
Date: August 15, 2018

To: Chair Smith; Vice Chair Carpenter; Commissioners Baker, Graybill, Holzmiller, Kehoe, McIsaac, and Thorburn

Dear Commissioners:

As leaders in fish and wildlife conservation representing hunting, fishing, outdoor recreation, nature conservation, working lands, and local government interests, we write to urge you to revisit the resolution you passed Saturday to request a 5% fee increase. That amount is far less than just the effect of inflation since the last (2011) fee increase and we fear will be frowned upon by legislators and force the Department into cuts that will harm our interests and our state's natural resources.

We are among the members of the Washington Department of Fish and Wildlife Department's (WDFW) Budget and Policy Advisory Group, convened in response to a June 2017 budget proviso obligating the Department to scrutinize its operating and financial practices. We speak here not as an official WDFW advisory group, but as leaders of our respective organizations and constituencies. We are bringing our diverse interests together here to draw attention to the unprecedented risk to Washington's fish and wildlife and essential habitat, and also ***to project the unprecedented unity of intention shown by our diverse groups joining together.***

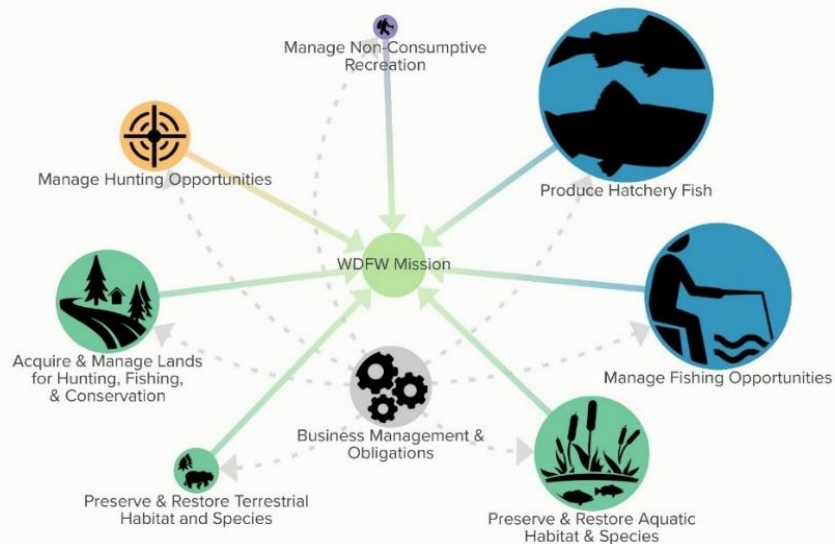
What we have learned together is substantial and unanticipated. We share here highlights of our acquired understanding in hope of bolstering your appreciation for the Department, its increasingly important mission, and its role in stewarding our wildlife and habitat. These resources are a wellspring for Washington's economy and quality of life, today and tomorrow.

The Department is efficient, comparing well with wildlife agencies in other states. Some believe that WDFW is not delivering sufficient impact for the resources awarded it, and that perhaps even some fiscal malfeasance contributed to its 2017 budget shortfall. The proviso directed the Department to undertake an evaluation by an outside management consultant; [the results of that audit](#) should retire the undeserved assumptions or allegations. *WDFW's management was not the cause of its budget shortfall and appropriate funding should be restored.*

The Department's mission reflects the public interest served, but its budget does not. We fully embrace its mission *To preserve, protect and perpetuate fish, wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.* Fulfilling this mandate for the incredible diversity of fish, wildlife and outdoor experiences of our state is a unique challenge currently not supported by adequate funding from the legislature.

