

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

Operating Budget Requests Only

WDFW has submitted the following funding requests for the 2015-17 biennium which begins July 1, 2015. This is an excerpt from WDFW's entire 2015-17 budget submittal.

Maintenance Level Requests			Page
1A	Boldt Culvert Legal Services	\$68,000	1
1B	Maintaining Puget Sound Rec Fishing	\$241,000	3
1C	Food for Fish Hatchery Production	\$701,000	7
1D	Hatchery Utilities	\$94,000	11
1E	L&I Rate Technical Adjustment	\$0	14
1F	Funding for PILT and Assessments	\$1,040,000	17
1G	Protect Wild Salmon through Marking	\$447,000	20
1H	Wildfire Season Costs	\$790,000	24
1J	Maintaining Technology Access	\$856,000	27
8L	Lease Rate Adjustments	<u>\$129,000</u>	38
	Subtotal	\$4,366,000	
Performance Level Requests			
N1	Sustain Fishing in Washington	\$6,396,000	43
N2	SW Regional Office Relocation Lease	\$258,000	55
N3	Fish & Wildlife Radio-Over-Internet	\$118,000	58
N4	Recover Puget Sound Steelhead	\$800,000	61
N5	Manage Elk Hoof Disease	\$250,000	66
N6	Managing Aquatic Invasive Species	\$2,414,000	69
N7	Tracking Puget Sound Fish Health	\$1,526,000	76
N8	Fund Alignment for PILT/Assessments	\$1,028,000	80
P1	Lower Columbia Hatchery Production	\$308,000	83
P2	Illegal Cannabis Ops on State Lands	\$288,000	86
P3	Enhance Recreational License System	<u>\$1,300,000</u>	90
	Subtotal	\$14,686,000	

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1A Boldt Culverts Legal Services
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Attorney General's Office represents WDFW in the ongoing U.S. v. Washington Boldt culverts litigation. The Attorney General's Office anticipates WDFW's legal support costs related to this case will total \$68,000 in the 2015-17 biennium. WDFW requests funding to meet the Department's share of anticipated legal costs associated with implementing the injunction and processing the appeal.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	35,000	33,000	68,000
Total Cost	35,000	33,000	68,000

Package Description:

The Attorney General's Office (AGO) represents the Washington Department of Fish and Wildlife (WDFW) in all matters related to Boldt litigation. On March 29, 2013, a federal district court issued a permanent injunction against the State of Washington, including WDFW, imposing a schedule and related requirements for fixing fish-blocking culverts under state roads. The AGO has appealed the federal court's decision to the ninth circuit Court of Appeals. It is anticipated that oral arguments will be scheduled at some point prior to June 2015, although the timing of a subsequent decision is uncertain. The AGO has informed WDFW that its share of anticipated legal costs associated with implementing the injunction and prosecuting the appeal is \$68,000, consistent with WDFW's historic 13 percent share of Boldt case costs. WDFW is requesting a GF-S appropriation to meet this obligation.

Name and Phone Number of Subject Matter Expert:

Angie Naillon
360-902-2528

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding will allow the Department to meet its obligations to the AGO for litigation costs.

Performance Measure Detail

Activity: A032Agency Administration

Incremental Changes

No measures submitted for package

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

This decision package supports WDFW in its goal to build an effective and efficient organization, ensuring its legal interests related to Boldt litigation continue to be represented by the Attorney General's Office.

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

This request supports Results Washington Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

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

None.

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

The Department could divert funds already identified for other purposes, but this would impact existing agency activities. The Department's GF-S appropriation, in particular, has no excess capacity to absorb additional costs.

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

Failure to adequately fund the Attorney General's cost increases will overextend WDFW's legal services budget. This may result in loss of support for other legal matters or core agency activities.

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 funding request is \$68,000, per the Attorney General's Office.

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

Costs are one-time.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	35,000	33,000	68,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1B Maintaining Puget Sound Rec Fishing
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Puget Sound Recreational Fisheries Enhancement (PSRFE) account funds programs that enrich recreational fishing opportunities in the Puget Sound and Lake Washington. In response a performance audit by the State Auditor's Office and Joint Legislative Affairs Review Committee recommendations from 2010, WDFW and the PSRFE citizen oversight committee adopted an outcome-based action plan in February, 2013. This decision package requests funding from the dedicated account to execute the action plan, which will bolster fishing opportunities in Puget Sound while protecting wild salmon and bottomfish stocks.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
04M-1 Recreational Fisheries Enhancement-State	115,000	126,000	241,000
Total Cost	115,000	126,000	241,000
 Staffing	 <u>FY 2016</u>	 <u>FY 2017</u>	 <u>Annual Average</u>
FTEs	.1	.1	.1

Package Description:

The goal of the PSRFE program is to improve recreational fishing opportunities in the Puget Sound and salmon fishing in Lake Washington, and to foster the economic benefits that accompany recreational fishing activity in the region. Currently, PSRFE funding supports the production of 1 million yearling Chinook, almost 8 million sub-yearling Chinook, and 120 thousand coho annually. In turn, these hatchery fish provide recreational fishing opportunities.

As a strategy to meet the goal of improving Puget Sound salmon fisheries, WDFW produces Chinook salmon that remain in the Sound rather than migrating to the ocean. This is accomplished by holding hatchery-reared Chinook in freshwater longer than they naturally would remain, reducing their natural tendency to migrate out of Puget Sound. Fish produced by the delayed-release program represent less than 5 percent of WDFW's total salmon production. Originally, the PSRFE program was mandated by statute to release 3 million delayed-release Chinook for catch each year.

However, findings in a 2010 State Auditor's report cited limited hatchery capacity, inefficient cost-effectiveness, and concerns about impacts to wild Puget Sound Chinook stocks. Furthermore, JLARC found that provisions in PSRFE's authorizing statute regarding bottomfish aquaculture did not reflect WDFW's focus on recovering depleted stocks in the Puget Sound. WDFW and the PSRFE Oversight Committee pursued legislation to remove the delayed-release goal and guide the program with performance-based goals. In addition, the PSRFE program adopted its goals and objectives in 2013, detailing actions needed to fulfill the revised outcomes. Performance metrics include measuring the increase in angler trips, rockfish awareness among anglers, and usage of gear that minimizes rockfish by-catch.

While work is already underway in several areas, this package requests authority to spend available fund balance to begin work on the following goals and objectives that have not yet been addressed:

- Improve marketing and remove obstacles to participation in the fishery.

- Prepare and distribute outreach materials to inform bottomfish anglers about rockfish populations and gear that can protect them.
- Gain stronger data regarding the success rates of existing Chinook and coho production runs in order to target more efficient production increases in the future.

In order to fulfil these goals, WDFW and the PSRFE Oversight Committee will conduct the following activities:

- Survey Washington anglers to identify needs and interests
- Develop marketing tools that inform anglers when, where, and how to fish in Puget Sound
- Through the WDFW "Fish Washington" initiative, promote fisheries on abundant and healthy stocks.
- Participate in Sportsman Shows in order to engage directly with recreational anglers
- Increase use of coded wire tagging (CWT) technology to track salmon, in order to review the efficiency and effectiveness of existing PSRFE-funded hatchery programs.
- Prepare outreach and educational resources that help bottomfish anglers identify rockfish and encourage use of gear that minimizes rockfish by-catch.

Because the strategies that would be pursued with this increased authority utilize resources and staffing that is already in place or readily available, implementation could begin immediately, on July 1, 2015.

Names and Phone Numbers of Subject Matter Experts:

Ryan Lothrop (360) 902-2808

Laurie Peterson (360) 902-2790

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request would support the following outcome-based strategies:

- Improve marketing and remove obstacles to build interest and participation in the fishery
- Increase effectiveness of hatcheries providing salmon to Puget Sound fisheries
- Develop a long term strategy for improving recreational bottomfish fisheries in Puget Sound.

Implementation of these strategies will increase and enhance fishing opportunities in Puget Sound and Lake Washington through promotion of under-utilized stocks, cost-effective salmon production, production of new stocks (such as coho), and increased sockeye survival in Lake Washington. These strategies will also explore ways to enhance bottom-fish opportunities while protecting fragile rockfish stocks.

The specific outcomes that WDFW and the PSRFE Oversight Committee seek to attain by executing these strategies are as follows:

- Increase angler trips in Puget Sound and Lake Washington by 5% per biennium
- Identify where to target future chinook and coho production to enhance existing opportunities on these stocks in the Puget Sound.
- Improve angler identification of rockfish species by 50% by 2017
- Increase use of rockfish-friendly bottomfish gear by 50% by 2017
- Decrease rockfish by-catch and unintentional take by anglers by 10% by 2017.

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 decision package supports WDFW Goal 2: "Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences," and specifically the strategy "Find innovative ways to improve access to public and private lands to enjoy fishing, hunting and other outdoor recreational opportunities."

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

Under Goal 2 "Prosperous Economy" the goal topic "Business Vitality" is supported, under subtopic "Competitive and Diversified Economy" the 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".

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. Specifically, outcome measure 2.2, "Increase the percentage of ESA-listed salmon and steelhead populations at healthy, sustainable levels from 19% to 25% by 2022."

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

This decision package supports the findings of the State Auditor's performance audit of the PSRFE Program as well as JLARC recommendations from 2010. This package also supports the action plan approved by the PSRFE Oversight Committee.

According to an economic analysis conducted in 2006, Washington's recreational anglers catch 60% of their salmon and almost 30% of their bottomfish and Pacific halibut in the Puget Sound. Washington's recreational fishing for salmon and other marine species generates \$47 million and \$11 million respectively in annual economic activity. Legislative intent for the PSRFE Program is stated in RCW 77.105.005, "Investments made in recreational fishing programs will repay the people of the state many times over in increased economic activity and in an improved quality of life."

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

The PSRFE Account is funded by anglers that participate in Puget Sound and Lake Washington fisheries. Funding should be used to support increased opportunities and viability of these fisheries. There are no other practical alternatives besides fulfilling the recommendations of the PSRFE Oversight Committee.

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

If the Department and Oversight Committee cannot fulfill the PSFRE strategies, Puget Sound rockfish stocks will continue to be jeopardized and recreational salmon fishing opportunities in Puget Sound and Lake Washington will likely decline, as hatchery salmon survival rates continue to dwindle. These declines in fishery resources will lead to decreased angler participation and loss of future participants due to diminishing opportunities to catch fish, which in turn causes negative economic impacts to communities dependent upon the viability of Puget Sound fisheries.

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

Objects A and B: Salaries and Benefits

Marketing and Rockfish Outreach:

The Department estimates that at least 140 hours per fiscal year will be necessary to develop, administer, and analyze surveys, to prepare rockfish outreach and educational materials, and to attend sports shows. This equates to 0.07 FTE Fish and Wildlife Biologist³.

Coded wire tag analysis:

The Department estimates that 80 hours per fiscal year will be necessary of the PSRFE to analyze the additional CWT data that will be collected. Because the data will not be available until at least one year after the tags are applied and the fish are released, these costs do not commence until FY17. This equates to 0.04 FTE Fish and Wildlife Biologist ³.

Total salaries and benefits costs are \$3,500 and \$1,200 respectively in the first fiscal year and \$5,800 and \$2,000 each subsequent

fiscal year.

Object E: Goods and Services

Marketing and Rockfish Outreach:

The Department assumes expenditures of \$21,000/fiscal year for publications of surveys, brochures, decals, videos, and other marketing and outreach materials.

CWT analysis:

CWT application costs \$163 for every 1,000 fish. The PSRFE program would apply CWTs to 400,000 additional salmon, for a total of \$65,200 in CWT application costs per fiscal year. CWT recovery costs \$3.49 per fish. Based on a survival rate of 0.41%, the Department estimates that 1,640 of the 400,000 fish will be available for CWT recovery at a total cost of \$5,724, starting in FY 17 and then on-going.

Object E includes \$5,000 per FTE per year for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs.

An infrastructure and program support rate of 25.76% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year.

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

All of the work is on-going.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	4,000	6,000	10,000
B Employee Benefits	1,000	2,000	3,000
E Goods\Other Services	110,000	118,000	228,000
Total Objects	115,000	126,000	241,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1C Food for Fish Hatchery Production
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Washington Department of Fish and Wildlife (WDFW) hatcheries produce fish that support Washington's tribal, commercial, and recreational fisheries and contribute to fish recovery efforts listed under the Endangered Species Act. WDFW requests funding and spending authority to meet the 4% increase in fish food costs that took effect July 1, 2014, due to the global market conditions associated with fish food production. Without funding to offset increased fish food costs, salmon and trout plants into local waters will likely be reduced and/or potential hatchery closures may be necessary.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	232,000	268,000	500,000
104-1 State Wildlife Account-State	89,000	112,000	201,000
Total Cost	321,000	380,000	701,000

Package Description:

Fish food purchased by WDFW supports salmon, trout, and warm water fish production for tribal, commercial and recreational fisheries, as well as recovery and conservation programs for fish populations listed under the federal Endangered Species Act. Fish food expenditures were budgeted at approximately \$12 million for the 2013-15 biennium.

Fish food prices increased by an average of 4 percent effective July 1, 2014. This increase is driven by global market conditions associated with fish production, including fish meal, fish oil, and agricultural shortages. Agricultural commodity production during the past year has been one of the worst in many years. Railcar and truck movement was very poor through the long and harsh winter, and prices of corn and soybeans have increased. Fish oil and fish meal costs are dependent upon the success of the menhaden caught in the USA as well as the yield of Peruvian anchovies. The Peruvian anchovy fishery catch is under 70% of the quota seriously impacting prices of fish meal and oil.

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

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?

Funding will allow WDFW to continue to produce hatchery fish at current production levels. Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), meet federal treaty obligations, support local economies (tourism, lodging, restaurants, wholesalers and retailers of recreational equipment, boats and licenses), provide family recreational opportunities, and protect Washington's fishing cultural heritage. Recreational fishing opportunities in lakes and rivers throughout the state contribute significant revenue to local and rural businesses, as well as WDFW through license sales. The majority of salmon production at WDFW owned hatcheries is linked to federal court orders with treaty tribes.

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 decision package supports two of the agency's goals contained in the strategic plan:

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

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?

WDFW hatcheries' fish production supports the following Governor's Results Washington priorities:

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

Goal 3, "Sustainable Energy and a Clean Environment" under the goal topic, "Healthy Fish and Wildlife" outcome measure 2.2 "Increase the percentage of ESA-listed salmon and steelhead populations at healthy sustainable levels from 19% to 25% by 2022."

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

Fish production benefits Washington's economy every year.

"The U. S. Fish and Wildlife 2011 Survey of Fishing, Hunting, and Wildlife-Associated Recreation" report indicated that recreational anglers in Washington total approximately 938 thousand, and fish a total of 13.4 million days, an average of 14 days per angler.

Fishing expenditures in Washington for these sport fishers total approximately \$1.0 billion.

(Source: U.S. Department of the Interior, U.S. Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau.

2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation) Available at:

<http://www.census.gov/prod/2012pubs/fhw11-nat.pdf>

Commercial fishing contributes to the Washington seafood industry economic impact estimated at approximately \$3.0 billion.

(Source: National Marine Fisheries Service. 2014. Fisheries Economics of the United States, 2012. U.S. Dept. Commerce, NOAA Tech. Memo. NMFS-F/SPO-137) Available at: <https://www.st.nmfs.noaa.gov/st5/publication/index.html>

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

Our main priority is to maintain current fish production levels and fish health while remaining within hatchery operational budgets. Various strategies are used to offset fish food cost increases when possible. These include reprioritizing activities and budget

resources within the Fish Program when opportunities allow as well as buying fish food ahead of new contract pricing when funding allows.

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

Without additional funding, fish production will decrease, which will have a negative impact on local economies and impact federal court orders made with treaty tribes.

If this package is not funded, the Department will need to employ strategies addressing the fish food cost increases, such as negotiating salmon production reductions with treaty tribes, making reductions in trout production, and potentially closing select hatcheries.

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 total request for goods and services is to fund fish food in the 2015-2017 biennium to support current level fish production at Washington's fish hatcheries based on the average 4% cost increase. Though over the last ten years, fish food costs have increased an average of 5.54%, and the five-year average rate of increase is 5.02%, WDFW is asking for 4% based on the vendor contracts starting July 1, 2014.

In 2013 and 2014, WDFW requested the total increase that was needed, with a fund split consistent with 2012 expenditures by fund. However, the proportion of state expenditures has been increasing over the last few years by approximately six percent due to decreasing availability of federal funding. Therefore, WDFW currently has sufficient federal and local authority but not enough state funding. This decision package requests the total increase needed and re-aligns the fund split with anticipated expenditures based on 2014 actuals.

Increased fish food funding requested totals \$701,000 in the 2015-17 biennium. See attached table for calculations.

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>
E Goods\Other Services	321,000	380,000	701,000

FISH FOOD CALCULATIONS AND ASSUMPTIONS
Washington Department of Fish and Wildlife
2015-2017 Operating Budget Request
ML 1C Food for Fish Hatchery Production: Attachment

Fund	Actual Expenditures FY2014	4% Projected Increase	Total Projected Need FY2016	Total Projected Need FY2017	Current Appropriation Levels including 2015-17 CFL			Excess / (Shortfall) Appropriation for 15-17		
					FY2016	FY2017	Total	FY2016	FY2017	Total
001-1 GF-State	\$413,425	\$16,537	\$447,160	\$465,047	\$402,000	\$402,000	\$804,000	(\$45,160)	(\$63,047)	(\$108,207)
02R-1 ALEA	\$411,492	\$16,460	\$445,070	\$462,873	\$258,000	\$258,000	\$516,000	(\$187,070)	(\$204,873)	(\$391,942)
04M-1 Rec Fisheries	\$233,318	\$9,333	\$252,357	\$262,451	\$317,000	\$317,000	\$634,000	\$64,643	\$54,549	\$119,192
071-190 Warm Water	\$8,260	\$330	\$8,934	\$9,291	\$14,000	\$14,000	\$28,000	\$5,066	\$4,709	\$9,775
104-1 Wildlife-State	\$517,237	\$20,689	\$559,444	\$581,821	\$470,000	\$470,000	\$940,000	(\$89,444)	(\$111,821)	(\$201,265)
001-01 GF-Federal	\$1,976,764	\$79,071	\$2,138,068	\$2,223,591	\$2,836,000	\$2,836,000	\$5,672,000	\$697,932	\$612,409	\$1,310,341
001-7 GF-Local	\$2,301,837	\$92,073	\$2,489,667	\$2,589,254	\$2,637,000	\$2,637,000	\$5,274,000	\$147,333	\$47,746	\$195,080
TOTAL	\$5,862,333	\$234,493	\$6,340,699	\$6,594,327	\$6,934,000	\$6,934,000	\$13,868,000	(\$321,674)	(\$379,741)	(\$701,414)

2015-17 Biennial Budget Request		
	FY2016	FY2017
001-1 GF-State *	\$232,000	\$268,000
104-1 Wildlife-State	\$89,000	\$112,000
TOTAL	\$321,000	\$380,000

* During the recession, much of the GF-S was replaced with ALEA funding. At CFL, those dollars reverted to GF-S, therefore this package requests GF-S but no ALEA.

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1D Hatchery Utilities
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

Washington Department of Fish and Wildlife (WDFW) hatcheries produce fish that support Washington's tribal, commercial and recreational fisheries and contribute to fish recovery efforts for salmon and steelhead listed under the Endangered Species Act. WDFW requests funding to meet increased utility costs at hatchery facilities. This request supports electricity, natural gas, sewer, garbage, and oil heat costs. Without funding to offset increased utilities, salmon and trout plants into local waters will be reduced.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	20,000	20,000	40,000
001-2 General Fund - Basic Account-Federal	10,000	10,000	20,000
001-7 General Fund - Basic Account-Private/Local	2,000	2,000	4,000
04M-1 Recreational Fisheries Enhancement-State	3,000	3,000	6,000
104-1 State Wildlife Account-State	12,000	12,000	24,000
Total Cost	47,000	47,000	94,000

Package Description:

Utilities (electricity, natural gas, sewer, garbage, and oil heat) support production of salmon, trout, and warm water fish at WDFW hatchery facilities. This fish production supports tribal, commercial, and recreational fisheries in the state of Washington, as well as recovery and conservation programs for fish populations listed under the Endangered Species Act.

Utilities expenditures are budgeted at approximately \$2.8 million per biennium. Utilities expenditures have increased by 7.37% from FY2013 to FY2014 at WDFW hatcheries, driven in large part by electricity and natural gas costs. This increase prompted a more detailed review of costs over the last several years. Trend data developed for utility costs over the past several years (table included on the last page of this decision package) indicated an annual increase in the aggregate of approximately \$47,000. Therefore, this 2015-2017 operating budget request is based on the longer-term trend data of \$47,000 increase per year.

WDFW will pay the increased utility costs in a timely manner throughout the upcoming biennium.

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?

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

Performance Measure Detail

Activity: **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 supports numerous goals, objectives, and strategies in WDFW's 2013-15 Strategic Plan. Specifically, WDFW hatcheries' fish production support:

- Goal # 2: "Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences"
- 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 supports the following Governor's Results Washington priorities:

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

Goal 3, "Sustainable Energy and a Clean Environment" under the goal topic, "Healthy Fish and Wildlife" outcome measure 2.2 "Increase the percentage of ESA-listed salmon and steelhead populations at healthy sustainable levels from 19% to 25% by 2022."

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

Fish production benefits Washington's economy every year.

"The U. S. Fish and Wildlife 2011 Survey of Fishing, Hunting, and Wildlife-Associated Recreation" report indicated that recreational anglers in Washington total approximately 938 thousand, and fish a total of 13.4 million days, an average of 14 days per angler. Fishing expenditures in Washington for these sport fishers total approximately \$1.0 billion. (Source: U.S. Department of the Interior, U.S. Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. 2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation) Available at: <http://www.census.gov/prod/2012pubs/fhw11-nat.pdf>

Commercial fishing contributes to the Washington seafood industry economic impact estimated at approximately \$3.0 billion. (Source: National Marine Fisheries Service. 2014. Fisheries Economics of the United States, 2012. U.S. Dept. Commerce, NOAA Tech. Memo. NMFS-F/SPO-137) Available at: <https://www.st.nmfs.noaa.gov/st5/publication/index.html>

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

Utilities are non-discretionary costs of fish production and support basic hatchery operations. Use of energy-efficient lights, limited use of heat, and recycling are methods currently utilized to limit utility costs. Other long-term alternatives such as development of wind, solar, or water power would require substantially higher Capital Budget funding requests.

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

The consequence of not funding this request would be fish production reductions, which negatively impact fishing license sales and local economic activity in rural communities statewide. Any salmon production reductions in the Puget Sound and Washington coast outside of Willapa Bay facilities will require coordination with the Treaty tribes.

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

Direct increased utility costs total approximately \$47,000 per year according to a five-year trend data analysis, from FY 2010 through FY 2014.

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

All costs are ongoing and are also likely to impact future biennia.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	47,000	47,000	94,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1E L&I Rate Technical Adjustment
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

A technical error in the 2014 supplemental budget, based on an outdated central service model fund split, incorrectly applied a reduction to WDFW's Labor and Industries' (L&I) budget. The reduction was only applied to the state general fund and the State Wildlife Account without also spreading the reduction to our federal and private/local appropriations. The error resulted in too large of a reduction to our principal state funding sources. This request will align the Department's budget for L&I payments with how the bill is actually paid.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	91,390	91,390	182,780
001-2 General Fund - Basic Account-Federal	(75,473)	(75,473)	(150,946)
001-7 General Fund - Basic Account-Private/Local	(40,710)	(40,710)	(81,420)
104-1 State Wildlife Account-State	24,793	24,793	49,586
Total Cost	0	0	0

Package Description:

The budget for L&I rates are applied to all agency programs and therefore we use our central service agency fund splits to pay the L&I bill. WDFW changed its fund splits for the central service model before the 2011-13 biennium began. We requested that global items be applied to our General Fund- State, General Fund-Federal, General Fund- Private/Local and State Wildlife appropriations in the following percentages:

GF-S: 19.75%
 GF-F: 31.98%
 GF-PL: 17.25%
 WL-S: 31.02%

Every two years state agencies submit their central service agency fund splits to OFM so that global budget items are spread appropriately each biennium. For some reason the fund splits were not updated for the "91 Workers' Compensation Changes" budget item. Instead, an outdated version of the central service model was used to calculate the reduction. This error resulted in too large of a reduction to our state general fund and state wildlife appropriations, constraining our state dollars artificially for this budget item.

