

California Fish and Wildlife Strategic Vision Project
Sustainable Financing Working Group Issues Framework
Revised November 3, 2011

Working Group Notes

Showing value of the California Department of Fish and Game (DFG) to the public – this will be different for different people

Establishing funding goals depends on the scope of the department's work (programs, mandates, etc.) –what you want?

- Need an agreement on what the delivery should look like (define that end point and until then you cannot measure the progress)
- Costs depend on the idea of what delivery looks like and can vary greatly from one perspective to another
- Should the finance work group be reacting to what other work groups are recommending?
- Once programs are defined then you can figure out how it should be financed

Goal: Better articulate/define DFG and California Fish and Game Commission (F&GC) programmatic outcomes, identify deliverables and define measures of success [\[See SF6, moved to Common Themes Broadly-Informed and Transparent Decision-Making\]](#)

Problem statements:

- DFG operations and program management are not always efficient or as effective as possible.
- There is a disparity between desired and required outcomes and current funding levels - underfunded mandates
- Lack of trust between stakeholders and DFG (and within DFG)

Objectives:

- Analysis of existing mandates:
 - o First define what delivery of programs should look like
 - o Need a process for prioritizing existing mandates
 - o to look at the priorities and make recommendations on that (possibly through this process)
 - o could look at the underfunded mandate list provided and change the language to be more specific
- Defining what new mandates will look like when implemented and what they will cost to implement
- Feedback loop for new mandates:
 - o Greater transparency in articulating what mandates will cost
 - o When a mandate is created there should be some feedback to the legislature on what the financial impacts are and what it would take to implement the mandate
 - o vision: legislature is collaborative in nature allowing this feedback to take place during the mandating process

Goal: Ensure adequate and sustainable funding to achieve the programmatic objectives (and mandates) [\[Moved to new Common Themes Adequate, Stable and Sustainable Funding\]](#)

Problems:

- Lack of revenue
- Existing fees do not always cover the full cost of programs
- There is a disparity between desired and required outcomes and current funding levels - underfunded mandates

Objectives:

- achieve diversity in the funding –
- achieve stable funding/baseline stream for long term;
- reserves (working capital) for incremental projects

Goal: Increase/encourage fiscal flexibility where appropriate [\[Moved to new Common Themes Adequate, Stable and Sustainable Funding\]](#)

Problems:

- there is not enough flexible finding for programs (programs should not fully depend on dedicated funds)
- in many cases staff is supported by dedicated funding and they cannot work on other projects or efforts
 - o Groups lobby the legislature to secure DFG funding and budget allocations to particular projects/ initiatives.
 - o This creates an inability to change funding allocations as priorities shift.

Objective:

Funding should be made as flexible as possible to be adaptive where appropriate

Increase transparency

Types of Funding / Levels of Funding

- Fundamental baseline investments for the state to fulfill that mission – baseline monitoring and basic information of those resources needs to be stable (these are those elements that benefit the general public)
- Conservation planning efforts
- Special programs – the cost of providing that program based on the baseline monitoring and information– beneficiary pays / e.g. user fees – some programs have benefits for the broader general public

Table 1: Revised Sustainable Financing Working Group Issues Framework								
ISSUE	PROBLEM(S)	Goal (Preceded by SF #)	Objectives	EXAMPLE(S) OF WAYS TO ACHIEVE GOAL	TIE(S) TO DFG STRATEGIC INITIATIVES	IMPLEMENT- ATION SCALE CRITERIA	TIME SCALE CRITERIA	FINANCIAL SCALE CRITERIA
Alternative Revenue Sources (as opposed to general fund) <u>[Moved to new Common Themes Adequate, Stable and Sustainable Funding]</u>	Lack of revenue	2.—Ensure adequate and sustainable funding to achieve the programmatic objectives (and mandates)	Explore alternative revenue streams	<ul style="list-style-type: none"> —Review other states’ successes and failures of creating alternative revenue streams <ul style="list-style-type: none"> ○ Broad sales tax ○ Sales tax on outdoor gear ○ Real estate transfer tax ○ Environmental license plate ○ Vehicle license fee ○ Retail water user fee ○ Landing tax expansion - California State Parks model (builds constituency, able to advocate) 				
Finding ways to fund programs or projects that benefit a subset of the overall population: One way to fund is Fees <u>[Moved to new Common Themes Adequate, Stable and Sustainable Funding]</u>	Existing fees do not always cover the full cost of programs (do we have any metrics on this?)	3.—Ensure adequate and sustainable funding to achieve the programmatic objectives (and mandates)	Sustainable user-based fee programs	<ul style="list-style-type: none"> —Analysis of opportunities to adjust user-based fee structures —Align existing fee revenues with DFG priorities —Alternative revenue streams that could be substituted for commercial permits to promote sustainability (e.g. commercial fishing permits) —Utilize volunteer administered programs —Assessment of fees that are collected and establish an open process for determining fees, process should include: <ul style="list-style-type: none"> —Assessment of cost for efficient programs - Define benefits of programs and who receives benefits (i.e. permit applicant, broader public) 				

