Shift

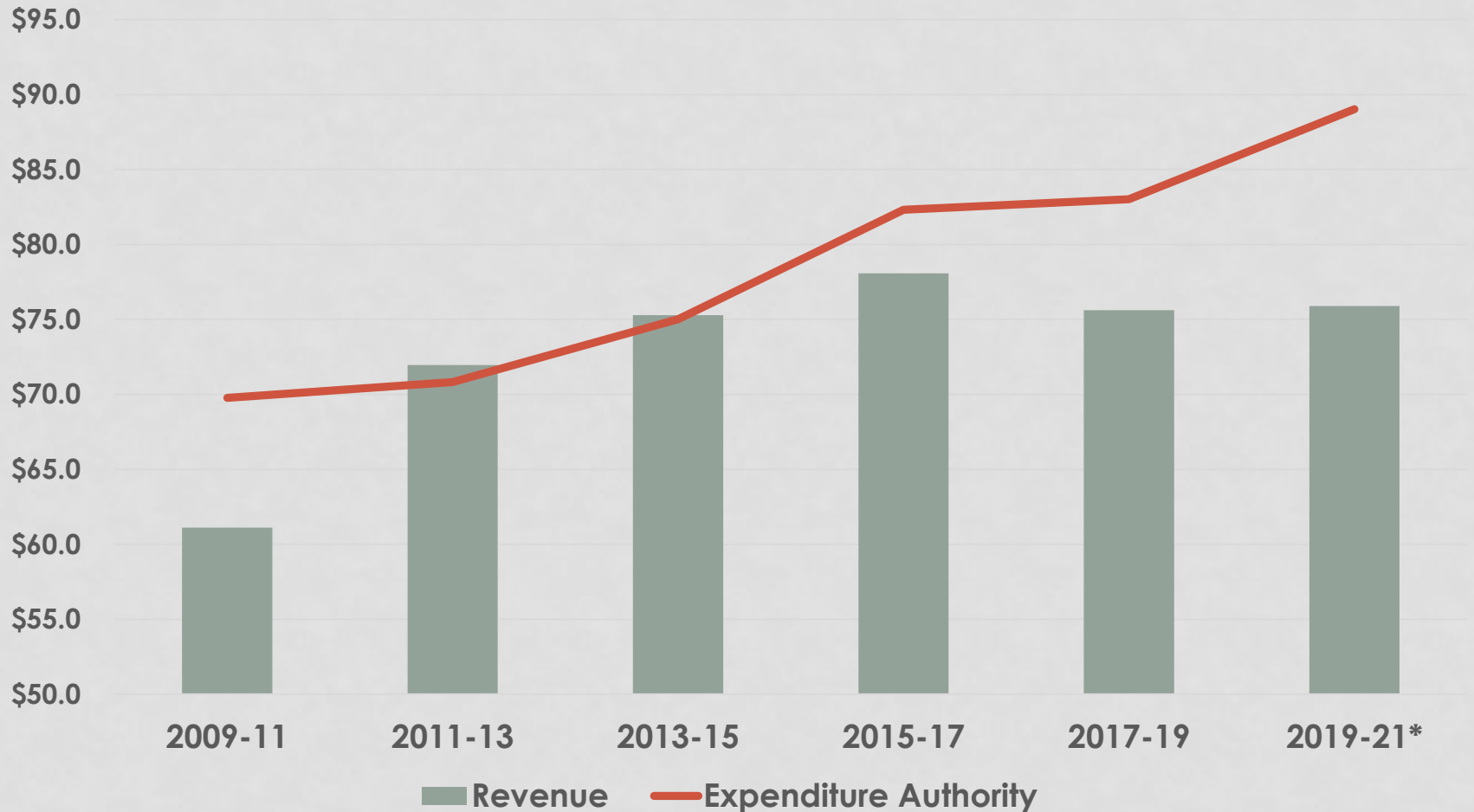


# GF-S BUYING POWER, GAP





# HUNTING AND FISHING LICENSE REVENUE IS NOT KEEPING PACE WITH APPROPRIATIONS



# 2017-19 BUDGET ENVIRONMENT

- Budget shortfall projected during the 2017 Legislative Session was \$25M
  - Structural Deficit
  - Maintain Fishing (ESA requirements, increasing staff costs, flat federal funding)
- Expenses continue to outpace revenue in the non-restricted State Wildlife Account.
- Budget shortfall was partially addressed with one-time funding (\$10.1M GF-S).

