

2013 Supplemental Operating Budget Request



**Miranda Wecker, Chair
Fish and Wildlife Commission**

**Phil Anderson, Director
Department of Fish and Wildlife**



Washington
Department of
FISH and
WILDLIFE

October 17, 2012



State of Washington
DEPARTMENT OF FISH AND WILDLIFE

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Main Office Location: Natural Resources Building • 1111 Washington Street SE • Olympia, WA

October 17, 2012

Mr. Stan Marshburn
Office of Financial Management
300 Insurance Building
Olympia, WA 98504-43113

Re: 2013 Supplemental Operating Budget Submittal

Dear Mr. Marshburn:

Enclosed is the Washington Department of Fish and Wildlife's (Department) 2013 Supplemental Operating Budget Submittal. The Department understands that final supplemental budgets are reserved for emergencies, emergent issues, and technical corrections. This submittal meets these requirements. Funding for these packages is necessary to avoid significant negative and unexpected consequences to our service delivery. As I'm sure you are aware, wildfires and wolves have been in the news for most of the last few months; both have impacted essential Department resources, and wildfires have damaged the state's habitat and recreational land investments.

Aside from wildfires and wolves, other packages are seeking funding for unavoidable maintenance level costs. In order to move forward with the sale of our downtown Olympia property, moving costs are requested to relocate staff to the Natural Resources Building. This submittal also features requests for inflationary increases and technical corrections. Your staff will be familiar with these requests since the packages were also as part of our 2013-15 Biennial Operating Budget proposal.

Wildfires

This year has been one of the most severe wildfire seasons in Washington history; nearly two dozen wildfires have cumulatively burned over 15,000 acres of Department-owned public lands. We are obliged to seek funding for FY 12 fire suppression costs which were unexpectedly not funded last session, as well as FY 13 wildfire costs that continue to grow. Our Wildlife Program was required to pay suppression costs incurred last fiscal year with the State Wildlife Account appropriation, leaving a significant hole in the Program's budget. The current fire season has left us with significant impacts on our public lands. Not only are we obligated to pay fire suppression expenses to the Department of Natural Resources and local fire districts, but funding for timely reseeding and other restoration activities are necessary for the preservation of fish and wildlife. Without adequate restoration, erosion will cause mass wasting, landslides and damage

Mr. Stan Marshburn

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to downstream properties and water quality that will ultimately degrade salmon habitat. Additionally, over 30 miles of elk and boundary fencing were destroyed as a result of wildfire this season. These fences are crucial in protecting valuable habitat, as well as defending neighboring lands from wildlife damage. All of these activities are critical in order to preserve the state's investment in our wildlife areas.

Wolf Management

The Washington Fish and Wildlife Commission adopted a Wolf Conservation and Management Plan in December 2011 after nearly five years of development with a citizen advisory group and extensive public review. The plan includes recovery goals for wolves, which are classified by the state as endangered across Washington, along with procedures for managing predation on livestock and impacts to wild elk, deer, moose and other ungulate populations.

Additional funding for wolf management is necessary to bring Washington's resources in line with other western states and to bolster our ability to respond to conflicts between wolves and humans. The wolf population in Washington has grown more quickly than anticipated. This issue came to the forefront this summer with the habituation of the Wedge Pack to cattle as a food source. Furthermore, the Department's response to manage the Wedge Pack expended considerable resources, reinforcing the need to intervene as quickly as possible with proactive measures and non-lethal strategies to reduce conflicts between wolves and humans.

Thank you for your time and consideration, especially in the context of the state's challenges with limited general fund resources. Our staff stands ready to support your efforts in developing the Governor's budget proposal, and we welcome new ideas and further refinement of these proposals.

Department staff members are available to assist you with evaluating this request and will be happy to answer any questions as they arise. Please contact Owen Rowe, Budget Director, at (360) 902-2204, or David Giglio, Assistant Director, at (360) 902-8128 for further information.

Sincerely,



Joe Stohr
Deputy Director

Enclosure

cc: Chris Stanley, Budget Assistant, Office of Financial Management
Phil Anderson, Director, WDFW
David Giglio, Technology and Financial Management Assistant Director, WDFW
Lee Rolle, Chief Financial Officer, WDFW
Owen Rowe, Budget Director, WDFW

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

2013 Supplemental Operating Budget Request

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State of Washington
Recommendation Summary

8:35:01AM

Agency: 477 Department of Fish and Wildlife

10/16/2012

Dollars in Thousands

FY2 FTEs	General Fund State	Other Funds	Total Funds
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2011-13 Current Biennium Total**Total Carry Forward Level**

Percent Change from Current Biennium

Carry Forward plus Workload Changes

Percent Change from Current Biennium

M2 AM Central Service Reforms-Correction	260	(210)	50
M2 AN Youth Education Partnership		25	25
M2 AP Fish Food Increases	19	312	331
M2 AR Technology Cost Increases	68	272	340
M2 AS Wildfire Season Costs	4,667		4,667
M2 AT Wolf Management	248		248
Total Maintenance Level	5,262	399	5,661
Percent Change from Current Biennium			
PL AV Olympia Staff Consolidation	100	150	250
Subtotal - Performance Level Changes	0.0	100	150
2011-13 Total Proposed Budget	5,362	549	5,911
Percent Change from Current Biennium			

M2 AM Central Service Reforms-Correction

The 2012 Supplemental Operating Budget included a central service budget reduction for information technology, cell phones, printing and mailing. The agency is requesting a correction to a mathematical error and a redistribution of the budget reduction to our four largest accounts in order to align this reduction to how we actually pay for these program support costs. A calculation error and an over-simplified budget model created disproportionate and significant impacts to our programs.

M2 AN Youth Education Partnership

The Department of Fish and Wildlife collects donations for Youth Outdoor Education at the point of sale when hunting, fishing and conservation licenses are sold. The Department is requesting an increased spending authority in the Wildlife Account to utilize the donation revenues to contract with private and/or non-profit organizations to provide outdoor education to youth in Washington State. This action would support youth educational programs that provide outdoor recreation and conservation education to get young people outdoors to encourage them to become conservation stewards.

M2 AP Fish Food Increases

Washington Department of Fish and Wildlife (WDFW) hatcheries produce fish that support Washington's tribal, commercial and recreational fisheries and contribute to fish recovery efforts listed under the Endangered Species Act. WDFW requests funding to meet the 6% increase that took effect on July 1, 2012 due to the global market conditions associated with fish food production, such as shortages in fish food components and rising energy costs for production and transport. Without additional funding to offset the fish food cost increases, salmon and trout plants into local rivers and lakes will be reduced and/or state hatchery closures will be necessary.

M2 AR Technology Cost Increases

WDFW is facing increased costs for state shared e-mail, IT vendor costs, and increased storage costs for the biological data that supports the Department's mission. WDFW requests additional funding to maintain data systems that are critical to the agency's daily operations. WDFW is unable to absorb these costs without impacting the current levels of program activity.

