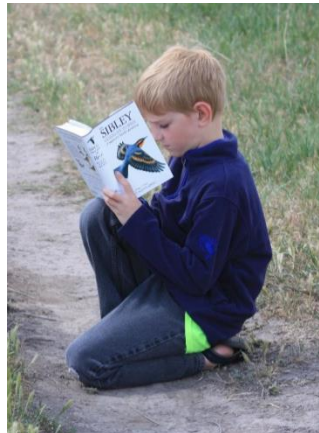




# TASK FORCE ON FUNDING FOR FISH, WILDLIFE AND RELATED OUTDOOR RECREATION AND EDUCATION

Interim Report to Oregon Legislature  
September 2016



# Three Key Preliminary Recommendations

- ❑ To fully implement ODFW's broad statutory mission, there's a funding need of approximately \$80 m/b.
- ❑ Establishment of an Oregon Conservation Fund.
- ❑ Over 100 funding options narrowed to 2 that we believe are most viable:
  - Oregon Income Tax Surcharge
  - Beverage Container Surcharge

# Alternative Funding Task Force



**Established by  
HB 2402 in 2015  
Legislative Session**

**Appointed by  
the Governor**

- HB 2402 was part of a legislative package related to funding for ODFW.
- Supported by fishing, hunting and conservation groups; approved by House 58-0 and 24-4 by the Senate.
- Wide variety of interests represented, including: hunting, fishing and conservation groups; outdoor recreation businesses; tourism industry; outdoor education; and diverse and underserved communities.
  - Four non-voting legislative members (Sen. Edwards & Whitsett /Rep. Helm & Krieger)
  - Two ex officio members (ODFW Chair Mike Finley and Director Curt Melcher)
  - 17 members appointed by the Governor

# Non-Voting Members

Sen. Chris Edwards	OR Legislature
Sen. Doug Whitsett	OR Legislature
Rep. Ken Helm	OR Legislature
Rep. Wayne Krieger	OR Legislature
Mike Finley	ODFW Commission Chair
Curt Melcher	ODFW Director

# Voting Members

Scott Welch	Columbia Sportswear
Rob Morrison	Leupold & Stevens Corp.
Claire Puchy	Retired, Portland Bureau of Environmental Services
Robb Ball	The Nature Conservancy
Kenji Sugahara	OR Bicycle Racing Association
Meryl Redisch	Retired, Portland Audubon Society
Bruce Taylor	OR Habitat Joint Venture
James Nash	6 Ranch Fly Fishing
Mark Labhart	Tillamook Co. Board of Commissioners
Tricia Tillman	Multnomah Co. Health Dept.
Queta Gonzalez	Center for Diversity & Environment
Kari Westlund	Travel Lane County
Nancy Bales	Gray Family Foundation
Jim Martin	Retired, Pure Fishing Company
Brad Pettinger	Oregon Trawl Commission
Mike Herbel	Neskowin Store
Paul Donheffner	OR Hunters Association



# Our Charge



1. Identify & recommend potential alternative, sustainable funding sources for ODFW.
2. Recommend any adjustments necessary to ensure that relevant program areas are funded in accordance with the intent of HB 2402.
3. Recommend opportunities to better achieve the mission through leveraging, coordinating and budgeting funds from alternative and existing sources.



# Need for an Alternative, Sustainable Funding Source

- Balancing fish/wildlife with human needs is increasingly challenging -- population growth, development, drought, climate change, ocean acidification, and many other changes are putting new pressure on Oregon's fish, wildlife, and wild places.
- Increasing disconnection from the natural world, affecting health, well-being, and the future of fish and wildlife.
- Conservation funded primarily through fishing and hunting license sales – a financing model, established in the 1930's. *This funding approach is not sufficient to address Oregon's contemporary and future demographics, resource demands, and a changing ecological landscape.*
- Comprehensive, sustainable fish/wildlife management and conservation funding is critical to Oregon's livability, economy – now and in the future.
- Difficult funding decisions now; only more difficult in the future. Cannot solve in the same old ways.

# Need for an Alternative, Sustainable Funding Source

- ODFW is the only state agency with a fish and wildlife conservation mission -- the conservation aspects of its mission have not historically been adequately funded.
- Need to ensure the health of Oregon's ecosystems and native species through proactive approaches intended to avoid problems before they become such, e.g. ESA listings.
- Need to improve educational outreach and engagement of the public in support of healthy fish, wildlife and habitats.
- Need to engage diverse and underserved communities.
- Opportunity with expanded conservation efforts to also enhance hunting and fishing opportunities.

## Our Process

- Over past nine months, each of the Task Force's 22 members has invested more than 100 hours @ = more than 2,000 hours of volunteer time.
- Talked to other states, researched successful efforts elsewhere to establish sustainable conservation funding.
- Contracted for survey of opinions on and knowledge of ODFW,.
- Evaluated over 100 funding options.
- Defined funding objectives, best funding options, outcomes/measures, potential program adjustments, and leveraging/partnership opportunities.
- Engaged Legislative Revenue and Legislative Council.
- Met with interest groups to get their input and feedback.



# Public Opinion Survey Conducted

Statewide, statistically valid public opinion survey of 900 Oregonian residents' opinions on and values related to ODFW; 95% confidence level.

- Confirms the high value placed on conservation of the state's fish and wildlife and opportunities for outdoor recreation.
- Reveals a significant disconnect between these values and the public's understanding of how ODFW operates and the funding challenges the agency faces.
- Satisfaction with ODFW's management of fish, wildlife and habitat: 65% satisfied, 12% dissatisfied.