Expenditures say more than words, and the disproportionate spending shown in the below graphic is instructive. We hope to correct a perception that the Department's work on diversity (non-game) conservation and non-consumptive recreation is subsidized by sportsmen and sportswomen. WDFW license proceeds from (and expenditures on) hunting and fishing are significant, as are federal grants tied to excise taxes on fishing tackle, guns and ammunition. In comparison to those, spending on

diversity and recreation pales. More to the point, spending on diversity and recreation also pales compared to general fund appropriations to WDFW, which are a fitting expression of taxpayer interest in the health and enjoyment of natural resources. *We call on the legislature to improve the balance between these revenue sources—allowing the Department to increase sorely needed funding for wildlife conservation and outdoor recreation while providing ample hunting and fishing opportunity, consistent with its diverse mission.*



Each program graphic's size corresponds to its relative portion of DFW's overall expenditures. Graphic: WDFW

The Department confronts extraordinary challenges that warrant support. Over and above the demands on its peer agencies, WDFW manages endangered salmon and other anadromous fisheries, treaty obligations, species and habitat ranging from coastal rainforests to high deserts, and other demands making the WDFW mission extraordinarily complex. Compared to other Western states, Washington is the smallest, has the least amount of public land, and its human population is among the densest and fastest-growing, impacting the ability to provide abundant fish, wildlife, and recreational access. Most of the population lives in watersheds that drain into Puget Sound, where our southern-resident killer whales face extinction along with their primary food: Chinook salmon. Imperiled species from lynx to sharp-tailed grouse require substantial recovery attention. The return of wolves has compounded the staff's workload. Ungulate herds, while generally stable, are tenuous in certain localities, with growing concerns ranging from elk hoof disease to shrinking mule deer winter range to declines in moose and mountain caribou populations to crop damage from wildlife foraging. *Our fish and wildlife resources and recreation opportunities are struggling because of the Department's immense challenges, not its shortcomings. The world is changing, and WDFW must be given the resources to evolve to meet these diverse current challenges.*

Failure harms not just the agency, but also the state. We the people of the Evergreen State are renowned for our love of nature's beauty and bounty, which rely upon the health of our ecosystems and therefore on WDFW's success. The outcomes effect not just our Washington identity and lifestyle, but also our economy and health. To pursue fish, wildlife, and inspiration, we depart cities to spend hundreds of millions of dollars in areas like La Push, Ilwaco, Wapato, Wauconda, and Chewelah. As

salmon deliver ocean nutrients to upland soil, we thus distribute the riches of our modern economy. The taxes on these expenditures then flow to Olympia, from which they are dribbled out to WDFW. While WDFW received \$94M in GF-S for this biennium, a Department of Revenue report published in August of 2016 estimated that its work, leveraged with other Department fund sources, will generate \$340M in GF-S, a fiscal return on state investment greater than 350%. *The declining trend of Department funding as a share of the state budget risks these lifestyle and economic benefits.*

We care, and we're coming together for change. While WDFW's diverse stakeholders at times have competing interests, we share a common need for a strong WDFW to provide healthy and diverse wildlife and a full range of opportunities to enjoy it. We are now determined to work together in support of the Department, lest we lose our heritage. The proviso directed the Department to evaluate options for cuts. Department Staff earnestly complied, but we members of the Budget and Policy Advisory Group are gravely concerned about the level of cuts being suggested. *To succeed, the Department requires over \$60 million above its present funding (not including expected orca needs), half to fix the shortfall created by the legislature in the last biennium and half to invest in the future by helping correct inequities and the damage caused by a decade of underfunding. This is a huge goal that is only likely to be achieved if its weight is shared. Our belief is that an appropriate breakdown is for at least 25% (\$15M) to be covered by increased fees, challenging the Legislature to pass that fee bill and match it threefold from the General Fund.* Perhaps a combination of a modest surcharge and modest fee increase (plus CSSE) would avoid hitting too heavily on either end of the customer spectrum. Any less than 25% risks a response from the Legislature that could leave the department underfunded, impose yet higher fees on sportsmen and women, or both. Strong leadership from the Commission is our best chance for success. We also commit to working in the legislature to not only pass the fee bill that you approve, but to assure this funding is new to the natural resources portion of the state budget, not reallocated from other natural resource or environmental appropriations.

