California Fish and Wildlife Strategic Vision Project

Funding Homework for January 19 Discussion Topic Meeting

January 18, 2012

On January 12, 2012 the California Fish and Wildlife Strategic Vision (CFWSV) Blue Ribbon Citizen Commission (BRCC) and Stakeholder Advisory Group (SAG) met for a funding discussion topic meeting. Individual BRCC and SAG members, as well as participating California Department of Fish and Game (DFG) and California Fish and Game Commission (F&GC) employees, volunteered to develop text for potential recommendations to be considered by the BRCC/SAG. This document is a compilation of the work of those volunteers over the last week and serves as the basis for the next discussion on January 19, 2012.

Potential Developing Funding Sources Recommendations

Vision: Successful natural resource stewardship depends upon stable, adequate funding for core DFG and F&GC functions.

Potential Developing Funding Sources Recommendation #1: DFG Director convene a committee to evaluate core program costs and identify viable funding mechanisms[1]

Description: As noted in the Treanor Report (page 26-27), the California State Legislature realizes that DFG has been underfunded for at least the last three decades. (See Fish and Game Code Sections 710, 710.5, 710.7). Fish and Game Code Section 711 states "It is the intent of the legislature to ensure adequate funding from appropriate sources for the department." Unfortunately, while there appears to be near universal recognition that DFG/F&GC do not have the resources they need, increasing funding is politically challenging. There is a need to both review the adequacy/appropriateness of existing funding streams and broaden the base of funding for DFG to include additional funding to include all who benefit from DFG's programs. Specific funding streams each have their own limitations: general funds can vary from year-to-year, bonds are also variable and can only be spent on capital costs, and fees are typically constrained to very specific uses and can result in very high administrative costs. From DFG's perspective, as new funding sources are developed over time, it would be preferable to consolidate them into relatively fewer accounts with more flexibility in terms of how monies can be spent.

Potential new funding mechanisms worthy of further exploration include:

General Funding

- Sales tax on outdoor gear (could be statewide or at local or regional level).
- Water fee or tax (all wildlife needs water, and water transport and delivery fuels development

[1]Note that there are several resources available that could assist this committee including: Task Force Memos and Consultants' Report on Options for Funding the MLPA; U.S. Fish and Wildlife Service: *Broadening the Constituencies of State Fish and Wildlife Agencies: Some Successful Strategies (2000)*; Alternative Funding and Organizational Membership Reports *(Responsive Management* ; Funding for Hunting and Fishing and the Management of Wildlife *(The Sportsman's Voice: Hunting and Fishing in America*; Ensuring the Future of State Wildlife Management: Understanding Challenges for Institutional Change; Investing in Wildlife: State Wildlife Funding Campaigns: Summary of Findings.

and associated wildlife impacts).

- Wildlife tax on license plates, vehicles, or fuel due to mortality of wildlife on roadways and the impact on habitat.
- Boating or shipping fee (similar to above for cars).
- Dedicated portion of state sales tax.
- Real estate transfers fee.
- Develop campaign around nominal ($1), voluntary (or opt out type fees) for hotels, aquaria, natural history museums, zoos, outdoor gear retailers (REI), etc. that focus on wildlife and/or habitat preservations. For example, ask each visitor to an aquarium if they'd like to contribute $1to help preserve California ocean habitat (or 50 cents, to be matched by aquarium!). Similar hotel room based programs have been successful in areas around national parks, the Smithsonian Museums use this approach in their gift shops, etc.
- Develop a mechanism whereby DFG can easily accept donations of money, land or equipment – potentially using the California Wildlife Foundation or other support foundation.