This decision package aligns the reduction to our L&I budget to accurately represent how we pay the bill by recalculating the reduction based on our official central service model fund splits.

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?

Performance Measure Detail

Activity: **A032Agency Administration**

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?

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?

This package resolves a technical error in the 2014 supplemental budget. Correcting this issue is the only acceptable option.

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

If this technical adjustment is not corrected, activities funded by the state general fund and the State Wildlife Account will need to be reduced. This technical error has significant impact on the Department's budget by artificially reducing state authority by \$116,000 per year.

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

Item "91 Workers Compensation Changes"

Current budget change in 2014 Supplemental:

	FY 1	FY 2	Total
GF-S	(\$138,000)	(\$138,000)	(\$276,000)
WL-S	(\$98,000)	(\$98,000)	(\$196,000)
TOTAL	(\$236,000)	(\$236,000)	(\$472,000)

If \$236,000 reduction were applied correctly by fiscal year:

Fund	Percentage	Corrected Fund Split
GF-S	0.1975	(\$46,610)
GF-F	0.3198	(\$75,473)
GF-PL	0.1725	(\$40,710)
WL-S	0.3102	(\$73,207)

Difference requested:

GF-S	(\$138,000) + \$91,390 =	(\$46,610)
GF-F	(\$75,473) - not included in supplemental	
GF-PL	(\$40,710) - not included in supplemental	
WL-S	(\$98,000) + \$24,793 =	(\$73,207)
Total		\$0

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

This technical adjustment is ongoing.

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1F Funding for PILT & Assessments
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Washington Department of Fish and Wildlife (WDFW) is required by law to make payments in lieu of taxes to counties to compensate for lost property tax revenue on wildlife lands and to pay land assessments for weed control, storm water management, lake management and dike districts. WDFW's PILT and assessments obligations will increase in the 2015-17 biennium due to: 1) the expiration of a budget reduction that capped payments, 2) counties electing to charge the open space rate, and 3) acquisition of new lands. The Department requests funding to make PILT and assessment payments as required by RCW 77.12.201 and RCW 77.12.203.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	505,000	535,000	1,040,000
Total Cost	505,000	535,000	1,040,000

Package Description:

WDFW pays PILT to county governments to offset the impact of WDFW land ownership, which is otherwise property tax exempt. WDFW also pays county assessments as required by law.

The Department believes all counties will calculate WDFW's PILT obligations by using the open space rate, one of three options available under the law, and the option with the greatest return to counties. WDFW fully expects PILT charges to increase to \$2,000,000 in FY 2016 and \$2,025,000 in FY 2017. In addition, total assessments paid by WDFW in the 2015 17 biennium will increase compared to previous fiscal years.

Name and Phone Number of Subject Matter Expert:
 Clay Sprague, Lands Division Manager
 Wildlife Program, Department of Fish and Wildlife
 (360) 902-2508

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding will allow the Department to pay for PILT and assessments, as required by law, without significantly decreasing the level of Department land management activities that the citizens of Washington depend on for the protection of fish and wildlife, control of deer and elk on agricultural lands, and opportunities for public recreation such as hunting, fishing, bird watching, wildlife photography, hiking, and equestrian pursuits.

Performance Measure Detail

Activity: A039Land Management

Incremental Changes

No measures submitted for package

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

With this funding request, the Department will comply with RCW 77.12.201 and RCW 77.12.203 as well as other legally prescribed assessments.

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

This Decision Package supports Goal 3, "Sustainable Energy and a Clean Environment," and the related goal topics "Working and Natural Lands" and "Healthy Fish and Wildlife."

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

The ability to pay PILT and assessments in compliance with RCW 77.12.201 and RCW 77.12.203 allows counties and those authorized to legally prescribe assessments to receive the amounts that are due to them. The Department intends to pay amounts due while keeping partnerships, services, and financial accounts in good standing.

This maintenance level request is independent of both the performance level request to align PILT and assessments fund sources and the agency-request legislation regarding PILT.

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

PILT and assessments are a statutory requirement. There are no alternatives to making the payments.

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

Without funding, the Department will be unable to pay PILT and assessments as required by RCW 77.12.201 and RCW 77.12.203. Counties will not receive full compensation for lost property tax revenue to fund county services and may oppose WDFW land acquisition for wildlife habitat conservation and protection, thereby depleting the Department's mission on behalf of citizens of Washington State.

Alternatively, the Department may have to shift funding from core WDFW projects, jeopardizing highest priority assignments as well as Department mission and goals.

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

None. The capital budget may be used to acquire new lands, possibly requiring PILT and assessments payments, but the capital budget may not be used for paying PILT or assessments.

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

None.

Expenditure and revenue calculations and assumptions

A detailed, thorough analysis of each parcel and county was conducted to derive the amounts requested in this package.

PILT payments are estimated to increase by \$460,500 per fiscal year, for a total biennial increase of \$921,000. This package assumes that all counties will calculate PILT based on the "open space" rate which is the rate of highest return.

Assessments payments are estimated to increase by 10% (\$119,000) over the 2013-15 biennium's assessment payments.

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>
E Goods\Other Services	505,000	535,000	1,040,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1G Protect Wild Salmon through Marking
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

WDFW is required by state law to mass mark all hatchery Chinook and coho salmon by clipping the adipose clip to provide commercial, tribal, and recreational fishing opportunities while protecting salmon runs that are listed under the Endangered Species Act (ESA). Prior to mass marking, restrictions imposed by new ESA listings threatened to close or greatly curtail historic salmon fisheries throughout the region. Since program inception in 1995 (coho) and 1998 (Chinook), costs for marking, tagging supplies and equipment, as well as contracted labor have become more expensive. Without additional funding to support these cost increases, the ability of the Department to release hatchery salmon that support Washington's economy will decline.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	100,000	103,000	203,000
001-2 General Fund - Basic Account-Federal	77,000	80,000	157,000
001-7 General Fund - Basic Account-Private/Local	40,000	41,000	81,000
04M-1 Recreational Fisheries Enhancement-State	3,000	3,000	6,000
Total Cost	220,000	227,000	447,000

Package Description:

The state of Washington has the largest system of salmon hatcheries in the world, raising more than 200 million juvenile fish at 128 state, federal, and tribal facilities each year. These hatcheries produce the majority of all salmon caught in Washington waters, contributing to the statewide economy. According to one economic analysis, the 83 state-operated hatcheries, alone, generate nearly \$70 million in personal income from fishing each year.

Mass-marking has played a vital role in salmon management since the mid-1990s, when concerns about the decline of wild salmon populations became increasingly acute. In response, WDFW launched a pioneering effort to visibly mark hatchery-raised salmon so they can be readily distinguished from wild fish in Northwest waters.

Prior to mass-marking, restrictions imposed by new ESA listings threatened to close or greatly curtail historic salmon fisheries throughout the region. In addition to the recreational and cultural values involved, the potential loss of fishing opportunities presented a severe economic threat to fishing families and entire communities, especially in rural areas of the Northwest.

Today, virtually all coho and Chinook salmon produced in Washington hatcheries - including those raised in federal and tribal facilities - are mass-marked by clipping the small adipose fin near their tail. This strategy has revolutionized salmon management and provided an indispensable tool in the broad-based effort to recover wild salmon stocks throughout the region.

Each year, WDFW mass marks 100 million juvenile Chinook, coho and steelhead at hatcheries statewide. In addition, approximately 19 million juvenile Chinook and coho are coded-wire tagged. This is accomplished through the use of contracted labor. Costs are

reimbursed from state, local, and federal funding sources. These management tools are critical to maintain the ability to maintain and set salmon fishing seasons in Washington.

WDFW is required by state law to mark these fish. Costs of contracted labor have increased over time. More recently, minimum wage increases the last three years, have also increased these costs. The costs of tagwires, trailer moves, and supplies have increased. Program efficiencies, such as using inmate labor where available, and in-house trailer maintenance have been exhausted, resulting in the need for this additional funding. Aging fleets of 25 trailers are requiring increasing repairs and maintenance. This program has not requested or received a maintenance level budget adjustment since its inception almost 20 years ago.

Calculating a 2-3% inflation rate from the original \$2 million appropriation in 2000, for example, would indicate a current additional need for this program of \$800,000 to \$1.3 million. This request is significantly less than that because of the cost savings that the program has instituted over time.

This requested maintenance funding will allow WDFW to continue to mass mark hatchery salmon without reducing current production levels. Hatchery Chinook and coho salmon cannot be released without being marked.

Name and Phone Number of Subject Matter Expert:
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This funding request will allow WDFW to continue mass marking and tagging activities that allow for current production and development of salmon seasons while providing protection to wild fish. WDFW will remain consistent with state law and continue to use this strategy as an essential management and monitoring tool to manage these ESA listed species.

Performance Measure Detail

Activity: **A042Native Fish Recovery**

Incremental Changes

No measures submitted for package

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

This package supports numerous goals, objectives, and strategies in WDFW's 2013-15 Strategic Plan. Specifically, it addresses two strategies under Goal 1 "Conserve and protect native fish and wildlife." The strategy to "implement actions to reduce risks to native salmon and steelhead from operating hatcheries" is addressed because mass marking allows the visual identification of hatchery fish in Mark Selective Fisheries, at the hatchery and on the spawning grounds thereby allowing an accurate assessment of wild populations. The strategy to "ensure impacts to native fish from fisheries are consistent with conservation goals" is addressed because mass marking allows the visual identification of hatchery fish in mark selective fisheries thereby protecting wild fish.

This request also supports two strategies under Goal 2 "Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences." The strategy to "advance implementation of mark selective fisheries by focusing on alternative commercial fishing gear in the Lower Columbia River" is addressed because fish have to be mass marked in order to implement this strategy. Also, the mass marking of hatchery fish makes it possible to estimate wild fish populations much more accurately than in the past, which addresses the strategy to "improve methodology of estimating status of fish and wildlife populations and harvest modeling."

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

This decision package provides essential support to the Governor's Results Washington Goal 3 "Sustainable Energy and a Clean Environment" outcome measure 2.2, "Increase the percentage of ESA-listed salmon and steelhead populations to healthy, sustainable levels from 16% to 25% by 2022." Priority 2.2.a. "Demonstrate increasing trend in Puget Sound Chinook populations from one in 2010 to five by 2016" is also supported because hatchery fish need to be mass marked to accurately measure the trend. Priority 2.2.d. "Increase percentage of hatcheries in compliance with brood-stock management standards from 61% to 80% by 2015" is supported as well, because hatchery fish need to be mass marked to accurately implement the brood-stock management standard.

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

By mass marking our hatchery production, we make these fish available to commercial and tribal fishers and to recreational anglers in Mark Selective Fisheries. Because of potential impacts to wild stocks, many of these fisheries would not exist without the marked fish.

Commercial fishing contributes to the Washington seafood industry economic impact estimated at approximately \$3.0 billion annually.

(Source: National Marine Fisheries Service. 2014. Fisheries Economics of the United States, 2012. U.S. Dept. Commerce, NOAA Tech. Memo. NMFS-F/SPO-137) Available at: <https://www.st.nmfs.noaa.gov/st5/publication/index.html>

Recreational salmon fishing is also an activity that contributes significantly to the state's economy.

"The U. S. Fish and Wildlife 2011 Survey of Fishing, Hunting, and Wildlife-Associated Recreation" report indicated that recreational anglers in Washington total approximately 938 thousand, and fish a total of 13.4 million days, an average of 14 days per angler. Fishing expenditures in Washington for these sport fishers total approximately \$1.0 billion annually.

(Source: U.S. Department of the Interior, U.S. Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. 2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation) Available at: <http://www.census.gov/prod/2012pubs/fhw11-nat.pdf>

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

Over the past 15-20 years WDFW explored ways to manage the costs of inflation over time. The Department hired inmate labor to mark fish at four WDFW hatcheries for the past 5-6 years with the possibility of expanding to two other hatcheries this spring. Currently this saves about \$50,000 per year in contracted labor charges. These crews are limited in how far they can travel and how long they can work each day but we continue to explore ways they can be utilized.

WDFW has instituted other cost savings measures, such as building and maintaining its marking trailers in-house. WDFW staff can build them for about \$80,000 each. The one and only private company that builds them charges \$360,000 each. About 7 years ago, the Department switched from buying expensive scissors and re-sharpening them, to buying inexpensive disposable scissors, saving about \$25,000 per year. WDFW staff have converted several older coded-wire tagging trailers into marking trailers at virtually no cost to help meet needs.

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

No adopting this package will result in fewer fish being marked and tagged. Unmarked fish cannot be released, and untagged fish can violate contractual obligations, Pacific Salmon Treaty obligations, and tribal agreements.

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

The Department has requested capital budget funding in 2015-17 to purchase six marking trailer shells which will be modified into mobile wet labs and used to implement mass marking. These will replace failing trailers in an aging fleet.

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

None.

Expenditure and revenue calculations and assumptions

Anticipated additional costs for FY16 are as follows:

- Increase to contracted labor costs due to anticipated increase in the minimum wage = \$36,000
- Projected 3% increase in tagwire costs annually = \$42,000
- Cost of trailer repair and moves = \$50,000
- Pump purchases and repairs = \$18,000
- Other supplies and equipment = \$29,000

FY16 Total = \$175,000

A 3% increase for FY17 brings that total to \$180,000.

State, federal and local funding splits for the expenditures described above were calculated by dividing the number of fish processed by fund source, by the total number of fish processed annually to get a percentage that is then applied to the requested dollar amount.

An infrastructure and program support rate of 25.76% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year.

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

All costs are ongoing. Marking and tagging levels remain relatively stable. Additional funding for these steadily increasing costs will need to be considered in the future.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	220,000	227,000	447,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1H Wildfire Season Costs
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Washington Department of Fish and Wildlife (WDFW) is required to pay local fire districts and the Department of Natural Resources (DNR) for their support in fighting wildfires on WDFW lands. Similar to how fire suppression costs are dealt with at DNR, WDFW requests a budget adjustment based on the Department's 10 year average for fire suppression and habitat rehabilitation costs. This funding will be used exclusively for fire suppression, habitat rehabilitation, and infrastructure costs associated with wildfires. The work is necessary to preserve investments in fish and wildlife habitat, to protect human health and safety, and to defend facilities and structures in affected areas of the state.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	395,000	395,000	790,000
Total Cost	395,000	395,000	790,000

Package Description:

Current base level funding for wildfire season costs was provided in the 2013 15 biennial budget at \$130,000 annually based on WDFW's 10-year average for wildfire costs. This funding is used to pay local fire districts and DNR to suppress wildfires on WDFW lands and to restore habitat and replace infrastructure on fire damaged lands.

Washington wildfire activity has increased annually over the past decade, and 2014 has been one of the most destructive in the state's history. More than a dozen wildfires have impacted WDFW lands since March 2014, burning over 36,000 acres. The Carlton Complex fire in Okanogan County, the largest in state recorded history, was over 250,000 acres in size, impacting approximately 24,000 acres of WDFW lands across several wildlife areas. The Cottonwood 2 fire in Yakima County burnt 10,000 acres of WDFW lands. The Mills Canyon fire in Chelan County impacted over 2,000 acres of WDFW lands. The risk of wildfire this year was extremely high, prompting the Governor, DNR, and WDFW to impose fire restrictions on public lands.

The requested additional base funding would cover costs associated with wildfires on WDFW lands, including fire suppression, habitat restoration, winter feeding, and infrastructure, such as boundary and elk fence replacement.

Fire suppression costs would be paid immediately. Habitat restoration and infrastructure work would begin as soon possible and feasible. Native vegetation seeding is often best achieved in fall and spring. Elk fencing is often critical to have in place over the winter.

Name and Phone Number of Subject Matter Expert:
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 Wildlife Program, Department of Fish and Wildlife
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

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

Performance Measure Detail

Activity: **A039Land Management**

Incremental Changes

No measures submitted for package

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

This decision package contributes directly to Goal 1, "Conserve and protect native fish and wildlife", as identified in the WDFW 2013-15 Strategic Plan. Fire suppression and habitat restoration allow the Department to manage its wildlife areas to protect diverse wildlife populations and provide compatible wildlife recreational opportunities. It also supports the WDFW mission of protecting, restoring, and enhancing fish and wildlife and their habitats.

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

This decision package supports the Governor's Goal 3, "Sustainable Energy and a Clean Environment" and the Goal Topic of "Healthy Fish and Wildlife."

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

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

Wildfire suppression and habitat restoration of burned areas will reduce the potential for human/wildlife conflicts as well as minimize potential for wildlife mortalities this winter. Investments in public lands made by the state continue to be preserved as high quality fish and wildlife habitat and outdoor recreational opportunities for Washington citizens.

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

The most expedient and efficient suppression techniques are chosen to control each fire situation. Habitat restoration is not proposed for all lands burned. Some lands recover naturally over time and other areas cannot be treated effectively. Current funding is insufficient to cover these unpredictable emergency situations.

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

Wildfire suppression costs must be paid. Without funding, basic operating dollars will be diverted from core needs such as land management and facility maintenance.

Without funding, habitat rehabilitation will not occur, resulting in soil erosion into streams, loss of wildlife food and cover, and weed infestations. Fish stocks will likely be threatened. Federally listed salmonids occur in many streams and rivers adjacent to WDFW lands regularly affected by wildfires. Big game populations including elk and deer use these same lands as critical winter range habitat for food. Without habitat restoration on fire-damaged critical winter range, elk and deer are likely to seek food on private lands, increasing the likelihood of damage claims.

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

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

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

None.

Expenditure and revenue calculations and assumptions

Over the 10 years spanning 2005 through 2014, WDFW incurred annual average wildfire costs of \$350,000 for suppression and \$175,000 for habitat restoration. In the 2013-15 biennial budget, WDFW received \$130,000 of ongoing base funding. This 2015-17 request is for \$395,000 per year to bring the department's base funding up to average actual costs. This will reduce the magnitude of future supplemental budget requests to cover wildfire season costs and give the Department a heads start on managing the effects of wildfires.

These costs are included in Object E for payment of fire suppression fees to DNR and local fire districts.

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

Similar to how fire suppression costs are managed by DNR, WDFW is requesting an ongoing appropriation in order to have consistent funding for this activity. Funds not needed would remain unspent, and if additional funds are needed during a particularly strenuous fire season, an additional request would be submitted at that time.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	395,000	395,000	790,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 1J Maintaining Technology Access
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Washington Department of Fish and Wildlife (WDFW) faces increasing costs for mission-critical technologies such as Microsoft software and support, data network infrastructure, and electronic records storage. WDFW requests additional funding to maintain these essential functions for daily operations, without compromising core agency activities.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	128,000	48,000	176,000
001-2 General Fund - Basic Account-Federal	199,000	75,000	274,000
001-7 General Fund - Basic Account-Private/Local	108,000	40,000	148,000
104-1 State Wildlife Account-State	188,000	70,000	258,000
Total Cost	623,000	233,000	856,000

Package Description:

At the current budgeted level, WDFW is able to fund only a portion of some of its most basic technological tools that allow staff to perform core agency work. These basic tools include: (1) Microsoft Office software and support, (2) network access for some staff located in off-site locations, (3) network core infrastructure, (4) data storage, (5) email access and storage and (6) telephone switch maintenance for remote offices. As the Department faces increasing costs for foundational technology tools, those that enable all staff to deliver work products, it is attempting to minimize expenditures when possible. However, even with this fiscally conscious approach WDFW is experiencing operationally-driven cost increases.

Microsoft Office software and support (\$123,000):

When WDFW's three year Microsoft Office enterprise license agreement ended in February 2014, the agency's license costs were reset at new rates based on current licensing needs. For reasons that are now unclear, the Department's previous licensing agreement had, for at least a decade, used a staffing count that was missing about 75 FTE and a computer count that was short by almost 200. In addition, Microsoft's server licensing options had changed, and the Department was required to modify its agreement. Microsoft Premier Support rates increased as well, which is commonly about 3% per year. Virtually all government agencies and commercial organizations use Microsoft enterprise, corporate, and software and services, and, like WDFW, virtually all employ Premier Support subscriptions to maintain those environments. Lastly, Microsoft Developer Network (MSDN) is a necessary tool and reference resource for application developers and system administrators to maintain the computing environment. Not having this routine maintenance manual creates an extreme unawareness of fundamental methodologies and degrades operational effectiveness and efficiency.

Network access (\$28,000):

State IT Security impositions recently required DFW to upgrade internet connectivity at four sites around the state to ensure staff had continued network access. Three of the four sites operated on low-cost fractional T-1 lines, which WDFW upgraded after receiving

notice that CTS would no longer support these lines as of July 1, 2014, leaving the agency with no choice but to upgrade to state-managed network circuits. At the Department's Mill Creek office, WDFW had previously used a microwave link to wirelessly connect two buildings. This facilitated internet access for both sites using only one line. Unfortunately, due to a combination of the aging microwave link and obstructions that could not be removed, WDFW must now pay for internet access separately at both buildings.

Network core infrastructure (\$299,000):

WDFW's statewide remote offices' existing data network electronics are at end-of-life. The manufacturer has announced that a number of the network products sustaining WDFW's region office connectivity to the state government network and/or local internet service providers are no longer supported, meaning they will receive no future security patches or maintenance and repair. Additionally, a small number of headquarters' network-core modules are also at end-of-life. Any one of the device's failure will result in immediate disruption to customer service delivery.

Data storage (\$205,000):

WDFW produces exponentially-growing amounts of electronic data, despite regular use of technologies such as de-duplication and best practices such as retention enforcement. The department's available electronic volume has less than 35% remaining and will be exceeded within the next year, which will cause service degradation. This expansion and maintenance is significantly less costly than enterprise or cloud volumes. CTS' confirmed rates for equal volume is almost nine times more expensive over the equipment's 5-year lifecycle (\$1,695,744 vs \$205,000).

Email storage and access (\$165,000):

WDFW's email costs are rising steadily month-over-month due to records retention laws and storage space needs in CTS' Vault. Although the Department has an employee education campaign underway to encourage staff not to retain unnecessary email, WDFW's storage continues to grow. Some of this, however, is undoubtedly related to the Department's extraordinary increase in public records requests and necessary litigation holds. WDFW's mailbox usage has grown as well, largely due to higher staffing levels and redesigned business processes that make greater usage of group email inboxes to distribute work.

Telephone switch maintenance (\$36,000):

CTS' voice communications offerings were not available for WDFW's region offices at the time the Department invested in a phone system, leaving the agency to implement its own small voice over internet protocol (VoIP) system. WDFW independently contracts region office telephone and voicemail services and support. Purchasing a small block of maintenance hours facilitates a quicker contractor response to reinstate critical voice communication when services go down.

WDFW will utilize increased funding to support the costs associated with its existing technological requirements. WDFW will deploy these resources throughout the 2015-2017 biennium as license and maintenance agreement payments are due and equipment reaches the end of its useful life.

Name and Phone Number of Subject Matter Expert:

Roderick White, Chief Information Officer
Technology and Financial Management, Department of Fish and Wildlife
360-902-2320

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

WDFW will utilize funding to maintain these essential technical tools that allow the Department to continue its fundamental day-to-day activities. All staff require Microsoft Office products, email exchange, network access, and data storage to perform the necessary functions of their positions. Ensuring all staff have the fundamental tools to create, retrieve, share, and store information is critical to accomplishing the agency's mission.