# WDFW 2017-19 BUDGET BALANCING STRATEGY

Problem Statement (Wildlife Account and GF-S)	(dollars in millions)
License shortfall and additional budget reductions	\$15.0
Shortfall to maintain fisheries	<u>\$12.0</u>
<b>2017-19 Budget Problem Statement</b>	<b>\$27.0</b>
Solutions Implemented to Balance Budget	
One-time GF-S enhancement	\$10.1
Reduce Wildlife Account reserves	\$3.2
Delay equipment purchases	\$4.5
All funds pay fair share of administrative costs	\$1.1
Use of restricted fund balances	\$2.3
Additional cuts to balance	<u>\$5.8</u>
<b>Total Solutions</b>	<b>\$27.0</b>

# PROVISO



Three components:

- Performance Assessment
- Zero-Based Budget Analysis
- Long-Term Funding Plan

In other words...

- Find efficiencies; eliminate waste
- Re-purpose funding to higher priorities
- Submit a plan to the legislature to secure stable funding

# PREVIOUS BUDGET DEVELOPMENT

- Constructed budget based on incremental need
- Little/no evaluation of existing programs (unless severe cuts)
- Mid-Feb, Legislature typically asks us for consequences of no new funding (i.e., what's at risk?)
- Focused on one or two fund sources (WL-S or GF-S)
- Often showed consequences through Program proportionate cuts
- Some accused WDFW of “hiding the ball.”


# WHAT'S DIFFERENT?

- Organizational Assessment
  - Structural deficit is real
  - No major negative findings
- Zero-Based Budget Analysis
  - Includes all potentially flexible fund sources
- Outcome Leadership Teams
  - Cross-Program review
- True carry-forward level budget
  - This is the budget we will implement unless Legislature provides additional resources or other direction
- B&PAG
- Long-Term Funding Plan



# 8 MAJOR OUTCOMES

- Preserve and Restore Aquatic Habitat and Species
- Acquire and Manage Lands
- Preserve & Restore Terrestrial Habitat and Species
- Manage Fishing Opportunities
- Produce Hatchery Fish
- Manage Hunting Opportunities
- Provide & Facilitate Recreational Opportunities
- Business Management Obligations