## Public Opinion Survey Conducted

- Availability of fish and wildlife-related recreation opportunities: 47% excellent, 34% good.
- ODFW credibility: 88% credible or very credible.
- ODFW website most credible source of information about fish & wildlife resources.
- How ODFW is perceived to be funded: 53% general state taxes, 30% licenses.
- How ODFW should be funded: 33% general state taxes, 19% licenses.
- Participation in outdoor recreation most constrained by lack of time, followed by age/health and cost/access

# Funding Need

- Expanded Conservation Efforts = \$46.7 m/b
- Improved Hunting/Fishing; Sustaining Existing Conservation Programs = \$15.3 m/b
- Connecting Oregonians with the Outdoors = \$8.3 m/b
- Deferred Maintenance = \$9.6 m/b

## **Recommended Funding Level = \$79.9 million/biennium**

- Fully implementing the mission + deferred maintenance
- 198 additional FTE (17% increase)
- 20% increase in current budget
- Scalable

## Examples of Over 40 Funding Options Analyzed in Detail

- Marijuana Tax
- Recreational Equipment Tax
- Beverage Container Surcharge
- Unredeemed Bottle Deposits
- Wildlife License Plate
- General Fund/Lottery Fund Allotments
- Income Tax Return Surcharge
- Rental Car Fee
- Wild Bird Seed Tax
- Recreational Vehicle Tag
- Real Estate Transfer Tax
- Fee on Agricultural Chemicals
- Voluntary Contributions

## Funding Alternatives Evaluation Criteria

- **Sufficient** -- Is it sufficient to address not just current needs but unanticipated future needs (including environmental changes) and to leverage future opportunities?
- **Sustainable** -- Does it generate continuous, dedicated funding that can grow/adapt over time (versus one-time funding)?
- **Stable and flexible** -- Is it likely to fluctuate year to year? Is it flexible enough to adapt to changing circumstances including economic downturns, changes in the Legislature or Governor's Office, new regulations, etc.?
- **Diverse and equitable** -- Does it spread the cost of fish and wildlife management and conservation over a broader base? Does it involve all those who benefit, directly and indirectly, from the agency's services and programs?
- **Diversity or enhance engagement** -- Does it positively or adversely affect the engagement of diverse and/or underrepresented individuals, groups or communities in current and future potential programs?

## Funding Alternatives Evaluation Criteria

- **Cost Effective** -- Does it require setting up costly new procedures that could reduce the net revenue? Will it be easy to collect, administer and track?
- **Defensible** -- Is there a connection between the funding source and the need? Will supporters be ready and willing to make the case that this funding should go to fish and wildlife management and conservation rather than for some other purpose?
- **Politically feasible** -- What will it take to implement this proposal? How likely is it to be approved, given Oregon's political climate? Are there champions that will lobby for it?
- **Politically insulated** -- Is it a funding source that cannot be diverted or diluted by political entities, particularly if it's a new funding source?

# Preliminary Alternative Funding Recommendations

- ❑ Establishment of Oregon Conservation Fund.
- ❑ Two Funding Mechanisms Recommended for Consideration.

## 1. OREGON INCOME TAX RETURN SURCHARGE

- Applied to individual (non-corporate) tax returns based on percentage of taxable income.
- Apportionment for out-of-state and partial year tax filers.
- Exemption for low income filers.
- Historic contribution by hunters and fishers in financing conservation acknowledged by providing for annual resident fishing or hunting license holders either an income tax credit, reduction in license fees, or a sunsetted exemption from the surcharge.



# Preliminary Alternative Funding Recommendations

## 2. BEVERAGE CONTAINER SURCHARGE

- Percentage surcharge assessed at the wholesale level on beverage containers subject to the Bottle Bill on 1/1/17.
- Applied to the cost of a beverage, rather than as an addition to the beverage container redemption deposit.
- Revenue projections do not include the products that are being added to the bottle deposit system on January 1, 2018.

# Preliminary Alternative Funding Recommendations

## **OREGON INCOME TAX SURCHARGE (individual tax returns)**

- Rate: 0.7%
  - 2017-2019 revenue = \$60 million
  - 2019-2021 revenue = \$92.9 million

## **BEVERAGE CONTAINER SURCHARGE (at wholesale level)**

- Rate: 2.02%
  - 2017-2019 revenue = \$60 million
  - 2019-2021 revenue = \$82.4 million

# Program Adjustment Recommendations

## Examples:

- Expanded implementation of the Oregon Conservation Strategy, Nearshore component, other conservation efforts.
- Proposed funding shifts to keep license fees from increasing and/or allow for fee reductions.
- Potential contracting for administration of future grants programs.
- Better engagement with diverse and underrepresented communities and expanded contracting with underrepresented groups.
- Expansion of the existing program of technical assistance to private landowners.
- Contracting for expertise in marketing and education, rather than hiring staff to conduct these programs.

# Leveraging/Partnership Recommendations

## Examples:

- Leverage funds at the federal level available for conservation.
- Leverage funds and expand partnerships with other state agencies.
- Continue to partner with public and private entities that own or manage land on projects to improve or restore habitat.
- Increase opportunities to coordinate with the outdoor recreation industry.

## Other Recommendations

Examples:

- Support for National Legislation for Conservation Program Funding.
- Monitoring and Measuring outcomes.
- Indexing License Fees.
- Education/Engagement Program Feasibility Study.

# Questions?