WDFW has been blamed for the consequences of its own victimization and factors beyond its control. We stakeholders are guilty of that, as is the Legislature. The BPAG process is worthwhile for having educated us all to the Department's competencies, efficiencies, and vital services upon which we all rely going forward. *We must remedy the failures of the past by providing the Department the means to successfully steward the resources all Washingtonians value and require.*

Sincerely,



Mitch Friedman
Conservation Northwest



Bill Clarke



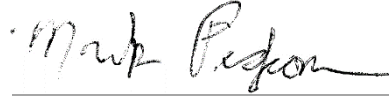
Jason Callahan
Washington Forest Protection Association



David Cloe
Inland Northwest Wildlife Council



Ron Garner
Puget Sound Anglers



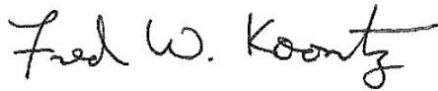
Mark Pidgeon
Hunters Heritage Council



Gail Gatton
Audubon Washington



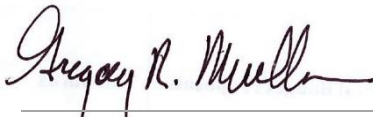
Butch Smith
Ilwaco Charter Association



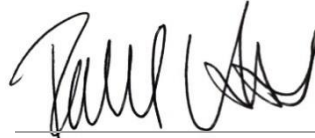
Fred Koontz
Retired Wildlife Biologist



Jen Syrowitz
Washington Wildlife Federation



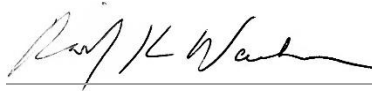
Greg Mueller
Washington Trollers Association



Rachel Voss
Mule Deer Foundation



Craig Partridge
Capitol Land Trust



Dick Wallace
Regional Fisheries Enhancement Group



Mike Peterson
The Lands Council

CC: WDFW Director Susewind
Jim Cahill, Office of Financial Management
JT Austin, Governor Inslee's Office
Senator Van De Wege
Senator McCoy
Senator Warnick
Senator Rolfes
Senator Frockt

Senator Braun
Representative Blake
Representative Chapman
Representative Buys
Representative Ormsby
Representative Robinson
Representative Chandler

NET REVENUE IMPACT FROM LEGISLATIVE PROPOSALS

Concept	5%	8%	10%	12%	15%	Surcharge
Fee Bill-- Core	\$4.7M	\$7.6M	\$9.5M	\$11.4M	\$14.2M	\$15.7M
Fee Bill— Other Compon ents	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
CRSSE	\$3.3M	\$3.3M	\$3.3M	\$3.3M	\$3.3M	\$3.3M
Rec Recruit	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)	(\$0.3M)
Total Revenue	\$7.9M	\$10.8M	\$12.7M	\$14.6M	\$17.4M	\$18.9M

Operating Budget Decision Package Concepts for 2019 Legislative Session

Version: August 15, 2018

Additional Reductions in 2017-2019

(\$2.1M)

- Reducing grant funding for volunteer cooperative projects from the Aquatic Lands Enhancement Account (ALEA) will save \$500,000.
- Using improvements in technology to save money and eliminate the need for several positions in the Information Technology Services division. A total of five full-time staff positions will be eliminated between June and December 2018. In total, ITS reductions will save about \$800,000.
- Eliminating the purchase of triploid trout for stocking in lowland lakes will save \$300,000.
- Eliminating an environmental education position in the Lands Planning, Recreation, and Outreach section will save \$200,000.
- Reducing production of the annual fishing rules pamphlet from 500,000 to 350,000 per year and eliminating the Fish Program training fund will save \$140,000.
- Reducing prairie oak restoration actions will save \$230,000.

