



## **TESTIMONY OF KELLY R. HEPLER**

On Behalf of the Association of Fish and Wildlife Agencies  
Before the Senate Committee on Energy and Natural Resources  
Hearing on COVID Impact on Public Lands  
10am EDT, July 23, 2020

Good morning Chairman Murkowski, Ranking Member Manchin, and members of the Committee. Thank you for the opportunity to testify before you today on behalf of the Association of Fish and Wildlife Agencies (Association) to address the impacts of COVID-19 on state fish and wildlife agencies (state agencies) and the states' public lands. My name is Kelly Hepler, and I serve as the Secretary of the South Dakota Game, Fish, and Parks Department as well as the President of the Association. While I am a South Dakota native, prior to my current role I was the Assistant Commissioner of the Alaska Department of Fish and Game (ADFG), a position I held beginning in 2010 as a Senior Policy Advisor to the Commissioner. I began my career as a fisheries biologist before moving into management and leadership roles, including as Director of the ADFG Division of Sport Fish. I was also a principal investigator of the Exxon Valdez oil spill and supervised the development, defense, and reporting of research findings.

The Association represents the collective interests of the state agencies. Since 1902, the Association has worked to support these member agencies and assist in promoting and facilitating science-based resource management in collaboration with public and private partners. All 50 states are members as well as 11 Canadian provinces and territories. We thank you for your ongoing attention to COVID-19 impacts and for passing legislation to assist our nation's citizens, businesses, communities, state agencies, and health care providers with managing the public health and economic crises created by the COVID-19 global pandemic. My testimony today highlights some of the challenges the state agencies have experienced to date, with much uncertainty for the future, and a few of the innovations discovered through this time of change.

The COVID-19 pandemic has crushing financial effects that is gripping our nation and having a profound effect on the physical and mental health and well-being of our citizens, access to our natural resources, and state and national economies. We respectfully request your consideration for inclusion in the next package of coronavirus relief assistance, provisions for state agencies that would provide temporary and partial fiscal relief from nonfederal match requirements for apportioned federal grants under the US Fish and Wildlife Service's Wildlife and Sport Fish Restoration Programs (WSFR) and other provisions that under the current economic hardships adversely affect states ability to deliver fish, wildlife, and habitat management activities and projects and programs that support sportsmen, sportswomen, and the outdoor recreation economy.

### Fiscal Roller Coaster of Uncertainty

The current global pandemic caused by the novel coronavirus known as COVID-19 and the necessary actions to safeguard our citizens is sending states' and our nation's economies into a downward spiral. Stay at home and safer at home orders, travel restrictions, mandatory quarantines, and reduced tourism continue to drive down state revenues stemming from the loss of sales and hospitality taxes, tourism, job losses, and an overall decrease in consumer spending.

Hunting and fishing license sales, one of the primary sources of nonfederal match for apportioned federal grants and the lifeblood of state agencies, depend on open lands, water, and travel. License sales this year have varied across the states, with some facing stark downturns and others seeing instability followed by a seasonal increase in the number of licenses sold. However, further exploration of the data is required beyond total number of licenses sold. Resident license sales have been the strongest category among state agencies, but it remains to be seen whether early purchasers or new users are driving the numbers, and whether a trend exists that can be maintained. Non-resident licenses can generate up to six times the revenue of resident purchases, and the loss of non-resident hunters due to COVID-19 restrictions is dire for several states, none more so than Alaska. With COVID-19 on the rise in some states, prospects for the fall hunting season are uncertain – whether people will buy licenses, whether nonresident hunters will be affected by travel restrictions or whether they will be able to utilize a tag or permit remains unclear.

Regardless of license revenue available, some state agencies are experiencing mandatory reductions in spending authority, some are seeing significant reductions in state general revenue that they would normally receive, and there are significant spending restrictions in place in many states. The highly volatile stock market has produced a significant drop in annual interest earnings that are available for withdrawal. State agencies that normally would use interest earnings to meet their nonfederal match requirements are coming up woefully short, some by millions of dollars. Volunteer and partner activities that would normally generate sources of nonfederal match such as hunter education classes, fish hatchery management, and volunteers on species and habitat projects are not occurring due to necessary precautions for physical and social distancing, causing additional nonfederal match losses. These challenges have compounded the economic impacts on state agency budgets, further exacerbating the financial challenges ahead.

