



## Resolving the Oregon Department of Fish and Wildlife Funding Crisis An Oregon Wild White Paper

*Updated May 12, 2014*

**Problem:** The Oregon Department of Fish & Wildlife (ODFW) is charged “to protect and enhance Oregon’s fish and wildlife and their habitats for use and enjoyment by present and future generations.” However, like many similar agencies around the country ODFW faces a severe and worsening shortage of resources to carry out conservation initiatives that benefit non-game species, and an unsustainable dependence on revenues from hunting and fishing license sales.

Despite strong support for fish and wildlife conservation among the Oregon public, in the 1990s and early 2000s the legislature slashed general fund support for ODFW, creating an unsustainable dependence on hunting and fishing license sales and related fees. Public participation in hunting and fishing, both in absolute numbers and as a percentage of population, has steadily declined in Oregon over the last 20 years. This led to a catch-22 of increasing license fees, decreasing license sales and declining budgets. Hunters and anglers are frustrated when their license fees are diverted to fund conservation programs that do not favor game species. Non-hunting and fishing wildlife advocates are equally frustrated, as they feel the agency is falling short in pursuing its broader conservation mission and gives too little attention to Oregon’s non-game species and non-consumptive stakeholders. Now, in 2014, the issue is coming to a head with the agency facing the largest funding shortfall in its history.

**Solution:** The State of Oregon should create an Oregon Wildlife Conservation Fund (and/or modify existing non-game conservation programs) with funds used exclusively for the conservation of non-game species and their habitat.

Initial monies for this fund could be derived from a variety of sources. Sales of a special Oregon endangered species license plate could generate some revenues, while increasing public awareness of the funding need and increasing support for the agencies broad conservation mission.

Other sources of revenue for this fund should be identified and secured including revisiting recent proposals for a tariff on birdseed or outdoor equipment, mitigation fees, developer fees, lottery dollars, gas tax funds, or fees for agency services. Because of its non-game focus, funding from federal and private conservation grants could also be available. To truly address the problem in the long term, the legislature must fundamentally reform ODFW’s budget structure and – to the extent possible – decouple funding from declining revenue streams. General Fund dollars could be directed to this non-game species fund to support ODFW in fulfilling its broad conservation mission and honoring the values of Oregonians.

As ODFW receives more General Fund dollars, it is imperative that they be spent on conservation and other programs that can not access license revenues. To increase support for the agency, build trust among non-hunting and fishing Oregonians, and raise broader public awareness for the agency, this fund must be subject to clear sideboards and mechanisms for accountability in how it is used and subject to oversight by a citizen’s advisory committee made up of non-game species conservation advocates, scientists, and institutions.

## **Background:**

Despite the Oregon Department of Fish & Wildlife's (ODFW) broad mission and the diverse public it serves, the agency's funding is based on an outdated model. In 2014, despite the long-term decline of participation in hunting and fishing, ODFW remains largely dependent on license revenues and related fees. Because of this, ODFW has historically prioritized consumptive opportunities and game species over its broader conservation mission, leading many non-consumptive users of wildlife (who make up the majority of Oregon's population) to believe ODFW does not consider their views or work to conserve the resources they value.

Worse, the agency's dependence on license fees hampers its ability to act upon and implement the Oregon Conservation Strategy, and to manage non-game fish and wildlife species (which are the overwhelming majority of fish and wildlife species in the state). A more robust and effective non-game species and habitat conservation program would allow ODFW to play a more effective role in conserving and recovering rare or declining fish and wildlife, a critical need that could help Oregon avoid the need for future federal Endangered Species Act listings and recover currently listed species.

## **History**

The agency's current budget model (and chronic budget shortfalls) and disconnect from the broad public are largely the result of changes to the agency in the 1980s and 1990s. In the early 1980s the agency adopted a policy not to use dollars generated from hunting and fishing to support non-game wildlife conservation. At the time, non-game programs were well-funded by the general funds, a voluntary tax checkoff, lottery dollars, and federal grants. However, over the last 20 years these monies have declined dramatically, resulting in deep cuts in conservation programs.

