

JANUARY 27, 2021

# **The 2021-22 Budget: California Department of Fish and Wildlife**

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LEGISLATIVE ANALYST'S OFFICE

## Department Overview

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<b>California Department of Fish and Wildlife Budget Summary</b>					
<i>(Dollars in Millions)</i>					
Fund source	2019-20	2020-21	2021-22	Change From 2020-21	
	Actual	Estimated	Proposed	Amount	Percent
Special funds	\$269	\$260	\$276	\$16	6%
General Fund	148	135	212	77	57
Federal funds	85	86	89	3	3
Bond funds	87	61	55	-6	-10
<b>Totals</b>	<b>\$589</b>	<b>\$542</b>	<b>\$632</b>	<b>\$90</b>	<b>17%</b>

**Proposes \$632 Million in 2021-22.** The Governor’s proposed budget for the California Department of Fish and Wildlife (CDFW) reflects a \$90 million (17 percent) increase compared to estimated current-year expenditures, primarily due to two one-time proposals:

- **One-Time Upgrades and Equipment (\$45 Million).** The proposal includes \$42 million from the General Fund and \$3 million from Proposition 12 (2000) for various purchases and activities, as discussed in this analysis.
- **Wildfire Risk Reduction Projects (\$45 Million).** The Governor’s budget provides one-time General Fund resources (including \$9 million for early action in 2020-21) to undertake projects—such as thinning vegetation and conducting controlled burns—that reduce the risk of wildfire on CDFW-owned lands. (Our office will discuss this proposal in a separate analysis on the administration’s wildfire resilience package.)



# One-Time Upgrades and Equipment

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## Background

**CDFW Conducted Extensive Review of Services and Budget.** The department recently completed a service-based budget (SBB) review that identified the gaps between the department’s “mission” level of service (defined as the service standards and essential activities required for CDFW to meet its mission and statutory requirements) and its current service levels.

- **CDFW to Report SBB Findings to Legislature.** Statute requires the department to summarize the results of the SBB review for the Legislature in a written report by January 2021 and in legislative oversight hearings by April 2021.

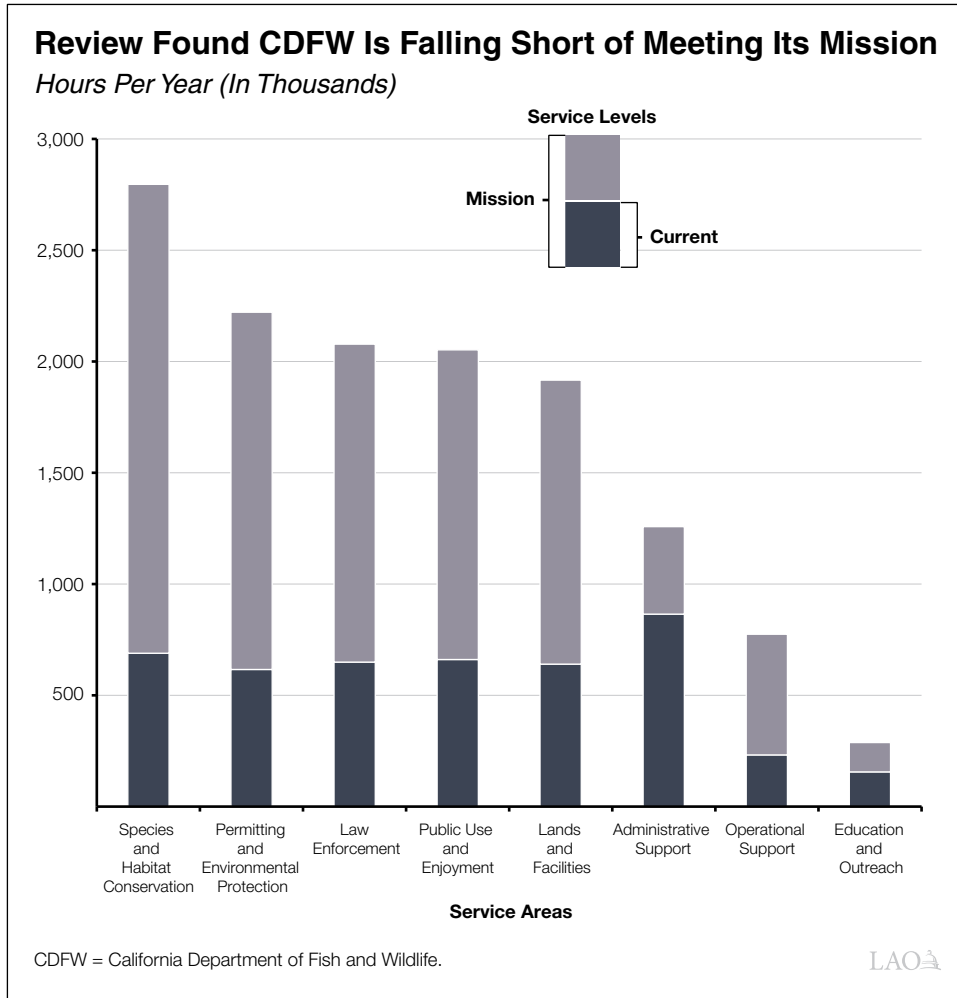
**SBB Review Determined Existing Service Levels Fall Short of Meeting Mission.** As shown in the figure on the next page, CDFW determined that the number of staff hours currently being spent are far below what would be needed to meet mission levels in most service areas.