M2 AS Wildfire Season Costs

The Washington Department of Fish and Wildlife (WDFW) is required to pay fire suppression costs to local fire districts and the Department of Natural Resources (DNR) for their support in fighting wildfires on WDFW lands. Funding is requested for fire suppression, habitat rehabilitation and infrastructure costs associated with wildfires occurring during FY 12 and FY 13. Fire suppression and restoration funding is necessary to preserve investments in fish and wildlife habitat, to protect human health, and to defend facilities and structures in affected areas of the state.

M2 AT Wolf Management

The Wolf Conservation and Management Plan, adopted by the Washington Fish & Wildlife Commission, did not anticipate how quickly wolf-livestock interactions and predation events would occur. Wolves in each wolf pack must be radio collared for monitoring, agreements with livestock operators to use non-lethal tools to protect livestock will be encouraged and the removal of the Wedge Wolf Pack will reduce wolf-livestock conflicts. The Washington Department of Fish and Wildlife (WDFW) is requesting additional funding to meet the critical emergent need to cover the costs incurred for increased wolf management and removing the Wedge Wolf Pack.

PL AV Olympia Staff Consolidation

The 2011 Legislature directed the Department of Enterprise Services (DES) to surplus and offer for sale Washington Department of Fish and Wildlife (WDFW) owned properties in downtown Olympia where 45 staff reside. This request is the first step in facilitating the sale of the WDFW owned properties by moving the Fiscal Office staff from a leased building in Olympia to the Natural Resources Building (NRB) and has the added benefit of consolidating Business Services Program staff in a central location. Once this move is completed, the 45 employees that occupy the property to be sold can be moved to the leased facility in Olympia during the 2013-15 biennium.

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2011-13

10/12/2012

Dollars in thousands

10:45AM

477 - Department of Fish and Wildlife

Agency Level

AS - 11-13 Second Yr Supp Request

Supporting Text Included

	Maintenance Level	Performance Level		Biennium Totals		Total
	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013
104 - State Wildlife Accou						
AN - Youth Education Partnership		25				
Total - 0499 - Other Revenue - S		25			25	25
104 - State Wildlife Accou - State		25				
Total - 104 - State Wildlife Accou		25			25	25
 477 - Department of Fish and Wildlife - State		25				
Total - 477 - Department of Fish and Wildlife		25			25	25

AN - Youth Education Partnership

The Department of Fish and Wildlife collects donations for Youth Outdoor Education at the point of sale when hunting, fishing and conservation licenses are sold. The Department is requesting an increased spending authority in the Wildlife Account to utilize the donation revenues to contract with private and/or non-profit organizations to provide outdoor education to youth in Washington State. This action would support youth educational programs that provide outdoor recreation and conservation education to get young people outdoors to encourage them to become conservation stewards.

Agency Budget Request Decision Package Summary**(Lists only the agency Performance Level budget decision packages, in priority order)****Agency: 477 Department of Fish and Wildlife****Budget Period: 2011-13**

Decision Package	
Code	Decision Package Title
PL-AV	Olympia Staff Consolidation

Agency: **477 Department of Fish and Wildlife**
Decision Package Code/Title: **AM Central Service Reforms-Correction**
Budget Period: **2011-13**
Budget Level: **M2 - Inflation and Other Rate Changes**

Recommendation Summary Text:

The 2012 Supplemental Operating Budget included a central service budget reduction for information technology, cell phones, printing and mailing. The agency is requesting a correction to a mathematical error and a redistribution of the budget reduction to our four largest accounts in order to align this reduction to how we actually pay for these program support costs. A calculation error and an over-simplified budget model created disproportionate and significant impacts to our programs.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		260,000	260,000
001-2 General Fund - Basic Account-Federal	(128,000)	(128,000)	
001-7 General Fund - Basic Account-Private/Local		(68,000)	(68,000)
104-1 State Wildlife Account-State		(14,000)	(14,000)
Total Cost		50,000	50,000

Package Description:

The enacted 2012 Supplemental Operating Budget included the budget item "CSR-Central Service Reforms" that reduced state agencies' budgets related to use of cell phones, mailing, printing, and information technology (IT).

After the 2012 final special session, legislative staff explained that the CSR budget reductions to state agencies were based on two Legislative, Evaluation, and Accountability Program (LEAP) documents, with the remainder of the reduction amount attributed to policy described in ESSB 6607 (Instituting policies to reduce the central service costs of state government).

The two LEAP documents that formed the basis of the reductions were: LEAP Omnibus Document IT1-2012 (Information Technology), and LEAP Omnibus Document DES-2012 (Enterprise Services).

WDFW requests a restoration in GF-S funding related to a technical calculation error and a correction in the application of an inaccurate budget model that determined WDFW's proportion of GF-S and WL-S used pay for IT and enterprise services in the CSR-Central Services Reform budget reduction.

STEP 1: Calculation Error in LEAP Omnibus Document IT1-2012:

The reductions in agencies' information technology budgets, detailed in LEAP Document IT1-2012, were based upon the Agency's XY Data Report for FY 2011. The XY Report is a measure of an agency's information technology spending, and is reported to OFM annually to measure state spending on IT. WDFW reported spending \$8,149,491 on IT infrastructure and maintenance in FY 11. The reductions to agencies in this document were based on 5% of IT spending as reported in the XY Report and were further modified to take into account the proportion of GF-S in each agency's budget.

Calculation of 5% of WDFW's IT Costs

The information technology reduction for each agency in the LEAP document was based on a 5 percent cut to agency IT spending as reported in the XY Report.

$$\$8,149,491 * 5\% = \$407,475$$

The calculation of 5% of IT spending was further adjusted by each agency's proportion of GF-S as a function of their total budget. The LEAP document's calculation used a ratio of 60% GF-S for WDFW IT spending based on an inaccurate model of our budget composition.

$$\$407,475 * 60\% = \$244,485 \text{ which was then rounded to the nearest thousand for each agency.}$$

For some reason, the GF-S cut in the LEAP document was a hardcoded number, not a formula, and was \$344,000, and not the \$244,000 as calculated above. This is \$100,000 higher than the reduction should have been, based on the same formula used to derive IT budget reductions to 39 other agencies.

During final budget negotiations, legislative staff explained that the reductions in both LEAP documents were reduced by one half, so that the annual \$100,000 GF-S error was reduced to \$50,000 GF-S in LEAP Omnibus Document IT1-2012.

This calculation error effectively reduced our budget by \$50,000 GF-S per fiscal year more than it should have based on the formula used to derive other agency CSR reductions.

This correction leaves us with an adjusted total reduction in each fiscal year of \$400,000 and not the \$450,000 reduction per FY in the final budget.

STEP 2: Inaccurate Application of WDFW's Funds as a Proportion of Total Budget:

The application of a 60% GF-S, 40% WL-S ratio to IT spending treats WDFW as if our budget were entirely composed of state funds, while state funds comprise only about half of our budget. WDFW has over 24 individual accounts, and GF-S comprises less than 20% of our total budget.

Since our budget has 24 individual accounts, it's more accurate to base the CSR reduction on a simplified model that takes into account our major fund sources, similar to other agencies in the LEAP documents.

