

2025-27 Budget Review

Department of Fish and Wildlife

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
General Fund	74,319,235	70,912,893	66,620,522	65,983,114
Lottery Funds	6,886,493	7,253,227	10,003,606	10,003,454
Other Funds	194,731,818	292,692,770	275,850,199	311,764,782
Federal Funds	131,357,078	223,951,064	209,506,907	208,852,722
Total Funds	407,294,624	594,809,954	561,981,234	596,604,072
Positions	1,382	1,384	1,359	1,361
FTE	1,179.39	1,188.96	1,175.93	1,173.14

* Includes legislative and administrative actions through December 2024.

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 four primary divisions: Fish, Wildlife, Habitat, and Administrative Services. Enforcement of the state’s fish and wildlife laws is provided by the Oregon State Police (OSP), Fish and Wildlife Division.

The Fish Division consists of the Inland Fisheries and Marine and Columbia River Fisheries programs and has primary responsibility for managing fish resources within the state.

- Inland Fisheries program – ensures the conservation and sustainable use of fish populations within the inland areas of Oregon. The program provides policy and direction for Oregon’s freshwater fishery resources, ensuring native species are conserved and their habitats are protected and restored. The Division also fosters and sustains opportunities for sport, commercial, and tribal fishers to catch hatchery and naturally produced fish, consistent with the conservation of native fish.
- Marine and Columbia River Fisheries programs – manages fish and shellfish in both the mainstream Columbia River and the ocean. The program plays a pivotal role in protecting and enhancing fish and shellfish populations and their habitats by applying science and monitoring to adapt management strategies in response to changes. These efforts help at-risk species move toward recovery while optimizing fishing opportunities on a platform of conservation.

The Wildlife Division consists of the Wildlife Management and Wildlife Conservation programs and has primary responsibility for managing wildlife resources throughout the state.

- Wildlife Management program – manages game species including big game, furbearers, waterfowl, and upland game birds. Biologists, with the assistance of seasonal wildlife technicians, inventory Oregon’s big game species, develop and implement species management plans, respond to damage complaints, conduct hunter and harvest surveys, and assist in developing hunting regulations.
- Wildlife Conservation program – The Conservation Program coordinates and implements wildlife and habitat conservation actions in cooperation with partners, consistent with the goals of the federally-approved Oregon Conservation Strategy, and in alignment with the Oregon Plan for Salmon and Watersheds. The Strategy includes a habitat-based approach to conservation to maximize results. The Program focuses on the state’s 294 native species in need of conservation, the 11 habitats that are becoming increasingly rare, and seven greatest conservation threats, including land use changes; invasive species; disruption or loss of functional habitats; barriers to fish and wildlife movement; water quality and quantity; institutional barriers to voluntary conservation; and climate change.

The Habitat Division, reestablished in the 2021-23 biennium, leads statewide efforts to protect, restore, and enhance habitat for Oregon’s fish and wildlife populations. The Division is broken into Land and Water Programs, Regional Habitat Programs, and grant programs to encourage land management practices ensuring healthy habitats. The Oregon Conservation Strategy, and ODFW’s various species conservation, recovery, and management plans prioritize habitat protection and restoration actions to sustain and/or recover populations. The Habitat Division’s role is to implement the habitat protection and restoration actions identified in these plans. The Division also serves as a science hub for information about specific species’ habitat needs and incorporates climate and ocean change data into modeling and recommendations.

ODFW provides funding through a contract with the Oregon State Police (OSP), Fish and Wildlife Division, for enforcement services ensuring compliance with laws designed to protect and enhance the long-term health and use of the state’s fish and wildlife resources. This includes recreational and commercial fishing laws and regulations, as well as hunting laws. These enforcement positions are included in the OSP budget. Officers in the Fish and Wildlife Division are sworn police officers and can enforce traffic, criminal, boating, livestock, and environmental laws as well as respond to emergency situations.

Agency Administration provides general support functions to all programs of the Department. The Division includes the Fish and Wildlife Commission, Director’s Office, Commercial Fishery Permit Board, Administrative Services Division, Human Resources Division, Information and Education Division, and the Information Systems Division.

The Department’s 2023-25 legislatively approved budget (LAB) includes revenue from General Fund (12%), Lottery Funds (1%), Other Funds (49%) and Federal Funds (38%). Other Fund revenues are derived from several sources. The two largest being the sales of hunting, angling and occupational licenses and tags; and indirect, or overhead charges associated with federal laws, agreements, and

grants. Federal Funds are primarily received from federal agreements and grants. ODFW receives, on average, \$32 million annually from the federal Wildlife and Sport Fish Restoration Fund (WSFR).

