



# Wild Future Initiative Update & 2017-19 Operating Budget and Legislative Proposals

Agenda Items 11 & 13

Jennifer Quan, Government Affairs Director

Raquel Crosier, Legislative Liaison

Owen Rowe, Budget Director

# Agenda:

- ▶ Wild Future Initiative Update
- ▶ Status of Washington Department of Fish and Wildlife (WDFW) and state operating budgets
- ▶ Proposed operating budget and legislative proposals
  - ▶ Initial Commission feedback
  - ▶ Request Commission's permission to continue to develop budget requests

## *Wild Future Update*

# A new way of doing business

- ▶ Strengthen WDFW's relations with communities
- ▶ Increase support for conservation and outdoor recreation
- ▶ Ensure that WDFW programs and services meet the public's need

## *Wild Future Update - Listening Session Outcomes*

# The Public Wants:

- ▶ More recreational opportunities of all kinds on public and private land
- ▶ Increased law enforcement presence
- ▶ Simpler rules and clearer communication
- ▶ More habitat restoration and effective land stewardship
- ▶ Abundant fish and wildlife for future generations
- ▶ Improved outreach to youth and an increasingly diverse population

# *Wild Future Update* Approach

## Short Term (2017-19 Biennium)

- ▶ Maintain current services
  - ▶ Address revenue and program funding shortfalls
- ▶ Begin to deliver new hunting and fishing opportunities the public is requesting

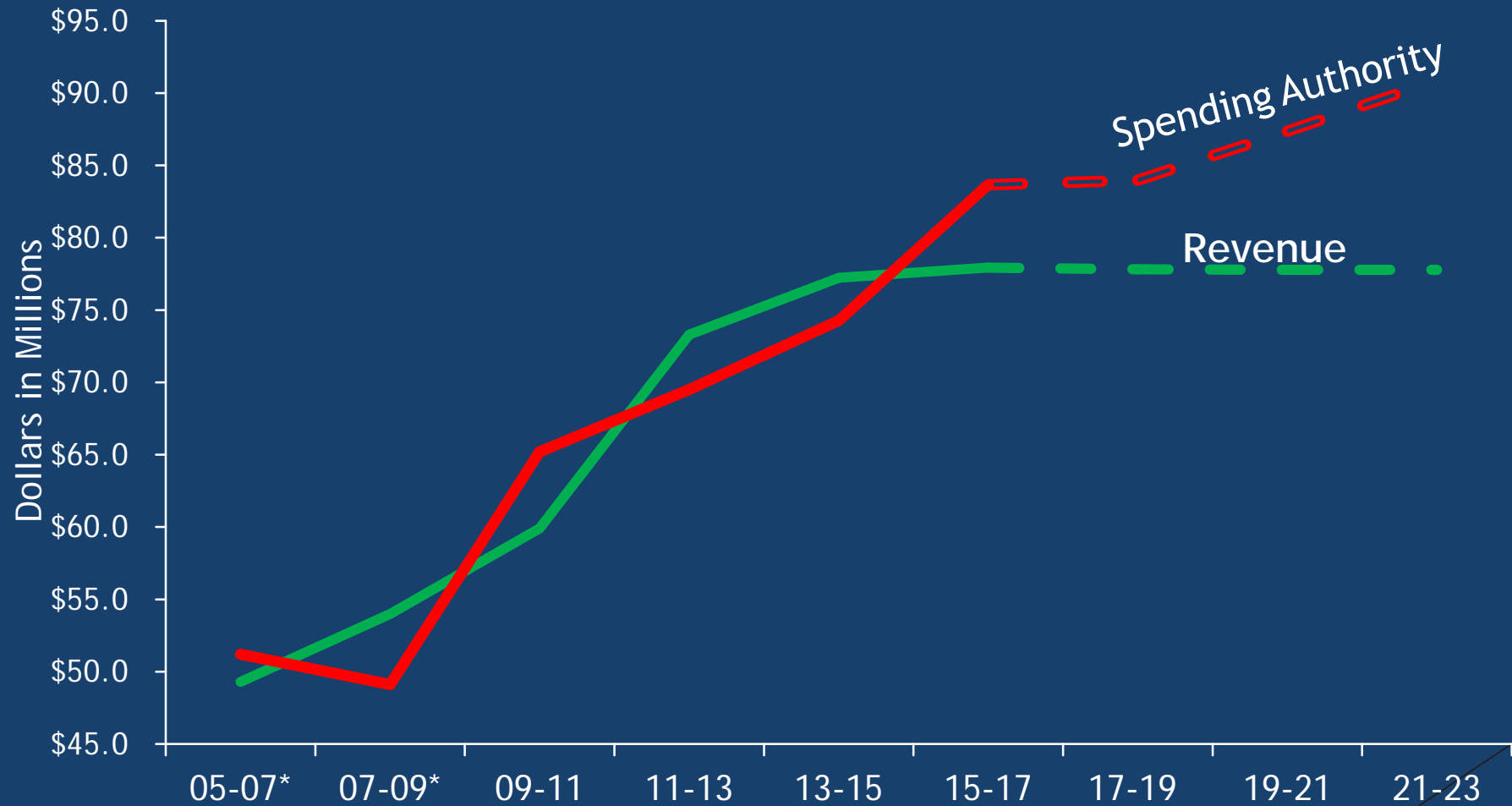
## Long term (6+ years)

