

**California Fish and Wildlife Strategic Vision Project**  
**Phase 3 Potential Recommendations Related to Funding and Efficiencies**  
*March 6, 2012*

This document presents potential recommendations related to funding and efficiencies, to be considered in Phase 3 of the California Fish and Wildlife Strategic Vision (CFWSV) Project; these recommendations were also presented in a document dated February 28, combined with potential recommendations related to mandates, statutes and regulations, and the California Fish and Game Commission.

The potential recommendations included in this document came from multiple sources; to identify from where the recommendation last originated, this document includes a code in curly brackets that precedes the title text of each recommendation. The codes are:

- {B} The recommendation was adopted by the Blue Ribbon Citizen Commission (BRCC), and the executive committee requested additional discussion be held.
- {N} The potential recommendation was not fully considered by the Stakeholder Advisory Group (SAG) on February 3, 2012.
- {H} The potential recommendation was suggested early in SAG deliberations but held for future discussion and deliberations in phase 3 of the project.

This document also retains notes from homework volunteers and individual SAG members for those recommendations that were not fully discussed on February 3, as well as staff notes, which are in brackets and underlined [like this]. Any new proposed text is underlined like this.

***Vision: Successful natural resource stewardship depends upon stable, adequate funding.***

***1. {B} Funding and Efficiencies Recommendation: Reform and Simplify Department of Fish and Game (DFG) Funding Programs***

The BRCC recommends that the number of special funds be substantially reduced through elimination of particular accounts, consolidation of accounts, or both. In this way, for example, special funds meant for management of game species and hunting and fishing programs could be consolidated into one fund, thereby protecting the integrity of the funds, affording a measure of flexibility, and achieving substantial administrative efficiencies.

The proliferation of special funds within the DFG structure creates significant administrative burdens and limits the effective use of available resources. (See, for example, Legislative Analyst's Office, *A Review of the Department of Fish and Game* (1991).) There are now literally scores of special funds imposing significant limitations on DFG's ability to manage its fiscal resources effectively. Many of these funds are longstanding, single-focus programs that are outdated and often contrary to sound, state of the art, ecosystem based management practices.

***2. {N} Funding and Efficiencies Recommendation: Identify program costs (noting funding authorities and stability of funds over time) and identify where fees do not cover costs***

**3. {N} Funding and Efficiencies Recommendation: DFG should work with stakeholders to evaluate the potential stable funding options (see below for list of ideas that have been suggested in this process and/or used elsewhere)**

**4. {N} Funding and Efficiencies Recommendation: Require open and transparent accounting within DFG to build public confidence in how funds are managed**

[Note: Previous meeting participants believe it is important that the stable funding and the efficiencies recommendations stay together when moving forward.]

[SAG member comment: I do not support any increase in existing fees or any new fees. DFG needs to throttle back to live within its appropriations and recognize that the ability to continue to receive bond funding may be about over. DFG needs to get “back to basics”; structurally change the size of DFG and the way it does business to live within its appropriation.]

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 and 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 sources 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. DFG staff identified the burden of administering multiple, highly specialized accounts and noted that it would be preferable to consolidate them into relatively fewer accounts with more flexibility in terms of how monies can be spent.

[Suggested edit to description text from homework volunteers.]

Note that if this recommendation moves forward, the three lists of specific funding mechanisms that could be explored is suggested as an appendix.

Potential new funding mechanisms that have been suggested in this process or elsewhere 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 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 \$1 to 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 users to pay for parking/use of wildlife areas or ecological reserves. 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. Georgia also recently instituted its Georgia Outdoor Recreational Pass, which is now required to access certain wildlife management areas. 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.

[Suggested edits to description text above from homework volunteers.]

- 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).

Potential enhancements of existing 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.<sup>1</sup> For example, commercial fishing fees currently only cover an estimated 25% of the costs of managing commercial fisheries in

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<sup>1</sup> 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.

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.

[SAG member comment: DFG needs more effective and efficient accounting of commercial fishing costs; need to account for revenues/costs by fishery groups. For example, the CPS complex includes sardine, anchovy, mackerels and squid; most CPS fishermen and processors harvest the entire complex. DFG receives \$12.60 per ton landing tax for sardine, which is managed by NMFS, not the state. DFG has admitted that it makes money on sardines – those funds could be applied to squid management costs or reduce sardine landing tax and increase squid. Squid permit fees are the highest in the state at \$2,500, while most fishing permits are only 20% of that cost, or less.] 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.

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

**5. {N} Funding and Efficiencies Recommendation: Evaluate program efficiencies, level of service delivery (adequate versus optimal), and viable funding.**

[Suggested edits to previous recommendation from homework volunteers.]

Implementation actions include:

- Create workgroup of DFG/FGC staff and stakeholders to evaluate program efficiencies, level of service delivery, and viable funding.
- Work with other state and federal agencies to investigate coordination of programs to improve program efficiencies.

Description: DFG's broad mandates have, at times, prevented it from reviewing programs with the intent of improving efficiencies. It is necessary to review DFG's programs to improve efficiencies, determine the appropriate level of service for each program, and identify viable funding sources to operate these programs. These efficiencies could be found both through internal changes and through improved coordination with other agencies and departments.

[Suggested edits to description text above from homework volunteers.]

Implementation Assessment

- Method: Administrative, regulatory, statutory
- Timeline: Mid-term, long-term

Ties to Strategic Plan: Goal 3, Objectives 1; Goal 4, Objectives 3 and 4

**6. {H} Funding and Efficiencies Recommendation: Increase efficiency of DFG science programs by improving processes for hiring and retaining seasonal employees within state government.**