BUDGET ENVIRONMENT

Private Forest Accord - The Private Forest Accord (PFA) was adopted by the Oregon Legislature in 2022 to implement a negotiated agreement between the timber industry and conservation groups concerning private forestland practices and the protection of natural resources. Three bills passed to support implementation of the mediated agreement, including SB 1501, SB 1502, and HB 4055. Included in the Oregon Forest Practices Act (SB 1501) was the establishment of a 12-member Private Forest Accord Mitigation Advisory Committee and a Private Forest Accord Grant Program to fund projects designed to mitigate the impacts of forest practices on aquatic species and habitats covered by the Habitat Conservation Plan. The mitigation fund was created as a subaccount of the Oregon Conservation and Recreation Fund. An allocation of \$10 million General Fund was deposited in the PFA Mitigation Subaccount during the 2021-23 biennium, and the Legislature established an annual deposit of \$2.5 million in timber harvest tax revenue. This annual deposit of timber harvest tax revenue is slated to increase to \$5 million after the Oregon Department of Forestry receives an Incidental Take Permit from federal partners for the potential take of covered fish and wildlife species. With the establishment of this fund, ODFW was given authority to establish 15 new positions, along with administrative funds to support the program. The initial deposit of \$10 million General Fund was intended as a one-time deposit, with further funding discussion anticipated during the development of the Department's 2023-25 budget. There was a subsequent one-time deposit of \$10 million General Fund during the 2023-25 budget, which was phased out when building ODFW's 2025-27 budget. The Private Forest Accord report indicates in section 12.2.3 that the authors agree the mitigation fund is "to be supported by state dollars (\$10 million per year beginning January 1, 2023)."

Hatcheries - The Department faces varied challenges related to hatchery management, including infrastructure, engineering and maintenance issues, as well as climate impacts to water availability and temperature. In 2022, the Department contracted for completion of an assessment of vulnerabilities and potential solutions at six state-owned hatcheries. SB 5506 (2023) included \$1 million General Fund to continue and expand on this effort during the 2023-25 biennium. In an associated budget note, the Department was directed to procure a third-party assessment of the operations, sustainability, and climate vulnerability of state-owned fish hatcheries, including considerations of financial sustainability; facilities maintenance; economic benefits of producing hatchery fish; ecological impacts of hatchery programs; and climate vulnerability for a sample set of state-owned hatcheries. As part of the Department's 2025-27 budget request document, ODFW included suspending operations at two hatcheries and discontinued use of the Oregon Hatchery Research Center as part of the mitigation plan due to the revenue shortfall. The Department will be providing reports and recommendations to the Legislature during the 2025 session based on findings of the hatchery assessment and public engagement that is occurring.

Reliance on Federal Funds - Federal funding for many of ODFW's fish programs has been decreasing or staying flat during the past few biennia, and this trend is expected to continue. As a result, services will be reduced or discontinued if federal funding is not maintained, restored, or replaced with another revenue source. Federal funding supports ODFW's ability to monitor some populations, conduct

research, protect or restore habitats, and produce hatchery fish. In turn, this effects the Department's ability to conserve wild fish populations and provide opportunity to commercial and recreational anglers. In ODFW's 2023-25 approved budget, 38% of staffing expenditures are supported by Federal Funds. If federal revenues continue to decrease or stay flat while inflation for staffing drives expenditure increases, additional reductions will be necessary to balance programs or alternative revenue sources will need to be identified.

Fee Increase - Approximately 25% total revenue for the Department is from the sale of hunting and angling licenses. The last approved fee increase was in 2015 and had a phased approach over six years, with the last increase for recreational license and tags taking effect in 2020. While there has been a slight decline in number of tags and licenses sold, this remains a relatively stable source of revenue. Based on revenue and expenditure projections, the Department would have less than one month of operating reserves at the end of the 2025-27 biennium without making changes. This is not sustainable and either expenditures need to be reduced, revenue increased, or a combination of the two for a viable sustainable future. Best practice dictates a cash reserve of three to six months to weather fluctuations in cash receipts and support the timelines of federal grant reimbursements.