The following is a more accurate representation of WDFW's budget taking into account our four largest fund sources.

$$\begin{aligned} \text{GF-S} &= 20\% \\ \text{WL-S} &= 31\% \\ \text{GF-P/L} &= 17\% \\ \text{GF-F} &= 32\% \end{aligned}$$

Recalculating the CSR-Central Service Reform reduction using the actual WDFW ratios of our four largest accounts is a more accurate and equitable way to reduce IT and enterprise service expenditures. The percentages above should be applied to the corrected budget reduction of \$400,000 per year as described in STEP 1 of this decision package. (See attached table: "CSR-Central Services Reform Technical Correction" for calculations based on the corrected total and the application of the correct budget ratio.)

Corrected CSR-Central Services Reform Reduction of \$400,000-

Applying the percentages above to the corrected reduction of \$400,000 per fiscal year results in the following more accurate impact to our funds:

GF-S = \$80,000

WL-S = \$128,000

GF-P/L= \$68,000

GF-F= \$124,000

TOTAL: \$400,000

To properly take into account the composition of our agency's budget, and limit an inequitable reduction of GF-S to our IT budget we are requesting that the CSR- Central Services Reform budget reduction is spread to include our 4 largest accounts in order to align the reduction with the actual structure of our budget, and how we pay for IT and enterprise services.

Furthermore, since administrative functions must be funded proportionately across all funds, the GFS-focused reduction amplifies the impact to the agency. Like a match for grant program, losing GF-S can trigger less spending from other accounts. An overly-large GF-S reduction would require the agency to either require federal and local funds to pay more than their fair share of administrative functions or we would have to reduce federal and local IT spending on top of the GF-S reduction, at a roughly 3:1 ratio. The first option is an improper accounting practice that can result in audit findings and penalties; the second would magnify the \$400,000 reduction to over \$1 million.

The mathematical errors in the 2012 CSR reduction result in the agency being singled out and taking a disproportionately large cut that will result in program impacts, as we cannot afford to further reduce our already low levels of IT support.

Name and Phone Number of Subject Matter Expert:

Owen Rowe (360) 902-2204

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Performance Measure Detail

Activity: A032 Agency Administration

Incremental Changes

No measures submitted for package

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

Goal 3: Use sound business practices, deliver high quality customer service.

Objective C:

Effectively and efficiently manage agency assets

Strategies:

1. Ensure resources are focused on the highest priorities through effective asset management.

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

This package supports the Governor's priority of protecting the health of Washington's environment.

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

This decision package supports the POG goal of improving the quality of Washington's natural resources. If this decision package is not funded the loss of state resources will impact each one of our programs, and will particularly impact the following indicators and measures: Reduce negative impacts on the environment; Maintain habitat to support natural systems; and Maintaining healthy fish and wildlife populations.

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

N/A

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

Our IT, cell phone, and mailing and printing budgets have been reduced dramatically over the past 3 years as a result of the loss of 40% or almost \$40 million state general fund dollars. As a consequence of these reductions we don't have adequate state general fund dollars in these areas to apply the CSR budget reduction to. Reducing program budgets that affect important line functions is one alternative, but does not support the strategic plan of the agency or the legislative intent behind the budget reductions.

The alternative we are proposing is to correct the error in the formula that cut out budget more deeply than other agencies, and to spread the total reduction to our four largest accounts. Beyond the technical correction we are not proposing to reduce our total reduction related to the CSR budget item. We are just proposing to align the reduction with a more accurate model of our budget.

What are the consequences of not funding this package?

We cannot achieve the reductions as they are currently structured in CSR-Central Services Reform. The consequences of not funding this package will impact each one of our program budgets. These reductions were split by program, and since the Department's Central Service Charges were not reduced correspondingly, line programs will be impacted.

The CSR reduction was spread to programs based on IT spending, and enterprise service spending patterns. The CSR reduction was composed of both GF-S and WL-S reductions. Examples of program impacts from the GF-S reductions to programs are as follows:

- The Fish Program was reduced by \$122,000 GF-S per year. This budget cut could close a small hatchery.
- The Enforcement Program was reduced by \$56,000 GF-S per year. This effectively reduces our enforcement presence by half an officer.
- The Habitat Program was reduced by \$50,000 GF-S per year. This amount reduces funding nearly equivalent to a salmon recovery FTE.
- The Business Services Program was reduced by \$105,000 GF-S per year. This reduction could jeopardize desktop support for an entire region.

In summary, not funding this package will have unintended consequences to line program and WDFW staff since our IT costs continue to rise and central service charges have not been reduced to lessen the impact of the reduction. We do not have the ability to simply cut IT, refuse to pay Central Service Charges, or find adequate budget reductions in cell phones, printing and mailing.

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

N/A

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

N/A

Expenditure and revenue calculations and assumptions

See attached Table: "CSR-Central Services Reform Technical Correction FY 13 Supplemental"

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

All costs are ongoing.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services		50,000	50,000

CSR- Central Services Reform Technical Correction FY 13 Supplemental

Step 1: Correct the Calculation Error in LEAP Document IT1-2012

WDFW FY 11 IT		
Expenditures (XY Report)	5% of FY 11 IT expenditures	GF-S adjustment of 60% of \$407,475
\$8,149,491	\$407,475	\$244,485

The reduction was hardcoded in the LEAP document as \$344,000 GF-S. This amount was too high by \$100,000 after rounding. (See calculation above.)

The cut was reduced by half so the \$100,000 mistake was reduced to \$50,000

	Actual Reduction FY 13	Corrected Reduction FY 13	
GF-S	(\$340,000)	(\$290,000)	
WL-S	(\$110,000)	(\$110,000)	
Total	(\$450,000)	(\$400,000)	Subtracted \$50,000 GF-S due to calculation error

Step 2: Correct the Application of WDFW's Funds to CSR Reduction

CSR Total Corrected Budget Reduction per FY	WDFW Fund Model as a % of Total Budget	Corrected Distribution of CSR to WDFW Funds	Current CSR Reduction by FY	Budget Request by Fund and FY
(\$400,000)	GF-S @ 20%	(\$80,000)	(\$340,000)	\$260,000
(\$400,000)	WL-S @ 31%	(\$124,000)	(\$110,000)	(\$14,000)
(\$400,000)	GF-P/L @ 17%	(\$68,000)	N/A	(\$68,000)
(\$400,000)	GF-F @ 32%	(\$128,000)	N/A	(\$128,000)
		(\$400,000)		\$50,000

Agency: **477 Department of Fish and Wildlife**
Decision Package Code/Title: **AN Youth Education Partnership**
Budget Period: **2011-13**
Budget Level: **M2 - Inflation and Other Rate Changes**

Recommendation Summary Text:

The Department of Fish and Wildlife collects donations for Youth Outdoor Education at the point of sale when hunting, fishing and conservation licenses are sold. The Department is requesting an increased spending authority in the Wildlife Account to utilize the donation revenues to contract with private and/or non-profit organizations to provide outdoor education to youth in Washington State. This action would support youth educational programs that provide outdoor recreation and conservation education to get young people outdoors to encourage them to become conservation stewards.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
104-1 State Wildlife Account-State		25,000	25,000
Total Cost		25,000	25,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
104 State Wildlife Account	0499 Other Revenue		25,000	25,000
Total Revenue			25,000	25,000

Package Description:

The public has an opportunity to make a tax deductible donation to provide outdoor recreation and conservation education to get young people outdoors to encourage them to become conservation stewards. These donations help to pass on outdoor skills and experiences through partnerships with other organizations.

