

WDFW BUDGET AND POLICY ADVISORY GROUP CHARTER

December 6, 2017

I. Purpose

The Budget and Policy Advisory Group (BPAG) is established to advise the Director of the Department of Fish and Wildlife on broad budget and policy questions and directions such as future budget requests, development of agency-request legislation, improving public engagement, and strategic planning. The Advisory Group's recommendations will help shape Department proposals and policy positions that are ultimately presented to the Fish and Wildlife Commission. Budget proposals and agency-request legislation adopted by the Commission are forwarded to the Governor's Office and the Legislature.

II. Work Planning

Work plans for the BPAG will be established on a yearly or bi-yearly basis. In the first year, the Advisory Group is expected to focus on advising the Department on its implementation of a 2017 budget proviso which directed the Department to, among other things "...evaluate and implement efficiencies to the agency's operations and management practices," and "...develop a plan for balancing projected revenue and expenditures and improving the efficiency and effectiveness of the agency operations...." Assistance with development of the long-term funding plan will be the initial focus of the group. Subsequent near-term work is expected to include strategic planning.

III. Membership

BPAG members were selected by the Department as representative of stakeholder groups. Members are asked to serve at least one 2-year term. Sequential terms can be served. If someone leaves prior to the term ending, the Director will assess composition of the advisory group and may appoint another member.

IV. Expectations of Advisory Group Members

Advisory Group members agree to reach out to their broader community of interest and strive to represent their community's perspective. Direct participation of all Advisory Group members is essential to success. For that reason, members are asked to make every effort to attend in-person meetings and participate in conference calls. Meetings are expected to be full day and generally will be located in the Olympia area.

State agencies assisting the Advisory Group are present as resources to the Group to offer perspectives and answer questions.

V. Open Meetings

Meetings will be open to the public and at each meeting a time will be set aside for public comment. Observers will otherwise not participate in the deliberation of the group. Meetings will be announced on the WDFW website. Unless an invited guest is presenting to the Advisory Group, members of the public will be allotted three minutes each to address the Advisory Group.

VI. Advisory Group Recommendations and Consensus

On occasion, the Budget and Policy Advisory Group may be called upon, or may decide on its own initiative, to provide the Department with formal advice and recommendations. When this occurs, the goal is to provide the Department consensus recommendations. For purposes of the Advisory Group's deliberations "consensus" means that all members of the group can at least "live with" a recommendation, even if it is not their first (or even their preferred) choice. Consensus recommendations can be made by resolution of the Group.

In the event the Advisory Group does not reach consensus on an issue, the full range of member perspectives and opinions on that issue will be described in a brief Advisory Group report.

VII. Department Role

Department staff will ensure agendas and materials are circulated in advance of the meeting, take meeting notes, and maintain the website for the Advisory Group. The Department will either contract an outside firm to facilitate or assign a staff person to facilitate the meeting.

VIII. Media Relations

In general, Advisory Group members should clarify that they represent themselves or their organization when interacting with the media, and are not representing WDFW or the Advisory Group. Comments, if made, should focus on describing the Member's own interests and perspectives and avoid characterizing the perspectives or interests of other Advisory Group members.

IX. Logistics Reimbursement

Advisory Group members eligible to participate as formal agency volunteers may be reimbursed for their travel to participate in the Advisory Group.

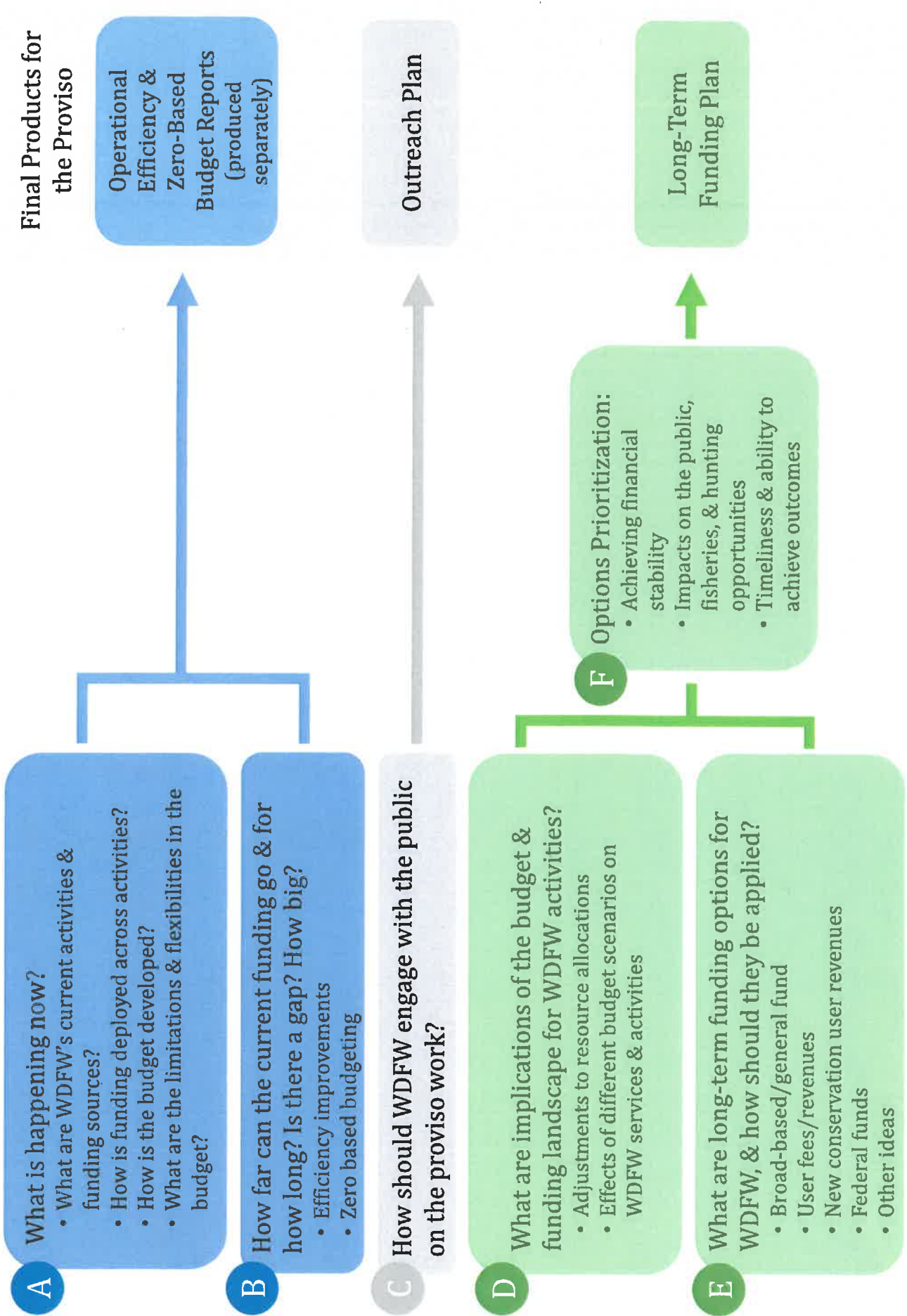
WDFW BUDGET AND POLICY ADVISORY GROUP

GROUND RULES

December 6, 2017

1. All Advisory Group Members have equal opportunities to participate; committee members agree to work together, treat other members with respect, and work together to help ensure one another's voices are heard and to avoid individuals dominating the conversation.
2. Advisory Group members agree to work within the framework of the process and not work behind the scenes to undermine the process. This means, ideas, proposals, and concerns generated during conversations outside Advisory Group meetings should be brought to the process, so we have a chance to work on them together.
3. Advisory Group members will strive for honest and direct communication, allow open discussion and the right to disagree. Members will look for opportunities to find common interests, agreements, and solutions. The underlying effort emphasizes joint problem-solving rather than attempting to change other peoples' values.
4. Advisory Group members agree to attend meetings.
5. Advisory Group members agree to stay current with information provided to the group and come to meetings prepared to participate fully, including in discussions of whether they can agree to the specifics of emerging and draft Advisory Group recommendations.
6. Advisory Group members agree to focus on clarifying their own needs and interests, providing objective, fact-based comments and alternatives during discussions, and to refrain from personal criticisms.
7. Advisory Group members can state that they align themselves with another's perspective, but will strive to not repeat what has already been said. Members should seek to advance the conversation with additional or new input.
7. The facilitator is a neutral third party with no stake in the outcome of the project. Ross Strategic will structure meetings to support a respectful atmosphere and the development of trust among members. Members are asked to be identified by the facilitator and not speak over one another.
9. Meetings are expected to start and end on time.
10. At the end of each meeting the facilitator will summarize for Advisory Group review: key discussion points, areas of agreement or emerging agreement, remaining topics, next steps (including who is doing what by when), and anticipated future meeting topics.

