

Department of Fish and Wildlife (ODFW)					
	2017-19 Actual	2019-21 Legislatively Adopted	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 Governor's Budget
General Fund	29,458,284	35,094,508	32,498,172	42,202,572	40,138,854
Lottery Funds	5,326,259	7,621,405	7,979,626	6,433,734	6,243,283
Other Funds	182,645,607	203,027,596	207,957,997	217,657,742	221,865,389
Federal Funds	118,359,703	144,438,993	148,883,966	153,013,808	153,185,351
Total Funds	335,789,853	390,182,502	397,319,761	419,307,856	421,432,877
Positions	1,356	1,357	1,357	1,333	1,350
FTE	1,151.49	1,154.69	1,154.69	1,139.14	1,156.47
* Includes Emergency Board and administrative actions through January 2021.					

Program Description

The Oregon Department of Fish and Wildlife (ODFW), under direction of its seven-member Commission, manages the fish and wildlife resources of the state. The agency's mission is to "protect and enhance Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations." By law, the Department is charged with managing wildlife to prevent serious depletion of any indigenous species and with managing fish to provide the optimum economic, commercial, recreational, and aesthetic benefits. ODFW manages the state's fish and wildlife policies through three primary divisions: Fish, Wildlife, and Administrative Services. Enforcement of the state's fish and wildlife laws is provided by the Department of State Police, Fish and Wildlife Division.

CSL Summary and Issues

The 2019-21 current services level (CSL) total funds budget of \$419 million is a 5.5% increase from the 2019-21 legislatively approved budget with the General Fund portion up 29.9%. The increase is due to one-time reductions within the 2019-21 budget and personal services increases, standard inflation to services and supplies, and increases to the State Government Service Charges.

Policy Issues

Wildfires - the 2020 wildfires caused significant damage to some of the Department's hatcheries. Specifically, to Rock Creek, Klamath, and Leaburg. Rock Creek's damage was near total with all structures destroyed and cost estimates are approximately \$25.9 million. Klamath had around \$5.7 million in damages with Leaburg of around \$700,000. The Department is actively pursuing insurance claims for all State-owned property through DAS Risk Management and disaster relief from FEMA. The timetable for potential federal disaster funding or insurance payouts is unknown as of this writing. The Department anticipates advance payments being distributed in early 2021.

Anti-Poaching Campaign - Poaching continues to be an area of great concern. The 2019 Legislature provided the Department with \$1.5

million General Fund to implement an anti-poaching campaign. This amount does not include the General Fund provided for poaching enforcement through additional OSP troopers. Of the \$1.5 million, \$1.3 million was part of one-time reductions taken in the 2020 2nd Special Session. Only the filled Public Affairs Specialist positions was retained. Because the reductions were one-time in nature, the program's roll-up costs are included in the current service level budget.

Oregon Conservation and Recreation Fund - HB 2829 (2019) established the Oregon Conservation and Recreation Fund and a special purpose appropriation (SPA) of \$1.0 million was established contingent on the Department depositing an equal amount of money into the Fund from non-State or Federal sources prior to the sunset of the Fund on June 30, 2021. While the SPA was eliminated in SB 5723 (2020 2nd Special Session) the legislature indicated during the hearing on SB 5723 that matching funds would still be provided on what the Department was able to collect. As of early January, the fund had received \$165,000 in donations.

Oregon Conservation Strategy - the Oregon Conservation Strategy works to ensure the long-term health of Oregon's native fish and wildlife and their habitats. In order to implement the strategy, including research, monitoring, and conducting conservation actions, the Department is requesting two packages specifically related to implementing conservation programs within the federal Farm Bill in partnership with the USDA - Natural Resources Conservation Service (NRCS). The first package includes \$153,991 M76 Lottery Funds and \$613,663 Federal Funds and the establishment of four permanent field biologist positions in the Wildlife Program. Three of these positions have been approved as limited duration since the 2017 session. The second package is \$46,019 M76 Lottery Funds and \$183,346 Federal Funds and the establishment of a permanent field biologist in the Inland Fisheries program. This position was also first approved as limited duration in 2017. The NRCS does not have the capacity to implement these programs. The M76 Lottery Funds represents the required 20% match for the positions.