- ▶ Continual process improvements (e.g., increased efficiencies in the hatchery system)
- ▶ Conservation/protection programs
- ▶ Non-consumptive recreation

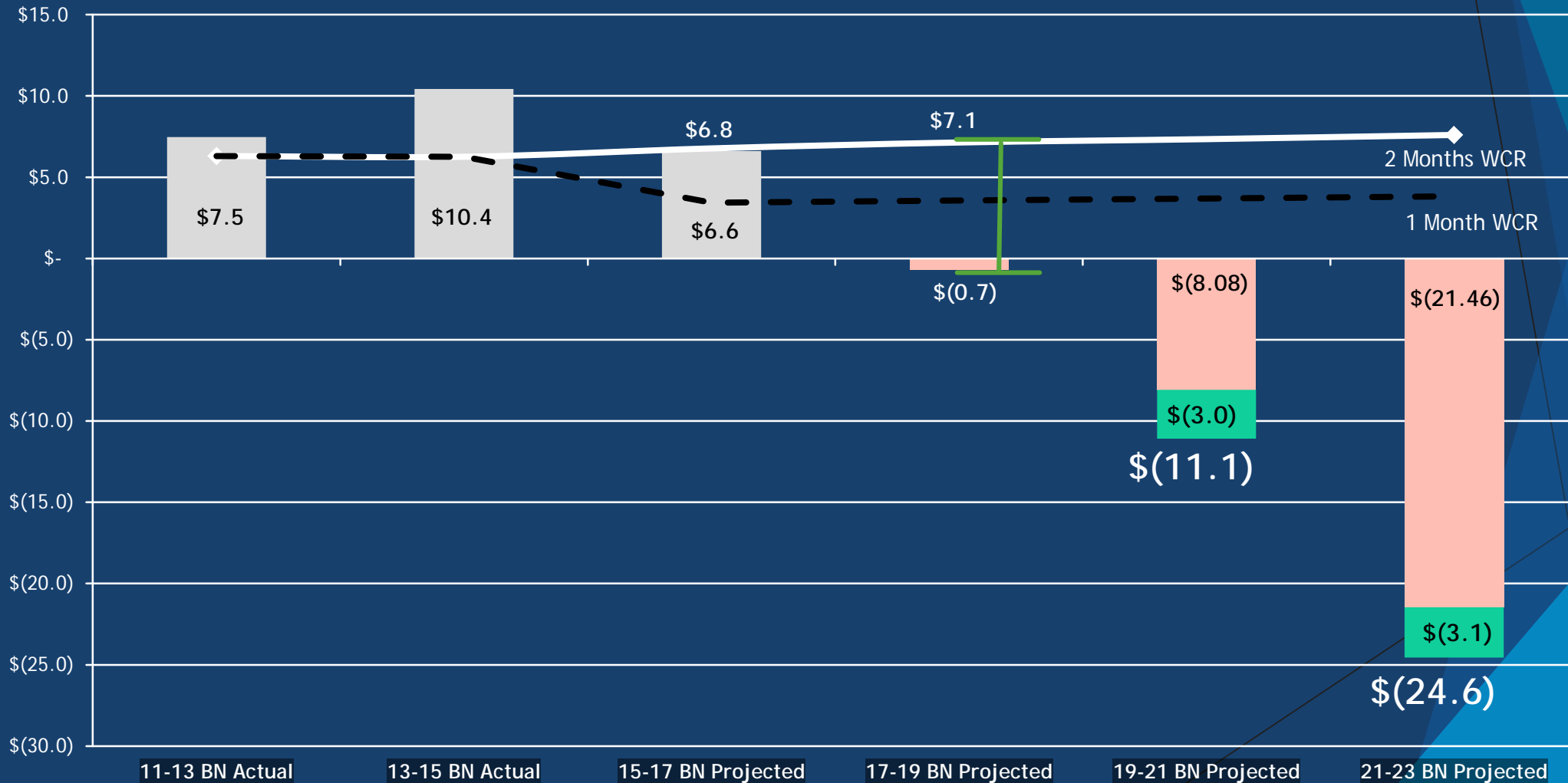
# WDFW Budget Challenges

- ▶ Serious structural deficit in the State Wildlife Account where recreational license revenue is deposited. Deficit is nearly \$8 million next biennium and will continue to grow without new revenue.
- ▶ Flat to declining federal budget support to manage and enhance salmon and steelhead populations.
- ▶ Increased workload to secure and maintain permits for ESA listed salmon and steelhead.
- ▶ Increasing state population pressure on fish and wildlife resources and their habitats.