WDFW Budget and Policy Advisory Group: Long-Term Funding Plan Project Map



WDFW BUDGET AND POLICY ADVISORY GROUP BUDGET INTRODUCTION

Nate Pamplin, Policy Director
Owen Rowe, Budget Director

DECEMBER 6, 2017

12/6/2017

WDFW Budget Policy and Advisory Group
Budget Introduction

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GOALS



- Working knowledge of...
 - where the funding comes from
 - what restrictions are placed on its use
 - how and where we spend it
- Basic level of comfort to discuss and ask questions
- Foundation for zero-based budget analysis and long-term revenue plan

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WDFW AT A GLANCE



WDFW AT A GLANCE



WDFW AT A GLANCE



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THREE THINGS TO KNOW ABOUT THE WDFW BUDGET

I. What is in WDFW's budget?

Examination of WDFW budget through different lenses

II. How the budget is established and changed

Legislative and agency processes for building, modifying, and managing the budget

III. Context

Historical perspective, recent decisions, & current predicament

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Budget Introduction

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THREE THINGS TO KNOW ABOUT THE WDFW BUDGET

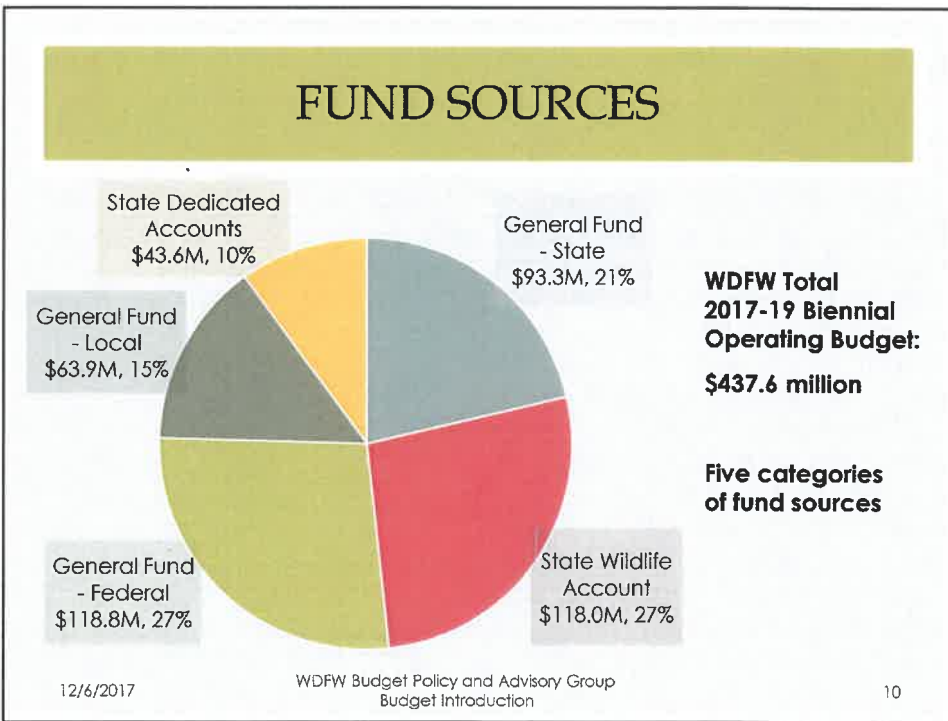
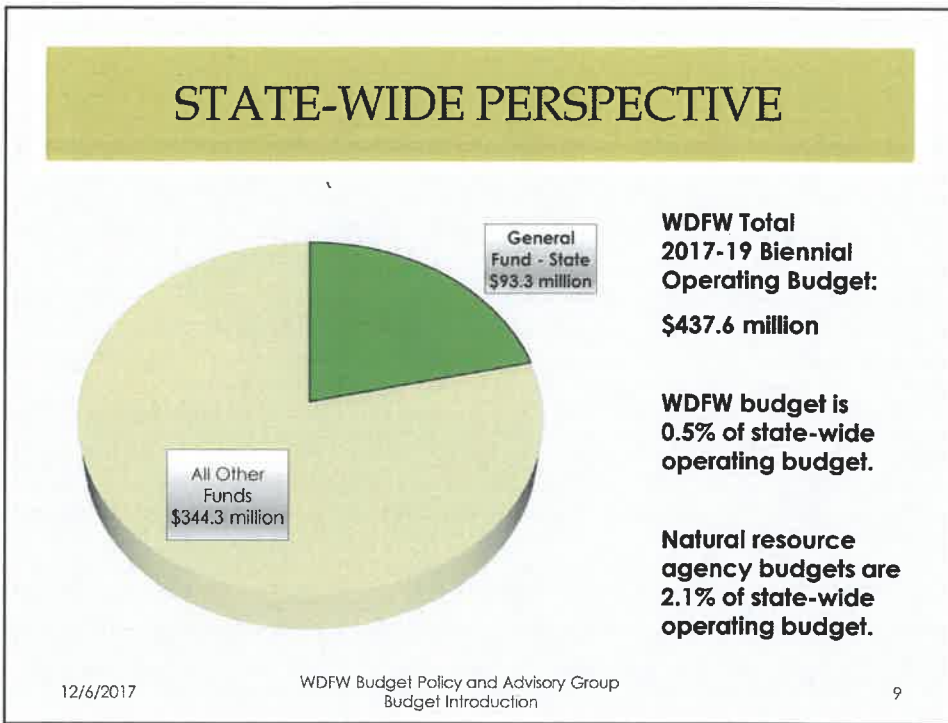
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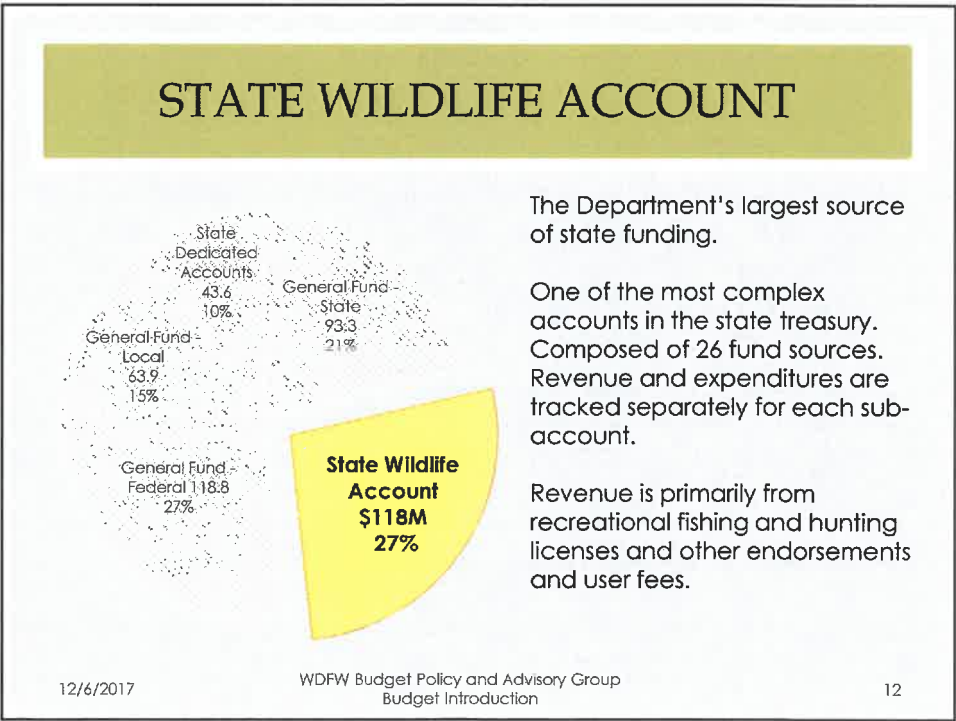
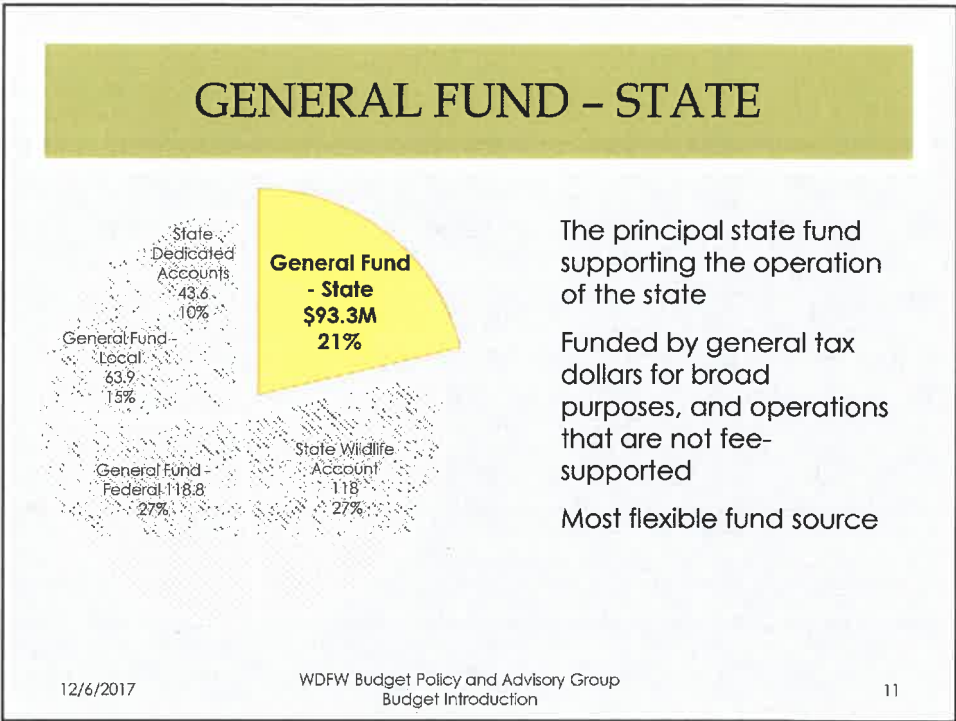
I. WHAT'S IN THE BUDGET?

