



Facing the Future

WDFW looks for new ways to meet its basic mandate

By the numbers:

Fish and wildlife generate annual economic benefits for Washington's economy:

\$1.5 billion Wildlife viewing *

\$1.1 billion Sport fishing *

\$313 million Hunting *

\$1.6 billion Commercial harvest/wholesale **

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

** Source: Fisheries Economics of the United States 2006 (NOAA)

FISH AND WILDLIFE play an integral role in the economy, ecology and culture of Washington state. While the intrinsic value of these resources cannot be fully expressed in dollars and cents, revenues generated by fishing, hunting and wildlife viewing produce an estimated \$4.5 billion per year for the state's economy.

By law, the Washington Department of Fish and Wildlife (WDFW) is charged with maintaining these vital resources and the opportunities they provide for the people of this state. But meeting those responsibilities has become increasingly difficult at a time of shrinking state funding.

Over the past two years, as state tax revenues dropped and pressure on the state's General Fund grew, WDFW and many other state agencies have experienced a precipitous decline in General Fund support. At WDFW this translates to a:

- Nearly 30 percent decline (\$35 million) in state General Fund support
- Ten percent reduction in WDFW staff positions (a loss of 163 positions)
- Ten-day mandatory temporary layoff for most WDFW employees

The combination of these actions has made it virtually impossible for WDFW to maintain its previous level of public service. Budget reductions have already affected services ranging from fish production at state hatcheries to maintenance of state wildlife lands, with more cuts on the horizon.

In preparation for the next two-year budget, WDFW is looking for new ways to meet its mandate, possibly by assessing new fees for the services it provides. As part of this effort, the Department is engaging stakeholders—those who recognize the value of fish, wildlife and natural habitat—to help find the path forward.



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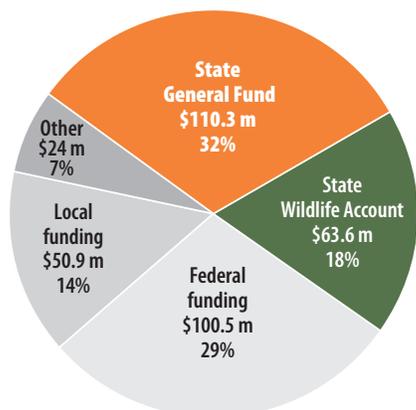
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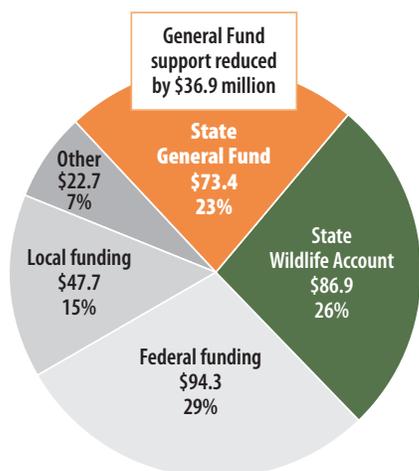
State funding for fish and wildlife is shrinking

WDFW operating budgets



2007-09

\$349.3 million | 1,549 FTEs



2009-11

\$327.1 million | 1,386 FTEs

State General Fund – Revenues derived from state tax dollars

State Wildlife Account – Funds generated by fishing and hunting license fees, fines and forfeitures

Federal Funding – Grants received from federal agencies

Local Funding – Revenues derived from providing services to local governments

Other Funds – State funding from accounts dedicated to specific activities, such as oil-spill response and regional fisheries development



THE STATE BUDGET for the 2009-11 biennium was developed in the midst of the worst economic downturn since the Great Depression. With tax revenues falling and demand for public services on the rise, legislators faced a \$9 billion shortfall in funding necessary to maintain existing state services. Balancing that budget required substantial cuts in funding for state agencies, including the Washington Department of Fish and Wildlife (WDFW).