In 1993 the agency had a proactive habitat conservation division separate from wildlife diversity program that consisted of 14 positions, including 9 field staff, with a management perspective that benefited both game and non-game fish and wildlife. However, a series of moves from the legislature and Governor in the 1990s and early 2000s resulted in a number of changes that weakened conservation activities, including:

- Dissolving the Habitat Conservation Division
- Relocating the agency headquarters to Salem and replacing the Director in part due to pressure from anti-conservation interests
- Pressuring subsequent Directors to narrow the agency's work, vision, and scope to reduce its emphasis on fish and wildlife conservation

Former ODFW staff and agency watchers report that the changes resulted in serious declines in employee morale, and a shift of agency culture away from proactive conservation and toward a culture of self-preservation. Efforts that were perceived as politically controversial, like habitat conservation, science-based restoration of native biodiversity, or law enforcement activities related to habitat destruction were decreased while "safer" priorities like maximizing hunting and fishing opportunities were prioritized. By 2011, only seven staff nominally worked on non-game conservation issues. However some of those positions still focus on game species or do not actually work to conserve wildlife, but rather kill animals in response to damage claims.

Though the agency has developed a laudable vision in its "*Oregon Conservation Strategy*", the lack of funding and decline in conservation culture within the agency has meant that the program has largely not been implemented.

### Unbalanced Funding

Despite the broad mission, only 4% of ODFW's current budget will be spent on non-game and habitat conservation. That's in line with the revenue-side where approximately two-thirds of funds come directly from the sale of hunting and fishing licenses and other funding sources closely tied to consumptive user groups. The Pittman-Robertson Act (1937) and Dingell Johnson Act (1950) provide the agency with additional federal funds, but those dollars are also focused on hunting and fishing related activities.

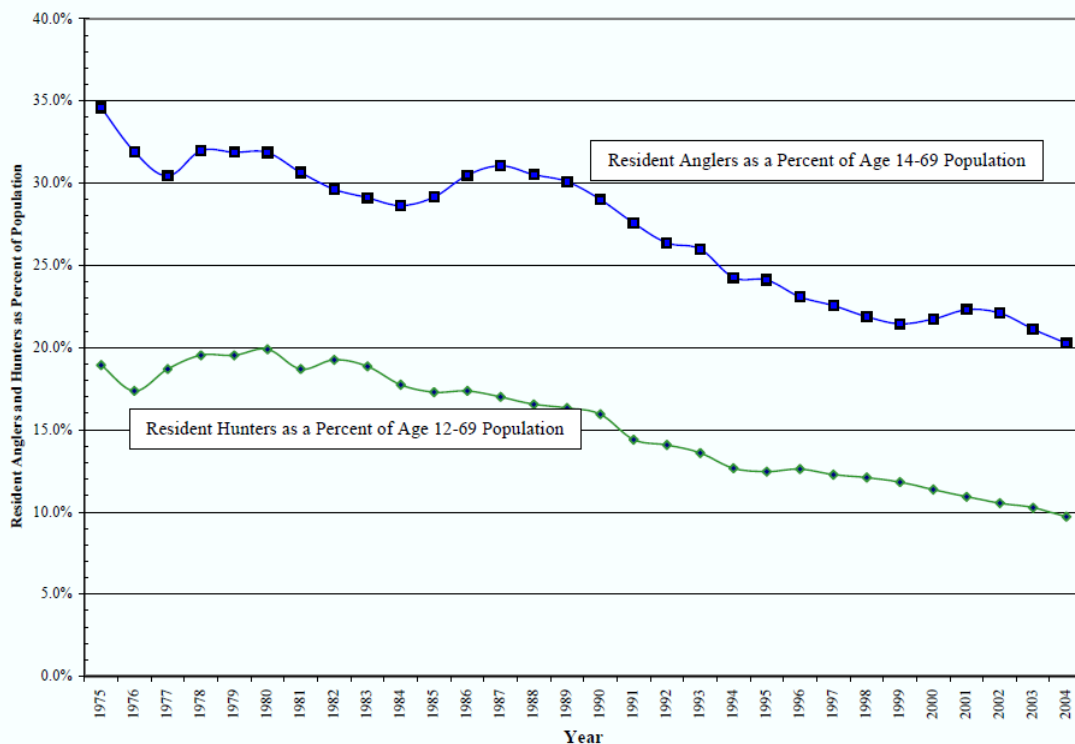
Oregonians generally believe they already support their state's broader conservation mission through their tax dollars. However less than 5% of ODFW's projected revenue comes from the General Fund. Lottery dollars account for just over 1% of the agency's revenue. As a percentage of the overall state budget, ODFW receives only 0.04% of all state expenditures and, by one measure, only 1.25% of natural resource expenditures. The numbers simply don't match up with the values and self-identity of Oregonians, or the growing body of evidence pointing to the role that environmental conservation plays in Oregon's thriving tourism and outdoor recreation economy. This meager funding also ignores the value of proactive conservation work by ODFW in addressing and reversing wildlife declines before they reach a crisis stage and spark federal or state Endangered Species Act listings.

