

## SUSTAINABLE FINANCING – ISSUES

Unfunded mandates.

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1. Not enough resources to fulfill mission
2. Prompt Payment a huge problem. DFG is the slowest paying agency and sometimes doesn't pay reimbursed costs for over a year.
3. More transparency in the DFG budget. Very difficult to see where DFG invests its resources. In many cases the expenditures will clarify activities of DFG that are essential but not clearly understood- litigation for example. It also would increase accountability. The sport community is skeptical about how funds are allocated; for example whether the funds collected for the Striped Bass stamp program are spent on striped bass issues or shifted to cover administrative costs that should be general fund. The same for Waterfowl and for Upland Game stamp programs. This transparency will be important in the future as DFG tries to build partnerships. The striped bass stamp was a program implemented by the sport community. This is a powerful tool for DFG as it makes it possible to secure funding for issues that are clearly identified and supported, but without transparency they will have little support for additional funding.

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1. Ensure that the goals prescribed by this body are obtainable within the current budget
2. Avoid increasing fees on resource users (ie hunters and fisherman). These groups already pay at full cost for use of the resources. This is an elastic funding source.

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Section 711 of the FGC provides that Recreational anglers, hunters and commercial fishermen should pay the costs of managing their activities. According to the Department, while landing fees and licenses paid by Commercial Fishermen bring in \$5+ million, the costs of managing commercial fishing is \$22 million (DFG has the facts). This issue hasn't been solved as responsibility for fees is split between legislature/commission/department (issue I raised for Governance). However, maybe

Finance subcommittee could suggest a fix for the next legislative session to at least allow the department to recoup their costs.

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Prohibit “overspending” the annual budget by taking money out of next year’s budget.

Fix the “black hole” where it is impossible to understand where money comes from and where it goes. Display allotments based on the Work Plans.

Dept to annually report on budget expenditures and the report shall include an analysis of to what extent the quantifiable objectives in Work Plans were achieved along with documentation. The annual report shall be subject to audit by the LAO.

Overhaul the Contracts Section, and create a mission statement so that the Contracts Section gets its work done on time and serves those who implement the program work. The mission of the Contracts Section is “to assist the operational units meet their goals and objectives to protect California’s wildlife resources.”

Develop steady revenue streams for non-hunting and fishing programs via broad-based fees on resource consumption, for example on all water diverted from natural watercourses by the State Water Project.

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1. DFG does not have good financial accounting of staff time dedicated to programs. This makes it challenging for it to justify fees charged to users.
2. DFG has significant public trust responsibilities; these responsibilities benefit all Californians and the cost should be born by all Californians.

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There is a need for CDFG to have dedicated, consistent funding over time for identified priority work.

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In the funding area we need a reliable revenue source to support CA conservation through DFG. All avenues including a very modest sales tax add-on should be fully analyzed. A "fees-alone" approach can help but it will not get us to the point of having a competent properly staffed Department up to the challenge—and it promises to increasingly complicate the budget process for the Department.

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- 1) Other states’ methods of developing secure funding sources (e.g. from non-consumptive users)

- 2) Fees for various uses of Department lands (e.g. how to achieve full cost recovery)
- 3) Funding for local fees and assessments (mosquito abatement, dam inspection)
- 4) Tracking of in-kind contributions to maximize federal funding opportunities
- 5) Water funds for DFG facilities
- 6) Effect of statutory overhead rates
- 7) Fiscal flexibility to track changing priorities over time
- 8) Apparent and realized disparities between funding and service
- 9) Overall evaluation and reporting effectiveness
- 10) Financial partnership opportunities
- 11) Use of technology to more efficiently manage and retrieve fiscal information
- 12) Science – ensure integrated science programs are fully and appropriately funded.