



To

Senate Committee on Natural Resources and Wildfire Recovery

900 Court Street, Salem OR

Date 04.01.2021

Re: Testimony in Opposition of SB 642 that appropriates moneys from General Fund for the Wolf Management Compensation and Proactive Trust Fund

Chair Golden and Members of the Committee

On behalf of Defenders of Wildlife (Defenders), I am submitting the following comments **in opposition of SB 642**, which appropriates General Fund moneys to the Wolf Management Compensation and Proactive Trust Fund (“Wolf Compensation Fund”). Defenders, with nearly 2.2 million supporters nationwide, is a national wildlife conservation organization that aims to protect imperiled and native species and their habitats. On behalf of our nearly 33,000 members in Oregon, I urge the Committee to not pass this bill as it undermines the effort to address the current challenges in the Wolf Compensation Fund.

As a wildlife conservation organization that works with local communities to promote coexistence with wildlife (including wolves), Defenders recognizes the importance of compensation as an important tool in the toolbox for landowners and livestock producers. In fact, Defenders set up a wolf-livestock conflict compensation fund in Oregon even before the state developed its own compensation program. In 2011, Defenders was one of the stakeholder groups that developed the legislation which established a state level compensation program in Oregon. We, therefore, have a history and motivation to support an efficient and functioning compensation program in the state.

Unfortunately, the current structure and administrative process of the Wolf Compensation Fund is severely challenged. Most of the challenges in the program revolve around

accountability, transparency in the nature of claims (e.g., payments for “missing livestock” being especially controversial; no clarity on payment structure and criteria for range riding), how these claims are received and how they are awarded. There is also lack of consistency in the administration process and usage of the Fund’s dollars from county to county.

The Fund was established primarily on concepts and theoretical knowledge with no opportunity to ground-truth or the possibility to imagine how wolves would expand in Oregon. Since it was formed in 2011, the Fund has not been revised or adapted to address the problems that have since been identified. The Wolf Compensation Fund has also been the focus of [investigative journalism articles](#) which question the accountability and transparency of the Fund’s process — from claims to payments — and the lack of clarity every step of the way. No effort has been made to address these serious allegations and concerns. Adding more of the tax-paying public’s dollars to an inefficient program would be a misuse of General Fund moneys.

Defenders recognizes the huge challenge we as a state have in reforming the Fund to meet the needs of landowners and producers while addressing the concerns of the general public. In 2020, we started working with livestock producers from eastern Oregon to do exactly that — identify the current problems in the Fund and collaborate with the producers to propose solutions that would streamline the process, address the issues of transparency and accountability but also be useful for producers. We developed a proposal that we have since shared with Oregon Department of Agriculture (ODA), the Governor’s office and county level stakeholders. ODA hosted a multi-stakeholder meeting during summer of 2020 using the proposal as a starting point of a dialogue to reform the Fund. I have attached a copy of our proposal with this letter (**below**) for your reference and consideration.

Defenders is committed to participating and collaborating in any effort that would reform the Fund. However, putting more money into a faulty system will undermine the scope of any such effort and will exacerbate the already existing challenges in the administration of the Fund. I, therefore, urge you to not pass SB 642 and instead prioritize addressing the challenges in the Fund before adding taxpayer dollars into the Fund.

Thank you for your consideration. Please feel free to contact me with any questions or concerns (Sristi Kamal: skamal@defenders.org)

Sincerely

Sristi Kamal

Sristi Kamal, Ph.D.

Senior NW Representative

Defenders of Wildlife



Oregon Wolf Depredation Compensation and Financial Assistance Grant Program

The Oregon Wolf Depredation Compensation and Financial Assistance program was set up to help livestock producers coexist with wolves on the landscapes and increase tolerance toward the species. However, over the past few years the program has been a source of concern mostly around the accountability and transparency of the funds, the standards and protocols for fixing compensation rates as well as the Committee structures. Additionally, the Program was set up at a time when wolves were limited to a few counties which made it possible to bypass a statewide standardization of any part of the Program. After nearly 10 years of wolf expansion and Program implementation it is the perfect opportunity to revisit the Program structure and operation in order to align with the present and future needs of livestock producers and of wolves.

Rather than focus on the challenges alone, we made a conscientious effort to focus on potential solutions to the current identified problems in the Program.

Program Components to Maintain:

While there are problems with the current Program structure, these are the fundamental components that are working well and we support incorporating these moving forward:

- Oregon Department of Fish and Wildlife conducts depredation investigations and makes final determination
- Compensation payments are available for both confirmed and probable losses
- Non-lethal preventative measures are a Program priority
- Compensation and prevention claims are paid prior to considering claims for missing livestock

Committee Structure

Currently, the Program is operated on the ground by County offices through their Wolf Compensation Committee. While this structure made sense when the Program started with a limited number of counties, it has since become a challenge that limits the Program's ability to standardize application processes, application criteria, compensation criteria as well as standardization of compensation rates for the state. We looked for good practices and examples from other states that have similar programs and even higher number of wolves and the most practical and efficient structure was the State Livestock Loss Board, which will likely be housed under Oregon Department of Agriculture. We tried to describe what such a Board could look like and mirrored many aspects of it after Montana's very successful livestock loss board.

- **State livestock loss board –**
 - Oregon Department of Agriculture(ODA) appoints board members
 - 7-member board experienced with effective coexistence efforts or experienced with tools and techniques to minimize wolf-livestock conflict. Three members who are actively involved in the livestock industry and who have knowledge and experience with regard to wildlife impacts or management; and three members of the general public who are or have been actively involved in wildlife conservation or wildlife management and who have knowledge and experience with regard to livestock production and tools to minimize wolf-livestock conflict. The

board chair is selected from the current board members and serves in a neutral position.

