

WDFW BUDGET AND POLICY ADVISORY GROUP MEETING #5 –SUMMARY

Wednesday, June 13, 2018, 12:009m-4:00pm

Washington Department of Fish and Wildlife, Olympia Washington

Committee Members in Attendance

Jason Callahan	Greg Mueller
Mitch Friedman	Craig Partridge
Fred Koontz	Butch Smith
Andy Marks	Rachel Voss

Other Attendees

Neil Auland
Nick Chambers

Facilitator

Elizabeth McManus, Ross Strategic

WDFW Representation

Kathy Backman	Kim Marshall
Barbara Baker, Fish and Wildlife Commissioner	Nate Pamplin
Brandon Bean	Larry Phillips, Region 6
Ellie Burelson	Acting Director Joe Stohr
Jeff Davis	Jason Wettstein
Rob Geddis	

Welcome

Nate Pamplin, Washington Department of Fish and Wildlife (WDFW) Policy Director, welcomed the Budget and Policy Advisory Group (BPAG). Nate informed the group that the Fish and Wildlife Commission will be meeting June 15-17. As a part of the meeting, the Commission will be conducting Director interviews, aiming to make a decision on Saturday, June 17th. Also on the 17th, Nate and Rachel Crosier, WDFW Legislative Liaison, will be updating the Commission on the WDFW draft budget decision packages and agency request legislation. They will be seeking the Commission's approval to begin additional stakeholder outreach on the draft concepts.

Elizabeth McManus (facilitator) outlined the agenda and goals for the day, including:

- Determine if the draft findings and principles are complete.

- Discuss the draft recommendations and Long-Term Funding Plan to establish next steps.
- Review the WDFW 2019-21 budget request and provide feedback to the Department on the overall size of the ask and the split between general fund, user fees, and other sources.

BPAG Draft Findings & Principles, Recommendations, and Long-Term Funding Plan

The group elected to discuss the Long-Term Funding Plan (LTFP), including the draft findings, principles, and recommendations at the same time, rather than separate agenda items. BPAG members present at the meeting felt that the LTFP, including the findings, principles, and recommendations, was substantially done. Several BPAG members offered edits, and noted points that should be emphasized, including the economic value of WDFW's activities, models from other states, and potential sources of broad-based revenue, but overall the group decided it would be better to shift the BPAG's focus to discussing how to bolster the messages and get the recommendations implemented. WDFW executive management is reviewing and editing the LTFP, and a revised version will be circulated for final BPAG review.

BPAG members discussed the need to develop a number of materials to assist with communicating the LTFP messages to the Legislature and the public. Messaging materials discussed include:

- A one-pager with bullet points that call out the challenge, what's at stake, and the key recommendations of the group. This would be something BPAG members can take to their own groups, other stakeholder groups, and the legislature.
- A cover letter to the report from the BPAG supporting the report and highlighting what is most important to the group. The need for bold action was mentioned a number of times as an important point to emphasize. Participants also discussed the importance of a strong unified voice, and the need to emphasize that this is a group of diverse stakeholders that have come together around a shared set of goals and recommendations.
- Education / outreach materials oriented with simple, engaging information that tells the story of the challenge and what is needed to move forward.
- Information emphasizing the economic side of the issues and the return on investment fish and wildlife conservations brings to the state.

Participants discussed the following key messages that should be highlighted in the materials:

- There is a fundamental disconnect between the funding of the Department and the long-term mission of the Department.
- There is a benefit to investing in the Department. WDFW's work generated \$167 million dollars to General Fund – State in FY2017 and received \$46.5 million. The materials need to communicate the importance of the Department as a revenue source to the State of Washington.
- The BPAG is a diverse set of stakeholders that have come together around a set of recommendations and agree that there is a need for increased investment in the Department.

