



2014 External Budget Advisory Committee

(Members of the Commercial Fish Fund Subgroup are shown in ***Bold/Italic*** text)

Name	Association
Al Elkins	Oregon Hunters Association
Allen Unger/Tony DeBone	Deschutes County Commissioner
Amanda Rich/Jena Carter	The Nature Conservancy of Oregon
Barry DelCurto	Access and Habitat Chair
Stephen Kafoury/Warren Aney/ Leslie Bliss-Ketchum	Oregon Chapter of the Wildlife Society
Bob Oleson/Norm Ritchie	NW Steelheaders Association
Bob Sallinger/Sue Marshall	Audubon Society of Portland
Bob Webber	Oregon Fish and Wildlife Commission
Bobby Levy	Oregon Fish and Wildlife Commission
Brad Niva	Rogue Wilderness Adventures
<i>Brad Pettinger</i>	Oregon Trawl Commission
<i>Bruce Buckmaster</i>	Salmon for All
Bruce Taylor	Defender of Wildlife
Carl Swartz	Oregon Bow Hunters
Chuck Smith	Former Access & Habitat Board Chair
Dan Edge	Oregon State University
Dave Wiley	Rocky Mountain Elk Foundation
Doug Nichol	Oregon Trappers Association
George Houston	Foundation for North American Wild Sheep
<i>Hugh Link</i>	Oregon Dungeness Crab Commission
Jack Glass	Restoration and Enhancement Board Member / Oregon Guides
Jack Morby	Angling Education Association
Jake Gibbs	Lone Rock Timber Company
<i>Jim Markee</i> /Matt Markee	Markee and Associates
Jim Myron	Native Fish Society
<i>Joe Rohleder</i>	Seafood Oregon
Katie Fast	Oregon Farm Bureau
Ken Hand	Mule Deer Foundation
Larry Sowa	Former Clackamas County Commissioner/State Representative
Lin Howell/Richard Bertellotti	Salmon Trout Advisory Committee
Lonnie Johnson	Warmwater Working Group
Mark Labhart	Tillamook County Commissioner
Marla Rae	The Rae Group
Mike Dykzeul	Oregon Forest Industries Council
<i>Nancy Fitzpatrick</i>	Oregon Salmon and Albacore Commissions
Norbert Hartmann	Oregon Cattlemen's Association
Peggy Lynch	League of Women Voters of Oregon
Richard Angstrom	Oregon Concrete & Aggregate Producers Association
Richard Haines	Baker County Hunter Education Coordinator
<i>Rod Moore</i>	West Coast Seafood Processors Association
Shawn Miller/Dana Roberts	Coastal Conservation Association – Oregon

Name	Association
Stan Steele	Mckenzie Guides Association, Oregon Outdoor Council
Steve Fick	Fishhawk Fisheries, Inc.
Steve Williams	Pacific States Marine Fisheries Commission
Terry Thompson	Lincoln County Commissioner
Tim Greseth	Oregon Wildlife Heritage Foundation
Tom Byerley	Oregon Association of Shooting Ranges
Tom Wolf	Trout Unlimited
Tony Meeker	Oregon Anglers
Liz Hamilton/George Okulitch	Northwest Sportfishing Industry Association

Paul Siebert
Cathy Connolly
Captain Jeff Samuels

Legislative Fiscal Office (LFO)
Chief Financial Office (CFO) Department of Administrative Services
Oregon State Police

Interested parties:

Bill Kremers
Bob Rees
Christy Splitt
Dick Springer
Fred Craig
Fred VanNatta
Gil Riddell
Kimberley Priestley
Lindsay Ball
Susan Morgan
Trey Carskadon

**EXTERNAL BUDGET ADVISORY COMMITTEE (EBAC)
MEETING NOTES**

March 11, 2014
1:00 pm – 4:00 pm
ODFW Classroom
4034 Fairview Industrial Dr SE
Salem, Oregon 97302

Welcome and Introductions:

Approximately 30 EBAC members were in attendance at the Oregon Department of Fish and Wildlife (ODFW) headquarters in Salem. In addition, four EBAC members participated by phone and computer at two “participation posts” at ODFW offices in Baker City and Roseburg. Six EBAC members participated individually, by phone and computer, from their homes.

Budget Timeline (Ben Clemens):

Ben described that the focus of the first EBAC meeting is on recreational licenses. Commercial fish fund will be discussed at future meetings. Ben described the overall meeting schedule for EBAC and town hall meetings around the state. The information and advice from these meetings will be incorporated into ODFW’s budget development in preparation for a Commission briefing in August and submission to the Governor in September. The Governor’s 10 Year Plan will continue in 2015-17 and will occur during the span of the agency budget process.

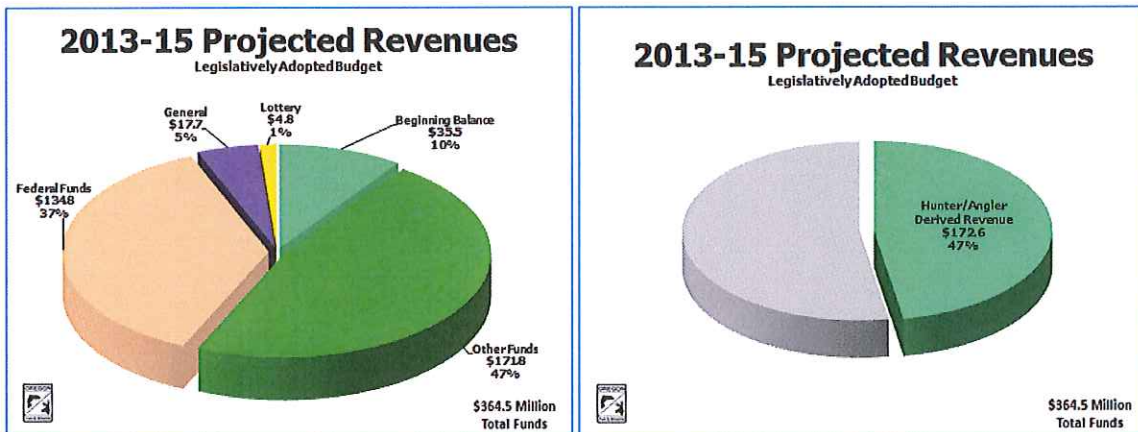
ODFW Mission, Role of EBAC, Ground Rules, Budget Principles (Roy Elicker):

Roy reminded EBAC of the mission of ODFW: “To protect and enhance Oregon’s fish and wildlife and their habitats for use and enjoyment by present and future generations.”

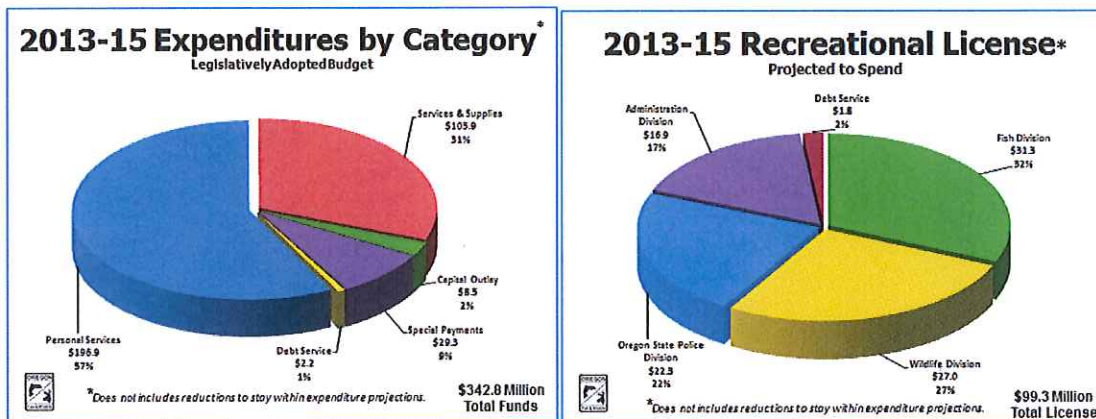
The purpose of the EBAC members is to provide valuable input on budget development. Roy emphasized that we need to ensure we have the resources to meet our mission. ODFW is essentially where we said we would be after six years. It is now time to look at the next six years. Roy reviewed budget principles that have been developed this year to help guide the budget development process.

Budget Orientation and 2013-15 Snapshot (Debbie Colbert/Jeff Samuels):

Colbert provided a high level reminder to the group on the ODFW budget and gave a brief overview of the EBAC White Paper. Revenue sources include General Fund, Lottery Fund, Federal Funds, Other Fund. Colbert showed pie charts of the 2013-15 projected revenues from the Legislatively Adopted Budget (LAB) and showed the portion of revenues provided by recreational hunting and fishing license dollars (\$172.6 million = 47% of the total \$364.5 million of total revenue).

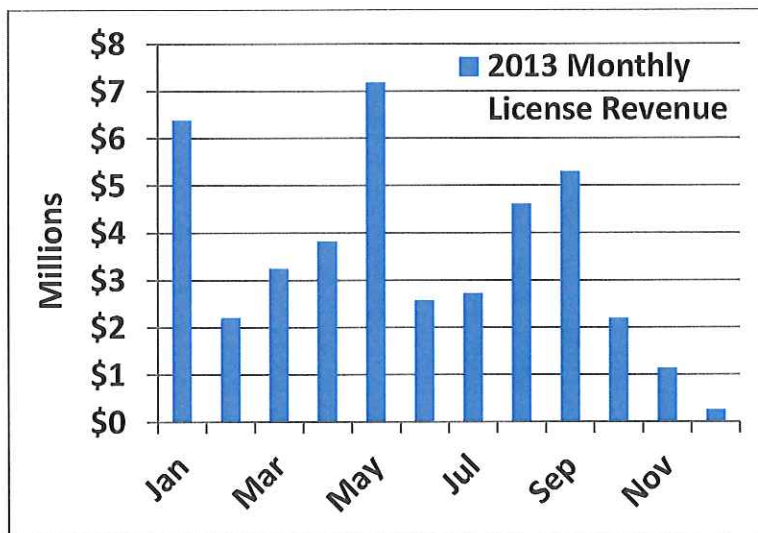


Colbert reminded EBAC that the legislature sets the “limit” on how much the agency can spend and sets those limits by fund type and appropriation. The major appropriations in ODFW’s budget include Fish, Wildlife, Enforcement and Administration. Regional programs are generally funded by a split from the Fish and Wildlife appropriations. Colbert showed graphs detailing the agency budget limitation by program and by category. Colbert also showed a graph of license funding within the agency.

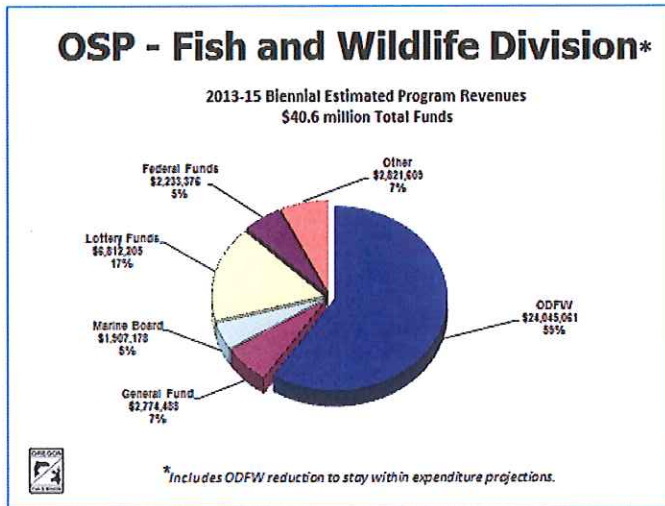


She mentioned that the license funds are not received all at once but have seasonal highs and lows depending on deadlines and regulations on hunting and fishing. This inconsistency of license revenues is one of the cash flow challenges for the agency since those license dollars are the operating capital that floats grant and contract expenses until those costs are reimbursed.

*Request for follow up: Provide data on sporadic nature of license revenues.
Follow up provided in chart inserted below.*



Captain Samuels provided a snapshot of the 2013-15 OSP Fish and Wildlife Division budget. Samuels highlighted that a majority of the Division's funding comes from ODFW. Samuels also described some history on staffing levels for OSP Fish and Wildlife Division and vacancies this biennium due to less funding from ODFW.



Comment: The population in Oregon has increased, but it is important to remember that hunting and fishing participation has not increased.

Question: Is the cost of an OSP employee higher than that of an ODFW employee?

Response: It depends on what position. However, there is a higher cost for benefits for safety personnel.

Question: In regards to legal vs illegal harvest, is that an issue with the current staffing level?

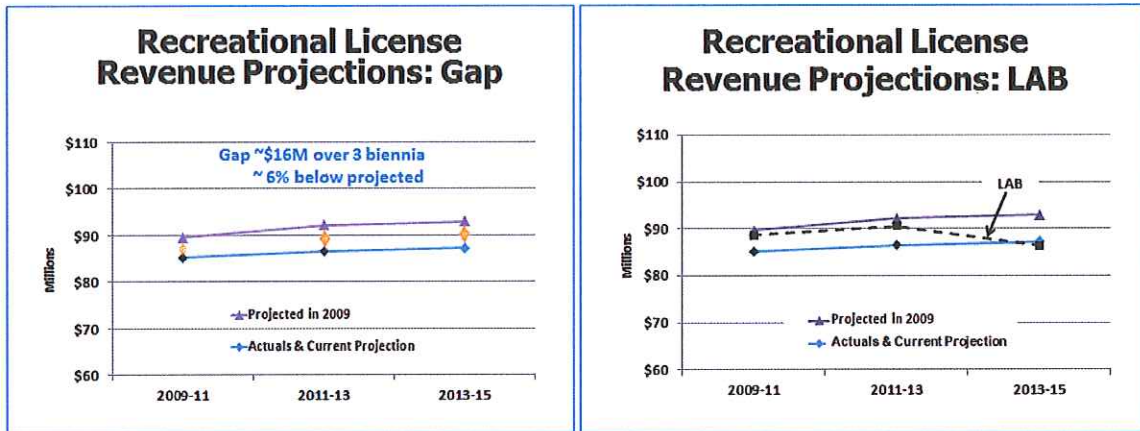
Response: As a result of the South Central Mule Deer Study that ODFW conducted, it was found that illegal harvest was more than legal harvest. OSP believes that poaching continues to be a problem in Oregon.

Request for follow up: Provide some detail on prior funding levels of OSP by ODFW and differences between OSP requested levels compared to the amount funded this biennium.

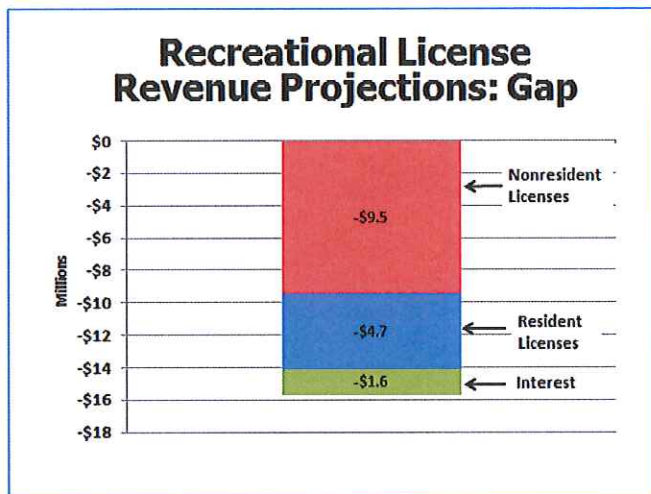
Looking back at the 2009 Fee Adjustment (Debbie Colbert/Aaron Jenkins/Cameron Smith):

Colbert introduced the next section of the meeting which was to look back at the projections and assumptions in 2009 when the last fee adjustments were adopted. Jenkins presented a comparison of projected revenues from the 2009

fee adjustments to the amount of revenues actually collected. Actual revenue is lower than the projected revenue from 2009. Jenkins explained that the agency has been adjusting its revenue projections down each budget cycle since the fees were adopted as actual data became available.