SFY 2019 Supplemental

\$0.7M

- Fire suppression

2019-21 Maintenance Level

\$6.7M

- Mandatory State Data-Center Move
- Maintain Technology Access
- Lease Rates
- IT ongoing costs for approved infrastructure work
- ENF Records Management System
- PILT and Lands O&M
- Fish Food
- Hatchery Utilities
- Water Quality Permits – NPDES
- Mass-marking Kelly Services
- Cost-distribution on RCO grants

2019-21 Performance Level

Maintain Wildlife Conflict

\$4.4M

- Severe reduction in agency ability to work with producers (both crop and livestock) and the general public to avoid or minimize the impacts of negative wildlife interactions (e.g., crop damage, livestock losses, and public safety).
- Staffing impacts to HQ and Regions (reduction from 22 FTEs to 8 FTEs?); and reduce 3 officer FTEs including Karelian bear dog program.
- WL-S Component of crop payments to landowners at risk; request GF-S backfill
- Anticipated impact from federal grant (Pittman-Robertson) eligibility interpretation would severely reduce program funding.
- Anticipated decline in Pittman-Robertson funding

Maintain Public Health and Safety

\$2.5M

- Provide funds to adequately support Enforcement patrols for Sanitary Shellfish (6 FTEs). WDFW Police officers patrol shellfish beds, inspect marketplaces and businesses, and investigate cases to protect consumers, public safety, the Washington State shellfish industry, and shellfish habitat. This maintains ~13,000 hours of patrol time each year for an industry generates \$270 million of economic activity annually and supports over 3,200 jobs.
- Enforcement headquarters position

Maintain Land Management

\$2.7M

- Reduced ability to address invasive/noxious weeds and forest health issues
- Reduced public involvement in planning and management of our lands
- Reduced capacity to monitor and evaluate land management and land use on our wildlife areas.
- Real Estate services – Reduced permitting for public uses and reduced property management across the state.
- Approx. 6 FTEs

Maintain Fisheries and Hatchery Production

\$9.3M

- Maintain salmon and trout production
 - Maintain Whitehorse Ponds
 - The state funding at this facility supports 2 FTE's
 - Production includes:
 - 200,000 steelhead
 - 48,000 catchable rainbow trout
 - Loss of this production would eliminate approximately \$1 million in economic impacts annually

- Maintain Bingham Creek Hatchery
 - The state funding at this facility supports 4 FTE's
 - Production includes:
 - 55,000 steelhead
 - 700,000 salmon
 - Loss of this production would eliminate approximately \$340,000 in economic impacts annually

- Maintain Humptulips Hatchery
 - The state funding at this facility supports 4 FTE's
 - Production includes:
 - 155,000 steelhead
 - 1,000,000 salmon
 - Loss of this production would eliminate approximately \$1.47 million in economic impacts annually

- Maintain Reiter Ponds
 - The state funding at this facility supports 4 FTE's
 - Production includes:
 - 330,000 steelhead
 - Loss of this production would eliminate approximately \$4.6 million in economic impacts annually

- Maintain Meseberg Hatchery
 - The state funding at this facility supports 4 FTE's
 - Production includes:
 - 6,000 tiger muskie
 - Economic data is not available at this time

- Maintain Chelan Hatchery
 - The state funding at this facility supports 4 FTE's
 - Production includes:
 - 160,000 steelhead eggs
 - 1,283,800 trout
 - 595,000 kokanee

- 3,500 sturgeon
 - Loss of this production would eliminate approximately \$37.9 million in economic impacts annually
 - Maintain Omak Hatchery
 - The state funding at this facility supports 2 FTE's
 - Production includes:
 - 175,000 rainbow trout
 - 300,000 kokanee
 - 2,500 Lahontan cutthroat
 - Loss of this production would eliminate approximately \$16.4 million in economic impacts annually
 - Without this funding, the Department would shift the majority of the production to other facilities (so long as the Chelan Hatchery is also funded) and close this hatchery.
 - Maintain Naches Hatchery
 - The state funding at this facility supports 2 FTE's
 - Production includes:
 - 138,200 rainbow trout
 - 12,000 cutthroat trout
 - 2,135 golden trout
 - 250,000 kokanee
 - Loss of this production would eliminate approximately \$8.4 million in economic impacts annually.
 - Without this funding, the Department would shift the majority of the production to other facilities and close this hatchery.
 - Maintain hatchery maintenance
- Maintain warm-water game fish opportunities
 - Loss of this funding would impact 13 FTE's
 - Will see a decrease in the development of water access sites
 - Reduce education and outreach activities for youth events, fishing club meetings, sportsman shows, and military service members
 - Reduced quality of warmwater fishing for 30,000 anglers with an estimated economic impact of \$83.9 million annually
 - Would require legislative changes to authorize spending this money for other activities