Small Group Report Out: License Options

Elizabeth provided a summary of the small group discussion on license options, highlighting that hunting and recreational fishing license prices have not been updated since 2011, and if fees had been adjusted for inflation from 2011-2021 the increase would be approximately 23%. During this small group discussion, WDFW discussed potential increases to license fees that would remain within the inflation window or, alternatively, a new once-a-year \$10 fee per each individual would pay with the purchase of their license. Revenue from license increases depends on the amount of the increase but likely would be in the \$10 million to \$15 million dollar range. The once-a year \$10 fee could generate almost \$20 million. The small group present on the call provided the following key insights during the discussion:

- Adjustments to license fees should be across the board and not single out individual license types.
- Any increase should be within the inflation window. A 23% increase is likely too high. Between 10-15% is a more doable target. A 15% increase would generate almost \$15 million.
- Future increases should be incremental and tied to inflation.
- Other opportunities to increase revenue include: charging the same, or higher, price for second catch cards, continuing the Columbia River salmon and steelhead endorsement, and adding a landing tax on Albacore tuna.

The full BPAG group provided the following feedback:

- Several members expressed concern with the once-a-year \$10 fee idea because of a lack of appetite in the hunting and fishing community for another fee and because it is not clear what anyone would be getting for the new fee.
- Participants noted, If WDFW constituents are unhappy, the amount doesn't matter, they won't be willing to pay a new fee.
- Participants noted that before people will be open to a fee increase or a new fee, there is a need to improve education and outreach to the public to correct the common misconceptions about the Department and then highlight the opportunities provided by the Department.
- One member pointed out that the Discover Pass is another system that doesn't seem fair. Elizabeth noted here that there is a different advisory group examining the recreation passes system in Washington and will be providing recommendations on how to improve and clarify the system(For more information visit this site: [Recreation Fees in Washington Project](#)).

Commissioner Barbara Baker added that an example of good public understanding of the need for increased investment in conservation can be seen in California, where a \$4 billion bond measure ([Proposition 68](#)) decisively passed to support natural resource conservation, state and local parks, flood protection, safe drinking water, and other water-related projects.

Small Group Report Out: Potential Alternative/Broad-Based Funding

A small group met on May 22nd to discuss potential broad-based, alternative funding approaches that could be explored by the larger BPAG. The small group determined that pursuing any broad-based funding source would be difficult but should still be sought for the majority of funding. Potential sources could include: sales tax dedication, Real Estate Excise Tax (REET) adjustments, and/or public utility tax dedication. None of these approaches is easy and it will be difficult to garner interest or support for any of this. Likely the best way forward will likely include a combination of approaches.

The full BPAG group provided the following feedback:

- There is a big push for investment in recovering the Orca and salmon. This group and WDFW need to make sure that the new money coming for that new work is not clouding the need for additional funding for current work.
- A new tax would be very unlikely given the recent rise in property taxes. A redistribution of taxes with multiple beneficiaries, including to WDFW, could help bolster the need and get some of the needed funding. Refinements to REET is an example of where this approach could work to provide some additional revenue.
- BPAG members reiterated the need to change perceptions around the Department so that proposing a new funding mechanism for the Department is more palatable with the Legislature and the public.
- The general fund should be the method used to fix the structural deficit because everyone benefits from the current work of the Department. This is the beginning of a long-term transition.
 - Acting Director Joe Stohr added here that the idea of long-term transition includes a strategy for state lands and natural resources that reaches across state agencies.

WDFW Budget Request

Nate Pamplin presented the WDFW draft 2019 budget and agency request legislation, including updated information since the May BPAG meeting in Ellensburg. He noted that the Department is looking for BPAG engagement on desired outcomes in the budget and guidance on fund sources, the overall funding target, and concepts included in the funding bill. During the BPAG Meeting #4, Nate described the carry-forward budget analysis process, including the criteria used to prioritize reductions and a general overview of which service areas would be affected by potential cuts (BPAG [Meeting #4 Summary](#) Pages 7-9). During this meeting, Nate provided additional detail as to the affects service areas would see both if sufficient funding isn't realized and cuts are needed, and if new funding is available and enhancements are possible. A brief overview of service areas and affects is provided below and more detail can be found in on page 96 of the [Meeting Materials](#).

