



# Oregon

Kate Brown, Governor

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Senator Richard Devlin, Co-Chair and  
Representative Dan Rayfield, Co-Chair  
Joint Ways and Means Natural Resources Subcommittee  
900 Court Street NE  
Salem, Oregon 97301



Dear Senator Devlin and Representative Rayfield,

During our Phase 2 hearings on May 11 and 12, 2015 budget hearing, the Natural Resources Subcommittee of Ways and Means asked several questions. Below are the Department's responses.

**Question: When the Department did the revenue estimates for the Pioneer License, what number did you use for your revenue estimate for this portion of the fee adjustment? What total amount of revenue are you anticipating if this is adopted?**

The department used a conservative estimate in developing revenue projections related to the proposed reinstatement of the fee associated with the Pioneer Combination License. The department issued 56,000 Pioneer Combination Licenses in 2014. The department projects that 35,000 will purchase the license once the fee are reinstated, generating about \$175,000 per year in revenue for the department and approximately \$35,000 per year in fees for license vendors. Over the six-year fee cycle, Pioneer Combination License revenue is projected at \$1.05 million.

It should be noted that this is not really new revenue for the department. Rather, it simply reduces the amount of revenue the department loses as individuals qualify for the Pioneer Combination License. For every person that moves from a regular license to a Pioneer Combination, the department loses revenue. The amount lost depends on the license type purchased and whether tag(s) are purchased and ranges between \$29.50 and \$72 per license holder (using current prices).

In 2014, the department issued 3,500 more Pioneer Combination Licenses than the previous year resulting in the loss of over \$200,000 in revenue as more individuals received a free license. Since 2010, the number of Pioneer Combination Licenses issued has increased by 32%, resulting in an estimated loss of more than \$800,000 in license revenue. As the population ages and more individuals qualify for reduced price licenses, the negative impact on license revenue is expected to increase significantly.

The revenue loss is compounded by the impact on matching federal funds. Free licenses do not count for matching federal funds unless an individual purchases additional tags or permits (deer tag, combined angling tag, etc.) The \$6 fee – the minimum charge possible to count for federal matching funds – is projected to leverage an additional \$20.50 in federal funds for each license

sold based on recent allocations of federal funds (\$7.00 per fishing license and \$13.50 per hunting license.)

Prior to 2000, a fee was charged for Pioneer Combination Licenses. Reinstating the charge for these licenses will help address a growing budget challenge for the department while still providing individuals a 90% discount on the cost of a regular license.

**Question: What is the source of funding for the current maintenance and repair project at Willamette Falls?**

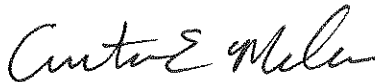
The current maintenance and repair project will repair fishway trash racks and install sea lion excluders at Willamette Falls. The total cost for the project is \$310,000. The department proposes to fund the project as follows:

General Fund	\$ 47,000
License Fund	\$ 77,000
Restoration and Enhancement Grant (pending)	\$186,000

The department plans to purchase materials this biennium and is seeking R&E funding that would be available after July 1. Repairs will begin this summer if R&E funding is received. This project is not included in POP 127 in the proposed 2015-17 budget.

Please let me know if you have further questions.

Sincerely,



Curtis E. Melcher, Director