While some state agencies' fiscal accounts that are dedicated to fish, wildlife, and habitat conservation activities, and pay for staff and constituent programs and services, are protected from diversion for other uses, others are not. The important nonfederal match revenue accounts which are not protected from diversion are expected to be swept by the state for other uses, further reducing the funds state agencies have available for nonfederal match, balancing their budgets, maintaining jobs, and fulfilling their missions. As a result, state agencies are executing freezes on hiring, contracts, grants, and cooperative agreements, which is impacting conservation partners, habitat management work, research and restoration activities, capacity to deliver conservation, and threatening completion of planned projects and programs. Some state agencies were required to redirect a portion of their staff to COVID-19 tracing and processing unemployment claims – further straining the agencies' staff capacity. Many states have large

deficits and expect them to grow, or even double, in the next state fiscal year. Further, it is expected that state legislatures will reduce state agencies' spending authority again in upcoming budget cycles, similar to actions taken during the economic recession in 2007-2009. During previous periods of economic hardship, state agencies that were not as hard hit by declines in revenues and were capable of making their nonfederal match requirements for apportioned grants were not granted commensurate spending authority to do so; in fact, for many their spending authority was reduced to levels that were similar to other sister state agencies. We are witnessing that now. For more examples of state agencies' fiscal challenges, please see the attachment to this testimony.

Federal excise tax revenue on the sale of firearms and ammunition that are deposited into the Wildlife Restoration Program is expected to rise based on sales estimates, and Sport Fish Restoration receipts declined during the months of March and April but have since rebounded while state agencies' sources of nonfederal match revenues for these grant dollars are uncertain at best. Currently, the federal:nonfederal match ratio for all of these grants is 75:25, but the current financial crises and COVID-19 associated challenges are creating financial challenges for state agencies over the next several fiscal years. With the current trajectory, some state agencies expect to have difficulty meeting the required 25% nonfederal match requirements for these grants which will result in a loss of jobs and reductions in programs, public services, and important habitat management activities that are already strained. In fact, several states have already instituted temporary furloughs of state agency staff in an effort to reduce overall state spending, and some grant deliverables are unable to be accomplished, are greatly delayed, or have to be revised creating additional uncertainties for accomplishing the state agencies' missions and commitments to the public and creating many challenges for completing their planned grant deliverables.

#### Proposed Nonfederal Match Financial Relief

Financial relief from the current nonfederal match requirements is needed for all WSFR apportioned grants to state agencies in order to continue to meet the needs of hunters, recreational target shooters, fishers, boaters, and wildlife observers and photographers as well as their state agency missions. Financial hardships for the state agencies are expected to continue for several fiscal years, negatively impacting their ability to meet nonfederal match requirements for WSFR grants in FY2020 and FY2021 and possibly beyond. To enable state agencies to continue to serve the sportsmen and sportswomen's conservation community and support the outdoor recreation economy, we are seeking a temporary reduction in the nonfederal match requirements for WSFR apportioned grants to 90:10 for FY2020 and FY2021, provide the state agencies with additional time to obligate and spend the grants, and eliminate safety margin penalties during the same fiscal years.

#### Benefits of Relief

With your support, these proposed temporary changes in statutes will provide much needed financial relief from current nonfederal match requirement levels which will save existing state jobs, jobs associated with contractual obligations, and jobs generated through cooperative grants and agreements and subgrants with conservation nongovernmental organizations and colleges and universities. It will also create new jobs.

This temporary financial relief will allow states to meet the reduced nonfederal match requirements for their WSFR grants and spend these funds as Congress, hunters, recreational target shooters, fishers, boaters, and the manufacturers of those products intended. This will prevent reversions of grant funds and loss of outdoor recreational opportunities. Further, it will allow state agencies to implement projects as planned and create new jobs associated with building and maintaining recreational and natural infrastructure such as recreational target shooting ranges and habitat restoration efforts. In turn, these actions will continue to support the nation's outdoor recreation participation and benefit the outdoor recreation economy, which accounts for 2.2% of the nation's Gross Domestic Product according to the Bureau of Economic Analysis.

