# Summary of Changes to Budget Document Sent July 15, 2010

## Operating Budget Changes

**Withdrawn budget requests:**

1. (ML) Leasing DNR Lands (requests #5 and 8)
   *WDFW will incorporate this smaller need into its overall revenue and prioritization processes.*

2. (ML) Proportionate Administrative Funding (request #12)
   *WDFW can solve this problem without asking for additional funds.*

3. (PL) Preparing WDFW Buildings For Sale (request #19)
   *Expanded to incorporate an opportunity to relocate the Vancouver Office.*

4. (PL) Maintain Enterprise Applications (request #22)
   *Federal funding is available to start this work; an underlying need likely remains but the timing will better next year.*

**New budget request:**

(ML) Cover higher health care costs from increased eligibility
*We estimate this will cost around $1.2 million, of which about $300,000 is GFS.*

# DISCUSSION DRAFT

STATE OF WASHINGTON

DEPARTMENT OF FISH AND WILDLIFE

BUDGET OFFICE

***July 15, 2010***

TO: Fish & Wildlife Commission

FROM: David Giglio, Budget Director

**SUBJECT: WDFW 2011-13 Budget Requests Summary**

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Attached please find supporting materials for August 5th's decisions regarding WDFW's budget submittals.

Enclosed is a description of the budget development process, followed by capital and operating budget information. Please note that the attached materials reflect proposals at this point in time; projects are often adjusted as they develop. Additionally, some proposals included here may be modified or withdrawn after the July 28-29 EMT discussion if support is not strong enough. As you know, these are especially challenging budget circumstances, and a $3-4 billion structural deficit will not be conducive to expanding or creating programs. Lastly, WDFW will also develop requests that align with agency-request legislation.

The capital budget proposals represent consistent direction with the Strategic Plan and reflect a practical 10 year plan addressing the Department's needs for the future. The dollar amount is consistent with the request last biennium with some adjustments for current economic constraints. We recommend these proposals move forward.

The operating budget proposals begin with technical, maintenance-level adjustments. We would like to focus attention on the five policy-level changes (items 18-22), where limited program enhancements are proposed. OFM is reviewing all agency work in terms of whether the work is mandatory, of broad social benefit, and an appropriate role for government. We expect they will use a similar lens when looking at budget requests, especially for state general funding.

DISCUSSION DRAFT

# 2011-13 Biennial Budget Development

## *Budget Context*

The enacted 2009-11 operating budget used $4.8 billion of one-time fixes: tapping other state funds ($1.8 billion) or using federal stimulus monies ($3.0) to replace state revenue. The 2010 supplemental budget adds another $1.1 billion of one-time fixes. Even if state revenues increase moderately, and state caseloads decrease, the state general fund (GFS) will face a structural deficit of some $3 to 5 billion, at the same time many groups will be pushing for restoring recent cuts or raising wages.

Despite how legislators balanced cuts and revenue this 2010 session we expect the 2011-13 biennium to once again focus on program cuts. It would take an unprecedented economic recovery to avoid facing cuts in 2011-13. OFM has directed agencies to consider whether activities are core services, mandatory, or could be performed some other organization. Additionally, they are looking for efficiencies, federal funds, or user fees.

The capital budget is limited by constitutional debt limits, which are defined as a percentage of GFS revenue. The factors that drive the availability for capital dollars include state revenues (rising), the cost of borrowing (also rising) and competition/the backlog of school or prison construction projects. We can expect some ability to fund new and ongoing capital projects in 2011-13.

## *Approach to Operating Budget Development*

Since the state general fund has a structural deficit in 2011-13, we are focusing our efforts on achieving just a few priority outcomes developed during our strategic planning discussions, keeping our process simple and focused, and using our scarce resources strategically. It's likely there will be few GFS policy adds if any in the Governor's 2011-13 budget, with the possible exception of one or two strategic priorities like restoring Puget Sound.

WDFW's programs have reviewed their strategic priorities, looking for policy initiatives that complement our focus on Conservation, Sustainable Recreational Opportunities, and Sound Business Practices. Policy initiatives fall into three categories:

1. Budget requests tied to legislative proposals
2. Select strategic initiatives
3. Opportunistic use of available revenue

Additionally, Maintenance level packages will make technical corrections and adjust costs.

Programs brought budget and policy ideas to EMT in May. Most ideas were directed to continue development, and are beginning their last review phase now.

## *Capital Budget Process*

Capital and Asset Management Program (CAMP) initiated the Capital Budget Process in December 2009. The first meeting of the Capital Budget Workgroup (Group) met in early January 2010 to discuss any proposed changes to the 11-13 capital budget development process used last biennium. The Group is made of representatives from each Program. The Group elected to adjust the process from the previous biennium. Each Program would collect and prioritized the project proposals, from within their own program, and then submit their list of prioritized projects to CAMP to coordinate the Department-wide prioritization process. CAMP received the prioritized project lists, from the Programs, in mid April 2010.

CAMP created an initial Department-wide prioritized list using the lists provided by the Programs. The Group met on May 7, 2010 and June 11, 2010 prioritizing the projects and creating the Ten-Year Capital Plan. The Group used consensus of Department's needs, Strategic Plan goals, and established Department performance measures to finalize the development of the Capital Ten-Year Plan. The Group created two prioritized lists; one for major projects (projects over $1,000,000) and one for smaller minor works projects (groups of projects under $1,000,000). Each Program representative discussed the outcome of the meetings with senior Program management to ensure the lists met Program needs and to discuss any issues with the results of the prioritization process. The prioritized lists were reviewed and approved by the Department Executive Management Team (EMT) on July 13, 2010. After approval by the EMT, CAMP provided the Ten-Year Capital Plan to the Commission for review in mid July 2010 and adoption during the August 2010 Commission Meeting.

During the prioritization process, CAMP staff began working on the scope development and budget estimating for each of the projects in the Ten-Year Capital Plan. Project scope development and budget estimating will continue to be refined until the Capital Budget is submitted to the Office of Financial Management in early September 2010.

# DISCUSSION DRAFT

## *Budget Decision Points and Milestones*

**June**

- Define how WDFW uses GFS and Wildlife Accounts. Ensuring GFS use aligns with public benefits and avoids subsidizing other work will help clarify the impacts of further GFS reductions. Clarifying WLS use will let fee-payers know that any fee increases will go towards services they value.
- Update agency Activity Inventory. Improve clarity to help agency perform well in the budget prioritization process.

