



**JOINT INTERIM TASK FORCE (HB 2402)  
FUNDING FOR FISH, WILDLIFE AND RELATED OUTDOOR RECREATION AND EDUCATION**

**SUMMARY OF RECOMMENDATIONS**

UNANIMOUSLY APPROVED 11.28.16

**Task 1: Identify and recommend potential alternative, sustainable funding sources for ODFW.**

*The following funding recommendations are not about stabilizing or increasing the agency's budget, but rather enabling the agency to accomplish its mission to protect and enhance Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations.*

1. Establish the Oregon Conservation Fund dedicated to conservation, management, research, habitat improvements, administration, enforcement and other activities that protect, maintain or enhance the native fish and wildlife of the state.
  - Based on its evaluation criteria and extensive consideration, an Oregon Income Tax Return Surcharge or a Wholesale Beverage Surcharge (details below) are identified as the most viable alternatives to adequately finance the Fund. In assessing these or other funding mechanisms, the Legislature is encouraged to review the evaluation criteria developed by the Task Force, especially that the funding be sufficient, sustainable and responsive to increasing program costs over time.
  - Through the Fund, dedicate to ODFW a minimum of \$86.9 million/biennium in new revenues, with no reduction in current revenues or reallocation to other programs. Dedicate the new revenues to:
    - Expanded conservation efforts = \$46.7 million/biennium
    - Improved hunting and fishing opportunities/elimination of scheduled license fee increases = \$22.3 million/biennium
    - Connecting Oregonians with the Outdoors = \$8.3 million/biennium
    - Deferred Maintenance = \$9.6 million/biennium
  - This proposed new funding assumes that General Fund and Lottery Fund allocations to ODFW are maintained at current levels.
2. In addition to allocating additional funding to improving hunting and fishing opportunities, acknowledge the contribution of license fees to ODFW funding through program adjustments (see Task 2 below).
3. Develop monitoring and reporting programs based on specific metrics and routinely assess and report on funding outcomes.
4. In implementation of HB 3315, support the Department's efforts to collect and analyze data on the costs of services provided to other state agencies, while acknowledging that insufficient information is available at this time to affect HB 2402 funding recommendations.
5. Support national legislation for conservation program funding developed by the National Association of Fish and Wildlife Agencies' Blue Ribbon Panel.

## **Task 2: Develop recommendations on whether funding adjustments are necessary to ODFW program areas.**

*HB 2402 intent includes: "Prioritize actions and allocation of resources that provide for the long-term sustainability of the department and its ability to meet its mission." While the Legislation can be interpreted to suggest a detailed review of specific ODFW programs and its associated budget allocations, the Task Force believes that such a micro-review is beyond the scope of its assignment and more properly the purview of the Fish and Wildlife Commission and the Legislature. Given the abbreviated timeframe established in HB 2402 for delivery of its recommendations to the Legislature, the Task Force has chosen to concentrate its energies on identification of alternative, sustainable funding, which it believes HB 2402 clearly establishes as its primary and priority assignment. At the same time, comprehensive program adjustments are inherent in the identified funding need and recommended allocations of alternative funding, the most significant being to allocate more than half of new alternative funding to expanded conservation efforts. In addition, the Task Force is recommending the following program adjustments to address the Legislative intent in HB 2402.*

### Programmatic Adjustments Generally

1. In conjunction with establishment of the Oregon Conservation Fund, establish an oversight process for ongoing review of the Department's allocation of resources and for monitoring of Fund spending in accordance with the Department's mission and these Task Force recommendations.

### Expand Conservation Efforts (55% of funding target)

2. Expand and improve the agency's conservation efforts, with implementation of conservation programs and strategies identified in the Oregon Conservation Strategy and Nearshore Strategy as a priority use of alternative funding.
3. Increase funding for science, research, monitoring and inventories of species and habitat to fill data gaps.
4. Increase investments in data management, analysis and distribution.
5. Increase efforts to restore ecosystems to resiliency.
6. Expand enforcement of laws to protect and conserve natural resources.
7. Expand conservation partnerships and dedicate a portion of new alternative funds for grants for on-the-ground conservation projects.

### Improve Fishing and Hunting (25% of funding target)

8. Eliminate authorized second and third phases of license fee increases.
9. Index future license fee increases to the cost of inflation or other similar measure.
10. In consultation with hunting and fishing interests, target the use of new funding to improved hunting and fishing opportunities and to marketing those opportunities.
11. Develop specific programs to provide additional fishing opportunities for urban and underserved communities, including but not limited to expanded fish stocking and new stocking locations.
12. Secure additional and improve existing public fishing and hunting access and supporting infrastructure.
13. Expand and improve research, monitoring and management of both game and non-game species.