Cuts in WDFW's current budget

The initial 2009-11 state budget slashed \$29.1 million in General Fund support for WDFW, along with 163 staff positions. In 2010, continuing revenue shortfalls compelled the Legislature to cut another \$1.2 million from the Department's budget, transfer \$5.2 million in General Fund expenses to the state Wildlife Account, and require many state employees to take 10 days of unpaid leave.

A temporary 10 percent surcharge on recreational license fees helped to offset \$6.1 million of those reductions, averting the loss of six WDFW enforcement officers, additional field staff and the closure of two state hatcheries. Even so, WDFW lost a total of \$35 million in General Fund support during the current budget period, requiring major cuts in core functions ranging from habitat protection to fish and wildlife management.

Cost-cutting measures have also put new pressures on the Wildlife Account, which is largely made up of recreational license fees paid by hunters and fishers. The transfer of \$5.2 million in new funding obligations is expected to deplete the available funds in that account by the end of the current budget period, casting a shadow over funding for fishing and hunting opportunities in the 2011-13 biennium.

Approximately half of WDFW's total budget comes from the state General Fund and the Wildlife Account. The other half, primarily federal and local funds, is dedicated to specific purposes and cannot be used to preserve services previously supported by the General Fund.

Tighter budgets on the horizon

With national economic recovery still uncertain, the state Office of Financial Management (OFM) is predicting significant revenue shortfalls in Washington for at least five more years. In the 2011-13 biennium, the projected shortfall is \$4.5 billion, climbing to at least \$9 billion by 2013-15.

One reason is that the one-time federal stimulus funding is set to expire next year, leaving a \$1.9 billion gap in future state budgets. Meanwhile, costs for state-funded public education, medical services and prisons are expected to outpace revenues by a greater amount each year.

These three public services currently consume 88 percent of the entire State General Fund budget, squeezing funding for all other purposes – including fish and wildlife management.

Seeking new options to sustain vital services



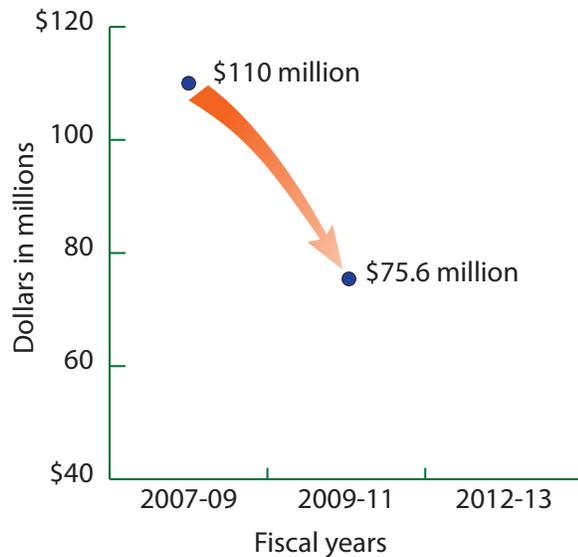
WDFW is working with constituents to find new ways to support fish and wildlife management

WARNING OF TOUGH TIMES ahead, state budget officials have advised state agencies to prepare for further reductions in General Fund support. Public schools, public health and other legally mandated services will be first in line for limited state tax dollars, reducing funding for fish and wildlife management and other services.

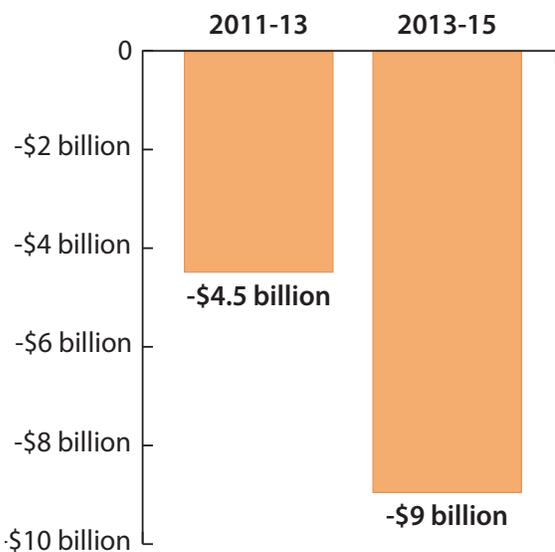
This prospect is a wake-up call for anyone who cares about the future of hunting, fishing and conservation in Washington state.