If we look over the entire six years of the 2009 fee adjustment (including the current biennium), actual revenues are \$16M less than the original 2009 projections. While this gap only represents 6% of the overall license revenues during that time, it is still significant in terms of ending balance at the end of the six year period. Jenkins mentioned some of the improvements that have been made in tracking revenues and incorporating that data into the budget process.



Comment: The data shown in the slides do not line up exactly with the EBAC Background Paper.

Response: That is because the White Paper shows the details for all license and tags, including those dedicated to specific activities. The presentation today is focused on general license revenues and does not include dedicated revenues.

Request for follow-up: ODFW will provide a "Revenue by Fund Type" graph that removes the dedicated revenue from the totals (Pg. 19 in EBAC Background Paper).

Question: Why does the graph on page 19 of the Background Paper provided to EBAC show a beginning balance of \$35.5M, but the PowerPoint graph reflected \$19.4M?

Response: The graph on Page 19 of the Background Paper to EBAC reflects all funds, not just recreational license. Only a portion of that beginning balance is recreational license dollars.

Question: Regarding the bar chart on the gap in revenue projections for recreational hunting and fishing licenses (slide 22 of the PowerPoint presentation), why is nonresident revenue gap almost double the others?

Response: There are a few reasons for this large gap. ODFW underestimated the response of the nonresident price increase. There was more of a drop off in participation than we expected. But, there was also a weak economy during that time. People were not traveling as much. This trend was seen across the western states, not just in Oregon.

Question: Is there a graph that shows when the nonresident licenses dropped off?

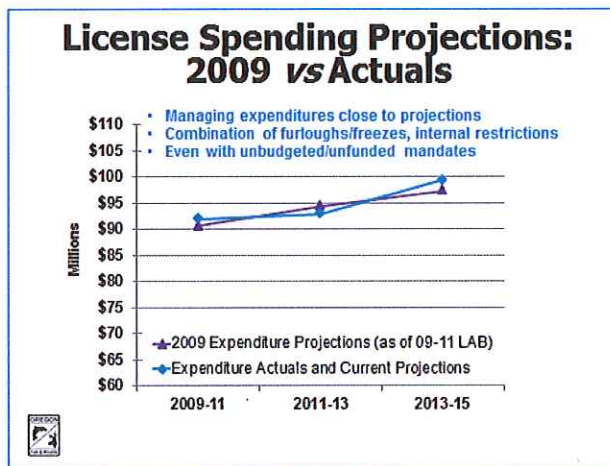
Response: 2009 was the last year for old fees. The drop off for numbers of licenses sold was sudden right after the fee increase, but then the numbers of licenses sold has been more stable. This can be seen in the graphs on pages 24-25 in the Background Paper provided to EBAC.

Question: Is the nonresident drop off rebounding?

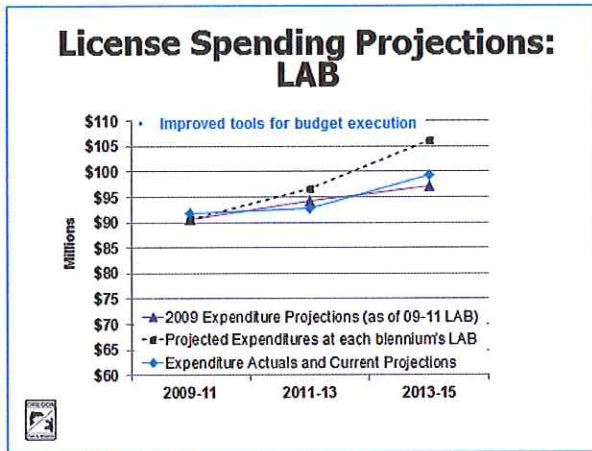
Response: There has been a small rebound, but we're still way below where we were in 2008/09.

Comment: Page 24 of the Background Paper to EBAC shows that there is also a decline in the resident trend, but it is not as substantial as the nonresident trend.

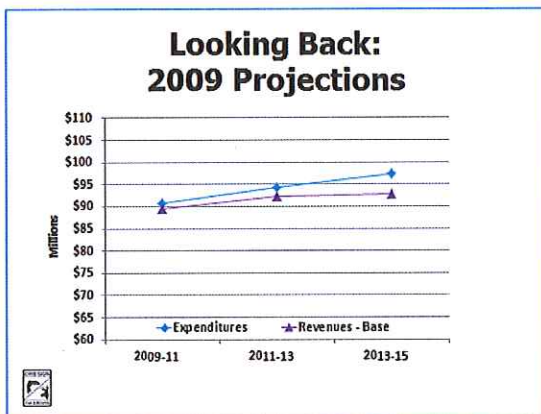
Following the discussion of revenues, Smith presented data on spending projected over the last fee cycle. He explained that in 2009 ODFW assumed inflation on costs of 4%. Smith explained that this was optimistic since Department of Administrative Services uses a much higher inflation assumption. Smith showed data that demonstrated that the license spend by ODFW has generally stayed on track with the 2009 projections. He noted that this is particularly significant since the Legislature fund shifted about \$2M of General Fund programs onto license dollars in 2009-11 and almost \$3M of General Fund programs onto license dollars in 2011-13. These additional costs were not anticipated in the fees and revenue assumptions set in 2009.



Smith noted that furloughs, statewide restrictions, and internal restrictions on hiring and spending have kept expenditures close to original projections. In 2013-15, projected spend would have significantly exceeded the 2009 projections with the return of cost of living adjustments, merit increases, and other personal service costs. To stay within its six year goal, the agency is aggressively managing its spend down closer to the 2009 projected levels. This includes holding OSP's contract to 10% rather than 19% increase requested.



Colbert showed the original 2009 projections for revenue and expenditures. The graph showed that, at that time, expenditures were planned to exceed revenues even with the fee adjustment. The agency planned to use its cash reserves over the six year cycle, rather than seek a higher fee increase at that time. With the additional expenses on license funds and the lower than predicted revenues, the agency has had to use more of its cash reserves than original planned, leaving it with \$7M in projected ending balance this biennium than its goal of \$13M.



Ending Balance: Where We Are Today

2013-15 Current Projections (\$Millions)	
Beginning Balance	\$19.4
Revenues	\$87.1
Expenditures	\$99.3
Ending Balance	\$7.2
	\$13

- Challenge of budget development timelines, available data & biennial close
- Use best available data
- Continue to improve tools and approaches for managing fund balances, revenues, & receivables

Question: What are some factors that are outside of the agency's control that influence budget and costs??

Response: For personal services, the contract with labor significantly influences budget. Legislative action is another major factor. For example, the Legislature used license funds to backfill General Fund programs.

Comment: Being transparent on these factors will help you. This was also seen in the percentage holdback of admin savings that was required, too.

Question: Can you give us some ideas of what wasn't done in order to stay within budget because there wasn't enough revenue?

Response: ODFW actions over the last four years have included holds on hiring, restrictions on spending, and holding vacancies for a prescribed amount of time to accrue savings. In 2013-15, ODFW also held OSP to a lower inflation rate than they requested. More recently, ODFW implemented a shift to two regions instead of four.

Follow-up: Provide more examples of things that were not done because of the revenue shortage:

Question: Does the agency set the ending balance goal or is that set by someone else?

Response: The ending balance is set by the agency. Historically, ODFW liked to have an ending balance of \$10M. As the portion of its funding from grants and contracts has grown, the agency has been pushing for a \$13M ending balance. This would help cover cash flow issues and the reimbursement issues from federal grants.

Question: If the ending balance gets lower and lower, does that jeopardize the ability to obtain federal grants?

Response: No, it is strictly a cash flow issue and does not have any effect our ability to apply for grants.

Question: Does ODFW conduct demographic studies? What are we finding out?

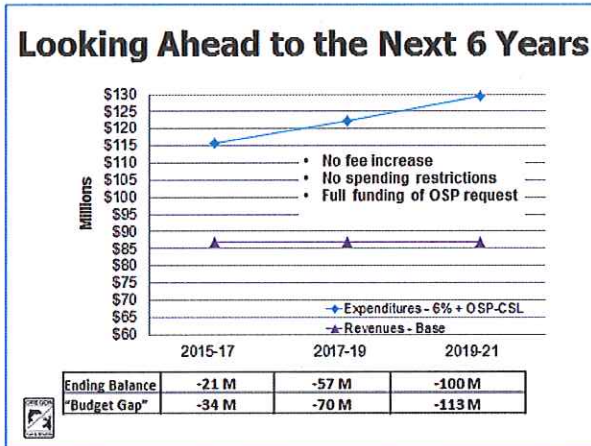
Response: This will be discussed further in the presentation.

Question: What is the trend on litigation costs? Are they increasing?

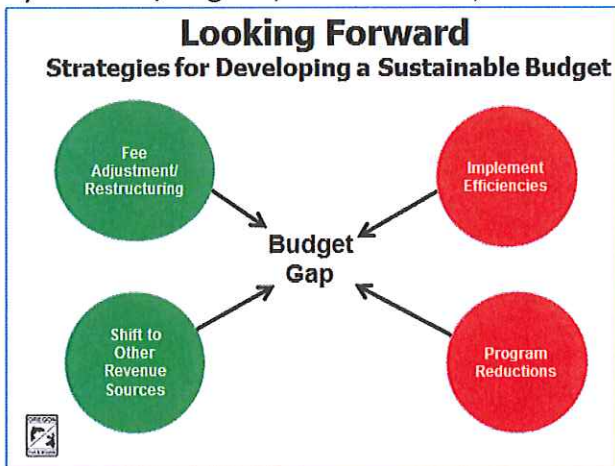
Response: In general, ODFW has seen an increase in these costs. In recent Legislative sessions, ODFW has tried to right size that in the budget.

Looking forward to the next six years (Debbie Colbert/Aaron Jenkins/Cameron Smith/ Roger Fuhrman):

Colbert transitioned to the next agenda item – looking toward the next six years. She showed a graph of projected license expenditures and revenues under the current fee structure. The projections assume that all programs are fully funded without restrictions and that OSP is funded at its full requested levels.



Colbert discussed potential strategies for addressing the gap between license revenues and expenditures. The strategies include program reductions, implementing efficiencies, pursuing fee adjustments and restructuring, and shifts to other fund sources. Colbert noted that if the gap was covered entirely by a fee adjustment it would result in about a 60% increase in fees. On the other end, if the gap were covered entirely by program reductions it would be about 1/3 of the programs funded today. These two end members are not likely to be acceptable by hunters, anglers, stakeholders, Commission, or the Legislature.

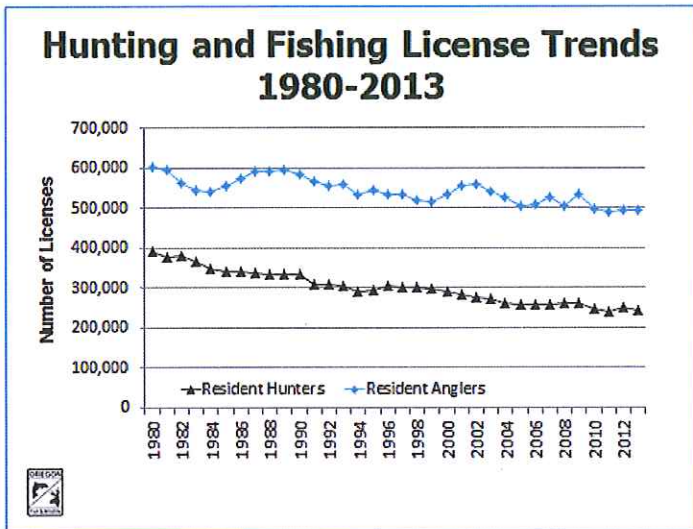


Question: Why is OSP asking for a huge increase if there are fewer users in the field?

Response: Part of what OSP does is check for licenses and tags. As part of that, they check people that they find don't have licenses or tags. As the cost goes up, OSP generally sees more people not buying the necessary license and tags.

Comment: There is concern over the population not using the resources that ODFW supplies. Is this kept in mind when doing the projections? The gap will continue to get bigger and bigger if the youth aren't participating.

Colbert noted that she has heard from many EBAC members that ODFW should look for ways to sell more hunting and angling licenses. Fuhrman was introduced and asked to describe some of the department's efforts along those lines. He showed data documenting the declines in numbers of hunting and angling licenses sold over time, from a peak in about the year 1980. Fuhrman gave an update on what ODFW is doing to recruit and retain its customers and the different campaigns that are being conducted.



Question: Can you tell how well the marketing and outreach is working?

Response: ODFW has seen an uptick in license sales recently. We are able to measure effectiveness of some campaigns and workshops because we know who

was contacted and whether they bought a license and how they responded. We are not able to determine this on some other efforts.

Question: The demographic is concerning. The 2013 USFWS reports on recruitment and retention are showing an increase in participation in hunting and fishing nationally. Why are the USFWS figures different than Oregon figures?

Response: Director Elicker is the Chair of the Recruitment and Retention Committee on the Western Association of Fish and Wildlife Agencies. There is some concern of state fish and wildlife directors that these numbers are not correct since they do not reconcile with what states are seeing generally. Most of the western states are exactly where ODFW is now. However, there are a few states (like Florida) that are doing a little better. ODFW has been working with other groups on this issue. Other states have different issues, so this needs to be kept in mind. That is why some differences can be seen. The herd populations can drive the difference, too.

Question: We need to think about opportunity and probability. If ODFW can't give the hunters a probable chance that they will harvest an animal, then we'll lose them as customers. ODFW can't manage the habitat on most areas in the state. There should be something that should focus on habitat and enhancement to provide the opportunity to harvest an animal.

Response: ODFW is having those conversations.

Question: Does ODFW have access to the Oregon travel budget?

Response: ODFW works closely with Travel Oregon and has had some good relationships and cooperative projects.

Comment: A portion of the county taxes go to support tourism. ODFW might think about approaching the counties for some of these funds.

Comment: There is a problem with the BLM and Forest Service lands. There are lands open to hunting, but if the timber is not going to be harvested, it makes for poor habitat. These animals will go onto private lands, but there are more and more restrictions on these private lands.

Comment: Visit www.Puremichigan.com. There are great ads on re-engaging with fishing.

Question: Who is ODFW trying to market to? The youth? The repeat customers are getting older and their time is limited. Is there another market to hit?

Question: Non-consumptive wildlife viewing is a billion dollar industry. ODFW needs to continue to ease into that revenue source. Is ODFW chasing a revenue system that is going away?

Response: ODFW is constantly looking at that--who are our customers and what are their trends. It's cheaper to keep a customer than get a new customer. The strategies still need to be worked out. ODFW has not had tremendous success capturing revenue from the wildlife viewers. However, ODFW continues to be open to new ideas.

Next Steps/Next Meeting:

Tuesday, March 25th:

We will break into smaller groups to discuss the different strategies for building a sustainable budget. We will try to get some supporting data for those conversations out to you in advance and will have some of it available on the day of the meeting. We will do our best to get it out before the meeting.

