

WDFW DRAFT 2019 BUDGET AND AGENCY-REQUEST LEGISLATION

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AUGUST 1, 2018

OUTLINE

- 2019-21 Draft Operating Budget Requests
- 2019 Draft Agency-Request Legislation
- Outreach Update



2019-21 BUDGET ENVIRONMENT

Problem Statement (Wildlife Account and GF-S)	Dollars in Millions
2019-21BN Projected Spending on Wildlife Account above Projected Revenue	\$4.3
2019-21BN Projected Spending on General Fund Provisos and Restricted Accounts above Projected Revenue	\$1.5
Reversal of the 2017-19BN One-Time Balancing Decisions	\$19.1
Columbia River Salmon and Steelhead Endorsement Expiration	\$3.3
Estimated 2019-21BN Inflation	<u>\$4.7</u>
Total 2019-21BN Shortfall	\$32.9

DEVELOPING THE 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.
- Strategic Investments in new work

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

PLANNED REDUCTIONS FOR THIS FISCAL YEAR

- Trout hatchery production shift
 - Naches Hatchery
- 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

2019 LEGISLATIVE SESSION BUDGET REQUESTS



- SFY2019-21 Operating
 - Maintenance Level
 - Fish Food
 - PILT
 - Performance Level
 - Maintain Services
 - Enhance Services

AT-RISK AND BUYBACK PROPOSALS

- 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



AT-RISK AND BUYBACK PROPOSALS (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



AT-RISK AND BUYBACK PROPOSALS (CONT'D)

- Maintain Fishing and Hatchery Production (\$9M GF-S and WL-S)
 - Salmon and trout production
 - Whitehorse Ponds
 - Bingham Creek Hatchery
 - Humptulips Hatchery
 - Reiter Ponds
 - Meseberg Hatchery
 - Chelan Hatchery
 - Omak 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;



AT-RISK AND BUYBACK PROPOSALS (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 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 STRATEGIC ENHANCEMENTS (CONT'D)

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



DRAFT 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
 - Increase wildlife conflict response capacity
- Indirect
 - Outreach, education, marketing
 - HR and Training capacity
 - Matrix report recommendations

DRAFT 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



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
- State Wildlife Account and Title 77 Streamlining/Efficiency Bill
 - Separate State Wildlife Account into unrestricted account and composite of restricted accounts
 - Remove requirements for certain annual/biennial reports
 - Review fund restrictions on certain accounts
 - Inflation adjustments

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:

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

USER PROFILES

Trout Angler	Current	12%	15%	Surcharge
Annual Freshwater License	\$29.50	\$32.80	\$33.63	\$41.00
Out-the-Door % Increase		11.19%	13.98%	38.98%
Charter	Current	12%	15%	Surcharge
Charter or Guide	\$8.50	\$9.46	\$9.70	\$11.50
Out-the-Door % Increase		11.29%	14.12%	35.29%
Salmon Angler	Current	12%	15%	Surcharge
Annual Combination License + CRSSE	\$64.10	\$71.03	\$72.76	\$75.60
Out-the-Door % Increase		10.81%	13.51%	17.94%

USER PROFILES

Turkey Hunter	Current	12%	15%	Surcharge
Small Game + Turkey Tag	\$56.40	\$62.87	\$64.49	\$67.90
Out-the-Door % Increase		11.47%	14.34%	20.39%
Outdoor Hunting/Angling Enthusiast	Current	12%	15%	Surcharge
Fishing Combo, Big Game, Small Game and Tags, 2 Special Hunt Apps, + Turkey	\$203.15	\$226.65	\$232.52	\$214.65
Out-the-Door % Increase		11.57%	14.46%	5.66%

OUTREACH

- Organizations:
 - Backcountry Hunters and Anglers
 - Trout Unlimited
 - CCA
 - Wild Steelhead Coalition
 - Washington Environmental Council
 - Conservation Voters
 - WA Tourism Alliance
- Tribes:
 - Western Washington Treaty Tribes
 - NW Indian Fisheries Commission
 - Upper Columbia United Tribes
 - Col River Inter-Tribal Fish Commission

OUTREACH

- WDFW Advisory Groups
 - Budget and Policy Advisory Group
 - Game Management Advisory Council
 - Wildlife Diversity Advisory Council
 - Hunter Ed Instructor Advisory Group
 - Master Hunter Advisory Group
 - ADA Advisory Group
 - Col River Salmon and Steelhead Rec Anglers Board
 - Dealer Advisory Group

OUTREACH

- News Release and Social Media
- Media Webinar: July 23, 2018
- Public Webinar: July 23, 2018
- Public Opinion Survey

SURVEY PRELIMINARY SUMMARY

- 556 respondents (as of 7/31)
- Maintain: Hunting and Fishing
- Enhance: Fishing, Hunting, Conservation
- 75% respondents agreed that:
 - Dept should be supported by GF-S
 - Think general taxes should contribute more
- 48% were “very unlikely” to support a fee increase
- 43% prefer across-the-board fee increase while 47% prefer the surcharge
- 62% supportive if no fees, pursue GF-S request

TIMELINE

Date	Key Meetings and Deliverables
August 9-11	FWC Approval of Budget and Agency-Request Legislation
September	Products due to the Governor's Office and Legislature
September 11	House Appropriations Committee
October	Regional Public Meetings w/ new Director; Strategic Planning