The Department has been collecting the tax deductible donations, but doesn't have the spending authority in the Wildlife Account to spend these donations by contracting with external organizations.

This funding request to increase the Wildlife Account State spending authority would allow WDFW to spend revenue collected for this activity.

With the increased spending authority the Department will contract each fiscal year (utilizing the donations collected in the previous year) with a private and/or non-profit organization(s).

Name and Phone Number of Subject Matter Expert:

Christy Vassar, Fish Program Administrative Operations Manager, (360) 902-2802

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

With the increased authority, the Department will contract with private and/or non-profit organizations to facilitate and implement the youth outdoor recreation education projects. The Program will promote outdoor skills, ethical outdoor recreation, and conservation to increase interest, support and participation in outdoor recreation. A major emphasis of the program will be to provide hands on training and to pass on outdoor skills and ethics so that Washington youth can become stewards of the natural resources and wild places and learn to love the outdoors.

Performance Measure: Develop educational opportunities to teach and engage youth in outdoor skills and ethics.

Performance Measure Detail

Activity: A041 Fish Production for Sustainable Fisheries

Incremental Changes

No measures submitted for package

Activity: A042 Native Fish Recovery

Incremental Changes

No measures submitted for package

Activity: A043 Fisheries Management

Incremental Changes

No measures submitted for package

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

This decision package supports two of the agency's goals contained in the 2011-2017 Strategic Plan.

Goal #1: Conserve and protect native fish and wildlife

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

More specifically: To seek partnerships and increase awareness for fish and wildlife and other related recreational experiences and conservation through youth education by actively engaging youth.

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

Yes, this proposal contributes to two of the Governor's initiatives.

Education - by giving youth an opportunity of hands on experience in science and math in discovering and understanding natural resources.

Environment - by educating youth to use Washington's resources wisely, they will learn how to conserve natural resources and improve individual practices and choices

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

Government process?

Yes, this proposal would rate as a high priority as it supports the Improve the Quality of Washington's Natural Resources strategy to preserve, maintain and restore natural systems; provide good science, data and monitoring; and achieve sustainable use of public resources; and enhance awareness and knowledge of cultural and recreational resources.

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

Approval of this decision package would provide the department an opportunity to collaborate with external organizations to promote outdoor ethics and resources conservation education to the youth of Washington State.

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

In order for WDFW to utilize the tax deductible public donations collected at the point of sale when hunting and fishing licenses are sold, we need to receive an increase in our Wildlife Account authority to make this funding available to contract with private and/or public partners.

If additional authority is not provided, we will not have the opportunity to create these partnerships and thus we should discontinue the collection of the donation at the point of sale.

What are the consequences of not funding this package?

This program was initially developed to pave the way for a new youth outdoor education initiative. Such efforts offer kids outdoor experiences that they might not otherwise have. Without the increased authority, there may be a group of Washington kids that might not have the opportunity to experience outdoor recreation and/or learn to become stewards of our natural resources.

By working in partnership with private and/or non-profit organization(s), WDFW's hope is to offer increased public service without a corresponding increase in the department budget or staff.

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

Utilizing the donations collected in the previous fiscal year, WDFW will contract annually with outside organizations to provide outdoor education to Washington youth.

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

All costs are one time; however the department is requesting a 2013-15 biennial operating budget package to request that this funding be ongoing.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
N Grants, Benefits & Client Services		25,000	25,000

Agency: 477 Department of Fish and Wildlife**Decision Package Code/Title:** AP Fish Food Increases**Budget Period:** 2011-13**Budget Level:** M2 - Inflation and Other Rate Changes**Recommendation Summary Text:**

Washington Department of Fish and Wildlife (WDFW) hatcheries produce fish that support Washington's tribal, commercial and recreational fisheries and contribute to fish recovery efforts listed under the Endangered Species Act. WDFW requests funding to meet the 6% increase that took effect on July 1, 2012 due to the global market conditions associated with fish food production, such as shortages in fish food components and rising energy costs for production and transport. Without additional funding to offset the fish food cost increases, salmon and trout plants into local rivers and lakes will be reduced and/or state hatchery closures will be necessary.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	19,200	19,200	
001-2 General Fund - Basic Account-Federal	135,400	135,400	
001-7 General Fund - Basic Account-Private/Local	125,700	125,700	
02R-1 Aquatic Lands Enhancement Account-State	12,200	12,200	
04M-1 Recreational Fisheries Enhancement-State	15,200	15,200	
071-1 Warm Water Game Fish Account-State	700	700	
104-1 State Wildlife Account-State	22,500	22,500	
Total Cost	330,900	330,900	

Package Description:

Fish food purchased by WDFW supports salmon, trout and warm water fish production for tribal, commercial and recreational fisheries in the State of Washington, as well as recovery and conservation programs for fish populations listed under the federal Endangered Species Act. Fish Food expenditures are budgeted at approximately \$10 million per biennium.

Fish food prices increased by 6% over prior year costs on July 1, 2012. This increase is driven by global market conditions associated with fish food production, including fish meal and fish oil shortages paired with increasing international demand, as well as rising energy costs for production and transport.

Soybeans, corn, and marine oils are key ingredients in fish food. Recent agricultural reports indicate that the US is facing a historic drought-induced crop failure at a time of record demand for corn and soybeans. Marine oil supplies are also globally depleted due to production shortages. Global consumption of these commodities cannot be sustained, and demand-rationing is occurring due to insufficient world supplies.

Fish food is a non-discretionary cost of fish production. Without funding to offset increased fish food costs, salmon and trout plants into local waters will be reduced and/or state hatchery closures will be necessary.

This funding request would allow WDFW to maintain current hatchery fish production that meets tribal obligations and supports commercial and recreational fishing in Washington. The majority of trout production at WDFW owned hatcheries is produced for recreational fishing opportunities in lakes and rivers throughout the state. The majority of salmon production at WDFW owned hatcheries is linked to federal court-orders with treaty tribes.

Name and Phone Number of Subject Matter Expert:

Heather Bartlett, Division Manager
Hatcheries Division, Department of Fish and Wildlife
360-902-2662

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This funding request would allow WDFW to continue to produce hatchery fish at current levels. Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), meet federal treaty obligations, support local economies (tourism, lodging, restaurants, wholesalers and retailers of recreational equipment, boats, and licenses), provide family recreational opportunities, and protect Washington's fishing cultural heritage.

Performance Measure Detail

Activity: A041 Fish Production for Sustainable Fisheries

Incremental Changes

No measures submitted for package

Activity: A042 Native Fish Recovery

Incremental Changes

No measures submitted for package

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

This decision package supports two of the agency's goals contained in the 2011-2017 Strategic Plan:

- Goal #1: Conserve and protect native fish and wildlife
- 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?