Tuesday, April 8th:

ODFW will look at how to balance the strategies based off on the feedback received. The commercial fish fund will also be discussed.

Thursday, May 1st:

Other budget areas will be discussed along with Policy Option Packages.

Question: In regards to the implementation of efficiencies, has ODFW been looking at Lean methods to find efficiencies?

Response: ODFW has adopted Lean Kaizen process to find cost savings and more efficient ways of doing business. In fact, in the 2013-15 budget, ODFW has a Lean Coordinator position that we are sharing with the Departments of Agriculture and Forestry. Colbert described some of the efficiencies that have been implemented with the help of this position.

Comment: It was suggested that when EBAC is broken out into groups for the next meeting that the participants be selected to be diverse within each group.

Question: Is there info on “willingness to pay?”

Response: We can discuss other models for cost recovery at the next meeting.

Comment: Look at the history of General Funds and other funding. *Question:* Is three subgroups too large for the next meeting? Maybe we should do a few more. We don't want it too large that it can't be interactive. We want all to be able to participate.

Response: ODFW is working out the details and it will depend on how many members participate.

Question: Can we influence the curriculum in the classroom to support hunting ethics?

Response: This is a good idea, but it is a long-term fix. Trying to overcome the curriculum will take a while, but ODFW can look into it.

Comment: Other states have this in their schools.

Question: How are we going to hear about program reductions before next meeting so we can meet with ODFW staff, if necessary?

Response: The Department will not be presenting program reductions at the next meeting. It will be seeking EBAC's input on program priorities and reductions.

Follow-up: Forward the PowerPoint from today's meeting to EBAC.



EXTERNAL BUDGET ADVISORY COMMITTEE (EBAC)

March 25, 2014

1:00 pm – 4:00 pm

4034 Fairview Industrial Dr. SE

Salem, Oregon 97302

MEETING RECAP

Introduction

Following introductions, Director Roy Elicker and Deputy Director Debbie Colbert introduced the format for breakout groups to encourage interaction and input from EBAC members. They emphasized that ODFW was trying something new with these groups, which would rotate among three break out sessions.

EBAC members were broken into three groups of approximately 10 people each. These three groups of about 10 people were designated “Chinook salmon”, “Sage-grouse”, and “Mule deer”. Groups attended each of the break out sessions in a rotating fashion. The three break outs were designed to gather input to inform strategies for balancing the recreational license budget for the 2015-17 - 1) shifts to other revenue sources, 2) program reductions, and 3) fee adjustments/restructuring. Each break out session was approximately 40 minutes. Due to the interactive nature of this EBAC meeting, teleconferencing was not possible. Following the three break out sessions, EBAC members and ODFW staff reconvened and discussed common themes.

The format, a summary, and detailed minutes are provided for each of the three break out discussions.

Break out: Shifts to Other Revenue Sources

OBJECTIVES

- To brainstorm alternative sources of revenue, and
- To gather input on program activities funded with recreational license dollars that might better align with funding from other revenue sources.

APPROACH FOR EACH GROUP

- Deputy Fish Division Administrator Bruce McIntosh briefly reviewed programs in Fish Division that use some proportion of recreational fishing license dollars as revenue.
- Deputy Wildlife Division Administrator Eric Rickerson briefly reviewed programs in Wildlife Division that use some proportion of recreational hunting license dollars as revenue.
- Deputy Director Curt Melcher briefly reviewed Administration, Regional Administration, and enforcement (Oregon State Police) expenditures based on recreational fishing and hunting license.
- Given time constraints, the focus of the break out was largely on brainstorming alternative revenue sources.

OVERVIEW OF INPUT

The following table provides a list of alternative funding sources that were linked to particular department activities:

Proposed alternate fund	Program/Activity^a
Commercial interests-donations (Patagonia, REI, etc.)	Oregon Conservation Strategy
General Fund	Oregon Conservation Strategy
State Forest trailhead/boat ramp parking fee	Protect fish and wildlife habitat
Bird seed tax	Backfill conservation programs
Bird seed tax	Wildlife observation
General Fund	Facilities and realty
General Fund	District management
General Fund	Permit reviews ^b
General Fund	Predator control
General Fund	Water use (e.g., irrigation)
General Fund	Integrated Water Resources Strategy
Ocean endorsement fee	Marine Resources permit review activities

^a Most identified programs/activities were general.

^b This was a popular suggestion. One EBAC member suggested that pre-application processing time should be accounted for in any permit reviews.

Additional alternate revenue sources that were identified but not linked with particular activities are provided below:

- Lottery Funds
- Fees from house sales (real estate transfer)
- Contract engineers instead of having on payroll; privatize hatcheries
- Auctioning of large mammals (e.g., moose) or special fishery program into which application \$\$ for that program could go back into the respective watershed (for restoration) in which the fishery occurred
- Consolidate/collaborate office space, equipment and/or staff among agencies to leverage General Fund request
- Oregon State Police (OSP enforcement): Tickets – Money apportionment back to ODFW; conduct a careful cost-benefit analysis of OSP enforcement; share expenditures for OSP between state agencies or federal agencies to promote funding stability
- Collaborate with other state agencies to have a combined statewide agency parking permit.

DETAILED NOTES BY GROUP (ACTION items are in bold)

Chinook salmon group

Richard Bertelli – Asked question about Sports Fish Restoration (SFR) funds, which ODFW answered – these are federal funds matched with License Funds.

Jake Gibbs – Are License Funds used for Threatened and Endangered species work? Answer: No.

Leslie Bliss-Ketchum – Would like Oregon Conservation Strategy (OCS) fully funded. Would like to hear ideas on how to get non-consumptive users to pay. Tap into commercial interests (Patagonia grants, REI). Ask REI members to provide donations at checkout in REI stores – contributions.

Tom Wolf – N. Coast Watershed – looking at a user fee on State Forest trailhead/boat ramp parking. Split fee proceeds between Oregon Department of Forestry (ODF) and the Oregon Department of Fish and Wildlife (ODFW). Concept came from the guide community. Use funds to protect wild fish and wildlife habitat.

Steve Williams – Brought up topic of Bird Seed Tax, wondered if it was dead or alive. Answer – This topic keeps coming back. Steve suggested this tax ought to be pursued again. Use

to backfill current conservation programs. Not much revenue, but it is a good start – promotes awareness of the issues.

Leslie Bliss-Ketchum – Any numbers available on the wine sales with Duck Pond Cellars (Conservation Cuvee)? Answer – \$5 contributed for each bottle sold. To date only a few thousand dollars but continuing to look for opportunities with Duck Pond Cellars.

George Houston – Interested in increasing hunter opportunities in Oregon. Hunters expect to see something. Everything in budget that connects to hunting/fishing opportunity should be the priority for License Funds. Anything not connected “should go on the burn pile.” Oregon used to have volunteers/locals raise pheasants for release in the Willamette Valley, which were accessible for upland bird hunters. Need to do things that keep kids interested. Implement a fee to generate revenue for hunting opportunities. Face time with elected officials to get more General Fund & Lottery Funds.

Tom Wolf – ODFW should be more aggressive in acquiring General Fund. Missouri and other states impose a fee on the sale of property that goes to the Fish and Wildlife Department – a real estate transfer fee.

Richard Bertelli – R&E Funds – Can they be diverted to general agency operations? Answer – No.

Rich Angstrom – NE OR – Sell/auction a moose tag once ODFW determines the population can withstand it. Court fees from prosecuting game violations – ticket fees should go back to the resource rather than into the judicial system. Out of state hunting license fees – evaluate fair market value. Other states are doing this. Compare OR out-of-state tag fees with neighboring out-of-state tag fees. Match OR fees with neighboring state fees. Are there any dedicated ODFW staff that chase down commercial partnerships/funding opportunities? Answer – At one time, yes. Didn’t work.

George Houston – Talk to magazines about hunting in Oregon. Generate outside interests in hunting in Oregon. Designate a liaison for hunter opportunities for out-of-state hunters – develop a marketing strategy.

Steve Williams – Facilities and Realty should receive General Fund.

Tom Wolf – OCS should receive General fund.

Jake Gibbs – District management should transition onto some portion of General Fund.

George Houston – Hunter and angler opportunity should get License Funds. Habitat permit review should get General Fund.

Rich Angstrom – Ditto to George’s comment above.

George Houston – ODFW has knowledge about where to cut. Challenging for EBAC members to identify specifics.

Ian Tolleson – Predator control should receive General Fund.

Mule deer group

Sue Marshall – Permit review – who pays for that? Answer – Most Pittman-Robertson (federal funds) and License funds, small portion through cost-recovery.

Stan Steele – Some benefits to hunters and anglers from permit reviews. Some General Fund and user fees should go to permit review. Fish screen users should pay for implementation – user fees.

Jim Myron – General Fund should go to items that benefit public at large and that cannot go after user fees.

Mark Labhart – Damage – what funding box is this? Answer – Game management for small damage issues and Green Forage/Deer for larger damage issues.

Jack Morby – Do development action reviews get License Funds? Answer – Yes.

Sue Marshall – Will budget process address non-game issues? Answer – Yes. Wildlife revenue suggestion – Some larger percent of permit review should come from user pay.

Stan Steele – Where is shooting range grant program? Answer – In ODFW's Information and Education section.

Norbert Hartmann – Are employee numbers split evenly between Fish and Wildlife divisions?

Answer – No. Can ODFW increase overhead costs to supplement License Funds?

Answer – No. Overhead costs are indirectly determined by the federal government.

Indirect on grants cover about \$19M of administrative costs.

Stan Steele – Lots of funds going into OCS projects, but little hunter access allowed on those projects. Identified the challenge of increasing hunter recruitment in concert with habitat improvement work.

Mark Labhart – Recommended a “taxidermy tax”.

Stan Steele – No way to a taxidermy tax.

Sue Marshall – Suggested a meat processing tax.

Stan Steele – No way to a meat processing tax. Need General Fund inputs.

Norbert Hartmann – General Fund are the easy target. Should target the actual users instead.

Suggest a water user fee/tax on irrigators.

Sue Marshall – Non-consumptive wildlife users – users that enjoy wildlife observation. Wild bird seed tax. Use funds to prevent future listings through activities that support prevention of future listings. Implement programs that better address non-game users.

Norbert Hartmann – Be careful about water use fees. Agriculture community likely to retaliate – close lands to access, ask legislature for damage compensation.

Jack Morby – Where does funding come from to work on habitat projects on federal lands?

Answer – Depends on the project.

Jack Glass – Trophy fishery at Oregon City/Willamette Falls – Sell or auction opportunity to fish with a guide next to the falls. Money goes to enhancement projects.

Stan Steele – No way to trophy fishery. That promotes “only the rich get to play” philosophy.

Mark Labhart – Counties working with the U.S. Fish and Wildlife Service (USFWS), Tillamook and Nestucca watershed councils, ODF, ODFW, Bureau of Land Management (BLM), U.S. Forest Service (USFS) and corporate interests on culvert replacement projects. Should pursue corporate sponsors for projects.

Sage-grouse group

Peggy Lynch – Where Is General Fund for ODFW’s Integrated Water Resources Strategy (IWRS) Program? Water Quantity and Quality. Saving \$1M for new building – is it really a savings of \$1M/biennium and reflected in the debt service box? Answer – Yes.

George Okulitch – Oregon State Police (OSP) budget – Does OSP credit back non-fish and wildlife stops to ODFW? Answer – No, they get 8% General Fund to cover those activities.

Amanda Rich – Lottery Funds – Does OSP get Lottery Funds? Answer – Yes, for positions only (13 OR Plan positions, 25 positions total). Cannot use Lottery Funds to purchase equipment.

Dana Roberts – Permit reviews – charge permit applicants instead (user pay).

Peggy Lynch – Don’t charge other agencies for services. HB 4015 – Regional Solutions legislation may not allow user pay.

Dave Wiley – OSP – Do a cost - benefit analysis of what they do vs. what you get for their services. May indicate that moving enforcement into ODFW (ODFW Conservation Officers) might be more cost effective.

Tony Meeker – General Fund for permit reviews. Charge agencies for your services.

Dave Wiley – ODFW should adopt a policy of “no free lunch.”

Mike Dykzeul – Consider in-house engineers. Suggested ODFW contract out engineering work for less money than the cost of in-house engineers.

Dave Wiley – Permit reviews – Recover costs through permit application fees or open accounts or General Fund. Occupational permits and private benefit licenses – make them pay their fair share – the full cost of ODFW’s services.

Peggy Lynch – Permit fees – ODFW has stated they can recover / charge application fees, but cannot recover pre-application fees. Talk to legislature about recovering pre-application fees. Perhaps General Fund is the solution.

Dana Roberts – Ocean endorsement fee – Apply it to Marine Resources permit review activities.

Larry Sowan – In prior years, ODFW got lots of General Fund. Go back through prior budgets and identify programs that once received General Funds, but are now on some other funding source (License Funds) due to fund shifts. Go to legislature and get the General Fund back.

Dave Wiley – If index the General Funds from prior budgets, the numbers get pretty big.

Peggy Lynch – Recommended ODFW look into whether programs could be consolidated to accomplish agency goals.

Joe Rohleder – Don't know where some of these programs on the spreadsheets get their funding, since the spreadsheets don't detail all the funding sources associated with them.

Peggy Lynch – Parking permits – Implement a statewide, all agency parking permit program – a state parking pass. Too many state agencies have their own parking permit program. It's a pain for the consumer. It would require a revenue sharing structure, which may not be fair for all agencies. Answer – Washington Department of Fish and Wildlife (WDFW) lost revenue when a similar approach was adopted in the state of Washington.

George Okulitch –**ACTION: Would like to see a SFR budget breakdown – specifics for how those funds are spent.**

Dave Wiley – Permit reviews – Habitat is critical for providing services for ODFW. Without habitat, you have no wildlife, and have no license sales.

Tony Meeker – Any interest earned on ending balance? Answer – Yes but much smaller with lower balance at end of 6 year cycle and due to the economy downturn.

Richard Haines – Eastern OR – Consider skills sharing between state agencies as an efficiency measure. Training, too. Share expenditures between agencies.

Peggy Lynch – 2013-15 biennium is first in a long time for ODFW to receive a bump in General Funds. Consider office or staff sharing to leverage General Funds.

Dave Wiley – General Fund increase in 2013-15 was an offset to lost revenue elsewhere.

Tony Meeker – Consider privatizing hatcheries.

Break out: Program Reductions

OBJECTIVES

- To gather input from EBAC members on programs where the department should try to maintain its investment, and
- To get a sense of why these programs were valued by EBAC members, and
- To get a sense of where the department might reduce its investment.

APPROACH

Flipcharts were provided for 10 major areas of department activities. The 10 major areas were as follows: 1) Technical Assistance/Interagency Coordination, 2) Landowner Assistance, 3) Enforcement, 4) Hatcheries, 5) Conservation, 6) Predators, 7) Research, Monitoring, and Inventory, 8) Fish and Wildlife Management, 9) Habitat Restoration, and 10) Administration.

