

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

May 31, 2017

The Honorable Holly J. Mitchell
Chair, Senate Budget and Fiscal
Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Philip Y. Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

RE: Request for Department of Fish and Wildlife Budget Resolution

Dear Chairs Mitchell and Ting:

Thank you for your tireless work all throughout this budget cycle.

We are writing to once again share our deep concerns on components of the Department of Fish and Wildlife's (DFW) budget and share a few additional thoughts on other DFW related proposals.

First, we are concerned about the excessive and unconscionable increase in landing taxes (1,300% across all fisheries) that will threaten the economic viability of commercial fisheries that support coastal communities and economies. This outrageous increase is proposed at a time when fishermen and processors are suffering from the worst crab season on record and some of the worst salmon, sardine and urchin seasons in history. We cannot balance a \$20 million Fish and Wildlife budget shortfall on the shoulders of California's struggling commercial fishing industry – with landing tax increases exceeding 10,000 percent in specific fisheries (e.g. Dungeness crab).

We understand the current CA landing tax has not been adjusted for inflation or increased since 1992. We support the industry's offer to raise landing tax rates for most fisheries to account for inflation since 1992, when rates were last adjusted. The approximately 97% increase as defined by DFW and the

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Department of Finance would nearly double existing rates. However, we respectfully request that sardine fisheries be exempted from this increase because it is already taxed at a much higher rate than all other fisheries and has been since 1992.

Second, we support the DFW Harmful Algal Bloom (HAB) BCP request of \$1,717,000 to develop and implement a sampling program, in coordination with the California Department of Public Health (CDPH). DFW requires this funding to increase efficiencies in protecting California consumers from potential negative public health impacts associated with HAB's while preventing unnecessary fishery closures. Without increased funding and staffing, a growing number of the state's primary fisheries and aquaculture businesses will be severely curtailed or forced to close. The Sampling program is needed for fish and shellfish species affected by HAB's that are predicted to be more prevalent under future climate change scenarios.

Third, we urge you to augment the DFW General Fund allocation in the 2017-18 budget by \$9,008,000 in compliance with Proposition 64 mandates. Proposition 64 requires the annual General Fund appropriation to equal at least the amount of General Funds the legislature included in the 2014 Budget Act.

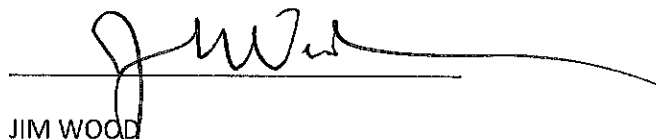
Lastly, we support increasing transparency and efficiency in DFW budgeting, accounting and reporting procedures. Frankly, it is extremely frustrating for the legislature to evaluate DFW BCP's and overall budget that consistently lack detail including costs for specific duties (e.g. individual fisheries). Without a better system in place to track expenses we will continue to face uncertainties regarding appropriate levels and sources of funding. We support a zero-based budget evaluation.

Thank you for considering these important items. Please do not hesitate to contact us with any questions.

Warmest Regards,



MIKE MCGUIRE
Senator, 2nd District



JIM WOOD
Assemblymember, 2nd District

CC: Members of the Senate Banking and Financial Institutions Committee
Members of the Senate Budget and Fiscal Review Committee