Yes. The proposal supports the Governor's initiatives including the environment, and contributes toward economic recovery. The Governor states, "Our natural resources not only provide beauty and recreation, they are the lifeblood of our economy."

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

Yes. The proposal supports the Natural Resource/Recreation strategy included in the Priorities of Government:

-Achieve sustainable use of public natural resources

-Provide stewardship of cultural and recreational assets

-Ensure quality cultural & recreational experiences

It would rate as a high priority due to economic benefits provided to local businesses and its contribution to the sustainable use of public natural resources. Hatchery production contributes to preserving and protecting recreational and cultural assets, traditions and values, and provides access to and availability of commercial and recreational opportunities.

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

Fish and wildlife benefit Washington's economy every year**

\$3.8 billion - Commercial fishing+

\$1.1 billion - Sportfishing*

**Source: Department of Fish and Wildlife: "Washington Department of Fish and Wildlife Stewards of the state's natural heritage."

+Source: Fisheries Economics of the United States (NOAA)

*Source: US Fish and Wildlife Service, 2006 National Survey of Fishing, Hunting and Wildlife-Associated Recreation.

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

Fish food expenditures increased 7.20% in FY2012 over FY2011. WDFW requested funding for inflationary increases in the 2012 supplemental but funding was not provided. Various strategies were used to offset fish food increases in 2012 to maintain as much production as possible, and to remain within hatchery operational budgets.

These included:

(1) Reprioritizing activities and budget resources within the Fish Program. This was a one-time fiscal opportunity that is not sustainable long-term; and

(2) Implementing reductions in coho production at the Humptulips Hatchery and the Marblemount Hatchery and closing Hupp Springs Hatchery.

What are the consequences of not funding this package?

As outlined above, fish production at Washington's hatcheries provide the fisheries that people depend upon for their jobs, meet federal court orders, support local economies, provide family recreational opportunities, and protect Washington's fishing cultural heritage. Hatcheries have been implementing changes in practices and infrastructure to optimize protection of native fish. Without additional funding, these benefits will be compromised.

Without additional funding in Fiscal Year 2013, strategies to address the fish food cost increases include:

- (1) Negotiating salmon production reductions with treaty tribes;
- (2) Reducing trout production; and/or
- (3) Closing selected hatcheries to offset cost increases.

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

Funding needed is based on the six percent increase in fish food costs effective July 1, 2012, applied to the fish food expenditures level of FY2012.

FY 2012 fish food expenditures = \$5,514,800 X .06 = \$330,900

FY 2012 fish food expenditures by fund source:

001-1 GF-State = 5.8%

001-2 GF-Federal = 40.9%

001-7 GF-Loc = 38.0%

02R-1 ALEA = 3.7%

04M-1 Rec Fisheries = 4.6%

071-190 Warm Water Game = 0.2%

104-1 Wildlife-State = 6.8%

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

Fish food funding needs are ongoing and are needed into future biennia to maintain current hatchery production levels. Fish food costs may increase in future biennia dependent upon market conditions.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services		330,900	330,900

Agency: **477 Department of Fish and Wildlife**

Decision Package Code/Title: **AR Technology Cost Increases**

Budget Period: **2011-13**

Budget Level: **M2 - Inflation and Other Rate Changes**

Recommendation Summary Text:

WDFW is facing increased costs for state shared e-mail, IT vendor costs, and increased storage costs for the biological data that supports the Department's mission. WDFW requests additional funding to maintain data systems that are critical to the agency's daily operations. WDFW is unable to absorb these costs without impacting the current levels of program activity.

Fiscal Detail

Operating Expenditures	FY 2012	FY 2013	Total
001-1 General Fund - Basic Account-State		67,900	67,900
001-2 General Fund - Basic Account-Federal		108,700	108,700
001-7 General Fund - Basic Account-Private/Local		57,700	57,700
104-1 State Wildlife Account-State		105,300	105,300
Total Cost	339,600	339,600	

Package Description:

IT operations provide central data storage for the biological data collected in the fulfillment of the agency mission. IT contracts with central shared service agencies for common IT services, such as email and networks. IT also contracts with vendors for services not provided by the central shared service agencies, such as software maintenance and software licenses used for specific lines of business in the agency.

Storage of biological data - Biological data collected in support of the agency mission continues to increase in quantity and density which is driving greater need and cost for storage. Storage utilization has also increased with the shift from physical servers to virtual servers.

Email costs - the cost of email and vault storage continues to rise and is now approximately \$18,000/month compared to \$6,000/month at beginning of last biennium when the agency transitioned to the Statewide email service.

Vendor and carrier costs - WDFW has experienced a steady increase in vendor maintenance costs, which are partially driven by inflation and partially driven by increased support needs for existing agency activities.

The agency proposes making one-time investments in new storage technology that leverages existing technology to remove data duplication and applies data tiers for added capacity and efficient storage. In addition, the agency proposes increasing current

operating levels to fulfill IT needs of existing program activities and allow for continued use of central shared services and participation in statewide strategic IT initiatives.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The major outcomes are:

1. The continued collection and storage of biological data necessary to support the mission of the agency
2. Continued participation in central shared services

Performance Measure Detail

Activity: A032 Agency Administration

Incremental Changes

No measures submitted for package

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

Since the management of data is foundational to the agency mission, this decision package is essential to implement all strategies in the agency strategic plan. In addition, it specifically supports the agency goal of maintaining and improving the agency's business systems.

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

This decision package supports the Governor's priorities of providing efficient state government services and providing for the public safety of people and property in Washington State.

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

This decision package supports the Governor's priorities of providing efficient state government services and providing for the public safety of people and property in Washington State.

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

Changes in technology and increases in vendor and carrier costs are unavoidable and will impact other administrative and program support services if this package is not funded.

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

WDFW continues to evaluate other options, including cloud-based storage and services, partnering with other agencies, and reduction of data retention requirements. The Department has begun using cloud-based services where it makes sense to minimize capital investments; however, these services increase operational costs, and many issues still need to be resolved before cloud services are available as a current solution. With respect to e-mail costs, WDFW has reduced the e-mail retention level to three years and cannot realistically reduce this period further.

What are the consequences of not funding this package?

Without additional operating dollars to support more efficient and greater volume storage options, the agency will be unable to continue collecting new biological data necessary to fulfill its mandate and mission. Without additional funding to support increased e-mail costs, the agency will not be able to maintain participation in the State e-mail service and the Department will need to transition back to a self-managed e-mail system.