WDFW's budget viewed through several "lenses"

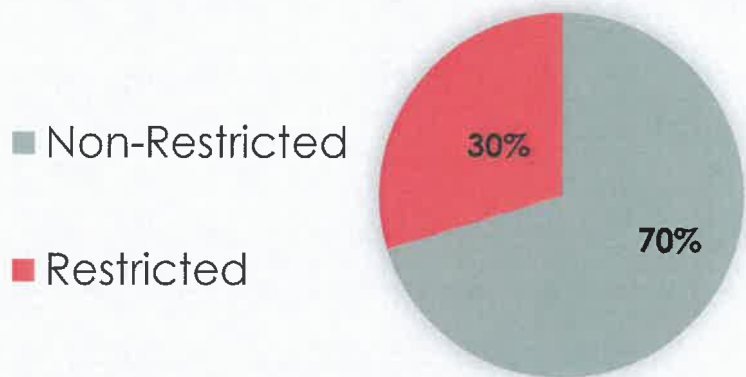
- State-wide perspective
- Fund sources
- Flexibility of fund use
- Licensees' contributions
- Capital and operating budgets
- Direct and administrative costs
- Organizational Structure
- Activities







STATE WILDLIFE ACCOUNT RESTRICTED & NON-RESTRICTED



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STATE WILDLIFE ACCOUNT DETAIL

Comm'l Fishing Lic Appl'n Fees & New Comm'l Fees/Excise Tax

Background License Plates

Personalized License Plates

Firearm Permits

WILD Transaction Fee

Discover Pass

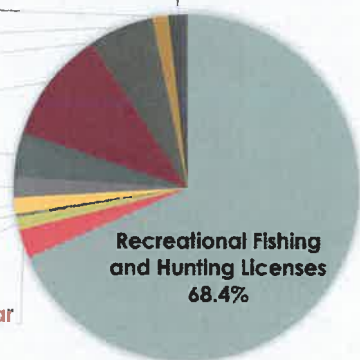
Two-Pole Fishing

Auction/Raffle

Turkey Tags

Duck and Bird Stamps

PS Crab Endorsement/Derelict Gear



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GENERAL FUND – FEDERAL

Category	Amount	Percentage
State Dedicated Accounts	43.6	10%
General Fund - State	93.3	21%
State Wildlife Account	118	27%
General Fund - Local	63.9	15%
General Fund - Federal	\$118.8M	27%

Four types of funding from the federal government:

1. Formula-based, block grants
 - Pittman-Robertson, Dingell-Johnson
2. Competitive grants
 - from EPA, NOAA
3. Mitigation contracts
 - Mitchell Act, BPA
4. Contracts to support federal agency work

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GENERAL FUND – FEDERAL PITTMAN-ROBERTSON

2015-17 Biennium Spending: \$ 29 million

History:
Wildlife Restoration Act (1937) created to “restore, conserve, manage, and enhance wild birds and mammals and their habitat.”

Restrictions:
Planning, enhancement, and implementation of programs for wildlife and their habitats.

WDFW Uses:

- Game Population Surveys
- Operation and Maintenance of Wildlife Areas
- Hunter Education

Note: These funds are contingent on the State attesting to use fish and wildlife license fees only for the administration of the fish and wildlife agency.

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GENERAL FUND - FEDERAL DINGELL-JOHNSON

2015-17 Biennium Spending: \$15.1 million

History: Sports Fish Restoration Act (1950) created to "better manage America's fishery resources."

Restrictions:

- Land Acquisitions and Development
- Research
- Sport Fish Population Management
- Operations and Maintenance

Note: These funds are contingent on the State attesting to use fish and wildlife license fees only for the administration of the fish and wildlife agency.

WDFW Uses:

- Fish surveys
- Fish management
- Operate and maintain water access sites
- No production

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GENERAL FUND - FEDERAL BONNEVILLE POWER ADMINISTRATION

2015-17 Biennium Spending: \$ 24.1 million

History: Northwest Power Act (1980) created to "protect, mitigate and enhance fish and wildlife on the Columbia River and its tributaries." Mitigation for operation of the Federal Columbia River Power System

Restrictions:

Projects approved by the Northwest Power and Conservation Council.

WDFW Uses:

- Fish Population Monitoring
- Hatcheries
- Fish Screens
- Salmon Habitat Restoration
- Land Operations and Maintenance

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GENERAL FUND - FEDERAL MITCHELL ACT

2015-17 Biennium Spending: \$14.2 million

History:

Mitchell Act (1938) created to improve salmon and steelhead populations impacted by federal hydropower projects around the Columbia River.

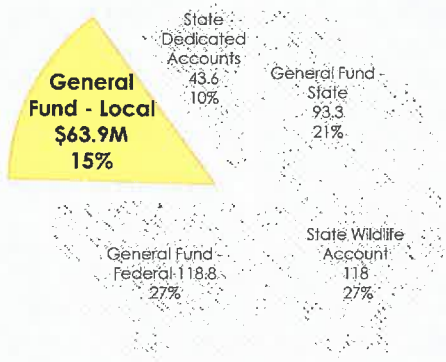
Restrictions:

Protect and enhance salmon and steelhead in the Columbia River Basin.

WDFW Uses:

- Salmon and steelhead production and mass marking on the Columbia
- Salmon and Steelhead management on the Columbia River
- Salmon and Steelhead research on the Columbia River

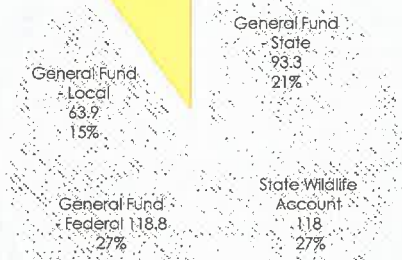
GENERAL FUND - LOCAL



General Fund-Local funds are primarily mitigation contracts with public utility districts.

STATE DEDICATED ACCOUNTS

State Dedicated Accounts
\$43.6M
10%



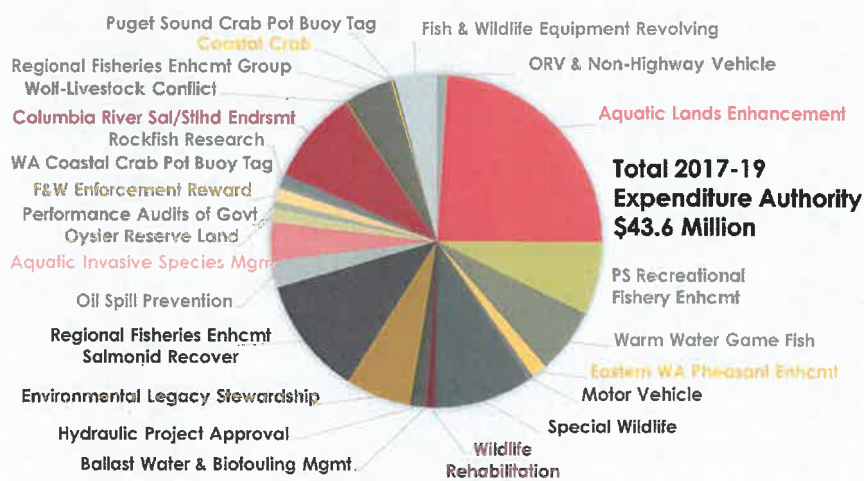
25 other state accounts, each dedicated to a specific purpose

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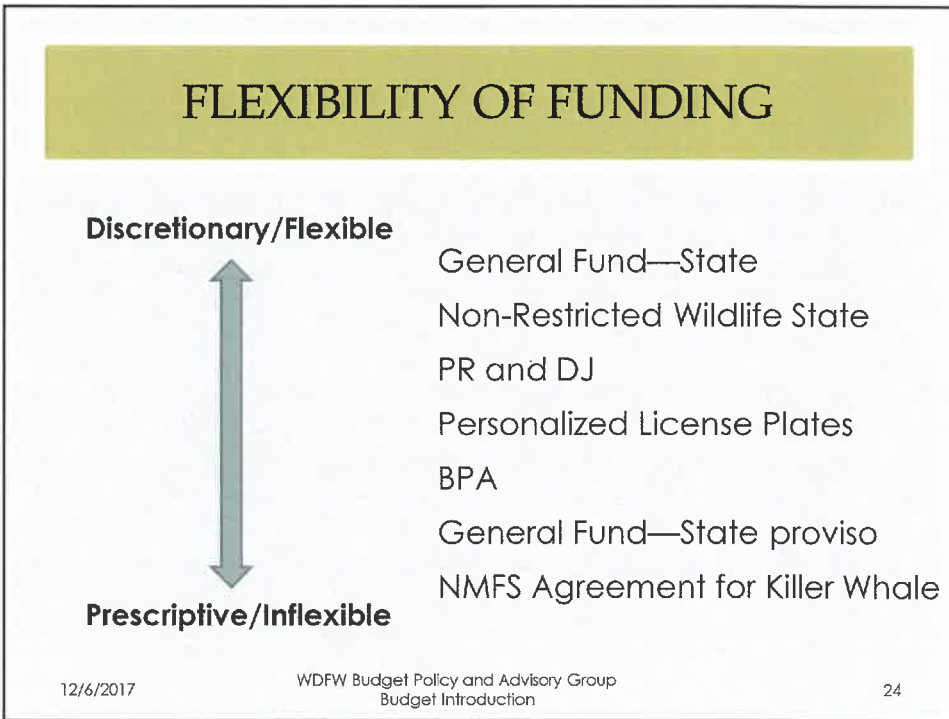
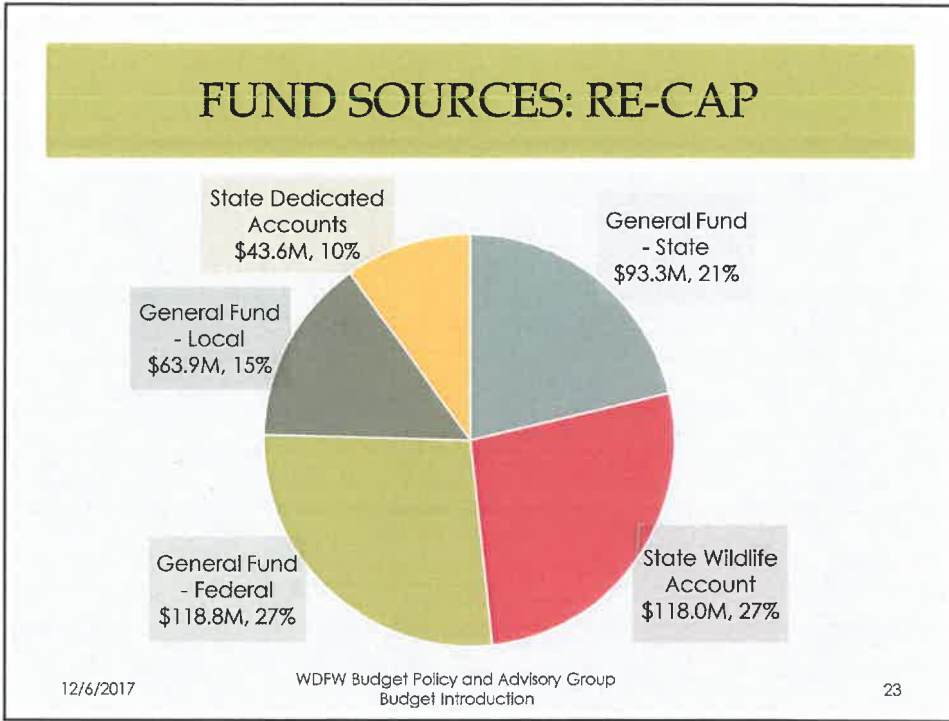
25 STATE DEDICATED ACCOUNTS



