

**WASHINGTON DEPARTMENT OF FISH AND WILDLIFE
2015-17 Biennial Budget Submittal**

Governor-mandated GF-S Reduction Options Only

In recognition that revenue growth is expected to fall far short of the cost of maintaining current services and basic education obligations, the Governor's Office of Financial Management (OFM) mandated that state agencies submit budget reduction options equal to 15% of their state general fund appropriations. These options are not proposed cuts. They were required to inform the Governor's budget process and do not represent any plan by WDFW to reduce funding to its activities.

This is an excerpt from WDFW's entire 2015-17 budget request.

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Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A1 Reduce PILT Payments
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option will reduce the amount of GF-S for payments in lieu of property taxes (PILT) during the 2015-17 biennium. The Washington Department of Fish & Wildlife is statutorily required to make payments on Department owned lands where counties elect to receive PILT. This reduction will require modification to RCW 77.12.203, and equates to a 15% reduction to the amount of GF-S currently budgeted as pass-through funding to counties.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(350,000)	(350,000)	(700,000)
Total Cost	(350,000)	(350,000)	(700,000)

Package Description:

WDFW submits PILT payments to county governments (RCW 77.12.203) to offset the impact of WDFW land ownership, which is otherwise property tax exempt. This proposal is a one-time reduction during the 2015 17 biennium of GF-S PILT payments that the Department is required to remit to counties. The Department would be in conflict with current state laws regarding PILT requirements unless a policy bill reduced our obligation to each county.

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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

A reduction of PILT payments to 2009 levels was instituted several years ago because of previous GF-S shortfalls. Some counties have expressed frustration about the lack of full PILT received from the Department and not being able to collect PILT on lands that have been acquired by the Department since 2009. The frustration has been articulated as a reason to oppose the Department from acquiring further conservation or recreation properties.

Performance Measure Detail

Activity: A039Land Management

No measures submitted for package

Incremental Changes

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

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, PILT payments are necessary to sustain WDFW's land-related contributions to Goal 3: Sustainable energy and a clean environment, Subtopic 2: Healthy Fish and Wildlife, and Subtopic 4: Working and Natural Lands.

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

The counties that receive PILT funding will experience lower revenue collections due to a decrease in payments from the Department.

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

Reductions were identified based on the Department's activities where GF-S is used. Under the Land Management Activity, the only GF-S is budgeted as pass through for PILT.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW will make full PILT payments to counties in the 2015-17 biennium.

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

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

Two statutory changes would be required. First, all GF-S dollars budgeted for PILT should be provided solely for these payments under a separate subsection for PILT in WDFW's budget section. Secondly, the following amendment to RCW 77.12.203 would be required: "During the 2015-17 biennium, payments in lieu of real property taxes and local assessments will be provided proportionately to each county based on amounts due and funding made available explicitly for this purpose."

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	(350,000)	(350,000)	(700,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A2 Reduce George Adams Hatchery
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option reduces fall Chinook salmon production by 56% at the George Adams Hatchery located in the Hood Canal region. The commercial and recreational fisheries dependent on this production generate an annual average of \$900,000 of personal income for individuals and businesses. This is one of several reduction options that will impact Puget Sound commercial and recreational salmon fishing.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(87,000)	(87,000)	(174,000)
Total Cost	(87,000)	(87,000)	(174,000)

Package Description:

Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage.

The George Adams Hatchery, in particular, produces the following:

- 3.8 million fall Chinook salmon for release at the hatchery;
- 300,000 coho salmon for release at the hatchery;
- 42,000 fall Chinook salmon for release in the Hamma Hamma River for a cooperative conservation project with the Hood Canal Salmon Enhancement Group;
- 128,000 summer chum for release into the Tahuya River for a cooperative conservation project with the Hood Canal Salmon Enhancement Group;
- 425,000 coho salmon provided to the Port Gamble S'Klallam Tribe for the Port Gamble net pens; and
- 11.1 million fall chum salmon provided for education and enhancement projects.

This salmon production assists in the recovery of ESA-listed summer chum and Chinook, supports tribal fisheries, and supports state managed commercial and recreational fisheries in Hood Canal, Puget Sound, and the Washington Coast.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. Although WDFW values the contribution of Washington's hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain capacity of fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

This option will reduce salmon production at the George Adams Hatchery located in Hood Canal. While the Department can no longer preserve its core functions without relief from the current economic and funding limitations, the recommendation seeks to

minimize impacts to its core, while at the same time emphasizing our conservation mission for the salmon resource.

In addition, Regional Fisheries Enhancement Groups (RFEs) utilize the revenue generated from the sale of surplus fish returning to state-funded hatcheries. The RFE Program consists of 14 local non-profit organizations that conduct salmon enhancement and habitat restoration activities throughout Washington State. These groups use primarily WDFW-administered funds, but also hatchery fish sales, to leverage external grants and donations at a rate of 10 to 1 in order to complete projects ranging from public outreach and education to fish passage barrier corrections to private hatchery operations.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert:
Kelly Cunningham, Deputy Assistant Director
Fish Program, Department of Fish and Wildlife
(360) 902-2325.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction results in:

- Elimination of 2.1 million juvenile fall Chinook salmon production annually;
- Loss of approximately \$900,000 million dollars per year in personal income (TCW Economics 2009; available by request from WDFW); and
- Reduction of revenue to RFEs for the 15,000 to 20,000 surplus fish that would be sold per year.

Fisheries negatively affected by the elimination of this production include the salmon fisheries that occur off the Washington coast, Strait of Juan de Fuca and greater Puget Sound region, as well as the chinook fisheries within the Hood Canal area.

Performance Measure Detail

Activity: **A041Fish Production for Sustainable Fisheries**

Incremental Changes

No measures submitted for package

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

This package's reductions and associated loss of fishing opportunity, economic benefits, and protection of salmon resources reduce WDFW's ability to support two goals in the strategic plan:

- Goal 2, Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences; and
- Goal 3, Promote a healthy economy, protect community character, maintain an overall high quality of life, and delivery high-quality customer service.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

WDFW hatcheries' fish production reduction would reduce WDFW's ability to support Goal 2 "Prosperous Economy" and Goal 3 "Sustainable Energy and a Clean Environment."

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

This proposal is projected to result in the annual loss of approximately \$900,000 of personal income to the state (TCW Economics 2009; available by request from WDFW).

The reduced fish production at this facility will decrease RFEG revenue because of reduced surplus egg and carcass sales.

This reduction proposal will require government-to-government discussions with the Skokomish, Port Gamble S'Klallam, Jamestown S'Klallam, and Lower Elwha Klallam tribes.

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

Our selection of specific hatcheries to include in the 15% reduction package sought to address the following considerations.

1. Ensure compliance with federal court orders and tribal agreements.
2. Focus on hatchery production funded by GF-S and that primarily benefits commercial fisheries.
3. Link hatchery production cuts to packages that eliminate or reduce commercial salmon fisheries.
4. Spread the hatchery production cuts across watersheds and geographic regions to reduce the impacts to specific tribes.
5. Give more consideration to programs that are not currently meeting broodstock management standards.
6. Consider whether the facility has recently been renovated.

What are the consequences of adopting or not adopting this package?

The consequence of not funding this package is that WDFW will maintain current production at the George Adams Hatchery.

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?

This reduction proposal will require government-to-government discussions with the Skokomish, Port Gamble S'Klallam, Jamestown S'Klallam, and Lower Elwha Klallam tribes.

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	(87,000)	(87,000)	(174,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A3 Reduce Hoodspport Hatchery
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option significantly reduces chum, fall Chinook, and pink salmon production at the Hoodspport Salmon Hatchery located in the Hood Canal region. The commercial and recreational fisheries dependent on this facility generate an annual average of \$4.15 million dollars of personal income. This is one of several reduction options that will impact Puget Sound commercial and recreational salmon fishing.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(132,000)	(132,000)	(264,000)
Total Cost	(132,000)	(132,000)	(264,000)

Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-1.3	-1.3	-1.3

Package Description:

Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage.