**July**

- EMT reviews updated budget request templates (week of July 12)
- Commission receives budget requests for review and approval (week of July 12)
- EMT selects request for consideration (July 28-9)

**August**

- Commission reviews budget requests for review and approval (Aug 5)
- Programs develop complete decision packages for approved budget items

**September**

- Submit budget to OFM by Sept 13.
- Host OFM and legislative staff to review proposals.

DRAFT

# 2011-2021 Capital Ten Year Plan

## State Building Construction Acct Funds

| | | Biennium (Budgets are in millions) | | | | | |
|---|---|---|---|---|---|---|---|
| Priority | Project Title | 11-13 | 13-15 | 15-17 | 17-19 | 19-21 | 21-23 |
| 1-11 | Minor Works | 16 | 16 | 17 | 17 | 18 | 18 |
| 12 | Voights Creek Hatchery | 14 | | | | | |
| 13 | Cherry Valley Fish Passage and Stream Restoration | 2 | | | | | |
| 14 | Skamania Hatchery Intake | 4 | | | | | |
| 15 | Trust Land Transfer DNR Lease Fee Acquisition | 2 | | | | | |
| 16 | Soos Creek Hatchery | 1 | 18 | | | | |
| 17 | Wenas Wildlife Area Shooting Range | 0.1 | 0.9 | | | | |
| 18 | Wallace River Hatchery Intakes | | 1 | 7 | | | |
| 19 | Wildlife Area In-Holdings (Sinlahekin and Mt Saint Helens Wildlife Areas) | | 0.3 | | | | |
| 20 | George Adams Hatchery Replace Weir and Adult Handling Facilities | | 1 | 7 | | | |
| 21 | Olsen Saltwater Access Acquisition | | 1.5 | | | | |
| 22 | Beaver Creek Hatchery | | 1 | 4 | | | |
| 23 | Marblemount Hatchery Intakes | | 1 | 7 | | | |
| 24 | Samish Hatchery Intake | | | 1 | 8 | | |
| 25 | Minter Creek Hatchery Intakes | | | 1 | 6 | | |
| 26 | Ellensburg Elk Fence | | | | 1 | 2 | 2 |
| 27 | Nemah Hatchery | | | | 1 | 8 | |
| 28 | Stemilt Basin Acquisition | | | | 4.8 | | |
| 29 | Forks Creek Hatchery Intake | | | | 1 | 4 | |
| 30 | Kendall Creek Hatchery | | | | 1 | 10 | |
| 31 | Mt Saint Helens Wildlife Area DOT Site Restoration | | | | | 2 | |
| 34 | Tucannon River Area Dams Restoration - Spring and Rainbow Lakes Dams | | | | | 1.5 | 6 |
| | **Total** | **39.1** | **40.7** | **44** | **39.8** | **45.5** | **26** |

Design Const For multi-biennium projects.

# Draft

# 2011-2021 Capital Project Ten Year Plan
# Project Descriptions

**Minor Works**

Represents 11 Minor Works Project Lists containing projects with budget estimates less than $1 million and can be completed within the biennium.

**Voights Creek Hatchery**

Project provides for the relocation of flood susceptible components of the existing hatchery to be located to the newly acquired parcels across SR162. Although limited to only $14 million, by proviso language, construction of a hatchery building, storage and generator building, residence, pollution abatement ponds, adult ponds, intake, and fish ladder.

**Cherry Valley Fish Passage**

Project provided for the removal of 22 fish passage barriers in the Cherry Valley Unit of the Snoqualmie Wildlife Area, in King County. Fish barrier removal is in response to Washington State fish passage laws and the culvert court case.

**Skamania Hatchery Intake**

Design is currently underway for the construction of a new intake at the Skamania Hatchery. This request provides funding for the second phase, construction.

**Trust Land Transfer DNR Leased Fee Acquisition**

The DNR has identified four properties to transfer to WDFW under the Trust Land Transfer Program. Unlike typical land transfers under the program, these properties will not be transferred in fee title. Rather, the Trust Land Transfer Program will fund the cost of prepaid 50 year leases. Under this approach the management of the land would return to DNR at the end of the lease period.

**Soos Creek Hatchery**

Projects provides for the rebuilding of the hatchery, over half of which lies within the floodplain, in two phases; planning, design and permitting in the first phase and construction in the second. Project will replace most of the structures and fish handling components, removing most components from the creek. Project will include: hatchery building, rearing ponds, adult ponds, pollution abatement pond, adult trapping and handling facilities, storage and generator building, and intake.

**Wenas Wildlife Area Shooting Range**
The basic elements of a shooting range for the Wenas Wildlife Area could include a 100 yard rifle range, 500 yard rifle range, 50 yard pistol and rimfire range, trap and skeet ranges, earthen backstops for rifle and pistol ranges, parking for 10-20 vehicles, small building with bathrooms, meeting room and office, pole barn style roofs over rifle and pistol ranges, signing and fencing for safety fan, well/septic/power, and baffles to stop shots that aren't aimed downrange.

**Wallace River Hatchery Intakes**
Replace or remodel the intakes on the Wallace River and May Creek to meet current fish passage and screening requirements.

**Wildlife Area In-holdings (Sinlahekin WA and Mt. Saint Helens WA)**
Project will acquire lands that are strategically located in-holdings or adjacent to these wildlife areas. This project will acquire parcels that could be developed or by their location would compromise future management of these wildlife areas. Fee ownership or conservation easements will be used to prevent development of these properties or land uses incompatible adjacent to these wildlife areas.

**George Adams Hatchery Replace Weir and Adult Handling Facilities**
Project will replace the weir at the hatchery and install adult ponds, sorters, crowders and other adult handling equipment reducing the impacts on returning salmon by human handling.

**Olsen Saltwater Access Acquisition**
Project will acquire 9 parcels, approximately 3 acres, at Olsen's Resort in Sekiu, WA, along the Strait of Juan de Fuca. Parcels include four boat launches and parking. Project will also provide funding for repairs as needed.

**Beaver Creek Hatchery**
Project will renovate the hatchery. Both intakes and the water delivery system will be upgraded, hatchery building and residences will be upgraded, rearing ponds will be updated, generator and switch gear will be replaced, earthen pond will be repaired, bridge will be re-decked, asphalt will be repaired and sealed, and the adult handling equipment will be upgraded.

**Marblemount Hatchery Intake**
Project will replace the existing intakes, ensuring fish passage and screening criteria are met.

**Samish Hatchery Intake**
Project will replace the existing intake, ensuring fish passage and screening criteria are met.

**Minter Creek Hatchery Intake**
Project will replace the existing intakes, ensuring fish passage and screening criteria are met.

