



1997-1998 Annual Report

The mission of the Washington Department of Fish and Wildlife is The sound stewardship of fish and wildlife

As the 1997-1998 year unfolded, the Washington Department of Fish and Wildlife was confronted with several major challenges, including:

- A budget shortfall brought about by numerous factors, including outdated and sub-standard business practices. The Department was hampered by poor forecasting of sports license revenues, inadequate cost accounting and inventory controls.
- Pending federal endangered species listings for the state's troubled wild salmon stocks. Meeting the challenge of wild fish protection requires changes in the Department's hatchery practices and harvest controls.
- The need to expand recreational opportunities, including adding wildlife viewing opportunities for citizens who are not hunters and anglers
- A closing window of opportunity to preserve critical fish and wildlife habitat in the face of exploding population growth and development

The state's population is mushrooming and people are competing with fish and wildlife for water and land. One conservative estimate is that Washington loses some 30,000 acres of fish and wildlife habitat a year, an area about the size of the city of Spokane. While the state's resources are a cornerstone of our quality of life, fish and wildlife management practices have only begun to respond to the new challenges.

The state's rapid growth places new and increasingly complex demands on the Washington Department of Fish and Wildlife, which once concerned itself only with providing hunting and fishing opportunities. Often, these issues involve numerous participants with varying and sometimes conflicting interests, including local, state and federal agencies, native tribes, businesses and citizens.

Continuing to manage fish and wildlife in the face of new challenges requires the Department to reexamine its focus and increase its operating efficiency. This re-focusing must take place in order for the Department to address complex issues looming on the horizon which include:

Upgrading business practices

Department business practices were not fully combined at the time of the Department's creation from the merger of two separate agencies in 1993. Needed improvements since have been deferred in order to fund resource management activities and field operations. The result has been increasingly deficient business systems which have reached a crisis point where improvement is essential to secure the Department's future. A comprehensive outside study of Department business systems and practices was funded by the 1998 Legislature, and has been carried out by an independent consultant working under the direction of the state Office of Financial Management. That independent study resulted in a report recommending improvement of 23 business systems. Some of the most critical needed improvements were addressed in mid-1998 fiscal year, most notably elimination of a backlog in license revenue reconciliation, better monthly budget tracking, revisions in inventory practices and reorganized purchasing processes. Other improvements have been targeted for priority action, using the services of the outside business consultant to help the Department assess vendor proposals for a new computerized licensing system, and develop procedures and system requirements for an overhead cost allocation and distribution system, a time/payroll accounting system, a central vehicle control system and to make additional improvements to the Department's hunting and fishing license revenue collection processes. Still other needed improvements await additional funding. The Department has made improved business practices the top priority in its 1999-2001 biennial budget request. Of particular concern is improvements to computer hardware and software and staffing for the Department's Information Services Division.

Funding

In order for the Department to continue to provide the same level of services it presently does, alternative funding sources will be necessary. State human population growth and its resulting effect on fish and wildlife habitat have placed increasing demands on the Department, at the same time that Department funding sources from hunting and fishing license sales have become increasingly unstable. A sizeable proportion of the Department's operating budget comes from the sale of hunting and fishing licenses, yet the number of fishers and hunters is in a long-term decline here and elsewhere in the country due to changing interests and demographics. Securing a stable fund source is increasingly necessary for the Department to continue operations.

Endangered Species Act listings

Federal agencies already protect seven salmon, steelhead and other salmonid species as threatened or endangered, with broad ramifications for the state. More listings are likely. The ESA listings, and the direction from the Fish and Wildlife Commission and Gov. Gary Locke to restore wild fish runs to healthy levels, impose challenging demands on WDFW. Not only must WDFW assist in the development of fish restoration plans, the Department also must find ways to re-shape fishing opportunities to target healthy wild and hatchery runs without harming fragile wild fish runs. On the wildlife side, the Department manages 55 animal species that are hunted and 34 wildlife species that are listed as threatened or endangered on state or federal Endangered Species lists.

Wild Salmonid Policy

Implementing the state-tribal Wild Salmonid Policy—with its goal of restoring wild salmon and steelhead runs to healthy, harvestable levels—will be a major challenge for the Department. WDFW has the authority to control fisheries for wild stock survival. It also controls the number and conditions under which hundreds of millions of hatchery fish are released each year. The fish harvest provisions of the Wild Salmonid Policy will require major changes in traditional Washington fisheries. At the same time, WDFW must convert its hatchery system—the world's largest—from a fish production system to one that augments and supplements wild fish restoration efforts while continuing to provide fishing opportunities. To accomplish the necessary habitat changes, WDFW is working with Gov. Gary Locke's statewide Salmon Recovery Strategy, other state and local agencies, tribes and citizen groups.