The Hoodspport Hatchery, in particular, produces the following:

- 2.8 million fall Chinook salmon for release at the hatchery;
- 12.0 million fall chum salmon for release at the hatchery;
- 500,000 pink salmon for release at the hatchery; and
- 120,000 yearling fall Chinook for release at the hatchery.

This salmon production supports tribal fisheries and state managed commercial and recreational fisheries in Hood Canal, Puget Sound, and the Washington Coast.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. Although WDFW values the contribution of Washington's hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain capacity of fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

This option will reduce salmon production at the Hoodspport Hatchery located in Hood Canal. While the Department can no longer

preserve its core functions without relief from the current economic and funding limitations, the recommendation seeks to minimize impacts to its core, while at the same time emphasizing our conservation mission for the salmon resource. In addition, Regional Fisheries Enhancement Groups (RFEs) utilize the revenue generated from the sale of surplus fish returning to state-funded hatcheries. The RFE Program consists of 14 local non-profit organizations that conduct salmon enhancement and habitat restoration activities throughout Washington State. These groups use primarily WDFW-administered funds, but also hatchery fish sales, to leverage external grants and donations at a rate of 10 to 1 in order to complete projects ranging from public outreach and education to fish passage barrier corrections to private hatchery operations.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert:
 Kelly Cunningham, Deputy Assistant Director
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction results in:

- Elimination of 12 million chum salmon produced annually;
- Reduction of 800,000 fall Chinook salmon produced annually;
- Elimination of 500,000 pink Salmon produced in odd years;
- Elimination of 55% of the current chum production in the Hood Canal region;
- Elimination of 12% of the fall Chinook salmon production in the Hood Canal region;
- Elimination of 100% of the pink salmon production in the Hood Canal region;
- Loss of approximately \$4.15 million dollars per year in personal income (TCW Economics - 2009; available by request from WDFW); and
- Reduction of revenue to the Regional Fisheries Enhancement Groups from sales of the surplus carcasses and eggs.

Fisheries negatively affected by the elimination of this production include the salmon fisheries that occur off the Washington coast, Strait of Juan de Fuca and greater Puget Sound region, as well as the chinook fisheries within the Hood Canal area.

Performance Measure Detail

Activity: A041Fish Production for Sustainable Fisheries

Incremental Changes

No measures submitted for package

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

This package's reductions and associated loss of fishing opportunity, economic benefits, and protection of salmon resources affect the Department's ability to support two goals in the strategic plan:

- Goal 2: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences; and
- Goal 3: Promote a healthy economy, protect community character, maintain an overall high quality of life, and delivery high-quality customer service.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

WDFW hatcheries' fish production reductions will reduce the Department's ability to support the Governor's Results Washington priorities under Goal 2: Prosperous Economy.

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

This proposal is projected to result in the annual loss of approximately \$4.15 million dollars of personal income in the state (TCW Economics 2009; available by request from WDFW).

As part of a mitigation agreement, the U.S. Navy and the Skokomish Tribe have made a commitment to invest in increasing the production capacity of this facility.

This reduction proposal will require government-to-government discussions with the Skokomish, Port Gamble S'Klallam, Jamestown S'Klallam, and Lower Elwha Klallam tribes.

The reduced fish production at this facility will decrease RFEG revenue because of reduced surplus egg and carcass sales.

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

Our selection of specific hatcheries to include in the 15% reduction package sought to address the following considerations.

1. Ensure compliance with federal court orders and tribal agreements.
2. Focus on hatchery production funded by GF-S and that primarily benefits commercial fisheries.
3. Link hatchery production cuts to packages that eliminate or reduce commercial salmon fisheries.
4. Spread the hatchery production cuts across watersheds and geographic regions to reduce the impacts to specific tribes.
5. Give more consideration to programs that are not currently meeting broodstock management standards.
6. Consider whether the facility has recently been renovated.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW will maintain current production at the Hoodspout Hatchery.

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?

This reduction proposal would require government-to-government discussions with the Skokomish, Port Gamble S'Klallam, Jamestown S'Klallam, and Lower Elwha Klallam tribes.

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(37,000)	(37,000)	(74,000)
B Employee Benefits	(16,000)	(16,000)	(32,000)
E Goods\Other Services	(79,000)	(79,000)	(158,000)
Total Objects	(132,000)	(132,000)	(264,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A4 Close Minter Creek Hatchery
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option closes Minter Creek Hatchery, located in the Gig Harbor area, resulting in the elimination of over 6,500,000 chum, coho, and fall Chinook salmon and eggs. The commercial and recreational fisheries dependent on this facility generate an annual average of approximately \$2.1 million dollars of personal income to people and businesses in the state. This is one of several reduction options that will impact Puget Sound commercial and recreational salmon fishing.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(492,000)	(492,000)	(984,000)
Total Cost	(492,000)	(492,000)	(984,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-5.4	-5.4	-5.4

Package Description:

Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage.

The Minter Creek Hatchery, in particular, supports Puget Sound commercial, tribal, and recreational fisheries by producing:

- 2,000,000 chum salmon
- 1,551,700 eye chum eggs to support coop programs
- 1,400,000 fall Chinook salmon
- 750,000 eyed fall Chinook salmon eggs in support of Grover's Creek - Suquamish Tribal hatchery program
- 620,000 coho salmon, of which 120,000 coho support the WDFW Garrison hatchery program
- 120,000 eyed coho salmon eggs to support coop programs
- Incubation of 4,575,000 fall Chinook eggs for the WDFW Tumwater Falls hatchery program

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. Although WDFW values the contribution of Washington's hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain capacity of fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

This reduction option will close the Minter Creek Hatchery. While the Department can no longer preserve its core functions without relief from the current economic and funding limitations, the recommendation seeks to minimize impacts to its core, while at the same time emphasizing our conservation mission for the salmon resource.

In addition, Regional Fisheries Enhancement Groups (RFEs) utilize the revenue generated from the sale of surplus fish returning to

state-funded hatcheries. The RFEG Program consists of 14 local non-profit organizations that conduct salmon enhancement and habitat restoration activities throughout Washington State. These groups use primarily WDFW-administered funds, but also hatchery fish sales, to leverage external grants and donations at a rate of 10 to 1 in order to complete projects ranging from public outreach and education to fish passage barrier corrections to private hatchery operations.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert:
Kelly Cunningham, Deputy Assistant Director
Fish Program, Department of Fish and Wildlife
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction results in:

- Closure of the Minter Creek Hatchery;
- Elimination of 100% (2,000,000) chum salmon produced annually;
- Elimination of 100% (1,551,700) eyed chum eggs that support coop programs;
- Elimination of 100% (1,400,000) fall Chinook salmon produced annually;
- Elimination of 100% (750,000) eyed fall Chinook salmon eggs that support the Grover's Creek - Suquamish Tribal hatchery program;
- Elimination of 100% (620,000) of coho salmon produced annually, of which 120,000 support the WDFW Garrison facility production;
- Elimination of 100% (120,000) eyed coho salmon eggs that support coop programs;
- Loss of the incubation done at Minter Creek of the 4,575,000 fall Chinook eggs that support WDFW Tumwater Falls Hatchery programs; and
- Loss of about \$2.1 million of economic activity as measured in personal income (TCW Economics 2009; available by request from WDFW).
- Reduction of \$208,000 per biennium to RFEGs from surplus egg and carcass sales.

Fisheries negatively affected by this closure and resulting production loss specifically include the Puget Sound commercial, tribal, and recreational fisheries.