Revenue Shortfall - The Department is facing a revenue shortfall for the 2025-27 biennium. In the past four biennia, shortfalls only occurred in Federal Funds due to flat grant funding in relation to increased staffing and inflationary costs. ODFW has proposed an \$8.8 million Other Funds expenditure limitation reduction including 34 positions (29.54 FTE) in partnership with a fee increase to minimize the cost to the public while maintaining ability to deliver their mission. The reduction is primarily in the Fish Division, but also impacts Wildlife, OSP Enforcement, and Administration. It is important to note, that this reduction is in concert with a fee increase, which if not successful, will necessitate further reductions. Anticipated impacts of the reductions will be reduced customer service levels, less monitoring and research, and fewer hatcheries in operation, but the agency indicated they would still be able to deliver on their mission.

Approximately \$7 million of the reduction is in the Fish Division. More specifically the reductions will result in:

Fisheries Research and Monitoring Reductions (\$3.3 million)

- Elimination of the Oregon Hatchery Research Center and associated positions. Research is expected to continue at other facilities.
- Abolishing positions relating to:
 - Stream temperature monitoring;
 - Coastal Chinook Research and Monitoring project;
 - Life cycle monitoring;
 - John Day Chinook Escapement; and
 - Coastal Adult Surveys.

State Hatcheries Reductions (\$2 million)

- Closure of the Rock Creek Hatchery. This proposal would cease operations for the 2025-27 biennium at the hatchery and abolish the positions, utilizing the portion of General Fund for other hatchery positions to reduce the reliance on angling license revenue. This facility was effectively destroyed by wildfire and the department has received insurance proceeds, which

are likely not sufficient to fully restore the facility to usable status. In addition, climate change leading to increased water temperatures pose additional challenges for operations at this site.

- Closure of the Salmon River Hatchery. This proposal would cease operations for the 2025-27 biennium at the hatchery and abolish the positions, utilizing the portion of General Fund for other hatchery positions to reduce the reliance on angling license revenue. The Department would retain ownership of the property for future determination on use and land planning. This site is prone to flooding based on location.

Fish Management Reductions (\$1.6 million)

- Abolishing three District Fish Management positions and associated services and supplies which is expected to reduce regional fishery management.
- Abolishing four regional administration positions which will reduce regional fishery management.
- Redirecting statewide fish management positions to recreational shellfish management efforts which changes funding reliance from Commercial Fish Fund to the Recreational Shellfish Fund.
- Eliminate staffing for the Oregon Coordinating Council on Ocean Acidification and Hypoxia.
- Reduce staffing in the marine mammal program which reflects success in the management at Willamette Falls.
- Reduce seasonal monitoring of finfish and services and supplies in the Marine and Columbia River Fisheries program.

CURRENT SERVICE LEVEL

The 2025-27 current service level (CSL) budget for ODFW totals nearly \$562 million and supports 1,359 positions (1,175.93 FTE). This represents a decrease of \$32.8 million total funds, or 6%, from the Department's 2023-25 LAB. This reduction is due to the net impact of vacancy adjustments, inflation, and phase-outs related to one-time expenditures. The primary factor in the net reduction is the phase-out of \$63 million total funds; including \$12 million General Fund, nearly \$27 million Other Funds, and just under \$24 million Federal Funds expenditure limitation.

The most significant phase-outs are summarized below by program:

Fish Division

- \$1 million General Fund received from SB 5506 (2023) for hatchery resilience research.
- \$8.8 million Other Funds expenditure limitation received from SB 5506 (2023) for lottery bond funded fish passage projects.
- \$1.4 million Federal Funds expenditure limitation received from SB 5509 (2023) for Infrastructure Investment and Jobs Act (IIJA) funded projects.

Wildlife Division

- \$800,000 Other Funds expenditure limitation received from SB 5701 (2024) for Disaster Peak land acquisition.

- \$14.5 million Federal Funds expenditure limitation for IJJA funded projects from SB 5509 (2023), Disaster Peak Ranch land acquisition from SB 5701 (2024), and Minam River Wildlife Area land acquisition from SB 5509 (2023).

Habitat Division

- \$11.1 million General Fund received from SB 5506 (2023) and SB 5509 (2023) for instream water rights Department of Justice expenses, a General Fund deposit into the Oregon Conservation and Recreation Fund, and General Fund deposit into the Private Forest Accord Mitigation Fund.
- \$17.3 million Other Funds expenditure limitation received in SB 5506 (2023) and SB 5701 (2024) for lottery bond wildlife passage projects, Climate Solutions Fund expenses, and Private Forest Accord grants.
- \$7.8 million Federal Funds expenditure limitation received from SB 5509 (2023) for Infrastructure Investment and Jobs Act (IJJA) funded projects.