QUESTIONS



Washington Department of
Fish and Wildlife



DRAFT

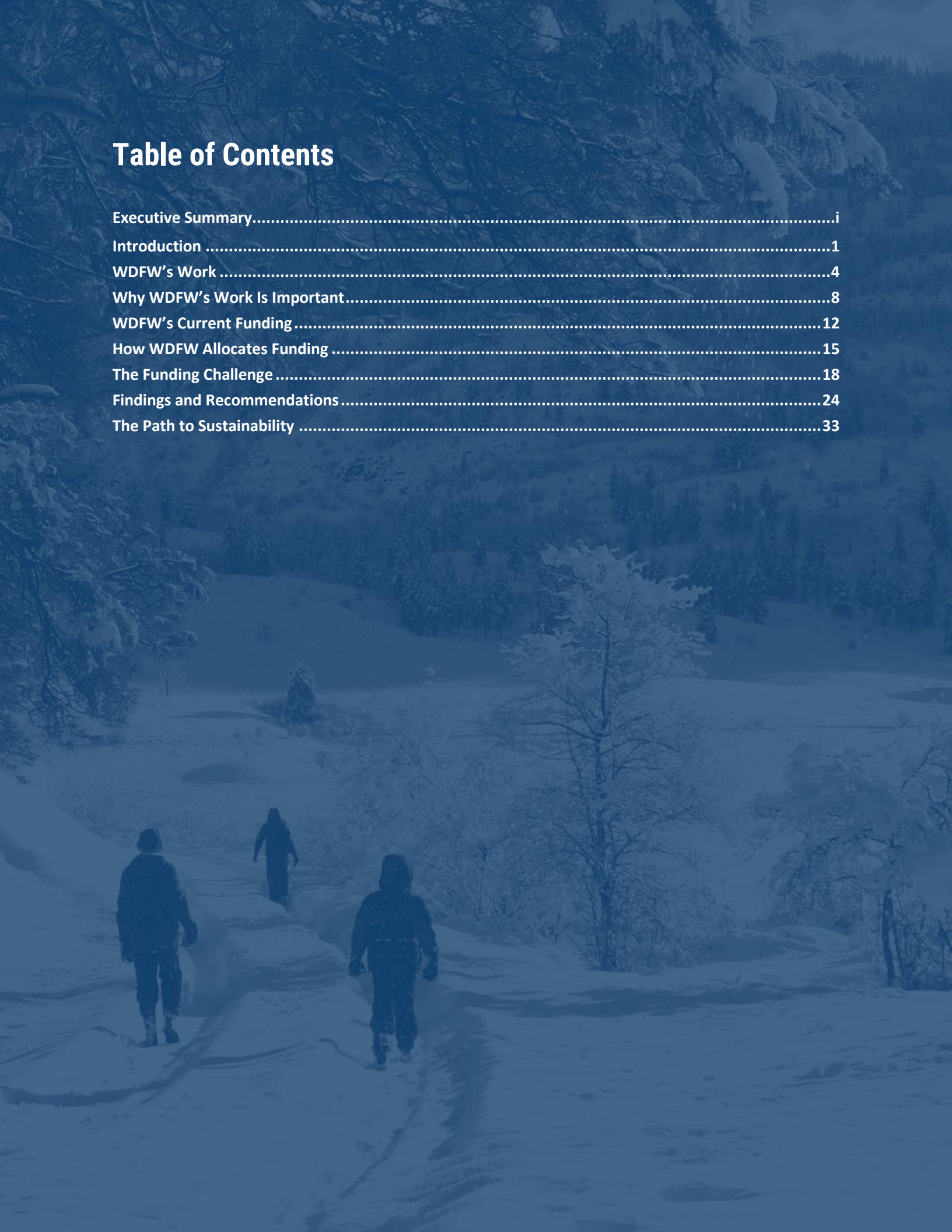
Long-Term Funding Plan

September 1, 2018



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Executive Summary

Our fish and wildlife resources and the natural lands on which they depend are at risk. The challenge of adequately funding fish and wildlife conservation is not unique to Washington, but it is acute here. The Department of Fish and Wildlife, the State's main steward of fish and wildlife populations and habitat, is facing significant, chronic structural budget shortfalls. If action is not taken, deep cuts in services across the board will be needed to balance the books. Even if funding were increased to keep services at their current level the investment is still woefully inadequate. We are funding the work called for in the State Wildlife Action Plan for species of greatest concern at less than [x%] of need. Salmon and steelhead recovery is lagging behind what is desired, and southern resident killer whales face extinction if diminishing population trends cannot be reversed.

The Washington Department of Revenue estimates that hunting, fishing, and wildlife watching will contribute nearly \$340 million dollars to the State General Fund in FY 2018 and FY 2019 through sales tax and business and occupation taxes.¹ This revenue is three and a half times the amount of general fund investment in fish and wildlife conservation. The revenue estimate looks at the initial impact to the general fund only – no secondary impacts or multipliers are included. Actual

¹ Washington Department of Revenue. (2017) DOR GFS Estimate

FUNDING RECOMMENDATIONS

1. Increase the amount and stability of funding.
2. Most funding should come from a broad-based source such as the general fund.
3. Revenue from licenses and fees should supplement broad-based funding.
4. Improve products and update fees for hunters and anglers.
5. Improve products and update access fees for recreational users.
6. Ensure stability and predictability of hunting and fishing license costs and other fees.
7. Ensure partners pay their fair share.

economic benefits are much higher. We sustain these economic benefits by investing in the work needed to sustain healthy fish and wildlife populations.

In 2017 the Legislature directed the Department of Fish and Wildlife to develop a plan for long-term funding. The immediate need is to address the chronic, structural budget shortfalls in the Department. Looking to the future, a long-term funding plan 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. Hunting and fishing, long a source of revenue through license fees, are declining, while other uses of public lands are increasing. Reliable, adequate funding – and new partnerships and new strategies – are needed to pass our fish and wildlife resources, and the health and economic benefits they create, on to the next generations.

The Department of Fish and Wildlife prepared this plan working with a group of stakeholders representing a broad range of fish, wildlife, recreation, land management, and conservation interests. Seven recommendations are made to address sustainable long-term funding. (See box at left.) At the center of the recommendations is the idea that because the benefits of fish and wildlife conservation in terms of health, wellbeing, and contributions to the state economy, are broadly felt by all Washingtonians, and because the protection of fish and wildlife resources is held by the state as a public trust and a responsibility of the state under tribal treaties, most funding for fish and wildlife conservation should come from broad-based sources of revenue. Hunting and fishing licenses and other recreation or access fees should supplement – not replace – broad based general funding.

Additional recommendations address continuous improvement, stakeholder and public engagement, and strategic planning as ways to improve Department services, increase the transparency of funding decisions, and foster an environment of support for adequate fish and wildlife funding.

Findings support the recommendations. Key findings include:

- 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.
- The Department’s funding has not kept pace with its responsibilities.
- 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. Efficiencies will not solve the problem.
- 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.

- 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. It forces more reactive than proactive management.
- Over time, lack of stable, adequate funding has resulted in 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.

Although the challenges to fish and wildlife conservation are significant, they can and must be met. Other states have already taken action in this area – including four states (Arkansas, Iowa, Minnesota, and Missouri) which dedicate a portion of sales tax to conservation and ten states which dedicate real estate or other taxes. Seven states authorize bonds for investment in conservation and recreation including California which just passed a \$4.1 billion bond measure focused on natural resource conservation and resiliency, parks and recreation, and water-related activities including flood protection, groundwater recharge and cleanup, safe drinking water, and water recycling. Lessons from these states can help us find our way.

Stakeholders, exemplified by the Budget and Policy Advisory Group, are coming together to support new partnerships, better strategies, and more reliable investment in fish and wildlife conservation now and for the future. Leadership is needed now at the Department, in the Fish and Wildlife Commission, and in the Legislature to take the actions needed to secure healthy fish and wildlife resources now and for the future.

This report is a first step. It lays out the problem, sets a vision for sustainable long-term funding, and provides a set of ideas to get started. More work is needed to bring those ideas to fruition.

In 2019 WDFW will bring forward a package of legislative proposals designed to maintain current services and make a down payment on the investment needed to get fish and wildlife conservation on a sustainable path. It will ask for funding mainly from broad-based sources of revenue and secondarily from a modest increase in licenses and fees. Simultaneously it will engage in a Visioning and Strategic Planning effort with the Budget and Policy Advisory Group to inform and bolster future funding decisions and priorities.



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 depend 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.

Introduction

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



This report describes a new path to long-term funding for the Washington Department of Fish and Wildlife (WDFW).

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 resulting 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 rapid growth can threaten their very existence. As in other states, traditional sources of revenue from hunting and fishing licenses are declining, while use of natural lands by other groups is increasing. Other challenges are more unique to Washington - we operate the largest hatchery system in the nation, have some of the most significant endangered species challenges in salmon, steelhead, and southern resident killer whale, and are responsible for fulfillment of treaty obligations to numerous Native American tribes.

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.

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 Consulting's 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.

The Long-Term Funding Plan was prepared by WDFW in concert with its Budget and Policy Advisory Group (BPAG).

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 BOTH DEFINE WASHINGTON'S CHARACTER AND CONTRIBUTE SUBSTANTIALLY TO WASHINGTON'S ECONOMY.



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.

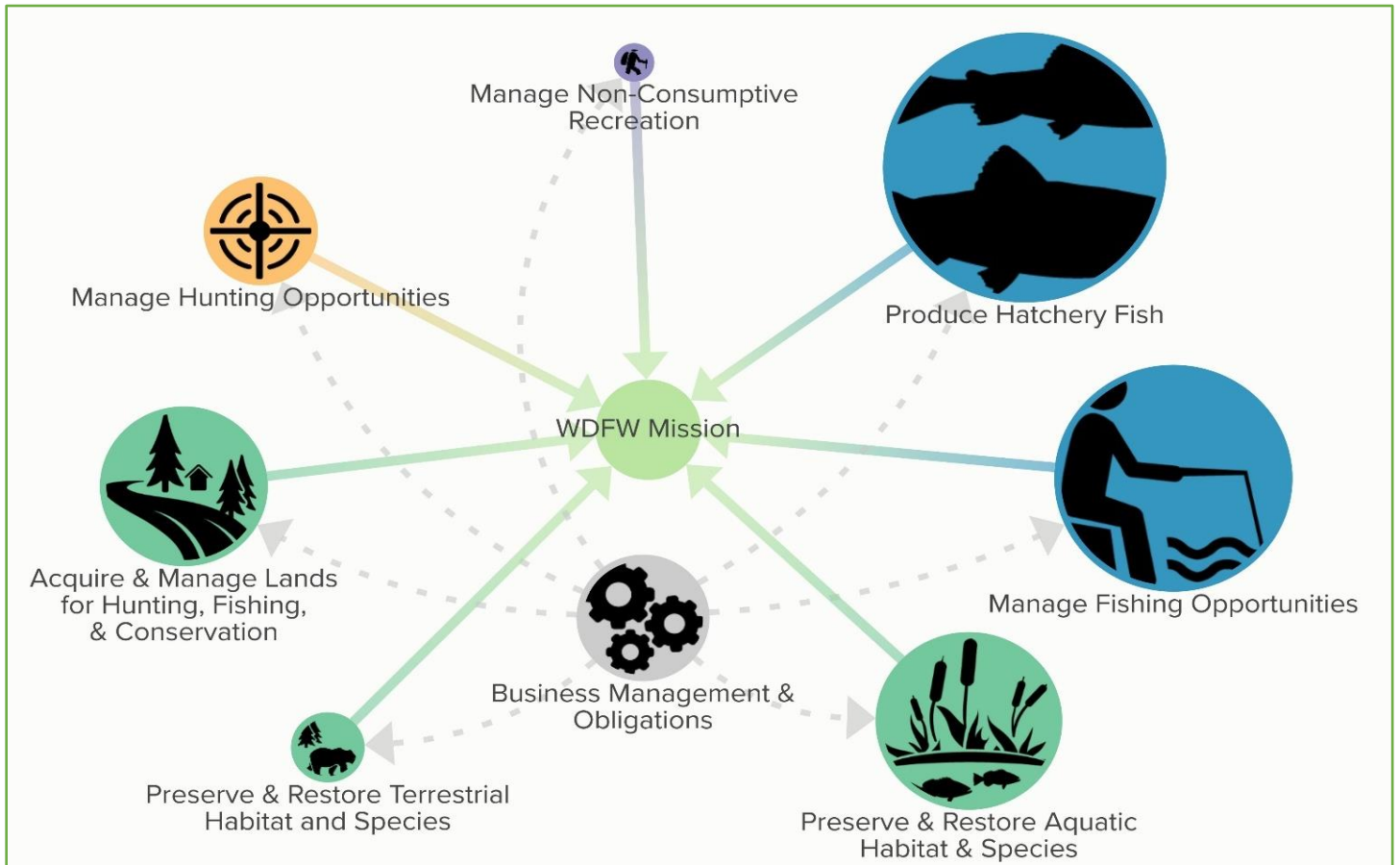
WDFW is the main steward of fish, wildlife, and natural areas that support outdoor lifestyles and livelihoods in Washington State. The Department has a two-part mission established in state law to: “preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife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

