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Members of the Subcommittee on Natural Resources

Re: HB 5010 Department of Fish & Wildlife Budget

Thank you for the opportunity to comment on the proposed budget for the Department of Fish and Wildlife. I would like to offer some documents for the subcommittee to consider as you finalize the budget for the 2017/19 biennium.

Budget History for past 25 years

This document was developed by ODFW staff at our request. It gives the budget history of the agency over the last quarter century. As you can see, during this time the agency's budget has grown from \$100 million to over \$350 million. The obvious questions seem to be:

"Is this rate of budget growth sustainable into the future?"

"Who should be paying for these increased costs in the future?"

"What existing programs should be reduced or eliminated in order to help reduce these future costs?"

"Should the agency be reviewing all of its physical assets to see which ones should be repaired or replaced and which ones eliminated?"

## Revenue Distribution Formula

For the last few years some of us have been advocating for a revised revenue distribution formula for the agency that would have the various agency programs funded from the most logical funding source. The programs that support the consumptive use of wildlife resources would be paid for by fees and license on those who fish and hunt for those species. Conservation programs that benefit the public at large would be paid for primarily through the general income tax.

While the current budget was partially developed around this concept, the agency still has a ways to go before we can consider the mission accomplished. The most obvious flaw in the current distribution of general funds within the agency is in the fish propagation program budget. While the Governor's budget does propose a fund shift of \$700,000 in this program from general funds to license revenues, there still remains several million dollars of general funds in the hatchery budget. All of those general funds could be replaced by surplus license fee dollars in the "other funds" account without any reduction in the number of hatchery fish raised and released in Oregon.

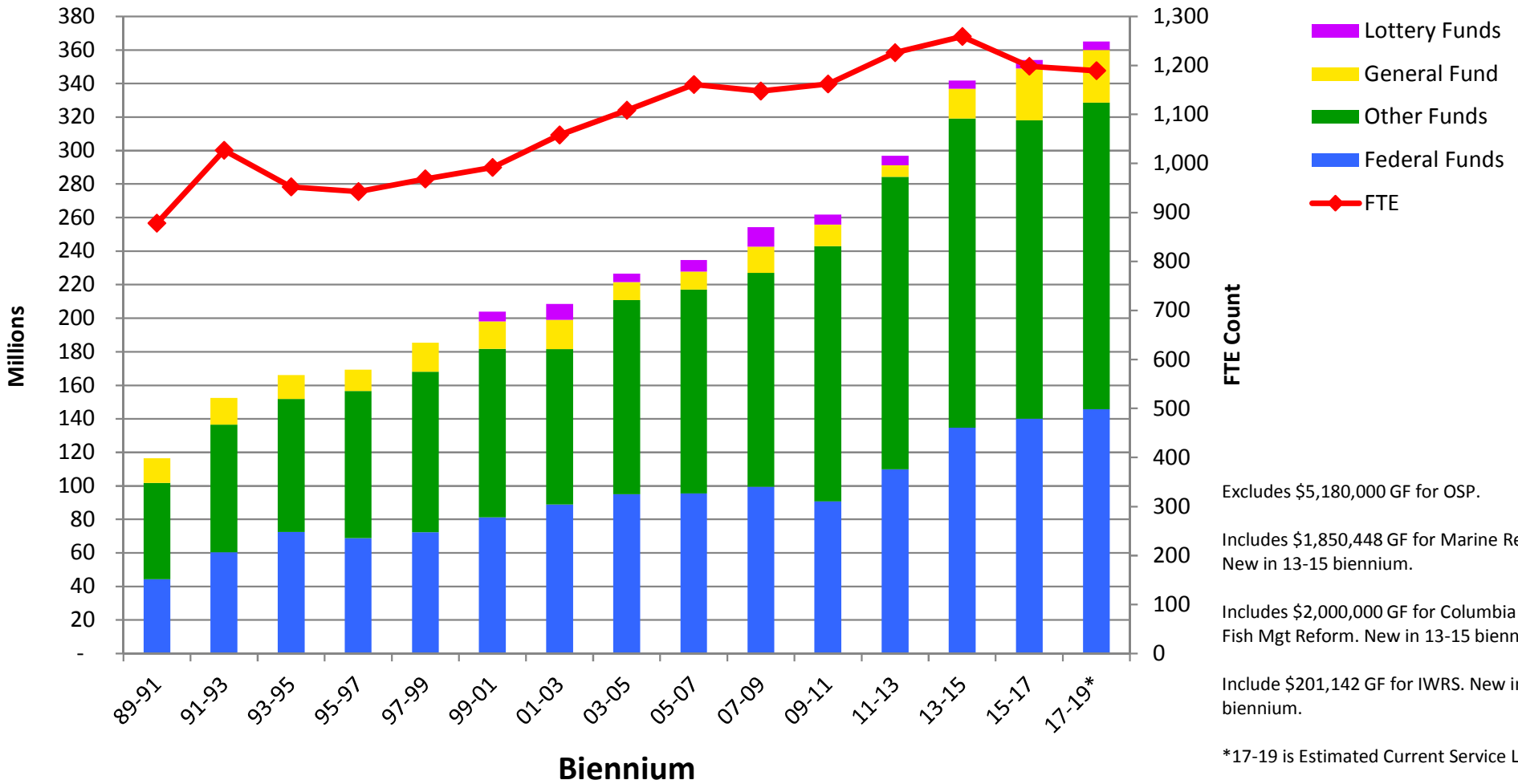
The general funds released by such a fund shift could be reallocated to critically important programs in other natural resource agencies. A prime example are the water quality monitoring programs in the Department of Environmental Quality.