Changing public interests

More than a third of the state's population participates in wildlife viewing, creating nearly 8,000 jobs, drawing some 270,000 annual out-of-state visitors and generating an estimated \$56.9 million in state sales tax proceeds on the purchase of equipment and trip-related activities. WDFW is attempting to respond to changing public demand for viewing rather than traditional consumptive hunting and fishing activities. Meeting this demand requires increased access to viewing sites and added costs for site maintenance. Many of the Department's wildlife areas must be upgraded to accommodate the demand.

Reconciling habitat needs and landowner interests

The Department is using new tactics to balance fish and wildlife habitat protection needs with the interests of private landowners. Increasingly popular conservation easements allow communities to maintain their private land base while WDFW secures long-term rights to protect habitat and provide recreational access. Under the federal Conservation Reserve Program (CRP) agreements, WDFW helps farmers secure compensation leaving land as wildlife habitat rather than keeping it in agricultural production. The Department continues to pursue some acquisition of unique property that supports priority species and habitats, but only from willing sellers and for fair-market appraisals when funding is available.

Intergovernmental relations

Salmon from Washington rivers and hatcheries migrate into the waters of other states and Canada. The multiple jurisdictions all have a keen interest in conservation and harvest-equity issues, requiring research and frequent interstate and international negotiations, through the North of Falcon and Pacific Fishery Management Council (PFMC) season-setting processes. In addition, recent court decisions have affirmed that state tribes have significant rights to harvest shellfish and animals. (Tribes have had the right to take 50 percent of the harvestable salmon and steelhead since the 1970s.) A recent federal court decision gave tribes greater shares of crab, clams, shrimp and other shellfish. On the wildlife side, WDFW is working with the tribes to develop joint hunting management strategies following the *State v. Buchanan* decision in which the state Court of Appeals ruled that treaty tribes have the right to hunt throughout the state free of most state regulation.

Exotic species

Fish habitat and native species are increasingly threatened by introduced, non-native plants and animals. For example, the European green crab was found this year in coastal bays. The crab is a voracious predator and a serious threat to Washington's commercial and recreational shellfish industry. The state also is bracing for the expected arrival of the zebra mussel, a fresh water

shellfish that would pose a major threat to the operation of the Columbia River dams, sewage treatment plants and other facilities.

Dangerous wildlife

As human population increases and residential growth expands into areas which formerly provided wildlife habitat, Department enforcement officers are increasingly called upon to respond to citizen complaints about cougars and black bears. The Department responded to 563 cougar complaints and 541 black bear complaints in 1997; for the first half of 1998, the Department responded to 363 cougar complaints and 218 black bear complaints. Besides the demands on enforcement staff, this situation presents a public education challenge for the Department as a whole.

Customer service

To adequately serve the public across the state, the Department must maintain a viable system of regional offices offering enforcement, recreational license sales and other services. The Department also must maintain public information and education activities to teach citizens about fish and wildlife needs and recreational opportunities.

Department background

The Department of Fish and Wildlife was formed in 1994 with the merger of the former departments of Wildlife and Fisheries. Yet another major organizational change occurred in 1995 after Referendum 45 was passed by more than 60 percent of the voters. The referendum moved control of the agency from the governor's office to the Washington Fish and Wildlife Commission. Nine citizens, appointed by the governor and confirmed by the state Senate, comprise the commission. Three commissioners are from east of the Cascades, three are from the westside and three are appointed at large.

State laws require the commission to establish policies for the Department that preserve, protect and perpetuate wildlife, fish, shellfish and fish and wildlife habitat. The Department also is responsible for maximizing fishing, hunting and recreational opportunities compatible with healthy and diverse fish and wildlife populations. The department also is charged with maintaining the economic well-being and stability of the fishing industry, promoting orderly fisheries and enhancing recreational and commercial fishing.