# State Wildlife Account spending authority is outpacing revenue



# Projected shortfall in recreational fishing and hunting licenses





# Washington State Budget Challenges

The Office of Financial Management (OFM) is projecting a \$1.3 billion state general fund shortfall just to maintain current services.

The projected shortfall is primarily caused by:

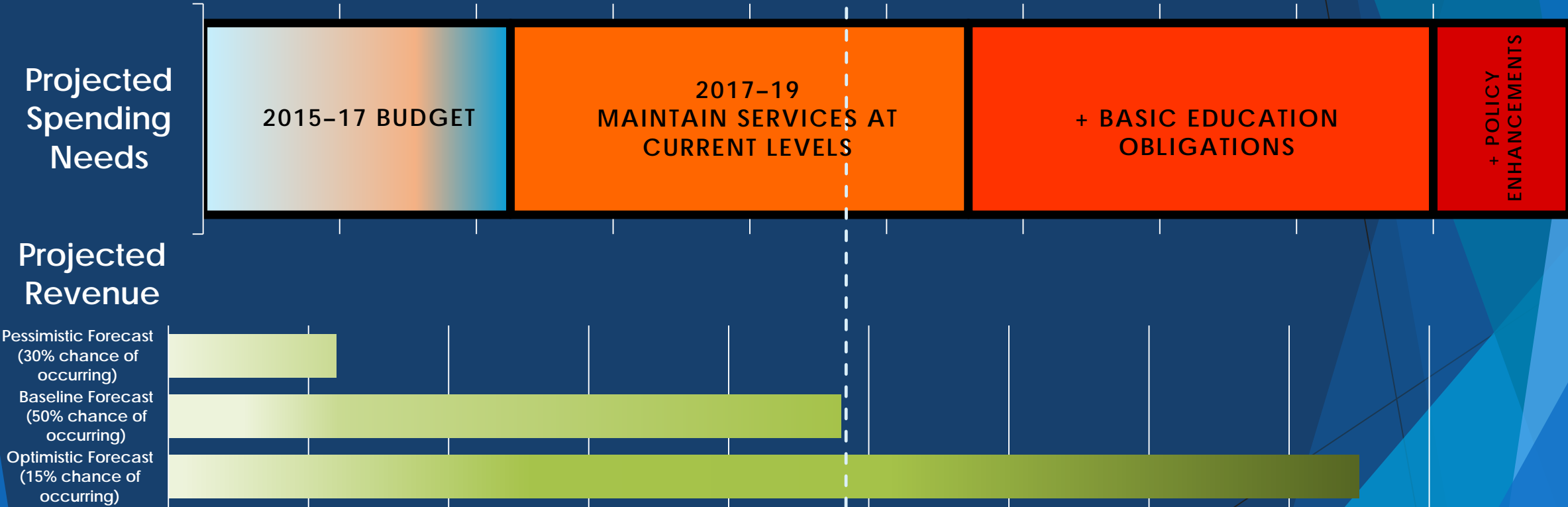
- ▶ Costs to deliver government services are growing faster than projected revenue.

And is worsened an additional \$3-4 billion by:

- ▶ *McCleary* decision- State spending levels on public schools deemed unconstitutional. The legislature is held in contempt of the Court.

# State budget needs, obligations, and revenue projections

Source: OFM June, 2016



# As a result of the projected state general fund shortfall...

OFM has directed state agencies to manage budgets without increased state general funding:

- ▶ Start looking for ways to save
- ▶ Develop options to meet your highest priorities in the most cost-efficient manner
- ▶ Think brutally about performance and outcomes
- ▶ Spend your time on the most critical things

# What have we done to help ourselves?

## Efficiencies

- ▶ Staffing & Program Function
- ▶ Operation Improvements & Adjustments
- ▶ Facility Management
- ▶ Partnerships and Innovations

# What have we done to help ourselves?

## *Staffing & Program Function - Example*

### Hunter Education

- ▶ 22% increase in # certified instructors
- ▶ 31% increase in # new instructors
- ▶ 15% increase in instructor volunteer hours donated (>27,000/year)
- ▶ 19% increase in # classes offered
- ▶ 1.3% decrease in annual rate of student no-shows (currently 15%)
- ▶ 33% decrease in Hunter Education Deferrals

# What have we done to help ourselves?

## *Partnerships and Innovations - Example*

### Citizen Science

- ▶ Ferruginous Hawk
  - ▶ Volunteers drove 2,407 miles / surveyed 132 historic territories/ documented 12 ferruginous hawk nest sites
- ▶ Common Loon
  - ▶ Volunteers surveyed 17 loon lakes/ collected data on loon presence, pairing, nests and nest success
- ▶ Audubon Sagebrush Songbird Surveys (using eBird Northwest)
  - ▶ 115 volunteers surveyed 66 sites = 158 new observations of 3 focal species

# One-time budget solutions and responses have been exhausted...

- ▶ An agency request fee bill was introduced in the 2015 legislative session in response to increased costs to manage fisheries and hatchery maintenance.
- ▶ The budget shortfall was further intensified by cost of living adjustments, targeted salary increases, and other legislative policy that increased State Wildlife Account costs.
- ▶ The fee bill was not enacted during the 2015 session, but the Legislature directed WDFW to spend down the Wildlife Account fund balance during the current biennium to maintain current service levels.
- ▶ Use of federal carry-forward and one-time dedicated fund balances have already been utilized to maintain opportunities and services.