Klamath Anadromous Fish Reintroduction - as part of the anticipated removal of the four main stem dams located on the Klamath River, the Department is committed to leading the efforts to reintroduce salmon and steelhead trout to the Upper Klamath Basin. Dams have blocked fish passage on the Klamath River since 1916 and resulted in the Klamath Basin Restoration Agreement, which was signed in 2010 by Oregon, California, three tribal nations, and other non-governmental entities. The agreement requires reintroduction of salmon and steelhead in the Klamath River. To meet the reintroduction goals, a limited duration staff biologist was approved in 2019 to develop a plan in collaboration with the Klamath Tribes of Oregon and other fish managers in the Klamath basin. A draft plan was presented earlier this year and is expected to be completed by Fall 2019. Funding for the package came from Pacific Coastal Salmon Recovery Funds received from the Oregon Watershed Enhancement Board (OWEB). For the 2021 budget, the Department is requesting the continuation of the position but with the funding split between Other Funds and General Fund.

Water Quality Issues - the Department has requested three permanent positions and \$700,248 General Fund to work on a multi-year effort in cooperation with the Water Resource Department to coordinate Willamette Basin activities around instream water rights for fish and wildlife and out of stream water rights for municipal and agricultural users. Thirteen federal reservoirs in the Willamette Basin are in the final stages of federal reallocation of stored water. This package was included in the Governor's Budget. There is an additional request for two

permanent full-time positions and \$472,885 General Fund to provide capacity for the Department to participate in water-planning discussions across the state around the Integrated Water Resource Strategy. This package was not included in the Governor's Budget.

Deferred Maintenance - a 2005 Secretary of State audit estimated the Department had nearly \$100 million in deferred maintenance needs at their various facilities. To begin addressing those needs, the 2017 Legislature approved \$10 million in capital construction expenditure limitation from Article XI-Q bonds to be sold in the Spring 2019, along with \$215,000 cost of issuance expenditures. The bond proceeds will be used as the first part of a multi-biennium plan to rehabilitate the agency's capital assets across the state. The Department is requesting another \$10 million in bonding in 2021 for phase 2 of the deferred maintenance plan, along with \$175,000 cost of issuance expenditures. Additionally, the Department has included \$1,077,874 General Fund for debt service.

Culvert Fish Passage - ODOT and ODFW negotiated a three-year pilot program in the 2015-17 biennium for culver repair to allow for fish passage. A new multi-year agreement was negotiated to cover the 2018-2022 and ODOT will provide \$2,816,270 to resolve barriers identified in the Oregon Fish Passage Priority List. The cost also includes the continuation of a limited duration position.

Restore Western Oregon Streams Program - the Western Oregon Streams Program was cut in the 2015 and 2017 session. The most recent reduction eliminated two of the five positions within the program. Currently the three remaining biologists in the program are in Clackamas, Tillamook and Roseburg. The Department is requesting restoration of three permanent NRS-2 biologists within the new Habitat Division at a total cost of \$585,056 General Fund.

Other Significant Issues and Background

Revenues - the Department relies heavily on Other Funds revenue from hunting and fishing license and tag sales. When needed, General Fund reductions in ODFW have most often been accomplished by removing General Fund support for a program and shifting that program to another fund type, typically using Other Funds revenue from the sale of licenses and tags. These shifts increase the burden to support programs with revenues from hunters and fishers and causes severe cash flow issues. The 2015 Legislature addressed these revenue issues by providing General Fund to shift some programs off license and tag revenues, and approved fee increases to be implemented in January 2016, January 2018 and January 2020.

