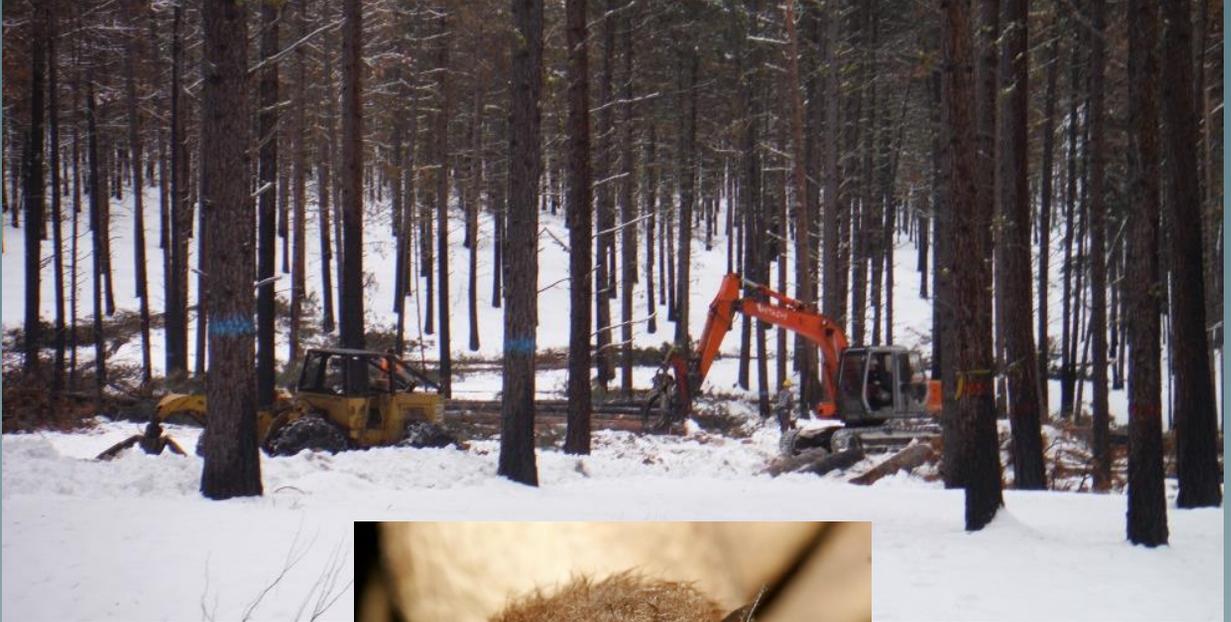


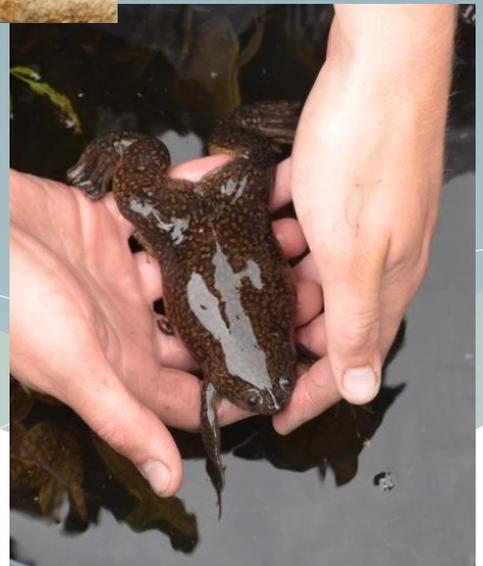
# 2017 Supplemental Budget Request



Washington  
Department of  
**FISH and  
WILDLIFE**

**Brad Smith, Chair**  
**Fish and Wildlife Commission**  
**Jim Unsworth, Director**  
**Department of Fish and Wildlife**

**October 24, 2016**





**WASHINGTON DEPARTMENT OF FISH AND WILDLIFE  
2017 Supplemental Operating Budget Request**

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**Recommendation Summary**

**Agency: 477 Department of Fish and Wildlife**

2:15:03PM

10/24/2016

Dollars in Thousands

	<b>FY2 FTEs</b>	<b>General Fund State</b>	<b>Other Funds</b>	<b>Total Funds</b>
<b>2015-17 Current Biennium Total</b>				
<b>Total Carry Forward Level</b>				
Percent Change from Current Biennium				
<b>Carry Forward plus Workload Changes</b>				
Percent Change from Current Biennium				
M2 3A Ellensburg Office Consolidation		105	158	263
M2 3B Legal Services Shortfall		114	170	284
M2 3C Forest Health & Wildlife Management			2,469	2,469
<b>Total Maintenance Level</b>		<b>219</b>	<b>2,797</b>	<b>3,016</b>
Percent Change from Current Biennium				
PL R1 Threats to Bats and Aquatic Life		431		431
PL R2 Hood Canal Chum Production		211		211
<b>Subtotal - Performance Level Changes</b>	<b>0.0</b>	<b>642</b>		<b>642</b>
<b>2015-17 Total Proposed Budget</b>		<b>861</b>	<b>2,797</b>	<b>3,658</b>
Percent Change from Current Biennium				

### Recommendation Summary

Agency: 477

2:15:03PM

10/24/2016

Dollars in Thousands

	<b>General</b>		
<b>FY2 FTEs</b>	<b>Fund State</b>	<b>Other Funds</b>	<b>Total Funds</b>

**M2 3A Ellensburg Office Consolidation**

The Washington Department of Fish and Wildlife (WDFW) Region Three district office is composed of five leased facilities in and around Ellensburg, with significant declining building infrastructure. Additionally, the current facilities have insufficient space to house all of the Department's district staff. Recently, ten positions were relocated to Yakima temporarily from one of our facilities in Ellensburg when snow caused an awning to collapse above the building's entrance. The Department proposes consolidating WDFW field operations in Ellensburg from three separate offices and two separate storage spaces into one multi-purpose facility.

**M2 3B Legal Services Shortfall**

The Washington Department of Fish and Wildlife (WDFW) and the Attorney General's Office (AGO) have identified a shortfall in WDFW's appropriation for legal services and request funding to align the amount appropriated for legal services with actual AGO billings.

**M2 3C Forest Health & Wildlife Management**

The Washington Department of Fish and Wildlife (WDFW) has been increasing timber thinning operations on Department lands to restore forest habitat and reduce wildfire risk. Due to recent declines in market value for timber, WDFW needs to change the timber harvest strategy resulting in billing and accounting changes with forestry contractors. Under this change, WDFW will directly hire contractors to conduct thinning at five sites and to sort the timber to ensure that the forest health work is done in a timely manner and is not limited by market conditions. WDFW requests spending authority to allow timber harvest revenue to pay for these FY 2017 planned harvests. This will ensure for a reduced risk of wildfire on state lands and adjacent private lands.

**PL R1 Threats to Bats and Aquatic Life**

Washington's native species are important to the region's recreation, economy, and ecology, but are susceptible to invasive species and disease. Two such threats have recently appeared in the state: African clawed frogs and white-nose syndrome in bats. The frogs consume and out-compete all native aquatic life and carry pathogens that are potentially lethal to fish and amphibians. The fungus that causes white nose syndrome devastates bat populations and their insect-eradicating benefits. Both threats could cause significant damage to both the state's ecology and its economy. The Department of Fish and Wildlife is spending resources unsustainably to monitor and minimize impacts of these threats. WDFW requests funding to support preserving local waterways and critical bat populations through the end of the biennium.

**PL R2 Hood Canal Chum Production**

The McKernan Hatchery in Shelton produces 11.5 million chum salmon a year for commercial harvest, yet the Department has been unable to secure continuation of the public/private partnership agreement for fiscal year 2017 that funds the hatchery. The production provides a significant economic benefit to Washington's commercial fishing interests, and supports the state's tribal treaty obligations. Funding is requested to maintain this chum production for the remainder of the biennium.

## 2015-17 Biennium Budget Decision Package

**Code/Title:** 3A Ellensburg District Office Consolidation  
**Budget Period:** 2015-17  
**Budget Level:** M2 – Inflation and Other Rate Changes

### AGENCY RECOMMENDATION SUMMARY TEXT

The Washington Department of Fish and Wildlife (WDFW) Region Three district office is composed of five leased facilities in and around Ellensburg, with significant declining building infrastructure. Additionally, the current facilities have insufficient space to house all of the Department’s district staff. Recently, ten positions were relocated to Yakima temporarily from one of our facilities in Ellensburg when snow caused an awning to collapse above the building’s entrance. The Department proposes consolidating WDFW field operations in Ellensburg from three separate offices and two separate storage spaces into one multi-purpose facility.

### **Operating Expenditures**

By Fund/EAI	Fund Title	FY 2016	FY 2017
001-012	General Fund-State		105,000
104-130	State Wildlife Account		158,000
Total Cost			263,000
By Object			
E	Goods and Services		263,000
Total Objects			263,000

### PACKAGE DESCRIPTION

This budget request involves consolidating WDFW field operations in Ellensburg from three separate offices and two separate storage spaces all into one modern facility. The current situation is inefficient, requires negotiations on multiple leases, and does not foster agency collaboration.

Also, the current central district office does not provide adequate parking for field and personal vehicles or storage and is in need of substantial updates including carpets and HVAC system. WDFW has been searching for a single existing building that meets its needs for several years, without success. This move will support greater staff collaboration that will support conservation work and recreational activities in this region.

Due to the condition of the leased facilities, continued safety concerns for staff, and the opportunity to move this biennium, the Department determined that it must move forward with the consolidation in FY 2017.

Currently there are five WDFW locations in Ellensburg: 201 N Pearl St (downtown) with office space (3,335 sf) and warehouse space (3,865 sf), 317 N Pearl St. with 725 sf of office space, 109 E 3rd Ave with 500 sf vehicle/vessel secure parking, 601 W 5th St with 2,400 sf of warehouse and shop space plus additional exterior space, and three workstations co-located with the Department of Natural Resources at 713 Bowers Rd at the airport. The five locations total 12,780 sf with a combined annual lease cost of \$112,000 per year.

**Name and Phone Number of Subject Matter Expert:**

Owen Rowe 902-2204

**EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS**

The moving costs requested in this decision package are one-time. The following is a catalog of the moving costs being requested.

- DES Fees: \$30,000
- Tenant Improvements: \$50,000
- IT Infrastructure: \$18,000
- Furniture Costs: \$110,000
- Building Security and Access Systems: \$25,000
- Moving Vendor and Supplies: \$30,000
- Total: \$263,000**

**Which costs are one-time; which are ongoing? What are impacts in future biennia?**

All amounts are one-time for moving costs related to the consolidation of three offices and two warehouse spaces into one shared, multi-purpose office. The existing lease rates from the five current facilities will be used to cover the ongoing lease costs of the new facility. If a lease rate adjustment is necessary, the Department will request it in the 2018 supplemental or the 2019-21 biennial request.

**DECISION PACKAGE JUSTIFICATION AND IMPACTS**

**What specific performance outcomes do we expect?**

The specific outcomes expected: safe working environment for staff, easier and less costly travel for field staff, increased staff collaboration and connection, adequate space and security for staff and equipment, decreased security costs, and decreased utility costs.

The last page of this request includes a photograph of the collapsed awning which resulted in the need to move 10 WDFW staff to Yakima, an hour away from the Ellensburg district offices.

**Performance Measure Detail**

Activity: A034 Manage Agency Facilities and Assets; no measures submitted for this package

Other Impacts Table		Identify & Explain
Regional/County impacts?	No	

Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	Yes	Facility/workplace needs are the crux of this request, and WDFW is in frequent contact with the OFM Facilities Division and DES Real Estate services.
Capital Budget Impacts?	No	
Is change required to existing statutes or rules?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Is this decision package essential to implement a strategy identified in the agency's strategic plan?	Yes	This decision package supports WDFW's Strategic Plan Goal 3: "Use sound business practices, deliver high quality customer service."
Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?	Yes	This request supports the Governor's priorities under "Results Washington", specifically, Goal 3: Sustainable Energy and a Clean Environment. The topics "Clean Transportation" and "Efficient Buildings" will be supported by this proposal.
Identify other important connections, as described in your proposal.		<p>The 2015-21 Six-Year Facilities Plan, submitted to the OFM Facilities Division calls for the consolidation of the existing Ellensburg facilities to a new single facility location in 2017. This summer, WDFW started the relocation process by submitting a Modified Pre-Design (MPD) to OFM. Working collaboratively with OFM, WDFW proposes consolidating district staff into a new Region Three facility with 6,500 SF of office, 3,500 SF of warehouse, and 4,000 SF of yard space in the greater Ellensburg area. Reducing the agency's footprint from 12,780 square feet to 10,000 square feet by optimizing the redundant space needs of three separate offices and three separate storage areas. In addition, we have reduced the square foot needs for staff by utilizing shared work spaces for field staff that are out of the office the majority of the time. The OFM Facilities Division has been increasingly looking for opportunities to support this type of space planning when possible.</p> <p>A new facility will provide a safer location for staff, better protection from vandalism for state owned equipment, more efficient use of staff time and vehicles, reduced greenhouse</p>

		gas emissions, and reduced utility costs/usage
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**What alternatives were explored by the agency, and why was this alternative chosen?**

WDFW explored alternatives with the OFM Facilities Oversight Division. It was determined that soliciting for a new or existing facility is the most cost effective alternative, can provide safe location for staff and equipment, and offers the added benefit of staff collaboration and coordination through a shared workspace for WDFW staff in this area of the state. The supply of office space in Ellensburg is currently very low, and work with DES and OFM Facilities is underway to find the most cost-effective solution between a new or existing facility.

Doing nothing was not identified as a viable option since it does not address building condition issues, lack of space, and security and staff safety concerns.

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

Without additional authority, WDFW must decrease or stop programmatic work and use existing authority for the move. Types of activities funded through the State Wildlife Account and state general fund will be affected, including activities that support the management of fish and wildlife populations.

Ellensburg facility collapsed awning (Winter 2016)





## 2015-17 Biennium Budget Decision Package

**Code/Title:** 3B Legal Services Shortfall  
**Budget Period:** 2015-17  
**Budget Level:** M2 – Inflation and Other Rate Changes

### AGENCY RECOMMENDATION SUMMARY TEXT

The Washington Department of Fish and Wildlife (WDFW) and the Attorney General’s Office (AGO) have identified a shortfall in WDFW’s appropriation for legal services and request funding to align the amount appropriated for legal services with actual AGO billings.

### **Expenditure Detail**

By Fund/EAI	Fund Title	FY 2016	FY 2017
001-012	General Fund-State		114,000
104-130	Wildlife Account-State		170,000
Total Cost			284,000
<b>By Object</b>			
E	Goods and Services		284,000
Total Objects			284,000

### PACKAGE DESCRIPTION

The 2015-17 biennium Central Service Model appropriation for AGO services is insufficient to cover the Department’s ongoing legal expenses. When WDFW identified that monthly billings were outpacing the amount provided for legal services, the Department met with AGO budget staff to discuss the shortfall. The AGO confirmed that the WDFW’s appropriation for legal services will result in a shortfall, and that it will be ongoing, absent an adjustment to the Central Service Model.

Based on an analysis of monthly billing rates in the 2015-17 biennium, the Central Service Model appropriation is estimated to be at least \$284,000 short of actual billing for legal services. WDFW requests that the appropriation authority is adjusted in the Central Service Model to enable the Department to pay the full legal services charges to the Attorney General’s Office. Funding to address this shortfall is also requested in the Department’s biennial operating budget to address the increased legal costs in the 2017-19 biennium.

**Name and Phone Number of Subject Matter Expert:**  
 Owen Rowe, 902-2204

**EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS**

The shortfall between the Central Service Model appropriation for WDFW’s legal services and actual billings is \$284,000 per biennium. See table below for the trend analysis of AGO billing.

**BN 15-17**

<b>Total Funding Provided</b>	3,382,799
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**Fiscal Year 2016 Costs**

Fiscal Month	Average Funding per Month	Cost	Funding Gap
01	140,950	145,993	(5,043)
02	140,950	148,245	(7,295)
03	140,950	155,672	(14,722)
04	140,950	153,366	(12,416)
05	140,950	140,618	332
06	140,950	160,362	(19,412)
07	140,950	161,877	(20,927)
08	140,950	144,949	(3,999)
09	140,950	158,474	(17,524)
10	140,950	156,885	(15,935)
11	140,950	155,797	(14,847)
12	140,950	151,210	(10,260)
<b>Total to Date</b>	<b>1,691,400</b>	<b>1,833,448</b>	<b>(142,049)</b>

**Estimated 2nd Fiscal Year**

Fiscal Month	Average Funding per Month	Average Cost to Date	Funding Gap
13	140,950	152,787	(11,837)
14	140,950	152,787	(11,837)
15	140,950	152,787	(11,837)
16	140,950	152,787	(11,837)
17	140,950	152,787	(11,837)
18	140,950	152,787	(11,837)
19	140,950	152,787	(11,837)
20	140,950	152,787	(11,837)
21	140,950	152,787	(11,837)
22	140,950	152,787	(11,837)
23	140,950	152,787	(11,837)
24	140,950	152,787	(11,837)

<b>Total Estimated for the Remainder of the BN</b>	<b>1,691,400</b>	<b>1,833,448</b>	<b>(142,049)</b>
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	Total Funding Provided	Estimated Total Cost	Estimated Total Funding Gap
<b>Total for the Biennium</b>	<b>3,382,799</b>	<b>3,666,897</b>	<b>(284,098)</b>

**Which costs are one-time; which are ongoing? What are impacts in future biennia?**

The increase in AGO legal services costs is ongoing, and a request has also been submitted in the 2017-19 biennial budget request.

**DECISION PACKAGE JUSTIFICATION AND IMPACTS**

**What specific performance outcomes do we expect?**

Adequate funding for legal counsel is integral to supporting the agency’s mission. The Washington Department of Fish and Wildlife is the state’s principal steward of fish and wildlife resources. State law directs the Department to conserve native fish and wildlife and their habitat, while also supporting sustainable fishing, hunting and other outdoor opportunities for millions of Washington residents and visitors. Hunting, fishing and wildlife-watching opportunities managed by the Department contribute to the State’s outdoor recreation culture, which generates \$22 billion in economic activity each year and almost 200,000 jobs across the state.

**Performance Measure Detail**

Activity: A032 Agency Administration; no measures submitted for this package.

Other Impacts Table		Identify & Explain
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	The Office of the Attorney General helped WDFW develop this request. Funding requested in this decision package will pay for Attorney General legal services.
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes or rules?	No	
Is the request related to or a result of litigation?	Yes	WDFW's legal services budget in the Central Services Model is insufficient to pay to AGO billings.
Is the request related to Puget Sound recovery?	No	Not directly, but WDFW has a significant role in the recovery of Puget Sound.
Is this decision package essential to implement a strategy identified in the	Yes	This decision package supports the entirety of WDFW's strategic plan. AGO legal services are essential to support WDFW's mission: to "Preserve, protect and perpetuate fish,

agency's strategic plan?		wildlife and ecosystems while providing sustainable fish and wildlife recreational and commercial opportunities.
Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?	Yes	This request supports Results Washington, Goal 5: Effective, Efficient and Accountable Government.
Identify other important connections, as described in your proposal.		See discussion, in the "alternatives explored" section of the wide variety of high profile legal matters that WDFW is currently facing.

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

Attorney General Office billing represents the cost of providing legal services to WDFW. Reducing WDFW's budget for legal services was discussed with the AGO but it was determined this option would put the agency at risk of higher legal costs which could negatively affect core agency functions leading to decreased protection of the state's fish and wildlife resources.

Reducing legal services is not a workable option for WDFW and is not in the public's interest. A significant portion of WDFW's legal services workload is driven by high priority, complex matters which are likely to continue to demand considerable AGO assistance for the foreseeable future. A few examples are briefly described below. These are in addition to a steady volume of ordinary day to day agency support work, such as advice on rulemaking, public records, permitting, and enforcement.

- Fishery Season Setting and Allocation:** WDFW has increasingly needed AGO assistance in navigating the North of Falcon process for setting seasons for state and tribal Puget Sound fisheries. State Puget Sound fisheries have an estimated value of \$100 million. Negotiations with the Tribes have become increasingly challenging, culminating in an impasse that resulted in closing Puget Sound salmon fisheries, and some area lake fisheries, for a portion of the 2016 season. That impasse was overcome only with the extensive involvement of AGO staff. WDFW, the Tribes and the United States have all recognized that there needs to be improvements to the North of Falcon process. Working through those issues will require significant help from the AGO. Low abundance has also made allocation among non-Tribal fishing groups and interests more challenging, and has increased scrutiny and legal challenges to the Fish and Wildlife's fishery policies and rules governing allocation among sport and commercial fishers, and among fishers using different gear types.
- Endangered Species Listings:** Increased listings of Puget Sound salmon species has made fishing opportunity allocation with the Tribes more challenging, as described above. The AGO's assistance has and will continue to be instrumental in navigating through the complex array of issues associated with management of fisheries and hatcheries in light of the listed status of numerous fish runs. This includes the defense of WDFW in ESA litigation, and participation on WDFW's behalf in ESA litigation against the United States, in which the State has a strong interest. Such litigation and risk ranges from federal approval of state fisheries, to approval of state hatchery management plans, and to federal consultation, management, and mitigation associated with the operations of dams along the Columbia River.

- **United States v. Washington and United States v. Oregon:** These are the seminal tribal fishing rights cases affecting Washington. For U.S. v. Washington, the court has retained continuing jurisdiction since the case was filed in the early 1970s. We have seen an increase in the number of subproceedings requiring State participation. Some of these are intertribal disputes, which can affect the State's interests. Others focus specifically on the State. The Culverts case is one example of the latter. The AGO has dedicated extensive resources to defending (at trial and on appeal) this litigation with an estimated cost exceeding \$2 billion, and simultaneously working with WDFW and other agencies to implement an injunction issued by the district court. Subproceeding 09-01 is an example of an intertribal dispute in which the State has a significant interest. The case concerns the question of how far off-shore the Quileute and Quinault Tribes have the right to fish. We represent the State in a trial, to protect State fisheries that would be affected by the Tribes' asserted fishing grounds. The trial lasted longer than the original Boldt trial, and we are now litigating an appeal in the 9th Circuit. Season setting and allocation of state and tribal fisheries in the Columbia River Basin are governed by U.S. v. Oregon. We are assisting WDFW in the negotiation of a 10-year agreement governing the management of those fisheries.
- **Skokomish River Ownership:** The Skokomish Tribe, relying in part on a recent Department of Interior Solicitor opinion, asserts ownership of the Skokomish River from bank to bank. The river bank has historically been the location of an extraordinarily popular sport fishery. The AGO is reviewing the Tribe's assertion and advising WDFW and other interested agencies of the State's options. This matter may result in complex litigation.
- **Tribal Hunting:** In recent years, WDFW has witnessed a significant increase in interaction with Tribes over the scope of their treaty hunting rights. Legal issues such as the geographic scope of the treaty hunting right and whether private lands are available for treaty hunting under some circumstances, as well as disagreements among the tribes themselves, has spurred litigation and the need for advice, and will continue to do so. It has also resulted in WDFW redoubling its efforts to enter into agreements with Tribes for cooperative management of wildlife resources, negotiations of which has required significant legal services.

### **What are the consequences of not adopting this package?**

Failure to adequately fund the Attorney General expenses will overextend WDFW's legal services budget. This may result in loss of support for legal matters or other core agency activities. A likely outcome would be greater legal services costs than requested in this decision package and decreased protection of the state's fish and wildlife resources.



## 2015-17 Biennium Budget Decision Package

**Code/Title:** 3C Forest Health and Wildfire Management  
**Budget Period:** 2015-17  
**Budget Level:** M2 – Inflation and Other Rate Changes

### AGENCY RECOMMENDATION SUMMARY TEXT

The Washington Department of Fish and Wildlife (WDFW) has been increasing timber thinning operations on Department lands to restore forest habitat and reduce wildfire risk. Due to recent declines in market value for timber, WDFW needs to change the timber harvest strategy resulting in billing and accounting changes with forestry contractors. Under this change, WDFW will directly hire contractors to conduct thinning at five sites and to sort the timber to ensure that the forest health work is done in a timely manner and is not limited by market conditions. WDFW requests spending authority to allow timber harvest revenue to pay for these FY 2017 planned harvests. This will ensure for a reduced risk of wildfire on state lands and adjacent private lands.

### Revenue Detail

By Fund/Source	Fund Title	FY 2016	FY 2017
001-0315	General Fund-Federal		921,000
110-0415	Special Wildlife Account-State		1,548,000
Total by EAI			2,469,000

### Expenditure Detail

By Fund/EAI	Fund Title	FY 2016	FY 2017
001-020	General Fund-Federal		921,000
110-150	Special Wildlife Account-State		1,548,000
Total by EAI			2,469,000
By Object			
E	Goods and Services		2,469,000
Total by Object			2,469,000

### PACKAGE DESCRIPTION

Forest thinning is a practice that protects and supports healthy forest ecosystems, reduces the risk of extensive wildfire, and reduces wildfire risk to human health, safety, homes, and other infrastructure. Because of the habitat and public benefits of this practice, WDFW plans to

increase thinning operations on Department-owned and -managed lands. WDFW received \$300,000 via the Department of Natural Resources (DNR) in the 2016 capital budget for thinning, which the Department intends to spend on 1,250 acres in the Oak Creek and L.T. Murray Wildlife Areas. This is only a portion of the FY 2017 thinning that WDFW has identified in its three-year forest management plan.

When timber markets are healthy, local mills are willing to assume the costs of thinning operations because the revenue generated produces a net profit. In recent years, WDFW has used lump sum and scale sales to accomplish thinning, through which mills bid on the projects and hire contractors to perform the thinning. The mills and contractors collect all of the revenue generated through the timber sales to cover their costs and secure a profit. WDFW does not require spending authority for these project because no financial transactions are made between the Department and the contractors.

In recent years, however, declining market conditions have reduced the profitability of such sales for mills. In order to increase viability of thinning operations, WDFW can sort the harvested timber for specific uses, which maximizes revenue yield and thus covers the cost of thinning operations. This change in strategy requires that WDFW pay contractors to conduct road preparation and thinning, and that WDFW utilize the revenue from the sorted timber sales to reimburse the contractors. This change in practice, creates a need for spending authority to make these payments.

WDFW Lands Division's forest management plan includes five more harvests that must be completed in FY 2017 to meet forest health objectives. This is in addition to the thinning mentioned above that is funded by the interagency agreement with DNR. Based on the forest management plan, \$2.3 million dollars is estimated to be paid to forestry contractors to conduct thinning operations on seven different sites in FY 2017, and almost \$200 thousand is planned in general wildlife area and administrative support. This forest management activity is estimated to generate a total of \$2.5 million dollars in timber revenue.

**Name and Phone Number of Subject Matter Expert:** Owen Rowe, 902-2204  
Paul Dahmer, 902-2480

#### **EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS**

Revenues and expenditures are expected to be the same. All costs are estimated in object E for the professional service contract payments to a contracted forester and associated indirect costs.

Fund Sources: Several of the harvests are scheduled on land for which operations and maintenance are funded through the Pittman-Robertson (PR) federal grant program. The revenue is being recorded in accordance with program income requirements for PR funding (75% federal and 25% state match). For lands not funded through PR, the full amount of revenue and expenditures are recorded as state funding. All state funding associated with the timber harvests is being deposited in the Special Wildlife Account (Fund 110) to ensure that long-term funding obligations associated with the purchase of the lands can be met and to dedicate the revenue back to operations and maintenance needs for the Wildlife Areas. A total of \$1.5 million is estimated in FY 2017 for state spending, and \$920,000 is estimated for federal

spending of program income. The spending is expected to be fully supported by the revenue generated from timber sales.

**Which costs are one-time; which are ongoing? What are impacts in future biennia?**

Each timber harvest is a unique event, thus all costs estimated in FY 2017 are one-time. However, thinning operations for forest health will continue into the next biennium. WDFW will request authority for 2017-19 biennium, assuming harvests as identified in the forest management plan.

**DECISION PACKAGE JUSTIFICATION AND IMPACTS**

**What specific performance outcomes do we expect?**

Five thinning operations are planned for FY 2017 per WDFW’s forest management plan. These harvests will reduce wildfire risk, which has been heightened in recent years by drought and above-average temperatures. Thinning also fosters habitat complexity, which supports a healthy forest ecosystem. Below are before and after photos from recent thinning operations in the Methow Wildlife Area.

Before



After



Before



After



**Performance Measure Detail**

Activity: A039 Land Management; no measures submitted for this package

Other Impacts Table		Identify & Explain
Regional/County impacts?	Yes	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	WDFW always coordinates with DNR regarding forest practices.
Responds to specific task force, report, mandate or exec order?	No	These efforts are tied to the Forest Health Initiative and continue work that was started with a capital appropriation via DNR.
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes or rules?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Is this decision package essential to implement a strategy identified in the agency's strategic plan?	Yes	<p>This decision package also supports the following conservation principles, which inform the agency's 2015-17 strategic plan:</p> <p>Principle 1 – Practice conservation by managing, protecting and restoring ecosystems for the longterm benefit of people and for fish, wildlife and their habitat.</p> <p>Principle 2 - Be more effective when managing fish, wildlife and their habitats by supporting healthy ecosystems.</p> <p>Principle 5 - Embrace new knowledge and apply best science to address changing conditions through adaptive management.</p>
Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?	Yes	<p>This request supports the following Results Washington Goals:</p> <p>3.4.2: Increase the average annual statewide treatment of forested lands for forest health and fire reduction from</p>

		145,000 to 200,000 acres by 2017  3.2.3: Increase the percentage of current state listed species recovering from 28% to 35% by 2020. – Forest thinning increases the ecological integrity of forest habitat and will benefit multiple forest-dependent species.
Identify other important connections, as described in your proposal.		

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

Because the forest thinning activities are self-supported by revenue, no alternatives have been considered. The only alternative would be to delay implementation of the thinning projects, which increases wildfire risks and susceptibility to other forest health issues and is discussed under the next question, consequences of not adopting this package.

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

If spending authority cannot be obtained to utilize the revenue generated during these thinning operations to pay the contractors, forest management activities currently planned would need to be suspended until market conditions improve and mills want to resume thinning responsibilities. This will result in the following risks:

- wildfire damage, which increases costs to the state;
- insect damage, requiring costly correctional measures (including salvage thinning with reduced revenue earnings due to timber damage);
- habitat quality reduction due to overcrowding and tree density; and
- wildfire impacts on human health and safety, and contributing to the loss of state and private infrastructure.



## 2015-17 Biennium Budget Decision Package

**Code/Title:** R1 Urgent Threats to Bats and Aquatic Life  
**Budget Period:** 2015-17  
**Budget Level:** PL – Performance Level

### AGENCY RECOMMENDATION SUMMARY TEXT

Washington’s native species are important to the region’s recreation, economy, and ecology, but are susceptible to invasive species and disease. Two such threats have recently appeared in the state: African clawed frogs and white-nose syndrome in bats. The frogs consume and out-compete all native aquatic life and carry pathogens that are potentially lethal to fish and amphibians. The fungus that causes white nose syndrome devastates bat populations and their insect-eradicating benefits. Both threats could cause significant damage to both the state’s ecology and its economy. The Department of Fish and Wildlife is spending resources unsustainably to monitor and minimize impacts of these threats. WDFW requests funding to support preserving local waterways and critical bat populations through the end of the biennium.

### **Expenditure Detail**

By Fund/EAI	Fund Title	FY 2016	FY 2017
001-012	General Fund-State		431,000
Total Cost			431,000
<b>By Object</b>			
A	Salaries and Wages		196,500
B	Employee Benefits		76,000
C	Personal Service Contracts		5,000
E	Goods and Services		144,300
G	Travel		9,200
Total Objects			431,000

### PACKAGE DESCRIPTION

Washington’s native species are important to our recreation, economy, and ecology, but are susceptible to disappearing due to invasive species and disease. Two such threats have recently appeared in the state.

#### African Clawed Frogs

The first recently-arrived threat is the African clawed frog (*Xenopus laevis*) and pathogens that it carries. African clawed frogs (ACF) themselves are invasive, being voracious eaters that consume and choke out all native animal and plant species at an alarming rate. These very adaptable invasives can survive a year without food, breed year-round in warmer temperatures, and survive a variety of environments, so eradication is not simple. In addition to their

aggressive presence, ACF carry strains of ranavirus and chytrid fungus (*Batrachochytrium dendrobatidis*), both of which are lethal to aquatic life such as fish and amphibians. Since July of 2015, over 5,000 African clawed frogs have been identified in three storm water ponds in Thurston County that ultimately discharge into natural waters, and nearly no native amphibians remain there. A separate infestation exists in a King-Snohomish counties storm water wetland that connects directly with multiple natural water sources. This is even more serious both because the frogs can spread easily to other waters and because the chytrid fungus and ranavirus can spread to native species, such as endangered salmon, steelhead, and Oregon spotted frogs.

The ACF was exported from its native region of southern Africa for use in pregnancy testing starting in the 1930s, and later for laboratory use as the model amphibian due to its large eggs, extreme hardiness, and year-round availability of embryos. This frog has a special place in the history of 20th century science as it became one of four vertebrate species universally recognized as standard biological models representing all vertebrates. By 1970, ACF was the world's most widely distributed amphibian: institutions in 48 countries were supplied with live colonies on all continents except Antarctica, and invasive populations of African clawed frogs have now been recorded on four continents.

The same characteristics made ACF the first choice in school classrooms, as well, and also a popular aquarium pet because it can withstand neglect. Global trade in live amphibians in general has grown steadily over time due to easy internet access and quick delivery services, and a result has been the widespread introduction of disease as well as invasive ACF populations and their diseases. The amphibian chytrid fungus and ranaviruses, such as the ones carried by ACF, are responsible for global amphibian population declines and extinctions. In 2002, the legislature classified ACF as prohibited, forbidding the purchase or sale of the species in Washington.

WDFW is taking two different approaches to ACF because the two outbreaks themselves differ: one is in relatively isolated artificial storm water ponds (largest is 3.25 acres) that can be cordoned off, and the other is dispersed in a large 13-acre storm water wetland that connects to several streams. In the Thurston County ponds, WDFW has done significant capture (see photos of agency-designed trap at end of decision package) and humane euthanizing, but the populations will need to be treated with a biocide to be fully eradicated. Staff have been working for months with various state and federal agencies to identify and obtain permits for an effective yet safe biocide. Based on a successful testing, WDFW has secured a permit to use common salt on the smallest pond, increasing the salinity beyond what the frogs can survive. Based on the results of this first application, the Department anticipates treating the larger ponds. The City of Lacey and St. Martin's University are both significantly involved in the project, as well as dozens of other state, local, and federal stakeholders. WDFW will likely have to wait until a dry period this fall or winter, or even next spring, to draw down the pond level and apply the salt. The lower the pond volume, the less salt that is needed to reach toxic levels and the more capacity the pond has to dilute the salt once rains fill it again.

In the North Creek area of Snohomish and King Counties, WDFW is actively trapping and monitoring to determine the distribution and number of frogs in the complex wetland system. This wetland system has connections to ESA-listed populations of salmon and steelhead. Results from these surveys will determine the best way to suppress, contain, and potentially eradicate this outbreak of ACF.

## White-Nose Syndrome in Bats

The second emerging threat to our native wildlife is white-nose syndrome (WNS), a devastating fungal disease for bat populations. *Pseudogymnoascus destructans*, or Pd, causes WNS and is responsible for killing more than 6 million bats in North America to-date, including 80% of populations in the northeastern U.S. This fungus can grow on the nose, wings, and ears of an infected bat during winter hibernation. It can invade and damage deep skin tissues, leading to starvation, wing damage, breathing disruptions, dehydration, or an inability to regulate body temperature. Furthermore, affected bats may spend more time being active and flying during hibernation, causing them to use up the fat reserves that they rely on to survive the winter.

WNS has spread rapidly across North America (see map at end of decision package). The earliest evidence of it is a photograph taken in 2006 in a cave in New York. In 2016, Washington became the 32<sup>nd</sup> state to find bats with WNS, and five Canadian provinces have also reported WNS detections as the disease continues to spread in all directions across the landscape. Scientists believe WNS has caused the most dramatic decline of North American wildlife in over 100 years. Up to 99% of bats in some WNS-infected populations die within a few years. Little brown bats, once the most common bat in the northeastern U.S., may be in danger of regional extinction within the next 15 years. Seven bat species across North America have confirmed with WNS, two of which are now ESA-listed. A third, the northern long-eared bat, is now considered threatened primarily due to white-nose syndrome. It is unlikely that species of bats affected by WNS will recover quickly because most are long-lived and have only a single pup per year. Consequently, even in the absence of disease, bat populations do not fluctuate widely in numbers over time. For this reason, prevention of a wide-spread outbreak in the west is critical.

Because bats are the primary predators of night-flying insects, including forest and agricultural pests, they play an essential role in ecosystems and human timber and agricultural economies. Bats save farmers in the U.S. alone over \$3 billion annually in pest control services by consuming insects that would otherwise damage valuable crops. They also limit the spread of insect-borne diseases that could affect humans, such as the zika virus, West Nile virus, and avian bird flu. Many species of bats are also valuable for the pollination of plants and dispersal of plant seeds. The Forest Service estimated in 2008 that the die-off from white-nose syndrome means that at least 2.4 million pounds of insects would go uneaten that year and become a financial burden to farmers, likely leading to crop damage or significantly increased usage of pesticides. Furthermore, if WNS is the cause of further ESA listing, it may drive federal regulations on development, forestry, or agriculture until populations rebound.

Since March 2016, two bats and one environmental sample have tested positive for WNS/Pd in King County, approximately 1,300 miles from the previous western-most detection of the disease. Despite the extensive distribution of bats in the state, little is known about hibernation and roost locations of many Washington bat species. A monitoring strategy is being put into place to assess the distribution of WNS, learn how we might contain or slow the spread of the disease, and attain a better picture of Washington's overall bat population health.

WDFW's approach to the emergence of WNS in the state involves significant coordination with the U.S. Fish and Wildlife Service, U.S. Geological Survey, U.S. Forest Service, states already contending with WNS, and neighboring western states where the disease has yet to be detected. In the field, WDFW staff are locating and monitoring bat populations and studying their environments. With assistance from states east of the Rocky Mountains, WDFW is learning about decontamination techniques and is building protocols to be used across Washington. Lastly, the Department is reaching out to the public both to educate them on how they can limit transmission of the fungus and also to engage them in citizen science for the benefit of our bats.

WDFW is responding to the outbreaks of ACF and WNS as much as possible with existing resources while the option to do so still exists. It is our hope that studying the fungal, viral, and distribution characteristics of these potentially devastating issues will lead to further understanding that will minimize the impacts statewide and along the west coast. While it is of paramount importance that WDFW be able to respond to these emerging threats as we have, the agency cannot continue to divert resources for this work at the expense of other high priority conservation work.

Sources:

1. Lance van Sittert & G. John Measey. Historical perspectives on global exports and research of African clawed frogs (*Xenopus laevis*). Transactions of the Royal Society of South Africa. 2016.
2. Kolby JE, Smith KM, Berger L, Karesh WB, Preston A, et al. First Evidence of Amphibian Chytrid Fungus (*Batrachochytrium dendrobatidis*) and Ranavirus in Hong Kong Amphibian Trade. PLoS ONE 9(3): e90750. 2014.
3. Daley, Beth (2008-02-07). "Die-off of bats could hurt area crops". The Boston Globe.

**Name and Phone Number of Subject Matter Expert:**

WNS: Penny Becker, Wildlife Diversity Division Manager, (360) 902-2694

ACF: Allen Pleus, Aquatic Invasive Species Program, (360) 902-2724

**EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS**

FY 2017 efforts to address ACF and WNS are spread across several positions, including Fish and Wildlife Biologists, Scientific Technicians, an Environmental Specialist, an Epidemiologist, and a Microbiologist, and sum to 3.1 FTE. Salaries and benefits total \$272,500; laboratory, sampling, and rabies vaccine supplies total \$11,500; travel totals \$9,200; staff will have to contract out for assistance at \$5,000; and public hearings and outreach are estimated to cost \$20,000.

A WNS Coordinator was hired this fiscal year due to the seriousness of the disease and the emergent need to understand Washington state bat populations and the effect of WNS, as well as the need to coordinate with federal and state partners. This position's cost is partially offset this fiscal year by a competitive WNS grant from the U.S. Fish and Wildlife Office. Some one-time capacity funding was provided by the regional U.S. Fish and Wildlife Service Office. We were told that the funding will not be available next fiscal year.

In addition, goods and services, object E, include \$5,000 per FTE for WDFW standard costs, which covers an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs. Object E also includes an infrastructure and program support rate, and is calculated based on cost estimates for eligible objects each fiscal year.

Total costs for addressing ACF are \$268,000 and for addressing WNS are \$163,000 in FY 2017.

**Which costs are one-time; which are ongoing? What are impacts in future biennia?**

All the costs of managing these two outbreaks are ongoing, and in fact are likely to increase. WDFW included these in its 2017-19 biennial budget request for WNS in decision package PL-

W4: Habitat Conservation Priorities, and for ACF in decision package PL-P3: Defend Against Aquatic Invasives.

**DECISION PACKAGE JUSTIFICATION AND IMPACTS**

**What specific performance outcomes do we expect?**

In the last few months of the 2015-17 biennium, WDFW will perform the work described in the package description and anticipates:

- 1) eradicating ACF from the Lacey retention ponds and the monitoring post-eradication;
- 2) greater understanding of the North Creek wetland ACF outbreak’s size, locations, and pathology for better-informed management decisions leading into the 2017-19 biennium
- 3) conducting the first wintertime survey of bat populations in western Washington, which is particularly important because the fungus thrives in cold winter temperatures;
- 4) ensuring safe WDFW biologist capacity to work with bats by having at least one in each of the 17 wildlife districts complete a 6-week rabies vaccination protocol; and
- 5) continued collaboration with USFWS and other states to understand the transmission and breadth of WNS, as well as how to protect Washington’s existing bat populations.

**Performance Measure Detail**

Activities: A040 Protect and Recover Threatened and Endangered Species  
A044 Aquatic Invasive Species

No measures submitted for this package

<b>Other Impacts Table</b>		<b>Identify &amp; Explain</b>
Regional/County impacts?	Yes	This decision package will not have a direct impact on regional or county governments. <i>Not</i> responding to ACF and WNS and allowing the outbreaks to spread will certainly negatively affect counties and special districts in the future due to the potential for state and ESA listings.
Other local gov't impacts?	Yes	Local governments are involved to various degrees, for instance the City of Lacey is contributing resources to contain and eradicate ACF in the Thurston County storm water ponds. This decision package will not have a direct impact on these local governments. <i>Not</i> responding to ACF and WNS and allowing the outbreaks to spread will certainly negatively affect locals in the future.
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	

Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes or rules?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Is this decision package essential to implement a strategy identified in the agency's strategic plan?	Yes	This decision package implements Goal 1 of WDFW's Strategic plan: Conserve and protect native fish and wildlife, specifically Objectives A and B: The ecological integrity of critical habitat and ecological systems is protected and restored; and Washington's fish and wildlife diversity is protected at levels consistent with ecosystem management principles.
Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?	Yes	This decision package supports Results Washington Goal 3: Sustainable energy and a clean environment, specifically the goal topic of Healthy Fish and Wildlife: Protect and restore Washington's wildlife; and the Working Natural Lands sub-topic Habitat Protection. Success in accomplishing Measure 2.3 (Increase the percentage of current state listed species recovering from 28% to 35% of state-listed species recovering by 2020) could also directly be affected due to the potential for ACF to impact endangered Oregon Spotted Frogs and other native aquatic species.  Preventing AIS infestations and maintaining healthy bat populations also support Goal 2: Prosperous Economy, by protecting the natural resources that many industries and communities rely on (i.e. farming, fishing, recreation, etc.).
Identify other important connections, as described in your proposal.		Declining bat populations from WNS can lead to increased regulation of human activities under the ESA. The alternative to bats is greater pesticide use, which brings with it another set of ecological concerns.

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

1. Re-direct current resources from another area of conservation and management efforts in order to address these critical issues. With the detection of ACF, WDFW has scaled back its AIS watercraft inspection and early detection activities, putting the state at greater risk of zebra and quagga mussels. With the detection of WNS, progress on implementing plans for the state's 45 species that are classified as endangered, threatened, or sensitive, is suspended, at unknown cost to each species.

2. Staff identified and received partial funding from the U.S. Fish and Wildlife Service for White-Nose Syndrome, but there is a maximum of only \$40,000 available for one year from this funding source. The funding is competitive, and Washington must contend with eastern states if the grant continues.

3. There is no alternative to WDFW taking the state lead role for either species. Regarding WNS, the Department of Health involved for infectious disease issues, but the health of the bat species is not in their purview. Regarding ACF, WDFW is directed by the legislature under RCW 77.135.020 to be the lead agency for managing invasive species of the animal kingdom statewide.

### **What are the consequences of not adopting this package?**

Not funding these efforts will result in management actions without the benefit of the information and coordination of effort that this request supports. Washington may see the spread of African clawed frogs throughout Washington waters and may enable the spread of White-Nose Syndrome throughout Washington's bat populations, which could possibly lead to the extinction of some bat species. The recent ESA threatened designation of the northern long-eared bat throughout their vast range increases regulations on forest management practices, transportation, utility rights-of-way among other human activities to prevent the now illegal "take" of these species. Declining bat populations can also lead to increased pesticide use which brings with it another set of environmental concerns.

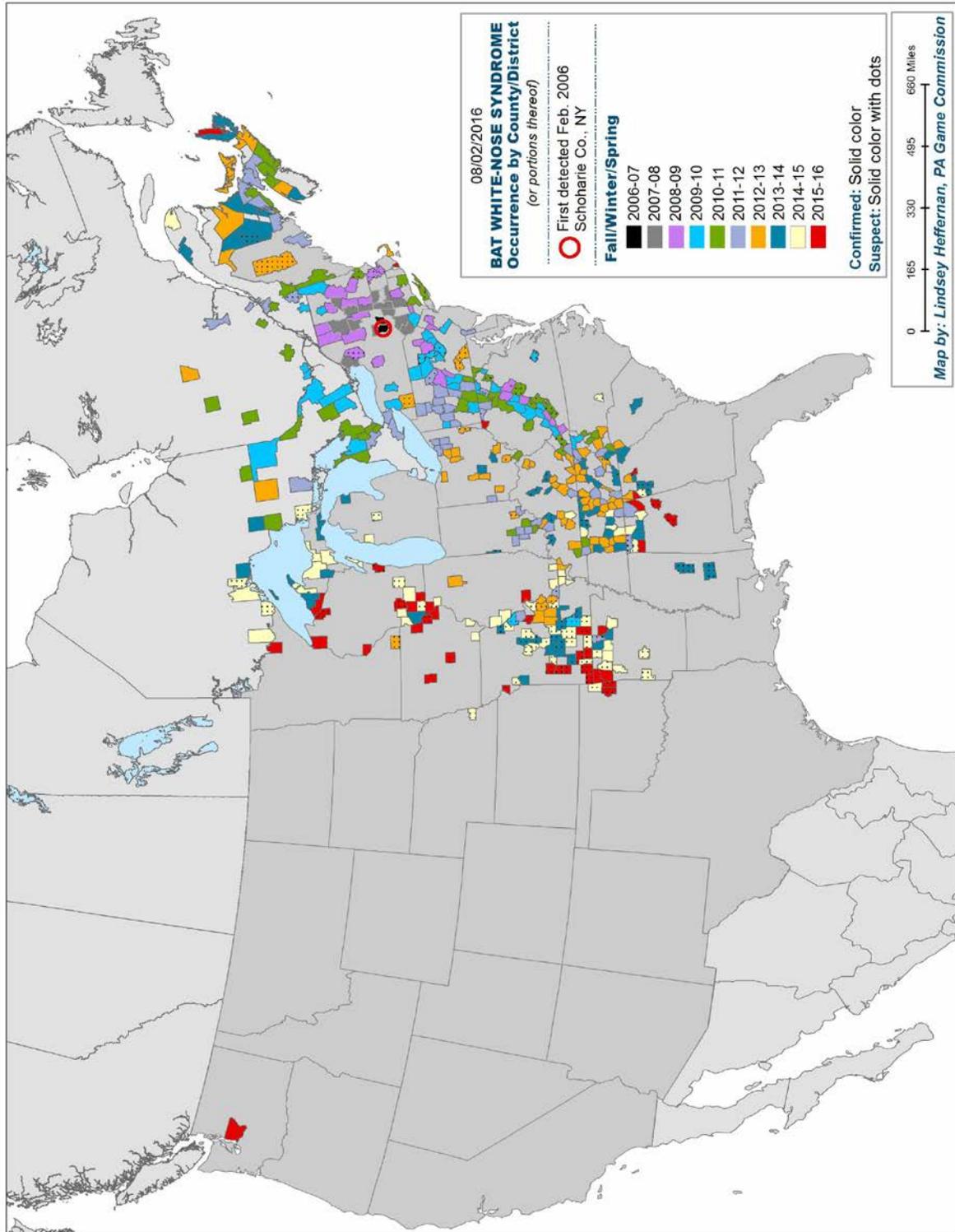
The spread of ACF could decimate native aquatic wildlife and potentially contribute to massive die-offs of fish populations and amphibians in Washington waters. Future generations of Washington's fish and wildlife populations, as well as surrounding ecosystems, could suffer irreparable damage if the invasive African clawed frogs are not controlled immediately. If the impacts of White-Nose Syndrome are not minimized, the loss of bats will cost Washington farmers millions of dollars annually in pest control services for their crops, and increase the risk of insect-borne diseases for people. Lastly, money and already limited staff time could be wasted by chasing the problem using reactive methods instead of addressing the problem proactively.

Funding to support the WNS work over-expends the Department's dedicated funding for non-game species from personalized license plate revenue. This "restricted sub-account" of the State Wildlife Account is the state's primary funding to support non-game species. Without funding, work on other non-game species of concern will be negatively affected.

WDFW-designed trap for African clawed frogs  
being deployed in Thurston County storm water pond



# Annual Spread of White-Nose Syndrome in North America since 2006





## 2015-17 Biennium Budget Decision Package

**Code/Title:** R2 Hood Canal Commercial and Tribal Chum Production  
**Budget Period:** 2015-17  
**Budget Level:** PL – Performance Level

### AGENCY RECOMMENDATION SUMMARY TEXT

The McKernan Hatchery in Shelton produces 11.5 million chum salmon a year for commercial harvest, yet the Department has been unable to secure continuation of the public/private partnership agreement for fiscal year 2017 that funds the hatchery. The production provides a significant economic benefit to Washington’s commercial fishing interests, and supports the state’s tribal treaty obligations. Funding is requested to maintain this chum production for the remainder of the biennium.

### **Expenditure Detail**

By Fund/EAI	Fund Title	FY 2016	FY 2017
001-012	General Fund-State		211,000
Total Cost			211,000
<b>By Object</b>			
A	Salaries and Wages		76,900
B	Employee Benefits		39,500
E	Goods and Services		52,300
T	Intra-agency Reimbursement		42,300
Total Objects			211,000

### PACKAGE DESCRIPTION

In response to 2009-2011 budget reductions the Department was directed to develop partnerships with user groups to maintain hatchery production for facilities at risk of being closed. On July 1, 2010 the Department entered into a partnership agreement with Purse Seine Vessel Owners Association (PSVOA) to continue the chum hatchery production at the McKernan hatchery on Hood Canal. This partnership agreement has maintained the production of chum that primarily supports commercial and tribal salmon fisheries in Hood Canal and Puget Sound.

McKernan Hatchery produces approximately 11.5 million chum salmon for harvest in commercial fisheries for an annual cost of \$211,000. The fishery in Puget Sound alone contributes approximately \$6.6 million per biennium to Washington’s economy. A significant portion of this production is harvested by tribal commercial fishing interests and supports the federal Boldt decision on treaty tribe rights to their fair and equitable share of the salmon harvest.

PSVOA has indicated they will no longer be able to fund McKernan beyond the most recent contract, which expired in July of 2016. As a result of PSVOA ending their partnership agreement with the Department, funding is needed to continue chum production at this facility.

WDFW issued a Request for Quote and Qualifications in spring of 2016 for a new partnership to fund the McKernan Hatchery production. WDFW received two bids, however the Department has not been able to reach final agreement with either bidder.

Funding is being requested for the continued operation and maintenance of the state-owned McKernan Hatchery.

**Name and Phone Number of Subject Matter Expert:**

Craig Burley (360) 902-2784

**EXPENDITURE AND REVENUE CALCULATIONS AND ASSUMPTIONS**

This funding will support the following staff (total estimated salaries and benefits equals \$116,400 per fiscal year):

Fish Hatchery Specialist 3 (1.0 FTE) - Collect, enumerate, and spawn adult chum. Incubate, rear and release juvenile fish to meet program goals. Lead and direct staff's daily activities. Track annual budgets.

Fish Hatchery Technician (1.0 FTE) - Collect, enumerate, and spawn adult returning chum. Incubate, rear and release juvenile fish to meet program goals.

\$19,000 for fish food and \$22,500 for utilities and hatchery supplies is estimated annually. These estimates are included in Object E.

Total estimated staffing and expenditures are ongoing at 2.3 FTEs and \$211,000 per fiscal year.

Goods and services, object T, include \$5,000 per FTE for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year, as well as central agency costs. Object T also includes an infrastructure and program support rate, and is calculated based on cost estimates for eligible objects each fiscal year.

**Which costs are one-time; which are ongoing? What are impacts in future biennia?**

All costs are ongoing, and funding for this production is also requested in the Department's 2017-19 biennial budget request PL-W1: Maintain Fishing Opportunities.

**DECISION PACKAGE JUSTIFICATION AND IMPACTS**

**What specific performance outcomes do we expect?**

Funding will support the continued production of 11.5 million chum salmon annually.

Tribal and state commercial chum fisheries that occur in Hood Canal will be maintained at current levels. Economic analysis indicates chum production in the Hood Canal region generates over \$6 million dollars in local personal income.<sup>2,3</sup>

Salmon production at WDFW-operated hatcheries also support recreational and commercial fishing opportunities throughout the state. Recreational and commercial fisheries contribute significant revenue to local and rural businesses. Businesses that rely on these fisheries, in turn, also contribute to revenue for the state of Washington.

<sup>2</sup>*Washington Commercial Fisheries Economic Value in 2006, 2008*, The Research Group Corvallis, Oregon – values are estimated based on 2009 basin-wide production values.

<sup>3</sup>*Economic Analysis of the Non-Treaty Commercial and Recreational Fisheries in Washington State, 2008*, TCW Economics – values are estimated based on 2009 basin-wide production values.

### Performance Measure Detail

Activity: A041 Fish Production; no measures submitted for this package

Other Impacts Table		Identify & Explain
Regional/County impacts?	Yes	The chum production at McKernan Hatchery is important to commercial and tribal fishing interests and provides significant economic development for rural areas of the state.
Other local gov't impacts?	No	
Tribal gov't impacts?	Yes	This package is requesting funding to continue chum production that supports tribal treaty allocations.
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes or rules?	No	
Is the request related to or a result of litigation?	Yes	The federal Boldt decision mandates that Washington's treaty tribes are entitled to "a fair and equitable share of the salmon harvest". The Boldt decision further affirmed that the tribes were entitled to half of the fish harvest each year.
Is the request related to Puget Sound recovery?	No	

Is this decision package essential to implement a strategy identified in the agency's strategic plan?	Yes	This funding requested in this package supports one of the Department's key initiatives identified for the current planning period, "Supporting Sustainable Fishing and Hunting opportunities."
Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?	Yes	This package supports Goal 2, of Results Washington: Prosperous Economy. Specifically, the sub-goals, "Business Vitality", and "Thriving Washingtonians".
Identify other important connections, as described in your proposal.		Fish production at Washington's hatcheries provide the fisheries that people depend upon for jobs (commercial fishing and related industries), to meet federal court orders, to support local economies (tourism, lodging, wholesale/retail businesses, i.e. restaurants, recreational equipment, boats, license revenues), to provide family recreational opportunities and to protect Washington's fishing cultural heritage. Hatchery practices and infrastructure to produce these fish have been undergoing change to optimize protection of native fish.

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

No qualified partners have been found to fund the hatchery production. WDFW issued a Request for Quote and Qualifications in spring of 2016 for a new partnership to fund the McKernan Hatchery production. WDFW received two bids, however attempts to secure a viable contractor were unsuccessful.

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

If funding cannot be secured to maintain chum production at McKernan hatchery, tribal and state commercial chum fisheries that occur in Hood Canal could be reduced by as much as 62 percent, which is based on the percent of chum produced in this region by this hatchery.

The reduction will decrease the number of hatchery salmon available for harvest in fisheries that occur off the Washington coast, Strait of Juan de Fuca, and greater Puget Sound region, as well as within the Hood Canal area.

The majority of salmon production at WDFW-operated hatcheries is linked to federal court orders with treaty Indian tribes. Production reductions in the geographic areas served by court orders require negotiations with the individual tribes. The production reductions identified above will need to be specifically negotiated with the Skokomish Tribe and those represented by the Point No Point Treaty Council, as well as some other Puget Sound area tribes.