 <b>2015-17 Biennium Expenses</b> Operating, Capital and Interagency						
<i>To preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.</i>						
In order to: <b>Preserve, Protect and Perpetuate Fish, Wildlife and Ecosystems</b> \$170.1M - 33%						
We:	<b>Preserve &amp; Restore Aquatic Habitat &amp; Species</b> \$82.5M - 16%	<b>Acquire and Manage Lands</b> \$62.3M - 12%	<b>Preserve &amp; Restore Terrestrial Habitat &amp; Species</b> \$25.3M - 5%			
Manage Ecosystems	<b>A.1 (3.1)-</b> Protect Fish and their habitat from the effects of construction projects \$8.3M	<b>L1 (4.1)-</b> Maintain and enhance habitat for hunting, fishing and conservation on WDFW owned & managed lands. \$49.7M	<b>T.1 (5.2)-</b> Consult with businesses, landowners and governments regarding terrestrial species and land impacts and legalities \$5.4M			
	<b>A.2 (3.2)-</b> Consult with businesses, landowners and governments regarding aquatic species impacts and legalities \$7.3M	<b>L2 (4.2)-</b> Acquire new lands and sell lands that no longer support serving our mission \$2.2M	<b>T.2 (5.3)-</b> Partner with private landowners to implement conservation strategies \$1.5M			
	<b>A.3 (3.3)-</b> Reduce risk & decrease devastation of oil spills \$1.8M	<b>L3 (4.3)-</b> Build & maintain safe, sanitary and ecologically friendly water access sites \$7.2M	<b>T.3 (5.4)-</b> Study and plan for climate impacts on lands and resulting effects on species \$0.2M			
	<b>A.4 (3.4)-</b> Ensure that there remains enough water in waterways to allow for healthy fish lifecycles \$2.3M	<b>L4 (4.4)-</b> Ensure public safety on our lands \$3.3M	<b>T.4 (5.5)-</b> Wildlife permitting and enforcement of regulations \$1.6M			
	<b>A.5 (3.5)-</b> Ensure fish survivability by removing stream barriers and appropriately addressing water diversions \$17.7M		<b>T.5 (5.6)-</b> Recover and sustain diverse wildlife populations \$8.8M			
	<b>A.6 (3.6)-</b> Acquire funding for and complete habitat restoration projects \$35.3M		<b>T.6 (5.7)-</b> Respond to and mitigate wolf conflicts \$4.9M			
	<b>A.7 (3.7)-</b> Recover and sustain diverse aquatic populations \$4.7M		<b>T.7 (5.8)-</b> Acquire funding for and complete habitat restoration projects. \$2.9M			
	<b>A.8 (3.8)-</b> Monitor and control aquatic invasive species \$3.4M					
	<b>A.9 (3.9)-</b> Study and plan for climate impacts on waterways and resulting effects on aquatic lifecycles \$0.1M					
	<b>A.10 (3.10)-</b> Enforce protection of aquatic habitats \$1.7M					
Manage Commercial and Recreational Opportunities within Ecosystems	<b>Recreational and Commercial Fishing Opportunities</b> \$240.8 - 46%		<b>Hunting Opportunities</b> \$45.2M - 9%	<b>Non-consumptive recreational opportunities</b> \$8.5M - 2%		
	<b>We:</b>		<b>Manage Fishing Opportunities</b> \$109.3M - 21%	<b>Produce Hatchery Fish</b> \$131.5M - 25%	<b>Manage Hunting Opportunities</b> \$45.2M - 9%	<b>Provide and Facilitate Recreational Opportunities</b> \$8.5M - 2%
	<b>F.1 (1.1)-</b> Enforce recreational fishing opportunities and regulations \$12.2M	<b>P.1 (2.1)-</b> Produce trout and warm water game fish \$22.7M	<b>H.1 (6.1)-</b> Enforce hunting opportunities and regulations \$11.7M	<b>R.1 (7.1)-</b> Develop, organize and promote wildlife viewing opportunities. \$3.3M		
	<b>F.2 (1.2)-</b> Enforce commercial fishing opportunities and regulations \$7.5M	<b>P.2 (2.2)-</b> Produce salmon and steelhead \$72.8M	<b>H.2 (6.2)-</b> Provide hunter education opportunities \$2.5M	<b>R.2 (7.2)-</b> Work directly benefitting non-consumptive opportunities. \$5.2M		
	<b>F.3 (1.3)-</b> Develop, negotiate, and implement fishery co-management plans \$19.9M	<b>P.3 (2.3)-</b> Build and maintain hatcheries \$36.0M	<b>H.3 (6.3)-</b> Set sustainable hunting seasons \$3.3M			
	<b>F.4 (1.4)-</b> Monitor and manage fin fish populations \$56.7M		<b>H.4 (6.4)-</b> Survey game populations & population trends \$7.5M			
	<b>F.5 (1.5)-</b> Monitor and manage shellfish populations \$3.3M		<b>H.5 (6.5)-</b> Study game species populations and their health \$5.3M			
	<b>F.6 (1.6)-</b> Sell recreational fishing licenses \$8.8M		<b>H.6 (6.6)-</b> Respond to game species wildlife conflicts and dangerous wildlife (non-wolf) \$7.3M			
	<b>F.7 (1.7)-</b> Market fishing opportunities \$0.7M		<b>H.7 (6.7)-</b> Secure hunting access on private lands \$3.5M			
			<b>H.8 (6.8)-</b> Sell hunting licenses \$3.8M			
		<b>H.9 (6.9)-</b> Market hunting opportunities \$0.3M				
<b>Business Management &amp; Obligations</b> \$55.6M	<b>X.1-</b> Provide agency leadership and strategy \$6.4M	<b>X.2-</b> Communicate agency matters with the public and legislature \$2.8M	<b>X.6-</b> Manage finances and contracts \$9.7M	<b>X.7-</b> Manage human resources \$6.1M		
	<b>X.8-</b> Manage information technology \$12.4M	<b>X.9-</b> Build and maintain Office Facilities \$8.4M	<b>X.10-</b> Maintain agency records \$1.1M	<b>X.11-</b> Respond to public safety incidents (police) \$4.7M		
	<b>X.12-</b> WDFW legal counsel \$4.0M					