# Washington Department of Fish and Wildlife – Wild Future

## What's at Risk? What's to be Gained?

**DRAFT**



**Wild Future Proposal**  
New Fee Revenue & General Fund

<p><b>Enhanced Fishing Opportunities</b></p> <ul style="list-style-type: none"> <li>- New Puget Sound recreational fisheries</li> <li>- Increased hatchery production</li> <li>- Fishing mobile application</li> </ul> <p><b>Enhanced Hunting Opportunities</b></p> <ul style="list-style-type: none"> <li>- Private land hunting access</li> <li>- Hunting mobile application</li> </ul>	<p><b>Increased Wild Salmon Production</b></p> <ul style="list-style-type: none"> <li>- Aquatic habitat protection</li> <li>- Fish barrier removal</li> </ul> <p><b>ESA Species Delisted</b></p> <ul style="list-style-type: none"> <li>- Science supported Management</li> </ul> <p><b>Project Development and Planning Assistance</b></p> <ul style="list-style-type: none"> <li>- Local governments</li> </ul> <p><b>Improved Compliance</b></p> <ul style="list-style-type: none"> <li>- Increased enforcement</li> </ul>	<p><b>Outdoor Oriented Recreation</b></p> <ul style="list-style-type: none"> <li>- Support local economies</li> <li>- Increase tax revenue</li> </ul> <p><b>Protection of State Investments</b></p> <ul style="list-style-type: none"> <li>- Sufficient staff and resources to fulfill and enforce agency mandate</li> <li>- Facilities maintained</li> </ul> <p><b>Local support</b></p> <ul style="list-style-type: none"> <li>- Restore county payments in lieu of taxes on WDFW lands</li> </ul>
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**\$46.2M**  
With this additional revenue, we achieve these benefits

**\$23.1M**  
With this additional revenue, we maintain what we have today.

<b>Fishing and Hunting</b>	<b>Protection/Conservation</b>	<b>Washington State</b>
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**No Action**  
No Fee Increase & General Fund

<p><b>Lost Recreational &amp; Commercial Fishing Opportunities</b></p> <ul style="list-style-type: none"> <li>- Hatchery closures</li> <li>- Cut fish production Statewide</li> <li>- Reduced special season opportunities</li> <li>- Associated boat launch closures</li> </ul> <p><b>Lost Hunting Opportunities</b></p> <ul style="list-style-type: none"> <li>- Reduced pheasant populations</li> <li>- Reduced elk winter feeding</li> </ul>	<p><b>Non-Compliance</b></p> <ul style="list-style-type: none"> <li>- Reduced hunting, fishing and habitat education</li> <li>- Increased habitat degradation</li> <li>- Increased poaching</li> </ul> <p><b>Increased federal regulations</b></p> <ul style="list-style-type: none"> <li>- Increased ESA listing</li> </ul> <p><b>Increased Wildlife Conflict</b></p> <ul style="list-style-type: none"> <li>- Increased response time</li> </ul>	<p><b>Reduced State Services</b></p> <p><b>Economic Impact</b></p> <ul style="list-style-type: none"> <li>- Reduced local tourism</li> <li>- Overall tax revenue reduced</li> </ul> <p><b>Degraded and Failing Infrastructure</b></p> <p><b>Public Safety</b></p> <ul style="list-style-type: none"> <li>- Unsafe illegal seafood harvesting and sales</li> </ul>
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**\$0.00**  
No new funding results in these risks



2017-19

# Operating Budget and Legislative Proposals

## *Listening Session Outcome*

### The public wants:

- ▶ More recreational opportunities of all kinds on public and private land
- ▶ Increased law enforcement presence
- ▶ Simpler rules and clearer communication
- ▶ More habitat restoration and effective land stewardship
- ▶ Abundant fish and wildlife for future generations
- ▶ Improved outreach to youth and an increasingly diverse population

