

California Fish and Wildlife Strategic Vision Project

Funding Notes for January 19 BRCC/SAG Discussion Topic Meeting

January 19, 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 captures the discussion that took place on January 19, 2012 regarding the potential recommendations.

Potential Developing Funding Sources Recommendations

Vision: Successful natural resource stewardship depends upon stable, adequate funding for core DFG and F&GC functions. [See below for new language]

Potential Developing Funding Sources Recommendation #1: DFG Director convene a committee to evaluate core program costs and identify viable funding mechanisms¹ [See below for new language]

Discussion: Homework volunteers chose to combine multiple recommendations related to funding sources. Vision statement focuses on stability of funding sources. Regarding the laundry list under each subcategory (general, fees, enhance existing), homework volunteers did not feel comfortable eliminating anything at this early stage and the preference was to keep options open. The recommendation is not advocating any of the individual potential sources, but rather a process. Footnote acknowledges that a lot of work has been done around the question of funding; don't want to reinvent the wheel. This question of stable funding is fundamental to the vision process.

Concern: "Existing funding is not adequate" statement; have we really done an adequate job of evaluating what are the core responsibilities? Are there ways to operate more efficiently, integrate activities with other departments, leverage other resources, or pursue other ways to achieve the core responsibilities? Seem to be immediately jumping to the conclusion that more money is needed. Not everyone agrees automatically that DFG needs more money.

The intent of the recommendation not about "more" but rather new sources of funding. Right now there is no other agency in state government that relies so heavily on bond funding; creates alarm in looking to the future that cuts are inevitable at DFG without new and different funding sources (not necessarily more).

¹Note 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.](#)

General funding; do a good job of identifying a nexus, making the connection for most items in the list. Some not as good a job. Would be better/stronger recommendation if we could articulate the nexus for entire list. Ask DFG for a list of existing programs funded by fees to identify which ones are not funded entirely by the fees. Why requesting the director of DFG for this recommendation?

There has been a perception that DFG is not very efficient at managing its funds, but it has learned to be more efficient over the years as budget has been cut. DFG not so good at transparency in what dollars are received and on what programs spent. Also concerns expressed about estimates developed by DFG for what monies are necessary to implement a program are not very accurate. Those who benefit from the activities and programs of DFG are not all equally contributing to funding the programs (i.e., marine protected areas and non-consumptives).

Is funding transparency being handled under another discussion topic? Perhaps include in the funding description paragraph? Also, transparency in funding/budgeting is potentially an example under transparent decision-making in the common themes.

DFG, however it is done, needs to evaluate its core programs and their costs. Internal auditing of how programs are funded. How to operate more efficiently and prioritize activities based on what funding is available. Businesses and not-fo-profits have to do it all the time or go out of business. Encourage us to look at a two-step process: (1) Where does DFG currently spend its monies? and (2) then look at what is needed and how to fund that need. The number of funds used to support DFG makes it nearly impossible to be an efficient organization. Inefficiencies also result from what could be called competing interests between individual DFG programs and regions.

In the last couple of years DFG has become more transparent about special funds and how they are spent. Consolidation of accounts – legislation was introduced for the hunting funds. Duck stamps committee mandated by statute – helps with communication and discussion about the use of funds. Less criticism of DFG as a result. Special interest groups want to be certain that the funds they contribute are being used well and not redirected. Perhaps a model for funding in general.

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

Potentially three recommendations under this category:

- Identify program costs (noting funding authorities and stability of funds over time) and identify where fees do not cover costs
- DFG should work with stakeholders to evaluate the potential stable funding options (see appendix for list of ideas that have been suggested in this process and/or used elsewhere)
- Require open and transparent accounting within DFG to build public confidence in how funds are managed

[Note: Participants believe it is important that the stable funding and the efficiencies recommendations stay together as moving forward.]

Discussion: It has been long known that there is not adequate funding for DFG to do its job. Originally it was thought fishing and hunting programs should be funded by the Fish and Game Preservation Fund (F&GPF) and all others should be funded by the General Fund (GF). Over the years, this has proven to be a problem. It appears that the real issue is the adequacy of STABLE funds. There is concern that we may not be getting to the heart of the problem with these recommendations. Maybe the best thing we can do is to make this a high priority. DFG needs stable funding, but also needs funding for mandates.