Fee Based Funding

- Fee for service to support the Conservation Banking Program.
- Develop fee to support Natural Communities Conservation Planning Act Program.
- Fee for California Endangered Species Act (CESA) compliance.
- Fee or tax on large vessels to help fund invasive species work.
- Fee to be paid by certain appropriate industries that generate spill response activities to fund DFG's water pollution investigation and cleanup program or authorize diversion of a portion of the Office of Spill Prevention and Response (OSPR) fees/funds to non-OSPR pollution cases (based on nexus of fuel as significant portion of inland spill responses). Note: SAG/DFG concerns raised about 'robbing Peter to pay Paul" and need for NEW funds versus redistributing existing insufficient funding.
- Develop a campaign to encourage non-hunters to purchase stamps (e.g. duck stamp) to support wetland conservation activities at DFG, even if they're not required to have the stamp on their person to conduct non-hunting activity (e.g. bird watching). Note: this may not be a major money maker and changing the name of the stamp to "wetland restoration stamp" might be necessary.
- Develop fee on bird seed/bird feeders and other non-consumptive wildlife type products. Could be a huge money maker but past attempt met with opposition from bird groups.
- Require non-hunters/non-anglers to pay for parking/use of wildlife areas or ecological reserves for non-consumptive activities. The 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. The most visited California-managed outdoor areas are likely to be state parks which also need stable funding, but the DFG share from such an initiative might still be significant. Might look at that model as an option (see http://discoverpass.wa.gov/ for more information) or other state department's funding sources. Note, important to make it EASY to pay such fees.

Requiring non-consumptives to provide a copy of their driver's license, purchase such passes in person, etc. is a major disincentive. Such items must be easily available on-line and day passes must be available on-site.

- Create user fee of some kind (stamp, entry fee, fee on SCUBA tank refills, etc) to help fund marine protected areas (MPAs)/marine programs. Note: the challenge in obtaining fees from non-consumptive users is the cost necessary to assess fees or enforce the need for stamps or licenses on non-consumptive users.
- Fees on scientific collecting permits/research users.
- DFG is not funded for nuisance wildlife efforts. Consider a development fee or building permit fee in areas that are newly developed. (Given the new wildfire fee for urban/rural interface homes, this proposal could be politically challenging).
- Southern California has been hit hard in the recent past by wildfires. Consider an OSPR-type program that would include a team of experts to assess impacts associated with wildfires and tap fire related fees to fund (potential use of special assessment districts). Revisit Fish and Game Commission and Board of Forestry joint policy on pre-, during, and post-fire consultation and actions.
- Fines and/or legal settlements for harmful acts in marine environments should be directed to DFG for marine conservation.
- Costs to enhance marine life should be part of any new or renewed license or other regulatory permission for industrial activities with identified adverse impacts to the marine environment.
- Once-through cooling mitigation funds. (Note: this program was established by the State Water Resources Control Board).
- Oil rig decommissioning funds should be directed to DFG marine conservation programs. Note: this program was established by the legislature (AB 2503 in 2010) but funds are not anticipated to become available in the near-term.

Potential enhancements of <u>existing</u> funding streams:

- Continue to pursue federal conservation funding. Note: usually requires state match.
- Pursue additional bond funds.
- Raise California Environmental Quality Act (CEQA) fees to recover DFG costs.
- Adjust user-based fees to ensure they are set appropriately and structured to keep up with inflation. Note: some on SAG think this should be responsibility of DFG (administrative) others think it should be done legislatively.
- Ensure fees cover costs of administrating program.[2] For example, commercial fishing fees

[2] See Fish & Game Code, § 711 (2) The costs of commercial fishing programs shall be provided out of revenues from commercial fishing taxes, license fees, and other revenues, from reimbursements and federal funds received for commercial fishing programs, and other funds appropriated by the Legislature for this purpose.
(3) The costs of hunting and sportfishing programs shall be provided out of hunting and sportfishing revenues and reimbursements and federal funds received for hunting and sportfishing programs, and other funds appropriated by the Legislature for this purpose. These revenues, reimbursements, and federal funds shall not be used to support commercial fishing programs, free hunting and fishing license programs, or nongame fish and wildlife programs.

currently only cover 25% of the costs of managing commercial fisheries in California, scientific collecting fees do not cover management costs, non-consumptive users fund DFG through general funds monies but not directly via user fees, etc.

- Review and adjust fines and develop fine schedule that automatically keeps up with inflation.
- Increased waste discharge fees, access State Water Resources Control Board pollution funds for DFG activities with a nexus to this fund.
- Increase use of big game fundraising tags.
- Mitigation bank contributions should provide adequate ongoing operation and management funds through endowment or otherwise.