Please consider these suggestions as you work toward delivering a final budget for the Oregon Department of Fish and Wildlife.



# Department of Fish and Wildlife

## LAB Expenditure Limitation by Fund Type



Excludes \$5,180,000 GF for OSP.

Includes \$1,850,448 GF for Marine Reserves. New in 13-15 biennium.

Includes \$2,000,000 GF for Columbia River Fish Mgt Reform. New in 13-15 biennium.

Include \$201,142 GF for IWRS. New in 13-15 biennium.

\*17-19 is Estimated Current Service Level.

## ODFW General Fund Budget as of 15-17 Legislatively Approved Budget

ODFW Total General Fund	\$	<b>31,046,604.00</b>	
Fish Division	\$	22,517,041.00	
Inland Fisheries		\$ 18,672,260.00	
Statewide Fish Management	\$	-	
Regions & Watersheds	\$	272,519.00	
District Fish Management	\$	1,987,698.00	
Native Fish Management	\$	7,249,827.00	
Water and Energy Coordination	\$	906,364.00	
Hatchery Management	\$	5,929,293.00	
Engineering and Facilities	\$	2,326,559.00	
Marine and Columbia River Fisheries	\$	3,844,781.00	
Marine Resources	\$	2,484,781.00	
Ocean Salmon Columbia River Fisheries	\$	1,360,000.00	
Wildlife Division	\$	4,623,896.00	
Wildlife Management	\$	4,262,763.00	
Game Management	\$	3,564,298.00	
Damage, Green Forage and DEAR	\$	39,418.00	
Game Dedicated & Obligated	\$	52,339.00	
Predator Control	\$	453,365.00	
Restoration & Management	\$	22,000.00	
Research and Inventories	\$	-	
Access and Habitat	\$	-	
Volunteer Program	\$	51,921.00	
Wildlife Division Administration	\$	79,422.00	
Habitat Resources	\$	361,133.00	
Landowner Technical Assistance	\$	-	
Interagency Coordination	\$	361,133.00	
Regional Conservation Biologist	\$	-	
ODOT Liasons	\$	-	
Conservation	\$	-	
Oregon State Police Enforcement	\$	-	
Administration	\$	3,403,097.00	\$ -
Director's Office	\$	272,553.00	
Human Resources	\$	-	
Information and Education	\$	-	
Information Systems	\$	189,620.00	
Administrative Services Division	\$	2,940,924.00	
Debt Service	\$	352,595.00	
Capital Improvements	\$	149,975.00	

## **A REVENUE DISTRIBUTION FORMULA FOR THE OREGON DEPARTMENT OF FISH AND WILDLIFE**

The Oregon Department of Fish and Wildlife receives revenue for its operations from a variety of different sources, including the general public, the state of Oregon, the federal government and from private sources. This income supports over fifty separate programs within the agency.

The purpose of this proposed revision to ODFW's revenue distribution formula is to more closely align these various programs with the sources of revenue that fund them. The intended outcome is to have each program funded by the most logical and appropriate source of revenue. This will help to assure that those who are picking up the tab are getting what they pay for and will help to identify who the agency needs to make their case to anytime they need additional revenues. Conversely, in years when budget cuts are required, the impacts will be clearly connected and transparent.

Some examples of the various contributors to the agency's operation include:

### Private Sources

- The general public in the form of license revenues
- The commercial fishing industry through licenses and fees
- Private utilities through mitigation agreements

### State Sources

- General Fund (income tax revenues)
- Lottery Fund

### Federal Sources

- Income tax revenues through various mitigation programs
- Excise taxes on the sale of certain sporting equipment
- Electric ratepayer dollars through the Bonneville Power Admin.

To the greatest extent possible, those who fund the operation should have a direct connection to the programs they are paying for. Fishing and hunting license revenues should be spent on agency programs that support and benefit fishing and hunting activities (which is currently the case). General Fund and Lottery revenues should go toward programs that benefit the public in general and the wildlife resources that all of us enjoy (which is not necessarily the case now). Utility ratepayer funds and certain federal taxpayer dollars should fund mitigation programs that they are obligated to fund.

Here are just a few examples of how ODFW programs could be more closely tied to the appropriate funding sources:

- \* Fishing and hunting license dollars, as well as commercial fishing license and poundage fees, would continue to be allocated to programs that directly benefit those user groups, as is currently the case. Fish propagation activities and the associated management activities related to the development, authorization and prosecution of the various recreational and commercial fisheries would be paid by license and poundage fees as well as certain federal appropriations.

- \* Activities that primarily benefit the public at large would be paid for with state general fund dollars and certain federal allocations as well as with Lottery funds. These activities include the implementation of the Oregon Conservation Strategy and other conservation programs which do not currently receive license revenues.

- \* Fish and Wildlife enforcement activities should be funded by any available revenue sources because these activities benefit all groups, including non-consumptive users. But primarily, they benefit all of Oregon's wildlife, not just those species that are fished for or hunted.

- \* Federal funds dedicated to certain mitigation activities would continue to be spent on those programs, however a regular review of those programs should occur to determine if those expenditures continue to represent the best use of those funds. Mitigation agreements can be renegotiated when it makes sense to consider other activities, such as funding conservation efforts.