**Ellensburg Elk Fence**
Project will construct elk fence in the Ellensburg area. This is a multi-phase project extending for several biennia, with pre-design funding in the first phase. Pre-design will determine the location of the fence, work out easements, and develop budget estimates and project phases.

**Nemah Hatchery**
Project will renovate the hatchery providing new hatchery building, storage and generator building, intake, rearing ponds, adult ponds, pollution abatement pond, and water delivery and drain system.

**Stemilt Basin Acquisition**
Project seeks to protect 4,640 acres of dry conifer forest, mesic mixed conifer forest, and other diverse habitats on the east slope of the Cascades. This project is an offshoot of the larger natural resource planning effort undertaken by the Stemilt Partnership in the Stemilt and Squilchuck Watersheds.

**Forks Creek Hatchery Intake**
Project will replace the existing intake, ensuring fish passage and screening criteria are met.

**Kendall Creek Hatchery**
Project will provide improvements to the water delivery system ensuring effective use of water. Project will also construct a pollution abatement pond to meet current pollution discharge criteria.

**Mt Saint Helens Wildlife Area DOT Site Restoration**
Project will enhance and protect elk winter range. This is a multi-phase project extending for several biennia, with pre-design funding in the first phase. Pre-design will determine the location of tree thinning, road management, habitat restoration and enhancement, and develop budget estimates and project phases.

**Tucannon River Area Dams Restoration – Spring and Rainbow Lakes Dams**
Project will restore Spring Lake Dam and Rainbow Lake Dam to meet current dam safety standards. The lakes will be dredged to provide better fishing opportunities at Spring Lake and better water quality, for the Tucannon Hatchery, from Rainbow Lake.

# 2011-2021 Major Projects Prioritization - EMT Approved

as of 7/29/2010

| Priority | CPAS Number | Project Title |
|---|---|---|
| 1 | 09-522 | Minor Works Emergency Projects |
| 2 | 06-001 | Minor Works Health Safety Code |
| 3 | 06-006 | Minor Works Infrastructure Preservation |
| 4 | 09-526 | Minor Works Fish Passage Barrier Corrections |
| 5 | 06-005 | Minor Works Fencing Preservation and Replacement |
| 6 | 06-007 | Minor Works Facility Preservation |
| 7 | 10-203 | Minor Works Hatchery Reform and Broodstock Management |
| 8 | 09-514 | Minor Works Road Maintenance and Abandonment Plan |
| 9 | 06-002 | Minor Works Access Areas Preservation |
| 10 | 06-003 | Minor Works Dam and Dike |
| 11 | 06-008 | Minor Works Programmatic |
| 12 | 10-187 | Voights Creek Hatchery |
| 13 | 09-017 | Cherry Valley Fish Passage and Stream Restoration |
| 14 | 10-456 | Skamania Hatchery Intake |
| 15 | 10-116 | Trust Land Transfer DNR Leased Fee Acquisition |
| 16 | 10-189 | Soos Creek Hatchery |
| 17 | 10-513 | Wenas Wildlife Area Shooting Range |
| 18 | 10-191 | Wallace River Hatchery Intakes |
| 19 | 09-225 | Wildlife Area In-holdings (Sinlahekin and Mt. Saint Helens Wildlife Areas) |
| 20 | 10-455 | George Adams Hatchery Replace Weir and Adult Handling Facilities |
| 21 | 09-285 | Olson Saltwater Access Acquisition |
| 22 | 10-536 | Beaver Creek Hatchery |
| 23 | 10-193 | Marblemount Hatchery Intakes |
| 24 | 10-197 | Samish Hatchery Intakes |

# 2011-2021 Major Projects Prioritization - EMT Approved

as of 7/29/2010

| Priority | CPAS Number | Project Title |
|---|---|---|
| 25 | 10-194 | Minter Hatchery Intakes |
| 26 | 09-347 | Ellensburg Elk Fence |
| 27 | 10-527 | Nemah Hatchery |
| 28 | 08-591 | Stemilt Basin Acquisition |
| 29 | 10-195 | Forks Creek Hatchery Intakes |
| 30 | 10-134 | Kendall Creek Hatchery |
| 31 | 10-035 | Mt. St Helens Wildlife Area DOT Site Restoration |
| 32 | 09-241 | Mitigation and Dedicated Funding |
| 33 | 09-010 | Migratory Waterfowl Habitat Enhancement and Acquisition |
| 34 | 10-522 | Tucannon River Area Dams Restoration - Spring and Rainbow Lakes Dams |

## Summary of 2011 Supplemental and 11-13 Maintenance and Performance Level Decision Packages

| DP # | Type | Bien | Decision Package Title | Dollars Requested by Fund Source ($s in 1,000s) | | | | FTEs |
|---|---|---|---|---|---|---|---|---|
| | | | | GF-S | WL-S | Other | Fund Title | |
| 1 | ML | 09-11 | 2010 Wildfire Season Costs | 235 | | | | - |
| 2 | ML | 09-11 | TLO Savings Correction | 350 | | | | - |
| 3 | ML | 09-11 | 2011 Payments-In-Lieu of Taxes & County Assessment Increase | 58 | | | | - |
| 4 | ML | 09-11 | Correct Health Benefits | 0 | 0 | | | - |
| 5 | ~~PL~~ | ~~09-11~~ | ~~2011 Lease Dept of Natural Resources Lands~~ | - | - | - | - | - |
| | | | **Total 2011 Supplemental** | **643** | **0** | **0** | | **-** |
| 6 | ML2 | 11-13 | Operating Costs for New Wildlife Area Lands | 619 | | | | 1.0 |
| 7 | ML | 11-13 | 2011-13 Payments-In-Lieu of Taxes & County Assessment Increase | 173 | | | | - |
| 8 | ~~PL~~ | ~~11-13~~ | ~~Lease of Dept of Natural Resources Lands~~ | - | - | - | - | - |
| 9 | ML | 11-13 | Fish Food Cost Increases | 583 | 160 | 820 | GF-F & GF-PL | - |
| 10 | ML | 11-13 | Increased IT Security Requirements | 100 | 100 | 137 | various | |
| 11 | ML | 11-13 | Correct Health Benefits (2011-13) | 0 | 0 | 0 | | - |
| 12 | ~~ML~~ | ~~11-13~~ | ~~Proportionate Administrative Funding (if needed)~~ | - | - | - | - | - |
| 13 | ML | 11-13 | Correct Agency FTE Authority | 0 | 0 | 0 | | 54.0 |
| 14 | ML2 | 11-13 | Lease Rate Adjustment | | | | | |
| 15 | ML2 | 11-13 | Utility Rate Adjustment | | | | | |
| 16 | ML2 | 11-13 | Program Structure Change | | | | | |
| new | ML | 11-13 | Health Insurance for Seasonal Employees | | | | | |
| 17 | ML | 11-13 | Self Insurance Premium | | | | | |
| | | | **Total 2011-13 Maintenance Level** | **1,474** | **260** | **957** | | **55.0** |
| 18 | PL | 11-13 | Eastern Washington Wildlife Conflict | | 825 | | | 3.5 |
| 19 | PL | 11-13 | Preparing WDFW Buildings for Sale | 0 | 800 | 0 | | - |
| 20 | PL | 11-13 | Hatchery Reform: Broodstock Management | 335 | - | - | | 1.0 |
| 21 | PL | 11-13 | Critical Asset Maintenance | 2,668 | 0 | 0 | | - |
| 22 | ~~PL~~ | ~~11-13~~ | ~~Maintain Enterprise Applications~~ | - | - | - | - | - |
| | | | **Total 2011-13 Policy Level** | **3,003** | **1,625** | **0** | | **4.5** |
| | | | | | | | | |
| | | | **Total WDFW 11-13 Budget Request** | **4,477** | **1,885** | **957** | | **59.5** |