# Proposal Overview

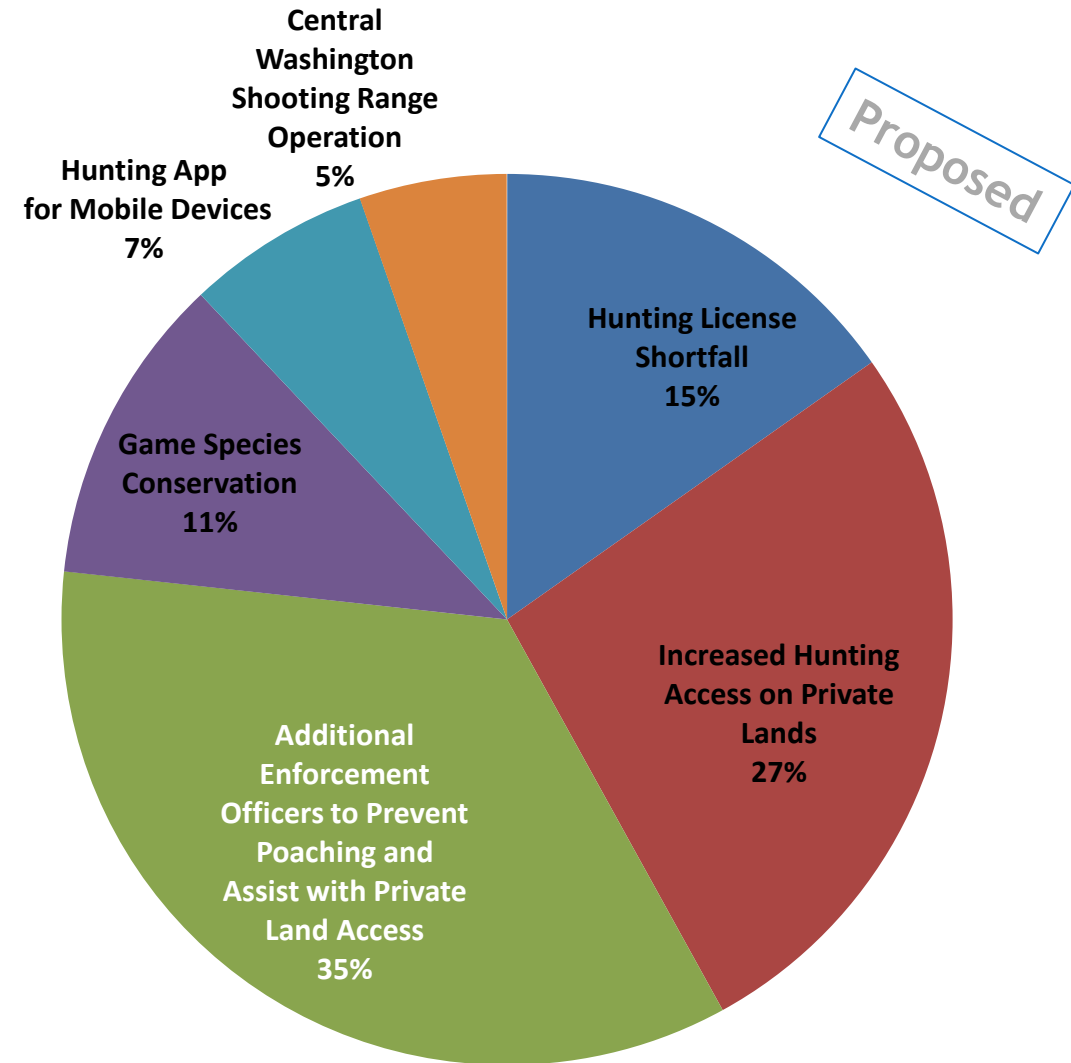
	Request Type	
	Legislative	Budget
<b>Wild Future Proposals</b>		
Recreational License Revision (Hunting and Fishing Fee's)	X	X
Commercial License Revision	X	X
Hydraulic Project Approval	X	X
Liability Immunity	X	
<b>Performance Level Proposal</b>		
I - 1401 Wildlife Trafficking		X
Public Records		X
Aquatic Invasive Species	X	X
<b>Maintenance Level Proposal</b>		
Lease Rate Adjustments/ AGO Rates/ Wildfires Costs/ IT security		X
<b>Supplemental Budget Proposal</b>		X

## Wild Future Proposal

### Recreational License Revisions: Hunting Fee

- Fees: 10% increase across all license types
- Harvest reporting requirement for all tags
- Hunter education graduate coupon
- Stand-alone damage license/tags for deer, bear and elk
- Inflationary clause

**Annual revenue: \$3.0M (user fees)**



How would the new revenue be used?

