

# California Fish and Wildlife Strategic Vision Project BRCC-SAG Funding Discussion Notes and Worksheet

*Revised January 12, 2012*

KEY: ■ DFG Recommendation (Jan. 5, 2012)

■ Potential Action from BRCC/SAG Survey (Dec. 2011); high/low priority responses in parentheses

BRCC = California Fish and Wildlife Strategic Vision Blue Ribbon Citizen Commission

SAG = California Fish and Wildlife Strategic Vision Stakeholder Advisory Group

DFG = California Department of Fish and Game

F&GC = California Fish and Game Commission

## General Discussion

Warden stamps are treated like licenses. Some challenges with the current system. How can we make it easier for folks to contribute and support the wardens?

Evaluating core functions; perhaps there are some that should not be continued. What is the size of DFG we desire and what is the funding necessary to achieve that vision.

Perhaps some disconnect on the question of more or fewer dedicated funds? Why does DFG need/want dedicated funds? Tend to have more feast or famine with general funding.

Opportunity for growth in federal funds, where there is some flexibility (from hunting and fishing, but must be used for hunting and fishing). Who's not paying or contributing to support DFG and F&GC? Seems to be the large segment of the population that does not hunt or fish.

From the administrative side we need flexibility, but internally the perception is that with a dedicated fund it is less likely to be cut or swept away.

Dedicated funding can sometimes be inefficient if it is only small amounts of dollars (requires tracking, reporting, audits, etc.).

Fish and Game Preservation Fund is gold! Allows maximum flexibility, within reason.

Perhaps a solution to the small, dedicated funds with little monies is to establish a threshold amount, under which would lead to the monies being pooled with other funds. Can some of types of dedicated funding be "grouped" for groups of species or habitats?

Ducks stamps have been a great opportunity as they tied to multiple habitats, while other species-specific funds are more difficult to tie to multiple habitats.

Only 2.5% of DFG's budget is dedicated.

Perhaps there is a conflation between sustainability of funds and flexibility of funds? Solutions may be to relax restrictions on dedicated accounts, or at least some accounts. Or eliminate auditing requirements for accounts below a certain threshold. There are members of the general public, non-consumptive users, who would be willing to contribute. How do we capture that willingness?

What is the mechanism for capturing non-consumptive users?

Is it possible to improve budget (revenues and expenditures) transparency and the image of DFG so it can better compete for general fund dollars? The general fund is how ALL Californians contribute to DFG.

J:18 – Create standardized policy. Example is the minimum amount for a dedicated account.

The DFG proposal to continue the budget overhaul currently underway is important to increase transparency and trust in how DFG is spending monies.

There is a disconnect between what a fee may be supporting, versus the expectation of what is being funded; at times there is the belief that a fee is funding one thing, when in fact it may only be partially supporting that function.

Proposal under transparency and accountability: Combine D-29, F-5, J-17, J-18, J-19, J-22, J-52, J-41, J-55

Proposal under efficiencies: Combine J-14, J-45, J-46 and J-56

Distinction between monies already in possession and future monies; monies already received cannot be shifted to another purpose and it is not something the legislature can change (constitutional issue that has apparently been decided in the courts).

The Office of Spill Prevention and Response (OSPR) is a program that is specially funded – this is what makes it a good program – the focus that the special funding provides. OSPR never receives full cost recovery via fees and penalties (which results in fund depletion from the Inland Pollution Account). So the discussion needs to consider/include scenarios where there is no consumptive user (e.g. emergency response at OSPR).

Discussion about supplementing the Inland Pollution Account with barrel tax dollars. Clarification from DFG that not all spills are oil spills.

Sometimes cash is in a dedicated account, but DFG lacks the budget authority to spend it. DFG can't transfer authority between accounts (requires a formal budget change proposal through the annual budget process).

Continuous appropriations are a great solution to problems associated with limitations on budget authority.

There is no such thing as an “undedicated” dollar; every dollar is distributed with a purpose, even if it’s a general fund dollar. DFG started an effort to ensure that funds are used where they were intended to rebuild trust with the legislature.