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

N/A

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

N/A

Expenditure and revenue calculations and assumptions

One-time costs include:

Additional SAN with data de-duplication and data tiering capabilities - \$250,000

Ongoing costs include:

Increased email costs: \$13,900 for FY13

Increased licensing and maintenance costs: \$75,700

Total Ongoing costs \$89,600

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

One-time costs include:

Additional SAN with data de-duplication and data tiering capabilities - \$250,000

Ongoing costs include:

Increased email costs: \$13,900 for FY13

Increased licensing and maintenance costs: \$75,700

Total Ongoing costs \$89,600

<u>Object Detail</u>		<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E	Goods And Services		89,600	89,600
J	Capital Outlays		250,000	250,000
	Total Objects		339,600	339,600

Agency: **477 Department of Fish and Wildlife**

Decision Package Code/Title: **AS Wildfire Season Costs**

Budget Period: **2011-13**

Budget Level: **M2 - Inflation and Other Rate Changes**

Recommendation Summary Text:

The Washington Department of Fish and Wildlife (WDFW) is required to pay fire suppression costs to local fire districts and the Department of Natural Resources (DNR) for their support in fighting wildfires on WDFW lands. Funding is requested for fire suppression, habitat rehabilitation and infrastructure costs associated with wildfires occurring during FY 12 and FY 13. Fire suppression and restoration funding is necessary to preserve investments in fish and wildlife habitat, to protect human health, and to defend facilities and structures in affected areas of the state.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		4,666,525	4,666,525
Total Cost		4,666,525	4,666,525

Package Description:

WDFW doesn't have dedicated funding for costs associated with wildfire suppression and habitat restoration. Supplemental funding has been appropriated historically to address this need. Unexpectedly, funding for wildfire costs were requested and not received last legislative session. WDFW was obligated to cover FY 12 wildfire suppression and restoration costs within the Wildlife Program's base budget. If funding for FY 12 fire suppression is not received, the effect on the Wildlife Program budget will be extremely damaging resulting in staff reductions and the discontinuation of currently budgeted activities.

Wildfire costs are unavoidable. Wildfires continue to have major impacts on the state during the 2012 fire season, as several fires continue to burn. Twenty-three wildfires have impacted WDFW public lands in central and eastern Washington since the beginning of FY 13 alone. This is one of the worst wildfire years in decades.

Supplemental funding would cover costs associated with wildfires on WDFW lands, including fire suppression, habitat restoration and rehabilitation, and infrastructure such as boundary and elk fence replacement.

Damaged habitat for fish and wildlife will be rehabilitated and restored quickly through seeding and planting vegetation, fertilizing, weed control, and establishing water bars and other erosion control measures. Winter mortalities and wildlife damage to private lands will be minimized, and DNR and local fire districts will receive payment for their fire suppression activities.

Each year, wildfires on WDFW lands threaten human health and safety, destroy private property, and cause damage to fish and wildlife habitat and to state facilities and infrastructure. It is essential to prevent fires from spreading to both public and private lands, including important commercial timberlands. Habitat rehabilitation is frequently required after a wildfire to control erosion, restore native perennial vegetation, and

limit the spread of noxious weeds. Erosion control prevents soils from moving into streams and negatively affecting listed salmon species. Revegetating areas provides habitat for fish and wildlife including critical forage and cover plants for elk, deer, and other species. Controlling weeds provides a window of opportunity to reestablish important native plants in areas that would otherwise be quickly infested with noxious weeds keeping state lands in compliance with state and local weed control regulations.

Name and Phone Number of Subject Matter Expert:
Paul Dahmer, (360) 902-2480

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

WDFW's statutory responsibilities include the protection, preservation, and perpetuation of fish and wildlife and associated habitat. Fire suppression and restoration activities are critical to protect people, wildlife, and habitat. Fire suppression and habitat restoration on WDFW public lands also protects adjacent private orchards and agricultural lands by reducing the loss of browse and forage vegetation that deer and elk depend on. Additionally, protecting and rehabilitating wildlife habitat on public lands can reduce wildlife conflicts with adjacent landowners.

Performance Measure Detail

Activity: A039 Land Management

Incremental Changes

No measures submitted for package

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

This decision package contributes directly to Goal 1, "Conserve and protect native fish and wildlife", as identified in the WDFW 2011-17 Strategic Plan. Fire suppression and habitat restoration allow the Department to manage its wildlife areas to protect diverse wildlife populations and provide compatible wildlife recreational opportunities.

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

This decision package relates to the Governor's priority, "Concern for Our Environment," and supports the WDFW mission of protecting, restoring, and enhancing fish and wildlife and their habitats.

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

This decision package makes a key contribution to the statewide result, "Improve the Quality of Washington's Natural Resources." The activity, "Manage Land and Access," is ranked as a highest priority purchase.

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

Wildfire suppression and habitat restoration of burned areas will reduce the potential for human/wildlife conflicts as well as minimize potential for wildlife mortalities this winter. Additionally, substantial investments in public lands made over many years by the state will continue to be preserved as high quality fish and wildlife habitat.

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

The most expedient and efficient suppression techniques are chosen to control each fire situation. Habitat restoration is not proposed for all lands burned. Some lands recover naturally over time and other areas require timely restoration techniques. The Department does not have dedicated funding to meet the costs associated with wildfire.

What are the consequences of not funding this package?

Wildfire suppression costs must be paid. The consequences of not funding this package are dramatic when comparing the amount requested in this decision package to the entire wildlife area land management budget that provides operating dollars to maintain 32 wildlife areas covering nearly 900,000 acres. The combined annual wildlife area management budget is \$5.282 million. This request for \$4.666 million is 88% of the funding needed to manage basic operations on WDFW lands.

Without funding, basic operating dollars will be diverted from core needs such as big game winter feeding, weed control, maintenance of roads and trails, recreation and other facilities, fences, signs, equipment, lakes, and ponds, etc. Funds will also be diverted that would otherwise staff wildlife areas and to provide technical expertise on issues including forest management, range management, and water rights management.

Basic operating dollars that support staff will be diverted. With 60 FTEs supported with wildlife area funds, funding for 88% of these staff equals approximately 53 FTEs that would need to be diverted resulting in staffing cuts.

If this package is not funded, the substantial investment made in purchase and acquisition of these state public lands to provide quality habitat for fish and wildlife and recreational opportunities will be compromised. Weeds, adapted to establish disturbed areas quickly, will invade and will increase management costs in the future to comply with state weed law. Habitat rehabilitation will not occur, resulting in soil movement into streams, loss of wildlife food and cover, and weed infestations.

Fish stocks almost certainly will be threatened by erosion and siltation of important spawning habitat. Federally listed salmonids occur in many streams and rivers adjacent to WDFW lands regularly affected by wildfires. Big game populations including elk and deer use these same lands as critical winter range habitat for food. Without habitat restoration on critical winter range, the habitat will not support animal populations and will result in elk and deer movement onto private lands looking for food and causing animal damage resulting in serious impacts to private landowners.

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

No relationship exists at this time. However, capital facilities are often destroyed in wildfires. In this event, a capital budget request package may be developed.

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

None.

Expenditure and revenue calculations and assumptions

This is a request for both FY12 and FY13 wildfire costs. Although WDFW submitted a FY12 supplemental budget request, the request was not funded as in past years. This was unexpected, and since these invoices must be paid, the Wildlife Program covered these costs within their biennial State Wildlife Account appropriation. If these funds are not recovered, there will be a considerable void in the Department's ability to maintain our public lands. The FY12 wildfire costs include \$603,000 for both suppression (\$418,000) and habitat restoration work (\$185,000).