- Staggered 4-year terms with limits of two terms per board member. The first group of board members will be appointed to either 2- or 4-year terms to start the staggering process. In the first group at least one board member from each stakeholder group will be appointed a 4-year term.
- Applications for new board members are only considered after 5 applications have been received for each position to ensure a decent applicant pool for ODA to select from
- Livestock industry representatives are from state/regions where wolves reside
- Public quarterly meetings, two of which are required to be in-person. Board hosts virtual public meetings opportunistically throughout the year as applications are submitted to increase program transparency and ensure timely fund dispersal.
- Duties include:
 - Establish standard grant application forms for prevention, compensation, missing claims, and livestock count verification
 - Establish compensation rates for death or injury to livestock or working dogs attributed to wolves
 - Establish standard range riding rates. We recommend a standard hourly rate of \$18 for the 2021 grazing season and evidence of in-kind contribution (50%) to reflect livestock producer investment in the program.
 - Establish priority for grant monies received by livestock producers/counties and distribute grant program funds to approved individuals and counties. Applications from counties are not prioritized above applications from individuals, both are weighted equally.
 - Establish a procedure by which persons applying for missing livestock will provide sufficient evidence of actual losses to wolf depredation (see Accountability section) and rationale for funding amount requested (e.g., quotes outlining anticipated costs)
 - Establish any other criteria which allows the Board to fulfill its mission

- Review grant applications, missing applications, new program funding opportunities etc.

Standardized Grant Application and Criteria

Currently, each county has its only grant application and criteria. This is problematic on several scales. At a county level there is lack of accountability on how applications requests are advertised, how they are collected and how they are approved. At a state level, ODA deals with several different criteria for approval from each county and application structures to dispense the funds, which makes it extremely challenging to be consistent across the state.

Standardize the following statewide:

- Grant application forms for prevention, compensation, missing claims, and livestock verification
- Compensation rates for death or injury to livestock or working dogs attributed to wolves
- Range riding rates and job responsibilities
- Procedure by which persons applying for missing livestock will provide sufficient evidence of actual losses to wolf depredation (see Accountability section)
- Procedure to purchase and distribute non-lethal deterrents to livestock producers/ counties

Accountability

One of the biggest challenges of the program has been accountability – how the funds are dispensed and used, as highlighted in the investigative piece by OPB and EarthFix. Most of the challenges in this aspect lies in three domains – missing livestock claims and how they are assessed and dispensed; range rider fees and the lack of audit of the program. For each of these three domains we have proposed solutions that will address the current concerns.

- **Missing claims -**

- Must have verified (confirmed or probable) depredation that year in the same area(e.g., in the same allotment)
 - Only covers calves and sheep, yearlings and adult cattle are not eligible.
 - Funds available for livestock grazed in pastures over 300 acres. Claims may be submitted for livestock grazed on 100 – 300 acres with proof of challenging terrain (e.g., thick brush, deep draws, steep slopes). Submit a terrain map of the area in addition to photos as evidence of terrain challenges. Claims for less than 100 acres will be considered on a case- by-case basis and also require proof of challenging terrain.
 - Provide evidence that appropriate nonlethal tools were tried in the pasture(s) where livestock went missing
 - If range riding is one of the listed non-lethal tools, individual must submit written logs documenting minimum activities (see Range Riding section below) were performed
 - Pay out up to 1/3 of market value for missing livestock during the current grazing season
 - Can only claim missing livestock if losses were above 3% during the current grazing season
 - A signed and notarized damage claim affidavit must be submitted no later than December 31 of the year in which the missing claim was filed.
- **Range riding -**
 - Range riders paid under this program are required to keep written logs documenting that minimum requirements were met o Minimum requirements include:
 - Use of appropriate mode of transportation (ATV, horse) for terrain to ensure access to livestock. Simply driving Forest Service roads in a vehicle is inadequate.
 - Activities done at a time and place that would be expected to deter wolf-livestock conflict
 - Monitoring and moving/grouping livestock in a manner that reduces vulnerability to depredation
 - Evidence of frequent range riding and human presence during peak wolf activity hours (i.e. dusk to dawn) and times when livestock have been stressed (i.e. calves separated from cows when moving pastures, branded, weaned, etc.)
 - If possible, attempt to locate missing or separated livestock and return to the group

- Check on livestock health and behavior, and if possible, doctor or remove from the pasture as needed to reduce depredation risk to sick or injured livestock
- Identify, deter, and document wolf or other carnivore activity near livestock
- Work with local ODFW staff to understand wolf activity in the area and which actions could be most effective at reducing wolf-livestock interactions
- Quarterly reports released to the public by ODA with program guidelines, changes, money expenditures by county and payment type (compensation, prevention, missing...etc.). Includes detailed list of preventatives used in each county.
- Perform a third-party audit of the grant program when funds are scheduled to be increased (e.g. every other biennium). This increases program transparency, accountability, and provides evidence program funds are well-spent prior to increasing funding.
- Perform an in-house program evaluation on the same schedule as the third-party audit to update and improve program procedures and implementation.

Funding

- Include in-kind contributions from additional organizations/agencies who allocated funds towards non-lethal tools the previous year
- Incorporate opportunities for taxpayers to fund compensation to ensure long-term, consistent program funding.
- Increase grant program funding by 5% every other biennium.
- Missing claims will only be paid at the end of the current year if funds are still available
- Any unused state funds are put into a reserve fund so unexpected funding requests can be addressed