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WHO CONTRIBUTES TO WDFW'S BUDGET?

Fee payers

- Fishing & hunting licenses
- License plates
- Discover Pass

Rate payers

- BPA Customers
- PUD Customers

Tax payers

- Federal income & equipment taxes
- State sales, business, & property taxes



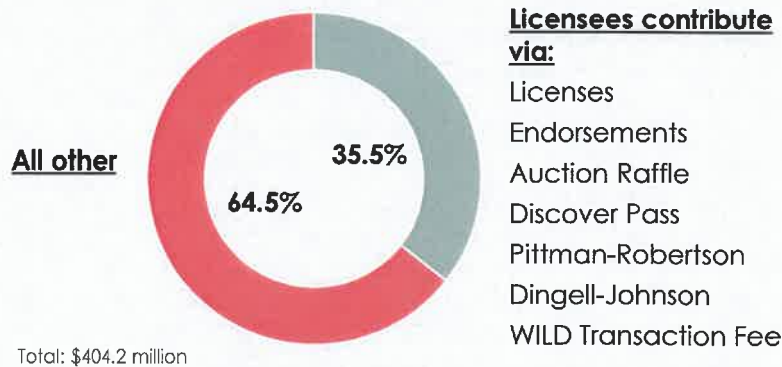
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LICENSEES CONTRIBUTE VIA...

2015-17 Operating Expenditures

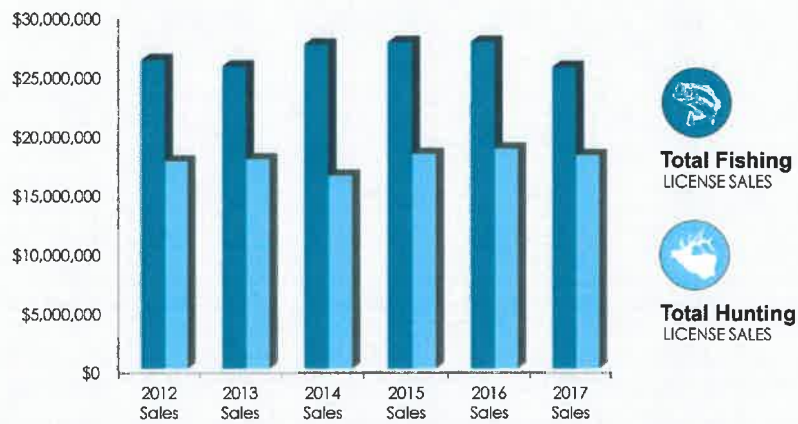


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LICENSE REVENUE OVER TIME



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HUNTING AND ANGLING CUSTOMERS

Hunters (FY)

2013	2014	2015	2016	2017
180,772	182,167	181,911	182,773	179,056

Anglers (FY)

2013	2014	2015	2016	2017
696,848	742,522	732,695	727,846	677,463

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CAPITAL AND OPERATING BUDGETS

Operating Budget:

- Ongoing costs of running state government
- Funded with revenue that does not rely on borrowing
- Built incrementally

Capital Budget:

- Project based funding benefits taxpayers over time.
- One-time in nature
- Not built incrementally

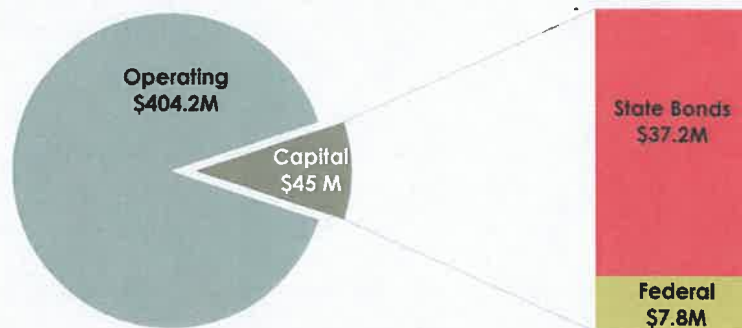
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CAPITAL AND OPERATING BUDGETS

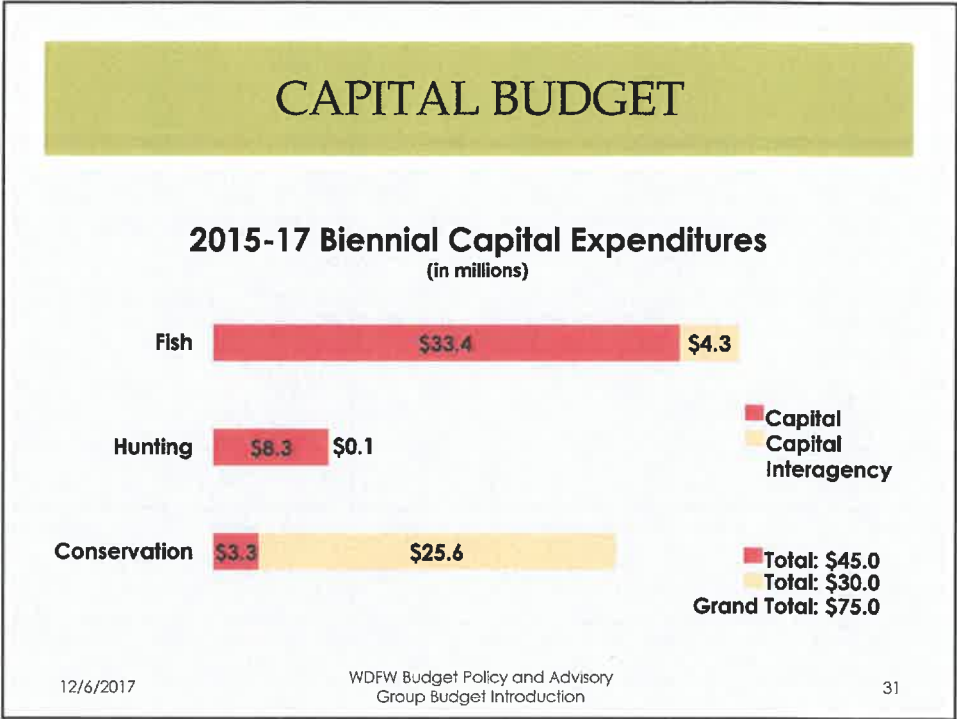
2015-17 Biennial Operating & Capital Expenditures



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ADMINISTRATIVE COSTS

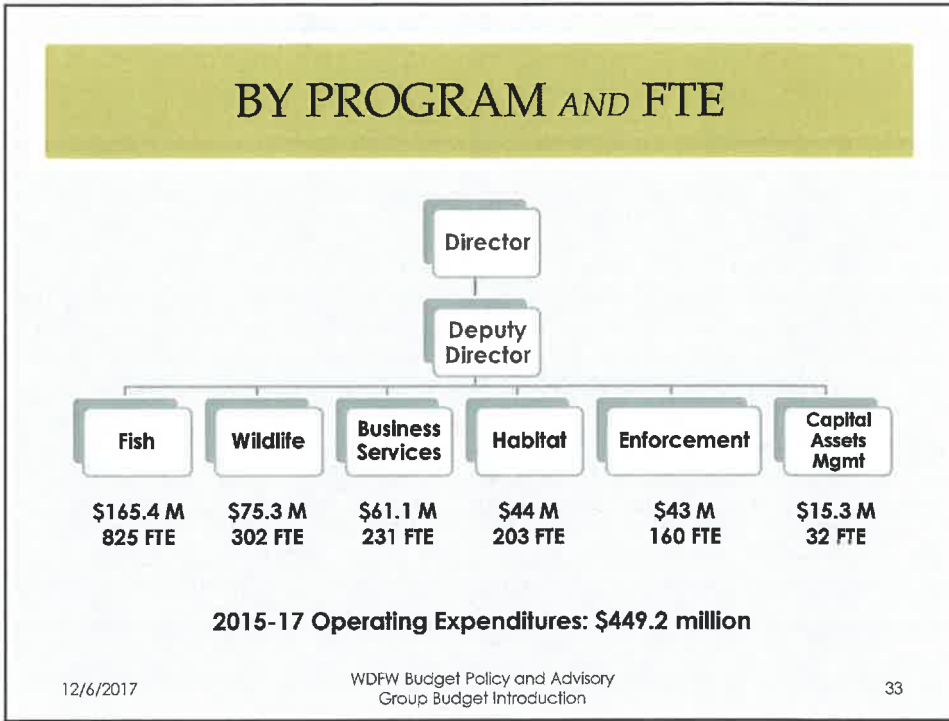
Administrative costs are spread proportionately across all fund sources. The Dept of Interior approves WDFW's indirect rate: 32.46% for current fiscal year.

