

## ***Commission Budget Policy 2017-19***

### *WDFW's Budget Predicament*

The Department's share of General Funds - State (GF-S) to fund important enforcement, habitat protection, native fish recovery, and fish management activities has declined dramatically over the past decade. At the same time, key federal funding programs have also declined. To address the gap and maintain vital services, recreational fishing and hunting license fees were increased five years ago. Last session the Legislature directed the Department to spend down our cash reserves before seeking additional license fee increases. In 2006, the Department held \_\_ months of operating expenses in reserve. Currently, the Department operates with just two months of cash reserves and expenditures exceed revenues.

Many popular programs of the past were discontinued as budget reductions forced us to direct funding to mission-critical activities. Youth fishing days, environmental education efforts, and other useful programs are no longer conducted, although we know they are important to the effort to draw the next generation into outdoor activities and an appreciation of the natural resources of our state. The Commission will continue urging the Governor and Legislature to provide increased GF-S support for Department activities that benefit the public and multiple user groups, but we also know that education spending is likely to remain the focus under the McCleary decision.

The Department now faces a predicament. We recognize that many license holders feel they are paying more for a license that provides less opportunity and value. In Puget Sound and in many coastal waters, recreational fishing opportunity has declined as the challenges associated with protecting listed or weak stocks and the difficulties of reaching agreement with tribal co-managers have increased. Many anglers have also expressed frustration that Commission policies to reform and improve fish management in Grays Harbor, and the Columbia River have not been fully implemented.

The reality is that in order to maintain and expand recreational fishing opportunity, the Department must pursue recreational fishing license fee increases, as well as additional state general fund support. Similarly, additional commercial license fees and state general funds are necessary to maintain commercial and tribal fishing opportunities.

### *Approach for Sport Fishing License Fee Increases*

The Commission recognizes the benefits of sport fishing across the state in generating funding for agency activities well beyond fishery management cost. Deposited in the Wildlife Account, user fees support such things as native fish recovery, fish production, and a variety of costs associated with management of the fisheries.

It is the policy of the Department to ensure that recreational license fees are used for the benefit of the sport fishery. To be successful, the Department is committed to working closely with the sport fishing community to define the new fee structure and to identify specifically the use of the new revenue created from the new fees.

The Commission recognizes that increased fees can be counterproductive. Increased fees can lead to declines in sales. To counteract that response, the Department must develop specific budget and policy proposals that result in increased sport fishing opportunity.

The Commission also believes that it would be beneficial to look for ways to make demonstrable commitments to expand sport fishing opportunities at the same time that it pursues a fee increase proposal this Legislative Session that avoids the need for additional license increases in the next three biennia.

#### *Budget Analysis and Decisions: Salmon Fishery Activities*

The Director will provide a report to the Commission that includes all the available information relative to the costs of providing and managing sport and commercial fisheries including enforcement, monitoring, and hatchery production costs. The Director will include in his report a breakdown of the revenue sources that support the activities (GFS, federal, local, DJ). Within existing resources, the Director will also report to the Commission the Department's best estimates of the economic benefits and license revenues that are derived by the state from each major salmon fishery, e.g. Puget Sound, Willapa Bay, and the Columbia River.

It is the policy of the Department that consideration be given to the comparable economic and agency revenue benefits of respective fisheries as various cuts, fee increases, and policy changes are proposed and discussed by budget decision-makers.

#### *Promote Selective Fisheries*

The Commission adopted policies that support hatchery and harvest reform and realigned management in a number of specific fisheries to promote more selective harvest practices. The Director will ensure that the Department's biennial budget submission includes elements that maintain and advance these realignments, selective fisheries and hatchery reform measures.

#### *Equitable Sharing of the Costs of Management*

It is the policy of the Department that both recreational and commercial fishers should bear an equitable sharing of the costs of managing their respective fisheries generally in proportion to the fishery benefits each sector receives. Currently, commercial licenses provide very limited revenues to offset management costs roughly \_\_% of the costs of managing these fisheries. The Commission directs the Department to seek means to recoup more of the costs of managing commercial fisheries from the participants in the commercial fisheries or reduce agency activities in support of these fisheries. The sizable reduction in general fund revenue that the Department has experienced over the last two biennia has left it without the financial means to continue providing the existing commercial fisheries the hatchery fish that sustain them.