Practically, the Department’s responsibilities are wide-ranging and include conserving and protecting native fish and wildlife, protecting fish and wildlife habitat by acquiring and managing land, 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, with other agencies, for fulfillment of tribal treaty responsibilities on behalf 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 also has benefits for hunters (by providing game habitat and hunting access), fish populations (by protecting water quality), anglers (by improving fish populations and perhaps providing water access), wildlife viewers/outdoor recreators (by providing land on which to recreate and conserving plants and wildlife for viewing). Indirectly, this dollar spent on terrestrial habitats and species also benefits the broader public in Washington and beyond who depend on us to be wise stewards of fish and wildlife populations, benefit from the services natural lands provide by cleaning air and filtering water, and enjoy the aesthetic beauty of the lands and their contributions to a strong state economy.

It is difficult to tease apart the Department’s work into discrete outcome areas. At the same time, we need a way to talk about what WDFW does and understand performance and progress. To support this conversation, WDFW tracks and describes its work using seven outcomes, plus the leadership and business operations necessary to support the as illustrated below.

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



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. In addition to these typical responsibilities, WDFW also has responsibility for its part of fulfilling Washington State's tribal treaty responsibilities and government-to-government relationships with the 29 unique federally-recognized tribes in the state² particularly with respect to management of threatened and endangered salmon and steelhead. Washington's tribal co-managers are key to maintaining and improving Washington's natural heritage. The state's need for extensive hydropower impact mitigation is also a unique state responsibility as is our operation of the largest fish hatchery system in the nation.

We also can compare across states in terms of the environment a fish and wildlife agency must operate in. Washington State is growing faster in terms of population and economy than many other states, putting increasing pressure on natural lands. From 2015 to 2016, Washington's gross state product grew at a rate of 3.1%, faster

² National Congress of American Indians

than any other western state.³ Washington was the fourth fastest growing state in population in 2017, with 1.7% growth rate.⁴ In terms of the amount of public land available for fish and wildlife, Washington has 36%, which puts it approximately sixth among western states. We are a fast-growing state, with a relatively small amount of public land. This places intense pressure on fish and wildlife resources. We also have the largest saltwater estuary in the nation, Puget Sound, which requires significant protection and recovery work.

Finally, we can compare across states in terms of their organization and performance. The *Organizational Assessment of Operational and management Practices* conducted by Matrix Consulting Group (Appendix C) compared WDFW's organization and performance to that of five other states: Arizona, Florida, Minnesota, Missouri, and Oregon. They looked at administrative staffing and processes, organizational authority and operations, budgeting and accounting processes, and management structures and found that Washington State is comparable to other states of similar size. They did not identify significant over-staffing, inefficiencies, or ways to reduce costs.



³ [US Department of Commerce: Bureau of Economic Analysis - News Release, May 2017](#)

⁴ [US Census – Press Release, December 2017](#)

TELLING OUR STORY



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. WDFW’s enforcement is critical to the health of deer and other big game species and the habitat they rely on, but is continually underfunded and understaffed. Without increased enforcement, we expect to see more poaching, 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 and other big game 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 big game by keeping herds off 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.

Why WDFW's Work Is Important

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



Fish, wildlife, and healthy natural lands are part of the fabric of who we are in Washington State.

WDFW's mission is to "preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities." With this mission as its guide, WDFW is responsible for managing fish and game populations and the natural lands on which they depend, and ensuring hunting, fishing, and outdoor recreation opportunities. This work has multiple benefits to both users and non-users and contributes substantially to the economy in Washington State. Multiple benefits improve the economy, public health, and the well-being of Washington citizens and other residents throughout the Pacific Northwest.

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 is a significant part of the fabric of many rural communities, and Washington is a premier destination for recreational salmon and steelhead fishing. Providing sustainable, successful hunting and fishing opportunities is a cornerstone of what WDFW does.

In addition to hunting and fishing opportunities, WDFW's work provides outdoor recreation opportunities for many other 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

We need fish, wildlife and healthy natural lands to ensure a good quality of life for current and future generations.

Healthy natural lands also contribute to a favorable business climate and support Washington's economy.

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 and help to bolster local economies.

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. Beyond the direct services they provide, healthy 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. A 2017 national report studied the connection between Americans and nature. The study 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."⁵ The 2011 Colorado State University and WDFW survey found that nearly 90% of Washington residents believe nature needs protection, regardless of their use of nature.

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 5th overall in Quality of Life, which includes factors like livability, parks and recreation, and environmental quality.

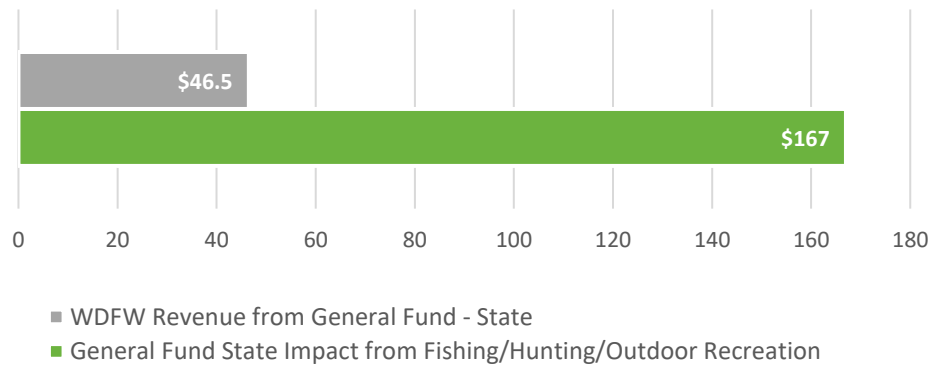
INVESTMENT IN FISH AND WILDLIFE LEADS TO REVENUE FOR THE STATE. EACH YEAR HUNTING, FISHING, AND WILDLIFE WATCHING GENERATE THREE AND A HALF TIMES MORE REVENUE TO STATE GENERAL FUND THAN WDFW IS ALLOCATED TO PROVIDE THOSE SERVICES.

