



August 11, 2016

Anthony Williams, Co-Chair

Russ Burns, Co-Chair

Wildlife Resources Committee

California Fish and Game Commission

1416 9th St., 13th Floor

Sacramento, CA 95814

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COMMISSION
2016 AUG 11 PM 3:18

Dear Commissioners Williams and Burns:

We are writing to express concern regarding the solvency of the Hatchery and Inland Fisheries Fund which is overseen by the Department of Fish and Wildlife (DFW). According to the Department of Finance (DOF), this fund is operating at an annual loss and is perilously close to insolvency. This would dangerously impact California freshwater anglers.

When presented with DOF's analysis, in the attached letter of opposition to AB 1844 (Gallagher), of the Hatchery and Inland Fisheries Fund, DFW was unable to provide concrete data that the fund will continue to remain solvent in the future. In the letter, DOF reported, "Expenditures in the Hatchery and Inland Fisheries Fund also exceed revenues resulting in an annual imbalance of \$2.2 million; the fund is anticipated to become insolvent in fiscal year 2018-2019." DFW's response was simply that the fund is not currently insolvent and provided no data regarding the alleged operating loss. Considering the importance of the Hatchery and Inland Fisheries Fund, we believe that DFW should be required to provide a detailed analysis of the fund.

The undersigned members of the California Legislature Outdoor Sporting Caucus (OSC) support a detailed analysis of revenues and expenditures for the Hatchery and Inland Fisheries Fund for the fiscal years 2013-2014, 2014-2015 and 2015-2016. It is our understanding that the Fish and Game Commission staff will make a recommendation to the full Commission at the August 24 meeting as to whether or not this analysis should be presented by DFW at a public meeting. We strongly urge the Commission to have DFW present the aforementioned analysis to the Wildlife Resources Committee at its September 21, 2016 meeting in order to identify the necessary steps to prevent insolvency.

Thank you for your attention to this important matter.

Sincerely,

[PLEASE SEE SIGNATURES BELOW]

cc: The Honorable Jerry Brown, Governor
Fish and Game Commission
Charleton H. Bonham, Director, DFW
Encl. – DOF opposition letter to AB 1844 (Gallagher)

SIGNATURES:



Senator Cathleen Galgiani, 5th District, Co-chair



Senator John Moorlach, 37th District, Co-chair



Assemblymember Brian Dahle, District 1, Co-Chair



Assemblymember Jim Frazier, District 11, Co-chair



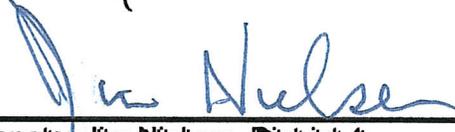
Senator Tom Berryhill, District 8



Senator Anthony Cannella, District 12



Senator Jean Fuller, District 16, Senate Republican Leader



Senator Jim Nielsen, District 4



Assemblymember Catharine Baker, District 16



Assemblymember Ken Cooley, District 8



Assemblymember James Gallagher, District 3



Assemblymember Devon Mathis, District 26



Assemblymember Frank Bigelow, District 5



Assemblymember Travis Allen, District 72



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR., GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

Honorable James Gallagher
Member of the Assembly
State Capitol, Room 5128
Sacramento, CA 95814

Dear Assemblymember Gallagher:

Our office has reviewed AB 1844 as amended March 10, 2016. On the basis of our attached analysis of available information, we regret that we must oppose your legislation. If you feel that we may have overlooked factors that may be important in evaluating your legislation, please call me at 445-8610 and we will arrange any assistance necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Cohen".

MICHAEL COHEN
Department Director

Attachment

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 03/10/2016
POSITION: Oppose
SPONSOR: California Sports Fishing League

BILL NUMBER: AB 1844
AUTHOR: Gallagher, James
RELATED BILLS: SB 1081, Morrell

BILL SUMMARY: Hunting and fishing licenses: reduced license fees: veterans.

Existing law requires the Department of Fish and Wildlife (Department) to issue a reduced-fee sport fishing license or hunting license to disabled veterans and to active military personnel who are recovering from an injury.

This bill would expand the list of those eligible to receive reduced-priced hunting and fishing licenses by requiring the Department to issue both annual and lifetime fishing, hunting, and sportsman licenses, to honorably discharged U.S. veterans who are residents of California, at a 25 percent discount. Further, for fishing report cards or associated tags, validations or other entitlements that may be required in addition to a lifetime fishing license, this bill would provide a 25 percent discount to resident discharged U.S. veterans, and a 50 percent reduction for resident disabled veterans. The Fish and Game Commission (Commission) would be precluded from increasing fees to recover the costs of providing these discounts.

FISCAL SUMMARY

The Department estimates a loss of \$768,000 in revenue for the issuance of reduced-fee annual and lifetime fishing, hunting and sportsman licenses, assuming that 6.19 percent of licensees would be resident veterans. This estimate does not include potential workload that the Department is still evaluating associated with this bill. Finally, there may be some offset to the extent that lowered fees encourage more qualifying veterans to pursue licenses.