## 2011 Supplemental Budget Decision Packages

**1** **2010 Wildfire Season Costs - $235,000 – 0 FTE - GFS**
Wildlife Program

Funding is requested associated with 2010 wildfires for fire suppression and habitat rehabilitation. Fire suppression is provided by local fire districts and the Department of Natural Resources. Immediate habitat rehabilitation is required after a wildfire to provide suitable habitat for fish and wildlife by controlling erosion, restoring native perennial vegetation, and limiting the spread of noxious weeds. Specific habitat rehabilitation activities include seeding and planting vegetation, fertilizing, controlling weeds, and establishing erosion control measures. This is a placeholder. Actual costs depend on this year's fire season.

**2** **TLO Savings Correction - $350,000 – 0 FTE - GFS**
Business Services Program

The 2010 Supplemental Budget for the department included reductions reflecting the savings from temporary layoff days taken by employees. However, the calculation method included staff funded through interagency agreements. Since these staff are not funded in the agency's budget, we realize no savings from their layoff days. This request is to correct WDFW's reduction by restoring GFS associated with the staff performing work on behalf of other state agencies.

**3** **2011 Payments-In-Lieu of Taxes & County Assessment Increase - $57,500 – 0 FTE - GFS**
Wildlife Program

The revised code of Washington, RCW 77.12.201 requires the Washington Department of Fish and Wildlife (WDFW) to make payments in-lieu of taxes (PILT) to counties that elect to receive this payment for Department-owned lands. However, RCW 77.12.203 allows counties to select alternate formulas for computing the PILT rate, some resulting in higher assessments in those counties. The Department is also required to pay assessments for weed control, storm water management, lake management districts, and diking districts. Assessment costs for Department properties have increased, mostly due to increases in assessments for lake management districts. Funding is requested for the increase to PILT, as well as the increase in assessments the Department makes to counties for lake management and diking districts during fiscal year 2011.

**4** **Correct Health Benefits - $0 - 0 FTE – GFS & WLS**
Business Services Program

In the 2010 Supplemental Budget the Department received funding for increased health insurance costs. Two of the fund sources appropriated are no longer used by the Department. State Wildlife Account-Federal and State Wildlife Account-Private-Local were eliminated in a fund adjustment in the 2009-11 Biennial Budget and replaced with General Fund. This request is to move the funding into our General Fund federal and private-local accounts. This correction has no net fiscal impact on the Department.

**5** **2011 Lease of Department of Natural Resources Lands - $125,000 - 0 FTE - GFS**
Wildlife Program

The Department of Natural Resources (DNR) and the Department of Fish and Wildlife (WDFW) have interspersed checkerboard landownership in several areas of the state. This checkerboard ownership greatly hinders both agencies in the planning and management of these lands. DNR is mandated to manage their lands for revenue generation while WDFW is managing their lands as wildlife areas for the benefit of fish and wildlife. WDFW and DNR have been working towards an exchange that will resolve a portion of this checkerboard ownership. This request will provide funding for WDFW to lease the DNR lands within WDFW's wildlife areas that cannot be acquired through the exchange.

*Note: The dollar amount is an estimate only. Better numbers are being developed.*

## 2011-13 Maintenance Level Decision Packages

6 **Operating Costs for New Wildlife Area Lands - $618,960 – 1 FTE - GFS**
Wildlife Program

During 2010 fiscal year the Department of Fish and Wildlife acquired approximately 9,395 acres of land with capital funds appropriated to the Washington Wildlife and Recreation Program (WWRP). The department anticipates an additional 10,000 acres purchased in fiscal year 2011. Ongoing funding is requested to provide safe facilities for the recreating public, to comply with state law, and to protect fish and wildlife habitat. Activities will include weed control and fish passage compliance; maintenance of campgrounds, toilets, roads, trails, signs; and maintenance of habitat enhancements including riparian, wetland, shrub steppe, and forest improvement projects. The package will include a request to make ongoing the Supplemental 2010 funds appropriated for operational costs associated with new lands purchased in fiscal year 2009.

7 **2011-13 Payments-In-Lieu of Taxes & County Assessment Increase - $172,500 – 0 FTE – GFS**
Wildlife Program

The revised code of Washington, RCW 77.12.201 requires the Washington Department of Fish and Wildlife (WDFW) to make payments in-lieu of taxes (PILT) to counties that elect to receive this payment for Department-owned lands. However, RCW 77.12.203 allows counties to select alternate formulas for computing the PILT rate, some resulting in higher assessments in those counties. The Department is also required to pay assessments for weed control, storm water management, lake management districts, and diking districts. Assessment costs for Department properties have increased, mostly due to increases in assessments for lake management districts. Funding is requested for the increase to PILT, as well as the increase in assessments the Department makes to counties for lake management and diking districts during the 2011-13 biennium.

**2011-13 Lease of Department of Natural Resources Lands - $250,000 - 0 FTE – GFS**
8 Wildlife Program

The Department of Natural Resources (DNR) and the Department of Fish and Wildlife (WDFW) have interspersed checkerboard landownership in several areas of the state. This checkerboard ownership greatly hinders both agencies in the planning and management of these lands. DNR is mandated to manage their lands for revenue generation while WDFW is managing their lands as wildlife areas for the benefit of fish and wildlife. WDFW and DNR have been working towards an exchange that will resolve a portion of this checkerboard ownership. This request will provide funding for WDFW to lease the DNR lands within WDFW's wildlife areas that cannot be acquired through the exchange.