Wildlife Division Administrator Ron Anglin and Fish Division Administrator Ed Bowles briefly described the 10 major areas as:

1) Technical Assistance/Interagency Coordination

- Forest planning
- Fill/removal permits
- Energy development
- Water program

2) Landowner Assistance

- Field program
- District field staff working with landowners
- Habitat improvements

3) Enforcement

- Fish and wildlife laws
- Habitat
- General

4) Hatcheries

- Mitigation hatcheries
- Provide additional fish for anglers
- A few conservation hatcheries

5) Conservation

- Columbia River
- Marine
- Conservation plans
- State conservation strategy

6) Predators

- Sea lions
- Cormorants
- Wildlife services to counties for bear and cougar
- Cougars

7) Research, Monitoring, and Inventory (RM&I)

- Sage grouse listing prevention
- ESA species monitoring
- Columbia white tailed deer
- OHRC

8) Fish and Wildlife Management

- Boots on the ground
- Day to day fish management
- Implements conservation strategies

9) Habitat Restoration

- On the ground support of restoration activities
- 16 wildlife areas

10) Administration

- Regional Admin
- Wildlife Admin
- Fish Admin
- HR, Payroll, Contracting
- Licensing
- Information & Education, including hunter and angler education

After this brief overview, EBAC participants placed stickies for each program area they would invest in. EBAC members each received five sticky notes weighted 1-5 with 1 being the area where the investment should be most protected/highest priority for investment. EBAC were given 10 minutes to cast their votes. Staff and EBAC discussed the trends in terms of the number of stickies for each area and the values of the stickies that were placed on an area.

OVERVIEW OF INPUT

The following table shows the results for each break out group:

- The number of stickies – a larger number of stickies indicates broad support for that activity.
- The average number written on the stickies – since #1 indicated the highest priority for an EBAC member that means than a low average is an area of priority.
- The top 3 scores are shown in **blue bold text** for each breakout.

SALMON	Admin.	Habitat Rest.	F&W Man.	RM&I	Pred.	Interagency coord./Tech asst.	Landowner asst.	Enforce.	Hatcheries	Consv.
Number of stickies	3	3	10	8	5	3	2	6	5	4
Avg number on stickies	4.7	3.3	2.4	3.1	2.6	4.3	3.0	3.7	2.0	1.3

SAGE GROUSE

Number of stickies	4	6	10	8	4	5	2	5	5	6
Avg number on stickies	4.3	4.0	2.5	4.3	2.5	2.6	4.0	3.0	1.4	2.0

MULE DEER

Number of stickies	8	1	6	7	4	4	0	9	5	5
Avg number on stickies	3.1	5.0	2.8	3.6	4.5	3.5	-	2.2	1.6	3.2

DETAILED NOTES BY GROUP

Sage-grouse group

- Member expressed concern about voting without knowing what pot of money is funding each option. Staff responded that fund source can change; we are asking you to focus on high level aspect today. Staff responded that we are asking you to step back and assess where you want investments sustained, not confined by fund type. License dollars live in almost all of the categories
- Question regarding difference between obligated-vs-dedicated funds. Staff responded that dedicated is linked to statute requirement. Obligated is generally a contractual requirement.
- Staff asked the group about any surprises they observed from the results. Member responded that they expected enforcement to be higher.
- Staff observed that RM&I got a lot of votes but not high votes. Suggested the implication that RM&I is needed but maybe not as important.
- EBAC posed the question to consider which category provides the funds to make the whole thing work. Question: What program would reduce license sales if dropped? Hatcheries were suggested as having the greatest impact on license sales.
- Staff responded that you can't ignore ESA impacts on fishing opportunities.

- EBAC observed that Wildlife Services is a pass through service that contributes to statutory requirement regarding response to landowner issues. Wildlife Services is important in complying with the law.
- EBAC was surprised that Landowner Assistance did not get more votes. Wildlife spend time on private land.
- EBAC questioned how today's three groups were assigned. Was the intent to mix representation and interests in each group? Staff responded that the intent was to mix the groups today. Also a reminder that this exercise was just to gauge priorities.
- EBAC comment regarding Wildlife Services: If everyone knew Wildlife Services was the most effective tool on Snowy Plover restoration, people's views might change. People don't know the value of Wildlife Services.
- Staff asked for feedback on the Administration category that did receive some stickies. EBAC members response:
 - Administration supports all other categories.
 - Without leadership, its chaos. If the top isn't right, the bottom isn't right.
 - I am not saying you have the right amount of administration, but you have to have it.
 - Administration would have been my 6th vote.
 - Leadership is important. Legislative trust of ODFW leadership goes a long ways.
 - Who ODFW puts before the legislature is critical in obtaining legislative support.
- EBAC member voiced a desire to vote for all the categories. They are all important, including hunter and angler education.
- EBAC comment that ODFW should charge for Technical Assistance. Developers are required to obtain permits, ODFW licenses should not pay for this. Staff provided follow up on cost recovery process and projects that have paid for this service. ODFW thinks it is in our best interest to consult on projects.
- EBAC commented that Habitat Restoration and Management will drive us into the future. This is important to future hunting and fishing opportunities, and license sales.
- There is a limit to the current carrying capacity.
- Habitat needs more effort.
- EBAC commented that Administration is important but I did not vote for it. There is too much control over field staff from headquarters.
- EBAC commented that murrelets and coho inventory and management are all related.
- Habitat is important to retain hunters and fishers.
- Private land habitat is important. Can't rely on Federal lands.
- Staff commented that the categories are based on function, not how ODFW is organized.

- EBAC requested that they be provided the results from this exercise, how many votes and the value by category for the three rotating groups.
- EBAC observation about competition for hunting and fishing. Golf and other activities are important to the public.

Chinook salmon group

Staff commented that trends from this break out were no as obvious as last group.

- F&W Management (boots on the ground) appears to be a high priority.
- Conservation received less votes.
- Hatcheries did not get a large number of stickies but did get high ranking for those who placed a sticky there.
- Every category got a vote. Every program is important.
- Steve Williams has been involved in the EBAC process in previous years and noticed a different emphasis this time. Specifically, a lower value on Enforcement than in the past.
- Tom Wolf identified conservation of native wild species as being easily his number one priority. He was disappointed more didn't share this belief.
- Another member observed that everyone voted for some part of F&W Management but different numbers, what drove this?

EBAC Responses:

- Basic management strategy has to be in place if we are going to promulgate hunting and fishing.
- F&W Management is critical to utilize hunting and fishing.
- Must have knowledge of what we manage
- Knowledge is important to the Conservation Strategy.
- Services provided to our membership are at different ends of the spectrum from Tom Wolf's conservation comment.
- F&W Management is important to many different areas and programs.
- Another member identified hunting and fishing opportunities as their number one priority. We need more opportunities to get outside. That's why F&W Management ranked high for them.
- Habitat Restoration and Enforcement is critical.
- We must appreciate how many resources are taken home in coolers and the back of trucks every day.
- A member expressed concern that large federal land managers develop plans that are not always applicable for game species on the ground.
- Predation management is important.

- Concern expressed that kids must be brought along on fishing and hunting trips. Also need more to the experience than buy a license and then not see anything.
- Hatcheries were identified by another member as being necessary for fish to harvest. Hatcheries are a high priority. Without hatcheries, we can't support the current level of fishing.
- Another member countered with their thought that hatcheries will always exist regardless of this vote. This caused them to feel it wasn't that important to vote hatcheries as a high priority for them.
- A member clarified they are striving to conserve fish so that wild runs can be harvested. Conservation is not just about protection, the goal is to protect so they can be harvested.
- A member representing Forest Landowners identified some confusion in his voting process. He may have voted wrong based on category titles and sub-titles. He sees the categories as blended. F&W management is a first priority. He relies on ODFW staff expertise to assist with his land management.
- Another member identified predator control as important.
- Interagency consulting was described as being important.
- A member asked how ODFW expects to use these votes. Many ODFW activities are not discretionary. Statute requires some of our activities. How will this information be used to create a better budget? Staff replied that all input will be evaluated to develop a balanced strategy. ODFW will consider what we have to do versus activities where we have some discretion.
- Enforcement received more votes, but not a single "1" priority vote.
- A member responded that it could be interpreted that enforcement is currently doing a good job so they did not vote for enforcement. Don't deemphasize something such as enforcement because it is doing well. Results can be interpreted many ways.
- A member identified their struggle with cost containment and what is necessary to keep the lights on. Don't want to cut programs. What is driving our costs up and is the agency pushing back? Staff responded that more than half our expenditures is on payroll and other costs associated with personnel. Revenues are staying flat. ODFW is addressing efficiencies and that will be covered with EBAC separately. Changes to personal services are not at the agency level but statewide.
- A member voiced concern regarding funding wolf management with license dollars. We did not import wolves voluntarily. Wolves have caused damage in other states. The Federal Government should pay the wolf costs. Staff responded that this is playing out where wolves have been delisted. Wolves are a game mammal. There is a link to license dollars. ODFW does hope to learn from other states. The bulk of expenditures on the license side is field staff. Field staff are called out to investigate depredation.

- Administration was described as necessary but will never be voted as a priority. Need administrators, licensing, and education.
- Interagency consultation is also necessary. It does matter and people care if it doesn't happen.

Mule deer group

- Member expressed concern that it was not feasible for them to split these votes. Staff responded that we understand you have more than 5 interests. These are tough choices.
- Staff noted that Technical Assistance received no stickies and Habitat Restoration received 1 vote.
- Enforcement received more votes and higher priority votes than in other break out groups.
- F&W Management received a lower priority.
- Hatcheries were identified by half the group. Important to those that did vote for hatcheries.
- Conservation received low priority votes.
- Research, Monitoring, and Inventory was fewer in number and low to moderate priority.
- A member voiced his support for hatcheries. Consumptive fishing drives 70% of the income to fishing. Some consumption fishing is important. Consumptive angling keeps people hiring guides and buying licenses.
- We need F&W management to know what is happening while harvesting.
- Research, Monitoring, and Inventory is important.
- We need stop signs and speed zones. We need to have regulations and enforce them. Enforcement is a huge priority for species to continue.
- Administration is always a target but ODFW needs leadership. Need good administration or you can't run programs. All categories rely on good administration.
- Quality enforcement is necessary
- Hatcheries are important; there is a benefit to consumptive fisheries.
- F&W Management is important as is Conservation.
- A member explained that "I cut my teeth on hatchery trout". They developed an ethic to protect the resource as a consumptive angler.
- Habitat effort is important but it did not play out well in this exercise.
- The value of Interagency Consultation was described by another member. The habitat aspect can be lost without Interagency Consultation. ODFW must participate in this. More developments are coming and ODFW should advise on the impacts of these projects.

- Strategic Enforcement is important. It sends a message to the community.
- The State is the only entity that can put together a Conservation Strategy.
- Member expressed concern that there should have been more support for Habitat Restoration.
- Member commented that Habitat Restoration in the fish world is a separate pot of money from ODFW. ODFW does not manage this money, another agency does. That is why my prioritization was not as high.
- Habitat Restoration on the wildlife side is more important. There is no another agency to address this. Many agencies are working on salmon restoration.
- Interagency Coordination should be ramped up. ODFW should review timber sales for wildlife impacts.
- Every category has an Enforcement component.
- Hatcheries are important. Opportunity is built on probability. Most fish caught in Oregon started in a hatchery.
- Habitat Restoration is expensive. Protecting what we have is less expensive. ODFW role in habitat protection is mostly administrative. An example is suction dredge mining on spawning beds. This should be addressed legislatively. Habitat protection is more important and cost effective than restoration but the ODFW role is less important.
- Consultation is an untapped resource for ODFW. There is no compensation for consultation. This may require the legislature giving ODFW more tools.
- Administration is important. Agencies get into trouble for administrative reasons.
- ODFW has a history of cuts in Administration. Biologists picked up these tasks and it took away from their important work.
- Member commented that his priority was Conservation, Interagency Coordination, Enforcement, and F&W Management.
- Regarding Administration, it was commented that ODFW already has a lot of FTE's and a new building. Staff responded to clarify that the new building is a cost savings.
- Member commented that without Enforcement or Administration, you get into trouble.
- Research is necessary for decision making.
- Need to worry about predators in Oregon.
- Predation management is controversial but crucial. Research is needed on predator impacts to assess the cost benefit of predator management. This is a key concern.
- It was suggested to sell pinniped tags. This was compared to ODFW generating revenue off a limited number of bighorn tags.
- Member asked which category drew the most "1" votes. That is the message.

Break out: Fee Adjustment/Restructuring

OBJECTIVES

- 1) To gather input on range of fee scenarios,
- 2) To gather input on new fee concepts, and 4)
- 3) To inform EBAC on new revenue and survey approaches and data developed for this budget development cycle.

APPROACH

Aaron Jenkins (ODFW Economist) and Chris Willard (ODFW Recruitment and Retention Coordinator) presented range of fee adjustments and several new concepts. EBAC members asked questions and provided comments.

OVERVIEW OF INPUT

Participants were briefed on two topics – a range of possible fee adjustment needed in the 2015-17 biennium and potential new licenses types and combinations that could be offered as part of the budget package. According to Jenkins calculations, a 60% across the board fee increase would cover 92% of the identified budget gap. A more modest, 39% increase phased in over three biennium (13% increase every two years), would cover about 50% of the budget gap. The group supported the idea of increasing fees every two years, rather than a six-year fee cycle that has been used in the past.

Recruitment and Retention Coordinator Chris Willard described the extensive outreach effort including multiple focus groups, an internal work group and a customer survey to solicit new ideas and gauge reaction to new ideas. EBAC generally supported charging a nominal fee for Senior licenses in order to capture federal funds associated with license sales. EBAC also recommended the department take a strategic approach to raising fees, rather than an across the board fee adjustment. In particular, EBAC advised the department to be cautious of the potential effect of any fee increase on participation by youth and families.

DETAILED NOTES BY GROUP

Mule deer group

Aaron's presentation

- Jim Myron- Asked a question about percent of license revenue of total budget.
- The bulk of expenditures is on the fish side, propose larger fish increase and leave hunting as is.
- We haven't done the per year increase vs the all at one approach so you can't use historical data. Aaron responded yes these numbers are his projections.

- Stan Steele- 30% is attainable. Thinks 2 year cycle is good
- Jim Myron - You would have to justify fee increases each year. It will be difficult to justify year after year after year.
- Mark Labhart –I assume you've queued up legislature that every six years ODFW will be in for a fee increase. His experience is that public buy in is good when raising fee every couple years. Supports multiyear increase and feels it can be justified based on inflation. Need to tweak resident vs non-resident.
- Sue Marshall - Do people come back after they drop out. Aaron- Stays relatively flat, difficult to get them back.
- Stan Steele- Can't be tied to only inflation rates. Other factors involved that makes costs go up.

Chris's presentation

- When you surveyed pioneer license holders did they understand the federal funding associated with charging the fee? Yes, but these were people who already had a license.
- Stan Steele- Is there a thought of dropping age from 12 to 10 to increase youth hunters. Chris responded that age 12 is driven by requirements for big game hunting.
- Jack Morby- Youth combination does impact angler education camps. It's nice that we don't have to deal with a licensing issue for youths attending. Chris responded may have educational exemptions for those kind of programs.
- Don't like the idea of oversized sturgeon raffle/auction.
- Jack Morby - Ocean endorsement- Don't see where the agency is providing any support for ocean fishing. Sport angling communities on the coast are not going to support this.

Sage-grouse group

Aaron's presentation

- Peggy Lynch –Asked if projections are based on 2010 sales? Yes
- Dave Wiley- Occupational license purchasers don't represent a large chunk of revenue so would strongly recommend they pay for themselves. That would go a long way to gaining support from people paying for recreational licenses.
- Dana Roberts/Lonnie Johnson - What percentage would pioneer licenses have to go up to get federal funds. Agree with charging for pioneer.
- Mike Dykzeul- Quality affects participation.
- Richard Haines -Smaller fee increases make sense to me. Put effort into reaching out to families to bring them back. Price for families. Educate residents on how much non-residents contribute to our fees.
- George Okulitch -Can't give percentage at this point. NSIA is concerned with any fee increase. Fee increases mean people don't buy a pole or a reel or maybe a guided trip. Means loss of jobs.

