

**Agency:** 477 Department of Fish and Wildlife  
**Decision Package Code/Title:** XE Hoodspport Hatchery Reduction  
**Budget Period:** 2011-13  
**Budget Level:** PL - Performance Level

**Recommendation Summary Text:**

This initial 5% reduction option will significantly reduce salmon production at the Hoodspport Salmon Hatchery, located in the Hood Canal region. This will result in the elimination of fifty-five percent (55%) of the current chum production in the Hood Canal region, as well as a twelve percent (12%) reduction of hatchery fall Chinook to the Hood Canal area. The tribal and state commercial chum fisheries that occur in Hood Canal will be reduced by as much as sixty percent (60%). Contemporary economic analysis indicates chum production in the Hood Canal region generates over \$6 million dollars in local personal income.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	(126,556)	(126,556)	(253,112)
<b>Total Cost</b>	<b>(126,556)</b>	<b>(126,556)</b>	<b>(253,112)</b>
 <b>Staffing</b>	 <b><u>FY 2012</u></b>	 <b><u>FY 2013</u></b>	 <b><u>Annual Average</u></b>
FTEs	-1.0	-1.0	-1.0

**Package Description:**

This reduction option will significantly reduce salmon production at the Hoodspport Salmon Hatchery, located in the Hood Canal region. This will result in the elimination of 12,000,000 chum salmon and 800,000 fall Chinook salmon annually, and in odd years an additional 500,000 pink salmon. Fisheries negatively affected by the elimination of this production include the salmon fisheries that occur off the Washington coast, Strait of Juan de Fuca and greater Puget Sound region, as well as the chinook and chum fisheries within the Hood Canal area. These production reductions identified will need to be negotiated with the affected treaty Indian tribes.

Economic pressures in Washington continue, reducing the revenue the state receives to fund state services. Projected General Fund-State revenues upon which the 2011-13 biennial state budget was developed are not likely to meet expectations. In response, the Governor has requested a 5% -10% reduction in 2011-13 BN General Fund State budgets.

Hatchery fish represent over 75% of the fish caught in Washington fisheries, but hatchery production is a substantial component of the Department GF-S budget.

Hatchery production provides fishing opportunities for both treaty Indian fishers and state fishers. Although we value the contribution of Washington's hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain capacity of fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

Salmon production reductions outlined above will save \$213,000 per biennium in General Fund-State. The salmon production reductions at the Hoodsport Hatchery will result in the elimination of fifty-five percent (55%) of the current chum production in the Hood Canal region, as well as a twelve percent (12%) reduction of hatchery fall Chinook to the Hood Canal area. The program currently contributes approximately 15,000 Chinook to Washington treaty and non-treaty fisheries. The tribal and state commercial chum fisheries that occur in Hood Canal will be reduced by as much as sixty percent (60%). Contemporary economic analysis indicates chum production in the Hood Canal region generates over \$6 million dollars in local personal income.

The majority of salmon production at WDFW operated hatcheries is linked to federal court-orders with treaty Indian tribes. Production reductions in the geographic areas served by court-orders require negotiations with the individual tribes. The production reductions identified above will need to be specifically negotiated with the Skokomish Tribe and those represented by the Point No Point Treaty Council, as well as some other Puget Sound area tribes.

Salmon production at WDFW operated hatcheries also support recreational and commercial fishing opportunities throughout the state. Recreational and commercial fisheries contribute significant revenue to local and rural businesses, as well as to WDFW through license sales. Businesses that rely on these fisheries, in turn, also contribute to revenue for the state of Washington.

An exact implementation schedule is still to be determined:

- Fish production reductions will be coordinated and negotiated with Puget Sound area treaty tribes; and
- Steps and process to reduce salmon production at the Hoodsport Hatchery will be outlined for full implementation.

Name and Phone Number of Subject Matter Expert:

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## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

The reduction will decrease the number of hatchery salmon available for harvest in fisheries that occur off the Washington coast, Strait of Juan de Fuca and greater Puget Sound region, as well as within the Hood Canal area. This reduction action:

- Eliminates 55% of the current chum production in the Hood Canal region;
- Reduces 12% of hatchery fall Chinook to the Hood Canal area;
- Reduces contribution of about 2,000 Chinook to Washington treaty and non-treaty fisheries;
- Reduces by as much as 60% the tribal and state commercial chum fishery that occurs in Hood Canal; and
- Impacts approximately \$6 million dollars in local personal income generated by the chum production in the Hood Canal region.