Examples:

- Director's Office and Senior Management
- Facilities
- Human Resources
- Budget/Contract/Finance/IT
- Program Administrative Support



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WILDLIFE AREA MANAGEMENT



- State General Fund
- PR/DJ Federal
- Discover Pass
- Hunter/Angling Licenses
- Mitigation Contracts
- Program Income
- Grants/Partner Projects
- Capital Budget

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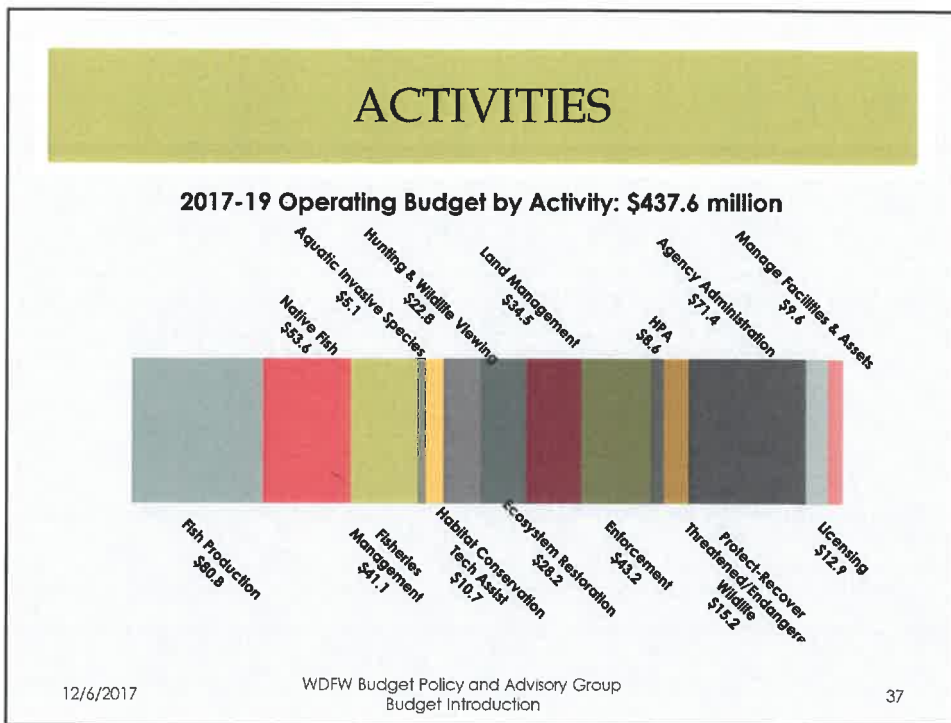
MULTIPLE FUNDING SOURCES USED TO ACCOMPLISH OBJECTIVES



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SUMMARY OF WHAT'S IN THE BUDGET

- Five major categories of operating budget, plus capital budget
- Each category has differing levels of flexibility
- Administrative costs charged to all accounts
- Communication challenges of a complex budget



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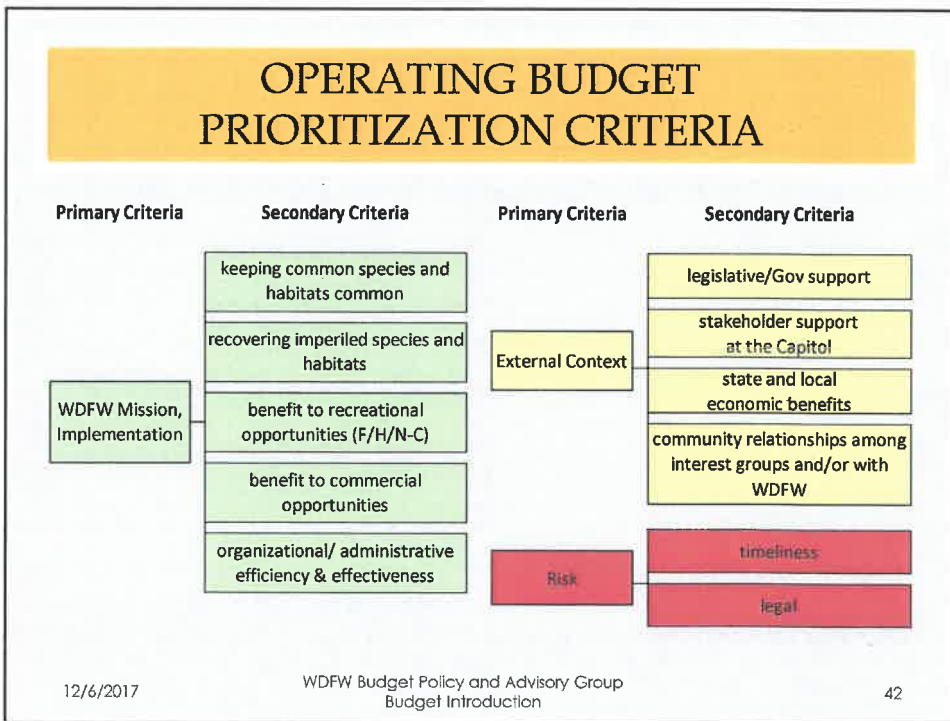
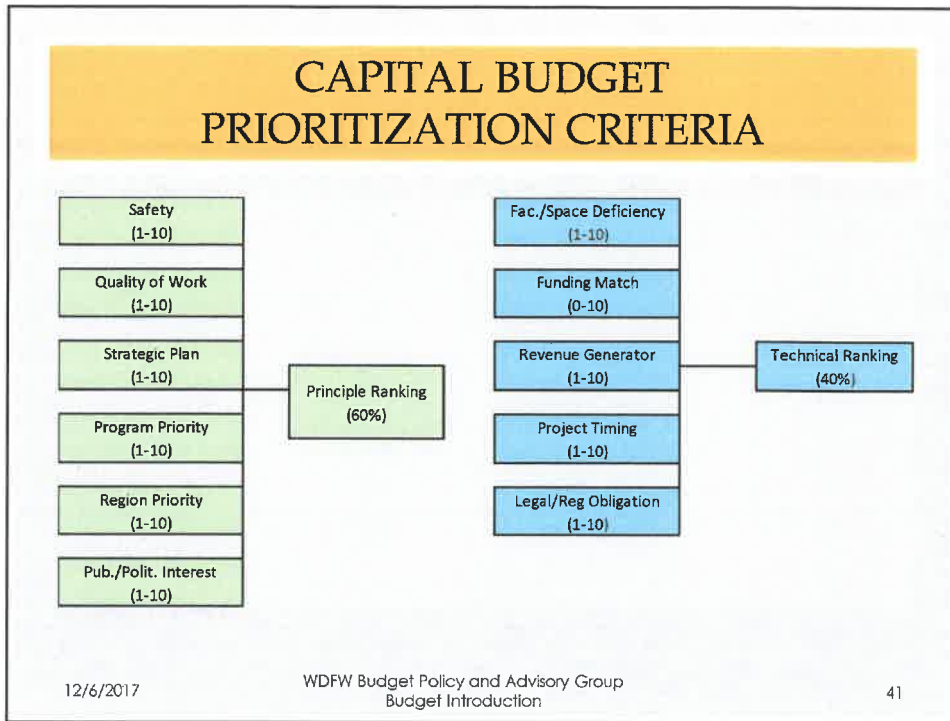
PRESENTATION CHECK: WHAT'S BEEN COVERED?