To accomplish these goals, WDFW

- Employs more than 1,600 people on a full-time or temporary basis, including some of the most knowledgeable fish and wildlife scientists in the country.
- Manages more than 840,000 acres of land which offer critical habitat to native animal species and provides recreational opportunities to state citizens.
- Controls some 583 sites with access to water and public lands for hunting, dog training, hiking, hang gliding and many other popular recreational activities.
- Runs the world's largest fish hatchery system, organized into 24 complexes with more than 90 rearing facilities. Those facilities each year collect more than 300 million fish eggs and produce more than 200 million salmon, 8.5 million steelhead and 22 million trout as well as warmwater fish such as bass, perch and walleye
- Manages the Lewis County game farm which produces 30,000 to 40,000 pheasants per year.
- Oversees a biennial budget of approximately \$260 million. Fishing and hunting license sales and other user fees fund approximately 34 percent of the budget. The state General Fund provides another 31 percent. The balance comes from funding designed to mitigate the loss of fish and wildlife habitat and from other government revenues. Approximately two-thirds of the funding is dedicated to specific uses.
- Works with thousands of enthusiastic volunteers who work to enhance habitat; raise thousands of salmon and other fish species; remove invasive, non-native plants, ; conduct educational tours at hatcheries and wildlife areas; serve as eyes and ears for enforcement officers in programs such as Stream Watch; feed elk and other wild animals during the winter and mark hatchery salmon and steelhead fish for future fisheries.
- Administers five programs headed by assistant directors who report to the WDFW's director. The programs are:

Fish Management: Focused on restoring and protecting the productivity and diversity of wild salmon and steelhead, salt and fresh water shellfish, marine and game fish and nongame fish and their ecosystems, Fish Management leads WDFW's efforts to implement the Wild Salmonid Policy and to respond to federal Endangered Species Act listings. It also implements the Warm Water Fishery Enhancement program and fish-sharing decisions mandated by the Legislature or the courts. The department's Hatchery Program, which operates the world's largest hatchery system, was folded into the Fish Program in the past year.

Wildlife Management: The program's focus is on protecting wildlife and their habitats by developing guidelines and strategies to promote healthy ecosystems; maintaining healthy animal populations; developing partnerships to ensure stewardship goals are met, and providing a wide range of hunting and wildlife viewing opportunities

Enforcement: Ensuring compliance with fish passage and hydraulic project requirements; responding to complaints about bears and cougars; preventing unsafe shellfish from threatening public health; ensuring orderly fisheries; preventing poaching and educating the public are the focus of the enforcement program.

Administrative Services: The Administrative Services program tracks and accounts for WDFW's revenue and expenditures; manages computer communications and data collection systems; increases citizen awareness and enhances volunteer efforts through partnerships with public and private organizations. Several of these functions which previously operated separately, were placed under the administrative services program during a 1998 cost-cutting reorganization.

Habitat and Lands Services: The program's work includes obtaining land necessary to support fish and wildlife populations through partnerships, easements or acquisitions; ensuring fish passage at dams and other barriers; providing water access sites for the public; offering regulatory services, technical assistance and environmental review for government agencies and the public on habitat restoration and protection, managing wetlands and attempting to minimize the effect on fish and wildlife of spills of oil and other toxic substances.

Revenue: Where the money comes from...

User Fees - \$41,815,001 (34.3%)

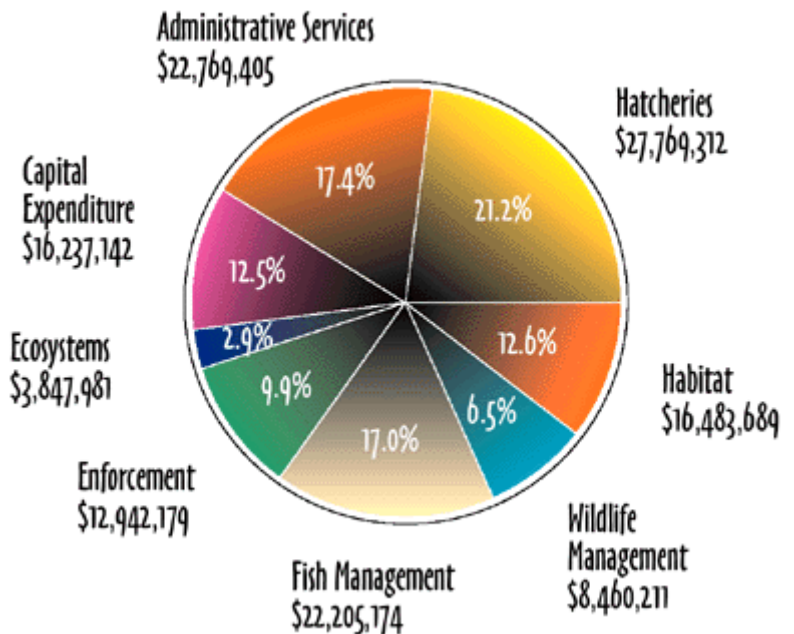
This includes all fishing and hunting license fees (commercial and recreational), federal excise tax for certain hunting gear, fishing gear and motorboat fuel, fines and forfeitures and miscellaneous revenue collected from department activities.

