

## FUNDING FOR FISH AND WILDLIFE RESOURCES

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Traditionally, anglers and hunters in the United States have paid their own way, and they have been proud to do so. Not only have sportsmen's and sportswomen's funds financed sport-fishing and hunting, they also have paid for programs to protect thousands of species that are neither fished nor hunted. In a country where fish and wildlife belong to all the people, anglers and hunters have taken the lead in protecting these public resources and the habitat the species need to survive.

But in the 1970s, things began to change.

First, inflation accelerated rapidly. Traditional sources of funding for fish and wildlife management became inadequate to meet the task.

Second, population growth -- and with it the need for increased services -- began to overtake the resources available for fish and wildlife management.

Third, public concern in that "decade of the environment" focused more attention on conservation and management of these resources.

Finally, the growing taxpayers' revolt -- the Proposition 13 syndrome -- set the tone for government funding for the next half-dozen years. More recently, the country suffered a major recession, from which it is just beginning to recover.

For fish and wildlife conservation across the country, these developments severely restricted funding, particularly for environmental protection and nongame species programs. In California, the Department of Fish and Game was obliged to live with across-the-board budget cuts at times when the Fish and Game Preservation Fund appeared to be in good condition. Looking back today, however, we can see that the saving that resulted from those cutbacks were put to good use a few years later when rising costs and decreased license revenues reduced the ability of the Fund to support department programs.

Today, I would like to examine funding problems for fish and wildlife conservation, look at some solutions that have been found here and elsewhere and discuss our options for the future.

One hundred fourteen years ago, in 1870, the California Board of Fish Commissioners was established to provide for the restoration and preservation of fish in state waters. The board was funded for its first two years by a \$5,000 appropriation from the Legislature. For more than a half century, the board handled fish and then wildlife conservation matters. In 1927 its administrative functions were assumed by the Division of Fish and Game within the old Department of Natural Resources. Meanwhile, in 1907, the first California hunting license, which cost \$1, was issued, and the first general angling license, also costing \$1, was issued in 1913.

When modern fish and wildlife management began to come of age in the '30s, anglers and hunters pushed for better programs and more funding. One result was passage of the federal Pittman-Robertson Act in 1937 to accelerate wildlife restoration with revenues collected through taxes on sporting arms and ammunition. Thirteen years later, Dingell-Johnson, the sport-fishing counterpart to Pittman-Robertson, was enacted by Congress to fund special programs through taxes on sport-fishing equipment.

These Acts helped establish the concept that fishing and hunting license revenues should be used only for fish and wildlife conservation. Until then, it was common practice for state legislatures to divert these revenues for support of education.

At the same time, sportsmen and sportswomen were insisting that they control the agenda of fish and wildlife conservation, since it was their funds that were paying the bills. Legislatures, not surprisingly, became reluctant to supplement fishing and hunting license revenues with general fund appropriations. This independence that anglers and hunters were cultivating was to cost them dearly in later years.

In the mid- '70s, the effects of inflation, together with the growing demand for services, began to build toward a crisis point. Around the country, fish and wildlife agencies looked for new funding sources.

In California, then Fish and Game Director E. C. Fullerton pointed out in 1976 that while inflation was growing at an annual rate of 6 percent, the department's income was rising only 1 percent annually. And this was after two license fee increases within six years.

"We will soon reach the point at which we will have to start laying off people unless we can find additional sources of income," he warned. Fullerton asked the state Department of Finance to put together a task force to investigate the funding problem and recommend solutions.

Already, in anticipation of the crisis, the department had forgone capital outlay expenditures for three years, held vacant positions open for an extra 30 to 60 days, reduced the cost of fish food, limited transportation costs and requested a reduction in the salaries of seasonal aides.