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Flexibility in funding <u>[Moved to new Common Themes Defining and Supporting Success]</u>	Groups lobby the legislature to secure DFG funding and budget allocations to particular projects/ initiatives. This creates an inability to change funding allocations as priorities shift.	4.—Increase/encourage fiscal flexibility where appropriate —Identifying where this is appropriate and where it is not. - Increasing accountability	Establish fiscal flexibility to track changing priorities over time. Balance flexibility with accountability.	—Create standardized policy for revenue collected for a specific use/delivery of service (e.g., level necessary to make a dedicated account cost effective) - Improve transparency of budgets and actions to reduce pressure for dedicated accounts				
Improve Efficiencies <u>[Moved to new Common Themes Defining and Supporting Success]</u>	DFG operations and program management are not always efficient or as effective as possible.	5.—Better articulate/ define DFG and F&GC programmatic outcomes, identify deliverables and define measures of success	Manage programs and available resources efficiently and effectively	—Use technology to improve efficiencies (tease out permit effectiveness and monitoring) —Create work plans and targets for staff - Use performance based management and/or performance based budgeting				
<u>[Moved to Common Themes Communication, Education and Outreach]</u>			Integration between headquarter and region to improve operational costs	- Improve communication to ensure regions and headquarters are working towards the same goal and not duplicating efforts				
<u>[Moved to Common Themes IRM]</u>			Improve integration between DFG and other state or federal agencies	—Establish financial partnerships - Build synergies on joint efforts to achieve like goals				
Tools—Licensing <u>[Moved from NRS Framework]</u>	Fiscal accountability—DFG needs more efficient lacks fiscal credibility -fiscal	Improve accounting system to enable it to track funding income and	• Improve and maintain credibility (scientific, decision-making, fiscal,	<u>Enable accounting system to track funding income and outgo (e.g., by species complex) so that resource users can see how much is</u>				

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<p><u>Fiscal Accountability – Fees and Licenses</u></p> <p><u>[ALL Moved to Common Themes Adequate, Stable and Sustainable Funding]</u></p>	<p>accountability related to revenue received from resource users (e.g. licenses, landing taxes, permits etc.).</p> <p>[This isn't stated as a problem. What are we trying to solve with fiscal accountability?]</p>	<p>outgo (e.g., by species complex) so that resource users can see how much is required and how the funding is expended.</p> <p><u>New Goal: Organizational Effectiveness</u></p>	<p><u>etc.</u></p>	<p><u>required and how the funding is expended</u></p> <ul style="list-style-type: none"> – Improve accounting system to enable it to track funding income and outgo (e.g., by species complex) so that resource users can see how much is required and how the funding is expended. – Programmatic permits for stream rehabilitation (e.g., Marin Resource Conservation District) 				
<p><u>Tools – Fees</u></p> <p><u>[Moved from NRS Framework]</u></p>	<ul style="list-style-type: none"> – Lake and Streambed Alteration Program fees are an issue – Fiscal accountability is needed related to fees, including dedicated funding vs general fund. – Appropriate fee setting process is needed. 	<ul style="list-style-type: none"> – Programmatic permits for stream rehabilitation (e.g., Marin Resource Conservation District) – Improve accounting system to enable it to track funding income and outgo (e.g., by species complex) so that resource users can see how much is required and how the funding is expended. 						
<p><u>Tools – Incentives</u></p> <p><u>[Moved from NRS Framework]</u></p> <p><u>[Needs]</u></p>	<ul style="list-style-type: none"> – Need to build trust – Barriers to conservation easements presented by DFG policies 			<ul style="list-style-type: none"> – For barriers: Ecosystem services markets promise to provide restoration projects up and down the state, fulfilling DFG's mission. – For FRGP: Large FRGP projects need to be factored in to receive some funding to move 				

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<u>explanation/</u>	<p>(contracting and wage and labor requirements and overall expense of compliance requirements)</p> <ul style="list-style-type: none"> — Prompt payment issues; sometimes reimbursements take over a year — Need for a functioning Safe Harbor Program, which is currently not well used — Improvements are needed to the FRGP (Fisheries Restoration Grant Program): Awards under take too long to for effective implementation; there is a lack of clear project prioritization, and a lack of funding for monitoring. 			<p>the planning process forward and start gathering needed monetary support to actually move projects into implementation. Dedicated funding needs to be established for monitoring.</p>				
<p>Tools Funding [Moved from NRS Framework] <u>[Moved to new</u></p>	<p>Lack of sufficient funding for long term basic management and maintenance.</p>	<p>Develop broad based funding streams that include general public as well as resource users.</p>						

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<u>Common Themes Adequate, Stable and Sustainable Funding</u>								
Tools—Funding [Moved from NRS Framework] <u>[Moved to new Common Themes Adequate, Stable and Sustainable Funding]</u>	Unfunded mandates.	Require new mandates to be fully funded as a condition for approval.						