- **Current Services Are Less Than One-Third of Mission Levels in Most Areas.** Existing service levels in the species and habitat conservation, permitting and environmental protection, law enforcement, and public use and enjoyment service areas each fall short of mission levels by at least 1.4 million hours a year.
- **Largest Shortfall Is in Species and Habitat Conservation Service Area.** CDFW staff currently spend about 750,000 hours per year on species and habitat conservation activities, compared to the 2.9 million hours that the department estimates would be needed to meet its mission in this area.



# One-Time Upgrades and Equipment

(Continued)



**Fiscal Downturn Precluded Ongoing Augmentations in 2020-21.** The Governor’s January budget for 2020-21 proposed a \$19 million ongoing increase to CDFW’s habitat and conservation activities to address its service gaps, but that proposal was withdrawn from consideration in the final budget package.

- **Current-Year Budget Provided Some One-Time Funds.** While the ongoing augmentations were not provided in the current year, the 2020-21 budget ultimately did include \$6.2 million in one-time General Fund for various purchases and activities (a reduction from the \$20 million in one-time funds that the Governor originally proposed in January 2020).



# One-Time Upgrades and Equipment

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## Governor’s Proposal

**Equipment Purchases and One-Time Activities (\$45 Million).** As shown in the figure, the Governor’s budget for 2021-22 proposes a total of \$45 million—\$42 million from the General Fund and \$3 million from Proposition 12—to purchase equipment and conduct activities across a number of CDFW’s services. According to the administration, the proposal focuses on one-time—rather than ongoing—activities because of the projected out-year General Fund imbalance.

### Governor’s Proposed One-Time CDFW Budget Augmentations

(In Millions)

Activity	Description	Amount <sup>a</sup>
<b>Equipment and facilities at state-owned wetlands</b>	Upgrade water conveyance systems and maintenance equipment to increase water and energy efficiencies and improve habitat conditions.	\$9.8 <sup>b</sup>
<b>Equipment related to human-wildlife conflict</b>	Purchase equipment—such as flagging for fences to protect livestock from wolves and traps to catch and relocate wildlife—to prevent and address negative interactions between wildlife and people.	7.0
<b>Equipment at fish hatcheries</b>	Purchase egg-sorting machines and fish-stocking vehicles at fish hatcheries to increase reliability and efficiencies.	7.0
<b>Visitor amenities at state lands</b>	Enhance amenities—such as by adding restrooms—at CDFW lands, with focus on sites with high visitation rates near “under-served communities.”	6.0 <sup>c</sup>
<b>Vegetation mapping</b>	Make progress on an existing CDFW initiative to develop statewide fine-scale vegetation map, which is used for multiple planning and habitat conservation efforts.	5.5
<b>Fixed wing aircraft</b>	Replace old plane used for species monitoring and law enforcement.	4.5
<b>Marine patrol boat</b>	Replace old boat used for species monitoring and law enforcement.	4.5
<b>Hunting and fishing license system</b>	Deploy mobile application that displays state hunting and fishing regulations, and undertake initial steps to develop new electronic licensing platform.	0.8
<b>Totals</b>		<b>\$45.1</b>

<sup>a</sup> All from the General Fund except where noted.  
<sup>b</sup> Includes \$840,000 from Proposition 12.  
<sup>c</sup> Includes \$2.5 million from Proposition 12.