Concern: Have we lost the focus on solving the current funding inadequacies? There is strong support for addressing the lack of adequate funding for DFG. Let's refocus this recommendation on how we can raise more money for DFG. We need to make sure that as we ask for more money, we need to be sure we are getting the best bang for our buck (efficiencies). Most people have no problem paying extra money if the money goes to where they expect it to go.

Concern: Saying that there is inadequate funding is the easy answer. This may not be taken seriously if that is all we say. The laundry list needs to be identified as what it is, which is a list that has not been agreed upon by the SAG in any way. These are just all ideas that could be investigated. The recommendation should include a list that we CAN agree on to some degree. Possibly add criteria to the recommendations, i.e., stability, political sensitivity, cost-benefit, likelihood of success, etc.

Fee-based programs and how to define what is an adequate level of funding? Different definitions of what is adequate. Some may not trust DFG estimates. Also need to ask is there another way of doing things? Example of timber harvest plans (THPs) originally required separate 1600 agreement from DFG, but eventually the THP process incorporated 1600s rather than requiring a separate process; leads to greater efficiencies.

OpLaw – operation of law. If a certain period of time transpires without objection to what is proposed, then moves forward under “operation of law.”

Discussion about mandates – seems like there is overlap between this discussion and others where mandates are being discussed.

Recommendation about alignment of fees with program expenditures and consideration of mandates should be eliminated. What is “excess” to one person may be “adequate” to another. Who decides and defines? Maybe need a more comprehensive, “base realignment and closure” type approach? Special task force or commission effort to put these issues together as a whole rather than a piecemeal modification approach. Comprehensive package that is voted up or down in its entirety to prevent the piecemeal approach? A SAG member provided a description of the process being recommended out of yesterday's statutes and regulations discussion.

Expect arm wrestling around process by which fees are set, where currently the legislature has some authority and DFG has some authority, which creates difficulty in matching program costs with fees. Governance not moving forward that recommendation now, as it needs more discussion.

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.

[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 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 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 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. 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).

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 administering program.² For example, commercial fishing fees 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

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.

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.

Outcome: Ensure an efficient organization that is focused on its core functions and has adequate, stable resources needed to meet ALL its mandates.

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.
- Work with stakeholders to get their recommendations on potential transfer, combination, or elimination of responsibilities.
- Work with other state and federal agencies to investigate feasibility of transfer, combination, or elimination of responsibilities.
- Work with the legislature (members and staff) to gain support for transfer, combination, or elimination of responsibilities.

Discussion: This recommendation does not address the concept of “flattening” the organization. This recommendation needs to be done at different levels. Where are the inefficiencies that can be reduced or eliminated? Where does this idea best reside? Suggest moving forward with this recommendation.

One of the challenges is that the legislature can continue to create mandates for DFG without dedicating the necessary resources. We all contribute to this problem when making requests or our legislators or organizations that lobby our legislators. Since this report is going to the legislature, perhaps one of the recommendations should relate to not giving DFG any more mandates without adequate funding.

Part of the problem is the perception that some folks believe their fees are adequate to cover the costs of services being provided, when in some cases that is not true. Should not use other fees to cover costs of a program. Without measurable performance standards it is difficult to make the case that additional funding is necessary; lack of trust between legislature and DFG and in some cases stakeholders and DFG.

Potential companion recommendation: Request that the legislature identify adequate funding for any new mandates.

We can tell the legislature what we think they should do, but they are going to do whatever they want in their short time in Sacramento. Term limits has created problems with short-term thinking. We can

tell them whatever we want; they may not listen, but doesn't mean we can't make the recommendation.

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.

Discussion: Why is this here? Why not science? Science said it fits better in funding. Not clear as to what the efficiency is to be created. This may be a recommendation that is too specific. Not "visionary" enough. DFG may be using the hiring of seasonal employees to work around benefits, hiring freezes, etc. Participants expressed concern that this may not be right for this process. We need to look at the bigger picture. There is a need to decide how we handle these more prescriptive recommendations. We should not lose these ideas, but probably not good use of limited time before Feb. 3. Hold for discussions in the third phase.

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

Potential Creating Efficiencies Recommendation #3: Convene a committee to evaluate program efficiencies, level of service delivery (Cadillac or Pontiac?), and viable funding.

Discussion: Level of service delivery = Cadillac or Pontiac?

Implementation recommendations 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 necessary 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.

Implementation Assessment

- Method: Administrative, regulatory, statutory
- Timeline: Mid-term, long-term
- Level of likely BRCC/SAG agreement: High

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