Performance Measure Detail

Activity: **A032Agency Administration**

Incremental Changes

No measures submitted for package

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

Maintaining access to technology is crucial in meeting nearly every strategy in the Department's strategic plan. Without it, the ability for staff to develop and share work products with one another and the public is severely constrained. Therefore, this package supports each of WDFW's four strategic goals to 1) conserve and protect native fish and wildlife, 2) provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences, 3) promote a healthy economy, protect community character, maintain an overall high quality of life, and deliver high-quality customer service, and 4) build an effective and efficient organization by supporting our workforce, improving business processes, and investing in technology.

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

This decision package aligns with two of the Governor's goals: (1) Sustainable Energy and a Clean Environment and (2) Efficient, Effective and Accountable Government. Funding will allow WDFW to continue activities directly impacting healthy wildlife and fish populations, habitat protection, outdoor recreation, and customer satisfaction.

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

Maintaining funding for technology directly supports the agency's mission, vision, and operational goals of delivering high-quality customer service, improving business processes, and making a strong commitment to core operations.

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

Microsoft Office software and support

In February 2014, WDFW renewed its agreement with Microsoft to provide various licenses and support. At that time it was determined the Department had historically been undercharged for its number of staff and computers. Organizations are contractually obligated to pay license and maintenance costs based on actual staff levels.

Microsoft's server and database server licensing model and costs increased this year. WDFW practices all possible cost-reduction strategies, including but not limited to maximum use of virtual and cloud servers.

The Department has carefully evaluated transitioning to Microsoft Office 365. Office365 supports mobility operations through included cloud versions of Office, OneDrive, Exchange, and Lync, and all activity is indexed and searchable by SharePoint Online. This can provide far greater flexibility and cost savings for the agency in that WDFW can leverage that investment as opposed to paying additional costs for duplicative enterprise services.

Network access

Although maintaining internet connectivity is critical for WDFW to continue its operations, the Department considered eliminating its fractional T-1 lines after receiving notice that CTS would no longer provide support for them after July 1, 2014. That was ultimately determined to be unfeasible, and the lines were upgraded to full T-1 lines prior to the June 30th cutoff date.

For many years, the Department utilized microwave link technology to wirelessly connect the Department's two Mill Creek offices, located a few blocks apart, which offered internet access for both locations with just one line. Unfortunately, trees not owned by WDFW began to obstruct the wireless connection, and shortly thereafter, the microwave link began to fail due to age. Negotiations to trim the trees were unsuccessful, and replacement parts were unavailable since the technology largely no longer exists. Thus, these two constraints required WDFW to provide dedicated internet connections to both offices.

Network infrastructure

There are no practical alternatives to maintaining network infrastructure. The manufacturer's ending support for its switches and routers means there will be no future security or maintenance updates, and the components cannot be repaired. Failed electronics will compromise connected business operations until a replacement component is installed and reconfigured.

Data storage

WDFW considered the alternative of buying storage from CTS. CTS' quoted rates for five years of equivalent storage cost \$1,695,744 vs. this request which will cost \$319,000 over a five year period.

Email storage and access

WDFW is exploring lower cost email archive options than those provided by CTS. CTS' file storage rates, coupled with increasing storage needs, have caused WDFW's storage costs to rise significantly in the current biennium. However, at this time the Department is required to continue utilizing the CTS vault for email storage. It should be noted that Office365 Exchange-Online includes 100 gigabyte mailboxes and 1terabyte OneDrive storage in the cloud which could reduce Vault and related high-performance enterprise storage costs if the agency were allowed to explore services outside CTS. WDFW is also considering limiting further usage of group email boxes. The disadvantage of this approach, however, is that it limits the Department's attempts to gain efficiencies through more effective work distribution and management.

Region office phone system maintenance

WDFW's region offices require managed phone systems and voicemail to communicate internally and with the public. The Department deployed regional VoIP telephone systems for less-cost and long-distance charges than traditional remote office systems. Although WDFW could discontinue its maintenance, these systems have years of remaining life; not maintaining them is operationally risky and imprudent. The Department will migrate to CTS telephone services as these existing investments reach end-of-life.

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

Funding basic technology, storage, and connectivity is crucial for WDFW to continue its core management, conservation, and preservation activities. Without these essential tools, the Department is unable to fulfill its contractual obligations, its legal mandates, or its responsibility to the public for properly managing natural resources.

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 additional expense associated with each item is as follows:

Microsoft Office Software and Support:

Microsoft Windows, Office, and SQL Licenses and Maintenance FY16 \$22,000 - FY17 \$22,000

Microsoft Premiere Support FY16 \$33,000 - FY17 \$35,000

Microsoft Developer Resources FY16 \$11,000

Network Access:

Mill Creek Internet Access FY16 \$8,000 - FY17 \$8,000

Fractional T-1 Upgrades FY 16 \$6,000 - FY17 \$6,000

Network Core Infrastructure:

Region Office Network Gear Refresh FY16 \$284,000 - FY17 \$15,000

Data Storage:

SAN (NetApp) Maintenance FY16 \$29,000 - FY17 \$29,000

SAN (NetApp) Expansion FY16 \$138,000 - FY17 \$9,000

Email Access and Storage FY16 \$74,000 - FY17 \$91,000

Telephone Switch Maintenance FY16 \$18,000 - FY17 \$18,000

Total FY16 \$623,000 - FY17 \$233,000

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

FY 2016 has several one-time costs. All costs in FY 2017 carry forward as ongoing expenses.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	623,000	233,000	856,000

6	<p><i>If there is a hoped-for Project Start Date, please note it here:</i> Immediately upon award.</p> <p><i>Estimated Project Duration in Months:</i> 24</p>
7	<p><i>Describe performance outcomes and how they will be measured.</i> Desired outcome is to reestablish the correct operating costs for several mission-critical technology services. The measure of success is no service interruptions or degradation. The desired outcome is to refresh internal network infrastructure that the manufacturer no longer supports, to increase data storage to reasonable short-term growth projections at less cost than either CTS or cloud volumes, and to preclude business interruption.</p>
8	<p><i>What discovery or market analysis will the agency do to inform the technical solution? (Survey other agencies/states, RFI, RFQ, Feasibility Study, etc.):</i> Not applicable to the maintenance-level corrections of this package. The internal network core refresh and data storage expansion will be done by RFQ with DES Master Contracts.</p>
9	<p><i>Will this project deliver customer-facing value? If so, please describe that value and at approximately what point in the Project Duration that value will be delivered. In your response, please describe who the primary customer is:</i> These technological tools provide value to public citizens seeking information or other services from WDFW. Service interruption would have immediate consequences for the agency's commercial and recreational services, severely degraded or interrupting operations. These tools also provide basic, foundational functionality for the agency's science programs and business operations.</p>
10	<p><i>Describe how this concept aligns with the State IT Strategic Objectives:</i> Modernization of state government—this refresh replaces mission-critical legacy network equipment no longer supported by the manufacturer. Open and transparent government—These technologies combine to facilitate workforce collaboration over information. They also promote mobility and accessibility to data and information for both WDFW's customers and staff.</p>
11	<p><i>Agencies are expected to utilize CTS and DES applications and services when appropriate and/or mandated by legislation. What is the status of your consult with CTS? With DES?</i> Consults are not yet complete. However, there is no duplication of or impingement to CTS or other enterprise service offerings.</p>
12	<p><i>What are the biggest concerns about the project at this point in time?</i> None</p>

OCIO NOTES

Meeting Date: / /

Comments:

Information Technology Addendum

Recsum Code and Title **Maintain Technology Access**

Brief Description: Reestablish correct technology maintenance costs for critical business operations. Refresh mission supporting technology infrastructure that has reached end-of-life and sustainability. This is a multi-item maintenance-level increase for cost increases and mandatory infrastructure refresh.

If this investment includes the use of servers, do you plan to use the state data center?

Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state's security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

There are no direct security concerns. However, these costs are necessary to maintain WDFW specific technologies to modern operating standards, which prevent security incidents. The remote-office network gear is no longer vendor supported, meaning it is high-risk both operationally and in terms of security.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

There is no cultural risk as this is routine (albeit critical) technology maintenance, support, and refresh.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

Yes. Most of the project is renewing and/or maintaining adequate costs for technology maintenance and support. The network gear refresh and data storage expansion will be completed via State master contract vendor.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

It is urgent in that the higher maintenance and support costs exist now, and the network core is at end-of-life within one year. Only 30% data storage availability remains, meaning WDFW will outgrow its current volume within the next year.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

Severely degraded or even terminated technology service delivery, thereby immediately impacting WDFW operations and missions, and service delivery to fish and wildlife consumers.

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

Not applicable.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

Yes. End of life core network components will be refreshed in remote offices and a small number in the Natural Resource Building.

Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

Yes. Converting Microsoft Office licenses from client-computer architecture to cloud greatly facilitates mobility. Staff’s primary office products, email, and associated documents are accessible from any computer or device, anywhere, anytime there is internet connectivity.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

Yes, this investment increases public access to records. Office 365 includes Sharepoint Online; as staff produce and collaborate over documents and electronic messaging in the cloud, Sharepoint Online indexes and then provides enhanced discovery of all content. Public records officers can resolve records requests faster and with better accuracy.

Accountability: Are the investment’s goals well articulated? How will “success” be determined or measured?

Success is measured by not having service interruption.

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

Technology maintenance and licensing costs have already risen, and WDFW’s operating budget cannot absorb these necessary cost increases. These fundamental technological tools are crucial for conducting daily operations which help WDFW maintain more than \$150 million in federal and local funding each biennium.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

This maintenance-level package funds the costs for necessary technology systems support and maintenance, without which business operations and customer service are at operational risk.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

No.

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

Yes, it improves work mobility and electronic records retention, discovery, and reporting.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

Currently, necessary technology system support and maintenance costs are partially unfunded. The agency’s remote office network gear is end-of-life and must be refreshed as part of routine infrastructure maintenance activity. Data storage volume is almost 70% full; cost analysis of both CTS and government-private cloud storage volumes significantly exceed the cost to enhance WDFW’s existing storage area network. This investment resolves both issues.

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: 8L Lease Rate Adjustments
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Washington Department of Fish and Wildlife (WDFW) maintains approximately 80 rental agreements in addition to its Capitol Campus headquarters, with almost as many different property owners. The sites house nearly one thousand staff and their associated functions state-wide. Many leases will increase (or begin) in the ensuing biennium, and several have ended as staff have moved into other facilities. WDFW requests an adjustment to the necessary funds to reflect changes and maintain active leases. Funding active leases allows staff to continue to work from functional locations where they can operate the most effectively and efficiently to carry out the Department's mission.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	28,000	39,000	67,000
001-2 General Fund - Basic Account-Federal	(10,000)	(9,000)	(19,000)
001-7 General Fund - Basic Account-Private/Local	(11,000)	(10,000)	(21,000)
09M-1 Aquatic Invasive Species Enf. Acct.-State	(7,000)	(7,000)	(14,000)
104-1 State Wildlife Account-State	52,000	56,000	108,000
110-7 Special Wildlife Account-Private/Local	3,000	5,000	8,000
Total Cost	55,000	74,000	129,000

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
104 State Wildlife Accou	0402 Income From Property	23,000	23,000	46,000
Total Revenue		23,000	23,000	46,000

Package Description:

WDFW maintains approximately 80 rental agreements in addition to its Capitol Campus headquarters, with almost as many different property owners. Ten leases have ended and WDFW staff have vacated. Nine new leases have begun or will begin, and the Department anticipates that approximately 45 leases will increase rental rates. The net effect of these lease changes results in an excess of authority in specific accounts and a shortage of authority in others.

In addition, this decision package takes into account in increase of lease income that WDFW now receives from renting another portion of its Point Whitney facility, indicating both the revenue and expenditure authority.

Leases will be monitored and re-negotiated on an ongoing basis throughout the 2015-17 biennium.

Subject Matter Expert:
Julie Howard, Facilities Planner
CAMP, Department of Fish and Wildlife
(360) 902-2205

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding the remaining and new leases as requested will allow staff to continue to focus on the Department's mission while being fiscally responsible.

Performance Measure Detail

Activity: **A032Agency Administration**

Incremental Changes

No measures submitted for package

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

This decision package supports the following goal and objective:
Goal 3 - Use sound business practices, deliver high-quality customer service.
Objective C- Effectively and efficiently manage agency assets.

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

This decision package contributes to both Goal 3 "Sustainable Energy and a Clean Environment" for the work that it supports, and to Goal 5 "Efficient, Effective and Accountable Government" for the close monitoring of leases that WDFW performs.

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

The Department's leased facilities are in functional locations statewide where staff can operate the most effectively and efficiently in relation to the Department's mission.

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

The Department has explored the option of basing field staff in their homes as the only economically feasible alternative. However, this option would, among many things, fragment and isolate agency staff from their colleagues and local partners, resulting in loss of efficiency, functionality, and effective communication.

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

Not funding the increases in this package could force hundreds of field staff to work from home offices, which would compromise the Department's efficiency and functionality, as well as its ability to adhere to the Governor's Priorities, WDFW Strategic Plan, and WDFW Six-Year Facility Plan. The other possible consequence is to re-direct existing funds, compromising staff's work on core functions.

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 other than the relevant leases.

Expenditure and revenue calculations and assumptions

Revenues:

WDFW entered into an expanded lease of its Point Whitney facility in FY 2014. The incremental increase is \$23,000 per year.

Expenditures:

The lease increase estimator tool provided by OFM, which estimates increases using inflation, calculated the estimated increases. The numbers reflected in this request are for expected lease increases and downward adjustments for instances in which WDFW staff have vacated a facility or where excess authority was received last biennium. Each lease was reviewed individually and recalculated based upon expiration date, terms, and carry-forward funding level. Net adjustments total \$32,000 in FY 2016 and \$51,000 in FY 2017. The attachment provides this detail.

In addition, WDFW requests authority to spend the \$23,000 per year of additional rental income from the Point Whitney facility.

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

All costs are ongoing. Because leases may begin on any day of the year, rather than aligning with fiscal years, there will need to be a carry-forward adjustment to enter the next biennium with correct funding levels. See attachment for detail.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	55,000	74,000	129,000

477 Washington Department of Fish and Wildlife
2015-2017 Operating Budget Request
ML 8L Lease Rate Adjustments: Attachment

	City/Town	Street Address	Space Type	Sq Ft	Terms/Length of lease	Expiration Date	Incl Utilities?	FY1 funding post 2014 CFL	FY2 funding post 2014 CFL	Yearly lease rate	Anticip FY16 costs	Anticip FY17 costs	FY16 adj request	FY17 adj request	Future FY1 CFL adj	Future FY2 CFL adj
1	Callispell Peak	Stevens County	Radio Eopt Storage	0	48 months	12/31/2014	Yes	2,713.28	2,713.28	\$2,615.00	2,811.57	2,811.57	98.29	98.29	0.00	0.00
2	Clarkston	1049 Port Way	Office/Storage	6,480	60 months	12/31/2018	No	24,784.79	24,784.79	\$25,116.00	25,116.00	25,116.00	331.21	331.21	0.00	0.00
3	Colfax	120 S. Main St.	Office	120	24 months	3/31/2015	Yes	0.00	0.00	\$3,600.00	3,732.34	3,764.68	3,732.34	3,764.68	129.36	97.02
4	Colville	409 E. Elep	Office/Residence	450	60 months	12/31/2015	Yes	3,600.00	3,600.00	\$3,600.00	0.00	0.00	(3,600.00)	(3,600.00)	0.00	0.00
5	Colville	755 South Main St.	Office	3,500	60 months	12/31/2015	Yes	26,698.05	26,698.05	\$26,698.05	28,128.96	29,559.85	1,430.91	2,861.80	1,430.88	0.00
6	Davenport	1601 Morgan St.	Storage	480	24 months	3/31/2016	Yes	387.08	387.08	\$400.00	403.49	414.07	16.41	26.99	10.58	0.00
7	Dayton	111 N. Cherry	Storage	200	12 months	9/24/2014	Yes	0.00	0.00	\$696.00	696.00	696.00	696.00	696.00	0.00	0.00
8	Dayton	529 W. Main St.	Office	1,088	Annual Tenancy	N/A	Yes	3,490.00	3,490.00	\$3,450.00	3,450.00	3,450.00	(40.00)	(40.00)	0.00	0.00
9	Dayton	401 S. Cottonwood	Office/Lab/Storage	1,800	NA	N/A	Yes	0.00	0.00	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Spokane	2615 Cincinnati	Labs/Storage	16,000	24 months	12/31/2016	No	33,434.57	33,434.57	\$33,600.00	33,600.00	34,182.29	165.43	747.72	1,164.58	582.29
11	St. John	11 East Front St.	Storage	3,000	24 months	6/30/2015	Yes	946.78	946.78	\$900.00	900.00	900.00	(46.78)	(46.78)	0.00	0.00
12	Walla Walla	Airport	Explosives Lkr	40	Annual Tenancy	N/A	Yes	262.92	262.92	\$252.00	252.00	252.00	(10.92)	(10.92)	0.00	0.00
13	Chelan	2245 SR 150	Boat Storage	200	24 months	11/19/2015	Yes	1,855.95	1,855.95	\$1,800.00	1,837.03	1,863.49	(18.92)	7.54	26.45	0.00
14	Electric City	200 Williams Ave.	Office/Storage	249	Annual Tenancy	NA	Yes	2,979.81	2,979.81	\$3,000.00	3,052.29	3,052.29	72.48	72.48	0.00	0.00
15	Okanogan	Hwy 10	Office	173	24 months	11/30/2014	Yes	2,666.74	2,666.74	\$2,520.00	2,567.88	2,567.88	(98.86)	(98.86)	0.00	0.00
16	Okanogan	57 Weatherstone Rd.	Storage	250	24 months	11/12/2015	Yes	1,073.02	1,073.02	\$1,140.00	1,167.94	1,181.91	94.92	108.89	13.97	0.00
17	Twisp	20268 Hwy 20	Office	2,500	48 months	6/30/2016	Yes	40,800.00	40,800.00	\$42,840.00	42,840.00	45,856.36	2,040.00	5,056.36	3,016.36	0.00
18	Twisp	11 Twisp Airport Rd.	Shop/Storage/Yard	30 Int, 2860	48 months	7/30/2016	Yes	0.00	0.00	\$18,600.00	18,600.00	19,800.49	18,600.00	19,800.49	1,309.63	109.14
19	Wenatchee	3515 Chelan Hwy	Office	3,875	24 months	4/30/2016	No	61,878.18	61,878.18	\$59,880.00	60,231.99	61,991.97	(1,646.19)	113.79	1,759.97	0.00
20	Wenatchee	303 S. Mission	Office	150	12 months	6/30/2015	Yes	0.00	0.00	\$0	0.00	0.00	0.00	0.00	0.00	0.00
21	Wenatchee	303 S. Mission	Office	150	9 months	1/31/2015	Yes	0.00	0.00	\$1,804.59	2,448.06	2,448.06	2,448.06	2,448.06	0.00	0.00
22	Ellensburg	601 5th St.	Storage/Shop	4,200	20 months	3/31/2016	No	25,697.66	25,697.66	\$26,907.72	27,144.98	27,856.76	1,447.32	2,159.10	711.78	0.00
23	Ellensburg	201 Pearl St	Office/Storage	3,335/3,865	24 months	3/31/2016	Yes	60,451.35	60,451.35	\$60,000.00	60,529.05	62,116.20	(4,672.99)	(4,672.99)	1,587.15	0.00
24	Ellensburg	5981 Vantage Hwy, Suite 100	Office/Storage	1,260	12 months	7/30/2016	No	20,032.99	20,032.99	\$15,360.00	15,360.00	15,360.00	(4,672.99)	(4,672.99)	0.00	0.00
25	Pasco	2620 N. Commercial Ave	Office/Storage	3,680	40 months	10/31/2016	No	45,377.35	45,377.35	\$48,528.00	48,528.00	50,305.42	3,150.65	4,928.07	2,666.13	888.71
26	White Pass	48935 US Hwy 12	Storage	100	24 months	6/30/2016	Yes	1,058.23	1,058.23	\$1,100.00	1,100.04	1,138.84	41.81	80.61	38.80	0.00
27	Anacortes	Skyline Marina	Moorage	NA	5 months	4/30/2014	Yes	1,288.13	1,288.13	\$1,250.00	1,288.13	1,288.13	0.00	0.00	0.00	0.00
28	Anacortes	Port of Anacortes	Moorage O23 & B16	NA	Monthly	NA	Yes	9,799.73	9,799.73	\$7,941.24	8,221.33	8,221.33	(1,578.40)	(1,578.40)	0.00	0.00
29	Bellingham	Port Marina - Squalicum	Moorage (2)	NA	Monthly	NA	No	4,966.51	4,966.51	\$4,787.04	4,787.04	4,870.96	(179.47)	(95.55)	83.92	0.00
30	Bellingham	2620 Harbor Loop Rd #20	Office	839	60 months	1/31/2016	No	10,974.12	10,974.12	\$11,175.48	11,627.53	12,260.40	653.41	1,286.28	632.87	0.00
31	Concrete	45080 Fir St.	Storage Unit - D9	100	24 months	9/30/2015	Yes	568.07	568.07	\$720.00	739.85	746.47	171.78	178.40	6.62	0.00
32	Edmonds	336 Admiral Way	Moorage	NA	monthly	NA	No	5,490.41	5,490.41	\$7,286.16	7,554.00	7,554.00	2,063.59	2,063.59	0.00	0.00
33	Edmonds	170 W. Dayton-Suite 103B-D	Office/Storage	1,728	60 months	4/30/2019	No	0.00	0.00	\$17,372.04	17,372.04	17,372.04	17,372.04	17,372.04	0.00	0.00
34	Issaquah	1775 12th Ave. NW	Office	934	60 months	12/31/2015	Yes	19,153.30	19,153.30	\$20,034.24	21,107.98	22,181.71	1,954.68	3,028.41	1,073.74	0.00
35	Kenmore	6155 NE 175th	Moorage	NA	monthly	NA	No	4,069.06	4,069.06	\$3,900.00	3,900.00	3,900.00	(169.06)	(169.06)	0.00	0.00
36	LaConner	111 Sherman St	Office & Warehouse	6429 & 9,747	60 months	6/30/2019	No	109,839.36	109,839.36	\$109,839.36	109,839.36	109,839.36	0.00	0.00	0.00	0.00
37	Mill Creek	15712 Mill Creek Blvd	Office	3,964	60 months	4/30/2017	No	76,306.56	76,306.56	\$76,306.56	76,306.56	77,431.19	0.00	1,124.63	6,747.79	5,623.16
38	Monroe	26702 Ben Howard Rd	Office/residence/trailer	NA	4 months	NA	Yes	1,500.64	1,500.64	\$1,500.64	1,500.64	1,500.64	0.00	0.00	0.00	0.00
39	Mount Vernon	21954 Wylie Rd.	Covered Storage	1000	12 months	3/31/2012	Yes	1,225.77	1,225.77	\$1,200.00	0	0	(1,225.77)	(1,225.77)	0.00	0.00
40	Mount Vernon	1111 Houg Rd	Exterior Storage	1,200	12 months	1/14/2015	Yes	521.67	521.67	\$500.00	500.00	500.00	(21.67)	(21.67)	0.00	0.00
41	Seattle	1122 NE Boat St.	Lodging	200	4 months	NA	Yes	6,161.46	6,161.46	\$6,000.00	6,161.46	6,161.46	0.00	0.00	0.00	0.00
42	Seattle	14514 Whitman Ave	Office & storage	1,300 & 1,618	24 months	11/30/2015	Yes	37,644.05	37,644.05	\$364,444.00	0.00	0.00	(37,644.05)	(37,644.05)	0.00	0.00
43	Whatcom County	Upper Baker Compound	Vessel Storage	NA	7 months	10/31/2014	Yes	0.00	0.00	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Cathlamet	274 East SR 4	(1) Trailer Pad	0	12 months	6/30/2012	No	0.00	0.00	\$3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
45	Chehalis	1595 N National Ave.	Office	350	24 months	7/31/2016	Yes	6,136.07	6,136.07	\$10,032.00	10,032.00	10,032.00	3,895.93	3,895.93	0.00	0.00
46	Cook	501 Cook-Underwood Rd.	Office/Storage	150	58 months	10/31/2018	Yes	0.00	0.00	\$3,053.00	3,053.00	3,053.00	3,053.00	3,053.00	0.00	0.00

