

**DEPARTMENT OF FISH  
AND WILDLIFE COST  
ANALYSIS  
REPORT 08-5**

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STATE OF WASHINGTON

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# Report Summary

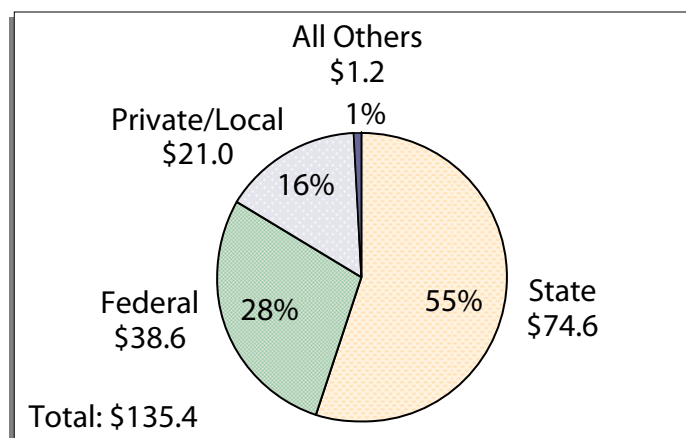
The Washington Department of Fish and Wildlife (WDFW) is mandated to preserve, protect, perpetuate, and manage wildlife and fish. Resources for the Department's broad range of services—from Enforcement officers ensuring compliance with commercial fishing regulations off the Washington coast to Wildlife staff feeding elk for damage control and species management at the Oak Creek wildlife area—are provided through a complex structure of different funds and revenues.

In order to gain additional clarity on the Department's use of these various funds, the Legislature directed the Joint Legislative Audit and Review Committee (JLARC) in the 2007-09 Biennial Operating Budget to conduct a cost analysis of activities and programs within the Department. JLARC examined how WDFW makes decisions on which funds or revenues to use for its various services and activities.

## Where the Money Comes From—Sources, Strings, and Stability

Funds are provided from a variety of sources, the majority of which come from the General Fund - State (general tax revenues) and Wildlife Account - State (sales of recreational hunting and fishing licenses). As is common in state agencies, the level of revenues an agency collects in a specific year does not necessarily match the level of expenditures within that year. These differences typically reflect underspending, the use of fund balances available in dedicated accounts, funding from revenues that are collected by a different agency, or a combination of these factors.

Fiscal Year 2006 WDFW Revenues (\$ in millions)



Source: JLARC analysis of LEAP data.

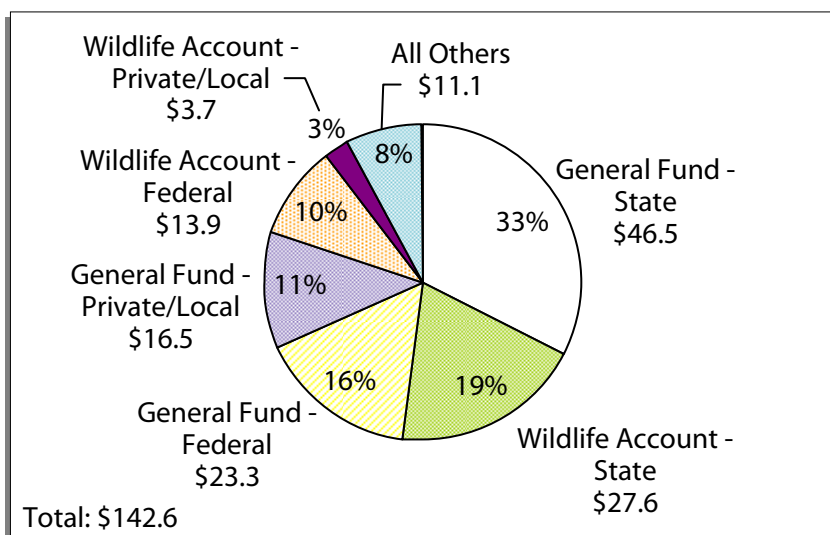
Many of these fund sources have specific restrictions (strings) which may affect the level of fund use flexibility. Generally speaking, more discretion is available for the use of state funds (General Fund and Wildlife Account) than for federal or private/local funds.

Over the last ten years, most resources supporting WDFW are trending upward. However, there can be significant variation in individual fund sources from year to year, leading to the potential for instability and uncertainty.

## Expenditures—Choosing Among the Fund Sources

The Department used 27 different fund sources for expenditures on 1,680 individual activities (the Department’s accounting system identifies them as Program Indexes) in Fiscal Year 2006.

Fiscal Year 2006 WDFW Operating Expenditures (\$ in millions)



Source: JLARC analysis of LEAP data.

We found that fund source decisions are made by the Department at the individual activity (Program Index) level. Three main drivers help explain the Department’s choices in which funds to use:

- Some fund sources are restricted in their use (strings);
- The history of funding an activity may play a role in current and future fund source choices; and
- Funding with no specific restraints, such as some General Fund - State money, may be available as a possible source for matching other funds or balancing the funding requirements of an activity.

## “Take” and “Non-Take” –An Alternative View of Department Expenditures

To address a legislative interest in the Department’s costs to support hunting and fishing activities distinct from other programs, this report includes a delineation of Department activity (Program Index) expenditures between “take” (operations that exist to support hunting and fishing activities)

and “non-take” (operations that exist to support activities not related to hunting and fishing, such as managing wildlife habitats). A basic analysis showed that some activities may support both “take” and “non-take,” and drawing a clean line between the costs of the two activities is difficult.

## **Findings on Financial Management Processes**

Ultimately, decisions on which funds to use can be complex and are generally made at a very detailed level within the Department. This can create confusion when trying to understand why a particular fund is used for a particular activity of the Department. As JLARC began to research the drivers and the rationale behind fund source decisions, we found that improvements in some of the Department’s financial management processes will help reduce this confusion and provide more insight into which types of funds are available for use by the Department.

The forecasting process for hunting and fishing license revenue, the process of calculating beginning and ending fund balances for the Wildlife Account, and the process of determining the amount of state money used to match federal money can all be improved. Such improvements will assist decision makers in determining which resources are actually available as they build budgets.

## **Recommendations**

- 1) The Department of Fish and Wildlife, in consultation with the Office of Financial Management and legislative fiscal staff, should develop options for more accurately forecasting license fee revenues.
- 2) The Department of Fish and Wildlife, in consultation with the Office of Financial Management and legislative fiscal staff, should develop alternative methods for tracking, accounting, and reporting restricted and unrestricted fund balances for the Wildlife Account.
- 3) The Department of Fish and Wildlife, in consultation with the Office of Financial Management and legislative fiscal staff, should develop quarterly reports that describe the total General Fund - State and Wildlife Account - State dollars set aside to meet federal matching requirements.