Some funds are created for less than obvious reasons (e.g. the pig stamp was not created by DFG; it was created to replace general fund dollars that were lost and to address private landowner concerns).

The Special Deposit Fund includes millions of mitigation dollars; the fund is off-budget (in part), but DFG still needs specific approval by the legislature to spend the money. DFG requested a continuous appropriation, but it was denied.

DFG needs funds to use as match for federal grants that support many DFG positions. DFG also needs funding for more “support” positions.

There are dedicated fund-related difficulties in funding work associated with large mammals that are not hunted (e.g. big horn sheep, etc.).

Public needs to understand benefits to all species when DFG is doing wetland restoration.

Marijuana has an impact on fish and wildlife resources. Find way of tapping into monies for restoration as a result of the damage?

Past reporting practices. Maybe it would be useful to do a communications push so DFG can demonstrate its ability to be responsive and transparent. DFG still has difficulties with reporting for past years prior to improvements. Once the new system is in place, DFG will be doing increased reporting. DFG would appreciate any help from SAG members in conveying the message that DFG is doing things differently now. DFG users are now able to do better reporting as well, internally.

*No. 10 – bullet 1, and J:19 should be combined and forwarded to the BRCC/SAG as a recommendation. The language should read: Continue to improve transparency of budgets and actions (to reduce pressure on dedicated accounts including completing the budget component overhaul currently underway to simplify budget and activity tracking. Kaitilin Gaffney agreed to speak to this recommendation at the Jan. 20 BRCC/SAG meeting.*

Difficult for wardens to classify time by “game” or “non-game” in the field. For example, when out in the field in an area where they are looking at all issues.

No. 22 performance-based budgeting.

Transparency is good, but also need to be able to track and explain the rate of progress, successes, etc. Goal is for public to be able to see and understand the successes.

J-18: Request for DFG to develop a policy for determining when a dedicated fund is not appropriate to use. There is acknowledgement that DFG cannot control whether the legislature creates a dedicated account, but would be helpful to have a policy for when DFG does or does not support so stakeholders have an understanding of when it is most appropriate.

No one ever wants to pay for overhead. When overhead is capped for some reason, then other funds end up covering those costs. For example, the Fisheries Restoration Grant Program and Salmon Restoration Grants where DFG received \$16 million last year and yet can only spend 3% on overhead, which is not nearly enough to cover the costs (and one reason why biologists end up doing administrative work). To be appropriately accountable for the expenditure of those monies requires more than 3% for administration (overhead).

*J-18 to be forwarded as a recommendation: "Direct DFG to create a standardized policy for revenue collected for a specific use/delivery of service (e.g., level necessary, to make a dedicated account cost effective. The policy must include a requirement for inclusion of realistic administrative funds." The recommendation is in response to the issue of small funds that end up using all the dollars for administration and management of the fund, leaving no money for actual service delivery.*

#### Developing Other Funding Sources

Request made to add Inland Pollution Fund to list while another believes that is not an appropriate recommendation because the focus should be on finding ways for non-consumptive users to contribute more.

Others (non-hunters) could purchase stamps (e.g. duck stamp) to support DFG, even if they're not required to have the stamp on their person to conduct non-hunting activity (e.g. bird watching).

Many states have tried similar programs and they raise minimal dollars; success would require someone with marketing expertise to develop a campaign. Have talked with Audubon about taxing bird feed, feeders etc., but didn't go over well.

Changing the name of duck stamps to encompass non-hunters would be useful in California.

Perhaps this is a conversation that can continue after February. With a little creative thinking, can develop ways to collect funds from other users (non-consumptive).

DFG recommendation no. 3 – Bullet 1 is overbroad for SAG's purposes.

Income tax check-off is relatively easy to accomplish. Look to those sources of funds that are easier to achieve than taxes, etc.

Why not require a stamp to be present on DFG lands, etc. (like on federal refuges)?

State of Washington passed legislation for a “Discover Pass” program (“Your ticket to Washington’s great outdoors!) and expects to raise \$10-20 million annually; it’s working. Might look at that model as an option (see <http://discoverpass.wa.gov/> for more information).