### Decline of fishing and hunting dollars

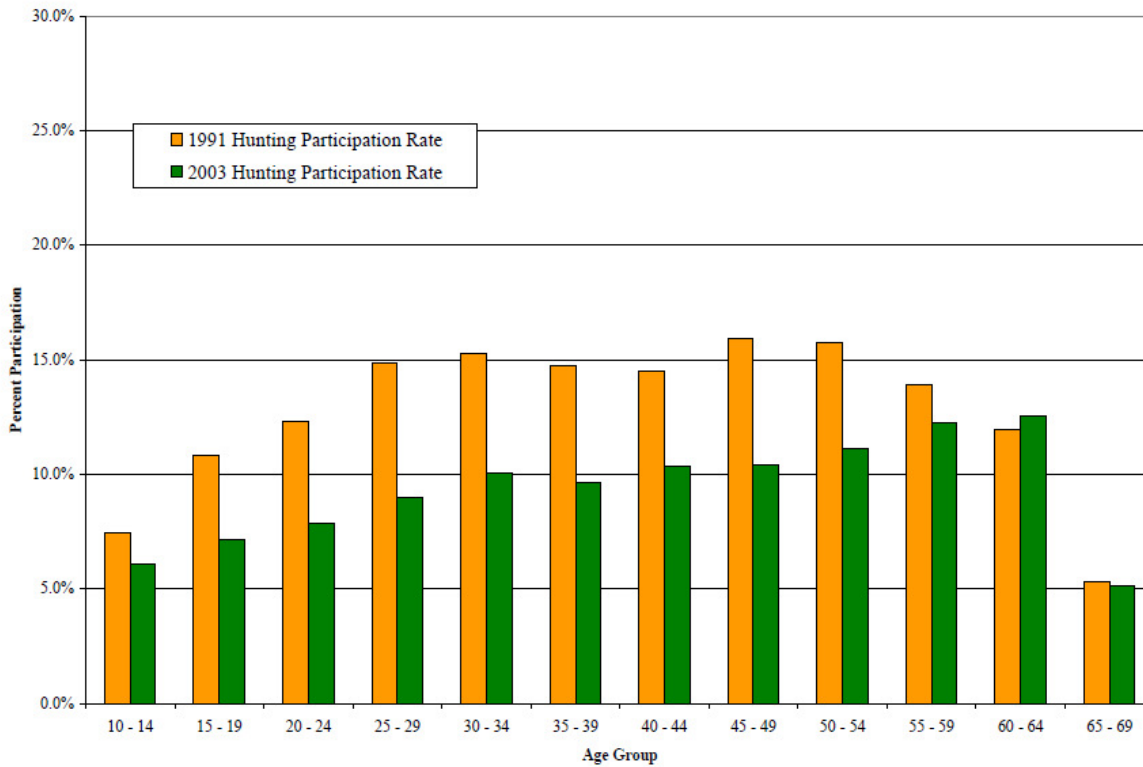
With the overwhelming majority of ODFW's funding coming from consumptive users – primarily hunters and anglers – the fiscal health of the agency is directly tied to trends in those user groups. The agency in turn focuses disproportionately on the concerns of those stakeholders - only 4% of expenditures are directed towards conservation and habitat.