# Hunting fee proposal

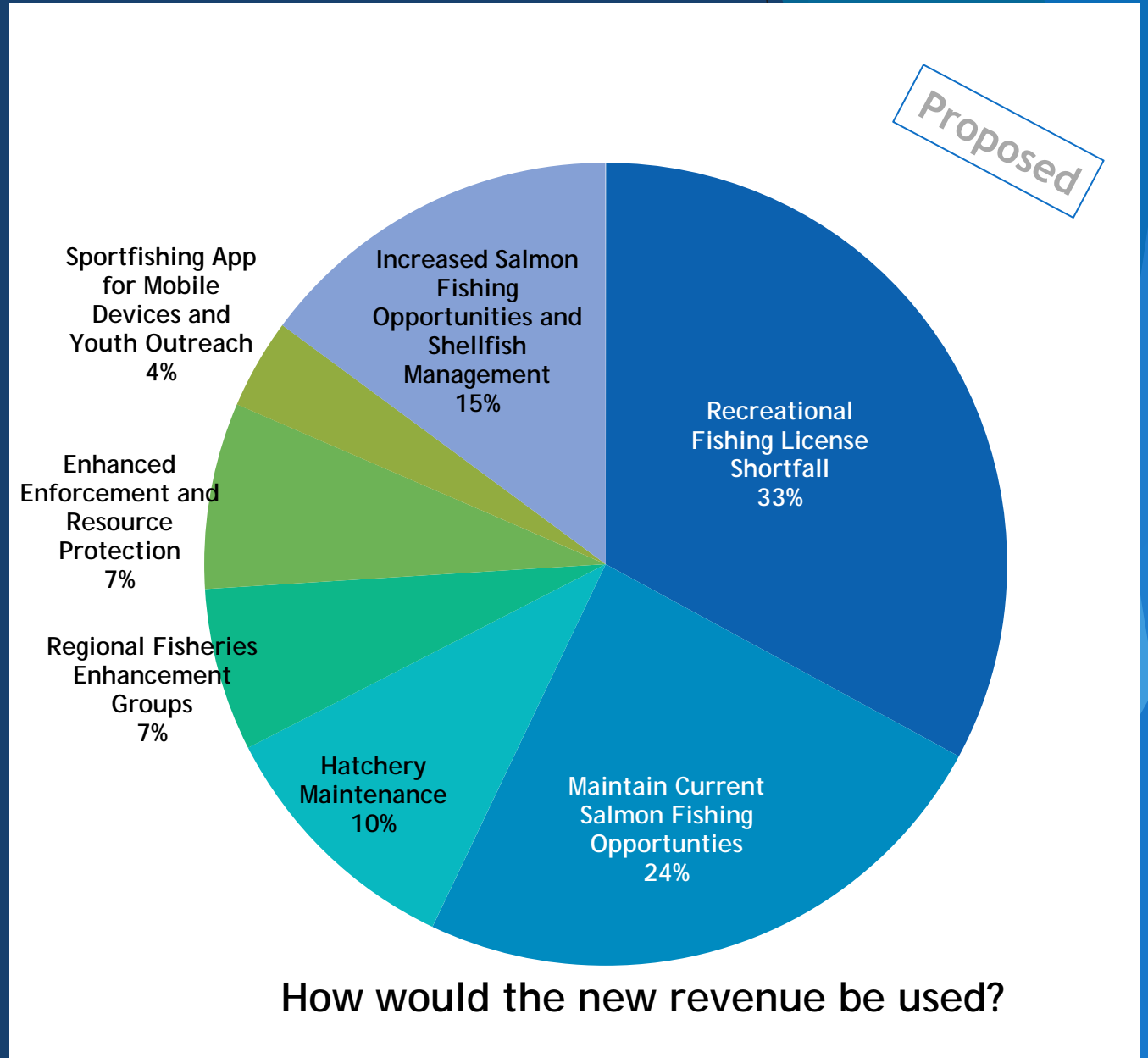
Hunter Profile	Price Increase	Cost Equivalent
Big game hunter	\$9.35	12 gauge box of bird shells (#8 shot 2 ¾)
Big game and small game hunter	\$11.55	A mid-priced bottle of wine (~\$10-12)
Turkey and migratory bird hunter	\$13.89	A car wash (~\$14-15)
Deer and turkey hunter	\$8.03	Walk-on adult passenger on the Seattle to Bremerton ferry (\$8.20)
Canada goose hunter (SW WA)	\$13.67	One year magazine subscription (~\$15)
Complete Package	Price Increase	Cost Equivalent
Hunting - resident price for a big game hunting license and a turkey and migratory bird license	\$25.44	One adult ticket to the Seattle aquarium (\$24.95)

## Wild Future Proposal

### Recreational License Revisions: Fishing Fee

- Fees: 10-20% increase across most license types
- Catch card fee for salmon, steelhead, sturgeon and halibut
- Increase cost of charter stamp (includes a multi-species catch record card)
- New license requirement for smelt fishing
- Revise definition of youth and senior
- Inflationary clause

**Annual revenue: \$12M (user fees)**



Angler Profile	Resident Out-the-Door Fees			
	Current WA Fee	Proposed WA Fee	Oregon	Idaho
Freshwater Trout/Bass Angler	\$29.50	\$34.12	\$38.00	\$25.75
Col River/Snake River Salmon/Steelhead	\$38.25	\$77.87	\$82.75	\$38.50
Saltwater Salmon, Freshwater Trout, and Shellfish	\$55.35	\$81.92	\$82.00	n/a
Saltwater Salmon/Sturgeon	\$30.05	\$67.57	\$73.00	n/a
Halibut and Tuna (Outer Coast)	\$30.05	\$33.57	\$38.00	n/a
Halibut (Puget Sound)	\$30.05	\$45.07	n/a	n/a