In an effort to help defray the cost of administering wildlife areas, the department installed self-service ticket-vending machines at Spenceville Wildlife Area, but they were vandalized repeatedly. Meanwhile, the number of state wildlife areas had grown from 17 to 23, and operation and maintenance costs were rising rapidly. Furthermore, in the previous year alone, 12 additional duties were handed to the department by the State Legislature without any provisions for increased funding.

In that same year, Missouri voters approved the addition of one-eighth of a cent to the state sales tax, the proceeds to be used for fish and wildlife conservation. The program raised \$24 million the following year, and \$30 million the year after that. By 1980, the Missouri Department of Conservation was spending \$8.11 in funds from this source for every resident 16 or older, while the California DFG, limited to traditional funding sources, was spending \$2.07 per capita.

In 1977, the California Legislature approved a bill that revised fish and wildlife funding programs. The legislation tied license fee increases to an inflation escalator, provided General Funds for nongame activities, free fishing licenses for the blind, disabled and low income anglers, raised commercial fishing fees and provided that license fees be used to support only fishing and hunting programs.

Nationally, authorities were saying, "We are seeing the limits at which the casual angler will pay to go fishing."

In 1979, Gilbert C. Radonski, executive secretary of the Sport Fishing Institute, called for the use of "dedicated" or general funds to help support fish and wildlife programs. As possible sources of federal funding, he mentioned a boating tax, saltwater angling license and a general fishing license.

At a national conference a year later, James H. Glass, president of the Wildlife Conservation Foundation of America, listed methods state agencies were using to supplement traditional sources of revenue. These included: A firearms owner's identification card, personalized auto license plates, marine fuel taxes, severance taxes on oil and gas, special taxes on oysters, shrimp and other species, ammunition taxes, state income tax checkoff programs, cigarette taxes and fees for the use of fish and wildlife facilities by the general public.

California was among several of the states surveyed that were receiving General Fund money to supplement other funding. The property tax revolt began in California in 1978 with voter approval of Proposition 13. The following year, state funds began to be used to supplement local government revenues, and there was a cutback in state government expenditures, including fish and game programs. Largely as a result of concern by license buyers, special legislation was passed that year which restored \$2.6 million of \$3.55 million trimmed from the Fish and Game budget, it reinstated 10 warden positions and provided funding for 50 more; it funded production of 2 million more trout, nine staff biologists in environmental services, and seasonal aide time.

In 1980, a second cutback -- this one with the potential of involving 30 percent of the department staff -- was threatened by a second initiative, Jarvis II, which failed to win voter approval. The following year the national economy was in recession and budget tightening began in earnest with continuing personnel freezes and budget reductions. The department embarked on a priority-planning effort aimed at streamlining operations to free dollars for equipment, gasoline and other resources that field employees needed to do their jobs. The plan provided for downgrading or abolishing 60 positions over three years -- the reductions to be made through attrition, not layoff. These steps were taken because of anticipated loss of some federal matching funds before 1985 and a shrinking share of the state's General Fund.

These adjustments are in line with the fiscal policies that the Governor has set for this Administration. When he took office in January of 1983, the state was faced with a projected deficit of \$1.5 billion. By June he had created a plan to resolve this crisis without increasing taxes. There were two elements to his plan. First, reduce state expenditures, and second, roll over the remaining debt into the next fiscal year when it could be paid for with savings and increased revenues.

The plan has worked, and we are no longer confronted with the possibility of receiving IOUs instead of paychecks.

With the cutbacks in spending came a substantial reduction in the number of state employees -- about 6,700 positions were vacant as of last July. A review of vacancies by management showed that due to increased efficiencies, approximately 5,900 of these were no longer needed. Further studies showed the need for 1,000 new positions in high priority programs such as prisons, the Highway Patrol and Caltrans. The remaining 4,900 positions have been eliminated from the Governor's 1984-85 budget, and we are confident that with improved efficiencies these reductions will have little effect on the delivery of necessary services to the public.