Finally, unlike so many other necessary and important investments in public health and wellbeing, conserving fish and wildlife also provides direct economic benefits to the state. The Washington Department of Revenue estimates that hunting, fishing, and wildlife watching will contribute nearly \$340 million dollars to the State General Fund in FY 2018 and FY 2019 through sales tax and business and occupation taxes.⁶ This estimate looks at the initial impact to the general fund only – no secondary impacts or multipliers are included. Actual economic benefits are much higher. In

⁵ The Nature of Americans: Disconnection and Recommendations for Reconnection,
⁶ Washington Department of Revenue. (2017) DOR GFS Estimate

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 initial economic return for hunting, fishing, and wildlife watching alone. In total, the Washington Department of Natural Resources, the Washington State Parks Commission, and WDFW were allocated approximately \$151 million a year in the FY17-19 biennium. ⁷

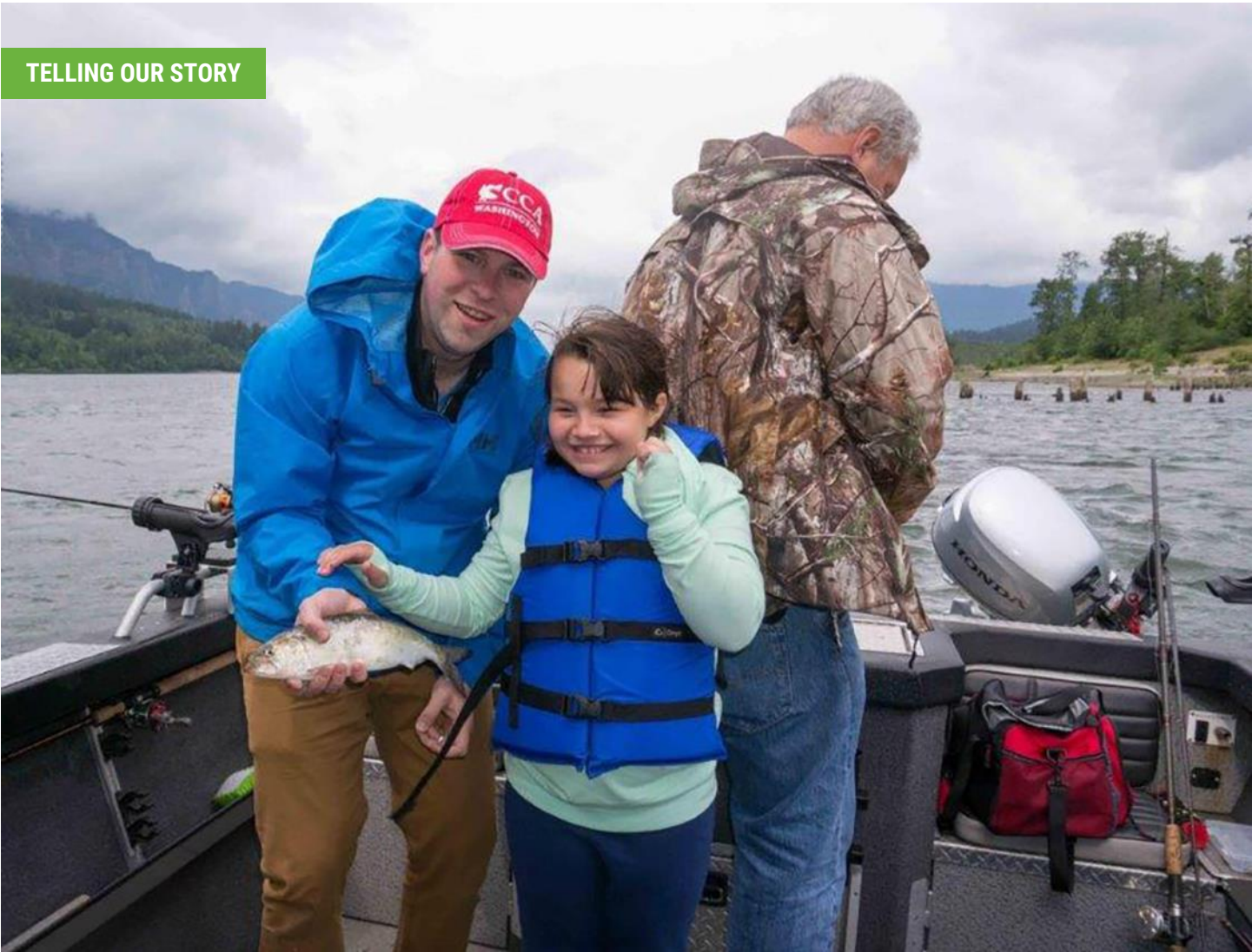
Figure X. WDFW General Fund Contribution vs. Revenue Annually (in millions)



While they are not well known, these numbers also are not new. 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. At the national level, the Outdoor Industry Association estimates that outdoor recreation contributes \$887 billion to the 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 2015⁸ reinforces these benefits. It 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. It estimates that outdoor recreation supports nearly 200,000 full and part-time jobs in Washington State in food and beverage service, sporting goods and other retail stores, amusement and recreation industries, and hotels and motels.

⁷ 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

⁸ Earth Economics. (2015, January). *Economic Analysis of Outdoor Recreation in Washington State*



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.

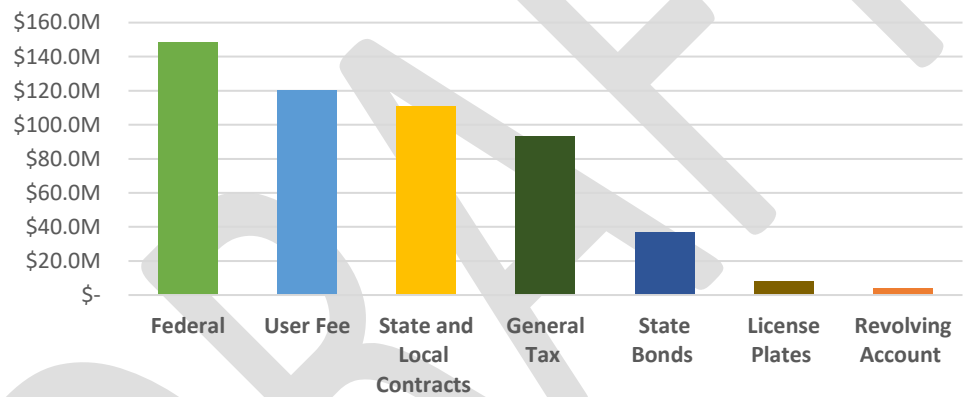
Funding for management and enforcement of fisheries comes from a range of sources including Dingell–Johnson funds, the state general fund, and recreational fees and licenses.

WDFW's Current Funding

WDFW SPENDS APPROXIMATELY \$520 MILLION PER BIENNIUM, FUNDED BY A MIX OF RESTRICTED AND UNRESTRICTED STATE AND FEDERAL SOURCES.

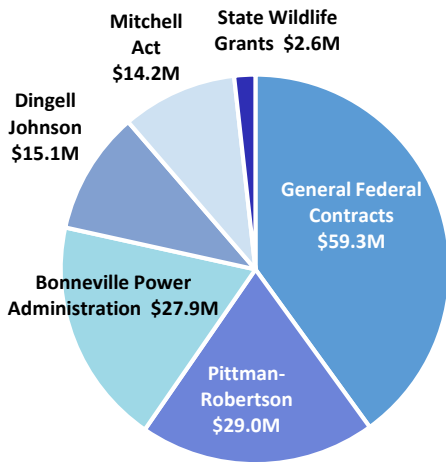
Funding for the Department's budget is from six main sources: federal funding, user fees, state and local contracts, state general fund, state bonds, and license plates. A small amount of funding also revolves through the Department and is used to capitalize equipment. Figure [number] shows expenditures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

Figure X. 2015-2017 Biennium Funding Sources (Includes Operating, Capital, and Interagency Expenditures) ⁹



⁹ 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.

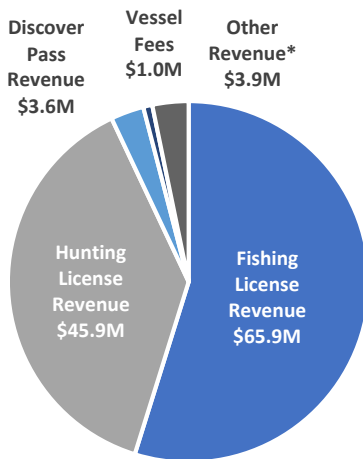
Federal funding is approximately 28% of the Department’s spending. Half is from General Federal Contracts. The rest is Pittman-Robertson, Dingell-Johnson, and Mitchell Act allocations, along with funding provided as mitigation for the federal Columbia River hydropower system and state wildlife grants.

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.

Finally, general tax makes up approximately 18% of the Department’s spending. It is funded mostly by the 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.