The salmon production reductions will impact western Washington and Puget Sound/Hood Canal fisheries.

## **Performance Measure Detail**

**Activity: A041 Fish Production for Sustainable Fisheries**

**Incremental Changes**

No measures submitted for package

### ***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

This reduction option would reduce the Department's ability to support two of the agency's goals contained in the 2011-2017 Strategic Plan:

Goal 1: Conserve and protect native fish and wildlife; and

Goal 2: Provide sustainable fishing, hunting and other wildlife recreational experiences.

***Does this decision package provide essential support to one of the Governor's priorities?***

No.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

This reduction option decreases the Department's contribution towards "protecting natural resources and cultural and recreational opportunities in Washington state" in the Priorities of Government (Transforming Washington's Budget):

- Encourage sustainable use of public natural resources.
- Provide stewardship of cultural and recreational assets.
- Maintain quality cultural and recreational opportunities.

***What are the other important connections or impacts related to this proposal?***

Reductions in salmon production diminish the economic benefits the state of Washington derives from fisheries, as well as reduces the overall recreational, social, and cultural values for the citizens of the state now and into the future.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The reduction to hatchery production was based on the following considerations:

- Have the tribes, state, or the Hatchery Scientific Review Group identified concerns about the risks a hatchery program may pose to wild salmon and steelhead populations?
- Do other Department, tribal, or federal hatchery facilities exist in the watershed or region that would help mitigate for the loss in production from a Department facility?
- How would a change in production affect fisheries?
- What is the efficiency (pounds produced per staff) and effectiveness of the program (percent survival from release to adult)?
- Have adult returns to the hatchery exceeded broodstock requirements?
- What legal obligations (contracts, court orders) are associated with production from the hatchery?
- What existing production will maintain mass marking to allow for continued fisheries and fishing opportunities?
- What reductions in expenditures for our hatcheries will be required in order to maintain capacity for other agency mandates such as preserving and protecting the state's natural resources?

While the Department can no longer preserve its core functions without relief from the current economic and funding limitations, the recommendations seek to minimize impacts to its core, while at the same time emphasizing our conservation mission for the salmon resource. Although these reductions reduce the Department's ability to meet fish production objectives, the core conservation mission is maintained.

***What are the consequences of not funding this package?***

Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage. Hatchery practices and infrastructure to produce these fish have been undergoing change to optimize protection of native fish.

***What is the relationship, if any, to the state's capital budget?***

None.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

None.

***Expenditure and revenue calculations and assumptions***

Hoodsport Hatchery Salmon Production Reductions =  
(12,000,000) chum salmon reduction per year  
(800,000) fall Chinook salmon reduction per year  
(500,000) pink salmon reduction in odd years

**Fish Hatchery Specialist 2:**

Salary = \$37,640/yr  
Benefits = \$15,860/yr

**Goods and Services:**

Personnel Support = \$5,500/yr  
DOP Charges = \$500/yr  
Fish Food Costs = \$31,000/yr  
Mass Marking Costs = \$16,000/yr

Hoodsport Hatchery Total: \$213,000 per biennium

\$40,112 of this package represents the infrastructure and support costs associated with this program reduction. Recent administrative cuts have been deeper than program cuts, and administrative services reflect skeletal staffing levels. Future administrative cuts will therefore be proportionate to program reductions, and administrative functions will generally comply with state and federal laws. This reduction is included in Object E.

Biennial budget savings: \$253,112 (\$181,000 GF-S operational costs and \$32,000 mass marking costs, \$40,112 infrastructure and support costs).

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

Given the economic losses associated with this package, the agency prefers this reduction to be one-time and not impact future biennia.

<b><u>Object Detail</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
A Salaries And Wages	(37,640)	(37,640)	(75,280)
B Employee Benefits	(15,860)	(15,860)	(31,720)
E Goods And Services	(73,056)	(73,056)	(146,112)
<b>Total Objects</b>	<b>(126,556)</b>	<b>(126,556)</b>	<b>(253,112)</b>