- Lonnie Johnson - 15% per biennium over the biennium seems reasonable but bring in new fees for pioneer and new tag options.
- Richard Haines- Keep searching out alternative funding sources.

Chris's presentation

- Joe Rohleder- Make sure to include non-residents in the juvenile combo license.
- Dave Wiley –Will points be used for the premier hunts? No. Wiley - These could compete with A&H.
- Peggy Lynch - What is the cost to add all these license vs the return in revenue? Is it cost effective to have a 4 day angling license?
- No information on shellfish. Not on form, no sales data. Reason is because shellfish is a dedicated fund.
- Lonnie Johnson -Consider expanding the two rod angling license to open water. Warm water tag?
- Joe Rohleder- Consider a trout stamp. You could marry the stamp to increase production.
- Larry Sowa –What is the relationship between pioneer and senior license. Aaron explained the difference.
- Consider a volunteer program for people who are receiving food stamps. Volunteer so many hours and get license in exchange.
- Dave Wiley- Strong non-resident competition with other states. A lot of non-residents come here for black tailed deer and Roosevelt elk GS tags. Make sure we keep them.

Chinook salmon group

Aaron's presentation

- With increases in price did you break out into age brackets? Issue: Need to be sensitive to juvenile prices; once they are out from under the mom and dad umbrella you could lose participation. Need to price juvenile licenses so that parents involve them and get them "hooked" so that when they are out on their own, they will continue to participate. Who is dropping out by age demographics? Price and juvenile is a big deal.
- Be strategic when figuring out price increases. Depends on license type. Balancing act needs to happen.
- Tom Wolf - Hold non-resident fishing licenses the same or drop the fee. Trout Unlimited represents a huge number of non-residents who have stopped coming to Oregon. Bringing them back will also help with local economy.
- Are you going after fee increases because they are easy or soft targets instead of looking at other revenue options?

- Does the number of people who drop out cause an enforcement issue because they still participate but just don't buy a license? Are we creating an enforcement issue by increasing fees?
- Jake Gibbs- How does this compare to how the government is growing. Is this way out pacing the way other government is growing?
- Steve Williams- Have you looked at fee increase alternatives? Example: Raise Fish one year Wildlife the next year. Otherwise you have fee increases every biennium. Did you ask focus group what their tolerance was?
- Tom Wolf- Last increase 33% caused sticker shock. Think you should do smaller increments. That would keep people from dropping out. Would prefer 15% but could live with 30%. Gradual is better than all at once. It's easier to take.
- George Houston –should couple enhanced fishing and hunting opportunities to fee increases. New opportunities for families.

Chris's presentation

- Pioneer license fee is a good idea. New youth combination age is a little low it would hurt youth group events that don't require license now.
- George Houston-Support lower price on non-resident angling license.
- Steve Williams- Supports multiyear license. You need to be very careful with fish raffle and auction tag. There is a lot of public animosity over that.
- This is exactly what you should be doing to create a sustainable budget. Need to go for more GF. Hard to pick a percentage without having license option. Supportive of smaller increases. Time to go to court system to get more money for enforcement. Part of what people pay the courts should go for enforcement. Participates in the EE Wilson pheasant hunt, this helps support that particular program but you have other programs at other wildlife areas that you should be doing the same thing with, need to purchase a license if you draw a hunt.
- Tom Wolf - At your public meetings you need to ask specifically whether they want 2 year or 6 year increases. My opinion is 2 years.

Group Wrap Up

Director Elicker led a discussion on the process used today.

Responses included:

- Wish we had more time for discussion in the break out groups.
- Best approach seen so far on EBAC.
- Suggestion to break into even smaller groups of 6-8.
- Liked the sticky program. Note enough stickies though, all the programs are important.

Director Elicker asked staff to share common themes from their break out groups.

Program Reductions

- The first two groups patterned closer. The third group was much stronger on Admin and Enforcement.
- Strong support for fish and wildlife management activities.
- Hatcheries and Conservation didn't have as much broad support but ranked very high for those members that "voted" for them. Peggy Lynch- This suggests that there is polarization in the group. ODFW needs to find a way to reduce the polarization to bring the group together.

Fund Shifting

- Resounding support for GF and user support. Permitting that provides benefits to Oregonians.
- Need to find a way to get corporate sponsorship.

License Restructuring

- Smaller increases over a 2 year period
- There was no settlement on the percent of increase
- Be strategic on how we distribute
- Look at family and youth opportunities and fees
- Support for pioneer and multiyear licenses
- Concern with fish raffle/auction tags
- Need to pursue other funding options

Director Elicker asked for any closing comments from EBAC members.

- Dave Wiley- Enforcement is a good slice of cost. Suggest taking a look at what they do and what we get for the dollar.
- Stan Steele- Need to pursue alternative sources of funding. Boils down to the fact that the North American Model of conservation is still the best model. Strains that are put on it are by none paying participants. Need to tap all wildlife users. Think outside the box-how do we get none consumptive users to pay more?
- Peggy Lynch- Bird seed tax was offered.
- The agency had a good bump in the GF this biennium. How did we do that? We need to figure out ways to maintain GF dollars.
- Tom- Tap into lobbies in Salem. Work in partnership with them to try and get more GF.

- George Houston- Are there any stakeholder groups that are not represented here today? Staff mentioned that many of the commercial fishing interests were not able to attend today but are working in a separate subgroup to focus on the Commercial Fish Fund.
- Lonny Johnson- User fees-the concern with entry level users can be worked out. Need to look at trout tag and warm water tag.

Deputy Director Colbert indicated that ODFW will use the input from today to try to develop a balanced strategy for building a budget and will present that proposal at the third EBAC meeting in Salem on April 8th.



EXTERNAL BUDGET ADVISORY COMMITTEE (EBAC)

April 8, 2014

1:00 pm – 4:00 pm

4034 Fairview Industrial Dr. SE

Salem, Oregon 97302

MEETING NOTES

Introduction

Approximately 40 EBAC members participated in the third of four EBAC meetings in Salem. In addition, three people participated by remote teleconferencing, including at listening posts in Roseburg and La Grande. The focus was on recreational license dollars. The goals of this EBAC meeting were to:

- 1) Present the department's proposed strategies for achieving a balanced budget;
- 2) Allow for feedback and group discussion for each proposed strategy; and
- 3) Highlight where ODFW's proposal was consistent with EBAC input and where it was not.

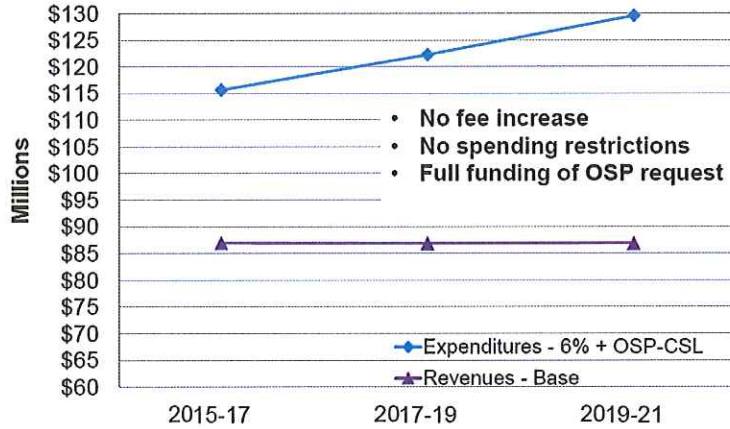
Agenda review

Following introductions, Director Elicker drew attention to the recreational license focus of the meeting and the timeline for ODFW's budget process. The fourth and final EBAC meeting is on May 1, 2014. Seven town hall meetings will occur in May. The briefing of ODFW's proposed budget to the Oregon Fish and Wildlife Commission, which will incorporate input from EBAC and town hall meetings, will occur on June 6. Final Commission approval will be sought on August 1. The Governor's recommended budget is anticipated to appear in December 2014.

Planning for the next 3 biennia

Deputy Director Colbert reminded EBAC of the recreational license budget projections — provided at previous EBAC meetings — for the next six years. The projections included expenditures vs. revenues. Colbert emphasized that the proposal being shown today is ODFW's attempt to fill the -\$32 M gap, based on suggestions made at the breakout groups at the 2nd EBAC meeting.

Planning for the Next 6 Years

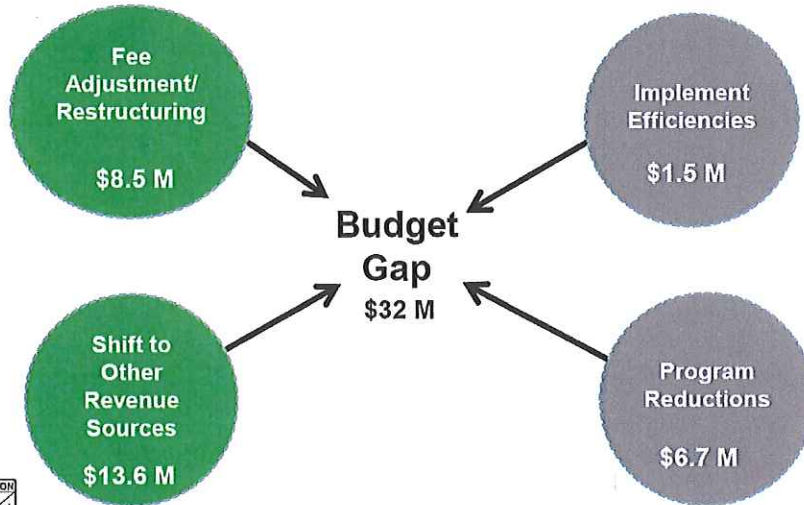


"Budget Gap"	2015-17	2017-19	2019-21
	-32 M	-70 M	-113 M



Colbert described the four strategies that were discussed with EBAC with the amount of the budget gap covered by each strategy under the Department’s proposal as shown in the slide below.

2015-17 Strategies for Developing a Sustainable Budget



Colbert described the department's proposals to seek efficiencies to reduce costs. Proposed savings would result in \$1.5 M in recreational license savings, including

- ODFW's switch from a four to a two region structure (\$450k)
- Fleet and travel consolidation (\$500k)
- Streamlined publication of hunting and fishing regulations/increased advertising (\$375k)
- Technology efficiencies (phones, faxes, printers) (\$200k)
- Reduction in fish food costs (\$45k)

Colbert emphasized that the department has a number of other efficiencies efforts identified and underway but this list would result in hard savings of license dollars, in particular.

Colbert introduced the Department's proposal for reducing programs. At the second EBAC meeting, EBAC members participated in a discussion of priorities for investments. Colbert gave a high level overview of EBAC's input. There was broad support fish and wildlife management and research, monitoring and inventory work. There was specific support for hatcheries and conservation. There was overall recognition of the importance of enforcement.

Fish Division Administrator Ed Bowles presented a number of proposed reductions in fish funded programs (Fish Division, 36 positions \$4.8 M). These include:

- Shift liberation from dedicated liberators to hatchery staff (5 positions, \$180k)
- Shift Salmon River Hatchery to STEP program (2 positions, \$400k) complex with Cedar Creek Hatchery (nearby).
- Reduce John Day Screens and Headquarters screens and passage/engineering (6 positions, \$1.1M). Will result in less building and repairing of screens.
- Warm Water program cut in half (2 positions, \$325k).
- Fish Districts reduce to 1 Assistant District Biologist model (9 positions, \$1.6M) reduced monitoring and reduced responsiveness
- Reduce Fish Health support (1 position, \$145k)
- Reduce Marine Program staff (3 positions, \$335k)
- Reduce Conservation staff (7 positions, \$570k). Reduction in monitoring capabilities.
- Reduce Fish Division support staff (1 position, \$115k)

These reductions are permanent. It was recognized that without monitoring, fishery opportunities would be negatively impacted. These reductions are ODFW's attempt to maintain its obligations with the least impact to its mission.

EBAC members provided specific comments and questions (**FOLLOW UP ACTION ITEMS in bold**):

- *Question:* Three things: 1) what would be the effect of these cuts on new water storage projects (Governor's priority) and 2) permitting and regional solutions (Governor's priority) 3) what about EPA lawsuit (coastal monitoring)?

- *Response:* Effects of reduced staffing on permitting and regional solutions: Responding to requests for assistance with permitting will be effected because staffing in some fish districts will be reduced under this proposal. EPA coastal monitoring will not be effected. We believe this will not remove any of the monitoring programs currently in place.
- *Question:* How big a hit on the screen shop?
 - *Response:* About 15% of program staff.
- *Question:* How many fish health staff will be left?
 - *Response:* We're down to maybe 3 or 4 left for the whole state.
- *Question:* Will elimination of fish conservation/monitoring positions affect our ability to fish? Most fisheries require monitoring.
 - *Response:* Our monitoring will be less intense in some areas
- *Question:* Current biennium budget is \$88 M, \$115 M next biennium?
 - *Response:* That's the gap we're solving for. And trying to get back to \$10-15 M balance.
- *Question:* What is the total department budget gap?
 - *Response:* \$32 M gap we're solving for. This exercise is getting ODFW "right-sized."
- *Question:* Do you anticipate additional reductions in Federal Funds?
 - *Response:* Depends. For 2015-17, Pittman-Robertson is projected to be higher than expected. By contrast, Sports Fish Restoration funds are stable or in a slight decline. Mitchell Act is a struggle every congressional cycle. Mitchell Act funds look good for this coming year, but could be tight the following year.
- *Question:* What is the total budget for this biennium?
 - *Response:* \$320 M (provided last meeting).
- *Question:* What is the total budget for the next biennium?
 - *Response:* Not projected yet.
 - *Comment:* \$8.2 M in program reductions and efficiencies (\$6.7 M + \$1.5 M) is about 2.5% of budget for overall total budget for this biennium. Doesn't seem unreasonable.
- *Question:* For the Warm Water fish program, ODFW is proposing to reduce 2 positions. Is this reduction in addition to the changes implemented this current biennium?
 - *Response:* The 15-17 reduction to the Warm Water program is the current biennium change carried forward into the next biennium.
- *Question:* Are all of these people are being reduced from field staff?
 - *Response:* Roughly ½ field and ½ HQ.
- *Question:* Are about ½ positions vacant now?
 - *Response:* No. Forty-eight positions will be eliminated; about 20 are still filled. Other positions have been left open because planning for downsizing.
- *Question:* Where do vacancies lie?
 - **ACTION:** We can split out the vacant vs. non-vacant.
- *Question:* Regarding the reduction in assistant district fish biologists, where are those reductions occurring?

- *Response:* This would reduce the assistant fish biologist position in any district that has two assistants currently. Some districts haven't had an Assistant District Fish Biologist for some time. All with two Assistants will be reduced to one.
- *Question:* Is ODFW assuming no fee increase or no revenue increase scenarios?
 - *Response:* ODFW is looking at four strategies. We have presented efficiencies and reductions but will be presenting our proposal for fee adjustments and shifts to other revenue sources later in the presentation. The discussion today is to get feedback on our first crack at the four strategies.
- *Question:* Are reductions subject to collective bargaining action?
 - *Response:* Very specific protocol; formal process for when we lay staff off. Staff are part of the SEIU union. Under that contract, we have specific steps for implementing layoffs.