	City/Town	Street Address	Space Type	Sq Ft	Terms/Length of lease	Expiration Date	Incl Utilities?	FY1 funding post 2014 CFL	FY2 funding post 2014 CFL	Yearly lease rate	Anticip FY16 costs	Anticip FY17 costs	FY16 adj request	FY17 adj request	Future FY1 CFL adj	Future FY2 CFL adj
47	Kelso	804 Allen St, Suite 3	Office	1,275	60 months	2/28/2016	No	11,400.00	11,400.00	\$11,400.00	11,807.32	12,621.97	407.32	1,221.97	814.64	0.00
48	Morton	350 Morton Rd	Office/Storage	1	60 months	11/30/2015	No	19,200.00	19,200.00	\$19,800.00	21,038.04	21,922.36	1,838.04	2,722.36	884.32	0.00
49	Stevenson	175 SW 1st St.	Office	400	24 months	4/30/2016	Yes	4,238.14	4,238.14	\$3,900.00	3,900.00	3,900.00	(338.14)	(338.14)	0.00	0.00
50	Toledo	1122 Spenser Rd.	Vessel Storage	200	12 months	8/31/2014	NA	0.00	0.00	\$900.00	900.00	900.00	900.00	900.00	0.00	0.00
51	Trout Lake	2455 Hwy 141	Office	150	60 months	12/31/2014	Yes	2,414.00	2,414.00	\$2,414.40	2,635.53	2,635.53	221.53	221.53	0.00	0.00
52	Vancouver	2300 East 2nd St.	Parking	NA	12 months	6/30/2015	NA	0.00	0.00	\$15,000.00	0.00	0.00	0.00	0.00	0.00	0.00
53	Vancouver	2108 Grand Blvd	Office/Warehouse	25,782	24 months	11/30/2014	No	495,862.60	495,862.60	\$464,076.00	694,000.00	0	0.00	0.00	0.00	0.00
54	Vancouver		Office/Warehouse					0.00	0.00	\$529,000.00	694,000.00	694,000.00	0.00	0.00	0.00	0.00
55	Washougal	24 South A St.	Moorage	NA	12 months	12/31/2014	NA	0.00	0.00	\$1,418.40	1,457.95	1,483.43	1,457.95	1,483.43	38.37	12.89
56	White Salmon	Gorge Commission	Office	200	12 months	12/31/2013	Yes	5,051.39	5,051.39	\$4,800.00	0.00	0.00	(5,051.39)	(5,051.39)	0.00	0.00
57	White Salmon	Little White Salmon Hatchry	Office/Storage	150	NA	NA	No	0.00	0.00	\$0.00	0.00	0.00	0.00	0.00	0.00	0.00
58	Aberdeen	4608 Central Park Dr.	Storage	1800	18 months	6/30/2013	No	9,093.78	9,093.78	\$9,000.00	0.00	0.00	(9,093.78)	(9,093.78)	0.00	0.00
59	Forks	UW Natural Resource Ctr	Lodging	200	4 months	NA	Yes	3,622.32	3,622.32	\$3,600.00	3,600.00	3,600.00	(22.32)	(22.32)	0.00	0.00
60	Forks	551 Tillicum Lane	Trailer Pad	NA	60 months	12/31/2015	Yes	2,808.00	2,808.00	\$2,808.00	2,958.49	3,108.99	150.49	300.99	150.49	0.00
61	Illwaco	227 Howerton Way	Office	140	6 months	10/31/2014	Yes	1,006.20	1,006.20	\$1,650.00	1,659.64	1,688.35	653.44	682.15	47.56	18.85
62	Neah Bay	1321 Bayview Ave. #301	Office	196	12 months	2/28/2013	Yes	3,362.56	3,362.56	\$3,288.00	0.00	0.00	(3,362.56)	(3,362.56)	0.00	0.00
63	Neah Bay	431 Fort St.	Office	180	8 months	10/31/2014	Yes	0.00	0.00	\$3,500.00	3,530.68	3,591.34	3,530.68	3,591.34	90.65	29.99
64	Port Angeles	Hwy 101	Office/Storage	500	24 months	11/30/2012	Yes	5,016.01	5,016.01	\$4,740.00	0	0	(5,016.01)	(5,016.01)	0.00	0.00
65	Port Angeles	1608 West 16th St.	Storage	500	8 months	6/3/2014	Yes	433.31	433.31	\$480.00	480.00	480.00	46.69	46.69	0.00	0.00
66	Port Angeles	938 Marine Dr	Office/Lab/Storage	650	24 months	7/31/2015	No	6,754.01	6,754.01	\$6,326.16	6,527.15	6,545.42	(226.86)	(208.59)	18.27	0.00
67	Port Angeles	332 East 5th St, Suites 210, 220	Office	500	24 months	4/30/2016	Yes	16,117.94	16,117.94	\$10,188.00	10,247.89	10,547.33	(5,870.05)	(5,570.61)	299.44	0.00
68	Port Ludlow	50 Camano Lane	Dry Vessel Storage	NA	NA	Annual Tenn	Yes	228.71	228.71	\$2,088.00	2,088.00	2,088.00	1,859.29	1,859.29	0.00	0.00
69	Port Orchard	Port Orchard Marina	Moorage	NA	NA	Annual Tenar	No	2,869.67	2,869.67	\$2,860.80	2,860.80	2,860.80	(8.87)	(8.87)	0.00	0.00
70	Port Orchard	450 Port Orchard Blvd, Suite 290	Office	1,074	48 months	6/30/2016	Yes	17,038.09	17,038.09	\$17,184.00	18,230.51	18,895.92	1,192.42	1,857.83	665.41	0.00
71	Port Townsend	375 Hudson St.	Moorage (2)	NA	12 months	9/9/2014	No	0.00	0.00	\$5,688.00	5,688.00	5,688.00	5,688.00	5,688.00	0.00	0.00
72	Port Townsend	607 8th St	Exterior Storage; Vesse	250	12 months	11/30/2012	Yes	3,064.43	3,064.43	\$3,000.00	0	0	(3,064.43)	(3,064.43)	0.00	0.00
73	Port Townsend	375 Hudson St.	Office	4,818	60 months	8/31/2018	Yes	84,000.00	84,000.00	\$92,505.60	92,505.60	92,505.60	8,505.60	8,505.60	0.00	0.00
74	Sequim	403 Kit Fox Lane	Storage	1,375	60 months	6/30/2018	No	3,338.70	3,338.70	\$3,000.00	3,000.00	3,000.00	(338.70)	(338.70)	0.00	0.00
75	Shelton	414 Business Park Rd.	Office	110	60 months	6/30/2014	Yes	1,860.00	1,860.00	\$1,860.00	2,040.00	2,040.00	180.00	180.00	0.00	0.00
76	Tacoma	9007 S. 19th, Suite 100	Moorage	NA	NA	Annual Tenar	No	0.00	0.00	\$6,905.64	6,905.64	6,905.64	6,905.64	6,905.64	0.00	0.00
77	Tacoma	821 Dock St.	Moorage	NA	NA	Annual Tenar	Yes	3,406.53	3,406.53	\$3,528.00	3,528.00	3,528.00	121.47	121.47	0.00	0.00
78	Union	Hwy 106	Moorage	NA	12 months	9/30/2014	No	3,672.00	3,672.00	\$3,672.00	3,720.28	3,783.56	48.28	111.56	79.01	15.73
79	Westport	201 East Wilson	Storage	500	12 months	Annual Tenar	Yes	0.00	0.00	\$2,280.00	2,280.00	2,280.00	2,280.00	2,280.00	0.00	0.00
80	Westport	Westport Marina	Moorage	NA	12 months	6/30/2015	No	3,312.56	3,312.56	\$2,609.84	2,623.63	2,942.66	(688.93)	(369.90)	319.03	0.00
81	Westport	100 Montesano St. N - #4	Office	250	6 months	10/31/2014	Yes	0.00	0.00	\$1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	0.00	0.00
82	Westport	871 E. Neddle Rose Dr.	Office	144	5 months	NA	Yes	2,006.20	2,006.20	\$2,000.00	0.00	0.00	(2,006.20)	(2,006.20)	0.00	0.00
83	Westport	USCG Station/1600 N. Nyhus	Office/Moorage	200	NA	Annual Tenar	No	0.00	0.00	\$0	0.00	0.00	0.00	0.00	0.00	0.00
84	Olympia	902 Union	Office	10,915	60 months	4/30/2013	No	143,538.68	143,538.68	\$130,292.40	0	0	0	0	0.00	0.00
85	Olympia	1111 Washington St (NRB)	Office/Lab/Storage	140,169	24 months	6/30/2015	Yes			\$2,482,340.00						
86	Olympia	Swantown Marina	Moorage	NA	NA	Annual Tenancy	No	845.16	845.16	\$1,740.96	1,740.96	1,740.96	895.80	895.80	0.00	0.00
87	Olympia	2800 Sound View Lane NW	Trailer Space	NA	4 months	9/15/2014	Yes	0.00	0.00	\$2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
88	Olympia	9520 Kimmie St. SW	Exterior Storage	500	12 months	6/30/2015	Yes	1,225.77	1,225.77	\$1,200.00	1,200.00	1,200.00	(25.77)	(25.77)	0.00	0.00
89	Olympia	600 N. Washington	Parking	NA	12 months	2/28/2015	NA	0.00	0.00	\$5,798.40	5,798.40	5,798.40	5,798.40	5,798.40	0.00	0.00
90	Olympia	AGO, 818 79th Ave.	Office	520	10 months	12/31/2014	Yes	0.00	0.00	\$6,116.40	6,223.01	6,330.85	6,223.01	6,330.85	215.69	107.84
91	Tumwater	Hwy 99 - DNR Hangar	Airplane Storage	1,600	12 months	6/30/2015	No	4,992.00	4,992.00	\$4,992.00	5,079.51	5,165.05	87.51	173.05	85.54	0.00
92	Tumwater	821 88th Ave. SW	CWT Trailer Storage	7,500	69 months	6/30/2015	No	18,824.00	18,824.00	\$18,824.00	19,476.48	19,476.48	652.48	652.48	0.00	0.00
93	Tumwater	3939 Cleveland Ave	Storage	21,050	60 months	10/31/2017	No	86,877.69	86,877.69	\$90,936.00	90,936.00	90,936.00	4,058.31	4,058.31	0.00	0.00

1,623,314.11 1,623,314.11 1,710,356.04 1,728,989.44 32,443.21 51,076.61 26,119.01 7,485.61

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N1 Sustain Fishing in Washington
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Washington's coastal and inland waters offer premier salmon and steelhead fisheries for recreational anglers and generate more than \$532 million of annual economic benefits. Our commercial salmon fisheries provide local seafood, generate \$25 million dollars of annual economic activity, and provide more than 500 jobs. These recreational and commercial opportunities, jobs, and economic benefits are now at risk due to declines in hatchery production, a deteriorating and poorly maintained hatchery system, challenges in Endangered Species Act (ESA) permitting, higher standards for fishery monitoring, declines in federal funding, and inadequate enforcement. 2015 agency-request legislation will fund this proposal, increasing recreational license fees and creating a new commercial salmon surcharge to sustain and enhance fishing in Washington. This package invests in new hatchery production, maintaining our hatchery facilities, fishery monitoring, enforcement, and critical staffing needed to ensure sustainable recreational salmon and steelhead and commercial salmon fisheries.

Fiscal Detail

Operating Expenditures		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1	General Fund - Basic Account-State	200,000	200,000	400,000
104-1	State Wildlife Account-State	2,998,000	2,998,000	5,996,000
Total Cost		3,198,000	3,198,000	6,396,000
Staffing		<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
	FTEs	24.5	27.3	25.9
Revenue				
<u>Fund</u>	<u>Source</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
104 State Wildlife Accou	0299 Other Licenses Permi	3,028,000	3,028,000	6,056,000
Total Revenue		3,028,000	3,028,000	6,056,000

Package Description:

WDFW management of fisheries and hatchery facilities supports the following outcomes:

WDFW hatcheries produce 289.6 million salmon and steelhead and 35.6 million trout and warm water species every year, supporting commercial and recreational fisheries and local and state economies;

WDFW provides 13.4 million angler days of recreational fishing opportunity every year, through management of recreational fisheries;

Fish resources are assessed, monitored, and evaluated to ensure harvest and resource management actions are sustainable and based on

sound science. This is accomplished through field investigations to count numbers of migrating and spawning fish, conduct biometric assessments and modeling, population modeling, abundance testing by species, and test fisheries to verify abundance and monitor harvest levels to make informed decisions;

Sampling programs for recreational and commercial fisheries as required to comply with ESA permits for listed species; and cooperatively managed fisheries with treaty tribes and neighboring states and countries.

Fisheries at Risk:

Washington's recreational and commercial fishing opportunities and associated annual economic benefits are at risk at risk due to declines in hatchery production, a deteriorating and poorly maintained hatchery system, challenges in ESA permitting, higher standards for fishery monitoring, and declines in federal funding.

Declines in hatchery production:

Washington's recreational and commercial fishing opportunities depend on production from WDFW's hatchery programs. However, federal and state budget cuts threaten to undercut the Department's ability to provide fishing opportunities. For example, most recently the Department had to eliminate the production of an additional 600,000 coho salmon from facilities in the lower Columbia River. Additional funding is needed to maintain and enhance salmon and steelhead hatchery production in Puget Sound, Grays Harbor, Willapa Bay, and the Lower Columbia River.

Hatchery maintenance needs:

Washington has invested more than \$500 million in state hatcheries to produce millions of salmon, steelhead, and trout, yet spends less than a tenth of a percent of that annually on maintenance. The failure last year of a water intake line at the Naselle Hatchery was a wake-up call that we cannot expect to avoid catastrophic failures and production reductions without adequately maintaining our facilities. Delayed maintenance results in costly emergency repairs, partial failure of facility infrastructures, and increases safety risks for the staff who work there and the public who routinely visit these facilities. An example of costly repairs is the cost to replace a failed septic system at \$25,000 versus routine servicing of a septic system at less than \$1,500 over a five year period. Increased hatchery maintenance is needed to avoid catastrophic losses and reduce capital costs.

Challenges in ESA Permitting:

Recent litigation in Washington and Oregon has shown the vulnerability of hatchery programs and fisheries to ESA-related litigation. Currently less than 15% of our hatchery programs in Washington have received ESA approval from the National Marine Fisheries Service (NMFS). We must have scientifically defensible and NMFS-approved hatchery and fishery management plans to maintain hatchery production and ensure future fisheries.

Enhance monitoring of hatchery and fishery impacts:

Salmon and steelhead hatcheries and fisheries must be monitored at an enhanced level to ensure sustainable fisheries and compliance with ESA permits. However, federal funding for fishery and hatchery monitoring programs has been reduced. Hatchery production and fisheries will be curtailed or eliminated if funding is not secured to implement more stringent monitoring programs.

Enforcement:

The Department's police officers are the state's primary authority to protect our natural resources and ensure that our recreational shellfishers eat sanitary shellfish. More WDFW police officers are required to provide the necessary number of patrols, inspections and investigations to protect consumers, public safety, and shellfish resources.

In this challenging budget climate, WDFW is primarily relying on enhanced user fees for recreational and commercial fishers to maintain their fishing opportunities.

A. Commercial Fishery Salmon Surcharge (See Table 1 at end of package for more detail):

WDFW seeks the assistance of commercial fishers to maintain fishing opportunities in the State of Washington. The Department's legislative request aims to maintain and enhance commercial salmon fishing opportunities through implementing a new surcharge for all salmon-related commercially licensed activities. This salmon surcharge was carefully selected to target the commercial salmon fishers, charter boat operators, fishing guides, and fish dealers who most directly benefit from the proposals.

Specifically, each year this component of the proposed package will achieve the following:

Provide over \$200,000 each year to maintain and enhance salmon hatchery production in Puget Sound, Grays Harbor, Willapa Bay, and the Lower Columbia River;

Invest over \$115,000 in hatchery maintenance to reduce infrastructure failures resulting from a lack of scheduled maintenance, and ensure the Department's hatchery production remains online;

Maintain ESA-permit sampling levels for the ocean troll fishery in the face of reduced federal funding;

Enhance commercial fishery monitoring in Willapa Bay and the Lower Columbia River to ensure accurate accounting of fishery impacts and the conservation of Washington's salmon and steelhead;

Add 0.5 FTE of enforcement to promote conservation and protect vulnerable wild fish; and

Ensure ESA-permitting requirements are addressed for fisheries and hatchery programs in the Lower Columbia River and Puget Sound.

B. Recreational Fishery License Increase: (See Table 2 at end of package for more detail):

WDFW seeks the assistance of recreational fishers to maintain fishing opportunities in the State of Washington. The Department's legislative request aims to maintain and enhance fishing opportunities through a nominal increase in license fees. The revenue generated would be used to maintain and enhance hatchery production to sustain recreational fisheries, maintain aging hatchery facilities to reduce costly emergency repairs, hire staff to maintain and enhance hatchery production, maintain sampling programs, ensure that ESA permit coverage is obtained, implement new recreational fisheries, improve coordination with tribal co-managers, and increase enforcement of regulations.

Specifically, the license increases will add the following capacity:

\$700,000 per year to maintain and enhance hatchery production;

\$460,000 per year to maintain hatchery facilities;

\$250,000 per year to meet ESA-permit requirements for fishery and hatchery monitoring;

Maintain ESA-permit sampling levels for the ocean recreational fishery in the face of reduced federal funding;

2.5 Fish and Wildlife Officers to increase compliance and ensure public safety; and

2 staff members to ensure compliance with ESA permitting requirements, identify and implement new recreational fishing opportunities, and improve coordination with tribal co-managers.

The proposed license fees:

- Are competitive with fees charged in neighboring states
- Retain recreational license revenues in the state Wildlife Account
- Maintain higher license fees for non-resident anglers

The proposed increases in license fees are projected to generate approximately \$2.168 million of revenue per year. Specific elements of the recreational license fee proposal are:

- \$2 increase in temporary combination license
- \$2 increase in temporary razor clam license
- \$2 increase in annual freshwater, saltwater, shellfish, and razor clam licenses
- \$1 increase in the annual combination license
- \$5 increase in all non-resident licenses

C. State General Fund:

To complement the salmon surcharge for commercial fisheries and the increase in the recreational license fee, WDFW is requesting \$200,000 of GF-S as the state contribution to enhanced hatchery production. Under federal court decisions, the treaty tribes are entitled to up to 50% of the harvestable number of salmon and steelhead in Puget Sound, the Washington Coast (excluding Willapa Bay), and the Columbia River. The state general fund is the most appropriate fund source to support the state's tribal treaty obligations.

Implementation:

User fees increases and increase spending authority will begin on July 1, 2015, and recruitment for the following positions will be initiated by December 2015:

Staff to support commercial fishing activities:

- 0.7 FTE Natural Resource Scientist 4
- 4.0 FTE Scientific Technician 2
- 0.5 FTE Scientific Technician 3
- 3.0 FTE Scientific Technician 4
- 3.0 FTE Fish Hatchery Specialist 2
- 0.8 FTE Maintenance Mechanic 2
- 0.5 FTE Fish and Wildlife Officer 2

Staff to support recreational fishing activities:

- 2.3 FTE Natural Resource Scientists 4
- 3.5 FTE Fish Hatchery Specialist 2
- 1.0 FTE Scientific Technician 4
- 0.5 FTE Scientific Technician 3
- 4.0 FTE Scientific Technician 2
- 3.0 FTE Maintenance Mechanic 2
- 2.5 FTE Fish and Wildlife Officer 2

Throughout 2016 and beyond staff will continue with enforcement activities, increased fishing awareness, increased hatchery production, increased sampling and monitoring, and addressing maintenance of aging hatcheries.

Subject Matter Expert:

Jim Scott, Assistant Director
Fish Program, Department of Fish and Wildlife
(360) 902-2736

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Washington's wild salmon and steelhead populations are meeting spawning goals or on a path to meeting conservation objectives.

Fishing opportunities for Washington's recreational fishers are maintained or enhanced.

The economic value of Washington's commercial salmon fisheries is maintained or enhanced.

The economic benefits of recreational and commercial fisheries in Washington increases.

Enhanced enforcement activities promote conservation, protect vulnerable wild fish, and ensure that our recreational shellfishers eat

sanitary shellfish.

Recreational and commercial fishers are informed and engaged in the development of long-term fishery plans.

Resource management activities are conducted in coordination with tribal governments consistent with federal and state law, the Centennial Accord, and any other applicable agreements between the Department and the tribes.

Performance Measure Detail

Activity:	A034Manage Agency Facilities and Assets	Incremental Changes
	No measures submitted for package	
Activity:	A035Enforcement	Incremental Changes
	No measures submitted for package	
Activity:	A041Fish Production for Sustainable Fisheries	Incremental Changes
	No measures submitted for package	
Activity:	A042Native Fish Recovery	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?

This proposal supports key elements of WDFW's Goals 1, 2 and 3 within the agency's strategic plan. It aligns with WDFW's Goal 2 of "Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences", specifically strategic goals 2A - "Fishing, hunting, wildlife viewing, and other outdoor activities are enhanced and expanded." 2B - "Hatcheries and public access sites are safe, clean, and effectively support people's use and enjoyment of natural resources".

This proposal also supports WDFW's Goal 1 to "Conserve and protect native fish and wildlife" and Goal 3 to "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?

This proposal addresses the Results Washington Goal 2, for a "Prosperous Economy" by providing \$25 million in annual statewide economic benefits from commercial fisheries and \$532 million in annual statewide economic benefits from recreational fisheries.

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

This request contributes to the following statewide plans:

- Hatchery Fish Reform Policy
- Statewide Steelhead Management Plan
- Columbia Basin Salmon Management Policy
- Grays Harbor Salmon Management Policy

By using science to assess, monitor, and evaluate the commercial fisheries we ensure we do not deplete these finite resources. Increased hatchery production increases fishing opportunities which increases statewide economic benefits.

Increased staffing will result in increased fishing opportunities and increased awareness of fishing opportunities, thereby increasing

statewide economic benefits.

Increased enforcement presence improves management of commercial fisheries and protection of wild fish.

This request meets specific outcome-based strategies and objectives adopted by the recreational PSRFE Citizen Oversight Committee as outlined in RCW 77.105.160.

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

The agency considered a broad range of funding and revenue options before selecting this mix of fund sources.

Many of the activities in this package contribute to the general health and welfare of Washington, but we chose to primarily focus on a commercial salmon surcharge to limit impacts to the state's general fund. This commercial salmon surcharge was carefully selected to target the commercial salmon fishers, charter boat operators, fishing guides, and fish dealers who most directly benefit from the proposals.

The activities in this package are funded primarily through the following:

- a) A new surcharge for all salmon related commercially licensed activities; and
- b) A \$200,000 General Fund-State request per fiscal year.

All recreational user fees were considered, but the user fees for recreational fisheries were narrowed to carefully-selected license fees that target anglers who most directly benefit from the proposals.