As it has across the country, interest in hunting and fishing in Oregon has experienced a sustained decline. Decades of intense efforts by hunting and fishing groups and wildlife agencies to increase youth participation in those activities have failed to stem the decline. Even as the state's population has increased dramatically, the participation decline has been in both absolute numbers and rates of participation. Consumptive users tend to be older and are more highly concentrated in rural areas; however the decline has been seen in nearly every county in the state.

Trends in Resident Paid Anglers and Hunters in Oregon  
as Percent of License-Buying Age Population



**Annually-Licensed Hunter Percent Participation  
by Age Group in 1991 vs. 2003**



Source – Staff Report Oregon Department of Fish & Wildlife Review of License Sale Trends by Chris Carter, Ph.D. and Harry Upton, Ph.D. Between 2003 and 2013, hunting license sales declined a further 36,995 which represents a participation decline to less than 7%

**Missed opportunities: Leaving money on the table**

As a result of declines in total license sales, ODFW has been forced to boost license fees, creating a vicious cycle that may be spurring additional declines. However, as ODFW has struggled with how to maintain funding from shrinking license sales, it has missed out on the growing group of stakeholders that benefit from the agency’s broader conservation mission.

Outdoor recreation and tourism has long been a bright spot for Oregon’s economy. That included during the Great Recession when a 2008 story in the *Oregonian* declared “Wildlife watching surpasses hunting and fishing.” This was in response to a US Fish and Wildlife Service report showing that the participation rates and economic impact of wildlife watching far surpassed those of hunting and fishing. The growth of this important and sustainable sector of Oregon’s economy has and is predicted to continue in years to come. While some have sought to downplay the importance of outdoor recreation businesses in our economy, nationally the outdoor recreation industry exceeds the pharmaceutical and automotive industries in annual consumer spending. According to a 2013 Outdoor Industry Association report, Americans spend upwards of \$646 billion on outdoor recreation each year.

Over 68% of Oregon residents participate in some form of outdoor recreation. That activity generates \$12.8 billion in consumer spending, 141,000 direct Oregon jobs, \$4 billion in wages and salaries, and \$955 million in state and local tax revenue in 2013. Our state’s fish and wildlife are also important factors in the quality of life that attracts new employers and investment to our state. Though Oregon’s fish and wildlife resources help drive the recreation economy and quality of life that bring new jobs and investment to our state, ODFW sees little direct benefit and does little to protect or enhance these values.

According to the US Fish & Wildlife Service, none of the 10-fastest growing outdoor recreational activities in America involves consumptive use of fish and wildlife resources. Among the fastest growing groups fueling the growth of the outdoor recreation industry are wildlife watchers. A 2006 US Fish & Wildlife Service report revealed that **nearly 1.5 million people participated in wildlife watching in Oregon alone** – more than double the *total* number of hunting and fishing licenses sold that year. Nationally, wildlife watching supported 1 million jobs and generated over \$18 billion in tax revenue in 2006. Not taking into account any multipliers or secondary expenditures (like lodging, transportation, and food), Oregon’s share of the spending was over \$775 million.

Important as they are, economic considerations may fail to take into account the intrinsic value of fish and wildlife, which is a fundamental reason for public appreciation of wildlife. Nor does it take into account less quantifiable values including the state’s international reputation and the cultural role wildlife and the outdoors play in the core self-identity of Oregonians.

### Expenditures & Engagement

Because of its funding structure and historic emphasis on hunting and fishing, ODFW has relatively little to no engagement with the broader wildlife conservation and non-consumptive outdoor recreation community in Oregon. In fact, agency actions that prioritize consumptive uses have created a growing level of mistrust of the agency among many wildlife enthusiasts. This is borne out by frequent high-profile conflicts, including litigation, over fish and wildlife management.

### Increasing Pressure & Failed Solutions

The financial problems and resulting mission crisis facing ODFW are not new, but they are growing. In recent years solutions have been proposed, but few have come to fruition and many reinforce root problems.