Since the beginning of FY13 there have been twenty-three wildfires on WDFW lands burning 18,700 acres. Fire suppression costs are roughly estimated at \$792,000. Habitat restoration costs are estimated at \$576,525. Infrastructure costs associated with lost fencing is estimated at \$2,619,000.

Exact costs resulting from wildfires on WDFW lands will be provided after the current fire season is complete and suppression costs and recovery plans have been identified. With multiple agencies working together to fight fires, wildfire suppression costs are often not known for three to four months after a fire is controlled.

Also included in this request is an annual, up-front 27 cent per acre fire protection fee charged by DNR for WDFW non-forest lands that will receive DNR fire suppression support. The per acre fire protection amount equates to \$76,000 per year, and this policy was instituted by DNR this year in light of recent changes to statute that allowed DNR to fight fires on WDFW lands.

Goods and services include costs related to fire suppression activities, range rehabilitation (e.g., seeding, planting, equipment rental), and infrastructure replacement.

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

Costs in this package are based on specific needs from FY12 fires and estimated needs from FY13 fires thru October 8, 2012. These are one-time costs.

Similar to how fire suppression costs are built into DNR's base budget based on a ten year average, WDFW is requesting an on-going appropriation for the 13-15 Biennium in order have consistent funding for this activity. Funds not needed would remain unspent and if additional funds are needed during a particularly strenuous fire season, an additional amount would be requested at that time.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services		4,666,525	4,666,525

Agency: **477 Department of Fish and Wildlife**

Decision Package Code/Title: **AT Wolf Management**

Budget Period: **2011-13**

Budget Level: **M2 - Inflation and Other Rate Changes**

Recommendation Summary Text:

The Wolf Conservation and Management Plan, adopted by the Washington Fish & Wildlife Commission, did not anticipate how quickly wolf-livestock interactions and predation events would occur. Wolves in each wolf pack must be radio collared for monitoring, agreements with livestock operators to use non-lethal tools to protect livestock will be encouraged and the removal of the Wedge Wolf Pack will reduce wolf- livestock conflicts. The Washington Department of Fish and Wildlife (WDFW) is requesting additional funding to meet the critical emergent need to cover the costs incurred for increased wolf management and removing the Wedge Wolf Pack.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		248,400	248,400
Total Cost		248,400	248,400

Package Description:

The Fish and Wildlife Commission adopted the Wolf Conservation and Management Plan for Washington (Plan) in December 2011. The Plan prescribes actions to recover wolves where they are currently classified as state endangered (and federally endangered in the western two thirds of Washington) and prescribes management measures to address wolf-livestock or wolf-ungulate conflicts.

As wolves continue to colonize the state and as our human population continues to grow, interactions between wolves and humans are becoming more frequent, with increases in predation of livestock. The rapid development of management issues related to the Wedge Wolf Pack demonstrates that the Department must move quickly to implement the Wolf Conservation and Management Plan and to be prepared to address more wolf- livestock conflicts. Reducing conflict with livestock operators is the key to developing social tolerance and maintaining healthy, sustainable wolf populations. There is broad support for achieving this goal so that wolves can reach recovery objectives. Although WDFW received funding in the 2012 supplemental budget to begin the wolf management plan, the critical issues involving the Wedge Wolf Pack and the colonization of additional packs dramatically increases the costs for the program and require additional funding immediately.

Specific field activities being implemented include detecting wolves through field investigations (currently there are eight documented packs and four suspected packs). The capture and monitoring of wolves once detected. Assisting landowners with preventing conflicts and investigating reports of livestock killed, and implementing lethal control when non-lethal measures are ineffective. (Supporting activities include program administration, enforcement of laws protecting wolves, communication, and development of outreach materials).

Current funding levels for wolf management in neighboring states in 2012 was \$760,000 in Idaho, \$527,000 in Montana, and \$340,000 in Wyoming; in addition funding for management of wolf depredations in these three states by the US Department of Agriculture's Wildlife Services totaled \$825,000 (an average of \$275,000 per state); and compensation for livestock losses in the three states totaled \$305,000.

The number of wolf packs is projected to increase rapidly over the next few years. As the number of packs increases, so will the level of conflict and costs for managing them (as experienced this summer with the Wedge Wolf Pack). Management costs are driven by:

1. The need to capture and radio collar wolves in each pack to monitor their movements, productivity, and survival and be able to share location information with livestock producers.
2. Developing agreements with livestock operators in the vicinity of wolf packs to minimize attacks on livestock.
3. Payment of claims for livestock killed by wolves.
4. Communication and outreach to stakeholders and others interested in wolf management.

The above strategies must be implemented much sooner than the original assumptions in the Wolf Conservation and Management Plan to address wolf-livestock conflicts before the issues become critical.

This request would provide funding:

- To cover the costs incurred during the field investigations and the removal of the Wedge Wolf Pack, which occurred during the summer of 2012. The time and cost to manage this wolf pack was significantly higher than anticipated.
- For developing local contracts with livestock operators to improve the collection and disposal of livestock carcasses and for providing non-lethal tools such as fladry (flags on fences), fencing, radio activated guard boxes, and other proactive supplies to deter wolves from interacting with people and livestock.
- For increased human presence and tending of livestock (range riders), which are key management strategies to prevent wolves from learning and focusing on areas occupied by livestock.
- For the cost of aircraft rental during the winter capture and monitoring season. It became apparent this year that existing funding for aircraft rental would not be adequate for the upcoming field season.

Wolves require two things to ensure healthy sustainable populations: an adequate prey base (deer, elk, and moose), which we have in this state, and to be accepted or tolerated by people. This proposal focuses on increasing tolerance by effectively addressing wolf-human conflicts. If we are successful at addressing these conflicts, we can better ensure wolf population recovery and long term sustainability.

These costs occurred or were driven by the wolf conflict management events during the summer of 2012. The agency must implement the Plan much sooner than the original timeline to ensure wolf-livestock conflicts are resolved quickly and to ensure wolf population recovery and long term sustainability.

Name and Phone Number of Subject Matter Expert:
Dave Ware, (360) 902-2509

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The result of proactively assisting livestock operators will improve relationships with property owners who suffer with livestock losses to wolves; increase satisfaction with the service they receive from the department to address their problems; and thereby increase their tolerance for healthy wolf populations. The increased tolerance will help achieve population recovery for wolves and ensure long term sustainability.

Performance Measure Detail

Activity: A040 Protect and Recover Threatened and Endangered Wildlife

Incremental Changes

No measures submitted for package

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

Yes, the Department of Fish and Wildlife's 2011-2017 Strategic Plan's Goal 1: Conserve and protect native fish and wildlife; Objective A: Enhance conservation practices to improve protection and restoration of fish, wildlife and habitat.

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

The decision package contributes to the Priorities of Government (POG) result area 8: Improving the quality of Washington's natural resources.

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

This decision package request is tied to the Governor's priority "Concern For Our Environment" which states "Washington is also home to a rich diversity of fish and wildlife species and the unique habitats upon which they depend." Educating citizens about wildlife and how to live with them in our communities will help to ensure that wildlife is preserved for future generations to enjoy.