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

The following are consequences of not funding this package:

- The closure or loss of production from one or more hatcheries, with associated reductions in recreational and commercial opportunity and lost economic benefit;
- Lost economic benefit as a result of partial failure of hatchery infrastructure;
- Reduced tax revenue into the state general fund associated with reduced recreational and commercial fishing opportunities;
- No increase in salmon or steelhead hatchery production;
- Hatcheries may not release salmon due to an inability to secure ESA-permits or litigation;
- The closures or partial closures of ocean troll fisheries due to insufficient funds for catch sampling;
- Low rates of commercial fishery monitoring in the Columbia River and coastal bays will result in uncertainty in fishery impacts;
- Annual tribal co-manager fishery agreements may be delayed or not completed due to a lack of staff time to work with the tribes;
- No increase in enforcement presence, continued concerns with recreational and commercial fisher compliance with fishery regulations, and no additional protection of wild fish;
- A failure to perform regular maintenance at hatchery facilities with the related risk of catastrophic failure and costly capital investments; and
- Continued and increased litigation.

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?

RCW 77.65 will be amended to add commercial salmon surcharge language to all salmon-related commercial activities. The new surcharge affects the commercial salmon licenses outlined in TABLE 1.

RCW 77 is amended in the agency request legislation to reflect changes in recreational license fees outlined in TABLE 2.

Expenditure and revenue calculations and assumptions

REVENUE:

Adding a new Commercial Salmon Surcharge effective July 1, 2015 to approximately 1,514 commercial licenses will generate approximately \$831,000 per fiscal year to WDFW's non-restricted Wildlife Fund State.

(See Table 1 for more detail on the application of the proposed surcharge to commercial license fees.)

Increasing recreational fishing license fees as listed above, effective July 1, 2015, will generate approximately \$2,197,000 per fiscal year to WDFW's non-restricted Wildlife Fund State.

(See Table 2 for more detail on the proposed increase to each recreational license type.)

EXPENDITURES:

Recreational Fishery Activities:

Fish Program: \$1,537,000 in FY16, and \$1,324,700 in FY17 and ongoing

2.3 FTE Natural Resource Scientist 4 positions, starting full time in FY16, will be a key component of the team working with Tribal co-managers to improve relationships and improve resource management. These positions will also assist with the collaborative co-manager monitoring and permitting of fisheries under the Endangered Species Act. They will analyze data collected during monitoring in the field, supervise lower level Scientific Technician positions, and make recommendations based on results of biometric assessments and population modeling to ensure that harvest and resource management actions are sustainable and based on sound science. These positions will have average travel costs (for meetings, negotiations, and supervising duties) and average goods and services costs.

3.5 FTE Fish Hatchery Specialist 2 positions, starting full time in FY16, will collect brood stock, assist with spawning, raise juvenile fish, and support hatchery releases.

1.0 FTE Scientific Technician 4 position, starting full time in FY16, will assure data collection and entry is efficient and accurate. This technician will lead the monitoring and taking of biological samples from fish in recreational fisheries, and these data will be transferred to managers for decision making purposes to ensure that we stay within our management and ESA constraints.

0.5 FTE Scientific Technician 3 position, starting full time in FY16, will assure data collection and entry is efficient and accurate. This technician will help lead the monitoring and taking of biological samples from fish in recreational fisheries, and these data will be transferred to managers for decision making purposes to ensure that we stay within our management and ESA constraints.

4.0 FTE Scientific Technician 2 positions, starting full time in FY16, will be monitoring and collecting biological samples from fish in recreational fisheries, and these data will be transferred to managers for decision making purposes to ensure that we stay with our management and ESA constraints.

Enforcement Program: \$263,300 in FY16, and \$382,000 in FY17 and ongoing

1.0 FTE Fish and Wildlife Officer 2 position starting full time in FY16, then 2.0 FTEs full time in FY17 forward. One in five people contacted for shellfish harvest by Fish and Wildlife Officers results in corrective action. Fish and Wildlife Officers make a substantial number of contacts with the public and play an important role in educating people of applicable laws. The 2011 Washington Shellfish Initiative has a goal to reopen 10,800 acres for shellfish harvest, which will increase the workload for Fish and Wildlife Officers. Biotoxins in shellfish can be lethal and are not destroyed by freezing or cooking, thus enforcement of closed beaches is essential. The

officers will have standard ammunition, standard field equipment, uniform, radio communications, and vehicle mileage costs. Travel costs, and leased equipped patrol trucks and officer equipment costs are also included.

0.5 FTE Fish and Wildlife Officer 2 position, starting full time in FY16, will be responsible for compliance in the commercial fishing industry. WDFW Fish and Wildlife Officers are the primary enforcers of laws designed to protect endangered species, and the only local law enforcement personnel with the authority to enforce related federal laws. Fish and Wildlife Officers are the only jurisdiction focused on enforcing criminal laws associated with sensitive species habitats. Fish and Wildlife Officers enforce the natural resource regulations in order to provide sustainable harvest opportunities. The officer will have standard ammunition, standard field equipment, uniform, radio communications, and vehicle mileage costs. Travel costs, and leased equipped patrol trucks and officer equipment costs are also included.

Capital Asset and Management Program: \$367,700 in FY16, and \$461,300 in FY17 ongoing

2.4 FTE Maintenance Mechanic 2 positions, starting full time in FY16 and then 3.0 ftes full time in FY17 forward. These dedicated maintenance staff will form a new crew and will be on the road, visiting each hatchery site multiple times a year to perform scheduled maintenance. Travel and materials and supplies used in maintenance, such as light bulbs, grease, and small tools are also included in the cost.

Object E includes \$4,900 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs.

An infrastructure and program support rate of 25.76% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year. Fish food, equipment sub-objects JB-JZ, and debt service are exempt from the infrastructure and program support calculation.

Commercial Fishery Activities

Fish Program: \$863,300 in FY16, and \$835,300 in FY17 and ongoing

0.7 FTE Natural Resource Scientist 4 position, starting full time in FY16, will be a key component of the team working with Tribal co-managers to improve relationships and improve resource management. This position will also assist with the collaborative co-manager monitoring and permitting of fisheries under the Endangered Species Act. They will conduct the analysis of data collected during monitoring in the field, supervise lower level Scientific Technician positions, and make recommendations based on results of biometric assessments and population modeling to ensure that harvest and resource management actions are sustainable and based on sound science. This position will have average travel costs (for meetings, negotiations, and supervising duties) and average goods and services costs.

3.0 FTE Fish Hatchery Specialist 2 positions, starting full time in FY16, will collect brood stock, assist with spawning, raise juvenile fish, and support hatchery releases.

1.0 FTE Scientific Technician 4 position, starting full time in FY16, will ensure that data collection and entry is efficient and accurate. This technician will lead the monitoring and taking of biological samples from fish in commercial fisheries, and these data will be transferred to managers for decision making purposes to assure we stay within our management and ESA constraints.

0.5 FTE Scientific Technician 3 position, starting full time in FY16, will ensure that data collection and entry is efficient and accurate. This technician will help lead the monitoring and taking of biological samples from fish in commercial fisheries, and these data will be transferred to managers for decision making purposes to assure we stay within our management and ESA constraints.

4.0 FTE Scientific Technician 2 positions, starting full time in FY16, will be monitoring and collecting biological samples from fish in commercial fisheries, and these data will be transferred to managers for decision making purposes to ensure that we stay with our management and ESA constraints.

Enforcement Program: \$80,000 in FY16 and ongoing

0.5 FTE Fish and Wildlife Officer 2 position, starting full time in FY16, will be responsible for compliance in the commercial fishing industry. Fish and Wildlife Police Officers are the primary and only law enforcement presence on harvest grounds, at shipping terminals, storage facilities, processors and markets. These officers are trained and equipped to effectively navigate a complex

regulatory and treaty fishing right landscape. With the presence of endangered species, fisheries have been crafted in a way to lessen impacts on those species, increasing the complexity of resource protection, and requiring a subject matter expert to be effective. The officer will have standard ammunition, standard field equipment, uniform, radio communications, and vehicle mileage costs. Travel costs, and leased equipped patrol trucks and officer equipment costs are also included.

Capital Asset and Management Program: \$87,300 in FY16, and \$115,300 in FY17 and ongoing

0.8 FTE Maintenance Mechanic 2 position, starting full time in FY16, will be on the road, visiting each hatchery site multiple times a year to perform scheduled maintenance. Travel and materials and supplies used in maintenance, such as light bulbs, grease, and small tools are also included in the cost.

Object E includes \$4,900 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs.

An infrastructure and program support rate of 25.76% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year. Fish food, equipment sub-objects JB-JZ, and debt service are exempt from the infrastructure and program support calculation.

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

New employee start-up costs in the first year are one-time. All other expenses are ongoing costs into future biennia.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	1,164,000	1,314,000	2,478,000
B Employee Benefits	428,000	479,000	907,000
E Goods\Other Services	1,370,000	1,191,000	2,561,000
G Travel	172,000	194,000	366,000
J Capital Outlays	33,000	19,000	52,000
P Debt Service	31,000	1,000	32,000
Total Objects	3,198,000	3,198,000	6,396,000

**TABLE 1: Commercial Salmon Surcharge
Washington Department of Fish and Wildlife
PL N1 Sustain Fishing in Washington**

License Type	Resident Commercial License Fee	Resident Surcharge 77.95.090	Rockfish Research Charge 77.12.702	Resident Application Fee	Resident Salmon Endorsement Fee	Non-Resident Commercial License Fee	Non-Resident Surcharge 77.95.090	Rockfish Research Charge 77.12.702	Non-Resident Application Fee	Non-Resident Salmon Endorsement Fee
S-Delivery (77.65.170)	380.00	100.00		105.00	585.00	685.00	100.00		105.00	890.00
S-Gillnet - GH-Col R (77.65.160)	380.00	100.00		105.00	585.00	685.00	100.00		105.00	890.00
S-Gillnet - PS (77.65.160)	380.00	100.00		105.00	585.00	685.00	100.00		105.00	890.00
S-Gillnet - WI-Col R (77.65.160)	380.00	100.00		105.00	585.00	685.00	100.00		105.00	890.00
S-Purse Seine (77.65..160)	530.00	100.00		105.00	735.00	985.00	100.00		105.00	1,190.00
S-Reef Net (77.65.160)	380.00	100.00		105.00	585.00	685.00	100.00		105.00	890.00
S-Troll (77.65.160)	380.00	100.00		105.00	585.00	685.00	100.00		105.00	890.00
S-Gillnet - GH-Col R Waiver (77.65.160(6))	0.00	100.00		105.00	205.00	0.00	100.00		105.00	205.00
S-Gillnet - PS Waiver (77.65.160(6))	0.00	100.00		105.00	205.00	0.00	100.00		105.00	205.00
S-Gillnet - WI-Col R Waiver (77.65.160(6))	0.00	100.00		105.00	205.00	0.00	100.00		105.00	205.00
S-Purse Seine Waiver (77.65..160(6))	0.00	100.00		105.00	205.00	0.00	100.00		105.00	205.00
S-Reef Net Waiver (77.65.160(6))	0.00	100.00		105.00	205.00	0.00	100.00		105.00	205.00
S-Troll Waiver (77.65.160(6))	0.00	100.00		105.00	205.00	0.00	100.00		105.00	205.00
Salmon Charter (77.65.150)	380.00	100.00	35.00	105.00	620.00	685.00	100.00	35.00	105.00	925.00
Salmon Charter Waiver (77.65.150(6))	100.00		35.00	105.00	240.00	100.00		35.00	105.00	240.00

License Type	Resident Commercial License Fee	Resident Surcharge 77.95.090	Rockfish Research Charge 77.12.702	Resident Application Fee	Resident Salmon Endorsement Fee	Non-Resident Commercial License Fee	Non-Resident Surcharge 77.95.090	Rockfish Research Charge 77.12.702	Non-Resident Application Fee	Non-Resident Salmon Endorsement Fee
Fish Buyer (77.65.340)	95.00			105.00	200.00	95.00			105.00	200.00
Wholesale Dealer (77.65.280)	250.00			105.00	355.00	250.00			105.00	355.00
Direct Retail Endorsement (77.65.510)	50.00			105.00	155.00					0.00
Fishing Guide (77.65.480(3))	180.00			70.00	250.00	600.00			70.00	670.00
Food Fish Guide (77.65.440)	130.00	20.00		70.00	220.00	630.00	100.00		70.00	800.00
Salmon Roe License (77.65.150)	95.00			70.00	165.00	95.00			70.00	165.00
Emergency Salmon Delivery (77.65.190)	225.00			105.00	330.00	475.00			105.00	580.00

**TABLE 2: Recreational License Fee Changes
Washington Department of Fish and Wildlife
PL N1 Sustain Fishing in Washington**

License	Current Price	Proposed Price	Amount of Change
Combination - Resident	\$45.00	\$46.00	\$1.00
Combination - Non Resident	\$108.00	\$113.00	\$5.00
Combination - Youth	\$5.00	\$6.00	\$1.00
Saltwater - Resident	\$25.00	\$27.00	\$2.00
Saltwater - Non Resident	\$52.00	\$57.00	\$5.00
Saltwater - Senior	\$5.00	\$7.00	\$2.00
Freshwater - Resident	\$25.00	\$27.00	\$2.00
Freshwater - Non Resident	\$75.00	\$80.00	\$5.00
Freshwater - Senior	\$5.00	\$7.00	\$2.00
Temp Combination - 1 day Resident	\$8.00	\$10.00	\$2.00
Temp Combination - 1 day Non Resident	\$16.00	\$21.00	\$5.00
Temp Combination - 2 day Resident	\$12.00	\$14.00	\$2.00
Temp Combination - 2 day Non Resident	\$24.00	\$29.00	\$5.00
Temp Combination - 3 day Resident	\$15.00	\$17.00	\$2.00
Temp Combination - 3 day Non Resident	\$30.00	\$35.00	\$5.00
Charter Stamp	\$8.00	\$10.00	\$2.00
Shellfish Seaweed - Resident	\$10.00	\$12.00	\$2.00
Shellfish Seaweed - Non Resident	\$27.00	\$32.00	\$5.00
Shellfish Seaweed - Senior	\$5.00	\$7.00	\$2.00
Razor Clam - Resident	\$8.00	\$10.00	\$2.00
Razor Clam - Non Resident	\$15.00	\$20.00	\$5.00
Razor Clam - Senior	\$8.00	\$10.00	\$2.00
Razor Clam 3 Day - Resident	\$5.00	\$7.00	\$2.00
Razor Clam 3 Day - Non Resident	\$5.00	\$10.00	\$5.00
Reduced Rate Combination	\$5.00	\$6.00	\$1.00

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N2 SW Regional Office Relocation Lease
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Washington Department of Fish and Wildlife worked with the Office of Financial Management's Facilities Division for four years to secure a new location for its southwest regional office. During this period, the real estate market improved in the greater Vancouver area and the Department was unable to find a suitable location under its existing regional office budget. Funding is requested to meet the requirement of the new build-to-lease option that was approved by the OFM Facilities Division in March, 2014.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	27,000	27,000	54,000
001-2 General Fund - Basic Account-Federal	41,000	41,000	82,000
001-7 General Fund - Basic Account-Private/Local	22,000	22,000	44,000
104-1 State Wildlife Account-State	39,000	39,000	78,000
Total Cost	129,000	129,000	258,000

Package Description:

The current WDFW southwest regional office is a converted 1960s retail building that has not met the space and facility functional needs of the Department for several years. The current office site is unable to provide a working area for all employees, parking for employees and public, nor enough secure storage for vessels, vehicles, and field equipment. The building is not energy efficient and poorly ventilated, and the site does not provide sufficient ingress and egress for Department equipment and trailers. Vandalism of state property at the site and nearby criminal activity have heightened safety concerns for staff and the visiting public.

The Office of Financial Management (OFM) Facilities Division provided the Department approval of a relocation project with an annual budget of \$565,000. In 2013, the Department entered into a contract with the Department of Enterprise Services (DES) to conduct a solicitation process for office space in the greater Vancouver area. During the period between the OFM market analysis and budget approval and DES solicitation, the real estate market in the Vancouver area improved. As a result, the solicitation did not produce an option that met the OFM-approved space request within the OFM-approved budget. With support from OFM, the Department moved forward with the highest scored option in the DES solicitation process (based on cost, location, and building plan) and reached agreement with the developer to build a new space for the Department's regional office. In making the commitment, the Department understood that it would be necessary to request funding for the lease shortfall in its biennial budget request.

Funding this package will ensure that the budget shortfall for the lease will not impact WDFW's currently budgeted activities. The move will take place in June of 2015, and the lease rate increase will take effect at the beginning of the 2015-17 biennium.

Name and Phone Number of Subject Matter Expert:
 Julie Howard, Facilities Planner
 CAMP, Department of Fish and Wildlife
 (360) 902-2205

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The Department expects to provide adequate office space for regional employees to serve the public, sufficient space for secure storage of vessels and other field equipment, secure overnight parking for state vehicles, adequate parking for employees and the public, and increased safety and accessibility to services for WDFW staff and the public in southwest Washington. Additionally, the Department expects to increase efficiency in regional field operations with the central Vancouver location of the new office site.

The relocation will increase accessibility for staff and the public, decreasing fuel consumption for field staff in Department-leased vehicles. Also, by relocating to a newer, energy efficient building, WDFW will reduce utility costs. The work areas for staff and common areas for the visiting public will also be improved.

Performance Measure Detail

Activity: **A034Manage Agency Facilities and Assets**

Incremental Changes

No measures submitted for package

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

This decision package supports Goal 3 of WDFW's Strategic Plan: 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?

This request supports the Governor's priorities under Goal 3 "Sustainable Energy and a Clean Environment." The topics "Clean Transportation" and "Efficient Buildings" will be supported by this proposal.

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

The new location also has space allocated for the Department of Ecology (25 staff) and the U.S. Army Corps of Engineers (5 staff). This co-location will allow for better coordination among Departments, increase efficiencies, and diversify services available to the respective constituents of each agency. This request is for WDFW's portion of the lease rate only.

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

The Department, DES, and the OFM Facilities Division engaged in a thorough search to find suitable space within the OFM approved budget in the Vancouver Area. Many facilities were evaluated, and were determined to be unsuitable for the needs of the southwest regional office. A life cycle analysis was completed to look at whether building, purchasing, or leasing a facility was the best option over 30 years. The analysis determined that the best option was to lease a build- to-lease facility from a private developer.

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

Without additional authority, WDFW must decrease or stop other programmatic work and use existing authority for the lease rate increase. Existing activities that support the management and protection of fish and wildlife populations will be affected.

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 Department has \$565,000 per year to support the southwest regional office lease. The lease rate is \$694,000 per year. This package requests the difference between current authority and the lease rate.

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>
E Goods\Other Services	129,000	129,000	258,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N3 Fish & Wildlife Radio-Over-Internet
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Over 700 WDFW staff depend on radio communication in the field, including enforcement officers who are often first responders. Radio-over-internet-protocol (RoIP) is a low-cost technology that enables staff with radios to communicate statewide by capturing radio signals from existing radio infrastructure and sending the signals through the internet. This access is especially important in remote areas without reliable radio frequency transmission. This request funds internet access point costs, leveraging the existing state government network to expand the existing RoIP network to high risk rural areas where law enforcement is sparse. This will enable more effective coordination of law enforcement, field work, and wildfire response.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	24,000	24,000	48,000
104-1 State Wildlife Account-State	35,000	35,000	70,000
Total Cost	59,000	59,000	118,000

Package Description:

Over 700 WDFW staff depend on radio communication in the field. Regular radio frequency communication is either not available or poor in rural locations, putting WDFW Police Officers and other field staff at risk in remote areas of the state.

This decision package requests funding to increase radio coverage in remote locations. The Department selected the RoIP technology option, because it is the most cost effective method to achieve rural radio coverage. Radio communications in remote areas will enhance safety, communications capacity, and coordination abilities.

WDFW has spent the past two years implementing the RoIP network project plan, which was approved by the State Interoperability Executive Committee (SIEC). Radio site installations in remote locations are the final project milestones and are planned to be completed by December 2014.

WDFW requests additional funding for the ongoing internet access fees that Consolidated Technology Services (CTS) charges for secured state network usage.

Name and Phone Number of Subject Matter Expert:
 Phil Johnson, Lieutenant
 Enforcement, Department of Fish and Wildlife
 (360) 902-2934

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Field staff across the state will be able to communicate with a centralized dispatch center which allows for better coordination of law enforcement, field work, controlled burns, and wildfire response. This radio network can also communicate with some city, county, and other state agencies for improved coordination and emergency support in rural areas of the state where WDFW Enforcement Officers are often the first responders.

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?

Radio communication in the field is vital to accomplish the agency's mission and goals. Expanding radio coverage increases WDFW activity areas that are currently "communication dead zones," and ultimately supports all of the Department's goals outlined in the 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 an overall high quality of life, and deliver high-quality customer service; and

Goal 4: Build an effective and efficient organization by supporting our workforce, improving business processes, and investing in technology.

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

By enabling communications in rural areas, where much of the Department's on-the-ground work is conducted, this decision package provides essential support to the following:

Goal 3: Sustainable Energy and a Clean Environment

-Healthy Fish and Wildlife

-Clean and Restored Environment

-Working and Natural Lands

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

The deployment of a statewide RoIP network supports SIEC strategic objectives by enabling a low-cost alternative communications infrastructure. This solution offers considerable benefits by allowing WDFW staff to communicate with other state and federal law enforcement partners. An additional consideration is the potential to offer WDFW central dispatch and the RoIP network as a secondary communication support system to statewide natural disaster response.

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

Additional radio towers could be erected at the cost of millions of dollars but is not the most practical solution.

Cell phones are also used in the field. However, cell phone towers are typically placed near major roadways and population areas. Field staff are often too far away from cell phone towers for a signal. The time needed to dial and connect to a tower with a cell phone increases response time in an emergency. Radios send signals at the click of the button and can also broadcast help and warning messages unlike a cell phone. Radios are more durable and better designed for outdoor use.

Satellite phones could also be used in the field. These phones and service plans tend to be more expensive and have limitations

similar to those of cell phones.

Radio technology has proven to be the best communication tool for rural and emergency use. RoIP technology adds an additional benefit of transmitting radio transmissions through the internet, which is faster than tower to tower transmission. RoIP technology is the best for WDFW work conditions and the most cost-effective solution.

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

If this request is not funded, staff working in rural locations without adequate radio transmission will continue to be at risk. WDFW Enforcement Officers will not readily be able to communicate with law enforcement partners and assist with public safety efforts.

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

WDFW has submitted its plan to CTS and has received an invoice in the amount of \$59,000 per fiscal year.

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

This cost will be ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	59,000	59,000	118,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N4 Recover Puget Sound Steelhead
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Puget Sound steelhead are in precipitous decline, and populations are at or below 10 percent of their historic levels. Steelhead were listed as threatened under the Endangered Species Act in 2007. Unless the causes of juvenile steelhead mortality in Puget Sound are identified, the species is at risk of extinction. Funding received in the 2013-15 biennium supported the development of a research plan and one year of data collection. This decision package requests funding to complete the next stage of research by leveraging existing study results, testing hypotheses, and developing a range of management actions. [Related to Puget Sound Action Agenda Implementation.]

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	500,000	300,000	800,000
Total Cost	500,000	300,000	800,000
 Staffing	 <u>FY 2016</u>	 <u>FY 2017</u>	 <u>Annual Average</u>
FTEs	1.6	1.6	1.6

Package Description:

Puget Sound steelhead are in precipitous decline, and populations are at or below 10 percent of their historic levels. Data suggest that poor juvenile survival in the Sound is currently a key contributor to this decline and a significant barrier to steelhead recovery. Because the causes of this decline are unknown, Washington Department of Fish and Wildlife (WDFW) worked with the Puget Sound Partnership and the Puget Sound Steelhead Marine Survival Workgroup (composed of federal and state agency, tribal, academic, and nonprofit partners) to complete a focused research plan in 2013 to identify the direct and underlying causes of juvenile steelhead mortality in Puget Sound. WDFW began implementation of the research plan in 2014.