- A state tax check-off for non-game funding was initially highly effective. The program demonstrated the popularity of wildlife conservation and the willingness of the public to fund such efforts. However, the subsequent explosion of similar check-offs has created competition and confusion.
- A wildlife conservation stamp has been instituted by ODFW, but it remains so obscure that very few Oregonians even know it exists. That it mimics a duck hunting stamp may also undermine the interest of non-hunters in participating in the program.
- A multi-year effort to pass a modest birdseed tax has stalled despite broad support from the hunting, business, and conservation community.
- ODFW and outside advocacy groups have invested heavily in programs intended to increase interest in hunting and fishing among Oregon youth with little evidence of success.
- Efforts to increasing hunting and fishing opportunity to spur additional license sales have resulted in overharvest, conflict within and between user groups, and added layers to already confusing regulations.
- With other options exhausted, ODFW has been forced to turn to ever increasing hunting and fishing related fees that disenfranchise and discourage some users, increase controversy, and further reduce participation.

### Solutions:

In the long term, ODFW’s broad conservation mission “to protect and enhance Oregon’s fish and wildlife and their habitats for use and enjoyment by present and future generations” should be funded, at least in part, through the Oregon General Fund and other new sources. However, without short-term action to increase public trust and transparency and increase the agencies engagement on non-game species and habitat conservation, public support may be hard to generate.

### *The Oregon Wildlife Conservation Fund*

In 2015, the legislature should create the Oregon Wildlife Conservation Fund with funds that are legally restricted to activities that protect and restore native, non-game species and their habitat in Oregon. The Oregon Wildlife Conservation Fund must include greater public transparency and accountability in how ODFW uses non-game funding, and include a provision for oversight by conservation-minded Oregonians. Because of the agency's traditional emphasis on hunting and fishing, trust for ODFW among non-consumptive users of fish and wildlife resources is low. Strong sideboards are needed to change this dynamic.

### *An Oregon wildlife license plate*

Initial monies for such a fund could be derived through sales of a wildlife-themed license plate featuring a prominent and non-game animal, such as internationally famous "OR-7" gray wolf and one of Portland's resident population of peregrine falcons. Though revenues will fall far short of what is needed in the long-term, the public conversation such a license plate would generate is vital to resolving the larger ODFW budget and mission crisis.

In 2013, Representative Jules Bailey introduced LC3261, a measure that would have created just such a license. The proposal builds off of highly successful non-game conservation license plates in states such as Wisconsin, Oklahoma, and Texas. Given the willingness of non-consumptive users to "pay their share", organizations and interests supportive of wildlife conservation would almost certainly promote the plates at no cost to the state, and citizens would be voluntarily opting-in to support the agency. Doing so would also help alleviate some of the friction between groups concerned that declining license sale dollars are being used to support non-game conservation efforts.

### *Birdseed Fee or other non-game user funds*

Over the last several legislative sessions, a number of measures have been put forward to generate modest funding for ODFW non-game programs through fees that would be paid by Oregonians who are strong supporters of non-game conservation. The most significant of these proposals is the birdseed bill that would levy a small fee on the sale of wild bird seed at the wholesale level. Such a measure could generate several million dollars for ODFW's non-game species program. However, the measure has failed for a number of reasons including concern over how ODFW would use such funds. Were the measure married to an Oregon Wildlife Conservation Fund with strong sideboards, transparency, and public accountability, support for such a measure would likely increase. Other feasible and significant funding sources should be identified.

### *Federal and private conservation grants*

The US Fish and Wildlife Service and other federal agencies do provide grant funding for activities that support the conservation and recovery of wildlife, particularly Endangered Species. Similarly, private foundations frequently award funding for scientific research, habitat acquisition and conservation, and other activities related to fish and wildlife recovery. ODFW's current funding model, capacity, and reputation make it difficult for the agency to compete for these dollars. However, under a reformed funding structure such funds could be more available.