# FLEXIBILITY OF FUNDING

**Discretionary/Potentially Flexible**



**Prescriptive/Inflexible**

- General Fund—State
- Non-Restricted Wildlife State
- PR and DJ
- Personalized License Plates
- BPA
- General Fund—State provisos
- NMFS S6 Contract for SRKWs
- Bighorn Auction Tag



# 2019-21 CARRY-FORWARD LEVEL BUDGET

Problem Statement (Wildlife Account and GF-S)	Dollars in Millions
2017-19BN Spending Above Projected Revenue	\$2.7
Reverse of the 2017-19BN One-Time Balancing Decisions	\$22.2
Columbia River Steelhead and Salmon Endorsement Expiration	\$3.3
Estimated 2019-21BN Inflation	<u>\$4.8</u>
<b>Total 2019-21BN Shortfall</b>	<b>\$33.0</b>

# DEVELOPING CFL BUDGET

- Agency Mission/Mandate
- Applied Proviso criteria and EMT-developed criteria (conservation, long-term, etc.) to identify \$33M of reductions.
- Two categories:
  - Permanent reductions to take on June 30, 2019.
  - Activities that need funding to maintain current services, beginning July 1, 2019.

# REDUCTION CRITERIA

- 2017 Budget Proviso
  - Financial Stability
  - Public Impact
  - Fishing Impact
  - Hunting Impact
  - Timeliness
  - Ability to Achieve Outcome
- WDFW Additions
  - Conservation Impact
  - Long-term Impact
  - Species Protection Priority
    - Native Federal Listed
    - Native State Listed
    - Native
    - Non-native
  - Obligation Priority
    - Federal/Co-management
    - State
    - WAC/FWC Policies
  - Economic ROI
  - Political Viability
  - Can Others Do It?
  - Cost Savings

# 2019-21 CARRY-FORWARD LEVEL BUDGET

Problem Statement (Wildlife Account and GF-S)	Dollars in Millions
2017-19BN Spending Above Projected Revenue	\$2.7
Reverse of the 2017-19BN One-Time Balancing Decisions	\$22.2
Columbia River Steelhead and Salmon Endorsement Expiration	\$3.3
Estimated 2019-21BN Inflation	\$4.8
<b>Total 2019-21BN Shortfall</b>	<b>\$33.0</b>
<b>Identified Permanent Reductions</b>	<b><u>-\$3.0</u></b>
<b>Potential Solutions to Balance Budget</b>	<b>\$30.0</b>
On-Going GF-S	\$10.1 + ???
Columbia River Steelhead and Salmon Endorsement	\$ 3.3
Recreation Fee Increase (Across-the-Board and/or Stamp)	\$ ???

# FURTHER REDUCTIONS THIS BIENNIUM

- Trout hatchery efficiencies
  - Omak and Naches Hatcheries
- Cease triploid trout purchase
- IT efficiencies
- Habitat monitoring and restoration reduction
- Reduce volunteer grant assistance
- Reduce Fish Pamphlet production and staff training fund
- Total: \$3M in efficiency reductions

# DRAFT FUNDING TARGET

- Carry-forward  $\$33M - 3M = \$30M$  (GF-S, WL-S, CRSSE)
- Enhancements (GF-S, WL-S, new?)