14. Expand collaborative efforts to improve and restore fish and wildlife habitat.
15. Expand enforcement of fish and wildlife regulations, focusing on areas currently with limited enforcement presence.

Connect Oregonians with the Outdoors (10% of funding target)

16. Expand and improve current communications and public outreach programs, focusing on underrepresented communities and urban areas.
17. Develop additional wildlife viewing opportunities and facilities.
18. Assess what communications and outreach efforts are better conducted by private and non-profit entities rather than by the Department.
19. Expand and develop new conservation education programs.
20. Develop a more comprehensive social media strategy that includes communication with a broader audience through the latest technologies.
21. Expand localized outreach efforts, such as staff presence at public events, providing content in multiple languages, and partnering with key influencers to encourage participation.
22. Build an internal culture and capacity to improve connections to diverse and underserved communities through a strong human resources program.

Deferred Maintenance (10% of funding target)

23. Adopt a multi-biennial bonding approach to addressing deferred infrastructure needs.
24. In the first biennium following Fund implementation, conduct a thorough assessment to determine more accurate deferred maintenance funding needs.

**Task 3: Identify and recommend opportunities for leveraging, coordinating and budgeting funds from alternative and existing sources.**

1. Pursue landscape-level, cooperative efforts modeled after the Mule Deer Initiative that accomplish multiple conservation objectives.
2. Expand volunteer education partnerships such as the Hunter Education program.
3. Investigate establishing a recreation and education partnership among agencies that reduces redundancies and improves connections to the public.
4. Pursue partnerships with the academic community to coordinate conservation research.
5. Continue to partner on projects to improve or restore habitat with public and private entities that own or manage land.
6. Pursue opportunities to coordinate with the outdoor recreation community.

## DESCRIPTION OF FUNDING MECHANISMS

Projected revenue generated is based on adjusting to a first biennium that is 18 months long to match the revenue start date. Consequently, the projected revenue in the second biennium more closely matches the funding needed for the second biennium. Calculations are based on a recommended funding target of \$86.9 million, which includes a roll back of the second and third tiers of planned hunting/fishing license fee increases.

### 1. OREGON INCOME TAX RETURN SURCHARGE

#### Description

Surcharge on individual (non-corporate) tax returns based on percentage of taxable income, with the following considerations:

- Projected revenue is based on the number of returns filed (either individual or joint returns).
- An exemption for low income filers is assumed. Low income is defined as an Oregon tax return adjusted gross income less than \$20,000 and EITC exempt.
- Apportionment for out-of-state and partial year tax filers is required in order to be constitutionally valid. This apportionment will automatically occur as part of the calculation of taxes.

#### Funding Simulation

<b>Estimated Income Tax Return Surcharge Needed to Meet Funding Goal</b>	
Funding Generated (2017 – 2019 Revenue*)	\$65M (\$86.9M)
Surcharge with low income exemption (<\$20K AGI and EITC Exempt)	.62%

\* The first number is for 18 months of the biennium (January 2018 – June 2019); the number in parenthesis is for the full two-year biennium.

<b>Estimated Income Tax Return Surcharge Needed to Meet Funding Goal by Type of Return</b>	
<b>Surcharge</b>	.62%
<b>Family of four</b>	
25K income	\$0
50K	\$17.64
75K	\$29.47
100K	\$42.08
150K	\$69.98
<b>Married, filing jointly, no dependents</b>	
25K	\$5.98
50K	\$18.59
75K	\$30.54
100K	\$44.49
150K	\$72.39
<b>Single, no dependents</b>	
25K	\$9.15
50K	\$20.86
75K	\$34.39
100K	\$48.34

150K	\$78.36
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## 2. WHOLESALE BEVERAGE SURCHARGE

### Description

Percentage rate surcharge assessed at the wholesale level on beverages subject to the Bottle Bill on 1/1/17, with the following considerations:

- Applied to the cost of a beverage, rather than as an addition to the beverage container redemption deposit for those products subject to the Bottle Bill on 1/1/17.
- Revenue projections include products that are being added to the bottle deposit system on January 1, 2018.

### Funding Simulation

<b>Estimated Beverage Surcharge Needed to Meet Funding Goal</b>	
<b>2017 – 2019 Revenue*</b>	
Funding Generated	\$65M (\$86.9M)
Beverage Surcharge	2.19%

\* The first number is for 18 months of the biennium (January 2018 – June 2019); the number in parenthesis is for the full two-year biennium.

<b>Estimated Effects of Beverage Surcharge on Wholesale Cost of Beverages</b>	
Surcharge	2.19%
Increase in price of 6 pack of soda	7 cents
Increase in price of 6 pack domestic beer	11 cents
Increase in price of 6 pack of microbrew beer	19 cents