Performance Measure Detail

Activity: **A041Fish Production for Sustainable Fisheries**

Incremental Changes

No measures submitted for package

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

Yes, WDFW hatchery closure and related hatcheries' fish production reduction reduces fishing opportunity and economic benefits associated with two of WDFW goals:

Goal 2: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences and Goal 3: Promote a healthy economy, protect community character, maintain an overall high quality of life, and delivery high-quality customer service.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, WDFW hatchery closure and related hatcheries' fish production reductions will reduce support for the Governor's Results Washington priorities under Goal 2: Prosperous Economy.

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

This proposal is projected to result in the annual loss of approximately \$2.1 million dollars of personal income to the state.

This reduction proposal requires government-to-government discussions with the Suquamish, Puyallup, and Nisqually tribes.

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

Our selection of specific hatcheries to include in the 15% reduction package sought to:

1. Ensure compliance with federal court orders and tribal agreements.
2. Focus on hatchery production funded by GF-S and that primarily benefits commercial fisheries.
3. Link hatchery production cuts to packages that eliminate or reduce commercial salmon fisheries.
4. Spread the hatchery production cuts across watersheds and geographic regions to reduce the impacts to specific tribes.
5. Give more consideration to programs that are not currently meeting broodstock management standards.
6. Consider whether the facility has recently been renovated.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW will continue to operate the Minter Creek Hatchery, providing chum, coho, and fall Chinook salmon and eggs, and associated economic benefits.

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

Funding needed for Minter Creek Hatchery prioritized in the 2015-2017 Capital Budget Request will need to be reprioritized to other statewide capital project needs.

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

This reduction proposal requires government-to-government discussions with the Suquamish, Puyallup, and Nisqually tribes.

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(193,000)	(193,000)	(386,000)
B Employee Benefits	(78,000)	(78,000)	(156,000)
E Goods\Other Services	(221,000)	(221,000)	(442,000)
Total Objects	(492,000)	(492,000)	(984,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A5 Reduce PS Shellfish Fisheries
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option reduces staff that assess and monitor shellfish populations. This means that the Department will manage commercial sea urchin, sea cucumber, and clam and oyster harvest passively rather than actively, resulting in fewer harvest quotas and seasons. A harvest reduction of as much as 30% may be needed to ensure that healthy population levels are maintained.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(226,000)	(226,000)	(452,000)
Total Cost	(226,000)	(226,000)	(452,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-2.7	-2.7	-2.7

Package Description:

The Department monitors sea urchin and sea cucumber populations in Puget Sound to establish commercial harvest quotas that are adopted into state and tribal harvest management plans. The Department's dive survey team conducts sea urchin and sea cucumber assessments by surveying defined index stations throughout Puget Sound and utilizing Remote Operated Vehicles (ROV) when applicable. Department staff assesses clam and oyster populations on an annual basis on actively managed (high recreational and treaty fishery use) beaches in Puget Sound. These population assessments are used to generate beach-specific harvest quotas for both state-managed and treaty fisheries.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option eliminates the assessment of sea urchin and sea cucumber populations in Puget Sound. The Department will have to passively manage the fishery under a reduced harvest quota by using a conservation buffer of up to 30% to prevent overharvest. The Department will also reduce the number of beach surveys to assess abundance of clams and oysters in Puget Sound and manage fisheries with reduced seasons to protect clam and oyster populations from overharvest.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction option will result in lost commercial harvest opportunities for sea urchin and sea cucumbers by up to 30% and harvest of clams and oysters on actively managed beaches by up to 20% through reduced harvest quotas and seasons.

Performance Measure Detail

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 reduction affects the ability of the Department to implement the strategy of improving methodologies of estimating the status of fish and wildlife populations and harvest modeling under Goal 2 of the strategic plan: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This option impairs the ability of the Department to support Results Washington, Goal Topic "Healthy Fish and Wildlife," specifically the subtopic Shellfish and outcome measure 2.1 "Increase improved shellfish classification acreage in Puget Sound from net increase of 3,038 acres from 2007-13 to net increase of 8,614 acres by 2016."

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

The proposal to reduce recreational clam and oyster seasons in this decision package conflicts with objective 2.3 of the Washington Shellfish Initiative "Enhance recreational shellfish harvest" and a reduction in the population survey program is contrary to recommendations from the Governor's Marine Recourses Advisory Council to maintain Department of Fish and Wildlife wild shellfish stock index station monitoring.

The fisheries identified in this decision package are co-managed and harvested with Washington Treaty Tribes. Reductions in harvest quotas and seasons will not pertain to the treaty fishery.

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

The Department first identified opportunities for savings or fund shifts and partnerships and looked for reductions that would have the least impact toward accomplishing our core functions. ALEA funds could be used to offset this reduction.

While the Department can no longer preserve its primary functions without relief from the current economic climate and funding limitations, the recommendations seek to minimize impacts to its core, while at the same time emphasizing our conservation mission.

What are the consequences of adopting or not adopting this package?

If this package is not funded, WDFW will continue to survey and assess Puget Sound shellfish and maintain the recreational and commercial shellfish fisheries with more precise population knowledge.

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

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(135,000)	(135,000)	(270,000)
B Employee Benefits	(42,000)	(42,000)	(84,000)
E Goods\Other Services	(44,000)	(44,000)	(88,000)
G Travel	(4,000)	(4,000)	(8,000)
J Capital Outlays	(1,000)	(1,000)	(2,000)
Total Objects	(226,000)	(226,000)	(452,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A6 Close Naselle Hatchery
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option closes the Naselle Salmon Hatchery in the Willapa Bay area in southwest Washington, eliminating 2.5 million coho, chum, and fall Chinook salmon, as well as 19,000 trout and 75,000 winter steelhead. The commercial and recreational fisheries dependent on this facility generate an annual average of approximately \$1.2 million dollars of personal income in the state. This is one of three reduction options that impact commercial and recreational fishing in the Willapa Bay area.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(412,000)	(412,000)	(824,000)
Total Cost	(412,000)	(412,000)	(824,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-3.8	-3.8	-3.8

Package Description:

Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage.

The Naselle Hatchery, in particular, produces 800,000 juvenile fall Chinook, 1,400,000 juvenile coho, 300,000 juvenile chum, 19,000 rainbow trout, and 75,000 winter steelhead that are all released from the hatchery into the Naselle River. These fish contribute to commercial and recreational fisheries in Willapa Bay and along the Washington coast.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. Although WDFW values the contribution of Washington's hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain capacity of fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

This reduction option will close the Naselle Hatchery. While the Department can no longer preserve its core functions without relief from the current economic and funding limitations, the recommendation seeks to minimize impacts to its core, while at the same time emphasizing our conservation mission for the salmon resource.

In addition, Regional Fisheries Enhancement Groups (RFEGs) utilize the revenue generated from the sale of surplus fish returning to state-funded hatcheries. The RFEG Program consists of 14 local non-profit organizations that conduct salmon enhancement and habitat restoration activities throughout Washington State. These groups use primarily WDFW-administered funds, but also hatchery fish sales, to leverage external grants and donations at a rate of 10 to 1 in order to complete projects ranging from public

outreach and education to fish passage barrier corrections to private hatchery operations.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert:
Kelly Cunningham, Deputy Assistant Director
Fish Program, Department of Fish and Wildlife
(360) 902-2325.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction results in:

- The closure of the Naselle Hatchery;
- Elimination of 100% (1,400,000) coho salmon produced annually;
- Elimination of 100% (800,000) fall Chinook salmon produced annually;
- Elimination of 100% (300,000) chum salmon produced annually;
- Elimination of 100% (19,180) trout produced annually, typically planted into Pacific County lakes;
- Elimination of 100% (75,000) winter steelhead produced annually;
- Elimination of 82% of coho production in the Willapa Bay area;
- Elimination of 11% of fall Chinook salmon production in the Willapa Bay area;
- Elimination of 33% of chum salmon production in the Willapa Bay area;
- Loss of approximately \$1.2 million per year in personal income (TCW Economics 2009; available by request from WDFW); and
- Reduction of \$54,000 per biennium to RFEGs from surplus egg and carcass sales.