The current research is designed to answer some fundamental questions about where and why the mortality is occurring. This information is critical for identifying solutions. Nine research projects were implemented, including five studies analyzing existing data, two field experiments investigating steelhead and movement and survival through the marine environment, one fish health study, and one genomic study to detect any underlying genetic issues. Current activities have been funded primarily by a 2013-15 biennium appropriation via the Puget Sound Partnership of \$788,000 with approximately \$800,000 of direct match/in-kind equipment, services, and staff time.

While the current research will reveal information about where and why mortality is occurring, the next important research step is to identify possible solutions. This request seeks funding to implement the subsequent phase of this important work beyond June of 2015.

The requested funding will leverage and build upon existing resources including research results and analyses, and the region-wide infrastructure and expertise that have been assembled as part of this project. The Puget Sound Steelhead Marine Survival Workgroup,

with experts from government agencies, tribes, and nonprofit organizations, are currently in place and actively evaluating the results of ongoing research. This Workgroup is prepared to confirm the hypotheses generated by the current research and evaluate possible management actions and solutions. Numerous acoustic receivers, costing over \$500,000 dollars, have been installed throughout Puget Sound to track steelhead movement and survival. This current investment can be only be leveraged for additional research or to evaluate solutions if additional funding is secured.

In addition, the National Oceanic and Atmospheric Administration (NOAA) has invested federal funding to begin Puget Sound steelhead recovery planning, and ongoing watershed recovery planning efforts for the Nisqually and Hood Canal have listed steelhead marine survival as one of the most critical issues to address. Thus, continued work on this topic will directly inform recovery. Finally, this work is a component of the Salish Sea Marine Survival Project, a five-year (2014-2018), U.S.-Canada effort involving over 40 entities working to determine the primary causes of juvenile Chinook salmon, coho salmon, and steelhead mortality in the joined inland marine waters of Puget Sound and the Strait of Georgia.

WDFW requests \$800,000 to hone in on the specific causes of juvenile steelhead mortality and establish specific actions for steelhead recovery and sustainable fisheries. Results from current studies will be available in the fall of 2014, and will determine what specific investigations and/or management actions will be next.

If these results indicate mortality is caused solely in the marine environment, the Workgroup will implement an ecological profiling technique to estimate predator and forage fish abundance, predator/prey interactions, and water quality inputs. In addition, the Workgroup will evaluate the role of buffer prey in steelhead mortality, because it is thought that steelhead are typically buffered from predation by other more abundant forage fish such as herring.

If, on the other hand, results suggest the problem is freshwater or fish health related, then the Workgroup will focus on determining the specific cause (e.g., source of disease) and effect of the fish health issue (e.g., compromised swimming performance resulting in steelhead being eaten). In this case, the Workgroup would survey freshwater environments for disease and monitor steelhead throughout their migration into and through Puget Sound to understand when and how they are being affected by the disease. The new research activities and actions will be further refined as current research results are revealed in fall of 2014.

The proposed implementation schedule is as follows:

- Release the phase II research plan for public review (August 2015)
- Finalize plans, permitting and begin equipment purchasing (November 2015)
- Finalize protocol for field research (February 2015)
- Complete field research that occurs when juvenile steelhead outmigrate (June 2015)
- Complete analyses and draft early results (September 2015)
- Publish results and craft recovery actions based upon those results (June 2016).

Name and Phone Number of Subject Matter Expert:
Erik Neatherlin, Fish Science Division Manager
Fish Program, Department of Fish and Wildlife
360-902-5559

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The expected outcome is that the patterns and potential causes of early marine steelhead mortality will be explained, a range of solutions and management actions will be identified, and actions and solutions will possibly be implemented. Understanding where early marine mortality originates is a critical first step, because it reveals the possible underlying mechanisms and ultimate solutions. For example, if the problem is a pathogen in the freshwater that is affecting the steelhead smolts' ability to swim and avoid predators, experimental management actions to remove or reduce that pathogen may be warranted. On the other hand, if mortality is concentrated in a specific area of the Sound (i.e., hot spot), this might suggest a concentration of predators or localized marine conditions pointing to a different suite of solutions. There could be multiple drivers working simultaneously as well.

Performance Measure Detail

Activity: **A042Native Fish Recovery**

Incremental Changes

No measures submitted for package

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

Research addressing the poor marine survival of steelhead trout has been listed as a top priority by WDFW, the Puget Sound Partnership, and the Salish Sea Marine Survival Project.

This package supports numerous goals, objectives, and strategies in WDFW's 2013-15 Strategic Plan. Specifically, it addresses the objective, "Threatened and endangered fish and wildlife populations are recovered to healthy, self-sustaining level," under Goal 1. Because early marine survival appears to be a bottleneck limiting many Puget Sound populations' abundance and productivity, if this bottleneck is not addressed, a number of the strategies listed under Goal 1 will have limited effectiveness.

This project also directly supports Goal 2, "Provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences." Addressing marine survival will allow greater fishing on Puget Sound hatchery and wild steelhead.

Additionally, steelhead fishing yields notable economic benefit, and concerns over decreased marine survival have been raised by many stakeholders and citizens. Thus, this work also supports multiple objectives under 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?

This decision package provides essential support to the Governor's Results Washington priority 2.2, "Increase the percentage of ESA-listed salmon and steelhead populations to healthy, sustainable levels from 16% to 25% by 2022." As stated earlier, the causes of juvenile steelhead mortality in Puget Sound constitutes a major, if not the dominant, factor in the decline of Puget Sound steelhead. Eighty percent of juvenile steelhead die in Puget Sound before reaching the open ocean. Addressing this issue is critical for improving the status of all Puget Sound steelhead populations.

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

The Puget Sound Action Agenda fully funds the Salish Sea Marine Survival Project, of which this decision package is a component, as part of its Near Term Actions to protect and recover steelhead (Strategy A, 6.4.2, bullet 1 in the 2014/2015 Action Agenda for Puget Sound). WDFW identified reducing the mortality of juvenile steelhead in Puget Sound as one of the Department's four top strategies for preventing Puget Sound steelhead from going extinct (WDFW | GMAP, Puget Sound Steelhead Short-Term Action Plan developed in 2012). WDFW's Statewide Steelhead Management Plan (February 2008) emphasizes the need for a better understanding of steelhead early marine survival.

Steelhead fisheries provide major economic benefits, especially for smaller, rural communities around Puget Sound that depend heavily on recreation and tourism. Steelhead support a broad community of sport, commercial, and tribal fishers, many of whom have fished in the Sound most of their lives. In 2001, the steelhead fishery in Puget Sound and the Strait of Juan de Fuca generated more than \$26 million in annual economic activity. Recovering steelhead and re-establishing steelhead fisheries to levels experienced in the 1970s and 1980s would more than double that amount.

As stated earlier, the work in this proposal is integrated with the international Salish Sea Marine Survival Project, whose goal is to determine the causes of juvenile Chinook salmon, coho salmon, and steelhead mortality in the joined inland marine waters of Puget Sound and the Strait of Georgia. Five million dollars have been provided by the Pacific Salmon Commission's Southern Fund Committee for the Chinook and coho salmon research component. Continued Washington State funding is crucial for supporting the steelhead component. This proposal is also a vital component of the federally-mandated recovery planning process for ESA-listed Puget Sound steelhead.

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

There is no alternative agency or group that is appropriate to lead this work. While NOAA could be considered, it is not a co-manager of Washington salmonids and does not have staff on the ground who monitor steelhead populations around the Sound.

Regarding funding, WDFW has explored partnerships, grants, and in-kind services. New funding for salmon and steelhead management and recovery is predominantly focused on Chinook salmon and capital projects. State funding is required to complete the next stage of investigation and leverage existing study results, resolve critical uncertainties, and begin to develop a range of solutions. Working collaboratively, WDFW and partners matched the 2013-15 biennium funding with approximately \$800,000 of in-kind equipment, services, and staff time. In addition, the steelhead project is leveraging efforts and information obtained through the international Salish Sea Marine Survival Project. This includes data from steelhead collected in the field and modeling work to better understand the marine ecosystem. Additional state funding is needed now to build on current momentum and information and maximize current investments. If funded, external in-kind support in the range of \$600,000 is anticipated.

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

If the causes of juvenile steelhead mortality in Puget Sound are not addressed, this survival bottleneck will put the hundreds of millions of dollars that have already been invested in habitat restoration, hatchery management reforms, and overall recovery at risk. Finding a solution to the high marine mortality rates will protect these restoration and management investments and boost economic activity in communities around the Sound that benefit from a healthy Puget Sound and viable fisheries.

If Puget Sound steelhead are up-listed from threatened to endangered additional federal regulation has the potential to impact the state's ability to set commercial and recreational seasons for salmon and steelhead and will likely increase regulatory and management costs to the state and local governments.

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

Four WDFW scientists and two technicians will provide their expertise, performing experiments and collecting samples in the field, analyzing samples in the laboratory, and reporting research results (objects A and B).

In addition, the Department will collaborate with outside expertise from NOAA Fisheries, tribes, and other federal agencies who will help conduct the affiliated research. Specifically, WDFW anticipates contracts for expertise in acoustic telemetry, project management support, and potentially other projects as needs become apparent. Pending the fall 2014 results and determining the specific next steps, contract estimates are \$267,350 and \$63,000 for acoustic telemetry and project management, respectively, for the 2015-17 biennium.

Object E includes \$5,000 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs. An infrastructure and program support rate of 25.76% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year.

Travel expenditures (object G) are for WDFW staff to go to/from research sites, participate in Workgroup meetings, and travel to workshops and conferences to communicate about the proposed research.

Equipment (object J) will primarily be acoustic telemetry supplies, such as tags for tracking steelhead survival, nets, cameras and sonar, as well as fuel for boats.

Expenditures will be higher in FY 2016 than FY 2017 because the field component of the research will occur during this time period. Significant staff time and up-front equipment expenses are incurred during this period. FY 2017 activities predominantly include completing data analyses, reporting results, and translating those results to management and recovery actions.

100 percent of the expenditures in this proposal relate to the Puget Sound Action Agenda Implementation.

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

These are one-time costs and represent years 3 and 4 of a five-year effort to develop management actions to reduce steelhead marine mortality. The Department may make an FY 2018 request in the future to complete the fifth year of the plan.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	87,000	87,000	174,000
B Employee Benefits	29,400	29,400	58,800
E Goods\Other Services	67,100	44,700	111,800
G Travel	6,000	4,100	10,100
J Capital Outlays	100,000	15,000	115,000
N Grants, Benefits & Client Services	210,500	119,800	330,300
Total Objects	500,000	300,000	800,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N5 Manage Elk Hoof Disease
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Over the past decade, elk herds in southwest Washington have suffered from a disease that leaves individuals with missing or misshapen hooves. During the last five years, the disease has spread into new counties, and severe cases have left elk crippled. The Washington Department of Fish and Wildlife has deployed an intensive research effort to identify the cause of the disease and suspects that bacteria are responsible. This request will enable WDFW to document the distribution of the disease, the proportion of the herd showing symptoms, and the disease's effects on elk population dynamics. These data will help WDFW to explore available management options to limit the spread of this debilitating disease.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
104-1 State Wildlife Account-State	125,000	125,000	250,000
Total Cost	125,000	125,000	250,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	1.0	1.0	1.0

Package Description:

Elk hoof disease appears to be expanding in prevalence and distribution in southwest Washington. The general public, hunters, and elected officials are eager for the Washington Department of Fish and Wildlife (WDFW) to assemble findings about the disease and its impact on the elk herd and to start developing more detailed management options to address the disease.

To date, WDFW has formed a technical group of veterinarians and other scientists to collect samples and determine the cause of the disease; findings suggest that it is caused by bacteria. WDFW has recently initiated a study to determine the relative distribution and prevalence of the disease in affected populations. Information on prevalence of the disease and impacts to elk population dynamics is much-needed for management decisions.

The Department plans to use radio telemetry to estimate survival and productivity of elk afflicted with hoof disease. The Department will determine the prevalence and distribution of elk hoof disease using a cadre of volunteer citizen scientists led by a WDFW staff member dedicated to the hoof disease problem. The Department, with a host of independent collaborators, will also continue to finalize laboratory tests to confirm and rule out causative agents.

Initial disease prevalence survey work by volunteers was initiated in August of 2014 and is funded by a different fund source. Funding is requested in the 2015-17 biennium for efforts to continue, and to monitor spread of the disease.

Capture and radio-collaring of elk to conduct the survival study is planned to take place January - March of 2015. Subsequent survival monitoring will occur on a weekly basis after captures have been completed.

Name and Phone Number of Subject Matter Expert:
Jerry Nelson, Natural Resource Scientist
Wildlife Program, Department of Fish and Wildlife
(360) 902-2519

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

WDFW will understand the effects the disease has on the elk population numbers, document the prevalence of the disease, and confirm the causative agents. This data will help guide the subsequent management options available to the state.

Performance Measure Detail

Activity:	A038Provide Sustainable Hunting and Wildlife Viewing Opportunities	Incremental Changes
	No measures submitted for package	

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

This decision package is consistent with the agency's strategic plan and supports the following goals:

Goal 1 - Conserve and protect native fish and wildlife;

Goal 2 - 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?

Goal 3: Sustainable Energy & a Clean Environment - Healthy Fish and Wildlife

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?

One alternative explored would be to let the disease run its course without fully investigating its prevalence and impacts. Another alternative would be to initiate management actions without adequate information. Neither of these options aligns with sound management principles, the interests of concerned citizens, or the welfare of the affected elk populations.

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

The consequences of not funding this package would be that hoof disease would be inadequately understood, or that management decisions would be implemented without adequate information.

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

Cooperative fencing to address elk-caused conflict could minimize potential transmission of the disease, either from elk to cattle, or from cattle to elk. The exact vector of the disease is not known, but fencing is a common method to assist in managing disease. A capital request has not been submitted at this time.

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

None.

Expenditure and revenue calculations and assumptions

One FTE Fish and Wildlife Biologist 3 will coordinate the efforts and the volunteer observations. The biologist will be implementing

much of the non-technical field work that will be associated with the survival studies, including monitoring radio-collared elk, investigating mortalities of marked elk, providing field support on capture work, and assisting Region 5 and Region 6 staff with hoof disease work.

Object E includes standard costs of \$5,000 per FTE for supplies and training. An infrastructure and program support rate of 25.76% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year.

Travel costs (Object G) have been estimated at \$8,400 per FY. Daily travel will be required throughout southwest Washington for all aspects of the survival work. Roughly 20% of the travel will require overnight stay. Volunteers will be traveling for the prevalence studies and will incur mileage and per diem expenses.

Radio telemetry collars (Object J) are estimated to cost \$7,600 per fiscal year.

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

All costs are ongoing and will impact future biennia.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	57,200	57,200	114,400
B Employee Benefits	19,400	19,400	38,800
E Goods\Other Services	32,400	32,400	64,800
G Travel	8,400	8,400	16,800
J Capital Outlays	7,600	7,600	15,200
Total Objects	125,000	125,000	250,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N6 Managing Aquatic Invasive Species
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

As boats and other types of aquatic conveyances travel among bodies of water, they can inadvertently pick up organisms and transport them to ecosystems that do not have natural defenses against invasion. These aquatic invasive species can cause significant harm to Washington's hydropower, agriculture, and natural habitat, including salmon recovery. The Columbia River Basin is the last large river basin in the U.S. that is not invaded by zebra and quagga mussels. Detection, eradication, and prevention of invasive species in Washington's waters are critical to state and regional environmental and economic wellbeing. WDFW requests funding to further reduce the greatest risks from these invasive species. [Related to Puget Sound Action Agenda Implementation.]

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
XXX-1 New Account #1-State	373,000	745,000	1,118,000	
14G-1 Ballast Water Management Account-State	648,000	648,000	1,296,000	
Total Cost	1,021,000	1,393,000	2,414,000	
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>	
FTEs	9.4	13.9	11.7	
Revenue				
<u>Fund</u>	<u>Source</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001 General Fund	0151 Excise Taxes - Other	(254,000)	(508,000)	(762,000)
14GBallast Water Mgmt	0299 Other Licenses Permits	648,000	648,000	1,296,000
XXX New Account #1	0151 Excise Taxes - Other	254,000	508,000	762,000
XXX New Account #1	0541 Contributions Grants	119,000	237,000	356,000
Total Revenue		767,000	885,000	1,652,000

Package Description:

The Aquatic Invasive Species (AIS) program, at the Department of Fish and Wildlife (WDFW), currently works to identify invasive species and minimize their introduction and spread. The program monitors water in lakes and bays, inspects vessels statewide, conducts research, and develops educational materials. Over the past five years, the following stakeholders have been particularly involved in identifying AIS gaps and needs: Washington Invasive Species Council, Puget Sound Partnership, the Pacific Northwest Economic Region Coalition, the Northwest Power and Conservation Council, the Western Regional Panel of the Aquatic Nuisance Species Task Force, numerous tribes, and governmental organizations.

Current base program funding for the 2013-15 biennium is \$1,606,000, of which \$533,000 is for AIS prevention, \$389,000 is for AIS enforcement, and \$684,000 for ballast water. Included in the ballast water figure is \$50,000 for a federal grant that WDFW must re-apply for every year, so it is not guaranteed. The funding source for prevention, enforcement, and WSP programs is a \$2.00

surcharge on resident recreational watercraft (vessels at least 16 feet long, with at least 10 horsepower, owned by Washington residents). Funding for the ballast water program is largely from the state Aquatic Lands Enhancement Account.

With the passage of ESSB 6040 last session, WDFW now has all of the authorities necessary to address AIS threats under the prevention and enforcement programs, but still lacks the funding and staff resources to adequately implement those authorities. Current resources are significantly limiting our ability to provide basic public education and outreach, inspect watercraft entering our state, develop and support local AIS prevention programs to leverage effective management, conduct early detection monitoring in case undetected watercraft have already infested our waters, or develop rapid response capacity for newly discovered infested waters. The state ballast water management program is also significantly underfunded with a current base level at \$342,000 per year. Since being established in 1999, almost 80 percent of program costs have been paid through state general fund and Aquatic Lands Enhancement Account (ALEA).

With this decision package, the Department will begin Phase 1 implementation of ESSB 6040 as well as implementation of long-standing recommendations for an improved ballast water management program. The Department is highlighting prevention actions in Phase 1, as the consensus of scientists who study the spread of invasive species and of managers who combat their spread is that prevention is the single most effective action, in terms of both ecological and economic cost. Phase 1 objectives include:

- Provide AIS prevention education and outreach to the public, government agencies, local governments, tribes, and within the state's educational system;
- Broaden our mandatory check station system for inspections of transported watercraft into the state;
- Advance our ability to coordinate with regional and national partners to promote regional prevention efforts and cooperation and consistency in AIS management; and
- Enhance the underfunded ballast water management program to improve current prevention levels in our marine environment and develop recommendations for a 10-year comprehensive work plan for consideration by the 2019 legislature.

In terms of funding, this proposal includes two mechanisms for the AIS general program, including a four percent redirection of the watercraft excise tax and a voluntary donation program as part of the annual watercraft registration, which is based on State Park's opt-out donation program when registering vehicles. Combined, these sources are expected to add \$745,000 per year in funding for these programs.

For funding the ballast water program, this proposal provides both a modest boost to the program budget and changes the funding source from the state to a regulated industry user fee. The purpose of the budget increase is to adequately fund the base program's inspection and data management elements and to develop a comprehensive report to the 2019 legislature that addresses industry questions on what level of management and federal/state coordination is needed in the next ten years.

The focus of Phase I will be on education, outreach, rulemaking to implement ESSB 6040, and watercraft inspections. The Department will begin immediate collection of the shipping vessel fee for the Ballast Water Management program with full management activities implemented by January 1, 2016.

Name and Phone Number of Subject Matter Expert:
Allen Pleus, Environmental Planner
Fish Program, Department of Fish and Wildlife
360-902-2724

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The expansion of the AIS Unit will benefit citizens and taxpayers by reducing damage and maintenance costs for our native ecosystems, fish, and wildlife resources, and protecting agriculture, shellfish, forestry, fisheries, and outdoor recreation businesses from AIS incurred damages. The goal is for boats entering the state to be free of AIS, the Columbia River will continue to flow through its banks and dams as the last major river in the U.S. to be free of zebra/quagga mussels, and shipping vessels will manage

their ballast water and hulls to minimize AIS introductions.

Performance Measure Detail

Activity: A044 Monitor and Control Aquatic Invasive Species

Incremental Changes

No measures submitted for package

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

Yes, this decision package supports Goal 1 contained in the Department's 2013- 2015 Strategic Plan to conserve and protect native fish and wildlife by enhancing laws and regulations to improve the implementation of AIS prevention standards to prevent the spread of AIS in Washington.

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

Yes, the proposal supports the following Governor's Results Washington priorities:

Goal 2: Prosperous Economy;

Goal 5: Sustainable Energy and a Clean Environment

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

This request will implement the following statewide strategies:

- Washington State Invasive Species Council strategic plan legislative recommendation No. 21 to increase funding and protect existing funding sources to state agencies for the prevention and control of invasive species.
- Puget Sound Partnership's Action Agenda Near Term Action B.5.3.3 for managing invasive species on/in boats and ships, B.5.3.4 for assessing ballast water treatment effectiveness, B.5.3.5 for developing plans to respond to a potential zebra/quagga mussel invasion in the Puget Sound Basin and limit the spread of New Zealand mud snails, and B.5.3.7 for state ballast water management.
- NW Power and Conservation Council's Independent Economic Advisory Board "Economic Risk Associated with the Potential Establishment of Zebra and Quagga Mussels in the Columbia River Basin" report recommendations (2010).
- Western Regional Panel of the Aquatic Nuisance Species Task Force's "Action Plan to implement legal and regulatory efforts to minimize expansion of invasive mussels through watercraft movements in the Western United States" recommendations 2.6, 3.2, and 4.0.
- Pacific Northwest Economic Region coalition's "Northwest Defense Against Mussels Declaration of Cooperation June 2013" focus areas and policy priorities.

The proposal also supports the Western Governors' Association Policy Resolution 10.4 for combating invasive species and the Columbia River Basin Interagency Invasive Response Plan signed by Governor Gregoire in October of 2008.

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

FUNDING

GF-S and User Fees: Although AIS management benefits all people in Washington State, it is clear that the state economy cannot support use of the state general funds as a sole funding option at this time. A user-fee proposal should cover the broadest possible range of pathway risks in order to be fair. The Department has determined it prudent to address only a couple of user groups in the Phase 1 approach, with additional user-fee proposals reserved for subsequent legislative sessions. The three funding options provided in this proposal were determined as highest priority out of over 35 different funding options evaluated.

Ballast Water Program: If this proposal's vessel fee does not move forward, the ballast water program's needs could be funded completely with ALEA, following on the legislature's historical choice of funding, or by a greater redirection of the Watercraft Excise Tax than what is proposed here.

PROGRAMMATIC

Another consistent message from the 2014 legislature and stakeholders is for the Phase 1 approach to focus on prevention activities as the most cost-effective management practices rather than activities that focus on control and eradication, including rapid response.

In terms of who else might manage a state-wide AIS program, there are no viable alternatives to WDFW. The threat of AIS is so dispersed and yet travels across all boundaries that local governments are useful, but cannot provide state-wide and regional coordination. The federal government, conversely, manages on a national scale. Neither level of government has indicated the political will or financial ability to fund state-wide AIS management.