Carry-Forward Budget Target	General Fund	License Revenue Increase	Columbia River Salmon Steelhead	Enhancements
\$30,000,000	\$15,000,000	\$13,640,802	\$3,205,343	\$1,846,144



# 2019 LEGISLATIVE SESSION BUDGET REQUESTS



- SFY2019 Supplemental
  - Fire Suppression
- SFY2019-21 Operating
  - Maintenance Level
    - Fish Food
    - PILT
  - Performance Level
    - Maintain Services
    - Enhance Services
- SFY2019-21 Capital

# DRAFT DECISION PACKAGES-- MAINTAIN

- Maintain Wildlife Conflict Response (\$4.4M GF-S)
  - WL-S component of Crop Payments to Landowners
  - Staffing impacts to HQ and Regions (from 22 FTEs to 8 FTEs) and 3 Enforcement FTEs
  - Impact from federal grant eligibility
  - Anticipated decline in Pittman-Robertson funding
- Maintain Public Health and Safety/Shellfish (\$2.5M GF-S)
  - Sanitary shellfish patrols (6 FTEs)
  - 1 FTE Enforcement Headquarters
- Maintain Land Management (\$2.7M GF-S)
  - Invasive/Noxious weed control
  - Wildlife Area planning and research science support
  - Forest Health
  - Real estate services
  - 6 FTEs





# DRAFT DECISION PACKAGES – MAINTAIN (CONT'D)

- Maintain Hunting (\$3.2M WL-S)
  - Game species research and data management
  - Reduced pheasant hunting opportunities
  - Hunter education services
  - 8 FTEs
- Maintain Customer Service (\$1.9M WL-S)
  - 13 FTEs HQ and Regions
- Maintain Conservation (\$3.5M GF-S)
  - Species ecology and status assessments
  - Species recovery efforts
  - Habitat conservation; climate change capacity
  - Maintain AIS and treatment of noxious weeds
  - Derelict fishing gear retrieval capacity
  - 6 FTEs



# DRAFT DECISION PACKAGES – MAINTAIN (CONT'D)

- Maintain Fishing and Hatchery Production (\$8.6M GF-S and WL-S)
  - Salmon and trout production
    - Whitehorse Ponds
    - Bingham Creek Hatchery
    - Humptulips Hatchery
    - Reiter Ponds
    - Meseberg Hatchery
    - Chelan Hatchery
  - Warm-water game fish
  - Lake/Stream Rehab program
  - Bingham Creek/Chehalis River Trap Ops
  - Early Winter Steelhead/ESA Compliance
  - Recreational shellfish opportunities
  - Bottom trawl surveys for rockfish
  - ~40 FTEs



# DRAFT DECISION PACKAGES— MAINTAIN (CONT'D)

- Maintain Columbia River Salmon & Steelhead Endorsement (\$3.3M CRSSE)
  - Enforcement (3 FTEs)
  - PIT tag arrays, hooking mortality studies, ESA permitting (~10 FTEs)
  - Expanded fishing opportunities
- Indirect Impacts (\$6.3M—incorporated in above decision packages)
  - IT, Policy and Public Engagement, HR
  - ~25 FTEs

# DRAFT DECISION PACKAGES – STRATEGIC ENHANCEMENTS

- Regional Fisheries Enhancement Groups (\$0.9M GF-S)
- Enhance Conservation (\$14.7M GF-S)
  - Partner with local governments
  - Habitat protection, restoration---emphasis on watershed health
  - Private land technical support and grant capacity
  - Improve urban-wildland interface conservation
  - SGCN conservation (surveys, habitat associations)
  - Statewide and regional capacity

# DRAFT DECISION PACKAGES – STRATEGIC ENHANCEMENTS (CONT'D)

- Enhance Lands Operations and Maint. (\$3.6M GF-S)
  - Staffing new wildlife areas
  - Grazing monitoring
  - Weed control
  - Enforcement



# DRAFT DECISION PACKAGES – STRATEGIC ENHANCEMENTS (CONT'D)

- Enhance Fishing Opportunities (\$5.6M GF-S and WL-S)
  - Hatchery production
  - Monitoring and ESA compliance
    - Puget Sound
    - Columbia River
  - Shellfish Disease Management
  - Increase enforcement
  - Mobile Application maintenance; rule simplification
- Enhance Hunting Opportunities (\$1M GF-S; \$2.5M WL-S)
  - Access programs
  - Increase enforcement
- Indirect
  - Outreach, education, marketing
  - HR and Training capacity
  - Matrix report recommendations