Potential service area cuts would include:

- **Wildlife conflict and response:** crop payments to land owners, federal grant eligibility impacts, decline in Pittman-Robertson funding, 17 FTEs (14 HQ/Regions, 3 enforcement)
- **Public health and safety – shellfish program:** 7 FTEs (6 shellfish patrols and 1 HQ)
- **Lands management:** invasive/noxious weed control, wildlife area planning and research, forest health, real estate services, 6 FTEs

- **Hunting maintenance:** game species research and data management, pheasant hunting opportunities, hunter education, 8 FTEs
- **Customer service:** 13 FTEs (HQ and Regions)
- **Conservation:** species ecology and recovery efforts, habitat conservation, climate change capacity, noxious weed treatment, derelict fishing gear retrieval capacity, 6 FTEs
- **Fisheries and hatchery production:** salmon and trout production at 6 hatcheries ([Meeting Materials Page 98](#)), warm-water game fish, lake/stream rehabilitation, Bingham Creek/Chehalis River trapping opportunities, early winter Steelhead/ESA compliance, recreational shellfishing, bottom trawling surveys, 40 FTEs
- Columbia River Salmon and Steelhead Endorsement: 13 FTEs (enforcement, PIT tagging, hooking mortality studies, ESA permitting)
- Indirect impacts: 25 FTEs (IT, Policy and Public Engagement, HR)

BPAG members provided the following comments on potential cuts:

- BPAG members noted that as Nate and WDFW communicate these affects to others, the presentation should highlight the associated economic impact each action would have on the state.
- One member noted that the cuts seem to be fairly spread over Department services.
- Another member asked about the Department's ability to match funds if the federal Restoring American's Wildlife Act passes. Nate responded that personalized license plates and general fund dollars in the habitat program would be enough to match, even if cuts are needed.

If the Department received funding above the needed amount, potential enhancements would be seen in the following service areas. Specific potential enhancements are included in the [Meeting Materials](#) on pages 100-103).

- Regional Fisheries Enhancement Groups
- Enhance Conservation: establish partnerships
- Enhance lands operations maintenance
- Enhance fishing opportunities
- Enhance hunting opportunities

Next, Nate presented the different options of breaking down the funding need, including funding levels for both maintenance level and new work level, coming from general fund, wildlife state (which is largely user fees), and Columbia River Salmon and Steelhead Endorsement ([Meeting Materials](#) page 105). He asked the BPAG for guidance on what the WDFW proposal should look like.

BPAG members provided the following feedback regarding potential enhancements and the overall budget proposal:

- WDFW is the expert on what the budget need is, if the need is \$63 million, including maintenance level and new work, ask for the full amount because the work WDFW is doing is important and necessary.
- The Legislature must understand the need before the budget request is presented to avoid “sticker shock”.
- The Department should be prepared to put together a creative budget package, including license fee increases, increased efficiencies, and broader-based public funding.
- The overwhelming tone of the BPAG discussion was that WDFW should “go big” in their budget proposal, although they should also be mindful on the need to not surprise legislators with the size of the request.

Nate highlighted a number of Department request legislation ideas, including revisions to the ADA statute, updates to hunting and fishing recruitment components, improved efficiency of reporting where possible, extending the Columbia River Salmon and Steelhead Endorsement, inflation authority, eliminating 2 and 3 day temporary licenses, increasing the cost of multiple fish record cards, and adjusting the penalty failure to turn in a catch record card.

BPAG members commented that the catch record penalty could be even more aggressive, by increasing each year it's not paid or improving the benefit for turning it in on time.

Public Comment

No public comment was offered during this meeting.

Next Steps

The Budget and Policy Advisory Group has one remaining in-person meeting in August that will include discussing and finalizing the BPAG outreach and messaging materials, the WDFW Outreach Plan, the Long-Term Funding Plan and identifying any next steps following the delivery of the LTFP to the Legislature by September 1st. Before the August meeting, messaging materials will be circulated amongst the group for comments, edits, and feedback via email or conference call as needed and WDFW will keep the BPAG updated on progress with the budget request.

Meeting #5 – July: CANCELLED

Meeting #6 – August

Date: Wednesday, August 1, 2018

Time: 9am-4pm

Location: Washington Department of Fish and Wildlife (1111 Washington St SE, Olympia WA 98501)
- Room 172

September 1st – Long-Term Funding Plan due to the Legislature