Implementation Assessment

- Method: All depend upon specific solution
- Timeline: Depends on action pursued
- Level of likely BRCC/SAG agreement: Unknown, varies for each funding mechanism

Ties to Strategic Vision: Goal 2, objectives 2, 4, 5 and 7; Goal 4, Objective 5

Creating Efficiencies

Potential Creating Efficiencies Recommendation #1: Review DFG/FGC responsibilities/mandates to determine whether or not they should be combined, eliminated or transferred elsewhere.

Implementation recommendations include:

- Create workgroup of DFG/FGC staff to review current responsibilities of DFG/FGC and make recommendations on potential transfer, combination, or elimination.
- Communicate with stakeholders to get their recommendations on potential transfer, combination, or elimination of responsibilities.
- Communicate with other state and federal agencies to investigate feasibility of transfer, combination, or elimination of responsibilities.
- Communicate with the legislature (members and staff) to gain support for transfer, combination, or elimination of responsibilities.

Description: DFG/FGC has an incredibly broad mandate, which creates challenges in efficiently implementing all the programs over which it has responsibility. With the current interest in reviewing Title 14 of the California Code of Regulations and the California Fish and Game Code to identify: (1) inconsistencies; (2) redundancies; (3) unused and outdated code sections; (4) sections creating parallel systems and processes to be consolidated; (5) opportunities to restructure the codes to group similar statutes and regulations; and (6) other opportunities for amendment, repeal, consolidation, and

simplification of sections of the code. It would be worth incorporating consideration of eliminating/transferring responsibilities. For example OSPR may be better placed elsewhere and some of the water branch's activities may be more appropriate with the State Water Resources Control Board.

Description: Fully protected species statute is outdated and needs addressing. Until the statutory change made in 2011, there was no way to allow for take of fully protected species. This caused challenges for projects throughout California and deterred habitat improvement projects that could benefit fully protected species because of the risk of take during the restoration project. While some would support abolishing the fully protected species statutes completely, broader support could be gained by moving species needing protection to CESA and eliminating it for those that don't need protection. However, it would be much easier for DFG if the statutes were eliminated, rather than requiring the review and listing of current fully protected species.

Implementation Assessment

- Method: Administrative, regulatory, statutory
- Timeline: Long-term
- Level of likely BRCC/SAG agreement: Medium

Ties to Strategic Vision: Goal 4, Objective 3.

Potential Creating Efficiencies Recommendation #2: Increase efficiency of DFG science programs by improving processes for hiring and retaining seasonal employees within state government.

Implementation recommendations include:

- Provide an exemption process that allows cost-neutral or cost-advantageous projects to hire new personnel, even during state hiring freezes.
- Add additional temporary personnel classifications to cover advanced science-related duties.
- Structure the Scientific Aide classification to include additional "deep class" options, and increase baseline pay structure.
- Suspend the six-month position loss rule when a hiring freeze is in place.

Description: F&GC Policy states that research shall be performed to provide scientific and management data necessary to promote the protection, propagation, conservation, management or administration of fish and wildlife resources of the state when such data are not available by other means. When data are needed for management, DFG usually hires and manages temporary or contract employees to complete the on-the-ground portion of the workload. Both temporary and contract employee approaches have inefficiencies that decrease the ability of DFG to use science as the basis for resource management. Temporary positions for science-based work in DFG usually hire at the scientific aide classification, which has a low pay structure ($11.20 to 12.90/ hour) that does not adequately compensate for the full range of duties included in a robust science-based program. Thus, retention of trained field staff is difficult. Additionally, temporary help positions are needed most during the summer field season, which coincides with the fiscal year changeover and the increased

possibility of hiring freezes and position sweeps. Contract employees typically cost DFG more money than hiring directly because of additional overhead charges and employee pay and benefits rates that may extend beyond those of state civil servant classifications. Contracts are subject to similar fiscal year funding uncertainties that can also diminish the success of science programs. Additionally, recent liability concerns over the allowed use of state-owned equipment and vehicles by contract employees may result in increased costs, as contractors may now need to provide these items.

Implementation Assessment:

- Method: Administrative, Possibly Statutory
- Timeline: Mid-term
- Level of likely BRCC/SAG agreement: Medium to High

Ties to Strategic Plan: Goal 3, objectives 6 and 7; Goal 4, Objective 4