Fisheries negatively affected by this closure and elimination of production include the state commercial and recreational fisheries within Willapa Bay and more generally, the greater Washington coastal fisheries. Recreational and commercial fisheries contribute significant revenue to local and rural businesses, as well as to WDFW through license sales. Businesses that rely on these fisheries, in turn, also contribute to revenue for the State of Washington.

Performance Measure Detail

Activity: **A041Fish Production for Sustainable Fisheries**

Incremental Changes

No measures submitted for package

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

Yes, WDFW's hatchery closure and the related fish production reduction reduces fishing opportunity and economic benefits associated with two of WDFW's goals:

Goal 2: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences and Goal 3: Promote a healthy economy, protect community character, maintain an overall high quality of life, and delivery high-quality customer service.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, WDFW hatchery closure and related hatcheries' fish production reductions will reduce support for the Governor's Results Washington priorities under Goal 2: Prosperous Economy.

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

This proposal is projected to result in the annual loss of approximately \$1.2 million dollars of personal income in the state.

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

Our selection of specific hatcheries to include in the 15% reduction package sought to:

1. Ensure compliance with federal court orders and tribal agreements.
2. Focus on hatchery production funded by GF-S and that primarily benefits commercial fisheries.
3. Link hatchery production cuts to packages that eliminate or reduce commercial salmon fisheries.
4. Spread the hatchery production cuts across watersheds and geographic regions to reduce the impacts to specific tribes.
5. Give more consideration to programs that are not currently meeting broodstock management standards.
6. Consider whether the facility has recently been renovated.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW will continue to operate the Naselle Hatchery, providing chum, coho, and fall Chinook salmon and eggs, trout, steelhead, and associated economic benefits.

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

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

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	(115,000)	(115,000)	(230,000)
B Employee Benefits	(47,000)	(47,000)	(94,000)
E Goods\Other Services	(250,000)	(250,000)	(500,000)
Total Objects	(412,000)	(412,000)	(824,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A7 Close Nemah Hatchery
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option closes the Nemah Salmon Hatchery in the Willapa Bay area in southwest Washington, eliminating 3,300,000 fall Chinook and chum salmon. The commercial and recreational fisheries dependent on this facility generate an annual average of approximately \$950,000 dollars of personal income in the state. This is one of three reduction options that impact commercial and recreational fishing in the Willapa Bay area.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(266,000)	(266,000)	(532,000)
Total Cost	(266,000)	(266,000)	(532,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-2.3	-2.3	-2.3

Package Description:

Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage.

The Nemah Salmon Hatchery, in particular, annually produces 3,000,000 fall Chinook salmon and 300,000 chum salmon. This salmon production provides state commercial and recreational fisheries within Willapa Bay and more generally, the greater Washington coastal fisheries.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. Although WDFW values the contribution of Washington's hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain capacity of fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

This reduction option will close the Nemah Hatchery located in Willapa Bay. While the Department can no longer preserve its core functions without relief from the current economic and funding limitations, the recommendation seeks to minimize impacts to its core, while at the same time emphasizing our conservation mission for the salmon resource.

In addition, Regional Fisheries Enhancement Groups (RFEs) utilize the revenue generated from the sale of surplus fish returning to state-funded hatcheries. The RFE Program consists of 14 local non-profit organizations that conduct salmon enhancement and habitat restoration activities throughout Washington State. These groups use primarily WDFW-administered funds, but also hatchery fish sales, to leverage external grants and donations at a rate of 10 to 1 in order to complete projects ranging from public

outreach and education to fish passage barrier corrections to private hatchery operations.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert: Kelly Cunningham: (360) 902-2325.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction results in:

- The closure of the Nemah Salmon Hatchery;
- Elimination of 100% (3,000,000) fall Chinook salmon production annually;
- Elimination of 100% (300,000) chum salmon production annually;
- Elimination of 43% of the fall Chinook salmon production in the Willapa Bay area;
- Elimination of 33% of the chum salmon production in the Willapa Bay area;
- Loss of an estimated approximately \$950,000 per year of local personal income (TCW Economics 2009; available by request from WDFW); and
- Reduction of \$5,000 per biennium to RFEGs from surplus egg and carcass sales.

Fisheries negatively affected by this closure and resulting production loss specifically include the state commercial and recreational fisheries within Willapa Bay and more generally, the greater Washington coastal fisheries. Recreational and commercial fisheries contribute significant revenue to local and rural businesses, as well as to WDFW through license sales. Businesses that rely on these fisheries, in turn, also contribute to revenue for the state of Washington.

Performance Measure Detail

Activity: **A041Fish Production for Sustainable Fisheries**

Incremental Changes

No measures submitted for package

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

Yes, WDFW hatchery closure and related hatcheries' fish production reduction reduces fishing opportunity and economic benefits associated with Goal 2: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences and Goal 3: Promote a healthy economy, protect community character, maintain an overall high quality of life, and delivery high-quality customer service.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, WDFW hatchery closure and related hatcheries' fish production reductions will reduce support for the Governor's Results Washington priorities under Goal 2: Prosperous Economy.

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

This proposal is projected to result in the annual loss of approximately \$950,000 dollars of personal income in the state.

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

Our selection of specific hatcheries to include in the 15% reduction package sought to:

1. Ensure compliance with federal court orders and tribal agreements.
2. Focus on hatchery production funded by GF-S and that primarily benefits commercial fisheries.
3. Link hatchery production cuts to packages that eliminate or reduce commercial salmon fisheries.
4. Spread the hatchery production cuts across watersheds and geographic regions to reduce the impacts to specific tribes.

- 5. Give more consideration to programs that are not currently meeting broodstock management standards.
- 6. Consider whether the facility has recently been renovated.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW will continue to operate the Nemah Hatchery, providing chum, coho, and fall Chinook salmon and associated economic benefits.

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

Funding needed for Nemah Creek Hatchery prioritized in the 2015-2017 Capital Budget Request will be reprioritized to other statewide capital project needs.

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

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(70,000)	(70,000)	(140,000)
B Employee Benefits	(28,000)	(28,000)	(56,000)
E Goods\Other Services	(168,000)	(168,000)	(336,000)
Total Objects	(266,000)	(266,000)	(532,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A8 Close Samish Hatchery
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option will close the Samish Hatchery near Bellingham, resulting in the elimination of all fall Chinook production in the Nooksack/Samish region, approximately 4 million per year. The commercial and recreational fisheries dependent on this facility generate an annual average of approximately \$1.8 million dollars of personal income in the state. This is one of several reduction options that will impact Puget Sound commercial and recreational salmon fishing.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(367,000)	(367,000)	(734,000)
Total Cost	(367,000)	(367,000)	(734,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-3.1	-3.1	-3.1

Package Description:

Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage.

The Samish Hatchery in particular produces 4,000,000 juvenile fall Chinook that are released into the Samish River. This hatchery also provides 1,000,000 fall Chinook eggs to the Lummi Tribe to support their hatchery programs. These fish contribute heavily to Indian and non-Indian commercial fisheries in Bellingham Bay and to recreational fisheries in Puget Sound and the Straits of Juan de Fuca.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. Although WDFW values the contribution of Washington's hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain capacity of fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

This reduction option will close the Samish Hatchery located near Bellingham. While the Department can no longer preserve its core functions without relief from the current economic and funding limitations, the recommendation seeks to minimize impacts to its core, while at the same time emphasizing our conservation mission for the salmon resource.