While recreational licensing fees have long been used to meet the cost of conducting hunting and fishing seasons, the Washington Department of Fish and Wildlife (WDFW) has traditionally relied on state tax dollars to meet many of its ongoing management responsibilities.

State General Fund support for WDFW



Predicted state revenue shortfall



Washington Office of Financial Management

Hatchery operations, selective fisheries, law enforcement, habitat protection—these and many other activities depend, at least in part, on support from the state General Fund. All are highly vulnerable to cutbacks in coming years.

Last year, a coalition of fishing and hunting organizations joined to support a temporary 10 percent surcharge on recreational licenses, helping to avert additional reductions in many of these services. But that temporary surcharge expires next June, creating yet another gap to fill.

To prepare for the future, WDFW is engaging with stakeholders to explore how best to meet the financial challenges ahead. WDFW is actively seeking ideas and support from citizens who value fish and wildlife, along with the benefits they provide.

Options under consideration include new user fees on those who directly benefit from WDFW's services. Recognizing that hunters and fishers are not the only Washingtonians with a stake in fish and wildlife management, WDFW is also engaging a wider range of user groups in discussions of how to help make up for losses in General Fund support.

Revenue options under discussion



THE WASHINGTON Department of Fish and Wildlife (WDFW) has traditionally relied on the state's General Fund and revenues from hunting and fishing license sales to help meet the costs of conserving natural resources and managing sustainable fishing and hunting.

Now, faced with sharply declining support from the state General Fund, WDFW is working with stakeholders to identify new ways to pay for vital conservation and resource-management activities.

Since hunters and fishers are not the only Washingtonians who benefit from these efforts, the Department is seeking new ways to share costs with others who benefit from these services.

These discussions are preliminary, and most new fees or fee increases are subject to approval by the state Legislature. Concepts under discussion include:

- **Recreational and commercial license fees:** Before a temporary surcharge on recreational licenses took effect last year, the basic price of hunting and fishing licenses had remained unchanged for more than a decade. With the temporary surcharge set to expire in mid-2011, a fee increase for sport and commercial licenses is under consideration.
- **Wildlife land access permits:** Hundreds of thousands of people use state wildlife areas and other wildlife lands each year. Besides fishers and hunters, these visitors include many other recreation enthusiasts, from wildlife viewers to paragliders. Access permits on state wildlife and natural resource lands could help support maintenance of these lands.
- **Hydraulic permits:** By state law, WDFW reviews applications and issues permits for construction work in or near state waters. This permitting process—important for protection of fish and aquatic habitat—costs WDFW about \$5.5 million annually. But unlike most state permitting activities, these Hydraulic Project Approvals (HPAs) are issued without charge to the recipient. WDFW is meeting with stakeholders to discuss ways to support this resource-protection activity.
- **Other permits:** Each year, WDFW reviews proposals and issues permits for a variety of activities that affect fish and wildlife. But the fees charged for some of these permits fall far short of covering WDFW's costs. For example, it costs WDFW about \$80 to process permits that allow researchers to collect fish and wildlife for scientific purposes, but applicants pay only \$12 of that amount. Permits to erect cell towers, train dogs, or cut trees on the Department's lands for commercial purposes cost the same today as they did in 1985. Resetting this fee structure could help pay for conservation and maintenance of wildlife lands.

As these revenue concepts are weighed and refined, the Department wants to hear from citizens who care about our state's fish and wildlife. WDFW will continue meeting and talking with stakeholders to craft solutions that will protect these vital resources for future generations. For more information on these efforts, contact WDFW at future@dfw.wa.gov

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