- Maintain recreational shellfish opportunities (razor clam, crab, oysters)
 - Loss of this funding would impact 6 individuals
 - Maintain current level of lost crab pot removals otherwise derelict gear will remain in the environment impacting a variety of species
 - Stop planting clam and oyster seed at 15 popular public tidelands in Puget Sound
 - Elimination of razor clam population assessments and creel census will require a more conservative management impacting \$40 million to our coastal economies

- Maintain Level Lake/Stream Rehabilitation Program
 - Maintain rotenone applications to remove undesirable fish species
 - Destination fisheries would now require planting with more costly catchable trout

- Reduce Annual Bottom Trawl Survey for Listed Rockfish Species by 50%
 - Limits our ability to observe changes in stock status in Puget Sound
 - Delaying critical management decisions

- Maintain Bingham Creek & Chehalis River Trap Operations
 - Eliminates the state's ability to provide annual estimates of wild coho impacting the Pacific Salmon Treaty obligation requirement for annual harvest management
 - Impacts WDFW's coastal river coho forecasts used in the NOF negotiations

- Maintain Early Winter Steelhead Populations for ESA Compliance
 - Eliminates the fishing opportunity for hatchery steelhead in Puget Sound

Maintain Hunting

\$3.2M

- Game species research and data management. This will reduce scientific knowledge of game animals which may result in reduced management options and reduced recreational hunting opportunity.
- Reduced pheasant hunting opportunity
- Reduced Hunter Education opportunities and reduced agency service to existing hunters in the state.
- Approx 8 FTEs

Maintain Conservation

\$3.5M

- Species ecology and status assessments. This will eliminate wildlife species expertise used to update PHS documents and thus will result in reduced conservation and technical assistance through local governments' regulation and voluntary landowner conservation efforts.
- Species recovery efforts. This will reduce agency efforts to study and recover endangered, threatened, or other Species of Greatest Conservation Need (SGCN).
- Reduced engineering design and technical assistance on restoration projects. A reduction in habitat engineering will have an impact on salmon and steelhead recovery efforts by reducing the Department's project designs on WDFW lands and consultations for restoration groups' project. This also maintains engineering support for the HPA program permitting decisions.
- Maintain climate change capacity. This reduction will eliminate WDFW's participation in the Climate Impacts Group and result in the loss of climate change science being designed to inform our work and support climate policy implementation.
- Maintain AIS and treatment of noxious weeds
- Maintain derelict fishing gear retrieval capacity
- Approx 6 FTEs

Permanent CRSSE \$3.3M

- Loss of this funding would impact 55 different individuals for a total of 9.81 FTEs in Fish Program
- Impacts the \$61,500,000 annual economic benefits in the Columbia River fisheries
- Maintain Columbia River fisheries enforcement (3 FTEs)
- Maintain PIT tag arrays, hooking mortality studies, ESA permitting
- Maintain recently expanded fisheries

Maintain Customer Service \$1.9M

- Maintain regional and centralized customer service and after-hours call center (13 FTEs). If not funded, the Department would contract with an external call center for calls from M-F, 8-5.