# DRAFT DECISION PACKAGES – STRATEGIC ENHANCEMENTS (CONT'D)

- Southern Resident Killer Whale Recovery (GF-S place-holder)
  - Enforcement patrols
  - Increase Chinook hatchery production
  - Habitat protection/restoration
  - Fish passage
  - Outreach and education
  - Address prey competition



# FEEDBACK ON OUTCOME AREAS





# BUDGET REQUEST SUMMARY SLIDE

## Performance Level Budget Requests

<b>Fund Source</b>	<b>Maintain</b>	<b>Enhance</b>
GF-S	\$15.7M	\$22.8M
WL-S	\$11.0M	\$5.1M
<u>CRSSE</u>	<u>\$3.3M</u>	<u>\$0.3M</u>
Total	\$30.0M	\$28.2M

## 2019-21 Operating Budget

Total P/L Request:	\$58.2M	GF-S/WL-S/CRSSE
<u>Total M/L Request:</u>	<u>\$5.0M</u>	GF-S
Total Request:	\$63.2M	

# FEEDBACK ON OVERALL TARGET AND FUND SOURCE



# AGENCY-REQUEST LEGISLATION IDEAS

- ADA Statute Revisions
  - Broaden definition of disabled for reduced rate discount
  - Simplify eligibility requirements and process
  - Align process and discount with other natural resource agencies
- Hunting and Fishing Recruitment
  - Authority to create bundled license packages (family, multi-year, etc.)
  - Align youth age to 16
  - Hunter Ed Graduate Discount - \$20 off first license
  - Remove lowland lake temp license restriction
- Title 77 Streamlining/Efficiency Bill
  - Remove requirements for certain annual/biennial reports
  - Review fund restrictions on certain accounts

# AGENCY-REQUEST LEGISLATION IDEAS

- Columbia River Salmon and Steelhead Endorsement
  - Extend or remove sunset date
- Recreation License Fee Bill
  - Option 1: Modest across-the-board fee increase (12-15%)
    - For context, inflation since 2011 if tied to CPI: 23% increase
    - Concern about pricing hunters/anglers out of participation
    - Concern about optics of increase with no commensurate opportunity increase
  - Option 2: Single charge/stamp to all rec license buyers (\$10 for annual; \$3 for temp)