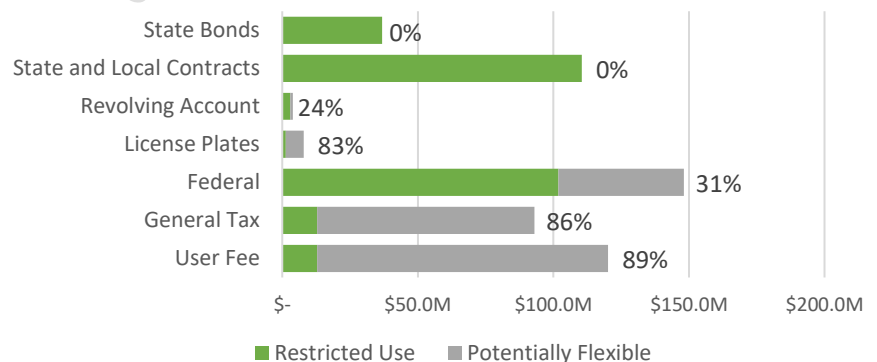
Figure X. WDFW Sources of User Fee Revenue



About Half WDFW’s Funding Is Restricted

About half of WDFW funds are restricted, meaning they can be spent only on specified activities, such as wildlife rehabilitation or rockfish research. This restricts the Department’s ability to direct funds to shifting priorities, or address emerging or critical issues. It can result in ongoing investment in lower priority work when times are tight. Figure X shows the flexible spending by fund source.

Figure X. Flexibility by Fund Source



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 EIGHT OUTCOMES. EACH OUTCOME USES REVENUE FROM MULTIPLE FUNDING SOURCES.

WDFW carries out its mission by focusing on eight 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; and business management obligations. Figure [number] shows the amount of funding for each outcome 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 X. WDFW Total Expenditures by Outcome 2015-2017 Biennium (Includes Interagency Spending)

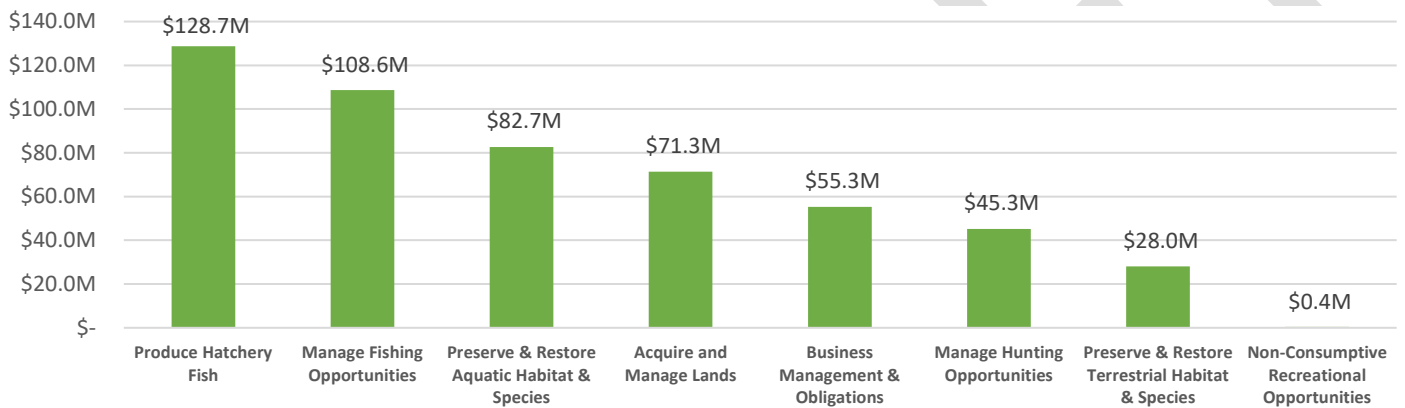
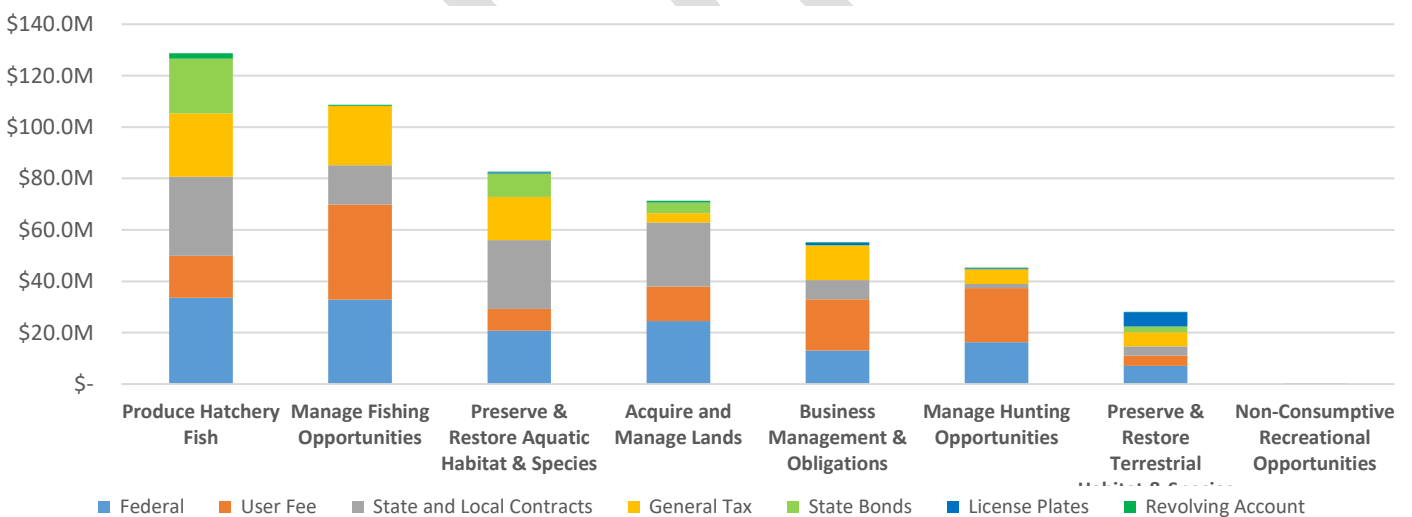


Figure X. WDFW Expenditures by Outcome and Source, 2015-2017 Biennium (Operating, Capital, and Interagency Expenditures)



Explore the Work and Spending Further

The eight outcomes that define WDFW’s work are supported by [number] strategies. 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.

You can explore the all the outcomes and strategies and how they are funded more fully at [link to kumu].

Figure X. Manage Hunting Opportunities Outcome with Associated Strategies





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.”

— Gary 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.

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, state funding has not kept up with increasing staff costs approved by the Legislature and hunting and fishing license revenue have not kept pace with WDFW spending authority.* 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. Figure X shows how revenue has not kept pace with state mandates such as cost of living increases have not kept. Figure Y shows how revenue has not kept pace with the Department's spending authority from the Legislature.