****Indirect (embedded in costs above)** \$3.6M

- IT services
- HR services
- Policy and Public Engagement

RFEG \$0.9M

- Maintain support for 14 RFEGs as pass-through from WDFW

Enhance Conservation

\$12.9M

- Salmon recovery. This investment will allow WDFW to help guide local salmon recovery priorities to the areas and habitats that can provide the largest biological benefit to salmon and steelhead and thus improve the likelihood of recovery while improving fisheries by reducing constraining stocks and improving hatchery production.
- Protect and restore watershed health. This investment provides WDFW with the capacity to more effectively engage with local governments in the development and implementation of their local ordinances that are designed to conserve natural resources. This work also supports landowners that have fish and wildlife questions or concerns. In addition, this capacity will improve the overall effectiveness of the HPA program by allowing more thorough project review, compliance inspections, and effectiveness monitoring that informs our adaptive management. Some of this capacity is critical for improving our service delivery and relevance in urban areas which will lead to improved overall watershed and human wellbeing, likely increase recruitment of anglers, hunters and watchable wildlife participants.
- Support private landowners and voluntary conservation. This investment is critical to working with private landowners to enhance habitat conditions and provide access for fish and wildlife-related recreation.
- Strategic landscape planning. This investment will provide necessary capacity to oversee the coordination of WDFW efforts for each large habitat type. For example, we would have a lead expert by habitat type forest, riparian, shrub-steppe, etc. that would share science, emerging issues and seek staff input and coordinate recommendations for policy or operations.
- Improve urban-wildland interface conservation
- SGCN conservation (surveys, habitat associations)
- Increased conservation enforcement. An enforcement presence offers a great educational opportunity and can vastly improve compliance with habitat requirements and species protections.
- Statewide (9 FTEs) and regional capacity (56 FTEs) for total of 63 FTEs.

Enhance Land Management

\$4.2M

- Staffing for new wildlife areas (3 FTEs)
- Increase grazing monitoring (1 FTE)
- Increase noxious weed control
- Increase enforcement (6 FTEs)

Enhance Fishing

\$6.3M

- Increase hatchery production
 - Restore some of the production previously lost due to budget cuts

- Provides additional harvest opportunities
- Mobile Application (Hunting and Fishing)
 - Deliver high quality and up to date applications to the states anglers and hunters
 - Enhances fishing and hunting opportunities
 - Continue our efforts in the rule simplification process
- Catch and Release Fishery on Skagit
 - Provide increased opportunity for catch and release on the Skagit for steelhead; and some Enforcement compliance patrols.
 - Supports local economies during a time when little other fishing activity is available
- Monitoring and Compliance
 - Monitor Puget Sound Salmon Fisheries
 - Maximize harvest opportunities while meeting ESA permit requirements and conservation objectives
 - Mitchel Act Biological Opinion
 - Funding to initiate compliance with ESA requirements for Columbia River Fisheries
- Shellfish Disease and Outbreak
 - Needed to effectively manage the risk of shellfish disease that could negatively impact the aquaculture industry and wild stocks
- Maintain Mitchell Act Production (\$.3M CRSSE, \$.5 GFS)
 - Maintain production in the lower Columbia River at current levels and provide increased production to support reduction from the past

Enhance Hunting

\$3.9M

- Private lands access programs (staff and access grants)
- Increase enforcement for wildlife conflict (1 FTE)
- Increase wildlife conflict specialist capacity (4 FTEs)

**** Indirect (embedded in costs above)** \$5.7M

- Outreach, education, marketing, volunteer capacity
- HR staffing
- Staff training in conflict management/human dimensions
- Matrix report recommendations—Enterprise budget/contract software

SRKW Recovery \$??M

- Hatchery Production
- Temperature Marking
- Shoreline Landowner Incentive Program
- Forage fish monitoring
- Enforcement
- Outreach and Education
- Marine mammal management

SUMMARY

For the 2019-21 operating budget, WDFW is proposing:

- \$6.7 M for maintenance level
- \$30.8 M for service buy-back
- \$28.2 M for enhancements
- \$65.7 M total

The majority of the requests are for GF-S. Approximately \$8M will be generated from the agency-request legislative proposals of a 5% across-the-board recreational license fee increase and by making the Columbia River Salmon and Steelhead Endorsement permanent.