# Fishing/hunting license proposal

Angler Profile	Price Increase	Cost Equivalent
Freshwater trout/bass	\$4.62	One grande latte at Starbucks (\$4.65)
Columbia/Snake Rivers Salmon/Steelhead	\$39.62	One tank of gas for a typical sedan (\$40 @ \$2.60/gal, ~16 gallons)
Saltwater salmon, freshwater trout, and shellfish	\$26.57	A large pizza and a liter of soda delivered from Pizza Hut (\$25.88)
Saltwater salmon/sturgeon	\$37.52	A movie date for two with popcorn and drinks (~\$40.00)
Halibut and tuna (outer coast)	\$3.52	One Netflix movie rental (\$3.99)
Halibut (Puget Sound)	\$15.02	12-pack of bottled beer (~\$15)
Complete Package	Price Increase	Cost Equivalent
Fishing - resident price for the angling combo, catch cards and every endorsement WDFW offers	\$79.02	Dinner and a movie for two (~\$80)



## Wild Future Proposal

### Commercial License Revisions

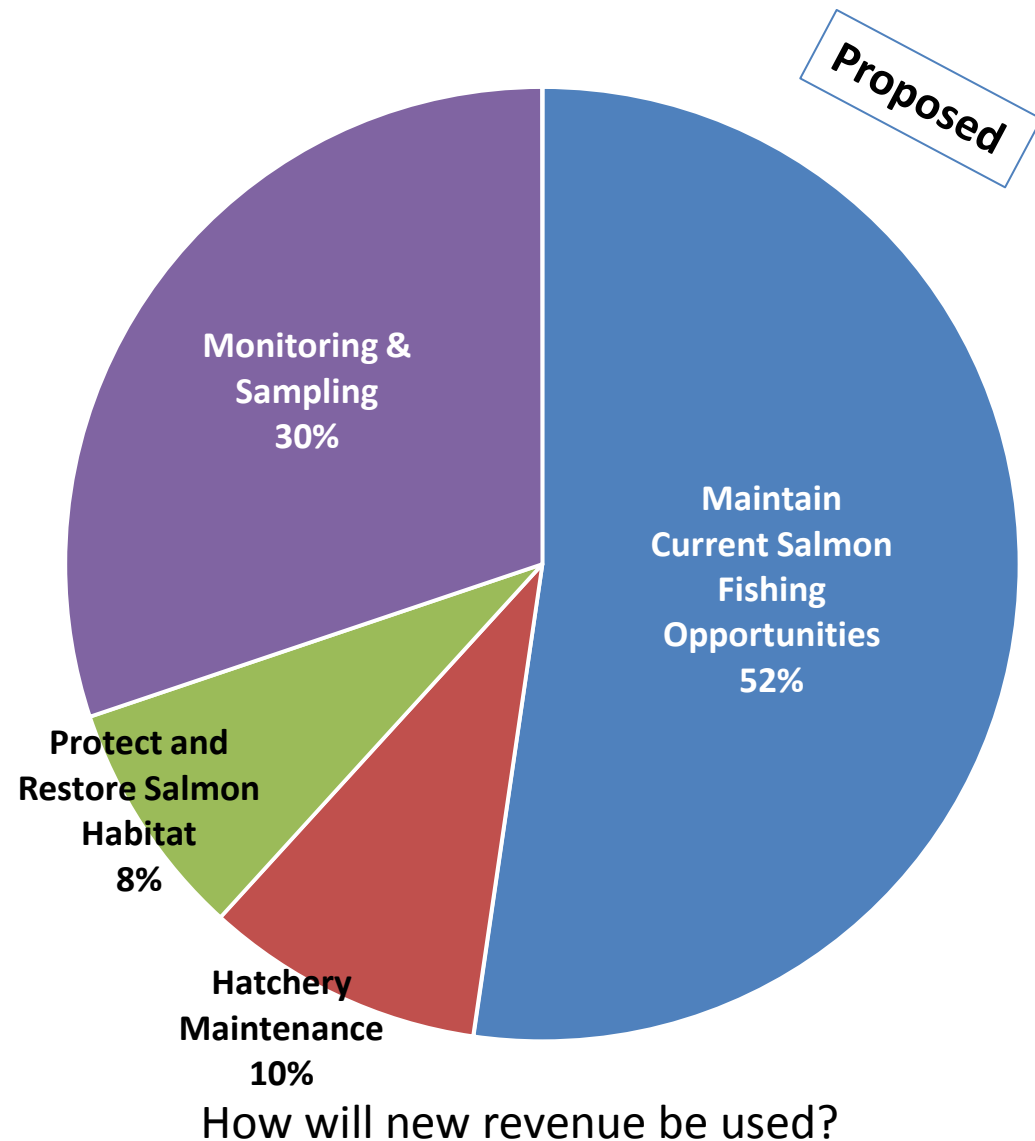
- Fee increase across all commercial license types
- New license types: crew license
- Removed license types: (list)
- Consistent resident and non-resident fees
- Regulatory streamlining
- Expanding record keeping requirements for imported species of concern
- Inflationary clause

GF-S: \$1.1M

New commercial fees: \$1M

Fish food excise tax transfer: \$2.5M

Annual revenue: \$4.6M



# Wild Future Proposal Hydraulic Project Approvals (HPA)

- ▶ Addresses HPA fee expiration
- ▶ Restructures fee from flat to project-cost-based
- ▶ Improves customer service and technical project support
- ▶ Strengthens permit compliance and project outcomes

**Annual revenue: \$2.3M**

**HPA Fee based on project cost: \$1.1M**

**GF-S : \$1.1**

**WL-S: \$0.1**

# Wild Future Proposal Liability Immunity

- ▶ Revises RCW 4.24.210 to provide private landowners who allow free recreational access on their property liability immunity.