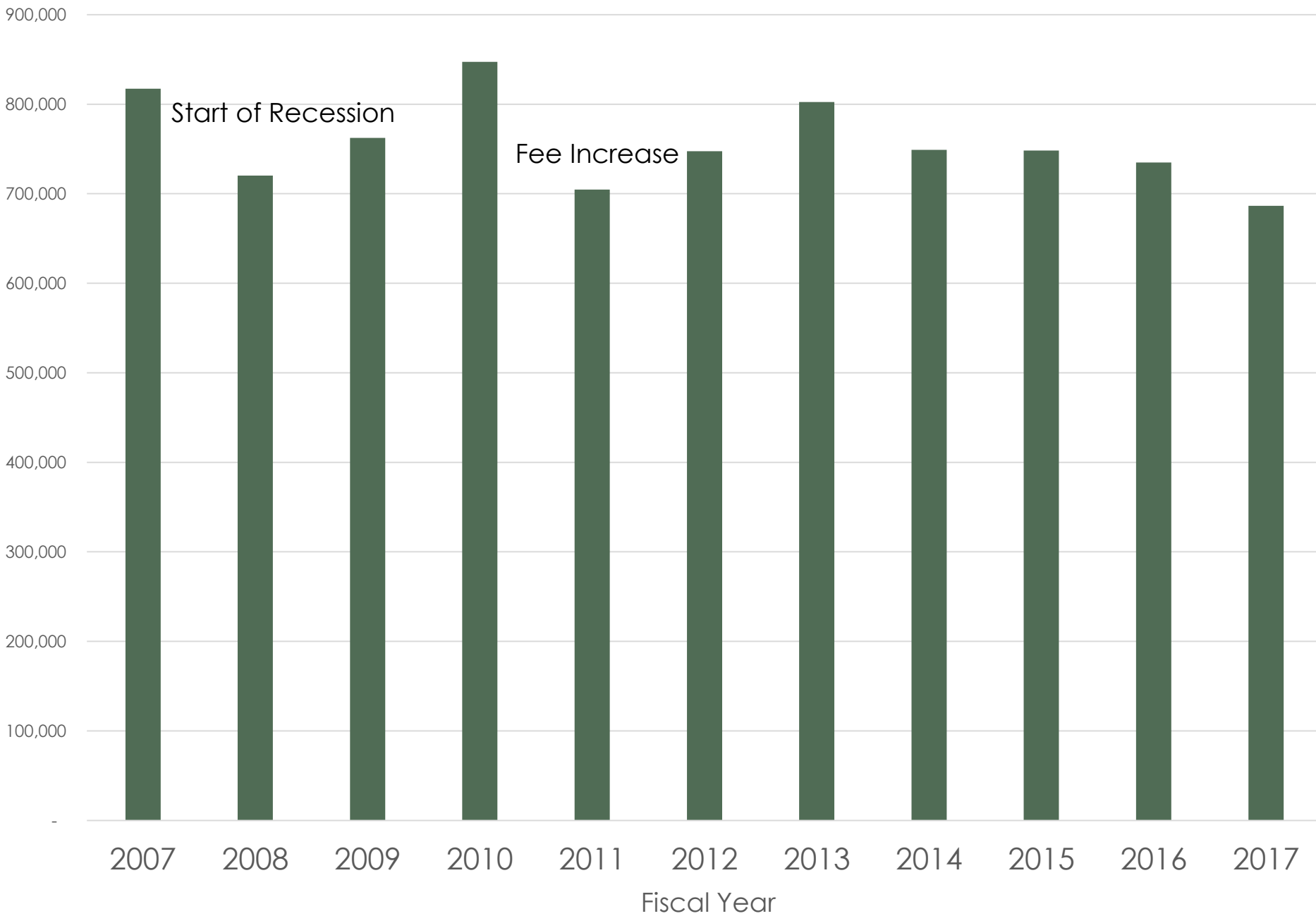
Also:

- Inflation authority
- Admin Fee collected on next purchase (hunting tags; PS crab)
- Eliminate 2- and 3-day temp licenses
- Increase cost of multiple fish CRCs

# Hunting Customers by Year



# Fishing Customers by Year



# TIMELINE

Date	Key Meetings and Deliverables
June 16	FWC Budget and Agency-Request Legislation Preview
Late-June/July	Targeted Outreach <ul style="list-style-type: none"><li>• RDs and B&amp;PAG members meet with regional opinion leaders</li><li>• RMT Members attend local organizations</li><li>• Collaborative Partners</li><li>• Advisory Group Briefings</li><li>• Legislative Tours and Briefings</li><li>• Tribal Outreach</li></ul>
July	<ul style="list-style-type: none"><li>• Public Webinar/On-line Town Hall</li></ul>
August 10-11	FWC Approval of Budget and Agency-Request Legislation
September	Products due to OFM and Legislature
October	Regional Public Meetings w/ new Director; Strategic Planning

# OUTREACH OBJECTIVES

- Share our Vision
  - Sustain hunting and fishing heritage, enhance conservation
- Understand the Problem Statement
  - B&P Advisory Group's findings: WDFW has a broad two-part mission and is inadequately funded
  - Carry-Forward Level Budget
- Provide input towards solutions
- WDFW Incorporates feedback



# SUMMARY

- WDFW budget challenges: majority of the solutions for 2017-19 were one-time.
- Implement efficiencies and operational improvements.
- Budget message is around Outcomes, not Administrative Programs.
- Develop true carry-forward level budget AND realistic solutions.
- Iterations of decision package development and alignment with GF-S and fee bill request
- Long-term funding plan
- Outreach

# QUESTIONS