In addition, Regional Fisheries Enhancement Groups (RFEGs) utilize the revenue generated from the sale of surplus fish returning to state-funded hatcheries. The RFEG Program consists of 14 local non-profit organizations that conduct salmon enhancement and habitat restoration activities throughout Washington State. These groups use primarily WDFW-administered funds, but also

hatchery fish sales, to leverage external grants and donations at a rate of 10 to 1 in order to complete projects ranging from public outreach and education to fish passage barrier corrections to private hatchery operations.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert:
Kelly Cunningham, Deputy Assistant Director
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(360) 902-2325

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction results in:

- The closure of the Samish Hatchery;
- Elimination of 100% (4,000,000) fall Chinook salmon production in the Nooksack/Samish region;
- Elimination of 1,000,000 eyed-eggs transferred to the Lummi Nation;
- Elimination of a viable Indian and non-Indian commercial fall Chinook fishery in Bellingham Bay;
- Loss of about \$1,800,000 economic activity as measured in personal income (TCW Economics 2009; available by request from WDFW)
- A mean loss of WDFW Chinook production in Puget Sound by 20%; and
- Reduction of \$20,000 per biennium to RFEs from surplus egg and carcass sales.

Fisheries negatively affected by the elimination of this production include the commercial salmon fisheries that occur in the Bellingham Bay area for Indian and non-Indian fisheries, as well as recreational salmon fisheries in the Strait of Juan de Fuca, San Juan Islands, and more generally the northern area of Puget Sound.

Performance Measure Detail

Activity: **A041Fish Production for Sustainable Fisheries**

Incremental Changes

No measures submitted for package

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

Yes, WDFW's hatchery closure reduces fishing opportunity and economic benefits associated with two of WDFW's goals: Goal 2: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences and Goal 3: Promote a healthy economy, protect community character, maintain an overall high quality of life, and deliver high-quality customer service.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, WDFW hatchery closure and related hatcheries' fish production reductions will reduce support for the Governor's Results Washington priorities under Goal 2: Prosperous Economy.

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

This proposal is projected to result in the annual loss of approximately \$1.8 million dollars of personal income.

This reduction proposal requires government-to-government discussions with the Lummi, Nooksack, Upper Skagit, and Swinomish tribes.

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

Our selection of specific hatcheries to include in the 15% reduction package sought to:

1. Ensure compliance with federal court orders and tribal agreements.
2. Focus on hatchery production funded by GF-S and that primarily benefits commercial fisheries.
3. Link hatchery production cuts to packages that eliminate or reduce commercial salmon fisheries.
4. Spread the hatchery production cuts across watersheds and geographic regions to reduce the impacts to specific tribes.
5. Give more consideration to programs that are not currently meeting broodstock management standards.
6. Consider whether the facility has recently been renovated.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW will continue to operate the Samish Hatchery, providing fall Chinook salmon and eyed-eggs and associated economic benefits.

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

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

This reduction proposal will require government-to-government discussions with the Lummi, Nooksack, Upper Skagit, and Swinomish tribes.

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	(96,000)	(96,000)	(192,000)
B Employee Benefits	(40,000)	(40,000)	(80,000)
E Goods\Other Services	(231,000)	(231,000)	(462,000)
Total Objects	(367,000)	(367,000)	(734,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: A9 Eliminate WBGH Commercial Fisheries
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option eliminates staffing to manage and sample salmon in Willapa Bay and Grays Harbor, thereby eliminating the opportunity for commercial fisheries. The average annual catch in these fisheries is worth \$1.0 million dollars and over \$2.3 million dollars of personal income is generated for private citizens and businesses. This will limit commercial opportunity to those who possess either the Willapa Bay or Grays Harbor license to seeking commercial opportunity in the Columbia River. This package is one of three reduction options that impact commercial and recreational fishing in the Willapa Bay area.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(145,000)	(145,000)	(290,000)
Total Cost	(145,000)	(145,000)	(290,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-1.7	-1.7	-1.7

Package Description:

The Department assesses many factors to determine population estimates on Pacific salmon returning to Willapa Bay and Grays Harbor including their freshwater tributaries. Examples of activities are spawning assessment, fishery monitoring for species and specific biological data such as determining the age of a sub sample of harvested fish, as well as determination of their origin hatchery or wild. The planning, coordination, oversight, tracking, and data entry and assessment is an essential element to the sustainability of these commercial salmon fisheries. The monitoring of the fisheries and sampling is conducted at a coast-wide target of 20% of landed catch for Chinook, coho, and chum salmon. The Department uses this and other data to predict the coming season abundance, thereby setting management objectives for the State's fisheries.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option will eliminate the management and sampling of commercial fisheries in Willapa Bay and Grays Harbor.

This package also includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert:
 Ron Warren, Deputy Assistant Director
 Fish Program, Department of Fish and Wildlife
 (360) 902-2799

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Without ongoing fishery sampling data we cannot assure the achievement of management and conservation objectives for each of the fisheries, this proposal will result in the elimination of the Willapa Bay and Grays Harbor commercial salmon fisheries.

The elimination of these fisheries will result in:

- Redirecting commercial fishers who want to utilize their license from Willapa Bay/Grays Harbor to the Columbia River, further exacerbating recreational-commercial conflicts;
- The loss of over \$2.3 million dollars per year of personal income (TCW Economics 2008; <http://wdfw.wa.gov/publications/00464/>);
- An annual loss of \$1.0 million dollars of income to commercial fishers.

Performance Measure Detail

Activity: **A043Fisheries 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 reduction affects the ability of the Department to implement the strategy of improving methodologies of estimating the status of fish and wildlife populations and harvest modeling under Goal 2 of the strategic plan: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This proposal to eliminate commercial salmon fisheries in Willapa Bay and Grays Harbor conflicts with "Goal 2: Prosperous economy" as it reduces personal incomes and may cause an increase in unemployment in Grays Harbor and Pacific counties.

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

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

The Department first identified opportunities for savings or fund shifts and partnerships and looked for reductions that would have the least impact toward accomplishing our core functions. The Department can no longer preserve its primary functions without relief from the current economic climate and funding limitations, the recommendations seek to minimize impacts to its core, while at the same time emphasizing our conservation mission.

What are the consequences of adopting or not adopting this package?

The consequences of not adopting this package are that WDFW will continue to manage and sample salmon species in Willapa Bay and Grays Harbor, allowing commercial fishing to continue, which supports the economy of Pacific and Grays Harbor counties.

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

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

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(85,000)	(85,000)	(170,000)
B Employee Benefits	(31,000)	(31,000)	(62,000)
E Goods\Other Services	(29,000)	(29,000)	(58,000)
Total Objects	(145,000)	(145,000)	(290,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: B1 Reduce PS Commercial Fisheries
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option reduces staffing to manage and sample salmon in Puget Sound, thereby reducing the commercial salmon fisheries, with the exception of Fraser River sockeye and pinks. The average annual catch in these fisheries is worth \$5.4 million dollars and over \$12.2 million dollars of personal income is generated for individuals and businesses. This is one of several reduction options that will impact Puget Sound commercial and recreational salmon fishing.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(285,000)	(285,000)	(570,000)
Total Cost	(285,000)	(285,000)	(570,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-3.1	-3.1	-3.1

Package Description:

Puget Sound commercial salmon fisheries are managed and monitored by a staff of biologists and scientific technicians. Activities necessary to manage these fisheries include: negotiating fishing seasons with stakeholders and tribal governments, fishery planning (estimating fishery impacts to ensure compliance with Endangered Species Act objectives), fishery monitoring (in-season tracking of allowable impacts and catch limits on targeted and non-targeted species), fishery reporting (documentation of fishery performance to update harvest planning models for application in future years). The Department uses this and other data to predict the coming season abundance, thereby setting management objectives for the State's fisheries.