*Note: The dollar amount is an estimate only. Better numbers are being developed.*

9 **Fish Food Cost Increases - $1,562,600 – 0 FTEs – Funding Sources: $582.7k GFS, $159.6k WLS, $228.0k GF-F & $592.4k GF-P/L**

Fish Program

Effective July 1, 2010, fish food costs for Washington Department of Fish and Wildlife (WDFW) increased 8.5% due in large part to the recent earthquakes in Chile, and a market that already has a greater demand for marine derived nutrients than can be supplied. Chile is the primary international source for the marine derived nutrients that form the basis of the fish food. WDFW hatcheries produce fish that support Washington's recreational, commercial, and tribal fisheries and contribute to fish recovery efforts listed under the federal Endangered Species Act. Without additional funding, fish plants into local lakes and streams will be reduced and/or state hatchery closure(s) will be necessary to offset these cost increases.

**10** **Increased IT Security Requirements – $337,000 (before overhead) – 0 FTEs – $100k GFS, 100K WLS, & $137k various other funds**
Business Services Program

The Information Services Board (ISB) sets IT policy for state government. In August 2009 the ISB approved a new IT security policy (Policy 401.S4) that contains much more specific and detailed requirements that agencies must comply with by August 2012, or ISB can revoke delegated IT authority. WDFW can achieve some compliance within existing resources and will work on this through 2009-11 biennium, but has identified new costs that will require funding to accomplish. With this funding we will meet requirements in Encrypting confidential data, Network access security, and Event monitoring and logging, and be in full compliance with IT security standards set for the state.

**11** **Correct Health Benefits - $0 - 0 FTE – GFS & WLS**
Business Services Program

In the 2010 Supplemental Budget the Department received funding for increased health insurance costs. Two of the fund sources appropriated are no longer used by the Department. State Wildlife Account-Federal and State Wildlife Account-Private-Local were eliminated in a fund adjustment in the 2009-11 Biennial Budget and replaced with General Fund. This request is to move the funding into our General Fund federal and private-local accounts. This correction has no net fiscal impact on the Department.

**12** **Proportionate Administrative Funding (if needed) - $ TBD - 0 FTE – Funds TBD**
Business Services Program

A budget proviso directs WDFW to rebalance its use of funds for administrative functions, ensuring administrative spending is proportionate to program spending. The analysis to date suggests we will be able to rebalance funds internally, and no budget request will be needed.

**13** **Correct Agency FTE Authority - $0 – 54.0 FTEs**
Business Services Program

The 2009-11 budget reduced approximately $30 million in General Fund monies and provided an additional $4.3 million in State Wildlife Account monies. In addition, the enacted budget assumed a net decrease of 163 Full-Time Equivalents (FTEs). However, the actual number of FTE reductions required to implement the budget reductions was 109, a difference of 54 FTEs. The restoration of these FTEs is needed in order for the Department to provide an accurate accounting of the Department's staffing level and related expenditures. Funding for these requested FTEs is available in the enacted 2009-11 Biennium Operating Budget.

**14** **Lease Rate Adjustment - $ TBD – 0 FTEs – Funds TBD**
Business Services Program

During the 2011-13 Biennium, the Department must renegotiate over (50?) active lease agreements with several different property owners. These leases are for properties that house approximately one thousand staff and their associated functions statewide. The Department anticipates that each of the leases will increase in cost in the 2011-13 Biennium and is requesting the necessary funds to maintain these active leases. Funding would allow staff to continue to work from functional locations where they can operate the most effectively and efficiently in relation to the Department's mission.

Using the Department of General Administration's (GA) estimated lease increase rate of (7%?) per year, the numbers reflected in this request are for expected lease increases only, and do not include existing current lease rates. All impacted leases are included in the WDFW Six-Year Facility Plan.

**15** **Utility Rate Adjustment - $ TBD - 0 FTEs – Funds TBD**
Business Services Program

Utility costs have increased dramatically in recent years, especially costs associated with electricity and natural gas. Electricity costs are estimated to increase at an average rate of __ percent, natural gas at __ percent, and other utilities at 5 percent annually. As a result, the Department is requesting additional funding of $_____ to cover the estimated utility cost increases, thereby enabling the Department to maintain its daily operational functions, including fish production at hatcheries and game bird production at rearing facilities, as well as core business functions

**16** **Program Structure Change - $0 - 0 FTEs**
Business Services Program

The Department of Fish and Wildlife (WDFW) is requesting legislative authority to implement a LEAP approved program structure change in the 2011-13 biennium. The change consists of two parts: the first separates capital and asset management functions from the Business Services Program to make it an independent program, the second integrates certain policy functions into the operating programs of the agency. The proposed changes will allow WDFW to monitor and control its administrative services separately from asset management and policy functions, providing improved communication and

effectiveness in these areas. This request will not result in additional expenditures, and no additional resources are being requested to implement the proposed changes.

17 **Self Insurance Premium - $ TBD by OFM - 0 FTEs – Funds TBD**
Business Services Program

The Office of The Office of Financial Management reviews and adjusts the premium for each state agency's share of the Self-Insurance Liability Program (SILP) every biennium. The Department's premium for the 2011-13 Biennium will be ($965,407?), an increase of approximately ($50,000?) above the previous biennium. This request, submitted per OFM instructions, would provide the necessary funding for WDFW's share of the SILP. The Department is unable to absorb these additional costs without significant impact to activities related to enforcement, selective fisheries, hatchery production, fish and wildlife management and research, salmon recovery, HPA permitting, land management, and core business support functions.

## 2011-13 Performance Level Decision Packages



**Eastern Washington Wildlife Conflict - $825,000 – 3.5 FTEs – WLS**
Wildlife Program

As the state's human population continues to grow, interactions between wildlife and humans are more frequent, resulting in increased damage to property and livestock. The Legislature has directed the Department of Fish and Wildlife to address these issues through amendments to Chapter 77.36 RCW. A dedicated Wildlife Conflict Management Program, with staff to deal with these conflicts quickly and efficiently, is the key to successful response and healthy, sustainable wildlife populations. Ongoing funding is requested for a program dedicated to addressing chronic property and livestock damage in the hardest hit areas of the state. Funding necessary to support this program would be generated by increasing the number of hunting permits available for sale, estimated to generate additional Wildlife Fund State revenue of approximately $450,000 per fiscal year.

