

# FISH AND WILDLIFE COMMISSION 2019-21 BUDGET DECISION

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# OUTLINE

- Key decision points
- Previously approved agency request legislation
- Fee bill revenue flexibility
- License fee revenue options
- Customer impacts
- Chinook license plate
- Decisions



# KEY DECISION POINTS

- How much revenue do you want to generate from license/fee increases vs. request from the state general fund?
- What approach to license/ fee increases sets an appropriate balance across customers?

# AUGUST 9-10 COMMISSION DECISIONS

- Approved:
  - Long-term funding plan, which includes notion of “most” funding from broad-based source and licenses/fees as a supplement
  - \$59.0M - Total performance level budget request
  - \$51.5M - general fund request (87% of total budget ask)
  - \$2.8M - agency request legislation, including CRSSE, recruitment, ADA, Admin Penalty (5% of total budget ask)
  - \$4.7M - 5% fee increase (8% of total budget ask)
  - Move Naches Hatchery from the cut list to the “at risk list” (increase of \$.3M to the total budget ask)
- Did not approve:
  - Elimination 2 & 3 day temp licenses
  - Double the cost of multiple fish CRCs

# AUGUST 17 COMMISSION MTG

- Feedback from OFM and BPAG: concerns regarding 5% fee increase
- Requested additional options and analysis to support reconsideration of license fee increases and the balance between fees and the state general fund request
- Including:
  - Analysis of different percent increases
  - Analysis of endorsement approach
  - Combination approaches
- Strive for balance across customers; keep increases as low as possible to retain customers while raising needed revenue

# DECISION

Confirm or adjust assumption: Exploring up to a \$15.0M increase in license fee revenue (or 25% of total budget ask)

- Today's discussing concerns the balance of \$12.2M, because of \$2.8M from the CRSSE extension and other decisions made Aug.10

# REVENUE FLEXIBILITY AND CAUTION AROUND PROJECTIONS

- A conservation endorsement would generate flexible revenue (all non-restricted funds plus transaction fee)
- An across-the-board fee increase would generate non-restricted and restricted/dedicated revenue
  - 77% - Potentially flexible revenue
  - 23% - Restricted/dedicated revenue
  - Revenue generated may not all apply to our current problem
- A margin of error in forecasted revenue will buffer against buyer resistance and fund alignment

# LICENSE FEE INCREASE OPTIONS

Across-the-Board (Concept 1a)	5%	8%	10%	12%	15%
Fee Bill Revenue	\$4.7M	\$7.6M	\$9.5M	\$11.4M	\$14.2M

- Pros: Equitable increase across all license buyers
- Cons: Hits the pocketbook of most dedicated customers hardest

Across-the-Board w/\$7 Fishing Cap, \$15 Hunting Cap (Concept 1b)	5%	8%	10%	12%	15%
Fee Bill Revenue	\$4.7M	\$7.5M	\$9.4M	\$11.1M	\$13.7M

- Pros: Equitable increase across all license buyers while lessening fiscal impacts to most dedicated customers; simple messaging
- Cons: No current hunting license bundles



# LICENSE FEE INCREASE OPTIONS

Phased-in Across-the-Board (Concept 2)	FY 20- 8%, FY21- 15%	FY 20- 10%, FY21- 15%
Fee Bill Revenue: FY 20	\$3.8M	\$4.8M
Fee Bill Revenue: FY 21	\$7.1M	\$7.1M
Total Revenue	\$10.9M	\$11.9M

- Pros: Equitable while lessening sticker shock
- Cons: Still hits pocketbooks of dedicated customers hardest

Endorsement (Concept 3)	\$10 NR, \$5 R, \$2 Temp	\$13 NR, \$8 R, \$3 Temp	\$15 NR, \$10 R, \$3 Temp
Fee Bill Revenue	\$7.8M	\$12.6M	\$15.7M

- Pros: Simple messaging, protects pocketbooks of dedicated customers
- Cons: Big impact on lower-priced licenses; potential barrier to entry

# DEPARTMENT RECOMMENDED OPTION

## Concept 1b

15% across-the-board increase with \$7 fishing and \$15 hunting license caps

- The \$7 and \$15 figures are starting points and can be adjusted

BN total: \$13.7M

- All customers contribute but none in excess
- Lessens pocketbook impact to most dedicated customers
- Simple messaging about the maximum increase

# OTHER OPTIONS TO RAISE \$12.2M

## Concept 2

8%/15% phased-in approach

- FY1: \$3.8M
- FY2: \$7.1M
- BN total: \$10.9M
- BN outgoing years: \$14.2M

## Concept 3

\$8 resident endorsement

- BN total: \$12.6M

## Concept 1 & 3 Hybrid

\$5 resident endorsement + 5% increase

- BN total: \$12.5M

# CUSTOMER PROFILES: FISHING

	Out-the-door \$ Increase		Out-the-door % Increase	
	Trout Angler Current: \$29.50	Fish WA Current: \$79.62	Trout Angler	Fish WA
<b>Concept 1b:</b> 15% increase with cap	\$4.13	\$7.69	13.98%	9.66%
<b>Concept 2:</b> 8%/15% phased-in-approach	\$2.20/\$4.13	\$5.78/\$10.84	7.46%/13.98%	7.26%/13.62%
<b>Concept 3:</b> \$8 resident endorsement	\$8.00	\$8.00	27.12%	10.05%
<b>Concept 1 &amp; 3:</b> \$5 resident endorsement + 5% increase	\$6.38	\$8.61	21.60%	10.82%

# CUSTOMER PROFILES: HUNTING

	Out-the-door \$ Increase		Out-the-door % Increase	
	Turkey Tag Current: \$15.90	Hunting Enthusiast Current: \$149.80	Turkey Tag	Hunting Enthusiast
<b>Concept 1b:</b> 15% increase with cap	\$2.31	\$16.50	14.53%	11.01%
<b>Concept 2:</b> 8%/15% phased-in-approach	\$1.23/\$2.31	\$11.70/\$21.95	7.75%/14.53%	7.81%/14.65%
<b>Concept 3:</b> \$8 resident endorsement	\$8.00	\$8.00	50.31%	5.34%
<b>Concept 1 &amp; 3:</b> \$5 resident endorsement + 5% increase	\$5.77	\$12.32	36.29%	8.22%

# DECISION

- What is the Commission's decision for the approach to raising license revenue?
- Recommend a flat rate across-the-board increase with caps on bundled/discounted hunting and fishing packages

# CHINOOK LICENSE PLATE

- Under current law, RCW 46.04.6915 allows WDFW to create a Chinook License Plate under the “Washington’s fish license plate collection.”
- However, the funding generated by this license can only be used
  - “...to support **steelhead** species management activities including, but not limited to, activities supporting conservation, recovery, and research to promote healthy, fishable **steelhead**”
- WDFW would need to request legislation to change the RCW to spend this funding on Chinook.

# CHINOOK LICENSE PLATE, FISCAL IMPACTS

- The chinook plate would incur minimal setup costs
- The chinook license plate would generate at least \$60K/BN based on current steelhead license plate revenue collection

## Pros:

- No upfront cost
- Addresses a pressing need

## Cons:

- Possible market saturation
- Potentially low ROI
- Not likely to be a large source of revenue
- Messaging confusion w/ Endangered plate

### Steelhead License Plate Revenue

Projected FY 18	Actual FY 18
<b>\$196k</b>	<b>\$32k</b>



# DECISION

- What is the Commission's decision for the chinook license plate?

# QUESTIONS?