This fall, the Governor's budget office asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option will eliminate the management and sampling of commercial fisheries in Willapa Bay and Grays Harbor. The Department will maintain a skeleton staff for management and monitoring of fisheries targeting sockeye and pink salmon from the Fraser River in Canada. Partial funding is provided by a grant from the National Oceanic and Atmospheric Administration.

This package includes a proportionate reduction to infrastructure and support costs, reflecting the decline in overhead needed if field work is reduced.

Name and Phone Number of Subject Matter Expert:
 Ron Warren, Deputy Assistant Director
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 (360) 902-2799

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The proposal will result in the closure of all Puget Sound commercial salmon fisheries (other than those targeting Fraser River sockeye and pink salmon) affecting nearly 200 gill net, 75 purse seine, and 11 reef net license holders in the State of Washington.

This reduction will result in the following:

- The loss of over \$12.2 million dollars per year of personal income (TCW Economics 2008; <http://wdfw.wa.gov/publications/00464/>);
- An annual loss of \$5.4 million dollars of salmon sales income to commercial fishers.

Performance Measure Detail

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 reduction affects the ability of the Department to implement the strategy of improving methodologies of estimating the status of fish and wildlife populations and harvest modeling under Goal 2 of the strategic plan: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Implementation of this reduction would negatively affect the Agency's ability to support Goal 2 "Prosperous Economy" and Goal 3 "Sustainable Energy and a Clean Environment." Puget Sound commercial salmon fisheries support numerous small businesses in the state including nearly 200 gill net, 75 purse seine, and 11 reef net license holders and the supporting businesses (e.g. fish buyers, processors etc. that employ numerous citizens). Puget Sound commercial salmon fisheries are managed to provide sustainable harvest opportunities providing salmon to markets in Washington State and around the world.

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

The fisheries identified in the reduction package are co-managed and harvested with Washington Treaty Tribes. Reductions in harvest quotas and season will not pertain to the treaty fisheries.

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

The Department first identified opportunities for savings or fund shifts and partnerships and looked for reductions that would have the least impact toward accomplishing our core functions. While the Department can no longer preserve its primary functions without relief from the current economic climate and funding limitations, the recommendations seek to minimize impacts to its core, while at the same time emphasizing our conservation mission.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW will continue to manage and sample all salmon species in Puget Sound, allowing all commercial fisheries to remain, as well as the associated economic benefits.

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

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

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(151,000)	(151,000)	(302,000)
B Employee Benefits	(55,000)	(55,000)	(110,000)
E Goods\Other Services	(75,000)	(75,000)	(150,000)
G Travel	(4,000)	(4,000)	(8,000)
Total Objects	(285,000)	(285,000)	(570,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: B2 Reduce WDFW Enforcement Officers
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option will eliminate eight WDFW Enforcement Officers. WDFW Police provides the most comprehensive law enforcement services to the state and is responsible for more land and water coverage than any other law enforcement entity in the state. The role of the Fish and Wildlife Police Officer is crucial to protecting fish, wildlife, habitats, the public, and commercial industry that rely on natural resources. This GF-S reduction option will reduce general authority police coverage, compromising public safety and the sustainability efforts of fish, wildlife, and habitat resources.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(1,166,000)	(1,166,000)	(2,332,000)
Total Cost	(1,166,000)	(1,166,000)	(2,332,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-10.6	-10.6	-10.6

Package Description:

Fish and Wildlife Officers provide general authority, natural resource, and state/federal endangered species law enforcement within a complicated network of resource management plans and with tribal treaty agreements. Activities include land and water patrols for recreational and commercial compliance of natural resource laws, sanitary shellfish safety, marketplace inspections, shipping seaport and airport inspections, rural public safety, habitat protection, hydraulic permit enforcement, poaching prevention, investigations, hunter education, public education, invasive species prevention, wildlife conflict response, emergency response to disasters, and general authority enforcement. Much of the Fish and Wildlife Officer duties are unique to WDFW Police and not available from another law enforcement entity.

This option would decrease Fish and Wildlife Police coverage in the following eight locations, leaving them with little or no protection of natural resources:

- Pomeroy - Columbia County
- Colville - Stevens County
- Bellingham - Whatcom County
- Sedro Woolley - Skagit County
- Des Moines - King County
- Mukilteo - Snohomish County
- West Port - Grays Harbor County
- Goldendale - Klickitat County

A budget reduction to the WDFW Police will further weaken the fragile officer coverage the State currently has for natural resource protection and public safety in rural locations where people recreate. The number of officers in the field is lower than it was 14 years ago while the state population has increased by 17 percent. This increase puts an even greater burden on the State's resources and the need to ensure sustainability efforts are enforced, when WDFW Police is already understaffed for the task of protecting the natural resources of the state that is strongly linked to the economy. See attachment for a graph of how the state population has significantly out-paced the Fish and Wildlife Officer staffing levels.

Name and Phone Number of Subject Matter Expert:
Dan Weeks, Budget and Records Division Manager
Enforcement, Department of Fish and Wildlife
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Reductions to enforcement officer presence will result in:

- Increased vulnerability to poaching and theft;
- Increased risk to sensitive fish, wildlife, and habitats which could add more creatures to the endangered species list;
- Increased opportunity for criminal activity that puts the public at risk, from unsanitary shellfish, particularly those who recreate in the rural locations; and
- Limited responsiveness to natural disasters and emergencies.

Performance Measure Detail

Activity: **A035Enforcement**

Incremental Changes

No measures submitted for package

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

Fish and Wildlife Police Officers support the following elements of WDFW's Strategic Plan:

- Goal 1: Conserve and protect native fish and wildlife
- Goal 2: Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences
- Goal 3: Promote a healthy economy, protect community character, maintain and overall high quality of life, and deliver high-quality customer service

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Reducing enforcement officers does not support any Results Washington priorities. This reduction option detracts from Goal 3: Sustainable Energy and a Clean Environment. Specifically, the Goal Topic "Healthy Fish and Wildlife" is negatively affected.

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

WDFW Police Officers are often first responders in rural areas and provide an important public safety and coordination function with other local law enforcement jurisdictions. Officers are highly trained in natural disaster response and search and rescue efforts.

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

Most of the WDFW Police budget is dedicated to employing Fish and Wildlife Officers. These costs are directly linked to paying officer salaries, training, and equipping them with the tools needed to do their work safely and effectively.

The Department also considered an Enforcement administrative position. Yet in an attempt to keep officer staffing at the highest level possible, the administrative staff levels are currently at minimum level. A loss of an administrative position would cripple the Program's ability to continue to support WDFW Officers on the ground.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, WDFW Police force will maintain its current coverage levels.