19 **Preparing WDFW Buildings for Sale - $800,405 – 0 FTEs – WLS**
CAMP Program

Rec Sum Description: This request will provide the authority to use revenue generated from the sale of the properties to comply with the legislative proviso to vacate DFW agency owned property in the Downtown Olympia/Market District. Currently, the Department owns three property parcels in the Market District of Olympia. One of the three parcels has been vacated, the last two parcels house CAMP and Real Estate Services and provide storage space for state vehicles and vessels. This request will allow the Department to use the funds from the disposal of the property to relocate the services and storage still being used from the last two parcels to other locations.

1. *Briefly describe existing activities as they function at the current budgeted level.*

Currently, the Department owns three property parcels in the market district of Olympia. The warehouse parcel has been vacated to consolidate agency warehouse operations. The survey shop parcel has also been vacated to provide greater efficiency between survey and real estate services and engineering. The third parcel currently houses a portion of the Capital Asset Management Program (CAMP) staff and Lands Division/Real Estate Services. ]

2. *Clearly and concisely state the problem/opportunity (including what is driving it and why it important to address).*

This request is developed to comply with the legislative proviso to vacate DFW agency owned property in the Downtown Olympia/Market District. Currently, CAMP and Real Estate occupy the 600 Capitol Way and fiscal staff occupy 902 Union. If the Department is able to sell the downtown property, staff will be relocated to other locations.

This request, if approved, will give us the authority to use a portion of the proceeds from the sale of the property to fund the relocation of staff.

3. *What is the proposed solution to this problem/opportunity? What specifically will the agency do to provide a solution to the stated problem?*

The proposed solution is to move the fiscal staff to the NRB and relocate CAMP and Real Estate Services to the 902 E Union Building or another leased location.

4. *What specific outcomes are expected? (Describe outcomes that matter to public values, like health, safety, recreation, and conservation. Rather than "we will collect and analyze 10,000 samples of fish tissue", address why we do this work: "we will collect the data needed to ensure fish are safe to eat" or "… to determine the health of the Puget Sound ecosystem".)*

The Department will comply with legislative proviso to vacate DFW downtown properties. Staff at the NRB will be consolidated allowing better utilization of space. Staff will have greater access to fiscal information.

5. *What is the proposed implementation schedule?*

Update Floor Plans to reflect current configurations and space use: Autumn 2010

Plan the NRB staff consolidation: Winter 2011
Consolidate NRB Staff: Spring 2011
Relocate Fiscal staff to NRB: Summer 2011
Plan CAMP and Real Estate Relocation: Autumn 2011
Relocate CAMP and Real Estate staff: Winter 2012
Relocate fleet vehicles to Tumwater: Currently in process

## Fiscal Detail

Dollars (including 23% for overhead on top of direct program costs): $800,405
FTEs: _____ Fund: 104-1_____
One-time or Ongoing: One Time

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**Hatchery Reform: Broodstock Management - $334,800 – 1 FTEs – GFS**
Fish Program

Rec Sum Description: According to the Hatchery Scientific Review Group (HSRG), modifications to hatchery programs are needed to restore wild salmon and steelhead, and to maintain fishing opportunities. While hatchery programs provide the majority of fishing opportunities statewide - 70-95% (area dependent) of all salmon harvested and 99% of all steelhead, they have also been identified as a factor contributing to the decline of many of the salmon and steelhead listed under the federal Endangered Species Act. The HSRG has identified proper management of returning hatchery adults as paramount in lessening the negative effects that hatchery operations can have on wild fish populations. Proper adult fish management requires additional collection of live, wild fish for inclusion in the hatchery broodstock and sound estimates of the numbers of returning hatchery adults spawning out in the rivers. This funding is requested to help bring the broodstock management operations at WDFW's Puget Sound and Coastal hatchery facilities in line with identified conservation and recovery goals for wild salmon and steelhead populations.

1. *Briefly describe existing activities as they function at the current budgeted level:*

Work to date has been been focused on development of watershed specific plans and small scale field implementation. This work has been accomplished primarily with funding from existing Hatchery Reform dollars as well as some reprioritizion of work activities of agency staff.

2. *Clearly and concisely state the problem/opportunity (including what is driving it and why it important to address).*

The Hatchery Scientific Review Group (HSRG) Report to Congress (http://www.hatcheryreform.us/hrp/welcome_show.action) outlined many operational risks that salmon and steelhead hatchery programs pose to wild populations as well as actions that can be taken to reduse those risks. All hatchery fish are not caught in fisheries, and those that escape from fisheries may not return to the hatchery. Hatchery-origin adults that mate with wild spawners can reduce the number of future wild fish as well as the population's resiliancy to environmental changes.

WDFW has worked, over the past two biennia, to make substantial changes to its hatchery program in order to reduce the risks while continuing to support fisheries. These have taken the form of both operational changes- where the fish come from, numbers released and location of release, as well as management changes- WDFW re-structured the regional hatchery management staff to create positions that focused specifically on the planning and implementation of hatchery reform in Puget Sound, the WA Coast and the Lower Columbia River.
The current level of staffing and equipment is not sufficient for the continuation and expansion of these regional efforts.

3. *What is the proposed solution to this problem/opportunity? What specifically will the agency do to provide a solution to the stated problem?*

Adult fish management will reduce the risks that hatchery programs pose by controlling the types of spawners in the hatchery as well as in the rivers, so as to ensure that fish spawning in the rivers are adapted to that natural environment and maximimize reproduction.

This proposal will implement improved adult fish management practices for the following fish populations:

| Collect Natural-origin Broodstock (pNOB) | Estimate Hatchery-origin Spawners (pHOS) |
|---|---|
| • Green River Chinook (ESA-listed)<br>• Green River Coho<br>• Green River Steelhead (ESA-listed)<br>• Puyallup River Coho<br>• Quillayute River Spring/Summer Chinook<br>• Sol Duc River Coho<br>• Willapa River Coho<br>• Naselle River Chinook<br>• Humptulips River Coho | • Green River Coho<br>• Puyallup River Coho<br>• Skokomish River Chinook (ESA listed)<br>• Sol Duc River Coho<br>• Willapa River Coho<br>• North River Coho<br>• Humptulips River Coho<br>• Wynoochee River Coho |

Prioritization of programs will be based upon ESA listing status, importance of the affected wild population(s) to regional conservation and recovery efforts, benefits to wild salmon, and cost-effectiveness.

Additional temporary staff will augment current regional hatchery and fish management staff in the collection of natural-origin broodstock in the Willapa, Chehalis, Green River, Sol-duc and Puyallup watersheds; increased monitoring (in terms of number of streams and miles covered) of the level of hatchery fish on the spawning ground in the above identified watersheds. Funding is requested for additional equipment necessary to implement collection and holding of wild fish at our hatcheries.