Colbert described reductions in areas jointly funded by fish and wildlife license dollars. These reductions total \$1.9 million in recreational license dollars and would include:

- Administration—Reduce accounts payable, IT support, licensing, agent support, and contracting (7 positions, \$1.5 M)
- Regions—Reduce office support staff (5 positions, \$380k). Some are permanent reductions, and some are reductions in time.

Colbert introduced the next strategy to shift costs onto other revenue sources to backfill \$13.6 million in license dollars. Deputy Director Melcher reminded EBAC of some of the input from the second EBAC meeting including ideas for General Fund shift or “user pay” such as:

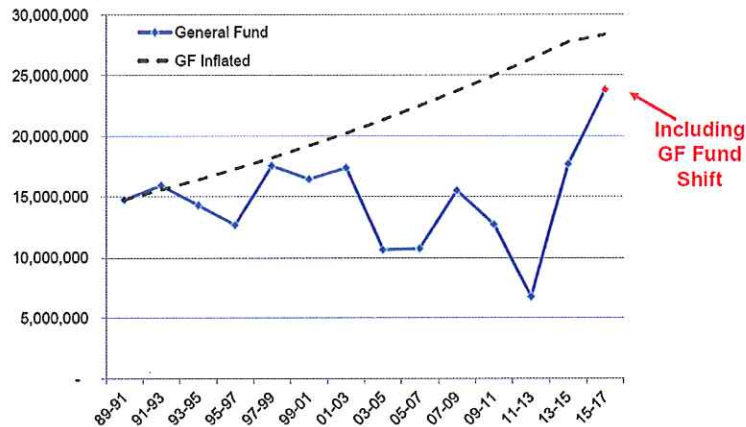
- District management
- Permit reviews
- Facilities and realty
- Predator control
- Water use
- Integrated water strategy
- Oregon Conservation Strategy

Melcher described the department’s proposal to shift \$6.1 M to General Funds, including:

- Field staff (\$4 M) about 25% of district function) since up to 80% of time in many districts is consumed by activities not directly related to hunting and fishing
- Habitat and conservation strategy staff (\$680k)
- Water quality and quantity (\$550k)
- Offset request with revenues from “user pay” model (e.g., permit reviews)
- Avian and pinniped management (\$900k)

Melcher showed the following graph that demonstrated that even with this shift onto General Fund the Department would still be less than the amount of General Fund back in the early 90's (especially considering that some of the General Fund is for new programs).

Shift to Other Revenue Sources



Melcher also described the Department's proposal to shift \$5.1 million of OSP to General Fund which would put OSP Fish and Wildlife Division back closer to its earlier General Fund levels.

Melcher reminded EBAC of the other revenue ideas generated at the second EBAC meeting such as retailer interests/donations, trailhead/boat ramp parking fee, bird seed tax, Lottery funds, real estate fee, combined parking permit, enforcement fines, and special auctions. Melcher described some the political and practical challenges to implementing many of these other revenue ideas.

Deputy Director Colbert described the Department's proposed shift of certain education and outreach activities related to hunting on to Pittman Robertson funding (\$350k). The Department has a large increase in PR funding this biennium and next biennium. Shifting this work onto PR funding would be a good way to use this "bump" in new federal funding strategically to save license dollars and to perform work that is allowable under this funding.

Fish Division Administrator Bowles described other shifts proposed by the Department, including:

- Shift portions of field biologists to hydro fund (\$486k)
- Shift licensing, Fish Administration to Commercial Fish Funds (\$993k)
- Shift Fish Administration to Recreational Shellfish Fund (\$84k)

- Shift Columbia program to Federal Funds (\$168k) and Columbia River Endorsement (\$290k)

EBAC members provided specific comments and questions (**FOLLOW UP ACTION ITEMS in bold**):

- *EBAC comment:* Issue of tax reform will be important. Tax reform conversation is important for ODFW for current General Fund ask, and education and safety and health and human services. Everyone needs to understand that there are consequences to our current tax structure. Don't know what tax reform program will be. Real estate transfer tax is off the table legally.
- *Question:* What is the magnitude of fines or damage assessments?
 - *OSP Response:* Will be difficult to figure out because it comes from counties.
- *EBAC comment:* Would like to see benefit from use of Pittman-Robertson (PR) funds—would like to see increased recruitment of hunters.
 - *Response:* Most of the PR bump is being used for projects, not staff.
- *Question:* If General Fund shift doesn't occur will there be additional program cuts?
 - *Response:* Yes.
- *EBAC Comment:* House Bill 2014 will allow ODFW to have conversation with governor on General Fund permit reviews.
- *Question:* Any discussions about revenue shift with the Legislature/Governor's Office?
 - *Response:* We have initiated discussions with the Governor's Office.
- *Question:* Where is the Columbia endorsement fee going?
 - *Response:* Just started collecting the endorsement. It is being matched with \$1.5 million in General Funds to invest in and enhance off channel fisheries opportunities. None of this money is going towards alternative gear research.
 - *OSP Response:* This money also pays for one OSP trooper for enforcement.
- *Question:* This is another \$5-6 M ask over and above what is in the budget?
 - *Response:* Yes.
- *Question:* What was the thinking on switching avian and pinniped predation over to General Fund ask?
 - *Response:* They are wildlife species. Not appropriate to use hunter license dollars to manage cormorants or pinnipeds (things we don't hunt). We thought that funding under General Fund made sense.
- *EBAC comment:* It was suggested that ODFW incorporate charges for accessing wildlife areas.
- *Question:* What about water pollution or fines as funding source?
 - *Response:* ODFW recovers a modest amount of money from fish kills. Civil penalties are restored back to agency. Don't get fines related to infractions. One example would be Portland Harbor, for which a settlement is moving through the process.
- *Question:* How big is the pot of money for enforcement fines?
 - *OSP Response:* Can't provide off the top of my head. Difficult to obtain. Fines and assessment from each county.
- *EBAC comment:* Good to ask for General Fund for OSP.
- *EBAC comment:* Regarding cost effectiveness, concerned about PR shift to I & E. This money could be better used on habitat improvement.

- *Response:* That fund shift is a good fit for new revenues. Wildlife Division Administrator Ron Anglin described that most of the “bump” in PR funding is going to one time projects. The PR shift to I&E would allow the Department to do more to promote hunting opportunity and access.
- *ODFW comment:* Fish Division Administrator Ed Bowles explained the Fish side of fund shifts and the implications to deliverables. His position and the Deputy Administrator of Columbia and Marine Fisheries positions had not been tapping into the Commercial Fish Fund (CFF), but rather recreational license dollars. It makes sense to shift these positions off recreational license dollars and onto CFF.

Director Elicker described the proposal for fee adjustments and restructuring to provide \$8.5 million in revenue. Elicker reminded EBAC of some of the feedback at the second meeting during the breakout. There was broad support to pursue two year fee increments rather than 6 year increments. The Department should try to minimize impacts on participation and pursue strategic adjustments rather than across the board. There was also support for Pioneer license fee to capture federal funds and interest in minimizing impacts on youth.

Elicker provided two handouts – one handout provided proposed fee changes and the other handout explained new concepts that the Department wants to pursue. New concepts included multiyear licenses, pioneer, ocean endorsement, and unique hunting/fishing opportunity. Elicker also highlighted the new youth license concept for \$10 which would allow youth aged 12-17 to hunt and fish, would be the same cost for resident or nonresident, and would include the Columbia River and ocean endorsements. There would also be reduced tag costs for youth under the Department’s proposal.

EBAC members provided specific comments and questions (**FOLLOW UP ACTION ITEMS in bold**):

- *Question:* Are federal dollars coming in with fee adjustments?
 - *Response:* We’re not counting on federal match to fill the \$8.5 M.
- *Question:* How many disabled veteran license numbers are issued?
 - *Response:* 13,000-15,000.
- *EBAC comment:* One disabled veteran took exception to being able to get a free license and would like to pay their fair share. They would like a fee license so that ODFW can access federal funding.
- *Question:* What is the breakout on the Pioneer license?
 - *Response:* Around 35,000.
- *Question:* Pioneer licenses buy a tag at the same time?
 - *Response:* When Pioneer license holders also purchase a tag, the license counts towards federal aid. About 15,000 people each buy an angling tag and about 15,000 buy a big game tag. Pioneer is a combination, so it can be counted for federal aid as both an angler and as a hunter. Quite a few Pioneer licenses not currently counted.
- *Question:* Does the license fees for non-resident anglers need to be reduced?
 - *Response:* We pay more in California as a non-resident to fish there. Washington is about to go through a big fee package increase, perhaps in 2016. Reducing Non-

resident angling fees will be difficult with many legislators. The Department will continue to think about the non-resident angler fee.

- *EBAC Comment:* Hatchery harvest card and 2 rod angler fees could probably withstand larger increases.
- *EBAC comment:* Hatchery harvest tag fee — lots of people are saying that ODFW should increase (perhaps double) fees on their 2nd or 3rd harvest tags.
 - *Response:* Probably could do this. However, it is a pretty small number of anglers so would not raise a lot of revenue.
- *EBAC comment:* Two rods: Why can't coast have 2 rod validation (beyond lake fisheries).
 - *Response:* This would be a problem on the Columbia River with quota fisheries. Ocean endorsement exception of salmon (which requires a combined tag). The "ocean" is anything outside of "jaws" of designated bays.
- *EBAC comment:* Introduce location-selective special fisheries and work with industry. Example: "This lure caught....." and that money goes into that drainage.
- *Question:* Cervid and Wildlife Propagation license at \$27 seem very low for effort. Should be increased to bear the administrative costs. Cervid might be more towards \$200.
- *ODFW comment:* Wildlife holding permits are free. Commission could set up to charge.
- *EBAC comment:* It's \$5. Hasn't changed for 41 yrs.
 - *Response:* That's one that we missed on the list.
- *EBAC comment:* Wildlife holding fee of \$0 or \$5 should be raised. Wildlife holding permit should be greater than \$5. The cervid thing could be a reason why we have hair loss. \$200 for cervid holding permit. Need to consider other occupational fees and what might be appropriate for cervid and wildlife propagation.
 - *Response:* Cervid permit: don't have much enforcement costs. Biologists are doing much inspecting. Probably costing <\$1,000 yr. to run program. Cervid ranchers—if we significantly increase the costs, they may go to another agency.
- *EBAC comments:* Recommended multi-year youth license, and include recreational shellfish harvest in this license, too.

Colbert described the Department's one-time proposal to seek approval from the Legislature to use deferred maintenance funds to help balance the budget in the next biennium. Under this proposal, the Department would use \$1.5 million in a deferred maintenance account to ensure sufficient operating capital in the 15-17. Colbert mentioned that this account only accrued \$20k in interest last biennium that could be spent on deferred maintenance. The Department relies heavily on Pittman-Robertson funds, funds from the Restoration and Enhancement Board, and other sources to pay for its maintenance needs. Without this one-time use funding, the Department would have to make deeper cuts or propose additional fee adjustments to balance the budget. Over the six year horizon, reductions or additional fee adjustments would overshoot what is needed so this one-time money is a good solution. The concept to use the principle in the deferred maintenance account would require legislative changes.

EBAC members provided specific comments and questions (**FOLLOW UP ACTION ITEMS in bold**):

- *Question:* Asked about Deferred Maintenance sub-account.
 - *Response:* Not aware of any other agency that has it. Money in this account was license dollars to begin with. We would rather the money in this account vs. coming up with more reductions or fee increases. We are presenting this for input from EBAC.
- *EBAC comments:* That \$1.5 M is not working for you as-is. As you do it, consider plan in the future.
- *EBAC comment:* ODFW deserves more money to do the public's work. Very concerned that won't be able to get another \$13.6 M when only got about \$17M last session.
- *EBAC comment:* Recommend that there should be a statewide capital improvement program.

Director Elicker and Deputy Director Colbert closed the meeting reminding everyone that the next EBAC meeting is scheduled for May 1. At that meeting, we will circle back with EBAC members on the recreational license strategies, present Commercial Fish Fund strategies, discuss other areas of the budget, and present policy option packages.

EBAC members provided specific comments and questions (**FOLLOW UP ACTION ITEMS in bold**):

- *EBAC comment:* Would like near real time budget tracking and EBAC input because it's easier to explain small budget challenges and get feedback, rather than catastrophic budget problems.
 - *Response:* ODFW has developed better budget tracking tools. Over the last two biennia we have been building more of the real time budget management tools. We have also moved to year round meetings with EBAC rather than just a few meetings each biennium to develop the budget.
- *EBAC comments:* A list of ideas for alternative fund sources was mentioned and a hard copy printout was provided from one EBAC member to ODFW including:
 - Conservation license—non-hunters and anglers buy to access all of state-managed properties.
 - Coal transportation assessment fee
 - Wind energy mitigation—mortality assessment
 - Wave energy exclusionary zonal assessment—by geographic area or Kilowatt hours
 - Gas tax
 - Predator control assessment
 - Cat license to address birds killed by cats
 - Special hunting license—once in a lifetime hunting tag
- *EBAC comment:* Increasing license fees in line with inflation not sustainable.
- *Question:* What was inflation over the last 6 years?
 - *Response:* The Department presented data on its actual costs over the last 6 years compared to the projected inflation at that time.
- *EBAC comment:* General Fund is supposed to look better this next time, increasing in 2015 and more level in 2017.



EXTERNAL BUDGET ADVISORY COMMITTEE (EBAC)

May 1, 2014

1:00 pm – 4:00 pm

4034 Fairview Industrial Dr. SE

Salem, Oregon 97302

MEETING NOTES

Introduction

Approximately 30 EBAC members participated in the fourth and final scheduled EBAC meeting in Salem. In addition, 3 people participated remotely at listening posts in Roseburg and Baker City. This meeting considered both recreational and commercial fees. The goals of this EBAC meeting were to:

1. Present the department's revised proposed strategies to achieve a balance budget based on input received at the April 8 EBAC meeting;
2. Present the results of the Commercial Fish Fund (CFF) Workgroup;
3. Provide an overview of preliminary Policy Option Package and the department's draft current proposal; and,
4. Allow for group feedback and discussion.

Agenda Review

Following introductions, Director Elicker noted the purpose of this meeting was to summarize progress made to date, present the results of the CFF work group, and review next steps the department will be taking as part of the budget development process.

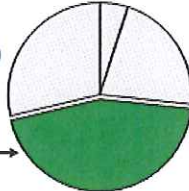
Recreational Licenses

Strategies to balance revenue with expenditures for recreational license funded programs include implementing efficiencies, program reductions, shift of program costs to another revenue sources and fee adjustment/restructuring. In addition, a one-time shift of the Deferred Maintenance Account to ending balance is being proposed.


Last EBAC the department had proposed eliminating 36 positions funded by fishing licenses. Based on comments, seven fish conservation positions are now being proposed to be shifted to General Fund rather than reduction. The revised proposal will shift \$6.7M in ODFW and \$5.1M in OSP expenditures from recreational fishing and hunting revenues to General Fund. This would bring the department back roughly to the level of General Fund the agency received in the 1989-91 biennium after adjustment for inflation.

Recreational Licenses Shift to Other Revenue Sources

- Shift ODFW program to General Fund (\$6.7M)
 - Field staff (\$4M)
 - Habitat and conservation strategy staff (\$680k)
 - Water Quality Quantity (\$550k)
 - Offset request with revenues from user pay, where available
 - Avian & pinniped management (\$900k)
 - Shift Fish Conservation staff (\$570k)*
- Shift OSP to General Fund (\$5.1M)




Shift to Other Revenue
\$14.2M



The reductions below were proposed for both the department and OSP if the shift to other revenue sources is not approved:

Recreational Licenses Shift to Other Revenue Sources

- What if GF is not approved?
 - Further Program Reductions up to \$11.8M
 - Reduce Fish Conservation staff*
 - Reduce Habitat and Conservation Strategy program
 - Reduce Water Quality Quantity program
 - Reduce Enforcement to Avoid Reducing District Staff
 - Further Fund Shift
 - Avian and pinniped management to PR/Wildlife License?