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

Invasive species damage irrigation and water systems, clog hydroelectric dam intakes, disrupt efforts to clean up Puget Sound and recover endangered salmon stocks, and out-compete or cause diseases in native and commercially grown species. Failure to fund this request exposes the state to potentially hundreds of millions of dollars in annual AIS management and mitigation costs and threatens our environment that extend to fundamental changes to whole water body ecosystems similar to what has happened in the Great Lakes and the San Francisco Bay. According to the NOAA Fisheries Service, San Francisco Bay currently has 212 invasive species, with a new species appearing every 14 weeks since 1962. In the Great Lakes region, the economic and environmental losses caused by AIS have been estimated to be as much as \$5.7 billion annually. Prevention is more effective and drastically less expensive. For example, according to the NW Power and Conservation Council's Independent Economic Analysis Board in their study on potential impacts from just zebra/quagga mussels, the primary costs will occur at hydropower and fish passage facilities at dams, hatcheries, impacts on habitat and valuable species, and water diversion and pumping facilities. The board estimates:

- Increased monitoring and cleaning at hatcheries by \$1 million annually.
- \$50 million annually for increased costs to maintain water supplies where mussels interfere with diversion, pumping, conveyance and distribution of water.
- Filtration systems for hatcheries are estimated to cost \$1 million each at the 88 hatcheries in Washington State.
- Estimates for sampling and surveys, control of spread, treatment and logistical costs are estimated at \$7.5 million per incident.

Based on these estimates, the prevention work proposed in this decision package is only one or two percent of potential mitigation costs. Not funding this package results in ever-increasing risk of both minor and major AIS infestations.

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 request is submitted in tandem with proposed legislation that addresses the statute for funding this expenditure request.

Expenditure and revenue calculations and assumptions

Revenue:

This proposal includes three revenue streams: diverting some of the current watercraft excise tax from GF-S, a new voluntary donation at the time of boat registration, and a new shipping vessel fee. While WDFW will collect only the shipping vessel fee, all three revenue streams are explained here for the purpose of seeing the entire package.

4% Watercraft Excise Tax Diversion: The Department of Licensing (DOL) projects the 4% diversion to provide approximately \$508,000 annually: $\$508,000/2$ (January 1, 2016 effective start date) + $\$508,000$ (FY17) = $\$762,000$. This is not new money to the State, so is shown on the front page as a decrease to GF-S and an increase to the new AIS Management account. DOL currently collects this, not WDFW, but the revenue is shown here for a full picture of the AIS proposal.

\$5 AIS Management Opt-out Donation: DOL projects 237,400 annual vessel registrations and the Department estimates a participation rate of 20% based on similar State Parks program: $237,400 \times 20\% = 47,480$ participants; $47,480 \times \$5 = \$237,400$

estimated annual revenue; $\$237,400/2$ (January 1, 2016 effective start date) + $\$237,400$ (FY17) = $\$356,100$. DOL will be collecting this, not WDFW, but the revenue is shown here for a full picture of the AIS proposal.

\$180 Shipping Vessel Fee: The Department estimates approximately 3,600 vessel arrivals per year meet the "qualified annual arrival" (QVA) criteria: $3,600 \times 180 = \$648,000$ per FY. (July 1, 2015 effective start date)

Expenditures:

For planning purposes, WDFW approaches expenditures in four distinct arenas: prevention, enforcement, ballast water management, and fee collection.

AIS MANAGEMENT (Prevention)

Staffing: $\$133,700$ FY16 and $\$247,300$ FY17 and ongoing in salaries and benefits to support 4.25 FTEs.

1.0 FTE Environmental Specialist 4: Stationed in Olympia headquarters, lead education/outreach project manager, lead on rulemaking to implement ESSB 6040, field gear and aquatic conveyance inspection and decontamination training activities, and assist with other AIS management activities.

1.0 FTE Scientific Technician 2: Stationed in Olympia headquarters, assist leads implementing AIS management activities.

0.25 FTE Scientific Technician 1: Stationed in Olympia headquarters, gap funding to support one full-time staff to assist leads implementing AIS management activities.

1.0 FTE Scientific Technician 2: Stationed in Spokane regional office, one full time staff to assist leads implementing AIS management activities.

1.0 FTE Scientific Technician 1: Stationed in Spokane regional office, one full-time staff to assist leads implementing AIS management activities.

Goods and Services: $\$88,800$ FY16 and $\$174,900$ FY17 and ongoing as follows:

$\$10,000$ FY16 and $\$21,250$ FY17 and ongoing standard employee costs;

$\$18,000$ FY16, $\$47,000$ FY17, and $\$62,000$ FY18 and ongoing funding for general supplies and materials to implement AIS management projects;

$\$15,000$ FY 16 and $\$15,000$ FY17 in one time standard costs for new cubicle construction;

$\$45,800$ FY16 and $\$91,600$ FY17 and ongoing for agency infrastructure and support costs.

Equipment: $\$6,100$ FY17 one-time cost to purchase new early detection monitoring boat, motor, and gear.

Travel: $\$1,100$ FY16, $\$18,900$ FY17 and $\$25,000$ FY18 and ongoing for one new motor pool vehicle and extensive statewide travel for staff to implement AIS management activities.

Total AIS Management Costs (Prevention): $\$223,600$ FY16 and $\$447,200$ FY17 and ongoing.

AIS MANAGEMENT (Enforcement)

Staffing: $\$107,800$ FY16 and $\$215,800$ FY17 and ongoing in salaries and benefits to support 4.5 FTEs.

4.5 FTE Scientific Technician 1: Two teams will be created and be stationed in the Vancouver and Tri-City locations to inspect vessels entering from the southern state border with Oregon.

Goods and Services: $\$41,200$ FY16 and $\$82,400$ FY17 and ongoing

$\$10,700$ FY16 and $\$21,300$ FY17 and ongoing for general supplies and materials to implement AIS enforcement projects

$\$30,500$ FY16 and $\$61,100$ FY17 and ongoing for agency infrastructure and support costs

Total AIS Management Costs (Enforcement): $\$149,000$ FY16 and $\$298,200$ FY17 and ongoing.

BALLAST WATER MANAGEMENT

Staffing: \$364,000 FY16 and ongoing in salaries and benefits to support 4.25 FTEs.

0.25 FTE Environmental Planner 5: Stationed in Olympia headquarters; overall program policy lead with focus on regional, national, and international coordination, and state and federal legislative processes.

1.0 FTE Environmental Specialist 5: Stationed in Olympia headquarters; overall program operational lead with focus on day-to-day management, data analysis and reporting, and rulemaking.

1.0 FTE Environmental Specialist 3: Stationed in Olympia headquarters; Focus on vessel reporting and compliance, database management, and technical assistance to vessel owners and operators.

1.0 FTE Marine Transportation Safety Specialist 2: Stationed in La Conner field office; focus on vessel inspection and compliance boardings in Northern- and Mid-Puget Sound and Strait of Juan de Fuca ports.

1.0 FTE Marine Transportation Safety Specialist 2: Stationed in Vancouver regional office; focus on vessel inspection and compliance boardings in South Puget Sound, Columbia River, and Coastal ports.

Goods and Services: \$174,150 FY16 and ongoing as follows:

\$21,250 FY16 and ongoing standard employee costs;

\$4,000 FY16 and ongoing costs for 1 annual public hearing and 1 rule adoption per year at standard costs of \$2,500 and \$1,500 each respectively;

\$25,000 FY 16 and \$32,500 FY17 and ongoing for general goods and services including communications, printing, non-capital equipment and materials; and

\$7,500 FY16 one-time cost for standard cubicle construction costs of two new staff;

\$116,400 FY16 and ongoing for agency infrastructure and support costs.

Travel: \$30,000 FY16 and ongoing for three motor pool vehicles, extensive statewide travel for vessel inspections and meetings, and regional and national travel for coordination activities.

Total Ballast Water Management Costs: \$568,300 FY16 and ongoing.

FEE COLLECTION

Staffing: \$59,700 FY16 and ongoing for salaries and benefits to support 0.9 FTE who will send invoices, receive and process payments, and track who has paid.

Goods and Services: \$21,300 FY16 and ongoing as follows:

\$4,700 FY16 and ongoing for standard employee costs, cash receipt supplies, and agency infrastructure and support costs;

\$16,600 FY16 and ongoing for agency infrastructure and support costs.

Total Vessel Fee Collection Costs: \$81,000 FY16 and ongoing.

An infrastructure and program support rate of 25.76% is included in object E, and is calculated based on cost estimates for eligible objects each fiscal year. Fish food, equipment sub-objects JB-JZ, and debt service are exempt from the infrastructure and program support calculation.

Approximately 60 percent of the expenditures in this proposal relate to the Puget Sound Action Agenda Implementation: in FY 2016, 5.6 FTE and \$612,600; and in FY 2017, 8.3 FTE and \$835,800.

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

All costs are ongoing at the FY 2017 level.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	491,000	643,000	1,134,000
B Employee Benefits	174,000	244,000	418,000
E Goods\Other Services	325,000	451,000	776,000
G Travel	31,000	49,000	80,000
J Capital Outlays		6,000	6,000
Total Objects	1,021,000	1,393,000	2,414,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N7 Tracking Puget Sound Fish Health
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Puget Sound fish are contaminated with a wide range of chemical pollutants that can make them unsafe to eat and have long-term effects on the environment. These contaminants cause reproductive failure and disease and can rapidly move through the food chain, harming apex predators such as ESA-listed orca whales. WDFW requests funding to fully implement its fish contaminant assessment and monitoring efforts as part of the Puget Sound Ecosystem Monitoring Program, a scientifically rigorous effort to track Puget Sound fish toxicity and ecosystem health. This program will help understand the impact of contaminants on fish survival, whether Puget Sound seafood is safe to eat, and whether the current efforts to prevent pollution and clean up the Puget Sound are effective. [Related to Puget Sound Action Agenda Implementation.]

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
19G-1 Environ Legacy Stewardship Account-State	817,000	709,000	1,526,000
Total Cost	817,000	709,000	1,526,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	3.5	3.5	3.5

Package Description:

WDFW is responsible for monitoring toxics in multiple Puget Sound fish species as part of the Puget Sound Ecosystem Monitoring Program (PSEMP - formerly, the Puget Sound Ambient Monitoring Program). The Washington State legislature established PSEMP in 1988 to address increasing threats to Puget Sound. PSEMP is a collaborative, inclusive, and transparent approach to regional monitoring and assessment, with open communication among the many monitoring programs and efforts operating in Puget Sound.

Currently, WDFW only collects fish tissue samples from two indicator species, Pacific herring and English sole, archives them, and documents field efforts. No ongoing contaminant monitoring exists for any salmon species or for contaminants of emerging concern, especially high priority endocrine-disrupting compounds. This means that no new data are being generated to evaluate seafood safety and fish health, guide pollution prevention and cleanup programs, or measure effectiveness of restoration efforts.

WDFW's PSEMP Unit has identified a number of situations in Puget Sound where fish are being harmed by contaminants, but cannot quantify extent of the harm nor whether conditions are improving or worsening. For example, out-migrating juvenile salmon are exposed to high enough levels of contaminants in Puget Sound rivers and bays to reduce their survival; male English sole are being feminized from exposure to pollutants; and the Puget Sound food web is contaminated with chemicals that harm top predators and create uncertainty about the safety of seafood.

In addition, limited baseline data is available for damage assessment in case of oil spills, and no baseline assessments are present to evaluate damage from other new chemicals, including those from coal dust. The flip side is also true: we have evidence of dramatic recoveries in Eagle Harbor and Elliot Bay, but do not have sufficient data to evaluate what the exact cause is.

WDFW's PSEMP work tracks fish health in a comprehensive and scientifically rigorous way. This proposal adds key indicator species to PSEMP's fish contaminant monitoring and assessment, including ESA-listed and other salmon species and expands the list of contaminants to include contaminants of high concern, such as endocrine-disrupting chemicals. The proposal will 1) re-establish regular monitoring of toxics in adult salmon to understand whether salmon are safe for consumption by people and apex predators like killer whales; 2) establish regular monitoring of juvenile salmon health as they migrate through polluted estuaries to address problems with their early survival in marine waters; and 3) assess and track endocrine-disrupting chemicals from pharmaceuticals and personal care products in the Puget Sound, and how they affect the reproductive health of key indicator species.

This proposal adds capacity to WDFW's current PSEMP operations and implementation of these new assessment and monitoring components will be immediate. Timing of specific results from the various species and chemicals will range widely from immediate (assessments of the status of toxics in juvenile salmon and feminized male English sole in year 1) to intermediate (an assessment of toxics in adult salmon within 2 years of funding), to longer-term (time trends of contaminants evaluating the effectiveness of actions that have been taken, or will be taken).

Name and Phone Number of Subject Matter Expert:
James E. West, Research Scientist
Fish Program, Department of Fish and Wildlife
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Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Adding these key elements will focus attention on where the harm from contaminants is occurring, and which chemicals are causing the harm. WDFW will be able to adequately assess indicator fish species throughout Puget Sound, and also measure and track the effectiveness of efforts to restore the health of Puget Sound. This funding will fully support regular reporting to the Puget Sound Partnership's Vital Signs. The Toxics in Fish Vital Sign is designed to measure and track four major contaminant classes in a carefully selected suite of fish species including bottomfish, herring, and juvenile and adult salmon from across the Sound.

These outcomes will, in turn, arm decision makers with science-based information on how best to protect Puget Sound from contamination. They will: (a) help to prioritize where cleanup efforts should be directed to recover fish health, (b) identify where in Puget Sound contaminants are causing the greatest harm to fish, and (c) provide regular data to the Washington State Department of Health and other agencies to ensure fish are safe to eat.

Performance Measure Detail

Activity: **A042Native Fish Recovery**

Incremental Changes

No measures submitted for package

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

This proposal aligns with WDFW's Goal 1 of "Conserve and protect native fish and wildlife", specifically strategic goals 1A "The ecological integrity of critical habitat and ecological systems is protected and restored", 1B "Washington's fish and wildlife diversity is protected at levels consistent with ecosystem management principles, established in the Conservation Initiative", and 1C "Threatened and endangered fish and wildlife populations are recovered to healthy, self-sustaining levels.

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

This decision package supports the "Healthy Fish and Wildlife" component of Goal 3 "Sustainable Energy and a Clean Environment" in the Governor's Results Washington. In particular the assessment and monitoring components of salmon health in this proposal align with the Governor's recovery goals for Pacific salmon.

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

This decision package allows WDFW to fully implement the assessment and monitoring strategy defined in the Puget Sound Partnership's Toxics in Fish Vital Sign.

In addition, the PSP's Action Agenda identified 21 Near Term Strategies (p. 288, 2012/13 Action Agenda, August 28, 2012) related to Toxics in Fish, in achieving the Partnership's recovery targets:

- Prevent, reduce, and control the sources of contaminants entering Puget Sound (C1.3, C1.1, C1.2)
- Prevent, reduce, and control agricultural runoff (C3.1, C3.2)
- Prevent, reduce and/or eliminate pollution from centralized wastewater systems (C6.1, C6.2, C6.4, C6.3, C6.5)
- Effectively prevent, plan for and respond to oil spills (C8.1, C8.2, C8.3)
- Address and clean up cumulative water pollution impacts in Puget Sound (C9.2, C9.1, C9.3)
- Use a comprehensive approach to manage urban stormwater runoff at the site and landscape scales (C2.5, C2.4, C2.1, C2.3, C2.2)

Toxics in Fish work is also central to Near Term Action D4.2 "Implement a coordinated, integrated ecosystem monitoring program" (Action Agenda, p. 303).

Funding this proposal will ensure continued participation by WDFW as a PSEMP partner in achieving these Action Agenda Near Term Actions. The PSEMP Steering Committee identified the Toxics in Fish work defined in this proposal as a high priority monitoring gap, and recommended that the Puget Sound Partnership supports and communicates these activities as a regional monitoring priority.

WDFW's PSEMP work identified in this proposal presents opportunities for a number of additional benefits. First, it will inform Washingtonians about the health and condition of their Puget Sound Ecosystem. Results from this work may increase confidence about harvesting fish for consumption where contaminants are low, and spur them to support recovery actions where contaminants are high. Second, it may rekindle interest in fishing if people become more aware of where contaminant problems exist, and where they don't, and if they see progress towards reduction of contaminants. Third, specific connections that this proposal makes between land-use decisions and water quality affecting fish health and productivity will help people better understand the costs and benefits of land activities, and present opportunities for Washingtonians to identify their role in environmental stewardship.

PSEMP-generated data on toxics in salmon were used by Ecology and the Governor's office in their review of fish consumption rates and water quality standards for Washington State, as summarized in the Governor's July 2014 policy brief. This proposal will renew monitoring for toxics in salmon, which are key species in evaluating and updating water quality standards.

This proposal creates opportunities to leverage additional assessment and monitoring activities to fill other ecosystem monitoring gaps. WDFW's PSEMP Unit is currently working with Ecology's Regional Stormwater Monitoring Program (RSMP) to establish a long-term program to track contaminants in blue mussels as an indicator of nearshore ecosystem health. Funding this proposal will strengthen WDFW's foundation as support for the new RSMP mussel monitoring.

This proposal will provide key information for Ecology's Chemical Action Plans (CAPs). WDFW's PSEMP staff are currently participating in Ecology's CAP for PCBs and this proposal will provide important information regarding which species of fish are exposed to PCBs and where these toxins are coming from.

This proposal will also link to the US/Canada trans-boundary Health of the Salish Sea report by providing data for key trans-boundary indicators of ecosystem health.

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

The current alternative was selected to take advantage of WDFW's existing PSEMP monitoring framework. It completes the sampling scheme for the existing Puget Sound Partnership's Toxics in Fish Vital Sign, it leverages existing field sampling efforts to generate new samples, and makes use of existing data management and reporting structures at WDFW.

Two alternatives were considered:

1. Transfer work to another entity (not chosen): WDFW has provided clear leadership with a high level of expertise and long experience monitoring Puget Sound's health. Transferring these activities would require starting from scratch, which would be inefficient, and would require identification by any new agency of a funding stream for these activities, which is highly uncertain.

2. Obtain external funding (not chosen): although WDFW has received federal (e.g., EPA) funding for some short-term contaminant studies, external sources are typically unwilling to support long-term monitoring programs targeted to regional needs.

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

Not funding this effort will result in uninformed management actions that may:

- Fail to recover or maintain sustainable fisheries;
- Miss opportunities to prioritize restoration and pollution prevention activities that are effective when it comes to recovering fish health;
- Waste money cleaning up inconsequential contaminants or focusing on the wrong contaminants;
- Unnecessarily restrict fishing or resource-use opportunities, or fail to protect the health of Washingtonians who may consume contaminated seafood.

Moreover, not funding this request will prevent the state's ability to evaluate whether money spent on cleanup and prevention of contaminants in Puget Sound has been effective in recovering the health of its fish.

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

None.

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

None.

Expenditure and revenue calculations and assumptions

This project requires 1 FTE Research Scientist 2 to direct activities related to salmon assessment and monitoring, and measuring endocrine disrupting chemicals, 1 FTE Fish and Wildlife Biologist 2 to implement new assessment and monitoring activities, and 1.5 FTE Fish and Wildlife Scientific Technician 4 to assist with field and lab activities. All staff will begin in July 2015 to prepare for the 2015 Chinook and coho salmon returns, which could be sampled beginning in late July, and continuing through the winter of 2015/16. Goods and services and direct costs required for these activities for the biennium include lab supplies, chemical analysis of tissue samples, vehicle costs, and sample archiving (\$222,000 per FY).

FY16 includes one-time costs for a walk-in freezer to hold samples, and a personal service contract to analyze samples backlogged from previous years. The Research Scientist, Biologist, and Scientific Technician will spend up to approximately 10% of time traveling for field work to acquire fish samples. The Research Scientist and Biologist will travel occasionally to conduct outreach, attend meetings, and present research results.

Program infrastructure and support costs of 25.76 percent on eligible objects are included in object E.

100 percent of the expenditures in this proposal relate to the Puget Sound Action Agenda Implementation.

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

All costs are ongoing, except for equipment in FY16 (\$45,000 for a walk-in freezer) and a personal service contract (\$36,000 to analyze backlogged samples). Maintaining long-term assessment and monitoring outlined in this proposal would require FY17-level funding in future biennia.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	198,000	198,000	396,000
B Employee Benefits	67,000	67,000	134,000
C Professional Svc Contracts	89,000	49,000	138,000
E Goods\Other Services	398,000	385,000	783,000
G Travel	10,000	10,000	20,000
J Capital Outlays	55,000		55,000
Total Objects	817,000	709,000	1,526,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: N8 Fund Alignment for PILT/Assessments
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

WDFW is required in statue to make payments in lieu of taxes (PILT) and assessment payments to counties for the wildlife and recreational lands that it owns. Currently, WDFW is paying a portion of PILT and assessments with federal and local dollars that are actually intended for operation and maintenance of the lands. This request realigns funding to pay PILT and assessments, enabling federal and local dollars to go towards the operations and maintenance they are intended for, while still meeting statutory obligations on lands that all citizens can enjoy and benefit.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	514,000	514,000	1,028,000
Total Cost	514,000	514,000	1,028,000

Package Description:

WDFW is required in statue to make payments in lieu of taxes (PILT) and land assessment payments to counties for the wildlife and recreational lands that it owns. In order to comply with state law in lean times and fulfill its obligations to counties, the Department has redirected federal funding and some local contracts to support PILT and assessment payments.

The federal and local funds that have been redirected to pay for PILT and assessments are intended to support operation and maintenance activities of wildlife areas and public access sites, not the state's tax liability. Currently, WDFW does not have sufficient funding to manage the increased costs of maintaining land for conservation and public recreation. The federal and local funds are better suited to maintenance efforts, while the state general fund should be used to meet the state law requiring PILT for lands that have broad citizen recreation and public benefit.

Land management is the best way to protect the public's investment in wildlife areas and priority habitats. Funding is critical to preserve public access to recreational areas and maintain roads and trails. Better management also controls noxious weeds, limits fire danger and reduces deer and elk damage on adjacent agricultural lands. WDFW requests state general fund to make state PILT and assessment obligations to counties so that the federal and local funds can be used for land maintenance.

Name and Phone Number of Subject Matter Expert:
Clay Sprague, Lands Division Manager
Wildlife Program, Department of Fish and Wildlife
(360) 902-2508

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request will restore the stewardship and maintenance funding for wildlife areas and public water access management and maintenance by shifting the payment of PILT and assessments to the state general fund.

Performance Measure Detail

Activity: **A039Land Management**

Incremental Changes

No measures submitted for package

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

Requested funding will allow the Department to comply with RCW 77.12.201, RCW 77.12.203 and RCW 79.44 as well as other legally prescribed assessments. This funding will permit the Department to pay for all PILT and assessments with the state general fund, effectively freeing up federal and local funds for maintaining Department lands. This request supports the Department's mission and the following goals of the 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?

This package supports the goal "Sustainable Energy and a Clean Environment" topics "Healthy Fish and Wildlife" and "Working and Natural Lands".

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

Land management is the best way to protect the public's investment in wildlife areas and priority habitats. Funding is critical to preserve public access to recreational areas and maintain roads and trails. Better management also controls noxious weeds, limits fire danger and reduces deer and elk damage on adjacent agricultural lands.

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

PILT and assessment payments are a statutory requirement, so the only alternative is for WDFW to shift funding from other projects.

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

WDFW's current budget for land management is significantly less than the federal government budget per acre. It is already extremely challenging to maintain our lands with current resources. If this package is not funded, stewardship and maintenance will be even further underfunded by the amount of PILT and assessment payments using federal and local contract funds intended for stewardship and maintenance of the land. This will result in less noxious weed eradication, reduced fence maintenance, and fewer habitat restoration projects.

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

All payments to counties for PILT and assessments are made in object E. \$514,000 is the total of federal and local funds that WDFW has been using to pay for PILT and assessments each year.