DFG indicated that past efforts at new tax or car registration dollars have failed. Educating the public about what the proposed dollars are going to be used for is important. User fees for non-consumptive users (e.g. MPA users). Scientific collecting permits are another possible source of funds. Other ideas include research-related user fees, fees on those who are “using” our resources in a less traditional sense (e.g. Aquarium attendees).

Regarding land acquisition / management on ecological reserves (as opposed to wildlife areas) – DFG does not have federal funds for these lands, so maybe should consider another bond effort that would benefit these lands.

DFG is not funded for nuisance wildlife efforts. Perhaps use a development fee in areas that are newly developed?

Southern California has been hit hard in the recent past by wildfires. Perhaps develop an OSPR-type program that would include a team of experts to assess impacts associated with wildfires and have funds for that program?

Regarding endowments, DFG often has monies in the bank, but is unable to spend them because it has reached the spending cap. DFG is not able to accomplish tasks obligated to undertake on lands it manages.

There is currently no fee for reviewing incidental take permits, other than for renewable energy permits.

San Joaquin River Restoration Program is entirely bond funded, which is not a stable or sustainable funding source. Collectively “we” in California often seek bond funds to meet the state’s needs, but these funds have a very high interest rate. Using bond funds is like living off credit cards (financially not healthy).

California Endangered Species Act permits are an unfunded mandate; DFG uses other funds to pay for this program. Mitigation banks are also unfunded; while the banks make millions of dollars, DFG collects no fees for its role in overseeing.

It is difficult to solve all these issues; important for the BRCC and SAG to shine a spotlight on this issue even if there is no instant solution. One of the top recommendations should be a message that the funding structure is broken. All of these ideas are worth pursuing, but won’t be resolved by 2/3. Campaigns have been attempted before; before pursuing it again, should give it a lot of thought and identify what will be required to be successful.

DFG does not have a structure to support temporary employees at the level needed. DFG is often contracting for services, which results in a loss of funds because the need could be met in-house for less. Maybe a biologist classification could be resurrected to address this need in

some way? When DFG does use contractors, those individuals still use DFG facilities, vehicles, etc. DFG is looking at what it would take to improve the classification structure to address this problem.

It is not an option to ignore nuisance wildlife, whether or not DFG has funds for addressing. If DFG responds poorly, the public backlash is significant. Maybe look to some of DFG's critics for funding this program. DFG wardens respond to at least one nuisance wildlife call a week in Southern California.

Special districts receive fees to prevent fires; perhaps those funds could be used for post-fire restoration, enhancement, etc. Maybe DFG could have a role in determining how those funds are used.

Single species funding proposals are not a good idea.

The Mountain Lion Initiative didn't prevent the killing of mountain lions, it just changed the reason for killing them. Maybe DFG could allow hunters who want to take mountain lions to take nuisance mountain lions for a fee. The way the Mountain Lion Initiative was written, \$30 million dollars goes to the Wildlife Conservation Board for acquisition, but does not include management funding. DFG takes very few mountain lions as a result of how that law is written; it would be problematic to include a third party (hunter) in that process for multiple reasons.

Bond funds for property acquisition do not cover management costs associated with the property. Need to find a way to include management funding components if bond funds are used.

There is a policy that requires DFG and the California Department of Forestry and Fire Protection (CalFire) to consult pre- and post-fire.

*Homework Recommendation: J:34 Make it easier to buy warden stamps and increase publicity for the stamp.*

*Homework Volunteers: Helen Carriker and April Wakeman*

*Homework Recommendation: Develop a recommendation regarding other secure funding sources.*

*Homework Volunteers: Rick Copeland, Nancy Foley, Kaitilin Gaffney, Sonke Mastrup, Curtis Milliron, Terri Stewart, March Yaremko*

## Equitable Fees

Services that benefit particular user groups should be paid for by those user groups.

*Homework Recommendation: Develop a recommendation around equitable fees.*

*Homework Volunteers: Noelle Cremers, Jeff Drongesen, Kaitilin Gaffney, Eric Loft, Sonke Mastrup, Cliff Moriyama, Julie Oltmann, Julie Vance, April Wakeman, Marci Yaremko*

There are conflicting potential recommendations from the survey regarding how fees are set; one recommendation says fees should be set administratively and another says they should be set legislatively. Clearly a difference of opinion in the process. Suggestin that this be addressed in post-Feb. discussions.