### *Long-term*

Setting aside the question of its broader conservation mission, ODFW's current funding model is clearly broken. Demographic trends in Oregon are likely to continue a decline of interest in hunting and fishing, with a commensurate decline in associated funds. If ODFW is to achieve fiscal health, regain public trust, and fulfill its broad mission the agency's budget must be fundamentally restructured.

While ODFW and the legislature should look to fees and other measures that would allow non-hunting and fishing wildlife enthusiasts to "pay their fair share", ODFW's broad conservation mission is a benefit to the entire Oregon public, our economy, and our quality of life. For that reason, the agencies non-game programs should be funded substantially from General Fund dollars and other sources not tied to particular user-groups.

## **Conclusion & Recommendation:**

The Oregon Department of Fish & Wildlife finds itself in a deepening financial and existential crisis that threatens the mission and the public it serves. Many of the agency's woes result from a funding structure that is increasingly unsustainable. Other forms of outdoor recreation are growing in Oregon, but currently non-consumptive wildlife enthusiasts are not "paying their share". Worse, many of these non-consumptive stakeholders distrust the agency because they believe it is not responsive to or equally engaged with their interests. They argue the agency lacks sufficient transparency and accountability, and does not place enough emphasis on its broad conservation mission that includes non-game fish and wildlife and habitat conservation. These problems and perceptions serve to create conflict between and among stakeholders who all benefit from a healthy and functional agency.

Oregon's wildlife funding problems are not unique, and many other states are wrestling with the same issues. However, some states have managed to get ahead of the curve through a number of reforms. The strong conservation values of the Oregon public make our state well-positioned to enact effective measures of our own. Doing so would build on our reputation as a state that values conservation and seeks pragmatic solutions. All Oregonians benefit from solving the problem and are likely to be supportive of both incremental steps and the long-term solutions to which they lead.

As a first step, Oregon should create the Oregon Wildlife Conservation Fund (and/or modify existing non-game conservation programs) with funds that are exclusively used for non-game species and habitat conservation that benefits all wildlife and agency stakeholders. The fund should serve as a repository for future revenues with an initial funding mechanism of a non-game wildlife license plate, birdseed fees, grants, or other funds. Other sources of more significant revenues should be investigated including but not limited to mitigation fees, gas taxes, and lottery dollars. Any additional General Fund dollars allocated to the agency must be spent on conservation and other programs that cannot access license revenue.

In the long-term, Oregon must recognize that ODFW's mission "to protect and enhance Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations" benefits all of the state's citizens, as well as future generations. It is also a major factor behind and vital tourism and outdoor recreation economy, and the quality of life that attracts new employers and investment to our state. Given these facts, the legislature should allocate sufficient General Fund dollars to create and sustain an Oregon Wildlife Conservation fund that would support non-game fish and wildlife conservation and allow ODFW to fulfill its broad mission. Doing so is a wise investment in Oregon's future.

## **About Oregon Wild:**

Founded in 1974, Oregon Wild is a non-profit conservation organization that works to protect Oregon's wildlands, wildlife, and waters as an enduring legacy for future generations. As part of that mission the organization seeks to protect and restore healthy abundant populations of all native wildlife. While we seek to keep common species like elk and chickadees common, our efforts are largely focused on helping those species like wolves, wolverine, murrelets, and salmon that need extra help. The organization was founded in part by conservation-minded hunters and still counts among its board, staff, and supporters many avid hunters and anglers. Oregon Wild's staff in Portland, Bend, Eugene, and Enterprise represent over 10,000 members in Oregon and across the country who support our mission and our work.

## **Terms:**

- While we have used the term consumptive and non-consumptive users in some instances, we recognize there can be a significant overlap in communities and individuals. The term non-consumptive users of fish and wildlife is intended to include those who don't see themselves as "users" of fish and wildlife, but rather as appreciators or viewers. The term – along with all others - is not meant to offend, but rather to simplify.
- Oregon Wild recognizes that conservation efforts aimed at non-game species can help game species and vice versa. Non-game species is meant to be a broad and inclusive term encompassing everything from raptors, reptiles, and amphibians to songbirds and invertebrates.

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