Revenue from sport fishing and hunting licenses are deposited in the Fish and Game Preservation Fund and the Hatchery and Inland Fisheries Fund. The Fish and Game Preservation Fund currently has a structural deficit with expenditures exceeding revenues by over \$21.5 million; the Governor's Budget reflects a reserve balance of \$6 million in fiscal year 2016-17. Expenditures in the Hatchery and Inland Fisheries Fund also exceed revenues resulting in an annual imbalance of \$2.2 million; the fund is anticipated to become insolvent in fiscal year 2018-19.

COMMENTS

While the intent of this bill is meritorious, the Department of Finance opposes this bill because it reduces revenue for the Fish and Game Preservation Fund and the Hatchery and Inland Fisheries Fund, both of which are structurally imbalanced with annual expenditures exceeding annual revenues.

Currently, hunting and sport fishing licenses each cost \$47.01 for California residents; reduced-priced licenses are provided at \$6.95 to disabled veterans and recovering active military members. In addition to licenses, the application fee for hunting tags for specific species cost between \$5.97 and \$38.62; hunting tags themselves can cost between \$22.42 and \$445.35. Validations for ducks and some upland game birds are up to \$20.52. Sport fishing licenses also require report cards for certain fish with costs between \$6.22 and \$22.42 depending upon specified species.

Analyst/Principal (0684) A.Martin Date Program/Budget Manager Karen Finn Date

Department Deputy Director Date
Orig. Signed By J.W.H. APR 25 2016

Governor's Office: By: Date: Position Approved _____
Position Disapproved _____

BILL ANALYSIS--(CONTINUED)

Form DF-43

AUTHOR

AMENDMENT DATE

BILL NUMBER

Gallagher, James

03/10/2016

AB 1844

COMMENTS (continued)

Existing law requires the Department to issue hunting and sport fishing licenses at reduced-fees or at no cost to certain groups including low income senior citizens and Native Americans, disabled veterans, recovering service members, and persons who are blind, developmentally disabled, or mobility impaired. Approximately 17,500 resident and nonresident disabled veterans currently take advantage of reduced-fee hunting and fishing licenses with revenue of approximately \$118,000.

According to the author's office, there are only limited opportunities for reduced-fee hunting and sport fishing licenses for military men and women and this bill will allow those who devoted their lives to the service of our country to more easily participate in fishing and hunting in California. The author anticipates that the proposed fee reduction will encourage greater participation among Veterans and their family and friends. This expanded participation would then lead to increased sales of licenses in future years.

Senate Bill 1081 (Morrell) is a related bill that reduces fees to a base of five dollars for hunting and fishing licenses for honorably discharged veterans, provides a 50 percent discount for fishing report cards or associated tags, validations or other entitlements, and waives all fees for disabled veterans and recovering active military personnel.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)							Fund Code
	SO	LA	(Dollars in Thousands)					
	CO	PROP						
	RV	98	FC	2015-2016 FC	2016-2017 FC	2017-2018		
3600/FishWild	SO	No		----	See Fiscal Summary	----	0200	
3600/FishWild	SO	No		----	See Fiscal Summary	----	3103	
<u>Fund Code</u>	<u>Title</u>							
0200	Fish and Game Preservation Fund							
3103	Hatchery and Inland Fisheries Fund							

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0075
(916) 319-2075
FAX (916) 319-2175

DISTRICT OFFICE
350 W. 5TH AVENUE, SUITE 110
ESCONDIDO, CA 92025
(760) 480-7570
FAX (760) 480-7516

E-MAIL
Assemblymember.Waldron@assembly.ca.gov

Assembly California Legislature



MARIE WALDRON
REPUBLICAN FLOOR LEADER
ASSEMBLYMEMBER, SEVENTY-FIFTH DISTRICT

COMMITTEES
VICE CHAIR, PUBLIC EMPLOYEES,
CALIFORNIA RETIREMENT AND SOCIAL SECURITY
FISH AND GAME COMMISSION
CALIFORNIA ENVIRONMENTAL ORGANIZATION
COUNCIL ON GOVERNMENT
HEALTH
RULES
2016 AUG 19 PM 3:22

August 11, 2016

Anthony Williams, Co-Chair
Russ Burns, Co-Chair
Wildlife Resources Committee
California Fish and Game Commission
1416 9th St., 13th Floor
Sacramento, CA 95814

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As a Member of the California Legislature Outdoor Sporting Caucus (OSC) I support a detailed analysis of revenues and expenditures for the Hatchery and Inland Fisheries Fund for the fiscal years 2013-2014, 2014-2015 and 2015-2016. It is my understanding that the Fish and Game Commission staff will make a recommendation to the full Commission at the August 24 meeting as to whether or not this analysis should be presented by DFW at a public meeting. I strongly urge the Commission to have DFW present the aforementioned analysis to the Wildlife Resources Committee at its September 21, 2016 meeting in order to identify the necessary steps to prevent insolvency.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Marie Waldron".

Marie Waldron
Assemblywoman, 75th District

Assembly
California Legislature

MARIE WALDRON

ASSEMBLYWOMAN, SEVENTY-FIFTH DISTRICT
STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0075

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CA 957
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Anthony Williams, Co-Chair
Russ Burns, Co-Chair
Wildlife Resources Committee
California Fish and Game Commission
1416 9th St., 13th Floor
Sacramento, CA 95814

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