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

PILT and assessments are required to be paid by the Department annually and in accordance with RCW 77.12.201, RCW 77.12.203, RCW 79.44 and other legal mandates and reflected in the Department's Comprehensive Annual Financial Report. These costs are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	514,000	514,000	1,028,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: P1 Lower Columbia Hatchery Production
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Columbia River hosts several ESA-listed salmon species, requiring strict regulations on commercial fishing. The Lower Columbia features a few sites off the main stem of the river that are not used by wild salmon and provide good opportunities for commercial fishing. For the last two years, WDFW has funded enhanced production at two of these sites with short-term federal dollars. WDFW requests funding to maintain this new hatchery production of spring Chinook and coho salmon in the Lower Columbia River. This will offer commercial fishing opportunities for hatchery salmon returning to the Deep River area and the Cathlamet slough, while minimizing impacts on ESA-listed species.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	154,000	154,000	308,000
Total Cost	154,000	154,000	308,000

Package Description:

Through a collaborative process with the public and the state of Oregon, the WDFW Commission adopted the Columbia River Basin Salmon Management Plan in 2013. One of its goals is to provide commercial fishing opportunities in key areas while protecting endangered wild salmon. Particular sites off the main channel of the Columbia River are largely unused by wild salmon, offering opportunities to raise and harvest hatchery fish with little risk to ESA-listed species. As a short-term funding solution, WDFW was able to use carry-over federal Mitchell Act funds for two years. WDFW increased production in the net pens of Deep River and established new production at Cathlamet Slough. These sites currently produce about 200,000 coho salmon and 250,000 spring Chinook salmon annually.

The availability of federal Mitchell Act funds to support this commercial fishery on the Columbia River will expire at the end of the 2013-15 biennium. An ongoing source of funding is necessary to continue maintaining these particular commercial fishing opportunities while protecting endangered salmon.

WDFW is requesting General Fund-State funds to maintain the current level of salmon production activities at the Deep River and Cathlamet Slough sites.

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?

Continuing to produce salmon in the Lower Columbia will provide ongoing fishing opportunities, primarily for the commercial sector, with limited negative impacts to endangered species. Greater commercial fishing opportunities in these sites may in fact decrease impacts on listed species in other parts of the Columbia River. In addition, this fishery is expected to generate about \$250,000 of personal income annually for lower Columbia River communities, and it is supported by the Wahkiakum County Commission and the City of Cathlamet.

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. Implementation of this program supports the Department's ability to achieve the following goals:

Goal 1: Conserve and protect native fish and wildlife

Goal 2: 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 program would positively affect the Department's ability to support Goal 2 "Prosperous Economy" and Goal 3 "Sustainable Energy and a Clean Environment". Under Goal 3, subtopic "Pacific Salmon", the outcome measure 2.2 "Increase the percentage of ESA-listed salmon and steelhead populations at healthy, sustainable levels from 19% to 25% by 2022" is supported.

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

This package contributes to the conservation and fishery objectives jointly developed by the states of Washington and Oregon through the Columbia River Management Reform Initiative.

Columbia River commercial salmon fisheries support numerous small businesses in the state.

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

WDFW has used federal Mitchell Act funds on a short-term basis to launch these commercial fishing opportunities and protect wild salmon. However, these funds were only available on a one-time basis. The Department considered funding this request through increased user fees but ultimately concluded that the broad range of conservation and economic benefits is more consistent with a state general fund request.

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

If this request is not funded, current salmon production at Cathlamet will be eliminated and Deep River's production will return to prior levels. This would be consistent with the Columbia River Basin Salmon Management Plan; however, it may result in requests by commercial fishers to revisit the recreational-commercial sharing guidelines.

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

All costs are goods and services and travel, using existing hatchery staff to perform the work. This additional fish production includes the following annual costs: \$62,000 for fish food, \$89,000 for fish marking, and \$3,000 in fuel costs for transporting the fish.

An infrastructure and program support rate of 25.76% is included in object E and is calculated based on cost estimates for eligible objects each fiscal year. Fish food is exempt from the infrastructure and program support calculation.

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

All costs are ongoing and impact future biennia.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	151,000	151,000	302,000
G Travel	3,000	3,000	6,000
Total Objects	154,000	154,000	308,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: P2 Illegal Cannabis Ops on State Lands
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The majority of illegal outdoor cannabis growing in Washington State occurs on public lands, which damages habitats, pollutes waterways, encourages poaching, and creates public safety concerns. The recent legalization is incentive for more illegal growing because demand is increasing and it is easier and cheaper than following the new grow regulations and state licensure. This simultaneously puts more pressure on state lands and weakens state tax revenues derived from legalization. The WDFW Police's Special Operations Group has a unique and comprehensive multidisciplinary mission to prevent this misuse of public lands, eradicate illegal cannabis growing operations, and restore damaged habitats. WDFW requests funding for eradication, prevention, and restoration activities related to illegal cannabis growing on state lands for the protection of the environment, public safety, and state revenue.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	144,000	144,000	288,000
Total Cost	144,000	144,000	288,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	.4	.4	.4

Package Description:

Illegal cannabis, also known as marijuana, is grown throughout state public lands. There are a variety of characteristics common to these illegal grow operations. Most sites involve land that has been cultivated, terraced, lined with irrigation pipes, and made into a camp. Growers will divert water sources, use chemicals to fertilize and to deter rodents and insects, and leave sewage. In order to protect their sites, growers often live on the land, guarding the crops and themselves, often with firearms.

Current WDFW efforts are contract funds from Washington State Patrol (WSP) of \$5,000 for eradication. WDFW does not have capacity for prevention or restoration of grow sites. Eradication efforts are performed from May through August on state lands, often in coordination with federal, other state, and local law enforcement entities. Fish and Wildlife Officers are able to find illegal grow sites more successfully than other law enforcement, who rely on aerial surveillance because these sites are often hidden under tree canopies. Fish and Wildlife Officers also know the terrain better and know which landscapes offer the best growing opportunities. In teams, Fish and Wildlife Officers can conduct land patrols to locate and eradicate illegal commercial marijuana gardens. However, current WDFW Police efforts are unsustainable as this activity competes with regular duties in regions where officer coverage is already insufficient.

Illegal marijuana growing operations on state lands lead to:

- Pollution - land and waterways are polluted from fertilizers, human waste, litter, and farming supplies (miles of plastic irrigation pipe).
- Habitat Destruction - land is cultivated and destroys natural environments, waterways are diverted for irrigation, and natural

vegetation is cleared away.

- Poaching - growers often hunt to supplement food, taking the opportunity away from license holders.
- Endangered Species Threats - habitat destruction and poaching affects the safety of endangered species near the illegal growing sites. Rodenticides used at these sites kill fishers, weasels, and other protected animals.
- Public Safety Threats - people who recreate in rural areas run the risk of running into growing sites where well-armed camps may exist.
- Threats to Industry - the new marijuana industry is compromised when illegal growers can avoid higher operating costs by not complying with new industry quality standards.
- Lower GF-S Revenues - growers do not pay taxes on their illegal products. Furthermore, with marijuana legalization, illegal growers have even more incentive because 1) they compete with legal growers who have standards and regulations to meet, and 2) general demand has increased because consumption is legal. This undermines the projected GF-S revenues from marijuana regulation.

Increase in funding will help maintain current effort levels to eradicate illegal marijuana grow operations. It will also add prevention and habitat restoration efforts. Specifically, WDFW will add 588 hours of prevention and cleanup of marijuana grow sites. Marijuana eradication by other law enforcement agencies does not include restoration efforts. WDFW may contract out restoration efforts or fund existing staff resources to complete the work. Additional prevention work will be conducted to prevent the damage from taking place by doing more information gathering.

Name and Phone Number of Subject Matter Expert:
Mike Cenci, Deputy Chief
Enforcement, Department of Fish and Wildlife
360-902-2938

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

WDFW's unique multidisciplinary solution will result in:

- Increased public safety and enjoyment of outdoor areas due to decreased dangers, litter, illegal hunting, destruction of public lands, and pollution associated with illegal marijuana grows.
- A proactive approach that prevents the destruction of current public lands.
- Protection of wildlife habitats of endangered species.
- Protection of wildlife from pollution and poaching.
- Increased tax revenues from preventing the evasion associated with illegal growing and selling.

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?

In preventing illegal marijuana grows it also prevents damage to fish, wildlife, habitat, and the economy from the destructive behaviors associated with this activity. WDFW Police's prevention, eradication and restoration efforts will support the following goals:

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, and maintain an overall high quality of life.

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

Preventing illegal grows on state lands helps to keep legitimate businesses in a new industry from uncompetitive practices from Cartels. This also protects fish, wildlife and habitats that may be endangered while protecting local water supplies that get polluted in the process of irrigating illegal grows. By preventing poaching activities, WDFW can maintain a sustainability plan which allows greater participation in recreational activities such as fishing and hunting. WDFW Police's prevention, eradication and restoration efforts will support the following Governor's Results Washington priorities:

Goal 2: Prosperous Economy

1.1 Increase state real GDP from \$325 billion in 2012 to \$351 billion by 2015.

1.2 Increase gross business income from \$646 in 2012 to \$749 billion by 2015.

2.1 Increase the number of jobs in state by 150,000 by 2015.

Goal 3: Sustainable Energy and a Clean Environment

2.1 Increase the percentage of current state listed species recovering from 28% to 35% by 2020.

3.2 Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020.

4.2.c Increase the number of individual fishing and hunting licenses issued from 1.71 million to 1.78 million licenses by 2016.

4.3 Reduce the rate of loss of priority habitats from 1.5% to 1.0% by 2016.

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

Illegal marijuana growers jeopardize the new recreational marijuana industry in the state. Since they do not conform to the new industry quality standards, they can undercut legitimate business on costs and avoid paying state taxes.

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

Federal Funding: WDFW has been receiving \$20,000 of pass-through federal Drug Enforcement Agency funding funneled through the Washington State Patrol. That funding supports eradication efforts only and has been reduced to \$5,000 per year, an 80% reduction.

Other Enforcement Bodies: Other law enforcement agencies such as WSP and local sheriff offices also focus primarily on eradication efforts, not prevention and restoration. Also, they stay near population centers while many growing operations are moving to remote eastern Washington locations. These agencies' airplanes and helicopters are less likely to spot them from the air. WDFW Police are the most suited and equipped law enforcement agency for prevention, eradication, and restoration efforts on State lands.

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

Lack of funding will allow further:

- Threats to public safety as growers are often armed and do illegal hunting while on site.
- Loss of habitat because the land was cultivated for marijuana grows.
- Affected wildlife due to poaching, chemical fertilizers, litter, pollution, and water diversion.
- Loss of tax revenue from legal recreational marijuana sales.

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

Twelve existing Fish and Wildlife Officers will participate in overtime patrols that will result in preventing a new growing site from being established, eradicate existing grow sites, or initiate the restoration process of the damaged habitats.

\$50,000 will be used for habitat restoration, either via contracts or by other WDFW staff. Once an illegal growing site is identified and cleaned up, it leaves the land deformed and in need of restoration.

Various supplies and specialized training are needed to carry out marijuana eradication efforts. Specialized training is needed due to the increased level of danger this activity presents and WDFW Police participate in coordinated training exercises with a variety of law enforcement entities.

Due to revenues associated with marijuana legalization going into the state general fund, GF-S is requested for this decision package.

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

All costs identified are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries and Wages	44,000	44,000	88,000
B Employee Benefits	7,000	7,000	14,000
C Professional Svc Contracts	50,000	50,000	100,000
E Goods\Other Services	43,000	43,000	86,000
Total Objects	144,000	144,000	288,000

Agency: 477 Department of Fish and Wildlife
Decision Package Code/Title: P3 Enhance Recreation Licensing System
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Washington Department of Fish and Wildlife's automated licensing system, the Washington Interactive Licensing Database (WILD), processes over one million hunting licenses, fishing licenses, and Discover Passes each year. The Department requests funding for updates that improve the customer experience, improve system performance, and meet vendor payment obligations. Modern technology will allow for a more flexible, robust system that reliably meets customer needs, automatically distributes approximately \$120 million in license and Discover Pass revenue each biennium, and offers timely, mission-critical revenue and statistical information.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
104-1 State Wildlife Account-State	650,000	650,000	1,300,000
Total Cost	650,000	650,000	1,300,000

Package Description:

Washington Department of Fish and Wildlife's current licensing system provides Discover Passes and licensing documents to over one million recreation hunters, anglers, wildlife viewers, and individuals recreating at state parks and other state lands. Licenses and Discover Passes are sold by 600 small businesses as well as larger retail outlets like Fred Meyer and Cabela's. Recreational hunters, anglers, and wildlife viewers pay for the automated licensing system through a 10% transaction fee that is applied to the cost of license and permits sold through this system. The transaction fees are the only fund source for the licensing system.

This request seeks to solve three concerns: 1) WILD customers are increasingly using and requiring mobile technology, and WDFW may lose collection of critical data if we do not adopt mobile reporting; 2) the Discover Pass has new format requirements that WDFW, if it will continue to sell them, must meet; and 3) system instability is increasing as time passes.

WDFW routinely initiates new products, services, and enhancements to better serve customers and dealers. An updated system utilizing modern technology will expedite updates, provide timely sales and accounting reports, and improve the entire licensing experience for the Department's customers.

In order to meet stakeholder needs, the following licensing system enhancements will be completed:

- Project A: Respond to customer demand for mobile access to license and recreation documents (catalog items), profiles, and harvest reporting. Harvest reporting in particular has been declining, and this data is essential to management of fish and game resources.
- Project B: Modify the system and equipment to meet new state Discover Pass format requirements.
- Project C: Modernize the system platform. As the contractor phases out the current legacy system, WDFW will analyze the requirements and perform testing and training to complete the update. The Department expects to contract for this.

The Department will use transaction fee fund balance in the Wildlife Account to pay for the tools and hardware for the application updates. This will keep costs at the current level for all stakeholders using the licensing system.

Name and Phone Number of Subject Matter Expert:
Bill Joplin, Licensing Division Manager
Technology and Financial Management, Department of Fish and Wildlife
360-902-2302

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

These updates will retain an enterprise system that allows the Department to automate and distribute approximately \$60 million in license and Discover Pass revenue each fiscal year, and it will allow for mobile accessibility, in direct response to customer demand. Updating the system to accommodate new Discover Pass formatting requirements will allow WDFW to continue selling the pass through its automated system. Given that forty percent of Discover Pass sales, which also benefit Washington State Parks and the Department of Natural Resources, occur through WDFW's licensing system, this is an essential update. In addition, a modernized platform will help ensure the system's stability for the Department and its customers.

Performance Measure Detail

Activity:

A033Licensing

Incremental Changes

No measures submitted for package

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

This decision package supports WDFW's strategy under Goal 2 to provide sustainable fishing, hunting, and other wildlife-related recreational and commercial experiences, with an objective to enhance and expand fishing, hunting, wildlife viewing, and other outdoor activities. Ensuring customers' needs are met by updating the automated licensing system is central to meeting our strategy of increasing the recruitment and retention of customers.

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

This decision package directly supports the Governor's Outdoor Recreation indicators within the goal of Sustainable Energy and a Clean Environment. Specifically, sales of fishing and hunting licenses as well as Discover passes are made easier and more convenient by updating the WILD system. Without enhancements, the system becomes more prone to platform instability and is less able and to meet customers' stated needs.

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

This proposal retains an enterprise solution that partners with private businesses in Washington to sell licenses and Discover Pass products on behalf of the state to the public. It is a self-funded solution that is paid by individuals who utilize the Department's licensing system.

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

The Department initially evaluated completely rebuilding its automated licensing system from the ground up, but that was determined to not be the most efficient approach in terms of time or total cost. WDFW also examined purchasing ancillary applications to supplement the WILD system. This is not the most cost effective approach, and it could disrupt the continuity of having a single database for all recreation sales and customer information. Ultimately, WDFW has determined that upgrading its current system, using funds supplied directly by users, is the best option.

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

All three system update projects outlined above are essential for serving customers' needs.

Project A

As the public progressively expects greater mobile accessibility for purchasing licenses and gathering information to make economical recreation decisions, they are requesting features to help them be more productive with their time and money. Implementing a mobile enhancement is important in demonstrating WDFW values its customers' requests and is expected to increase recruitment and retention. Access to real-time sales and harvest data will help the Department assess future product offerings that better meet customers' needs and allow WDFW to make better informed season length and harvest opportunity decisions.

Project B

Discover Pass sales are a critical revenue source, particularly for Washington State Parks, and about 40% of revenue from these passes is sold through WDFW's automated licensing system. Without updates to accommodate the changing format, WDFW won't be able to fulfill sales, and the state may lose needed revenue.

Project C

System instability due to an aging platform may compromise the availability of the system to customers and create difficulties in servicing the legacy platform. Both of these are detrimental to recruiting, serving, and retaining the Department's customer base.

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. The Department's recreation licensing system is self-funded through a transaction fee paid by recreation hunters, anglers and wildlife viewers at point-of sale.

Expenditure and revenue calculations and assumptions

All expenditures are vendor payments.

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

One million in one-time costs will pay for point-of-sales hardware, programming, and other goods and services to implement the licensing system updates. The remaining \$300,000 in the decision package is for ongoing funding to pass transaction fees through to the licensing vendor.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	650,000	650,000	1,300,000

Information Technology Addendum

Recsum Code and Title **Enhance WDFW Recreation Licensing System (WILD)**
Brief Description: Update WDFW’s existing SaaS fishing/hunting/recreation license system, known as the Washington Interactive Licensing Database (WILD), and increase the budget authority related to higher sales and associated system costs (SaaS contractor is paid a percentage of sales).

If this investment includes the use of servers, do you plan to use the state data center?
 Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state’s security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

The system is a customized SaaS model. Since it is an existing system, security requirements in the contract comply with state policy, PCI compliance, and third party testing are routine.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

WDFW has a full-time team of knowledgeable staff dedicated to the management, development and independent testing efforts of this system, enhancements, and technical support. The enhancements referenced in this proposal are not atypical of regular work. Cultural change will impact the point-of-sale dealers and customers in a positive way as they are both pushing for changes that will continue to improve the customer experience.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

Yes.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

The investment is consistent with the progress of the system and business development. The 15-17 biennium is the appropriate period for completing these updates.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

As outlined in the decision package, the Department’s customer bases is insisting on mobile accessibility. Dealers and customers expect to have continued access to the Discover Pass

product through the WILD system, and due diligence requires WDFW to have a business and technology strategy in place for this business to continue. Failure impacts citizens, WDFW's public image, and agency revenues. (See also appendix B attachment.)

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

Yes. For example, this is phase two of efforts to institute mobile accessibility for customers.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

The investment keeps the technology from becoming a system that no longer addresses contemporary business needs.

Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

Yes.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

Yes.

Accountability: Are the investment's goals well articulated? How will “success” be determined or measured?

Success will be determined by satisfying the defined business requirements.

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

WDFW's financial risk of not pursuing these updates is a loss of sales revenue. Increasing the public's accessibility to licensing and recreation products has a correlation with overall sales.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

Yes. Harvest reporting that does not meet statistically valid levels requires consultant-conducted scientific phone surveys.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

Yes. Increasing the public's accessibility to licensing and recreation products has a correlation with overall sales.

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

Yes. These updates are essential in providing high quality customer service.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

Yes, please see “Appendix B: Concept Briefing Template” portion of this submittal.

Appendix B: Concept Briefing Document Template

(See OCIO Policy 121- IT Investment Approval and Oversight)

OCIO Log Number:

Email this Document To:
ocioconsultants@wa.gov

0	<p>Tentative Project Title: Enhance Recreational Licensing System (WILD) - This project will update WDFW's existing SaaS fishing/hunting/recreation license system, known as the Washington Interactive Licensing Database (WILD).</p> <p>Will this concept lead to a decision package submittal to OFM for the upcoming budget cycle? Yes</p> <p>Preliminary Oversight Assessment: Level</p>
1	<p>Agency Name: Washington State Department of Fish and Wildlife</p> <p>Contact Name: Bill Joplin</p> <p>Phone No. and E-mail: 360-902-2302, bill.joplin@dfw.wa.gov</p> <p>If known:</p> <p>Project Manager Name/Title: TBD Phone No.:</p> <p>Executive Sponsor Name/Title: David Giglio Phone No.: 360-902-8128 Assistant Director</p> <p>Business Owner Name/Title: Bill Joplin Phone No.: 360-902-2302</p>
2	<p>Describe the business problem the agency is trying to solve with this project: (100 word max): WDFW sells nearly \$60M/FY in licenses through its WILD system, serving one million customers. The business/system model is a customized SaaS. WDFW routinely initiates new products, services and enhancements. For the ensuing biennium, anticipated enhancements include:</p> <ol style="list-style-type: none"> 1. Phase II response to customer demand for mobile access to catalog, profiles, and harvest reporting. 2. System modifications and equipment required for adaptations to the new state Discover Pass format. 3. Modernizing the system platform. As the contractor phases out the current legacy system, WDFW will need to staff the analysis, requirements, and testing, pursue other viable system options, and provide training. These activities are expected to require some consultant services.
3	<p>Please describe any additional relevant factors that further motivate this project, such as legislation or a financial analysis. Constituents/customers have sought citizen driven Washington Administrative Code changes to require WDFW to provide mobile harvest reporting and access to data. WDFW currently sells 40% of all Discover Passes, and system changes and equipment are necessary to sell, print and distribute the new Discover Pass format. WDFW is dependent on the revenue generated through this licensing system for nearly one-third of its budget. The accessibility and ease of use have a direct impact on sales and mission critical information collection.</p>

4	<p>Describe likely funding scenarios for this project: Funding is provided by the customer paid transaction fee associated with each sale. The transaction fee is authorized and dedicated by RCW and WAC to managing/improving the WDFW licensing system known as WILD. No additional funding is required.</p>
5	<p>Estimated Range of Project Cost: More than \$400,000 and less than \$1,000,000</p> <p>Estimated 5-year Maintenance Cost: More than 0.0 and 0.0 less than <i>Once development is completed, the SaaS contractor maintains as part of the overall system. Compensation is based on a percentage of sales, and the compensation to the vendor does not increase with these modifications.</i></p> <p>Estimated Range of Total Lifecycle Cost: More than \$400,000 and less than \$1,000,000</p>
6	<p>If there is a hoped-for Project Start Date, please note it here: July 2015</p> <p>Estimated Project Duration in Months: 24-36</p>
7	<p>Describe performance outcomes and how they will be measured.</p> <ol style="list-style-type: none"> 1. Ability to sell Discover Pass product(s), measured by sales 2. Increased access for hunter/angler reporting, measured by increase in reporting 3. Modernization of system platform, measured by new features, continued PCI compliance, system availability
8	<p>What discovery or market analysis will the agency do to inform the technical solution? (Survey other agencies/states, RFI, RFQ, Feasibility Study, etc.): The Department will survey and collaborate with other states and solicit requests for information.</p>
9	<p>Will this project deliver customer-facing value? If so, please describe that value and at approximately what point in the Project Duration that value will be delivered. In your response, please describe who the primary customer is:</p> <ol style="list-style-type: none"> 1. Mobile accessibility: The primary customers are public citizens who are demanding mobile accessibility to licensing and recreation documents. 2. Sale of Discover Pass: Customers include both public citizens who desire the convenience of purchasing Discover Passes through WDFW's automated system and state lands agencies (Parks, Department of Natural Resources, and WDFW) that depend on the revenue derived from WDFW sales of the Discover Pass (40% of revenue). 3. Modernize platform: Both public citizens and the Department benefit from a reliable licensing system that is also able to submit and collect mission critical harvest data. <p>Each of these enhancements is expected to be implemented near the conclusion of the projection.</p>
10	<p>Describe how this concept aligns with the State IT Strategic Objectives: These updates offer continued revenue generation, increased access to state services, and system reliability.</p>

11	<p>Agencies are expected to utilize CTS and DES applications and services when appropriate and/or mandated by legislation. What is the status of your consult with CTS? With DES? The WILD systems have been rebid and updated on a continuous basis since 2001 as needed/required for a SaaS category system.</p>
12	<p>What are the biggest concerns about the project at this point in time? Availability of the WILD system contractor resources are the biggest concern at this point. The primary mitigation strategy is utilizing performance based contract details.</p>

	<p>OCIO NOTES Meeting Date: / /</p> <p>Comments:</p>
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