General Fund Revenue - \$37,902,416 (31%)

This includes that portion of the state's General Fund appropriated to the department. Funds are derived from state tax dollars and the sale of general obligation bonds.

All Other - \$42,226,741 (34.6%)

This includes all other revenue received or expended by the department and is composed of mitigation revenue for losses of fish and wildlife, all other federal and local government revenue, personalized license plate revenue, and other state funds received by the department. Funds in this category are all dedicated to specific departmental activities.



Litigation

- *U.S. v. Washington* (January, 1998): The U.S. Ninth Circuit Court of Appeals affirmed a trial court's ruling that western Washington treaty tribes had the right to take shellfish in all waters where Indians customarily took salmon. The appeals court affirmed the tribes' allocation of 50 percent of the harvestable shellfish, including those found naturally on private tidelands.
- *State v. Buchanan* (August, 1997): A state court held treaties entitled tribes to hunt on any "open and unclaimed" lands. The ruling increases the areas on which Indians may hunt. The Yakima County prosecuting attorney's office has appealed the decision to the Washington Supreme Court.
- *U.S. v. Oregon* (September, 1998): The federal district court of Portland rejected an agreement proposed by Columbia River tribes and the United States that would have let the tribes harvest salmon without compliance with the federal Endangered Species Act. Washington and Oregon opposed the proposed agreement. Further litigation concerning the application of the Endangered Species Act to tribes is likely.

- State regulation of non-Indians: The courts in three of four cases rejected arguments that the state could enforce against non-Indians only those regulations it enforced against Indians exercising treaty fishing rights. The issue is expected to go to the appellate courts.
- *Armstrong v. State* (1998): The court upheld the Fish and Wildlife Department's orange clothing regulation for hunters.
- *British Columbia v. United States* (January 1998): A federal court in Seattle dismissed as a political issue a suit by British Columbia and Canadian fishing organizations against the United States, Washington and Alaska. The suit alleged the defendants violated the Pacific Salmon Treaty and related legislation.
- *Washington Trout v. WDFW* (April, 1998): A King County Superior Court ruled the state's environmental impact statement for a proposed hatchery at Grandy Creek did not adequately address the environmental effects of the release of its fish.
- *Safari Club International v. WDFW* (September, 1998): A Thurston County court upheld an initiative that bans the use of hounds and bait for bear and cougar hunting.

Conclusion

As Washington moves into the 21st century, the Department of Fish and Wildlife's role in managing the state's wild creatures has become much broader than simply providing opportunities for hunting or fishing.

The Department has entered a unique phase in its history. Five years after its creation through merger, the Department has yet to fully integrate its internal operations and to develop adequate business practices. Yet, at the same time, demands on the Department have never been greater, with wild fish protection and restoration needs looming and relentless habitat loss that makes the management of all fish and wildlife species increasingly challenging. The Department has been unwavering in its commitment to the state's wildlife resources. But long-term, the Department will need outside support as demands become greater and the traditional funding base derived from the sale of recreational fishing and hunting licenses continues to erode.

The Department's challenge is to create a new model as a conservation agency. It plays a central role in ensuring that the state maintains an ecosystem that provides a high quality of life for people as well as wildlife.

But first vital questions must be answered: How will the Department be restructured financially so that it is not slowed by out-of-date accounting and economic forecasting methods? How can the Department adequately serve all the state's citizens, not just hunters and fishers? How can the Department best play a part in restoring fragile wild fish populations being listed for federal protection.

The salmon restoration question is one that has the potential to affect every citizen in Washington. WDFW is the repository of the best scientific information about what salmon need to thrive. How can this knowledge be brought to bear fully on the difficult salmon restoration questions that face all Washington citizens?

Lessons learned about protecting and restoring habitat for salmon must be turned to the larger question of how habitat for all native fish and wildlife species will be protected.

Ultimately, the Department's success in meeting these challenges will set the stage for its success and the state's success in preserving its quality of life for all species, including man.