The SAG has the opportunity to propose something equitable that will get through the legislature if all on the same page. Caution that when looking at gross income from a particular fishery, it can look high, but business operation costs are high (in this person's example 50%). That leaves an income not far above poverty level in some California locations. The real economics of fishing and the real social component is "what are the effects of regulations on fisherman's lives?"

Not going to recommend changing landing fees in February, but need to look at these things.

Is it possible to put "place holder" bills in place and then fill in the specifics in June?

Efficiencies

*Homework Recommendation: Develop a recommendation around improving efficiencies.*

*Homework Volunteers: Noelle Cremers, Becky Ota, Curtis Milliron, Ryan Todd*

The BRCC and SAG will meet again next week (Thurs., Jan. 19 at 9 a.m.) on the funding discussion topic to review funding recommendations before going into the regular joint meeting on Jan. 20.

TOPIC	POTENTIAL RECOMMENDATION(S) TO ACHIEVE GOAL(S)	GOAL AND OBJECTIVE
<p><b>Creating Budget Transparency and Accountability</b></p>	<p><b>( No. 10 - bullet 1) Complete the budget component overhaul currently underway to simplify budget and activity tracking.</b></p> <p>8J: 19 Improve transparency of budgets and actions (to reduce pressure on dedicated accounts) (5 – 0)</p> <p>8J: 17 Increase fiscal accountability (4 – 0)</p> <p>8J: 22 Use performance -based budgeting (2 – 0)</p> <p>8J: 52 Improve DFG/F&amp;GC accounting systems to enable tracking of funding income and outgo (e.g. by species complex) so that resource users can see how funding is expended (2 – 1)</p> <p>8J: 16 Increase fiscal flexibility where appropriate (1 – 0)</p> <p>8F:5 Balance flexibility with accountability</p> <p>8J; 41 Use an open and transparent process to determine the costs to administer a program (1 – 0)</p> <p>8J:18 Create standardized policy for revenue collected for a specific use/delivery of service (e.g., level necessary to make a dedicated account cost effective) (1 – 1)</p> <p>8J: 54 Give F&amp;GC its own budget (0 – 1)</p> <p>8J: 55 Have F&amp;GC formally review DFG budget and provide recommendations to governor/legislature (1 – 3)</p> <p>8J: 41 Use open and transparent means to determine costs of administration (show hours charged to programs are legitimate, what makes up overhead, establish allocations in way public can see)</p> <p>8D:29 Assessment of fees that are collected and establish an open process for determining fees, process should include:</p> <ul style="list-style-type: none"> <li>▪ Assessment of cost for efficient programs</li> <li>▪ Define benefits of programs and who receives benefits (i.e. permit applicant, broader public)</li> </ul>	<p><b>Goal 1: Strong Relationships with Other Agencies, Organizations and the Public</b></p> <p><b>Objective 8: Exhibit fiscal transparency and accountability</b></p>
<p><b>Creating Efficiencies</b></p>	<p><b>(No. 10 - bullet 2) Prepare for action by control agencies to deliver improved technology and budget management systems.</b></p> <p>8J: 14 Partner with the private sector and not-for-profits to manage DFG-owned lands (e.g. AB 32, Huffman) (7 –</p>	<p><b>Goal 4: An Efficient Organization</b></p>