Figure X. Non-Restricted State Wildlife Account Structural Deficit

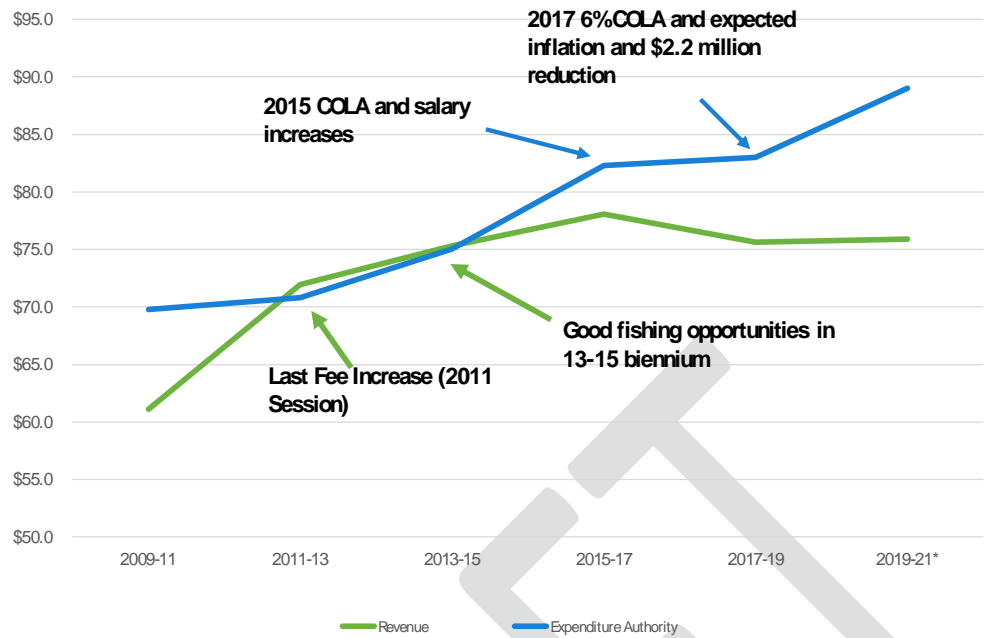
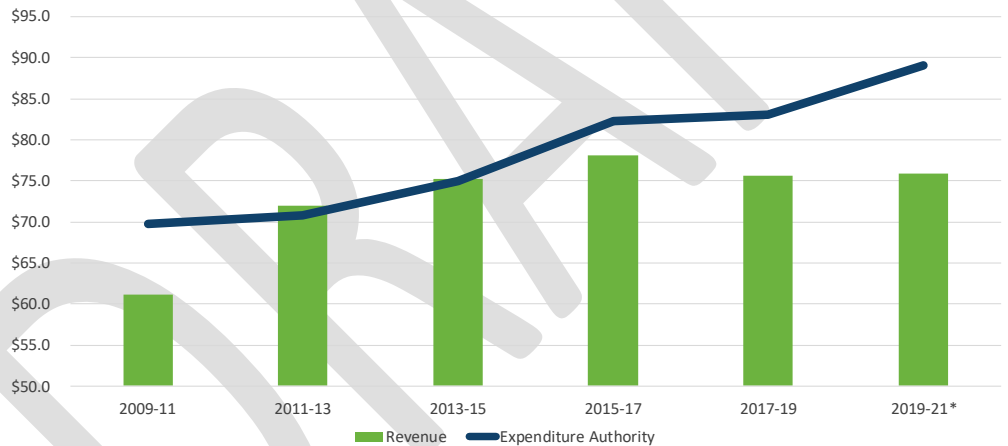
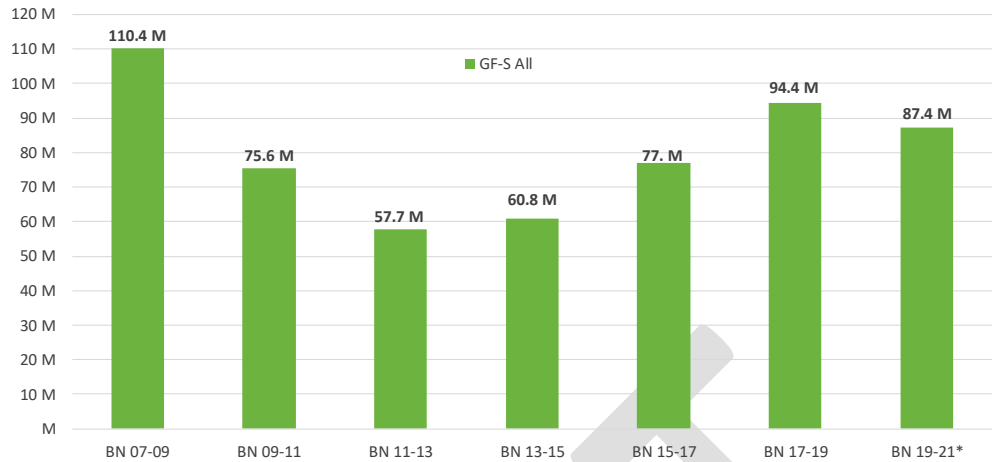


Figure X. Hunting and Fishing License Revenue Is Not Keeping Pace with Appropriations



- *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]. Meaning that in 2018 WDFW is trying to accomplish increased work and responsibilities with less state funding than it had ten years ago in 2008.

Figure X. General Funding – State Since 2007-2009



The 2017-19 total biennium budget shortfall was approximately \$27 million, or approximately \$13.5 million per year. The 2019 budget shortfall is estimated at \$30 million, or at least \$60 million for the biennium.

It is important to understand that the \$30 million 2019 shortfall is a very real number. In the 2015-17 biennium WDFW was able to keep services whole with a one-time \$10 million additional appropriate from the Legislature along with, at the direction of the Legislature, “spending down” reserves in all accounts, delaying equipment purchases, and targeted cuts. The Department identified an additional \$3 million in recommended cuts for 2019-21. If a more sustainable, long-term approach is not implemented in 2019 real and deep cuts in services will result. Figure X shows the one-time solutions implemented in 2017-2019.

Figure X. WDFW 2017-19 Budget Balancing Strategy

Item	Amount
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	\$5.8
Total Solutions	\$27.0 million

Shifting User 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. Hunting and fishing numbers are no longer increasing and in some cases are declining. This decline likely has multiple causes: decreased access to private lands, less opportunities for success, and decreased perception of opportunity for success. Declines in hunting and fishing results in a loss of approximately \$5.4 million a year in license revenue. Figures [X-X] show the decline in hunters and anglers from 2007-2017. In FY15-17, 880,000 hunters and recreational anglers generated nearly \$56 million for the Department through license purchases alone. WDFW receives 8% of the revenue from all Discover Passes sold by Washington State Parks, the Department of Licensing, and WDFW. The Department sold approximately 290,000 Discover Passes in FY15-17 and received \$3.6 million in Discover Pass revenue.

Figure X. Number of Hunters by Year

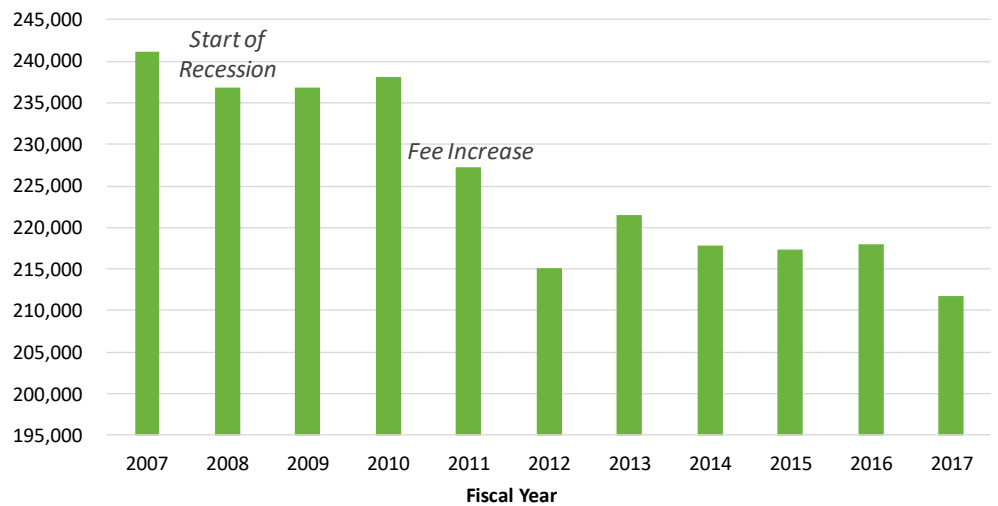
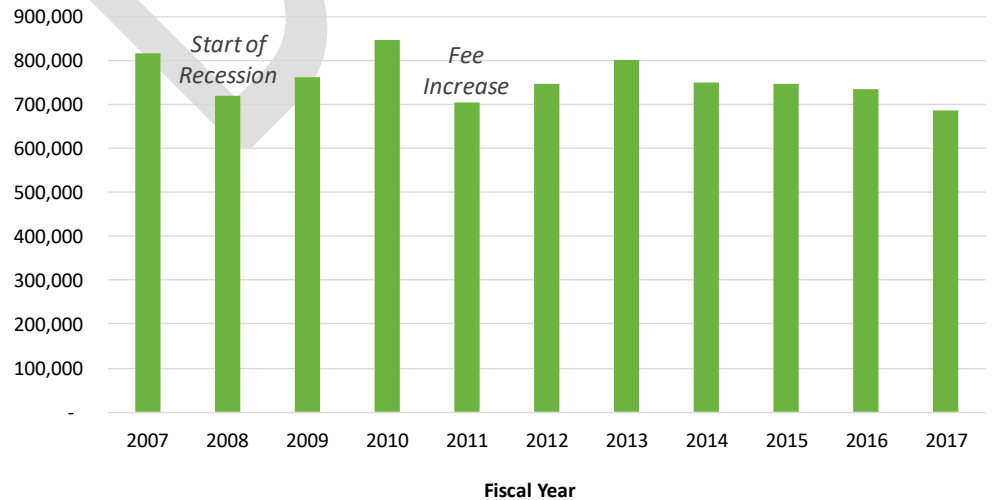


Figure X. Number of Anglers by Year



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.