EBAC member comments are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: Is the list of programs proposed for shifting to General Fund in priority order?
Staff Response: No.
- EBAC Member Comment: Will existing General Fund programs be considered for reduction if further cuts are necessary?

Staff Response: Current General Fund programs are not being considered for reduction at this time.

- EBAC Member Comment: There is only a limited amount of General Fund. ODFW and OSP will be competing with other resource agencies for this limited source of funding. Have we considered other sources like Lottery Fund?
- Staff Response: We have considered Lottery Fund. At the statewide budget kickoff, the state economist indicated that Lottery revenue is expected to be down next biennium. General Fund seems a more realistic source as it is expected to be up slightly.

Recreational License Adjustments

Based on comments already received from EBAC, our recreational fee proposal is considering strategic rather than across the board adjustments, minimizing impacts to participation and youth, increasing fees in 2 year increments, and a fee for Pioneer licenses to capture federal funds. Based on comments made at the last EBAC meeting the department's revised proposal includes:

Recreational Licenses
Fee Adjustment/Restructuring
Further Adjustments Since April 8 EBAC

- 1) Youth License
 - Include Rec Shellfish License
 - Simplify regs and reduce costs for families
- 2) Senior Licenses
 - Less discount relative to standard licenses
- 3) Non Resident Angler
 - Adjust license consistent with survey results to increase sales
 - Adjust Nonresident Angling Tag so changes are revenue neutral overall
- 4) Adjust *all* Occupational licenses & evaluate cost recovery



Youth license (12 to 17 years of age) will be \$10 and replaces all other resident and non-resident juvenile fishing and hunting licenses except the Juvenile Sports Pac. Since the last EBAC meeting, the department is proposing that shellfish be included in the youth license.

Current Senior Citizen licenses are discounted approximately 50% over regular licenses. Our proposal reduces that discount to 35%.

Department staff struggled with what to do about non-resident angling licenses. We want people to come to Oregon to fish. Our proposal reduces the non-resident license slightly from \$106 to \$95. To keep this shift revenue neutral the department is proposing the creation of a new non-resident combined angling tag that will cost \$55.

Director Elicker noted that the department will be looking at its occupational licenses to ensure that they are paying for the associated staff time.

EBAC member comments are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: Concern was voiced that the daily license fee isn't being raised enough. The percentage adjustment suggests non-resident anglers are favored over the resident anglers. Would like the department to look at the equity of its current proposal.
Staff Response: There has been a lot of staff discussion about what level of adjustment is fair to both resident and non-resident anglers. **Staff will take another look at equity of changes being proposed for both resident and non-resident anglers.**
- EBAC Member Comment: Concern was voiced that the proposed fee adjustments will be pricing low income households out of fishing. Has the department considered a special license for food stamp recipients to encourage participation?
Staff Response: We have not considered this concept. **We'll look at the idea of a license for low income families.**
- EBAC Member Comment: Some EBAC members expect constituents to object to the Pioneer License fee while other EBAC members believe it won't be a concern.
Staff Response: We realize constituents receiving a free Pioneer License might not like this proposal. We expect to get comments on this proposal.
- EBAC Member Comment: Doesn't see why we have both a 4-day and 7-day angling license. There isn't much difference between them. Why not just simplify the fee structure and have the 7-day license?
Staff Response: **We'll consider eliminating the 4 day license.**
- EBAC Member Comment: Fastest growing fishing demographic nationwide is retired anglers. Accessing this demographic will be important.
Staff Response: We agree.
- EBAC Member Comment: Some wondered why the department didn't propose increasing Controlled Hunt Application fee more as it hadn't been adjusted in 11 years. Others supported not increasing the application fee because it gets customers to the door.
Staff Response: Staff discussed increasing the Controlled Hunt Application fee. Number of applications fell after the last application fee adjustment from \$4.50 to \$8. We still hear that increasing the Controlled Hunt Application fee priced families out of hunting. Based on raising other fees, we thought leaving the application fee at \$8 was a good idea.
- EBAC Member Comment: Has the department considered a Senior Citizen or Pioneer Sports Pac?
Staff Response: **The department can consider a Senior Citizen or Pioneer Sports Pac.**

Additional reductions will be necessary for both the department and OSP if additional recreational license revenue is not approved. Reductions proposed by the department include:

Recreational Licenses Fee Adjustment/Restructuring

What if fees are not approved?

- Further Program Reductions up to \$8.5M
 - OHRC Closed
 - Up to 2 coastal hatcheries closed
 - As much as a 50% reduction in Fish District staff
 - As much as a 15% reduction in Wildlife District staff
 - Reduced Enforcement



EBAC member comments on this reduction proposal are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: Concerned about the potential for these cuts to reduce future funding. Specifically concerned about closing 2 coastal hatcheries. Why not close 2 Columbia hatcheries?
Staff Response: Whether a facility is subject to a reduction or not depends on the source funding. Many of the hatcheries on the coast are funded by recreational fees while most in the Columbia are funded by federal mitigation programs. You cannot exchange one for the other. We've done as much as we can to protect recreational license funding for coastal hatcheries. We don't want to close coastal hatcheries. If we don't get a fee adjustment, unfortunately, that is where we will need to go to make the necessary savings.
- EBAC Member Comment: The OHRC has the support of many Legislators. Because of the level of Legislator support the OHRC should probably be given a higher priority by the department for funding.
Staff Response: The OHRC supports good stewardship use of our hatcheries. Its priority is consistent with those hatcheries which are high on our list. However, it's difficult to justify keeping the OHRC open while closing hatcheries it supports.
- EBAC Member Comment: Has the department considered a daily salmon and steelhead hatchery tag to offset a closure? It could be focused on ocean fishers that catch the fish produced by hatcheries.
- Staff Response: We could look at the idea. Closure of the OHRC and 2 coastal hatcheries is only being proposed if the department's fee proposal is unsuccessful.
- EBAC Member Comment: When will the cuts identified above be made public?
- Staff Response: The department's proposal will be presented to the Commission in July and August. Currently working with the Legislative Fiscal Office and Chief Fiscal Office on how they want the information presented.

- EBAC Member Comment: Are positions identified for elimination actual people or are these positions vacant?
Staff Response: Current vacancies were used in previous proposal reducing expenditures. Most of these positions are filled and is equivalent to roughly 40 people; roughly \$6.4M of this is fish staff while \$2.1 is wildlife staff.
- EBAC Member Comment: From the information provided it appears that for each position cut approximately \$200,000 is saved. Is that correct?
Staff Response: Yes, that's about right. The actual value varies by position and associated services and supplies required to support it.
- EBAC Member Comment: Recently there has been concern about environmental lawsuits. Does the department set money aside for lawsuits? How much is set aside for lawsuits?
Staff Response: Attorney fees are paid to the Department on a billable basis. The budgeted amount for these costs is set by the legislature using a formula. \$500,000 is set aside for Fish Division and \$200,000 to \$250,000 for Wildlife Division. If we exceed the amount set by the Legislature, we still have to pay those costs and must make savings in programs to cover the costs.
- EBAC Member Comment: Can the department access other types of funds to defend state programs?
- Staff Response: Staff is not aware of other programs available to pay department litigation costs.
- EBAC Member Comment: Is the department proactive in trying to avoid litigation?
Staff Response: Yes, as much as we can.

Commercial Fish Fund

The Commercial Fish Fund (CFF) is a dedicated fund that funds mainly commercial aspects of Marine Resources, OSP and Columbia River programs. A subgroup interested in these programs has been meeting for the last several months to consider how best to align expenditures with revenues.

By the end of the 2019-21 biennium the CFF will have a \$3.2M shortfall if revenues and the programs relying on them stay the same.

The subgroup considered 9 projections of the revenues that could be expected from Oregon fisheries in the future. The group agreed that an average of the 2009-13 revenues would be a good tool to use for projection future revenues. Using this information the subgroup considered potential efficiencies, program reductions, shifting expenditures to other fund sources, and fee changes. The process was very similar to that used for recreational licenses.

Efficiencies will provide \$36,000 in savings.

Reductions outlined below can provide \$372,000 in savings:

Commercial Fish Fund Program Reductions

- Cut fishery analyst position in MRP (reduces analytical support for council and state-managed fisheries) (\$158k)
- Cut Newport front office position in MRP and associated supplies and services (reduces front office public contact and licensing support) (\$164k)
- Reduce supplies and services associated with alternative gear research in Columbia River (\$50k)

Total Reduction:
\$372k



Shifting program funded by CFF to other fund sources as outlined below can save \$538,000:

Commercial Fish Fund Shift to Other Revenue Sources

- Shift Avian & Pinniped Mngt to General Fund (\$298k)
- Shift OSP CFF to General Fund (\$80k)
- Shift CFF to Rec Shellfish License Fund (\$205k)
 - Marine program management, front office, and administrative support that is attributed to recreational shellfish management
 - 15% of 5 positions, 20% of 1 position, \$27K of S&S

Total Shift From CFF:
\$583k



Program outlined in the following slides is currently funded by recreational fees. Based on feedback from the full EBAC, the department is proposing to shift funding to CFF to better align the work with the funding source.

Shift to Commercial Fish Fund

Shift Licensing (\$450k)

- 50% of 4 licensing staff – limited entry permits, commercial license applications, buoy tag order forms & shipping, transfer packets
- 25% of 3 licensing staff – fish tickets & trawl logs
- 25% of supervisor – transfer packets, renewal/transfer questions, tracking buoy brand numbers, renewal tracking
- 25% of manager – contested case hearings, commercial fishery board, final orders, public information requests



Shift to Commercial Fish Fund

Shift Fish Operations (\$204k)

- Deputy Admin., Columbia & Marine Fisheries (25%, \$84k)
 - Agency rep. to Pacific Fishery Management Council
 - Oversees Oregon's commercial fisheries
- Fish Division Operations Manager (50%, \$120k)
 - Supervises commercial fish ticket program (collects, disseminates data on commercial landings)
 - Supervises Oregon's commercial fishery rule making
 - Provides oversight on commercial fish applications for Fish Division

**Total Shift to CFF:
\$654k**



CFF revenues are a bit different than recreational revenues. They include commercial fishing licenses and the Ad Valorem or landing tax. There is a lot of year-to-year CFF revenue variability due to the variable nature of the commercial catch and pricing.

Subgroup considered 10 fee adjustment scenarios including both front-loaded strategies where fee adjustments occurred in the first year, as well as scenarios where adjustments occurred in 2 year increments similar to that proposed for recreational licenses. The subgroup also considered whether changes should be made to license fees, Ad Valorem, or both.

Rod Moore presented the results of the subgroups (two handouts were provided to EBAC).

Of the 10 scenarios, the subgroup preferred a front-loaded approach. Recommendations for Ad Valorem changes varied depending on the needs of the market and fishery.

They propose an incremental increase for most commercial licenses and a differential boat license fee for boats over 50 ft. in length. This isn't something that the commercial fishing community wants to do but it is their recommendation.

Comments by EBAC member on the CFF proposal are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- **EBAC Member Comment:** Most funding for commercial fishery research comes from coastal fishers. This member voiced specific concern about the priority given Columbia River research over ocean or coastal research. He proposes a group to set CFF research funding priorities.
Staff Response: Department agrees that the CFF research fund wasn't intended to stay in the Columbia River as long as it has. But the issues in the Columbia are problematic at this time. **We can't say when research will move out of the Columbia but are committed to bringing a representative group of people together to consider future research needs.**
- **EBAC Member Comment:** Where does the funding for Marine Reserve research come from?
Staff Response: Funding for Marine Reserves comes from General Fund and a small amount of Lottery Fund. These will be carried forward as base program in the department's budget as 100% General Fund.
- **EBAC Member Comment:** There is a lot of uncertainty about what will happen in 6 years with ocean fisheries quotas and markets. Ad Valorem varies based on both the price and the amount landed. Ocean commercial fishers are experiencing a good year this year. However an El Nino is predicted and a decline is expected. The subgroup's proposal is the best possible given this uncertainty.
Staff Response: We appreciated the cooperation and hard work of the subgroup.
- **EBAC Member Comment:** Concerned about moving the funding of avian and pinniped predation management to General Fund and the potential loss of commercial fisher and sport angler influence on this program. Would like to have the chance for both commercial and sport interests to discuss maintaining the current funding for these programs. Other concern was voiced over use of CFF to fund Columbia marine mammal management.
Staff Response: General Fund is used to fund other predator management so doesn't seem like a stretch to use General Fund for cormorant and marine mammal work as well. **Ed Bowles committed to bringing together a workgroup for at least one meeting to discuss funding of cormorant and marine mammal management.**
- **EBAC Member Comments:** Is there an issue with a recreational fee proposal that adjusts in 2 year increments and a CFF proposal that adjusts only once in 6 years? Would a simpler proposal be better?
Staff Response: We expect that Legislators will first ask constituents what they think. If EBAC supports the proposal there shouldn't be an issue.

Preliminary Policy Option Packages

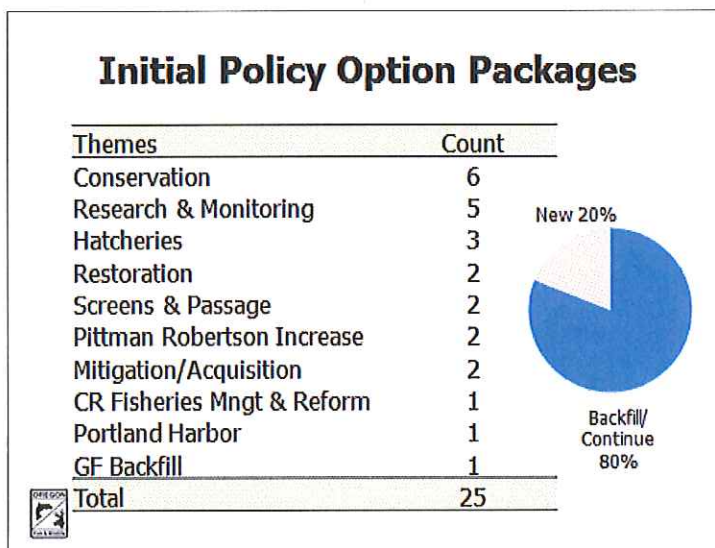
Policy Option Packages (POP) are proposals the department will make to the Governor and Legislature for either continuing projects we had received limited authority for in the last legislative session or new

projects we don't have authority for yet. Our proposal is preliminary at this time but includes 25 POPs. Just over half are Federal Funded contracts, about 20% are for obligated other fund which associated with non-federal contracts (i.e. Idaho Power, Port of Portland, etc.) and 22% are for General Fund/Lottery Fund.

POPs developed to date are mostly for continuation of existing projects. Small increases in some programs are proposed for a few programs. A big part of that is the Pittman-Robertson bump Ron Anglin and Roger Furman have discussed with EBAC previously. Most of the General Fund/Lottery Fund POP is backfill for fund shifts discussed earlier.

POPs have not been developed for new license expenditures or the proposed shifts from fees to General Fund for OSP discussed with EBAC.

The following provides a summary of themes encompassed by the department's preliminary POPs:



A handout was provided summarizing each of the 25 POPs developed so far including FTE, fund type and amount, and fund source.