<p>I. What is in WDFW's budget? 8</p> <ul style="list-style-type: none"> A. State-wide perspective 9 B. Fund sources 10 C. Flexibility 24 D. Who contributes? 23 E. Capital and operating budgets 29 F. Administrative costs 32 G. By program and FTE 33 H. Activities 37 	<p>II. Establishing & changing the budget 40</p> <ul style="list-style-type: none"> A. WDFW priorities, requests 41 B. Establishing the budget 43 C. WDFW implements and monitors 46 <p>III. Context 49</p> <ul style="list-style-type: none"> A. Recent history 50 B. 2017-19 situation 51
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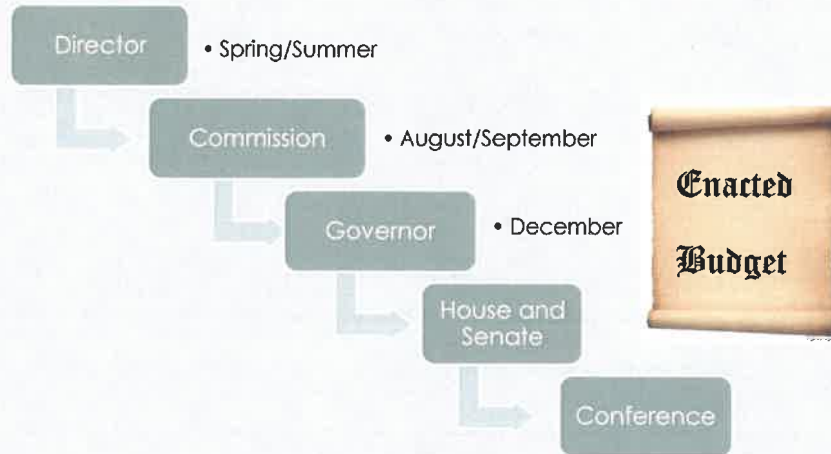
II. HOW THE BUDGET IS ESTABLISHED AND CHANGED

Several interconnected processes:

- Development in WDFW and Commission
- Adoption by Legislature and Governor
- Implementation and monitoring in WDFW



ESTABLISHING THE BUDGET



ESTABLISHING THE BUDGET

- Expenditure Authority aka Appropriations
 - Operating budget is built incrementally
 - Accounts must have revenue to spend to appropriated level
 - Agencies request funding in decision packages
 - The legislature appropriates funding
 - Provisos further limit and condition appropriations

21	NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF FISH AND WILDLIFE	
22	General Fund—State Appropriation (FY 2018)	\$46,960,000
23	General Fund—State Appropriation (FY 2019)	\$46,960,000
24	General Fund—Federal Appropriation	\$18,805,000
25	General Fund—Private/Local Appropriation	\$3,920,000
26	GRV and Nonhighway Vehicle Account—State Appropriation	\$487,000
27	Aquatic Lands Enhancement Account—State	
28	Appropriation	\$10,860,000
29	Recreational Fisheries Enhancement—State	
30	Appropriation	\$1,084,000
31	Warm Water Game Fish Account—State Appropriation	\$2,773,000
32	Eastern Washington Pheasant Enhancement Account—State	
33	Appropriation	\$675,000
34	State Wildlife Account—State Appropriation	\$18,033,000
35	Special Wildlife Account—State Appropriation	\$71,000
36	Special Wildlife Account—Federal Appropriation	\$505,000
37	Special Wildlife Account—Private/Local Appropriation	\$3,576,000
38	Wildlife Rehabilitation Account—State Appropriation	\$361,000
	p. 166	SSB 5025.02

ESTABLISHING THE BUDGET

License Revenue

- Only the legislature can amend fees in statute
- WDFW can propose legislation to maintain or increase fees

27 package. A hunter may not purchase more than one license for each big
 28 game species except as authorized by rule of the commission. The fees
 29 for annual big game combination packages are as follows:

30 (a) Big game number 1: Deer, elk, bear, and cougar. The fee for
 31 this license is ~~((eighty-five))~~ ninety-three dollars and fifty cents
 32 for residents, ~~((seven))~~ eight hundred ~~((eighty))~~ fifty-eight dollars
 33 for nonresidents, and ~~((forty))~~ forty-four dollars for youth.

34 (b) Big game number 2: Deer and elk. The fee for this license is
 35 ~~((seventy-five))~~ eighty-two dollars and fifty cents for residents,
 36 ~~((six))~~ seven hundred ~~((seventy))~~ thirty-seven dollars for
 37 nonresidents, and ~~((thirty-five))~~ thirty-eight dollars and fifty
 38 cents for youth.

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HB 1647

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IMPLEMENTING THE BUDGET

- Executive Management Team
 - One Agency
 - Fund Alignment
 - Re-visit priorities in flexible funding during reductions
- Central Budget Office establishes control numbers
- Programs—Allotments (i.e., spending plans)
- Monitor throughout the biennium

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SUMMARY OF HOW THE BUDGET IS ESTABLISHED AND CHANGED

- Budget Year 'Round
 - Close-out previous
 - Implement current
 - Develop requests for next year/biennium
- Director => Commission => Governor => Legislature
=> Governor for Adoption and Vetoes

PRESENTATION CHECK: WHAT'S BEEN COVERED?

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III. CONTEXT

- Recent history
- Recap of 2017 legislative session
- Understanding the budget shortfall

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RECENT HISTORY

- 2009-11 – GF-S appropriations reduced by nearly \$38 million
- 2009 – Temporary 10% Recreational license surcharge
- 2011 – Discover Pass created
- 2011 – Recreational fees increases and commercial application fees
- 2015 – Requested fee increase (not enacted)
- 2016 – WDFW was directed to spend down State Wildlife Account reserves
- 2017 – Fee increase requested to both recreational and commercial licenses
 - General Fund-State requested to support tribal treaty obligations and other general public benefits.
 - Recreational increase not enacted; a portion of the commercial fee bill was authorized
 - \$10.1 GF-S

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2017 LEGISLATIVE SESSION

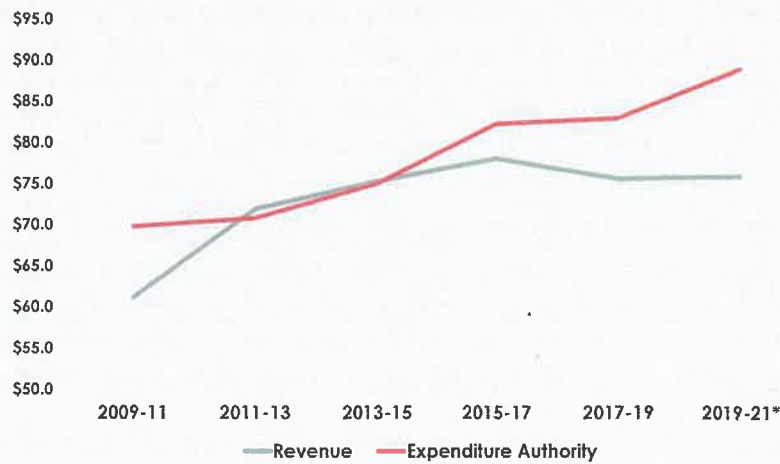
- Budget shortfall projected during the 2017 session was \$25M
 - Structural Deficit- More costs than revenue
 - Maintain Fishing (ESA requirements, increasing staff costs, flat federal funding)
- Expenses continue to outpace revenue in the non-restricted State Wildlife Account.
- Budget shortfall was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

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NON-RESTRICTED STATE WILDLIFE ACCOUNT STRUCTURAL DEFICIT

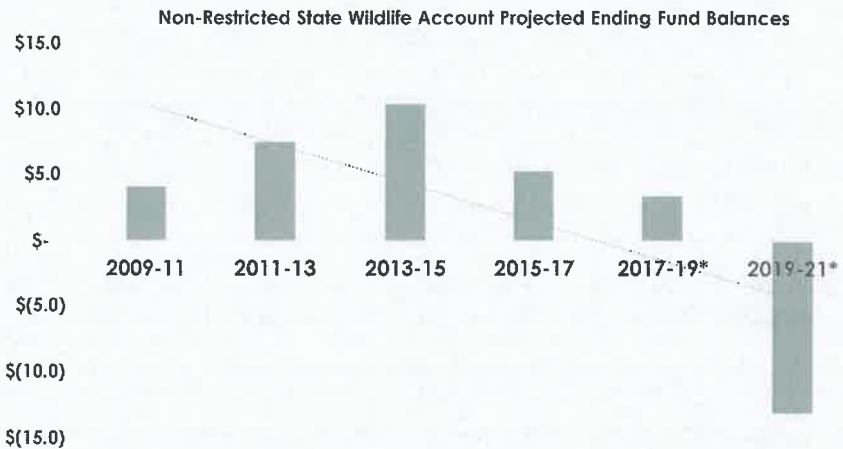


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STRUCTURAL DEFICIT EFFECT ON FUND BALANCE



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CRUCIAL CONCEPT

The legislative budget gives agencies *authority* to spend via an *appropriation*.

However, they can do so without verifying if there is enough money 'in the bank' to cover expenditure authority.

What's this mean to WDFW?

The legislature can provide authority to spend, but not the capacity – sufficient revenue has to be available to cover increasing costs.

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CRUCIAL CONCEPT: EXAMPLE

**“Final Budget
Gives 2% COLA
to State Workers”**

Three agencies each with \$1M of salaries

Agency A: 100% GF-S funded

- New appropriation of \$20,000, no loss in capacity

Agency B: 50% GF-S, 50% federal grants

- New appropriations: GF-S \$10,000, \$10,000 federal
- But the federal agency didn't increase the contract
- State portion is covered, but federal direct capacity is reduced by \$10,000
- Potential to re-negotiate future contract with increased staff costs during the next federal grant cycle

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CRUCIAL CONCEPT: EXAMPLE

**“Final Budget
Gives 2% COLA
to State Workers”**

Agency C: 30% GF-S, 30% Federal, 40% Fees

- New appropriations to cover COLA:
 - \$6,000 GF-S, \$6,000 federal, \$8,000 fee supported account
- But federal agency didn't increase contract, & fee revenue wasn't increased
- Results in a loss of capacity for direct work:
 - \$6,000 GF-S is covered but the federal and fee supported work loses \$14,000 in capacity
- Federal and fee supported capacity can only be regained through:
 - federal grant re-negotiation, and fee increase by the legislature

WDFW: > 50 different fund sources

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NON-DISCRETIONARY COST INCREASES

Since the 2015 legislative session, COLAs and benefits have increased significantly.

These costs have increased \$32.9 million.

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2017-19 BUDGET BALANCING STRATEGY

Problem Statement (State Wildlife Account & GF-S)	(dollars in millions)
License shortfall and additional budget reductions	(\$15.0)
Shortfall to maintain fisheries	(\$12.0)
2017-19 Budget Problem Statement	(\$27.0)
Solutions 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>
Total Solutions	\$27.0

12/6/2017

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Budget Introduction

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DIRECT BUDGET CUTS

Legislative proviso direction:

"...avoid cuts to hatcheries and minimize impacts to hunting and fishing."