The Department's revenue outlook has been such that the 2020 fee increase was delayed. Recreational license sales have even increased slightly during the COVID-19 pandemic. The Department's proposed budget does not include a fee increase for sport or commercial activities in 2021-23 and its current estimated ending balance is around \$55 million which equates to roughly 4-5 months of operating expenses. The current projected ending balance at the conclusion of 2021-23 is closer to 3 months of operating expenses, likely necessitating the implementation of the delayed 2020 fee increase in 2023. However, it should be noted that depending on the General Fund outlook for the State and increasing interest in shifting hatchery production onto license dollars (currently around \$5.5 million General Fund), a fund shift would result in around a 10% increase to license fees in addition to the fee increase assumed to be necessary in 2023.

Habitat Division - the 2019 Governor's Budget narrative directed the Department to reestablish a Habitat Division, but the Governor's Recommended Budget did not include a corresponding budget package to implement that direction. The Department has followed through on that original instruction and included a policy package in its Agency Request Budget to establish the new division, with the establishment of seven new positions, including a division administrator. It also transfers programs from other divisions including 64 positions. Total cost of the new division is \$1,287,992 General Fund. This package was approved in part within the 2021-23 Governor's Recommended Budget.

Orca Salmon Forage - the Department is requesting \$2.3 million General Fund to increase salmon production at Oxbow and Leaburg hatcheries for the purpose of increasing salmon supply for orca's in the Pacific coastal waters. As part of the shift in workload it would also shift some costs from Other Funds and Federal Funds onto the General Fund. The Department would also pursue additional funding from the Pacific Salmon Treaty (federal funding from NOAA) and the State of Washington to offset a portion of the General Fund. This package was not approved in the Governor's Budget.

Governor's Budget - the 2021-23 GB is half a percent above the current service level in total funds, but 5% below CSL in the General Fund. This is largely the result of reductions totaling \$3.8 million General Fund. While some of these reductions are statewide such as assumed vacancy savings, DAS Statewide charges, or elimination of inflation; there is another \$2.3 million that is accomplished through fund shifts onto license dollars or federal funds. The Governor's Budget includes the following:

- Funds shifts 20 positions from General Fund to Federal Funds (\$2.0 million)
- Eliminates two General Fund positions associated with the Rock Creek Hatchery
- Establishes a Diversity Equity and Inclusion Coordinator (\$256,319 GF through fund shifting S&S costs to OF)
- Establishment of the Habitat Division but only adds two new positions funded with federal funds
- \$10 million in Article XI-Q bonds for deferred maintenance
- \$700,248 General Fund for the Willamette Basin water issues
- \$2.8 million in Other Funds from ODOT for culvert fish passage
- Habitat Assessment position for Oregon Coast (\$222,012 OF)
- Central Oregon Irrigation District biologist (\$105,000 OF)
- \$2.2 million Federal Funds limitation for administering Voluntary Access & Habitat Incentive Program grants
- Jordan Cove Project Gas Pipeline Liaison (\$300,000 OF)
- Establishes two permanent ISS-6 positions (\$449,743 OF) by fund shifting contract dollars to personal services
- Good Neighbor Authority Coordinator (\$240,625 FF) and Recreational Fisheries Project Coordinator (\$219,154 OF)

The Governor's Budget does not include continuation of the biologists related to Klamath anadromous fish reintroduction, orca salmon forage, funding for a pilot program to reintroduce sockeye salmon in Wallow lake, funding for a position to provide technical assistance for tide gates, expansion of the shellfish program, water planning position, restoration of the Western Oregon Streams program positions, or continuation of the biologists within the Oregon Conservation Strategy.

Key Performance Measures

A copy of the Department of Fish and Wildlife's Annual Performance Progress Report can be found on the LFO website
https://www.oregonlegislature.gov/lfo/APPR/APPR_ODFW_2020-09-29.pdf