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	<p>0)</p> <p>8J: 15 Certain F&amp;GC/DFG responsibilities may belong elsewhere, even if they are adequately funded (i.e., Office of Spill Prevention and Response) (3 – 0)</p> <p>8J: 45 Leverage existing programs and partnerships to increase funding and in-kind contributions (2 – 1)</p> <p>8J: 23 Adjust 1600 program staffing levels to prevent over-staffing during slow times (per DFG employee suggestion) (1 – 0)</p> <p>8J: 46 Expand existing financial partnerships (e.g. National Fish and Wildlife Foundation) (1 – 0)</p> <p>8J: 20 Use technology to improve efficiencies (0 – 0)</p> <p>8J: 44 Utilize volunteer administered programs (0 – 0)</p> <p>8J: 56 Establish financial partnerships (0 – 0)</p> <p>8J: 51 Pursue the loan of federal agency personnel to DFG (0 – 1)</p>	<p><b>Objective 4:</b>  <b>Maximize services while minimizing costs (improved technologies, volunteers, etc.)</b></p>
<p><b>Establishing Equitable Fees</b></p>	<p>8J: 38 Administratively establish a reasonable, consistent and equitable fee structure for key regulatory programs to ensure more sustainable funding (this might require some existing fees under legislative oversight to be moved to F&amp;GC/DFG oversight) (5 – 0)</p> <p>8J: 49 Provide fee-for-service opportunities to non-consumptive users (to broaden revenue base) (3 – 0)</p> <p>8J: 40 Set fee structures such that they cover all costs to administer the applicable programs (3 – 0)</p> <p>8J: 42 Adjust user-based fees and fines for fish and game code violations for inflation (1 – 0)</p> <p>8J: 31 Expand landing taxes/fees for funding DFG/F&amp;GC (0 – 0)</p> <p>8J: 36 Change the fee-setting process such that all fees are set administratively (0 – 1)</p> <p>8J: 35 Pursue mitigation fees with a wide range of activities that adversely impact wildlife and habitat (0 – 2)</p> <p>8J: 37 Change the fee-setting process such that all fees are set legislatively (0 – 2)</p> <p>8J: 39 Work with the legislature to set fees to cover costs of administration for each program (permit, regulation, etc.) (0 – 2)</p>	<p><b>Goal 4: An Efficient Organization</b></p> <p><b>Objective 5:</b>  <b>Develop adequate, stable and Sustainable Funding</b></p>

TOPIC	POTENTIAL RECOMMENDATION(S) TO ACHIEVE GOAL(S)	GOAL AND OBJECTIVE
<b>Developing Other Funding Sources</b>	<p><b>(No. 3 - Bullet 1) Identify and secure funding to ensure wildlife and fisheries management activities are sufficient to meet the Department’s mission.</b></p> <p>8J: 53 Continue working with consumptive users in their support of DFG/F&amp;GC via purchasing licenses and stamps, as well as fundraising for DFG/F&amp;GC (2 – 0)</p> <p>8J: 32 Use an alternative revenue stream that could be substituted for commercial permits to promote sustainability (e.g. commercial fishing permits) (1 – 0)</p> <p>8J: 34 Increase revenue from Warden Stamp Program with a public relations campaign (1-0)</p> <p>8J: 25 Establish a broad sales tax for funding DFG/F&amp;GC (3 – 3)</p> <p>8J: 28 Use Environmental License Plate Fund for funding DFG/F&amp;GC (1 – 1)</p> <p>8J: 48 Identify additional federal matching grant funding (e.g. Fisheries Restoration Grant Program) (0 – 0)</p> <p>8J: 26 Establish a sales tax on outdoor gear for funding DFG/F&amp;GC (2 – 3)</p> <p>8J: 29 Establish a vehicle license fee for funding DFG/F&amp;GC (1 – 3)</p> <p>8J: 30 Establish a retail water user fee for funding DFG/F&amp;GC (1 – 5)</p> <p>8J: 27 Establish a real estate transfer tax for funding DFG/F&amp;GC (1 – 6)</p> <ul style="list-style-type: none"> <li>• Offer more fee-based educational opportunities (including hunting and fishing)</li> </ul>	<p><b>Goal 4: An Efficient Organization</b></p> <p><b>Object 5: Develop adequate, stable and Sustainable Funding</b></p>
<b>Developing Other Activities to Address Funding</b>	<p>8J: 24 Review other states’ successes and failures in creating alternative revenue streams (4 – 0)</p> <p>8J: 33 Create a California State Parks Foundation model (build constituency, able to advocate, supplement funding) (1 – 1)</p>	<p><b>Goal 4: An Efficient Organization</b></p> <p><b>Objective 5: Develop adequate, stable and sustainable Funding</b></p>