CDFW = California Department of Fish and Wildlife.



# One-Time Upgrades and Equipment

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## Assessment

***Helps Reduce Some Existing Service Gaps Without Committing Ongoing Funding.*** Overall, the Governor’s proposals seem reasonable and could yield multiple benefits.

- ***Proposals Could Yield Multiple Benefits.*** The equipment and land management upgrades likely would decrease staffing and maintenance costs and improve effectiveness. Addressing human-wildlife encounters would protect the needs of both groups, as well as reduce department staffing requirements. Enhancing visitor amenities would improve public access. Mapping vegetation would inform future species and habitat management decisions.
- ***Amount of Benefit Uncertain.*** CDFW could not quantify the degree to which these proposals would improve its ability to meet its mission in the different SBB service areas. For example, purchasing new hatchery egg-sorting machines should be able to close the gap between “mission” and “current” SBB service levels, both by *reducing* the number of staff hours needed to meet CDFW’s mission (through negating the need for staff to conduct manual sorting) and *increasing* current service levels (through staff being freed up to accomplish additional tasks). However, CDFW stated that using the SBB system to calculate the degree to which its proposals would reduce existing service gaps would take too much time, and they would not be able to quantify the improvements until their next SBB review cycle.

***Does Not Focus on Service Area Where CDFW Has Largest Gap.***

While a few components of the proposed package would address species and habitat conservation—most notably the vegetation mapping—most do not. CDFW states this is because most of the needed work in that area would require additional staff and ongoing funding, and that the state’s fiscal condition precludes such augmentations.

- ***Unclear How Administration Plans to Address Deficiencies.*** CDFW has not presented a long-term plan for how it will make progress on carrying out its mission related to species and habitat



# One-Time Upgrades and Equipment

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conservation. Moreover, these responsibilities likely will increase with the challenges presented by a changing climate.

**Legislature Could Consider Alternative Package of One-Time Investments.** While CDFW’s proposed package of activities is reasonable, it is not the only option. The Legislature could select an alternative mix of one-time activities to support.

- **Example: Target Funding for Other Conservation Activities.** The Legislature could work with CDFW to design a one-time funding package that is more targeted around species and habitat conservation activities, including potentially providing up-front funding to cover multiyear, high-priority activities (such as developing recovery plans for particular threatened species).
- **Example: Shift Funding to Augment Proposed Conservation Efforts.** The Legislature could opt to upgrade visitor amenities at fewer CDFW sites than proposed by the Governor and instead spend more on vegetation mapping to complete a greater portion of the state. (Roughly 60 percent of the state has been mapped thus far; CDFW estimates that its proposal would help complete an additional 15 percent to 20 percent.)

**Hunting and Fishing License Proposal Likely Could Be Funded—at Least Partially—by Special Funds.** The creation of a mobile application for hunters and anglers is reasonable. Since it would provide value for users, the existing fees CDFW collects from these groups could be an appropriate funding source for this project.

## Recommendations

**Approve a One-Time CDFW Funding Package That Reflects Legislative Priorities.** Given the department’s significant deficiencies in meeting its mission service levels, we find spending one-time funds to upgrade CDFW’s service levels to be worthwhile. The Legislature could approve the Governor’s proposal, which we believe is a reasonable mix of activities that could yield multiple benefits. Alternatively, the Legislature could modify the proposal to fund a different mix of activities based on what it views to be the highest statewide priorities.



## One-Time Upgrades and Equipment

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***Direct CDFW to Identify Special Funds to Support Hunting and Fishing License Proposal.*** We recommend that the Legislature direct CDFW to report back by May 15, 2021 with potential alternative sources of funding that could support this proposal. To the degree that special funds could offset some or all of the \$750,000 proposed from the General Fund, that freed up funding could be redirected to other General Fund priorities, either within CDFW or in other policy areas.

***Require CDFW to Report Back With Long-Term Options to Address Service Deficiencies.*** We recommend directing CDFW to report to the Legislature with specific ideas for making progress on addressing the service deficiencies highlighted by the SBB review, particularly for habitat and species conservation, including options for long-term funding. This report could be incorporated into the SBB presentation CDFW is required to make in legislative oversight hearings by April 2021.