- Cut positions
- Don't fill selected vacant positions
- Fishing impacts
 - Forego triploid trout stocking in 2017-19BN
 - Reduce E WA lake treatments for trout stocking
 - Reduce oyster seeding on 30 recreational beaches
- Wildlife impacts
 - Reduce winter feeding
 - Reduce WL-S funding available for crop damage claims

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LONG-TERM REVENUE PLAN

Target

- Budget Review
- Efficiencies
- Zero-Based Budget Analysis
 - Re-purpose funding?
 - Enhancements?

Principles

- Who benefits?
- Cost recovery or revenue generation?

Options

- Ability to achieve outcomes?
- Political viability?



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SUMMARY OF CONTEXT

- WDFW budget challenges; majority of the solutions for 2017-19 are one-time and can't be used again.
- Implement efficiencies and operational improvements.
- Re-purpose existing funding and align revenue sources.
- Define targets that will achieve outcomes.
- Develop long-term revenue plan with politically-viable options and secure financial stability for the Department.

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Budget Introduction

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NEXT STEPS

- What information requests does B&P Advisory Group have about WDFW budget and activities?
- Zero-Based Budget Analysis
 - Identify options to re-purpose (where possible) funding to higher priority
 - Identify where enhancements are needed to achieve objectives
- Long-Term Revenue Plan
- Develop 2019-21 Budget Requests and accompanying agency-request legislation

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QUESTIONS/DISCUSSION



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Increase Participation in Hunting and Fishing

- Align youth age to 16 years
- Hunter education graduate coupon, \$20 off
- Authority to bundle and offer discount packages
- Eliminate temporary license restriction on popular lowland lake opener

ADA Technical Changes

- Technical clean up to DFW ADA statutes
- Broaden signature authority to allow both Physicians Assistants and Advanced Registered Nurse Practitioners to sign disability eligibility forms

2018 Supplemental Budget Requests

• Mass Marking Minimum Wage Increase	\$0.9M (GF-S, Other)
• Culverts Case, Utilities, ORV Fund authority	\$0.6M (GF-S, Other)
• Operating Costs for new Wildlife Lands	\$1.0M (GF-S, GF-F)
• Network Infrastructure Rebuild	\$2.5M (GF-S)
• Wildfire Season Costs	\$0.4M (GF-S)
• Federal Funding Adjustment	\$9.0M (GF-F)
• Enforcement Records Management	\$1.8M (GF-S)
• Recover Puget Sound Steelhead	\$0.8M (GF-S, Other)
• Hatchery Fish Health and Disease	\$0.7M (GF-S, Other)
• Timber Revenue for Forest Health	\$5.2M (GF-F, Other)

WDFW Zero-Based Budget Process and Products

WDFW Budget and Policy Advisory Committee
December 6, 2017
SPSCC/Lacey Campus

What is ZBB?

- Clean slate. All previous budget decisions erased.
- Completely eliminate your current spending and rebuild the agency deliberately, “buying back” specific work, prioritizing each set of dollars.
- Works fine in private sector. Poor track record in the public sector.
- Our assignment isn’t pure ZBB.

Budget Proviso Requirements

1. Identify each agency “program” (service)
2. Statutory or other basis for creating the program
3. How it fits in with agency goals and each program’s objectives
4. Performance measures
5. Cost and staffing data
6. Costs, benefits, and rationale for current funding level
7. Admin/overhead costs
8. Level of service provided
9. If program goals aren’t being met, what funding is needed

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Important Differences

- Several performance metrics are included
- WDFW isn’t asked to prioritize our activities 1 to n
- We’re adding info on where we can make incremental enhancements or reductions, and what the consequences would be
- This Advisory Group can help shape our recommendations for funding targets: view potential enhancements relative to their costs, and recommend which ones to pursue (or which reductions to pursue)

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4

WDFW Goals for ZBB: Foundations

- To organize information about the work we do and the way we are funded that is easily understood by our customers and stakeholders
- To address and clarify key misunderstandings about our budget
- To tell the story of costs, operating constraints, and opportunities across all funds, for 100% of WDFW's budget
- To be transparent and build credibility with external partners
- To provide a foundation of awareness for the Budget & Policy Advisory Group as they review our budget, service delivery, and potential revenue options

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WDFW Approach and Timeline

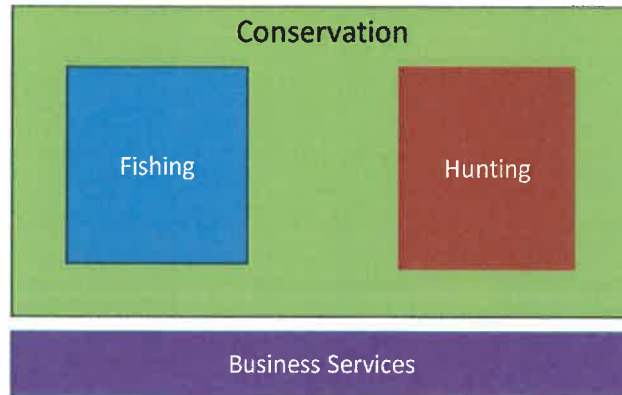
- Today: Vet approach with BPAG, especially FAQs and "programs"
- December: Compile information
- January: to BPAG for review
- February BPAG meeting: Q&A, discussion, ID additional work needed
- Thereafter - follow up as needed, on whatever budget questions, issues, concerns the group has

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Agency Conceptual Model

- Looking for feedback on different visual ways of describing the agency's work, and how conservation, hunting, and fishing inter-relate.



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Budget FAQs – not required but helpful...

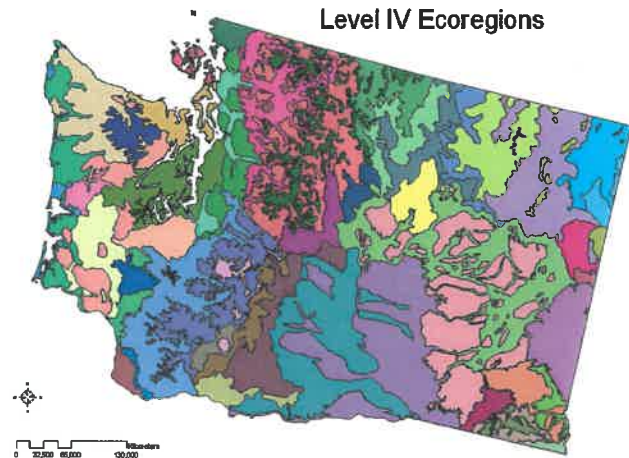
- Compare growth in WDFW budget to overall state budget; change in GFS vs state budget (last 10 years or more)
- Describe WDFW's structural deficit and how it arose
- Flexible funds and fund restrictions
 - How much flexible state funding does the agency have, and how is it used?
 - What federal funding do you get, how much is flexible, and how it that used?
 - What revenue sources does WDFW have, and what can they be used for? Can we include the entire fund reference manual, or create an abridged version focusing on our largest flexible funds?
- Fund usage
 - Where do my license dollars go?
 - How is hunting (or fishing, or conservation) funded?
 - Are license dollars spent on nongame animals? If so, in what amounts and why?
- Hunting and fishing's effects on WA economy

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Washington State

Highly complex, dynamic, interconnected system of systems



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To preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.

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*To preserve, protect and perpetuate
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To preserve, protect and perpetuate fish wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.

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Why?		 <i>To preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.</i>					
		Conservation					
		Fishing	Ecosystems		Hunting		
Why?	How?	Manage Fishing Opportunities	Produce Hatchery Fish	Preserve & Restore Aquatic Habitat & Species	Acquire and Manage Lands for Hunting, Fishing and Conservation	Preserve & Restore Terrestrial Habitat & Species	Manage Hunting Opportunities
		1.1- Enforce recreational fishing opportunities and regulations 1.2- Enforce commercial fishing opportunities and regulations 1.3- Develop, negotiate, and implement fishery co-management plans 1.4- Monitor and manage fin fish populations 1.5- Monitor and manage shellfish populations	2.1- Produce trout and warm water game fish 2.2- Produce Salmon and Steelhead 2.3- Build and maintain hatcheries	3.1- Protect Fish and their habitat from the effects of construction projects 3.2- Consult with businesses, landowners and governments re: aquatic species impacts and regulations (incl. GMA & SMA) 3.3- Reduce risk & decrease devastation of oil spills 3.4- Ensure that there remains enough water in waterways to allow for healthy fish lifecycles 3.5- Ensure fish survivability by removing stream barriers and appropriately addressing water diversions 3.6- Acquire funding for and complete habitat restoration projects 3.7- Develop and implement plans to recover and sustain diverse fish populations 3.8- Monitor and control aquatic invasive species 3.9- Study and plan for climate impacts on waterways and resulting effects on aquatic lifecycles 3.10- Enforce protection of aquatic habitats	4.1- Maintain WDFW owned & managed lands 4.2- Acquire new lands and sell lands that no longer support serving our mission 4.3- Build & maintain safe, sanitary and ecologically friendly water access sites 4.4- Ensure public safety on our lands	5.1- Consult on development of energy generative sources 5.2- Consult with businesses, landowners and governments re: terrestrial species and land impacts and legalities (incl. GMA & FPA) 5.3- Partner with private landowners to implement conservation strategies 5.4- Study and plan for climate impacts on lands and resulting effects on species 5.5- Wildlife permitting and enforcement of regulations 5.6- Develop and implement plans to recover and sustain diverse W 5.7- Respond to and mitigate wolf conflicts 5.8- Organize and promote wildlife viewing opportunities	6.1- Enforce hunting opportunities and regulations 6.2- Provide hunter education opportunities 6.3- Set sustainable hunting seasons 6.4- Survey game populations & population trends 6.5- Study game species populations 6.6- Respond to wildlife conflicts and dangerous wildlife (non-wolf) 6.7- Secure hunting access on private lands
		K.1- Provide Agency Leadership and Strategy K.7- Manage Human Resources	K.2- Communicate agency matters with the public and legislature K.8- Manage Information Technology	K.3- Market hunting and fishing opportunities K.9- Build and maintain Office Facilities	K.4- Sell Licenses K.5- Maintain agency records	K.6- Engage the public to explore the outdoors K.11- Respond to public safety incidents (police)	K.6- Manage Finances and Contracts

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To preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.