Standard inflationary factors are 4.2% for general inflation and 6.8% for non-state employee personnel costs. The Department received approval for additional inflation for OSP enforcement costs and hatchery operational expenditures in the amount of \$2.5 million total funds for agency overall inflation of \$17 million total funds.

GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's Budget includes over \$596 million total funds and 1,361 positions (1,173.14 FTE). The Governor's Budget is comprised of nearly \$66 million General Fund, just over \$10 million Lottery Fund, almost \$312 million Other Funds, and approximately \$209 million Federal Funds. The total funds budget represents an increase of nearly \$35 million, or 6% above CSL, and includes two additional positions and an overall reduction of 2.79 FTE reduction. In addition to adjustments for statewide Attorney General rates and Department of Administrative Services assessments and service charges, the following packages are included in the Governor's budget:

Agencywide, Debt Service, and Capital Construction

- Package 090 is an analyst recommendation that reduced \$2.1 million General Fund by eliminating an agricultural ditch program position (1.00 FTE), reducing predator control contracted services, and reducing anti-poaching program funding which will eliminate the program at ODFW and reduce the amount provided to OSP for enforcement.
- Package 116 is self-funded across divisions to create a Klamath Watershed District Manager position to help address increasing workload associated with the Klamath dam removal, reintroduction of anadromous fish, water issues, lithium mining, renewable energy siting and tribal relations among other issues in the area.
- Package 120 provides \$20 million in Article XI-Q bond funding for hatchery infrastructure capital projects.
- Package 123 provides \$5.3 million in Article XI-Q bond funding for replacement of the Rogue district office.

- Packages 121 and 124 provide \$250,000 Other Funds expenditure limitation to record the cost of issuance of the Article XI-Q bonds and \$2.1 million General Fund to pay the debt service associated with the hatchery infrastructure and Rogue district office capital projects.

Fish Division

Inland Fisheries

- Package 102 establishes one permanent position (1.00 FTE) and \$241,191 General Fund to conduct outreach to Klamath Basin landowners and coordinate fish screening efforts.
- Package 106 establishes one new permanent position and adds 16 months to two existing seasonal positions (1.68 FTE) and provides \$305,883 Other Funds expenditure limitation funded by the Pacific Coastal Salmon Recovery Fund to provide capacity for salmon reintroduction monitoring in the Klamath Basin.
- Package 122 provides \$8.8 million Other Funds expenditure limitation to continue previously approved lottery bond revenue supported fish passage projects.
- Package 127 aligns funding for three existing positions based on assignments and relevant available revenue and establishes one position (1.00 FTE) as permanent that was previously limited duration to support Willamette fish research and salmonid models. This package is self-funded with a shift between services and supplies to personal services. While this is a net zero cost in the 2025-27 biennium, the average personal services inflation is higher than services and supplies historically.

Marine and Columbia River Fisheries

- Package 111 establishes one permanent full-time and two permanent seasonal positions (2.00 FTE) to create an early response team to monitor and detect Harmful Algal Blooms to reduce the risk to public health and maximize the period when shellfish can be safely harvested. This increases Other Funds expenditure limitation in the amount of \$466,722 and is funded by recreational shellfish license revenue.
- Package 112 converts a limited duration position to permanent (1.00 FTE) to continue work on the Habitat Conservation Plan, specifically working towards issues with marine life entanglement, to maintain commercial crab fisheries. This increases Other Funds expenditure limitation by \$276,364 and is funded by revenue in the Commercial Fish Fund.
- Package 117 creates a new permanent position (1.00 FTE) to address the needs associated with offshore wind energy in relation to fish, wildlife, and their habitats. This package is self-funded by a reduction in General Fund services and supplies for marine reserve sampling. While this is a net zero cost in the 2025-27 biennium, the average personal services inflation is higher than services and supplies historically.

Wildlife Division

- Package 109 establishes a limited duration position (1.00 FTE) to facilitate the Hunt by Reservation program, a pilot program that began in 2019 and has had success in pairing landowners with hunters to reduce wildlife damage and nuisances on their land. This increases Other Funds expenditure limitation by \$218,409 and is supported by dedicated revenue derived

from hunting license surcharges and pheasant permits in the Upland Bird, Migratory Waterfowl, and Access and Habitat subaccounts.