Comments by EBAC members on the preliminary POP list are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: The handout doesn't include an item for implementation of the Oregon Conservation Strategy (OCS) and the HB 4015 Regional Solutions Program.
- Staff Response: We have proposed shifting one OCS position to General Fund. We are not proposing enhancements to OCS. **We can talk about enhancement if EBAC would like.**
- EBAC Member Comment: Why is only \$1M of the POPs for Lottery Fund? How does the department get more Lottery Funds?
Staff Response: Staff has been pushing more for General Fund than Lottery Fund. We have focused on fund shifting Other Fund from programs that have broad public benefit to General

Fund. General fund is expected to increase slightly over the next biennium while Lottery is expected to go down.

- EBAC Member Comment: Shouldn't the POP for the Sage-grouse initiative be a federal funding requirement?

Staff Response: The Sage-grouse initiative is not a federal requirement. Sage-grouse are not federal ESA listed now.

- EBAC Member Comment: Are the POPs developed so far expected to backfill all the reductions discussed with EBAC?

- Staff Response: Most of the POPs presented today are for continuation of existing contracts. This is funding for specific work the department is asked to do by the federal government or a company. These funds can't be used for other things. The backfilling that has been discussed with EBAC will need to be included as POPs are completed. Budget staff will be spending a lot of time capturing the intent of these proposals. **As POPs are completed additional narrative will be included.**

- EBAC Member Comment: What is the Coastal Multi-Species Plan POP?

Staff Response: This represents a placeholder for the additional work envisioned under the Plan. Most of this is additional monitoring of coastal salmon, steelhead and cutthroat trout. The Plan may be approved by the Commission in June.

- EBAC Member Comment: Do the amounts included for Federal Fund programs on the POP spreadsheet include indirect?

Staff Response: Yes.

- EBAC Member Comment: The POP spreadsheet doesn't include the General Fund for OSP, correct?

Staff Response: No it doesn't.

- EBAC Member Comment: POP spreadsheet doesn't include funding for sage-grouse habitat restoration.

Staff Response: Correct. The Governor's office hasn't asked the department to develop a POP for sage-grouse yet. The Governor's Office may be considering something through the SageCon effort that may be included in agency budgets later.

Fish Division Status and Trend Monitoring Program

Each biennium there is a shifting of General Fund, Lottery Fund and Pacific Coast Salmon Recovery Fund (PCSRF) that supports fish status and trend monitoring. These shifts generally occur during the last part of the legislative session and over time have resulted in a number of errors and budget shortfalls. We will be proposing a POP to right size this program in an effort to correct these problems. Specifically we are proposing to shift all PCSRF funding to fish status and trend monitoring and backfilling the Western Streams Restoration Program and Habitat Conservation Biologists with General Fund as outlined below:

Additional Potential Fund Shift and Backfill Consideration

	Status & Trend Base Monitoring	Western Oregon Streams Restoration Program (WOSRP)	Habitat Conservation Biologists (HCB)
13-15 Funding	\$9,519,064; PCSRF, GF, SFR, FF, LF	\$1,665,279 PCSRF	\$559,666 PCSRF
15-17 Proposed Funding	<i>Backfill/Supplement a Portion on PCSRF from WOSRP & HCB?</i>	<i>Shift to GF?</i>	<i>Shift to GF?</i>

- Monitoring is essential for habitat restoration, listing status determinations, recovery plans, harvest decisions
- Consolidate PCSRF funding into monitoring program to address majority of gap
- Maintain WOSRP and HCB through GF request?



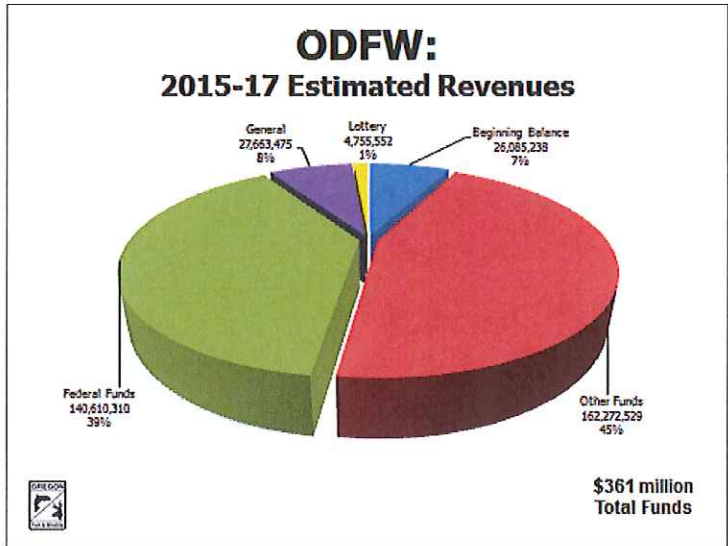
Comments by EBAC members on a proposed fish trend and monitoring POP are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: Most of the POPs are for fish and only 1 position is for wildlife. Most of the changes proposed are for fish program problems that already exist. We need to be looking at the problems the department will face in 8 to 10 years. We ought to be asking for more wildlife and OCS program.
Staff response: We are lead for much of the fish monitoring occurring in the state. While the department's habitat conservation biologists are important, there are others that do this work also (i.e. OWEB, watershed councils, etc.).
- EBAC Member Comment: Are all the positions on the POP list Limited Duration positions?
Staff Response: There is a combination: where we've had funding for a position for 4 years and the program is expected to continue we are proposing for the position to be made a Permanent Position. **We can identify the positions that are proposed to be changed to Permanent for EBAC.**
- EBAC Member Comment: What is the stability of PCSRF funding?
Staff Response: President's budget has proposed reducing the funding for this program.

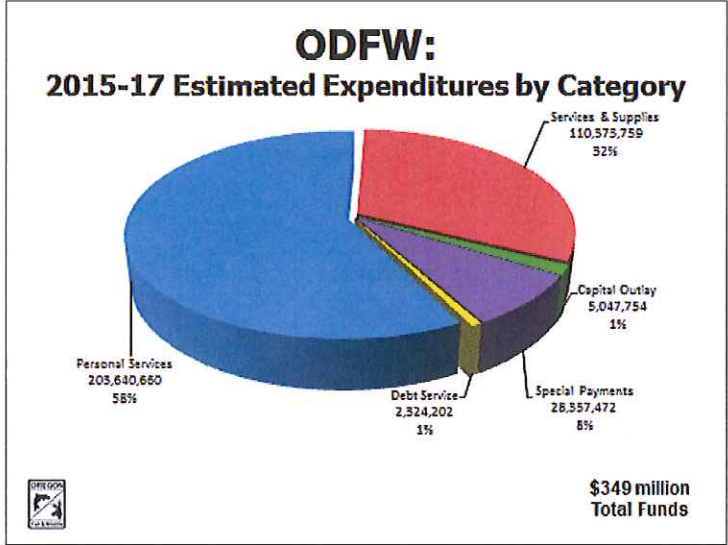
2015-17 Agency Requested Budget

The department will present its proposed budget at the August Commission meeting. This will go on to the Governor and the Legislature. We will take our base budget and reduce it based on efficiencies and reductions we discussed with EBAC. Then we'll add back program associated with expected fee adjustments and make the fund shifts that we propose.

The following is our first pass at what our revenues will be if the fee adjustments and fund shifts we've proposed are made:



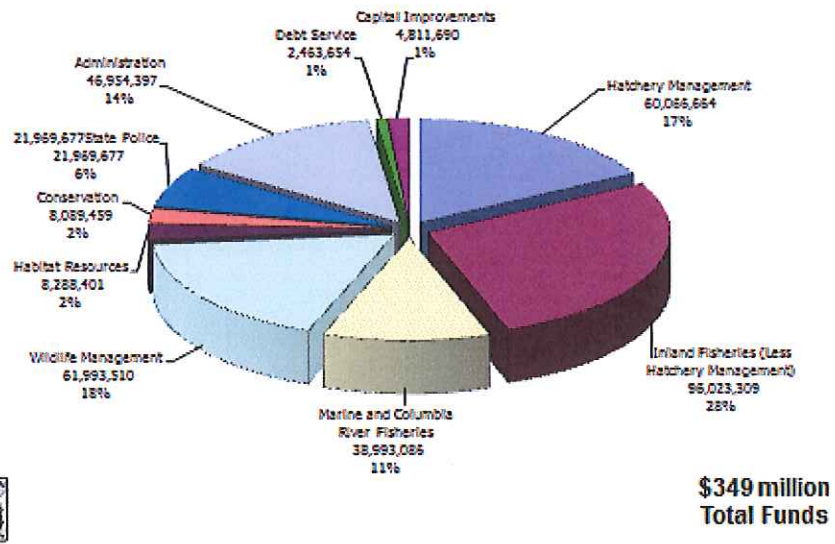
Our estimated expenditures will be:



As it has been in the past, most of our costs in this proposed budget would be for the people that provide program.

Expenditures by program would be:

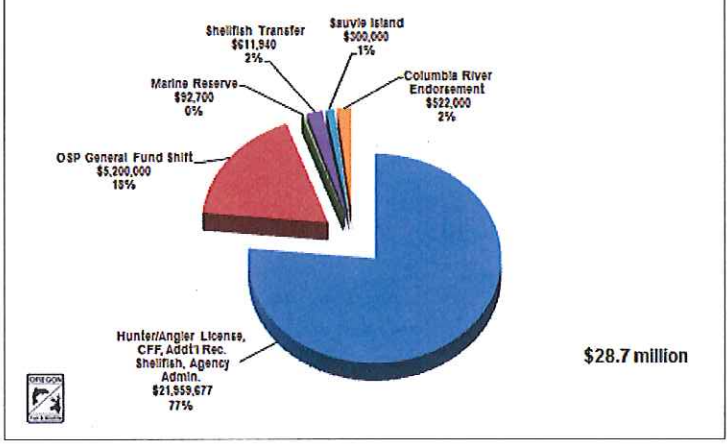
ODFW: 2015-17 Estimated Expenditures by Program



Under this proposal fish program will be at about 56% while wildlife program 22% of expenditures.

Explaining how OSP is funded by the department is complicated. The \$22M base contract for OSP in the previous slide is only part of the funding provided OSP by the department. In addition to the base contract, we contract with OSP for other enforcement (i.e. Sauvie Island, Columbia Endorsement and Marine Reserves). There is also a statutory transfer of \$612,000 from Recreational Shellfish license revenues to OSP. We proposing \$5.2M in General Fund to back fill OSP. Total department support for OSP is proposed to be \$28.7M or 62% of the total OSP Fish and Wildlife Program:

OSP Fish & Wildlife: 2015-17 Revenues Related to ODFW



The \$5.2M in General Fund shift hasn't been asked for yet. If either OSP or the department doesn't ask for this fund shift it will be a reduction. This is roughly equivalent to 20 OSP positions. ODFW currently funds 72 positions; if the General Fund shift doesn't occur the department will only fund 52 positions.

Comments by EBAC members on the agency requested budget are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: They thought the target for ending balance was \$13M, not the \$26M included in the 2015-17 estimated revenue figures.
Staff Response: The \$26M ending balance includes all sources of Other Funds, not just license dollars.
- EBAC Member Comment: Would like to see Columbia and Marine Program expenses broken out.
Staff Response: **We will do that.**
- EBAC Member Comment: How come projected Administration expenditures are so high?
Staff Response: Administration includes the agency's pass through dollars (i.e. \$2M for Active Network for licenses, \$10M for government service charges, etc.). It also includes all of our licensing staff associated with our point of sale (POS) and POS vendors.
- EBAC Member Comment: Are you talking with the Governor's Office about alternative funding sources for OSP?
Staff Response: We have been discussing our budget and OSP Fish & Wildlife Division with the Governor's Office.

Program Priorities

The Legislature asks agencies to develop a list of program priorities as they develop their Agency Request Budget. This is an administrative exercise to describe for them what an agency does and how they prioritize specific aspects of their work.

A first cut of the department's proposed priorities for 2015-17 was passed out. Funding levels and number of positions on the table reflect 2013-15 budget and staffing levels. They will be updated for proposed 2015-17 levels later.

The department's proposed priorities have been consolidated somewhat for 2015-17. Consolidation and adjustments are identified in the far right column of the Prioritization table. Overall the department believes the priorities are consistent with those of the last 2 biennium. Fish Division adjustments include:

- Moving OHRC from near the bottom of the priority list to priority 11; and,
- Warmwater Fisheries into the Recreational Fisheries Program (priority 27).

Wildlife Division adjustments include:

- Consolidating some field staff into Wildlife Restoration, Management and Landowner Assistance at priority 8;
- Intra-agency Coordination was prioritized higher at priority 25 due to staff efforts in SageCon and energy project permitting;
- Predator control was moved down because it is simply a pass through to Wildlife Services and the department doesn't control these funds; and,
- The Volunteer Program was lowered to priority 44.

The department will annotate the Program Prioritization table so that it is clear what changes have been made and why.

Comments by EBAC members on the agency Program Prioritization are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: Marine Licensing and Support should be prioritized higher than Priority 20 because that is how funds are collected by the department.
Staff Response: **We'll consider the priority of Marine Licensing and Support.**
- EBAC Member Comment: The Program Prioritization table shows priorities that have been consolidated or adjusted but not why this change occurred or what their priority was initially.
Staff Response: **We'll annotate the table for the changes that have been made.**
- EBAC Member Comment: The department doesn't control habitat. It can only affect game populations through controlling predators. Would like the department to be transparent on the priority given predator management.
- EBAC Member Comment: Can you describe the purpose of the priority list and the role it plays in developing the budget.
Staff Response: Initially the Program Prioritization list was mainly an administrative exercise. Over the last 4 to 6 years, however, the department has been using the list to help make decisions. While it isn't a perfect tool because funding is often not transferable from one priority to another, it is a guidepost for decision making. Fish Division used the list last year to make decisions when dealing with a Sport Fish Restoration Program funding shortfall.
- EBAC Member Comment: Wants to make sure OCS gets implemented and would like to see it a higher priority than 17. Intra-agency coordination is an economic development item, is a big mission and is important. The water quantity and quantity issue is a serious especially in drought years and should be prioritized higher.
- EBAC Member Comment: Could EBAC have a list of how much revenue will be made or lost by various proposals (i.e. Youth, Pioneer, etc.).
Staff Response: **We will provide this as follow up.**
- EBAC Member Comment: When will the Commission see the Program Prioritization table? Can the Commission change staff priorities?
Staff Response: Staff will present the budget including the Program Prioritization in August. They can make changes if they would like.

Next Steps

The department will start Town Hall meetings in mid-May. We expect them to be well attended and invite EBAC to attend.

We are starting to get a few phone calls on our budget process.

Staff will be updating the Commission on the EBAC and the Town Hall Meetings in June. They can provide us direction at that point.

In August we'll present the budget formally to the Commission for approval.

Comments by EBAC members on next steps in the department's budget process are summarized below followed by the response provided by department staff. **Follow up items are in bold:**

- EBAC Member Comment: Is there any new information on the Governor's 10 year plan process.
Staff Response: Process is changing a bit this year. It will be focused on specific policy issues this time. ODFW not currently identified on any of these policy issues. **Staff will send EBAC a recent handout we received on the Governor's process.**
- EBAC Member Comment: Could we set a tentative EBAC meeting just in case we need a fifth one.
Staff Response: **We'll send out a tentative date for a fifth meeting.**

Closing

Director Elicker expressed the staff's appreciation for everyone's participation in EBAC.