4. *What specific outcomes are expected? (Describe outcomes that matter to public values, like health, safety, recreation, and conservation. Rather than "we will collect and analyze 10,000 samples of fish tissue", address why we do this work: "we will collect the data needed to ensure fish are safe to eat" or "… to determine the health of the Puget Sound ecosystem".)*

- Increased production and diversity of wild populations of salmon and steelhead are the anticipated overall outcome of this solution.
- Hatchery production is consistent with watershed-based population conservation objectives.
- Hatchery programs and facilities are managed consistent with the principles of hatchery reform.

5. *What is the proposed implementation schedule?*

The additional temporary staff will be used throughout both fiscal years to supplement Puget Sound and Coastal WA permanent staff during in-river surveys to collect spawning ground data that include the ratio of hatchery and wild fish. Temporary staff would also supplement the regional hatchery staff in the collection of wild adults for: Green River fall Chinook, coho and winter steelhead; Willapa coho; Naselle Chinook; Sol Duc summer Chinook, summer coho and fall coho; Humptulips coho; Wynoochee coho; Puyallup coho.

Holding tanks (sets of 2) for the wild adult fish are needed at two WDFW facilities--Soos Creek and Naselle--to allow for proper integration rates of the Green River fall Chinook, Green River winter steelhead and Naselle Chinook. These would be purchased and installed during the first fiscal year. The adult transport trailer will be purchased during the first fiscal year to facilitate to collection and transport of natural-origin broodstock from remote locations.

*Name and Phone Number of Subject Matter Expert:*

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*360-902-2662*

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**Critical Asset Maintenance - $2,668,032 – 0 FTEs – GFS**
CAMP Program

Rec Sum Description: The Department's infrastructure is deteriorating at an increasing rate. Reduced funding for maintenance has been affecting all Department Programs for many years. Increasing the maintenance budget for the Department's facilities will allow staff to focus on their primary work duties, reduce the deferred maintenance backlog, reduce the capital budget requests for repairs and replacements of assets that are unusable because they were not maintained properly, create utility efficiencies, and provide safe facilities for staff and the public.

1. *Briefly describe existing activities as they function at the current budgeted level.*

The Department's infrastructure is deteriorating at an increasing rate. Reduced funding for maintenance has plagued all Department Programs for several biennia. Funding for maintenance has diminished to less than half percent of the overall capital asset value of the facilities.

There is currently an inadequate amount of funding provided to maintain the Department's hatcheries (about $11,000 per hatchery). At the current level, hatcheries only have funding to make minimal repairs when systems fail. Often repairs are temporary and/ or inadequate for the facilities' needs. This has led to a backlog of hatchery maintenance needs, leaving facilities at risk of catastrophic failure or loss. The estimated funding needed to maintain hatcheries at an adequate level is $130,000 per hatchery.

Poor maintenance has created a large preservation backlog. Bridges, dams, domestic water systems, and other infrastructure are failing and in desperate need of maintenance, to ensure the safety of staff and the public.

2. *Clearly and concisely state the problem/opportunity (including what is driving it and why it's important to address).*

- Diverts the construction crews and employees to work on emergency repairs and not scheduled maintenance work.
- Diverts operating and capital funds to make emergency repairs that could have been prevented with regular maintenance.
- Water delivery system pumps, generators, alarm systems, and piping are the lifeblood of our hatcheries facilities and failure to properly maintain them will lead to possible loss of critical fish stocks and increase requests for capital projects to make costly repairs.
- Maintenance funding has decreased to less than half of the amount ten years ago ($2,400,000 to $1,200,000).
- Increases the capital budget request funding to replace or repair assets because the Department could not perform maintenance.
- Exacerbates the damage created by natural disasters (floods) because maintenance was not adequately performed.
- Diverts funds from new projects to fix emergency repairs on current assets.
- Unmaintained equipment uses more energy and is less efficient
- The Department may be forced to close facilities or recreational access areas, to the visitors, because it is unsafe for the public.

3. *What is the proposed solution to this problem/opportunity? What specifically will the agency do to provide a solution to the stated problem?*

Increase the maintenance budget for the Department's assets to reduce operational costs and improve the life cycle cost of facilities and infrastructure. The funding, over time, will provide appropriate staffing with adequate materials and equipment to maintain assets on a regular schedule. The funding will protect the existing facilities and infrastructure from catastrophic failure. Complete all maintenance needed to keep facilities operating properly, efficiently, and in time to reduce the amount of deterioration. The Department will direct this level of funding towards routine maintenance of Hatchery and other infrastructure including pump, generator, intake screen, and water delivery systems maintenance dams, and bridges. This funding will complete the maintenance needed on a routine scheduled basis, record problems, order replacement parts and complete small upgrades to keep overall system functioning properly.

4. *What specific outcomes are expected? (Describe outcomes that matter to public values, like health, safety, recreation, and conservation. Rather than "we will collect and analyze 10,000 samples of fish tissue", address why we do this work: "we will collect the data needed to ensure fish are safe to eat" or "… to determine the health of the Puget Sound ecosystem".)*

State funded assets will be maintained, reducing the maintenance backlog and reducing the need for the spending of limited capital funds on repair projects which could have been avoided with routine maintenance. Department program staff will be able to focus on scheduled maintenance and protection of a state asset rather than emergency repairs.

Improved maintenance of assets will reduce the overall operating costs through efficient, well maintained facilities and infrastructure and operational equipment. Example: at one WDFW facility a maintenance mechanic adjusted the pumps at a pump station and improved the pumping capacity allowing one of the pumps to be shut off, saving electricity and equipment wear. Adequate funding will allow the Department to maintain the current facilities and infrastructure and reduce the amount of capital funding needed for its facilities.

5. *What is the proposed implementation schedule?*

Over the next 5 biennia funding for asset maintenance is requested to increase by approximately $2.7 million per biennia, until a total of about $13.5 million is reached. As funding is increased, the construction/maintenance crew may be increased and/or deployed to accommodate actual maintenance needs. A preliminary list of maintenance needs has been created for each of the Department's hatcheries. This list, based on funding, will be put into a schedule for implementation. This funding will not provide maintenance for local or federal funded assets.