- Package 113 provides three permanent positions (3.00 FTE) and \$800,707 Other Funds expenditure limitation to coordinate conservation efforts for at-risk wildlife species and is funded with Monsanto settlement funds. Creating permanent positions without a permanent funding source is not best practice.
- Package 115 establishes one permanent full-time position and eight seasonal positions for Chronic Wasting Disease sampling and monitoring. This is funded with increase license fee revenue and dependent on approval of package 107 revenue and increases Other Funds expenditure limitation by \$963,608.
- Package 126 provides eight positions (4.77 FTE) to prevent the introduction of new invasive species as well as management and treatment of existing invasive species. The package is funded through Aquatic Invasive Species Permits managed by the Oregon State Marine Board, Federal Funds provided by the US Army Corp of Engineers and U.S. Fish and Wildlife Service (USFWS), and Lottery Funds used for USFWS State Wildlife Grant match. This package is self-funded by a total funds reduction of \$867,769 in services and supplies for a net zero impact in the 2025-27 biennium.
- Package 130 provides one seasonal full-time position (0.58 FTE) to assist with Good Neighbor Authority activities on federal lands and utilizes U.S. Forest Service contract dollars and Other Funds license revenue and is self-funded with a reduction to services and supplies. While this is a net zero cost in the 2025-27 biennium, the average personal services inflation is higher than services and supplies historically.

Habitat Division

- Package 101 provides \$300,000 General Fund to address legal challenges the agency faces regarding instream water rights and land use resolution.
- Package 108 provides continuation of \$2.8 million Other Funds expenditure limitation for the Natural Climate Solutions Fund for projects approved by the Oregon Climate Action Commission relating to carbon sequestration, habitat and floodplain restoration, and wildfire risk reduction projects along with two limited duration (1.50 FTE) positions to complete the projects.
- Package 114 fund shifts five existing positions and establishes three new positions (3.00 FTE) to increase regional capacity, particularly in the Malheur County relating to issues with mining and removes funding constraints on work assignments. This package is funded with Monsanto settlement funds in the amount of \$1.8 million Other Funds expenditure limitation and reduces Federal Funds expenditure limitation by \$656,180. Creating permanent positions without a permanent funding source is not best practice.
- Package 122 provides \$4.5 million Other Funds expenditure limitation to provide continuation of previously approved lottery bond revenue to support wildlife passage projects.
- Package 125 repurposes existing General Fund within the Wildlife Management program to leverage Federal Funds for a position (1.00 FTE) to coordinate with other climate policy leads across the agency and help integrate climate science into planning, research, and implementation programs. The General Fund is net zero by a reduction to services and supplies

in the 2025-27 biennium and the package increase Federal Funds expenditure limitation by \$221,831.

Administrative Services Division

- Package 118 creates a permanent dedicated record retention policy position and is self-funded by abolishing a position and reducing services and supplies for a net zero impact in the 2025-27 biennium.
- Package 119 continues a previously limited-duration position as permanent (1.00 FTE) to support the website redesign and is self-funded by a reduction to services and supplies for a net zero impact in the 2025-27 biennium. There is also a fund split shift of an existing public affairs position from General Fund to Federal Funds leveraging Pittman-Robertson dollars.
- Package 128 reclassifies an existing IT position to increase agency capacity for geographic and spatial data systems and is self-funded by a reduction to services and supplies for a net zero impact in the 2025-27 biennium. This position is also fund shifted to 100% Other Funds and supported by indirect and license revenue.
- Package 129 converts a seasonal position to a permanent full-time (0.58 FTE) and will allow for increase staff presence to provide access for hunter safety education in Southern Oregon. This package is self-funded by a reduction to services and supplies for a net zero impact in the 2025-27 biennium and is supported by Federal Funds.

Additionally, the Governor's budget includes a package that increases hunting and angling license and tag fees that would result in \$18.1 million Other Funds revenue for the 2025-27 biennium and is intended to maintain solvency and limit service disruptions. This was paired with a revenue reduction shortfall of \$8.8 million Other Funds, as proposed by the agency, to not rely solely on fee increases to the public. If fee increases are approved, the Department would follow a similar phased in approach as before over the next six years.

KEY PERFORMANCE MEASURES

A copy of the Oregon Department of Fish and Wildlife Annual Performance Progress Report can be found on the LFO website: https://www.oregonlegislature.gov/lfo/APPR/APPR_ODFW_2024-09-30.pdf

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