Rather than try to develop a long-term funding strategy on its own, WDFW convened the Budget and Policy Advisory group to provide a multi-stakeholder perspective on the work required by the budget proviso. Detailed versions of the information summarized in the preceding sections was provided to the BPAG and the Group spent from December 2017 to August 2018 deliberating on long-term funding over a series of 6 meetings. The BPAG offered the Department the following findings and recommendations as the basis for a long-term funding strategy. The Department has embraced these finding and recommendations and is working to reflect them in its 2019 budget proposals.

Some members of the BPAG were 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 [X]

Findings

➤ 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.

➤ 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. 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.

➤ Efficiencies will not solve the problem. 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.

➤ Washington’s unique context sets it apart from other states. Co-management responsibilities, significant commercial fisheries, the largest hatchery system in the nation, significant 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 fish and wildlife species.

➤ 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.

➤ Over half of the Department’s funding sources have restrictions on their use and this constrains the Department’s ability to manage effectively.

➤ Heavy reliance on user fees set by the Legislature makes 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. It forces more reactive than proactive management.

➤ 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.

➤ 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 Sinlahekin 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.



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 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.

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

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. If you divide the license dollars and Federal tax revenue the Department spends by the number of participants each year, a hunter contributes on average \$208 /year and a recreational angler contributes about \$58 / year.

People who access WDFW lands and do not have a hunting or fishing license pay through general taxes and through purchase of the Discover Pass. A Discover Pass costs \$35 / year. The Department spends approximately \$3.6 million of Discover Pass revenue per year.

Funding Recommendations

Recommendation 1 – 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 2 – 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 3 – Revenue from Licenses and fees Should Supplement Broad-Based Funding. Revenue from fishing and hunting license fees and other fees (e.g., Discover Pass) should supplement, not replace, broad-based general funding sources. License and fees cannot and should not be expected to fully recover the costs of Department programs and activities related to hunting, fishing, access to public lands, or 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 4 – 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 5 – Improve Products and Update Access Fees for Recreational Users. Access fees for recreational users such as hikers, bird-watchers, horseback riders, mountain bikers, target shooters, and ATV riders should be evaluated and updated. The most likely mechanism for this is through updating the existing Discover Pass system. There is an ongoing re-evaluation of the Discover Pass system

led by the Ruckelshaus Center which recommended elimination of the Discover Pass in favor of an alternative broad-based source of funding such as a fee on vehicle license tabs. Analysis of alternatives for broad-based sources of funding that could take the place of the Discover Pass are ongoing. At the same time, just like for hunters and anglers, products and access for recreational users must improve so that trails are easy to access and maintained and other services are provided.

Recommendation 6 – Ensure Stability and Predictability of Hunting and Fishing License Costs and Other 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 access or other 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.

Recommendation 7 – 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.



Additional Recommendations

Additional recommendations are intended to support sustainable long-term funding by ensuring the efficiency of WDFW operations and promoting meaningful engagement with stakeholders.

Recommendation 8 – 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 9 – 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 10 – 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 11 – 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 12 – 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.

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. They recommended a federal investment of \$1.3 billion from existing revenue from development of energy and mineral resources to fund state Wildlife Action Plans.

Four states (Arkansas, Iowa, Minnesota, and Missouri) 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. Seven states authorize bonds for investment in conservation and recreation. Virginia and Texas dedicate a portion of sales tax on sporting goods to public lands and, in the case of Virginia, fish and game enforcement.

Close to home, Oregon and California are in the midst of efforts to create more sustainability funding models for fish and wildlife conservation. Oregon is focused on state income tax and wholesale beverage taxes. California just passing a major ballot initiative which authorized \$4 billion in general obligation bonds for state and local parks, environmental protection projects, water infrastructure projects, and flood protection projects.

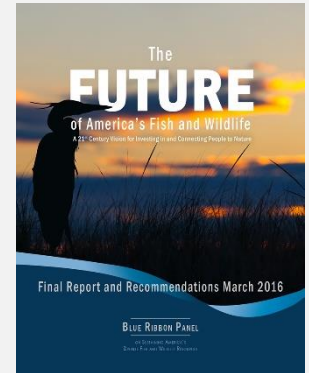
The ability of the WDFW Budget and Policy Advisory Group to come together around the findings and recommendations made in this report demonstrate that when the stakes are high – as they are now – stakeholders in Washington can come together to protect the fish, wildlife, and natural lands that are our 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 bring forward a package of legislative proposals designed to maintain current services and make a down payment on the investment needed to get fish and wildlife conservation on a sustainable path. It will ask for funding mainly from broad-based sources of revenue and secondarily from a modest increase in licenses and fees. Support for this is a critical first step in putting fish and wildlife conservation on a path to sustainability.

Simultaneously it will engage in a Visioning and Strategic Planning effort with the Budget and Policy Advisory Group to inform and bolster future funding decisions and priorities.

RECOVERING AMERICA'S WILDLIFE ACT – FEDERAL FUNDING INITIATIVE

Funding for fish and wildlife conservation is also an issue at the federal level. In 2014 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.



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.



WDFW BUDGET AND POLICY ADVISORY GROUP MEETING #5 –SUMMARY

Wednesday, June 13, 2018, 12:009m-4:00pm

Washington Department of Fish and Wildlife, Olympia Washington

Committee Members in Attendance

Jason Callahan	Greg Mueller
Mitch Friedman	Craig Partridge
Fred Koontz	Butch Smith
Andy Marks	Rachel Voss

Other Attendees

Neil Auland
Nick Chambers

Facilitator

Elizabeth McManus, Ross Strategic

WDFW Representation

Kathy Backman	Kim Marshall
Barbara Baker, Fish and Wildlife Commissioner	Nate Pamplin
Brandon Bean	Larry Phillips, Region 6
Ellie Burelson	Acting Director Joe Stohr
Jeff Davis	Jason Wettstein
Rob Geddis	

Welcome

Nate Pamplin, Washington Department of Fish and Wildlife (WDFW) Policy Director, welcomed the Budget and Policy Advisory Group (BPAG). Nate informed the group that the Fish and Wildlife Commission will be meeting June 15-17. As a part of the meeting, the Commission will be conducting Director interviews, aiming to make a decision on Saturday, June 17th. Also on the 17th, Nate and Rachel Crosier, WDFW Legislative Liaison, will be updating the Commission on the WDFW draft budget decision packages and agency request legislation. They will be seeking the Commission's approval to begin additional stakeholder outreach on the draft concepts.

Elizabeth McManus (facilitator) outlined the agenda and goals for the day, including:

- Determine if the draft findings and principles are complete.

- Discuss the draft recommendations and Long-Term Funding Plan to establish next steps.
- Review the WDFW 2019-21 budget request and provide feedback to the Department on the overall size of the ask and the split between general fund, user fees, and other sources.

BPAG Draft Findings & Principles, Recommendations, and Long-Term Funding Plan

The group elected to discuss the Long-Term Funding Plan (LTFP), including the draft findings, principles, and recommendations at the same time, rather than separate agenda items. BPAG members present at the meeting felt that the LTFP, including the findings, principles, and recommendations, was substantially done. Several BPAG members offered edits, and noted points that should be emphasized, including the economic value of WDFW's activities, models from other states, and potential sources of broad-based revenue, but overall the group decided it would be better to shift the BPAG's focus to discussing how to bolster the messages and get the recommendations implemented. WDFW executive management is reviewing and editing the LTFP, and a revised version will be circulated for final BPAG review.

BPAG members discussed the need to develop a number of materials to assist with communicating the LTFP messages to the Legislature and the public. Messaging materials discussed include:

- A one-pager with bullet points that call out the challenge, what's at stake, and the key recommendations of the group. This would be something BPAG members can take to their own groups, other stakeholder groups, and the legislature.
- A cover letter to the report from the BPAG supporting the report and highlighting what is most important to the group. The need for bold action was mentioned a number of times as an important point to emphasize. Participants also discussed the importance of a strong unified voice, and the need to emphasize that this is a group of diverse stakeholders that have come together around a shared set of goals and recommendations.
- Education / outreach materials oriented with simple, engaging information that tells the story of the challenge and what is needed to move forward.
- Information emphasizing the economic side of the issues and the return on investment fish and wildlife conservations brings to the state.

Participants discussed the following key messages that should be highlighted in the materials:

- There is a fundamental disconnect between the funding of the Department and the long-term mission of the Department.
- There is a benefit to investing in the Department. WDFW's work generated \$167 million dollars to General Fund – State in FY2017 and received \$46.5 million. The materials need to communicate the importance of the Department as a revenue source to the State of Washington.
- The BPAG is a diverse set of stakeholders that have come together around a set of recommendations and agree that there is a need for increased investment in the Department.