Obviously, these decisions affect all sectors and levels of government, including the Department of Fish and Game. The department's decisions to readjust its spending priorities, which I mentioned a moment ago and which are being implemented under the leadership of Director Don Carper, will help it adjust to these new standards.

While department programs will reflect these changes, it's worthwhile to look at these aspects in perspective. The department's overall budget for 1984-85 is up more than 8 percent, from \$74 million to \$80.2 million. General fund allocations are up 74 percent, from \$3.4 to \$5.9 million. Environmental license plate money is up 85 percent, from \$3.7 to \$6.85 million. And Fish and Game Preservation Fund money is up 3.5 percent from \$48.9 to \$50.6 million. These figures do not reflect salary and benefit increases which may be in the neighborhood of 10 percent.

Last year, the Legislature further refined the license fee structure to discontinue most sport-fishing license stamps and to establish two basic fishing licenses. The legislation not only decreases the department's administrative burden but has the potential to increase fishing license revenues by about 2.5 percent annually.

The Legislature also restored the department's popular free fishing license program and set up a system for issuing reduced-fee licenses for disabled veterans and disabled persons meeting certain income requirements. The department had suspended issuance of free fishing

and hunting licenses two years earlier because the state budget included no funds for the program. More than 50,000 Californians received free fishing licenses during the 1980 calendar year. An estimated 10,000 persons will be eligible for free licenses under the new legislation, and about 60,000 will qualify for reduced-fee licenses.

Also as a result of 1983 legislation, California residents can now contribute directly to rare and endangered species programs through a state income tax checkoff procedure. These revenues are expected to help fill the gap created by the loss of federal Endangered Species Act funds, which fell from a high of \$1.6 million in 1979 to \$250,000 this year. New York, with a smaller population than California's, raised \$2.7 million in the first year of a similar tax checkoff program.

Another bit of promising news is that Congress may soon approve an expanded Dingell-Johnson law that could increase annual federal contributions to the state from \$1.5 million to \$4.5 million.

Meanwhile, the U. S. Fish and Wildlife Service is investigating 18 potential sources of revenue to support state fish and wildlife programs. This money would be used to support some of the nearly 3,700 wild vertebrate species, most of them nongame.

The department's Native Species Preservation and Enhancement Act program provides a continuing, small amount of revenue for nongame species. The department raises about \$30,000 annually through the program, which is valued more for the good will it creates than the money it produces.

Then there are the services to the department in lieu of money contributions: volunteers, unpaid staff, members of cooperating organizations and hundreds -- perhaps thousands -- of other individuals provide invaluable services. Obviously, these services would require funding in the absence of volunteers. Among these volunteers are:

- Some 1,600 certified hunter safety instructors who teach about 2,000 classes throughout the state each year;
- One hundred fifty-two reserve wardens who put in nearly 20,000 hours on patrol, made close to 39,000 contacts and issued 1,277 citations last year;
- Hundreds of individuals who rescue stranded fish, build watering devices for wildlife in the desert, assist in trapping and transporting wild animals and rehabilitate streams;
- Dozens of wildlife rescue and rehabilitation organizations;
- Scores of private citizens who serve on study committees, task forces and review boards;
- Physicians, veterinarians, attorneys, teachers, management consultants and others -- who advise department personnel and assist in project work without pay; and
- More than 500 citizens reported fish and wildlife violations in the first 2½ years of the department's CALTIP secret witness reward program.

On balance, then, there are serious fish and wildlife program funding problems, but there are at least partial solutions. Losses and threatened losses of traditional funding are balanced to some extent by gains in other funding and the promise, or at least the hope of new funding.

For the future, learning from the past, we must make every effort to balance programs and funding. It is inappropriate to scale program funding on the basis of an inflationary index if that index is not related to the direction in which the program is moving. If environmental services programs grow at the rate of economic recovery, to use an example,

then they should be funded at a rate consistent with the economic growth. If, on the other hand, hunting activity is declining, as it is, then fewer resources should be committed to hunting. If nongame programs require more time, then funding should be provided to meet this need. In other words, the level of funding must take into account the changing missions of the department.