Why?

Fishing

Ecosystems

Hunting

Manage Fishing Opportunities

Produce Hatchery Fish

Preserve & Restore Aquatic Habitat & Species

Acquire and Manage Lands for Hunting, Fishing and Conservation

Preserve & Restore Terrestrial Habitat & Species

Manage Hunting Opportunities

1.1- Enforce recreational fishing opportunities and regulations

2.1- Produce trout and warm water game fish

3.1- Protect fish and their habitat from the effects of construction projects

4.1- Maintain WDFW owned & managed lands

5.1- Consult on development of energy generative sources

6.1- Enforce hunting opportunities and regulations

1.2- Enforce commercial fishing opportunities and regulations

2.2- Produce Salmon and Steelhead

3.2- Consult with businesses, landowners and governments re: aquatic species impacts and legalities (incl. GMA & SMA)

4.2- Acquire new lands and sell lands that no longer support serving our mission

5.2- Consult with businesses, landowners and governments re: terrestrial species and land impacts and legalities (incl. GMA & FPA)

6.2- Provide hunter education opportunities

1.3- Develop, negotiate, and implement fishery co-management plans

2.3- Build and maintain hatcheries

3.3- Reduce risk & decrease devastation of oil spills

4.3- Build & maintain safe, sanitary and ecologically friendly water access sites

5.3- Partner with private landowners to implement conservation strategies

6.3- Set sustainable hunting seasons

1.4- Monitor and manage fin fish populations

3.4- Ensure that there remains enough water in waterways to allow for healthy fish lifecycles

3.4- Ensure that there remains enough water in waterways to allow for healthy fish lifecycles

4.4- Ensure public safety on our lands

5.4- Study and plan for climate impacts on lands and resulting effects on species

6.4- Survey game populations & population trends

1.5- Monitor and manage shellfish populations

3.5- Ensure fish survivability by removing stream barriers and appropriately addressing water diversions

3.5- Ensure fish survivability by removing stream barriers and appropriately addressing water diversions

5.5- Wildlife permitting and enforcement of regulations

6.5- Study game species populations

3.6- Acquire funding for and complete habitat restoration projects

5.6- Develop and implement plans to recover and sustain diverse fish populations

6.6- Respond to wildlife conflicts and dangerous wildlife (non-wolf)

3.7- Develop and implement plans to recover and sustain diverse fish populations

5.7- Respond to and mitigate wolf conflicts

6.7- Secure hunting access on private lands

3.8- Monitor and control aquatic invasive species

5.8- Organize and promote wildlife viewing opportunities

6.8- Respond to wildlife conflicts and dangerous wildlife (non-wolf)

3.9- Study and plan for climate impacts on waterways and resulting effects on aquatic lifecycles

5.9- Respond to and mitigate wolf conflicts

6.8- Respond to wildlife conflicts and dangerous wildlife (non-wolf)

3.10- Enforce protection of aquatic habitats

5.9- Organize and promote wildlife viewing opportunities

6.8- Respond to wildlife conflicts and dangerous wildlife (non-wolf)

Business Management & Obligations

X.1- Provide Agency Leadership and Strategy
X.2- Communicate agency matters with the public and legislature
X.8- Manage Information Technology

X.3- Market hunting and fishing opportunities
X.9- Build and maintain Office Facilities

X.4- Sell licenses
X.10- Maintain agency records

X.5- Engage the public to explore the outdoors
X.11- Respond to public safety incidents (police)

X.6- Manage Finances and Contracts

Public Engagement and Outreach Plan

2017-2019 STATE OPERATING BUDGET PROVISO

Overview

- Proviso includes the requirement to develop a plan to engage the public, stakeholders, commission, and legislature.
- WDFW will engage the public from September 2017 through September 2018.
- Initial public engagement and outreach ideas outlined in this presentation; feedback and suggestions are welcomed.

Potential Goals for Outreach

- Foster trust amongst stakeholders by providing concise, accurate, understandable information about current WDFW activities and funding sources.
- Receive input on funding priorities, and how to deploy current funding sources.
- Generate ideas and receive input on developing principles for 1) who should pay for WDFW services and 2) potential future funding sources.
- Receive input into and (ideally) build support for the 2019-21 operating budget proposal.
- Increase awareness and understanding about what WDFW does and how it is funded.

Target Audiences

- Key individuals (i.e., Budget and Policy Advisory Group members)
- Other WDFW Advisory Groups
- Stakeholder partners
- The general public
- Others?

- Note: In addition, WDFW will work with Tribal Governments on a government-to-government basis.

Potential Outreach Methods

- **Commission Meetings**
 - Ensure that the FWC is able to provide timely and relevant input to influence and shape the proviso products.
 - Utilize the public form of the FWC meeting to both gather and provide information to the public.
- **Creation of new Budget and Policy Advisory Group (This group!)**
 - Assist the Department in developing the long-term funding plan.
 - Be a sounding board for approach to ZBB and the gap analysis.
- **Outreach to Existing WDFW Advisory Groups as appropriate**

Potential Methods (continued)

- **Staff Liaisons to Outdoor Groups**
 - Improve WDFW's network and connections with organizations and their base membership by more communication.
- **Legislative Outreach**
 - Ensure legislators are aware of WDFW's progress on proviso implementation.
- **Public Meetings**
 - Provide opportunity for public to review and comment on draft ZBB and long-term funding plan.
- **Director's Office Bi-Monthly Update and Bulletin**
- **News Releases, Social Media, and WDFW Website**

BACKGROUND RESEARCH: OTHER STATES' EFFORTS

Budget and Policy Advisory Group for the Washington Department of Fish and Wildlife

I. Purpose

Budget and Policy Advisory Group members indicated that a high-level comparison of WDFW to other State's Departments would be a useful tool for discussion and decision-making. WDFW and the Ross Strategic team are researching other state's funding portfolios and any advisory group process established. This will provide a baseline comparison for members to review.

II. States

Examples of fish and wildlife department funding sources and trends, and working group best practices and lessons learned will be researched for the following fifteen States:

1. Arizona
2. California
3. Colorado
4. Florida
5. Idaho
6. Maine
7. Minnesota
8. Missouri
9. Montana
10. Nevada
11. New Mexico
12. Oregon
13. Vermont
14. Virginia
15. Washington

III. Research Topics

Research topics include:

- Department authorities and scope.
- Structure of the Department's funding portfolio, including:
 - General fund allocations.
 - License fees.
 - Other user fees.
 - Federal funding.
- Analysis of entity responsible for Department fee setting.
- Analysis of how the Department adjusts for inflation.
- Characteristics and outcomes of working group, if established.

INITIAL CONVERSATION THEMES AND IDEAS

DFW Budget and Policy Advisory Group
November 2017

Introduction

This document summarizes initial conversations with WDFW Budget and Policy Advisory Group members.

Ross Strategic conducted one-on-one phone conversations with 18 of 20 Advisory Group members during November 2017 (two members were unavailable). The discussions with Advisory Group members revealed several key themes and information needs, outlined below.

This document is not an exhaustive summary of individual conversations; it is a high-level overview of recurring insights. It is meant to inform the Advisory Group facilitation team on how they can best assist the Advisory Group in achieving collaborative, productive meetings, and helps Advisory Group members better understand their colleagues' concerns, ideas, and motivations.

Key Themes

- Need for increased transparency on DFW spending, activities, and outcomes.
 - Strong interest in a clear, straightforward explanation of what revenue sources support which DFW programs and to what results.
 - Certain groups have a longstanding mistrust for DFW budget, policy, and operational decisions.
- In general, Advisory Group members have open minds on funding options and targets.
 - Members look forward to exploring creative funding options.
 - Broad interest in examining a variety of funding scenarios.
- Concerns about how certain funds are appropriated.
 - There is tension due to consumptive users paying fees that benefit non-consumptive programs.
 - Members acknowledged a sense of competition for limited resources.
- License fee structure and price are a source of frustration.
 - Members expressed that many hunters and anglers view the WDFW hunting and angling license system as unnecessarily complicated to the extent it diminishes interest in hunting and fishing in Washington and sends these users to other states.

- Group will be most productive and streamlined if working towards a defined outcome. Provide a clear framework and timeline for deliverables.
- Ensure the right people from WDFW are in the room to answer budget and program questions.
- This Advisory Group must use members' time efficiently and effectively. The April deadline is quickly approaching and out of respect for members' time, meetings will have to be task and outcome oriented.
- Members stressed that their participation on the Advisory Group is to produce results and influence the future of WDFW budget and policy, not to support business as usual.
- Consensus is helpful, but is not necessary. If consensus is not reached the full range of perspectives and ideas from the Advisory Group will be captured for WDFW consideration.

DRAFT