# *Wild Future*

## Stakeholder Outreach TO DATE

- ▶ Enforcement Advisory Group
- ▶ PSRFE Oversight Committee
- ▶ Puget Sound Recreation Halibut Fishing Interest
- ▶ Recreational Fishing Leaders (CCA, NSIA, NMTA)
- ▶ Steelhead and Cutthroat Policy Advisory Groups
- ▶ West Coast and Alaska Commercial Fisheries Representatives
- ▶ Upper Columbia Recreational Fishing Group
- ▶ Hunter Heritage Council
- ▶ Master Hunter Advisory Council
- ▶ Game Management Advisory Council
- ▶ Snoqualmie Wildlife Area Dog Training Working Group
- ▶ The Nature Conservancy
- ▶ Columbia River/Coastal/ Puget Sound Commercial Representatives
- ▶ Salmon Recovery Network
- ▶ Farm Bureau
- ▶ Tribes (HPA)
- ▶ Association of Counties and Cities (HPA)
- ▶ Wildlife Diversity Advisory Council

### ONGOING:

#### WDFW Public Workshops

- Region 1 - 8/2 ✓
- Region 2 - 8/9
- Region 3 - 8/3 ✓
- Region 4 - 8/10
- Region 5 - 8/8
- Region 6 - 8/11

# 2017 Supplemental Operating Requests

(Dollars in Thousands)

	<b>2017 Supplemental Requests (One-Time)</b>	<b><u>FY 17</u></b>	<b><u>Fund</u></b>
1)	Ellensburg Office Consolidation	\$265	GF-S/WL-S
2)	Federal Authority	\$3,800	GF-F
3)	Legal Services Shortfall	\$284	GF-S/WL-S
4)	Wildfire Costs	TBD	GF-S
5)	Emerging Wildlife Diseases	\$300	GF-S
	<b>Total 2017 Supplemental</b>	<b>\$4,649</b>	

# 2017-19 BN Maintenance Level Proposals

(Dollars in Thousands)

2017-19 Biennial Maintenance Level		<u>FY 18</u>	<u>FY 19</u>	<u>Total</u>	<u>Fund</u>
1)	Lease Rate Adjustments	\$55	\$78	\$133	GF-S/WL-S
2)	PILT and Land Assessments	\$1,083	\$1,092	\$2,175	GF-S
3)	Legal Services Shortfall	\$142	\$142	\$284	GF-S/WL-S
4)	Wildfire Costs	\$210	\$210	\$420	GF-S
5)	IT Security	\$1,903	\$1,161	\$3,064	GF-S/WL-S

# Performance Level Proposals

- ▶ Publics Records and Open Data
  - ▶ GF-S: \$763K; WL-S \$1.1M: Total \$1.9M
- ▶ I-1401 Illegal Wildlife Trafficking
  - ▶ GF-S: \$900K
- ▶ Aquatic Invasive Species
  - ▶ *Recommendations of the AIS Funding Advisory Committee*
    - ▶ GF-S: \$1M
    - ▶ User fees: \$750K
    - ▶ Shipping industry fees: \$1.3M
    - ▶ Biennial revenue: \$3.1M (Phase 1: 17-19)

# 2017 Budget and Legislative Timeline

- **September 16:** Operating and Capital budget requests due to Governor's Budget Office
- **Mid-December:** Governor releases operating and capital budget proposals
- **Mid-February:** Quarterly Revenue Forecast
- **Late February/Early March:** First legislative budget proposals released
- **April 23, 2017:** End of 105 Day Regular Legislative Session
- **July 1, 2017:** Start of the 2017-19 biennium



# Recommendation - "Place Holder"

	Funding (Biennial)		
	GF-S	WL-S	Other
<b>Wild Future Proposals</b>	\$11.1M	\$17.1 M	\$6.0M
Recreational License Revision (Hunting and Fishing Fees) Commercial License Revision Hydraulic Project Approval Liability Immunity			
<b>Performance Level Proposals</b>	\$2.7M	\$1.1M	\$2.1M
I - 1401 Illegal Wildlife Trafficking Public Records Aquatic Invasive Species			
<b>Maintenance Level Proposals</b>	\$4.0M	\$2.1M	-
Lease Rate Adjustments/ AGO Rates/ Wildfires Costs/ IT Security			
<b>Supplemental Budget Proposals</b>	\$4.6M		

**Total:**

- Biennial Request for 2017-19 = **\$46.2M**
- Supplemental Request = **\$4.6M**