## Fiscal Detail

Hatchery Maintenance: 8,883,206/5 = $1,776,641
Bridge Maintenance: 88,000/5 = $17,600
Dam Maintenance: 610,000/5 = $122,000
Other Maintenance: 1,264,459/5 = $252,891
Total (without overhead) = $2,169,132

Dollars (including 23% for overhead on top of direct program costs): $2,668,032
FTEs: _____ Fund: 001-1_____
One-time or Ongoing: Ongoing

**Maintain Enterprise Applications - $540,000 – 2 FTEs – 25% GFS, 25% WLS, 50% Other**
Business Services Program

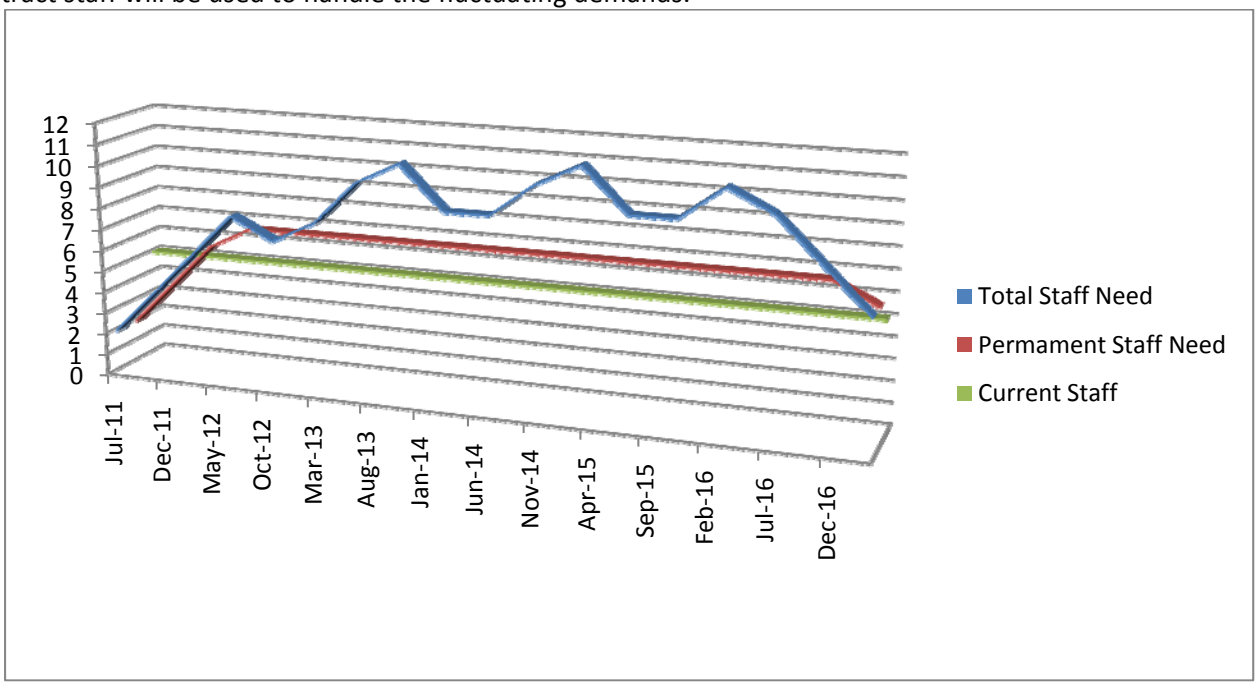
1. *Briefly describe existing activities as they function at the current budgeted level.*

The science and business of WDFW increasingly rely on our enterprise computer systems. These systems range from internal personnel and accounting systems to systems supporting decision making in the areas of Habitat, Fish, Wildlife and Enforcement. These systems are critical to our ability to effectively serve our resources, employees and the State of Washington.

Currently we have 4 FTE's dedicated to application development and maintenance and 1 FTE dedicated to project management. None of them have time for updates or enhancements without having other duties fall further behind. This staffing level can only accomplish maintenance activities.

2. *Clearly and concisely state the problem/opportunity (including what is driving it and why it important to address).*

At current staffing levels our systems will never fully meet the needs of WDFW users. We do not have capacity to enhance and eventually replace our aging computer systems. Currently, we are addressing emergency maintenance only. Key staff are continually pulled from development projects to respond to issues. Every start and stop slows development progress and productivity is lost with each ramp-up. We need to implement a strategic upgrade plan to keep our systems current. The graph below demonstrates our need for systems development staff. Full time staff will need to be increased by two and contract staff will be used to handle the fluctuating demands.




System Details: This graph demonstrates the workforce needed to enhance and replace four of our key system. Our aging commercial licensing system and our contracts processing systems are running a high risk of failure because of their obsolete software and hardware. The Hydraulic Permit Management System requires major revisions to adequately serve the users. Our unfinished HR data systems need to

be completed and/or redeveloped to serve the employees of WDFW. These examples represent the state of many of our systems. This is a continual process where newer systems will be added to the list as they age.

3. *What is the proposed solution to this problem/opportunity? What specifically will the agency do to provide a solution to the stated problem?*

To maintain and enhance our computer systems, we need to add two senior level developers to our staff. We also need to budget for contract staff. Our first priority is to schedule major development/maintenance events to stabilize and modernize the systems at highest risk. Each project will use existing WDFW staff for project management, existing and new programmers for development and add contract programmers for peak workload times. As tasks complete, some staff will stay on the project while others move on to new events.

4. *What specific outcomes are expected? (Describe outcomes that matter to public values, like health, safety, recreation, and conservation. Rather than "we will collect and analyze 10,000 samples of fish tissue", address why we do this work: "we will collect the data needed to ensure fish are safe to eat" or "… to determine the health of the Puget Sound ecosystem".)*

Our main goal is to keep our computer systems accurate and up-to-date. A healthy development cycle will increase usability and reliability. Better systems improve our decision making ability. Bringing the development process and project management in-house will improve our ability to maintain and enhance systems because we maintain the development resources. This will allow us to be more agile and efficient as we respond to new or unexpected agency requirements and legislative requests.

5. *What is the proposed implementation schedule?*

We will begin at the start of the 2011-2013 biennium by adding two new programmers. The process will ramp up through the biennium with limited contractor staff. This new development process will be fully implemented during the 2013-2015 biennium where we will average an additional 2 to 3 contract staff. This proposed method will provide continual maintenance to our enterprise systems. When systems can no longer be maintained, they need to be redeveloped.

## Fiscal Detail

Increase current level to include two additional FTE's at $215,000 each per biennium for a total of $430,000 per biennium.
Add $110,000 for the first biennium for contract programmers and $660,000 for each biennium afterwards.
Dollars (including 23% for overhead on top of direct program costs): $664,200
FTEs: _2_____ Fund: _____
Ongoing: