



# NATIVE FISH SOCIETY

*Advancing the Recovery of Native, Wild Fish in Their Homewaters*

April 11, 2013

Memo to: Ways & Means Natural Resources Subcommittee

Subject: HB 5013 Department of Fish & Wildlife Budget

Co-Chairs and Members:

The Native Fish Society has been working with the Department of Fish and Wildlife to review the costs of producing and managing hatchery fish in Oregon. The attached document provides some estimates of those costs based upon the 11/13 budget as well as a projection for the 13-15 biennium.

While we may not agree with all of the estimates provided to us by the agency, we would like to thank them for assisting us with the production of this document. To our recollection, this is the first time that the fisheries management costs have been included with production costs when projecting the total operational costs of the fish hatchery program.

While this describes the direct costs of the hatchery program, a big question remains--what are the indirect costs of the program? In this category we include the environmental costs of operating the program as well as the adverse effects on wild fish from the release of 45 million hatchery fish each year from Oregon's system of hatcheries. This is where we are hoping that the Legislature will provide some assistance.

The Native Fish Society is seeking ways to provide more fiscal and ecological accountability for Oregon's hatchery system. This need is even more acute now given the state's fiscal situation. We recommend that the Legislature direct the Oregon Department of Fish and Wildlife to complete a cost/benefit analysis of each of its separate hatchery programs in order to determine the return on the state's investment and to analyze the risks of these programs to native species and the environment. This information would provide the Legislature with a prioritization of hatchery programs in the event that you decide that the current rate of growth of the fish propagation program is unsustainable.

Thank you for this opportunity to comment on this important matter.

Jim Myron, Lobbyist  
503.819.5589

4.11.13

## ESTIMATED COST OF PRODUCING AND MANAGING HATCHERY FISH IN OREGON

2011/13 Legislatively Adopted Budget

### DIRECT COSTS

FISH PRODUCTION	11-13 LAB	13-15 GBB
Base Budget	<b>49,739,785 (includes POPS)</b>	56,620,291
POPs	Included in Base Budget	"
R & E Program	<b>1,200,000<sup>a</sup></b>	"
STEP	<b>817,310<sup>b</sup></b>	"
Capital Expenditures	<b>445,000<sup>c</sup></b>	"
TOTAL PRODUCTION COSTS	<b>52,202,095</b>	59,082,601
FISHERIES MANAGEMENT		
Columbia/Marine Program	<b>2,569,013</b>	"
Inland Fisheries	<b>3,978,388<sup>d</sup></b>	"
POPs	included in above programs	"
TOTAL MANAGEMENT COSTS	<b>6,547,401</b>	6,547,388
TOTAL OF ALL COSTS (ESTIMATE)		65,630,002

### FIGURES IN BOLD PROVIDED BY ODFW

<sup>a</sup> R&E funds that supported hatchery programs in 11-13 biennium

<sup>b</sup> ODFW estimate of the STEP program that goes to supporting hatchery programs (30% of program budget)

<sup>c</sup> Funds used for Capital Expenditures outside base program

<sup>d</sup> ODFW estimate of regional fisheries staff time allocated to hatchery management (40% of program budget)

**INDIRECT COSTS** (Previously externalized and not accounted for)

ENVIRONMENTAL COSTS

COSTS TO WILD FISH PRODUCTION

MUCH MORE INFORMATION IS REQUIRED BEFORE THE INDIRECT COSTS OF THE FISH PROPAGATION PROGRAM CAN BE DETERMINED. THIS IS ETREMELY IMPORTANT INFORMATION FOR THE LEGISLATURE TO HAVE. IT WILL BE IMPOSSIBLE TO COMPLETE A LEGITIMATE COST/BENEFIT ANALYSIS OF ODFW'S HATCHERY PROGRAM WITHOUT IT.

THE NATIVE FISH SOCIETY ENCOURAGES THE LEGISLATURE TO PROVIDE SUFFICIENT FUNDING TO ODFW FOR THEM TO CONTRACT WITH A QUALIFIED DISINTERESTED THIRD PARTY TO COMLE THIS INFORMATION.

IT MAY ALSO BE NECESSARY FOR THE LEGISLATURE TO INCLUDE A NOTE IN THE AGENCY'S BUDGET DIRECTING THEM TO COMPETE A COST/BENEFIT ANALYSIS FOR EACH OF ITS SEPARATE HATCHERY PROGRAMS IN ORDER TO DETERMINE THE RETURN ON THE STATE'S INVESTMENT AND TO PRIORITIZE THE VARIOUS HATCHERY PROGRAMS BASED UPON THEIR BENEFITS AND RISKS.

Following are some suggested questions to include in the budget note:

- \* What is the return on investment in terms of fish actually harvested in commercial and recreational fisheries?
- \* Are the angling opportunities provided commensurate with the investment and the risks?
- \* What are the environmental risks associated with each hatchery program?

Jim Myron, Lobbyist

The Native Fish Society

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