Small Group Report Out: License Options

Elizabeth provided a summary of the small group discussion on license options, highlighting that hunting and recreational fishing license prices have not been updated since 2011, and if fees had been adjusted for inflation from 2011-2021 the increase would be approximately 23%. During this small group discussion, WDFW discussed potential increases to license fees that would remain within the inflation window or, alternatively, a new once-a-year \$10 fee per each individual would pay with the purchase of their license. Revenue from license increases depends on the amount of the increase but likely would be in the \$10 million to \$15 million dollar range. The once-a year \$10 fee could generate almost \$20 million. The small group present on the call provided the following key insights during the discussion:

- Adjustments to license fees should be across the board and not single out individual license types.
- Any increase should be within the inflation window. A 23% increase is likely too high. Between 10-15% is a more doable target. A 15% increase would generate almost \$15 million.
- Future increases should be incremental and tied to inflation.
- Other opportunities to increase revenue include: charging the same, or higher, price for second catch cards, continuing the Columbia River salmon and steelhead endorsement, and adding a landing tax on Albacore tuna.

The full BPAG group provided the following feedback:

- Several members expressed concern with the once-a-year \$10 fee idea because of a lack of appetite in the hunting and fishing community for another fee and because it is not clear what anyone would be getting for the new fee.
- Participants noted, If WDFW constituents are unhappy, the amount doesn't matter, they won't be willing to pay a new fee.
- Participants noted that before people will be open to a fee increase or a new fee, there is a need to improve education and outreach to the public to correct the common misconceptions about the Department and then highlight the opportunities provided by the Department.
- One member pointed out that the Discover Pass is another system that doesn't seem fair. Elizabeth noted here that there is a different advisory group examining the recreation passes system in Washington and will be providing recommendations on how to improve and clarify the system(For more information visit this site: [Recreation Fees in Washington Project](#)).

Commissioner Barbara Baker added that an example of good public understanding of the need for increased investment in conservation can be seen in California, where a \$4 billion bond measure ([Proposition 68](#)) decisively passed to support natural resource conservation, state and local parks, flood protection, safe drinking water, and other water-related projects.

Small Group Report Out: Potential Alternative/Broad-Based Funding

A small group met on May 22nd to discuss potential broad-based, alternative funding approaches that could be explored by the larger BPAG. The small group determined that pursuing any broad-based funding source would be difficult but should still be sought for the majority of funding. Potential sources could include: sales tax dedication, Real Estate Excise Tax (REET) adjustments, and/or public utility tax dedication. None of these approaches is easy and it will be difficult to garner interest or support for any of this. Likely the best way forward will likely include a combination of approaches.

The full BPAG group provided the following feedback:

- There is a big push for investment in recovering the Orca and salmon. This group and WDFW need to make sure that the new money coming for that new work is not clouding the need for additional funding for current work.
- A new tax would be very unlikely given the recent rise in property taxes. A redistribution of taxes with multiple beneficiaries, including to WDFW, could help bolster the need and get some of the needed funding. Refinements to REET is an example of where this approach could work to provide some additional revenue.
- BPAG members reiterated the need to change perceptions around the Department so that proposing a new funding mechanism for the Department is more palatable with the Legislature and the public.
- The general fund should be the method used to fix the structural deficit because everyone benefits from the current work of the Department. This is the beginning of a long-term transition.
 - Acting Director Joe Stohr added here that the idea of long-term transition includes a strategy for state lands and natural resources that reaches across state agencies.

WDFW Budget Request

Nate Pamplin presented the WDFW draft 2019 budget and agency request legislation, including updated information since the May BPAG meeting in Ellensburg. He noted that the Department is looking for BPAG engagement on desired outcomes in the budget and guidance on fund sources, the overall funding target, and concepts included in the funding bill. During the BPAG Meeting #4, Nate described the carry-forward budget analysis process, including the criteria used to prioritize reductions and a general overview of which service areas would be affected by potential cuts (BPAG [Meeting #4 Summary](#) Pages 7-9). During this meeting, Nate provided additional detail as to the affects service areas would see both if sufficient funding isn't realized and cuts are needed, and if new funding is available and enhancements are possible. A brief overview of service areas and affects is provided below and more detail can be found in on page 96 of the [Meeting Materials](#).

Potential service area cuts would include:

- **Wildlife conflict and response:** crop payments to land owners, federal grant eligibility impacts, decline in Pittman-Robertson funding, 17 FTEs (14 HQ/Regions, 3 enforcement)
- **Public health and safety – shellfish program:** 7 FTEs (6 shellfish patrols and 1 HQ)
- **Lands management:** invasive/noxious weed control, wildlife area planning and research, forest health, real estate services, 6 FTEs

- **Hunting maintenance:** game species research and data management, pheasant hunting opportunities, hunter education, 8 FTEs
- **Customer service:** 13 FTEs (HQ and Regions)
- **Conservation:** species ecology and recovery efforts, habitat conservation, climate change capacity, noxious weed treatment, derelict fishing gear retrieval capacity, 6 FTEs
- **Fisheries and hatchery production:** salmon and trout production at 6 hatcheries ([Meeting Materials Page 98](#)), warm-water game fish, lake/stream rehabilitation, Bingham Creek/Chehalis River trapping opportunities, early winter Steelhead/ESA compliance, recreational shellfishing, bottom trawling surveys, 40 FTEs
- Columbia River Salmon and Steelhead Endorsement: 13 FTEs (enforcement, PIT tagging, hooking mortality studies, ESA permitting)
- Indirect impacts: 25 FTEs (IT, Policy and Public Engagement, HR)

BPAG members provided the following comments on potential cuts:

- BPAG members noted that as Nate and WDFW communicate these affects to others, the presentation should highlight the associated economic impact each action would have on the state.
- One member noted that the cuts seem to be fairly spread over Department services.
- Another member asked about the Department's ability to match funds if the federal Restoring American's Wildlife Act passes. Nate responded that personalized license plates and general fund dollars in the habitat program would be enough to match, even if cuts are needed.

If the Department received funding above the needed amount, potential enhancements would be seen in the following service areas. Specific potential enhancements are included in the [Meeting Materials](#) on pages 100-103).

- Regional Fisheries Enhancement Groups
- Enhance Conservation: establish partnerships
- Enhance lands operations maintenance
- Enhance fishing opportunities
- Enhance hunting opportunities

Next, Nate presented the different options of breaking down the funding need, including funding levels for both maintenance level and new work level, coming from general fund, wildlife state (which is largely user fees), and Columbia River Salmon and Steelhead Endorsement ([Meeting Materials](#) page 105). He asked the BPAG for guidance on what the WDFW proposal should look like.

BPAG members provided the following feedback regarding potential enhancements and the overall budget proposal:

- WDFW is the expert on what the budget need is, if the need is \$63 million, including maintenance level and new work, ask for the full amount because the work WDFW is doing is important and necessary.
- The Legislature must understand the need before the budget request is presented to avoid “sticker shock”.
- The Department should be prepared to put together a creative budget package, including license fee increases, increased efficiencies, and broader-based public funding.
- The overwhelming tone of the BPAG discussion was that WDFW should “go big” in their budget proposal, although they should also be mindful on the need to not surprise legislators with the size of the request.

Nate highlighted a number of Department request legislation ideas, including revisions to the ADA statute, updates to hunting and fishing recruitment components, improved efficiency of reporting where possible, extending the Columbia River Salmon and Steelhead Endorsement, inflation authority, eliminating 2 and 3 day temporary licenses, increasing the cost of multiple fish record cards, and adjusting the penalty failure to turn in a catch record card.

BPAG members commented that the catch record penalty could be even more aggressive, by increasing each year it's not paid or improving the benefit for turning it in on time.

Public Comment

No public comment was offered during this meeting.

Next Steps

The Budget and Policy Advisory Group has one remaining in-person meeting in August that will include discussing and finalizing the BPAG outreach and messaging materials, the WDFW Outreach Plan, the Long-Term Funding Plan and identifying any next steps following the delivery of the LTFP to the Legislature by September 1st. Before the August meeting, messaging materials will be circulated amongst the group for comments, edits, and feedback via email or conference call as needed and WDFW will keep the BPAG updated on progress with the budget request.

Meeting #5 – July: CANCELLED

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

September 1st – Long-Term Funding Plan due to the Legislature