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

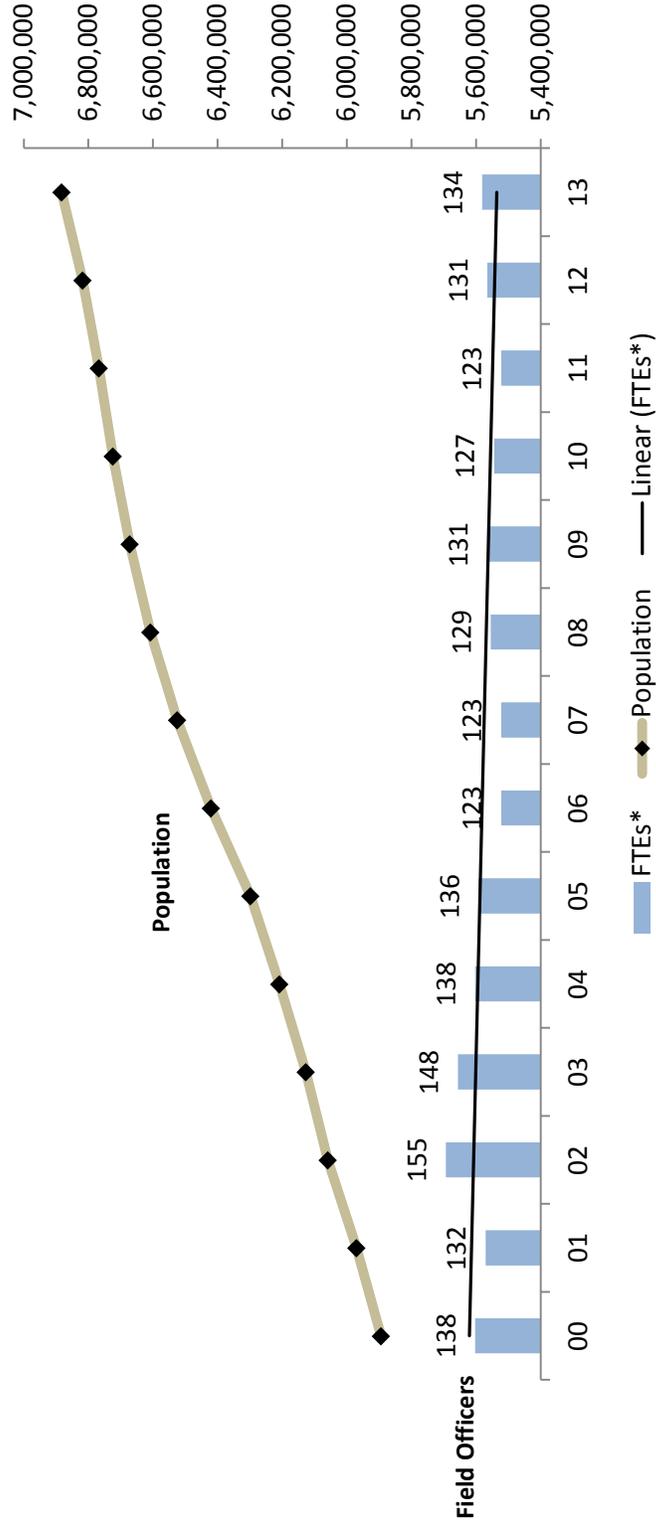
Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(586,000)	(586,000)	(1,172,000)
B Employee Benefits	(173,000)	(173,000)	(346,000)
E Goods\Other Services	(295,000)	(295,000)	(590,000)
G Travel	(8,000)	(8,000)	(16,000)
P Debt Service	(104,000)	(104,000)	(208,000)
Total Objects	(1,166,000)	(1,166,000)	(2,332,000)

**477 Washington Department of Fish and Wildlife
 2015-2017 Operating Budget Request
 PL B2 Reduce WDFW Enforcement Officers: Attachment**

The state's population increased nearly by 1 million people while Fish & Wildlife officer levels have dropped slightly in the last 13 years:

FIELD-DEPLOYED OFFICERS BY FISCAL YEAR



* FTEs reflect the number of Fish and Wildlife Officer positions available to provide field-based enforcement services.

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: B3 Reduce Fish Protection from HPAs
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Governor's budget office has asked state agencies to provide GF-S reduction options that total 15 percent of their GF-S budgets. This option will eliminate all state general fund from the Hydraulic Project Approvals (HPA) Program, reducing biological staff capacity by 39% (from 31 to 19 FTEs) and eliminating one research scientist. Thousands of construction and maintenance projects on or near water occur each year that can damage or destroy fish, shellfish and their habitats. Habitat biologists review plans for these projects and set conditions to avoid or minimize impacts to fish life through HPAs. This reduction option will result in a significant delay for hundreds of HPA applicants and less onsite review to tailor permit conditions to the specific needs of the site. Applicants will likely experience increased costs for their projects and the Department will reduce fish protection.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	(1,481,000)	(1,481,000)	(2,962,000)
Total Cost	(1,481,000)	(1,481,000)	(2,962,000)
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	-13.0	-13.0	-13.0

Package Description:

The HPA Program has existed since the 1940's and provides significant protection to fish life and aquatic ecosystems from construction projects on or near water. Since its inception the program has been almost wholly supported from the state general fund. An application fee was instituted by the legislature in 2012, which covers some administrative costs.

WDFW has 31 fish and wildlife biologists focused on assisting citizens in obtaining Hydraulic Project Approvals (HPAs). Under state law, habitat biologists review plans for culverts, bulkheads, bridges, and other hydraulic projects on or near natural water bodies and set conditions for the work to protect fish life. Staff review and issue permits for over 4,000 projects a year, ensuring that fish and shellfish are protected and their habitats are maintained. The onsite part of reviews provides the best opportunity to identify project designs that protect fish life and allow for project refinement that translates into cost control measures for the applicant.

The 12 fish and wildlife biologists in this decision package represent approximately 39% of this statewide effort. State law requires a decision to be made within 45 days and while 80% of these decisions are made within the 45 day window, initial HPA compliance monitoring has revealed that the existing program needs improvements to ensure proper fish protection. The research scientist position in this decision package is responsible for developing a customized monitoring program and analyzing the resulting data. The data will show the results of ongoing improvements and identify additional changes needed to improve the statewide performance of the HPA program.

Name and Phone Number of Subject Matter Expert:
 Jeff Davis, Assistant Director
 Habitat Program, Department of Fish and Wildlife
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

If this reduction option is adopted, the following will occur:

- Response time to applicants will increase significantly, delaying start time for hundreds of projects annually resulting in construction cost increases. Applicants include the Washington Department of Transportation, counties and cities, private businesses, and individual citizens. Delays will be costly to applicants and will affect economic development in the state.
- Protection of fish life will be reduced statewide because fewer biologists will be available to conduct on-site assessments, resulting in the need to develop hydraulic project permit provisions based on inadequate information or standardized conditions that may not work for every site.
- This reduction in on-site assessments also means that fewer bridges, culverts, bulkheads, docks, and other hydraulic projects will be built in a manner that protects fish life, resulting in higher maintenance, repair, and replacement costs for applicants.
- The lack of capacity to conduct site visits and work one-on-one with applicants to ensure applications are complete and accurate may result in more denials of hydraulic projects due to inadequate information in applications.
- There will be an increase in appeals by applicants and third parties as a result of an increase in denials to issue permits, and reduced protection of fish life.
- The loss of scientific research capacity will reduce WDFW's ability to systematically improve internal processes to measure permittee compliance with permit provisions, and to ensure that those permits result in effective long-term solutions to passing endangered salmon and steelhead around road crossings.
- Up-listing of ESA protected species as a result of decreased oversight by the Department could likely result in further environmental regulation on land use in the state.

Performance Measure Detail

Activity: **A036Hydraulic Project Approvals**

Incremental Changes

No measures submitted for package

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

The HPA Program is at the core of the agency's ability to conserve and protect native fish. The program is specifically called out in Goal 1: Conserve and Protect Native Fish and Wildlife - Strategies: Improve effectiveness of the HPA Program to protect fish life. WDFW also achieves many fish barrier corrections through our HPA Program.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Results Washington Goal 3: Sustainable Energy and a Clean Environment - Working and Natural Lands - Habitat Protection: 4.3b Increase HPA compliance rate from 80% to 90% by 2016. This reduction would severely compromise our ability to improve compliance by 2016.

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

Salmon and steelhead recovery are directly dependent on the effectiveness of the HPA Program as it relates to protecting the current environmental baseline while habitat restoration efforts continue. HPAs provide direct protection to these species while they are in egg, juvenile, and adult phases. Fish protection is critical to the agency's ability to provide commercial and recreational fisheries and therefore helps contribute to supporting 40,000 jobs and \$4 billion in annual economic activity.

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

We considered exploring a fund shift from GF-S to ALEA, but would need to secure agreement from DNR to realize that option. If this reduction is accepted by the Governor, we will pursue securing an agreement from DNR to do so. This approach would allow the HPA Program to continue the existing level of fish protection to ensure salmon and steelhead recovery do not fall further behind.

