



State of Washington
DEPARTMENT OF FISH AND WILDLIFE

Mailing Address: PO Box 43200, Olympia, WA 98504-3200 · 360 902-2200 · TDD 360 902-2207
Main Office Location: Natural Resources Building, 1111 Washington Street, Olympia, WA

November 15, 2024

Pat Sullivan
Office of Financial Management
302 Sid Snyder Avenue SW
Olympia, WA 98504

SUBJECT: Response to Budget Reductions for Fiscal Year 2025 and 2025-27 Biennium

Director Sullivan,

Please accept this response to your November 8, 2024, letter, where you address budget challenges. The Washington Department of Fish and Wildlife (WDFW) appreciates the opportunity to engage in this process.

Natural resource agencies receive less than 1.5% of General Fund-State. Yet funding our agencies yields a significant return on investment through increased recreational and commercial opportunities, as well as the preservation and restoration of our ecosystems for present and future generations. Recent investments, such as the Restoring Washington's Biodiversity package, have already increased WDFW's capacity to recover at-risk species and their habitats, develop efforts to evaluate and manage other Species of Greatest Conservation Need, and engage in crucial public education and outreach efforts. Reducing state funding will delay action by the Department, tribes, and local partners and make future progress more expensive.

In the current biennium, the Department absorbed costs for our Hydraulic Project Approval (HPA) IT project, the movement of our warehouse in Thurston County, personnel settlements for the vaccine mandate and public disclosure requests, and deficits in subaccounts. The Department expects reductions to our federal work, especially with NOAA/NMFS, USFWS, EPA, and BPA, because of the changes in the Federal Executive Branch and Congress. Please keep these impacts in mind as the upcoming budget is developed.

The Department has done internal analysis to identify reduced General Fund-State costs and identified the following opportunities:

- Transfer available dedicated and restricted fund balance to the Fish, Wildlife, and Conservation Account (24N) and reduce the Department's General Fund-State (001) in fiscal year 2026. (*Onetime*)
- Shift eligible costs from General Fund-State (001)/Fish, Wildlife, and Conservation Account (24N) to the Natural Climate Solutions Account (26D) and the Climate Commitment Account. (26C) (*Ongoing*)
- Shift eligible costs from General Fund-State (001) to State Construction Bonds (057). (*Capital, Onetime*)

The first option relies on the 'back of the budget' to move revenue between licensing accounts. If these funds, derived from hunting and fishing license sales, are taken outside the Department, it will trigger a diversion and interrupt tens of millions in federal funding. Moving fund balance from these accounts into Fish, Wildlife, and Conservation Account (24N) helps us prevent diversion, per a state statute, and complies with federal regulations governing the Wildlife Restoration Fund and the Sport Fish Restoration and Boating Trust Fund.

[CFR Title 50, Chapter I, Sub-Chapter F, Part 80](#) reads:

Subpart B—State Fish and Wildlife Agency Eligibility

§ 80.10 Who is eligible to receive the benefits of the Acts?

States acting through their fish and wildlife agencies are eligible for benefits of the Acts only if they pass and maintain legislation that:

- (a) Assents to the provisions of the Acts.
- (b) Ensures the conservation of fish and wildlife; and
- (c) Requires that revenue from hunting and fishing licenses be:
 - (1) Controlled only by the State fish and wildlife agency; and
 - (2) **Used only for administration of the State fish and wildlife agency**, which includes only the functions required to manage the agency and the fish- and wildlife-related resources for which the agency has authority under State law.

These ideas could generate \$15.8 million General Fund-State savings in the current biennium and over the next four years to aid in balancing the 2025 session budget outlook. Department staff appreciate it is difficult work to develop a budget proposal that reflects our shared commitment to fiscal responsibility and the well-being of our state and value the commitment from you and your team. Department staff members are available to assist you and answer any questions as they arise. If you have any questions, please contact Morgan Stinson, Chief Financial Officer, at (206) 949-7542.

Sincerely,



Kelly Susewind,
Director

Enclosure

cc: Matthew Hunter, Budget Advisor, OFM
Jim Cahill, Senior Budget Advisor, OFM
Nona Snell, Budget Director, OFM
Ruth Musgrave, Senior Policy Advisor for Natural Resources, GOV
Melena Thompson, Legislative Director, DFW
Morgan Stinson, Chief Financial Officer, DFW
Amy Windrope, Deputy Director, DFW

Option	Short Description	OT/OG	FY25	FY26	FY27	FY28	FY29+Ongoing	Total
1	Transfer Available Fund Balance from Warm Water Game Fish Account (071) to Fish, Wildlife, and Conservation Account (24N)	OT		\$ 620,000				\$ 620,000
2	Transfer Available Fund Balance from Recreational Fisheries Enhancement (04M) to Fish, Wildlife, and Conservation Account (24N)	OT		\$ 200,000				\$ 200,000
3	Transfer Available Fund Balance from Limited Fish and Wildlife Account (104) to Fish, Wildlife, and Conservation Account (24N)	OT		\$ 2,750,000				\$ 2,750,000
4	Shift Eligible Costs from Eligible General Fund-State (001)/Fish, Wildlife, and Conservation Account (24N) Costs to Natural Climate Solutions Account (26D)	OG			\$ 3,488,000	\$ 3,488,000	\$ 3,488,000	\$ 10,464,000
5	Shift Eligible Costs from Eligible State Construction Bond Authority (057) Costs to Climate Commitment Account (26C)	OT	\$ 1,250,000					\$ 1,250,000
6	Shift Eligible Costs from General Fund-State (001) to Capital	OT		\$ 500,000				\$ 500,000
Total			\$ 1,250,000	\$ 4,070,000	\$ 3,488,000	\$ 3,488,000	\$ 3,488,000	\$ 15,784,000