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

This proposal supports 2009 legislation (SHB 1778) regarding wildlife interactions. It specifically implements the legislation's shift in policy that all citizens share the responsibility to address property damage; the reliance should be on proactive, preventative measures; and facilitates livestock owner compensation for losses caused by bears, cougar, and wolves.

The removal of the Wedge Wolf Pack received a significant amount of public and political interest this year.

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

A stakeholder's group evaluated a variety of funding alternatives and determined that the General Fund was the most equitable fund to support these activities, because all of Washington's citizens share in the benefits of a sustainable and healthy wolf population.

What are the consequences of not funding this package?

This package would provide for the increased costs to quickly implement the Wolf Conservation and Management Plan and to cover the costs to manage and remove the Wedge Wolf Pack. These costs must be paid and the agency does not have adequate funding available for this purpose.

Without this additional funding, both the winter capture efforts and next spring's capture efforts will be much reduced. Capture and monitoring of wolf packs is the primary method for understanding whether we are achieving recovery objectives and for helping livestock owners avoid depredations.

The consequence of not funding this package would be the erosion of public support and tolerance for wolf population recovery, especially from those who live in rural settings most likely to be directly affected by wolves. If no additional funding is received, we will be unable to adequately monitor the growing number of wolf packs by capturing wolves and deploying radio collars in each pack.

In addition, funding is needed to compensate livestock owners for employing proactive, non-lethal measures to avoid livestock losses consistent with the Wolf Conservation and Management Plan. Livestock losses result in significant financial impacts and hardships to the affected livestock owners and loss of tolerance for wolf population recovery. Funding needs for wolf management are rising quickly along with the rapidly increasing wolf populations.

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

The expenditures include covering the salaries and benefits for .4 FTE of a fish and wildlife biologist 4, .24 FTE of a fish and wildlife biologist 2, .16 FTE scientific technician 2, and .04 fish and wildlife officer and a .04 fish and wildlife biologist 4 during the field investigations and the removal of the Wedge Wolf Pack.

Funds will also be used for aircraft rental, personal service contracts with livestock owners, and materials to supply landowners with hazing materials, fencing materials, and other proactive measures to avoid livestock losses. Also included are standard goods and services costs associated with field positions.

Infrastructure and program support costs of 28.5% are included in goods and services totaling \$55,100.

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

Costs in this decision package are in response to the wolf-livestock conflict with the Wedge Wolf Pack and the immediate implementation of the wolf management plan.

WDFW submitted a 13-15 decision package to implement the Wolf Conservation and Management Plan.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	41,800	41,800	
B Employee Benefits	16,500	16,500	
C Personal Service Contracts	50,000	50,000	
E Goods And Services	140,100	140,100	
Total Objects	248,400	248,400	

Agency: **477 Department of Fish and Wildlife****Decision Package Code/Title:** **AV Olympia Staff Consolidation****Budget Period:** **2011-13****Budget Level:** **PL - Performance Level****Recommendation Summary Text:**

The 2011 Legislature directed the Department of Enterprise Services (DES) to surplus and offer for sale Washington Department of Fish and Wildlife (WDFW) owned properties in downtown Olympia where 45 staff reside. This request is the first step in facilitating the sale of the WDFW owned properties by moving the Fiscal Office staff from a leased building in Olympia to the Natural Resources Building (NRB) and has the added benefit of consolidating Business Services Program staff in a central location. Once this move is completed, the 45 employees that occupy the property to be sold can be moved to the leased facility in Olympia during the 2013-15 biennium.

Fiscal Detail

Operating Expenditures	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		100,000	100,000
104-1 State Wildlife Account-State		150,000	150,000
Total Cost	250,000	250,000	

Package Description:

The 2011 Legislature directed the Department of Enterprise Services (DES) to surplus and offer for sale Washington Department of Fish and Wildlife (WDFW) owned properties in downtown Olympia.

Currently, the Business Services Program (BSP) is housed in two separate physical locations. Budget, Contracts, Contract Purchasing, and Business Services Administration are all in the NRB; while Accounts Payable, Accounts Receivable, Payroll, Purchasing and Fiscal Administration are in leased space at 902 Union Avenue. The Capital Asset Management Program (CAMP) is located in the downtown facility that must be sold. This request will fund the Fiscal Office relocation in FY 2013 to the NRB required by the sale of WDFW downtown Olympia properties, and allow the CAMP staff to move to the 902 Union Avenue leased space in FY 2014. The Department has submitted a 2013-15 biennial request to facilitate the CAMP move (ML-AI Capital Asset Management Program Relocation).

Fortunately, there is space available in the NRB for the fiscal staff to move into on the first floor. Business Services Program staff in the NRB will move from the 5th floor to the 1st floor thus providing contiguous space & adjacencies for the entire Business Service functions of WDFW. The vacated 5th floor space will be utilized by the neighboring programs; Wildlife Management and Human resources. This is an opportunity to provide WDFW with a much needed functional adjacency that was cited by DES in a Space Utilization report in the late 1990's. Also this move will comply with the direction from DES to vacate and sell agency owned property in downtown Olympia.

Project planning will occur in Autumn 2012 - February 2013 with implementation expected during March-April 2013.

Name and Phone Number of Subject Matter Expert:

Julie J. Howard, (360) 902-2205

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Completion of this project will ensure timely compliance with the DES timeline.

Performance Measure Detail

Activity: A032 Agency Administration

Incremental Changes

No measures submitted for package

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

This project is an identified consolidation project outlined in the WDFW 6-year Strategic Facility Plan submitted to the OFM Facilities Oversight Division.

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

This request supports the Statewide POG Strategy of Government Efficiency- Ensure efficiency, performance and accountability to the public.

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

This proposal should rate well in regards to POG as it speaks directly to the "Preserve & protect our state's natural resources' by providing for the efficiency, performance and accountability of WDFW's core business functions. In the same manner this project supports the POG 'State government must achieve results through efficient & effective performance'.

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

This request is a direct result of the legislative mandate to DES to surplus and prepare WDFW for the sale of agency-owned downtown Olympia properties. This package is part of a proposed facility plan that involves one other staff relocation package submitted by the agency in the 13-15 biennial budget. This project would allow WDFW one step closer to agency consolidation in Thurston County.

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

An alternative approach that was evaluated was to try to fit the Fiscal staff into existing leased space in the NRB, the alternative approach was not chosen as there is not enough space to accommodate an additional 40+ staff in the existing footprint.

The proposed solution was adopted as the preferred approach due to the opportune availability of an additional space in the NRB.

What are the consequences of not funding this package?

An option to buy has been placed on the 600 Capitol Way Facility and WDFW is required to sell the property. The fiscal staff must relocate from the 902 Union avenue leased facility to the NRB so the CAMP staff located in the 600 Capital Way Facility can move to the 902 Union avenue facility. If this funding is not provided, WDFW will need to reduce core activities. These costs cannot be absorbed by the Department without significant effects on program budgets.

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

Estimated costs for object E (Goods and Services)

Move and tenant improvements - \$170,000

Cubicle construction- \$60,000

IT infrastructure- \$20,000

Total object E - \$250,000

Total Estimated Move costs \$250,000.

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

All costs are one-time.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services		250,000	250,000