We explored pursuing a fee increase for HPA permits to replace potential lost GF-S, but rejected this approach given the current HPA rule-making effort and the associated workload to implement the new rules. Pursuing legislation to increase fees to further support the HPA Program during this period seems premature at this point. Additionally, the current HPA application fee is due to expire in 2017 at which time we will have worked with all stakeholders and will be more adequately prepared to pursue making the application fee permanent and any necessary statutory changes to improve fish protection.

What are the consequences of adopting or not adopting this package?

If this package is not adopted, the Department will continue to review, assess, and issue HPAs at current levels.

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

There is a minimal connection through the WDFW culvert injunction work.

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

No changes would be required except through the budget bill. If a fee increase was pursued, there would be a change to 77.55 RCW to reflect the increased application fee.

Expenditure and revenue calculations and assumptions

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

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	(701,000)	(701,000)	(1,402,000)
B Employee Benefits	(242,000)	(242,000)	(484,000)
E Goods\Other Services	(538,000)	(538,000)	(1,076,000)
Total Objects	(1,481,000)	(1,481,000)	(2,962,000)

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N0 Buy Back 15% GFS Reduction Options
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The 2015-17 OFM Budget Instructions direct agencies to submit 15% state general fund reduction options to support the Governor's budget process. State agencies are then to prioritize the buy-back of these reduction options alongside any new performance level budget requests. The Department recognizes that the state is facing significant budget and policy issues heading into the 2015 Legislative session. However, the investment of state general fund in WDFW's budget provides a significant return to the state's economy. This decision package buys back all of WDFW's 12 budget reduction options. Losing state general fund capacity results in even greater losses to the state's economy as well as reduced protection of fish and wildlife, which is contrary to WDFW's mission.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	5,409,000	5,409,000	10,818,000
Total Cost	5,409,000	5,409,000	10,818,000
 Staffing	 <u>FY 2016</u>	 <u>FY 2017</u>	 <u>Annual Average</u>
FTEs	47.0	47.0	47.0

Package Description:

It is clear from the Department's 12 budget reduction options that investments of state general fund dollars at WDFW provide significant positive returns to the state's economy. For example, modest savings from the closure of salmon hatcheries and reductions in fisheries will result in much greater losses to the state's economy derived from commercial and recreational fishing. The consequences of decreasing the number of enforcement officers are reduced safety for the public and diminished protection of valuable fish and wildlife resources. Losses in Hydraulic Permit Approval (HPA) Program capacity will slow permitting timelines on construction projects, negatively affecting development and also reducing protection to Endangered Species Act (ESA) listed salmonid species. Reducing listed species' protections will likely result in further ESA regulation from the federal government that would likely include land use restrictions and increased costs to the state and local governments.

In short, these reduction options simply don't make sense from an economic standpoint. The Department's first priority in this budget request is to maintain its state general fund capacity to support the important contributions of WDFW to the state's economy and natural resources. This is especially true in the rural areas of the state that are recovering more slowly from the economic downturn.

Name and Phone Number of Subject Matter Expert:
 Owen Rowe, Budget Officer
 Technology and Financial Management, Department of Fish and Wildlife
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Hatchery operations will be maintained and fishery closures will be averted. Fish and Wildlife Enforcement Officer patrols will not be affected. The HPA Program will maintain capacity and permit timelines will not take longer and staff support to projects will not decrease. The Department will be able to maintain payments in-lieu-of-taxes (PILT) to counties for state wildlife areas.

Performance Measure Detail

Activity:	A035Enforcement	Incremental Changes
	No measures submitted for package	
Activity:	A036Hydraulic Project Approvals	Incremental Changes
	No measures submitted for package	
Activity:	A039Land Management	Incremental Changes
	No measures submitted for package	
Activity:	A041Fish Production for Sustainable Fisheries	Incremental Changes
	No measures submitted for package	
Activity:	A043Fisheries Management	Incremental Changes
	No measures submitted for package	

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

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports several elements of the Governor's Results Washington Priorities. This package supports the following goals: "Prosperous Economy" and "Sustainable Energy and a Clean Environment".

Under Goal 2 "Prosperous Economy" the goal topic "Business Vitality" is supported, specifically subtopic "Competitive and Diversified Economy" and outcome measure "Thriving Washingtonians" is supported, specifically outcome measure 1.1 "Increase the state real GDP from \$325 billion in 2012 to \$351 billion by 2015".

Also under Goal 2 "Prosperous Economy" the goal topic "Thriving Washingtonians" is supported, specifically outcome measure "Quality Jobs" and the outcome measure 2.1 "Increase the number of jobs in state by 150,000 by 2015".

Under Goal 3 "Sustainable Energy and a Clean Environment" the goal topic "Healthy Fish and Wildlife- Protect and Restore Washington's Wildlife" is supported by this package.

Also under Goal 3, the goal topic "Working and Natural Lands" is supported, specifically the subtopics "Outdoor Recreation" and "Habitat Protection".

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

This package supports the following Puget Sound Action Agenda strategies:

A6: Protect and recover salmon

B2: Protect and restore near shore and estuary ecosystems

C7: Ensure abundant, healthy shellfish for ecosystem health and for commercial subsistence, and recreational harvest consistent with ecosystem protection

The buy-back of the reduction options supports Washington State's economy. It is important to recognize that the state's fish and wildlife resources are central to the economy of the state especially in rural areas that rely on these activities to support local economies. Fishing, hunting, and wildlife viewing contribute over \$4.5 billion dollars each year in economic activity. Commercial fishing supports thousands of jobs and many millions in personal income. Maintaining recreational and commercial opportunities are vital in assisting Washington recover lost economic growth and jobs as the state emerges from the economic downturn.

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

Over the past couple of biennia, Aquatic Lands Enhancement Account (ALEA) revenue has been used to support state hatcheries and marine enforcement to free up state general fund. Any fund shifts would be initiated by OFM and the legislature via the appropriations process.

What are the consequences of adopting or not adopting this package?

The following are consequences of not funding this package:

HPA Permit applicants will suffer delays in processing. Fish protection will be reduced due to fewer onsite reviews to appropriately tailor permit conditions and there will be less follow-up for compliance to ensure permit conditions are correctly adhered to. Some projects will be more expensive for applicants because costs savings measures will not be identified by staff.

A reduced WDFW Police force will reduce the State's ability to enforce natural resource laws and to manage natural resources effectively which will hurt the economy, tourism, businesses, and people's quality of life. Millions of people enjoy the natural resources of the State which in turn helps support the State's economy.

The economic stability and viability of commercial food fish and shellfish fisheries in Washington will be affected. Commercial fishers and local businesses especially in rural areas will be negatively affected. Economic losses will far outweigh state general fund savings from reductions and closures at hatcheries and fishery closures.

Hatchery closures and reductions will also affect revenue that goes to the Regional Fisheries Enhancement Groups (RFEGs). These 14 non-profit organizations conduct salmon enhancement and habitat restoration activities throughout the state. Each group uses WDFW administered funds to leverage external grants and donations at a rate of 10 to 1. Direct state revenue to the RFEGs is expected to decrease by approximately \$300,000 per biennium potentially reducing capacity for projects by \$3 million during 2015-17 if this package is not funded.

WDFW will not be able to make statutorily required PILT payments to counties that recognize state ownership of wildlife areas. PILT revenue is an important source of revenue to counties, especially those in rural areas of the state.

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 outlined by object below are the sum of the expenditures that are reduced in the 15% reduction packages.

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 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	2,198,000	2,198,000	4,396,000
B Employee Benefits	758,000	758,000	1,516,000
E Goods\Other Services	2,376,000	2,376,000	4,752,000
G Travel	17,000	17,000	34,000
J Capital Outlays	1,000	1,000	2,000
P Debt Service	59,000	59,000	118,000
Total Objects	5,409,000	5,409,000	10,818,000

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