This seems a good time to comment on my personal view on the use of Environmental License Plate money. The original concept was that this money would be used for a number of purposes clearly related to fish, wildlife and habitat. However, over the years, more and more of it was committed to "support" purposes. For the 1984-85 budget we have redirected a substantial portion of those funds away from those support purposes and back to projects and programs more clearly related to resources and habitat.

In keeping with this objective \$3 million has been allocated to the WCB for habitat acquisition, and \$1.5 million to environmental services. The California Conservation Corps lost \$5 million in ELP funds which were being used, in my view, for support. We hope to continue these changes in the future and to make more ELP dollars available for resources and habitat work.

Wildlife management is an example of a program with a declining constituency. Each year, fewer Californians are buying hunting licenses. In the last dozen years alone, the number of hunting licenses sold has declined by one-third. Hunter numbers are now declining at a rate of 2 percent annually. With 30,000 to 50,000 hunters leaving the sport each year, no more than 20,000 hunters are buying their first California licenses. Deer hunter numbers have fallen 32 percent in less than 20 years, and waterfowl hunter numbers have dropped nearly 17 percent in less than a decade.

At the same time, fishing license sales increased by well over 100,000 in a dozen years and are holding at about 2.4 million, nearly 10 percent of the state population.

As for nongame programs, the department's Citizen Nongame Advisory Committee recommended in the mid-seventies that half the DFG's resources -- funding and personnel -- should eventually be assigned to nongame. Within a few years, the outlay for nongame programs had reached 10 percent, but, although the need for nongame activities continues to rise, funding has fallen seriously behind.

Clearly there is a need for the department to examine its priorities in terms of programs, personnel, spending and services. Some of this has already been accomplished. More remains to be done.

Programs with large user groups, such as licensed anglers, probably should be expected to pay their own way. Others, such as deer management, need to be examined in the light of decreased public support. At the same time, there are important programs -- such as environmental review, law enforcement, nongame, endangered species, and habitat acquisition -- which benefit others besides license buyers. It seems logical that a portion of the license dollar -- along with other sources of funds -- be used for these purposes.

I have taken the time this morning to establish a perspective of the department's fiscal picture, past and present, to help provide a basis for looking ahead. One thing is certain, each of us and the institutions we are part of will be shaped by social and political forces over which we have little control.

The message is clear and has changed little over the years. Institutions must respond in a positive way to change if they are to survive. Our challenge is not to resist change, but to adapt to it. Or even better, to understand the changes that surround us and use them to our advantage.

I have little doubt that 20 years from now the Department of Fish and Game, which many of you will still be a part of, will differ greatly from today's department. I also have little doubt that the department of 2004 will still be a rewarding, productive, and sometimes exciting place to be.

I am sure that society's understanding of the importance of maintaining productive resources and a healthy environment will continue to increase. With that increased understanding will come new opportunities for funding those programs which society views as high priorities.

Job assignments may change for individuals and branches, priorities will shift, budgets will be reallocated, but the opportunities for innovative, constructive service will remain.

The Department of Fish and Game has a well-deserved national and even international reputation for excellence, and the ability of the department and those who are part of it to respond to past changes and to maintain excellence under trying conditions is an important reason for that well-deserved reputation.

I can fully sympathize with the wildlife manager or the fishery biologist who has grown weary of trying to do his or her job when funding is being cut back or when the prospect of continued funding remains uncertain. But I would remind you that there is some virtue in attempting to make the best of circumstances that none of us can change. Economic difficulties, lingering effects of the property tax revolt, the widespread feeling that government has grown too large, doubtless will be with us for some time.

But as James Whitcomb Riley, an optimist if there ever was one, wrote:

It hain't no use to grumble and complain,  
It's just as easy to rejoice;  
When God sorts out the weather and sends rain,  
Why rain's my choice.