#### Lost Conservation Opportunities for Fish, Wildlife, and Their Habitats

Fish and wildlife conservation work has been drastically impacted due to the financial impacts of the current COVID-19 crisis, but also by the challenges arising from necessary health and safety precautions. Across the country, the COVID-19 pandemic has required agencies to alter their field work and associated protocols to protect the health and safety of staff and project volunteers. Many state agencies have chosen or were mandated to cancel volunteer work and few were able to hire seasonal staff for the summer field season. For example, in Delaware, volunteers are normally utilized to manage and deter the recreating public from disturbing nesting shorebirds, wading birds, and colonial nesting birds, but were unable to perform these in-kind volunteer duties out of health concerns for the volunteers and their risks of contracting the coronavirus. In rural states like Nebraska, volunteers are critical to fire management and response. South Carolina utilizes volunteers for sea turtle monitoring, many of which are in high-risk health categories. The total loss of this vital source of in-kind match jeopardizes state agencies' ability to meet their nonfederal match requirements for State Wildlife Grant projects and continue with important conservation and restoration actions on the ground.

Social distancing and safety requirements for agency staff and volunteers have resulted in cancelled or modified schedules for necessary field work, from inability to procure basic supplies to limited fleet capacity due to one person per vehicle requirements. Initial outright bans on field work were followed by stringent protocols developed by state agencies, some requiring approval before reinitiating even basic responsibilities. Much field work was simply cancelled or continues to be delayed, as it cannot be conducted safely by professionals working alone. This applies to a variety of work from capture and collaring of large mammals to certain types of monitoring surveys. In Michigan, the Department faced a 3-month delay for vessels to begin field sampling in the Great Lakes, likely resulting in the loss of vital data sets and long-term trend continuity that is used to inform fisheries management decisions.

Some state agency hatcheries rely on egg takes and spawning to maintain population levels and restore declining species, without which revenues from angler licenses would be devastated. Many state agencies were forced to cancel or limit certain hatchery work due to safety precautions and policies. All spawning was cancelled in South Dakota, while egg takes with broodstock netting were cancelled in Arkansas, including that of striped bass, a key sportfish species. Kentucky, Mississippi, Colorado and New York among others with limited hatchery operations, will experience reduced fish populations for the near future. Modifications to hatchery work procedures are resulting in increased expenditures stemming from single person

vehicle requirements and stocking requirements among other complications. Much needed fish hatchery improvements have been cancelled in states such as Washington and Arizona due to lack of funding, further compromising fisheries management. Hatchery and fisheries work often relies heavily on volunteer staff, without which agencies are further strained for capacity and in-kind match generation, and many volunteers were unable to perform normal duties this year due to COVID-19.

#### Hunter Education Challenges and Innovation

An increase in firearm and ammunition purchases have made education more important than ever while state agencies deal with the challenges of conducting hunter education and safety certification courses with health and safety restrictions in place. These courses typically rely on volunteer instructors. Safety concerns resulted in the postponement of all in-person courses by many state agencies, and at least one cancelled all hunter education classes for the year. This is yet another loss of volunteer, in-kind match hours, but equally critical is the loss in number of students and potential hunters. State agencies have attempted to mitigate this through a temporary suspension or delay of in-person testing requirements and moving, at least temporarily, to online only courses. Safety concerns have created opportunities for innovation, with the Kentucky Department of Fish and Wildlife Resources exploring remote handling tests and the New York Department of Environmental Conservation finding enormous success with a new online hunter education program. As of July, New York is half-way to doubling their annual average of completed courses and based on early participation information the new online learning, may provide opportunities to better reach underserved demographics through nontraditional learning environments. When the Nevada Department of Wildlife was forced to cancel all of their in-person, new hunter classes out of precautions for health and human safety, staff created a series of videos of the courses' content. It has grown into an on-demand, online virtual classroom that is being utilized by more individuals than would otherwise be able to take the in-person classes and is increasingly reaching citizens from diverse backgrounds.

#### COVID-19 Threatens Access to Public Lands

During the COVID-19 pandemic many federal and local lands, ranging from National Parks to community parks were closed to protect human health and safety. In some instances, state lands and facilities also closed to protect human health and to comply with State policies. Some state lands modified operations to allow some continued public access while taking steps to reduce the risk of disease transmission among the visiting public and to proactively manage potential transmission hot spots. However, many state wildlife management areas as well as fishing lakes and ponds remained open. Now more than ever before, Americans increasingly are utilizing state lands and waters that are close to home during these difficult times for physical distancing and exercise and for their mental health and well-being. State agencies across the country have reported repeatedly throughout this pandemic that these state lands and waters have witnessed unprecedented use by the public. Many of these visitors are new to state wildlife management areas, which provides state agencies with a welcomed opportunity to educate and serve new constituents.

Clearly, outdoor recreation is growing in necessity and popularity, but there are hurdles to maintaining this public access. Overwhelming numbers of people cause overcrowding concerns. Insufficient social distancing by visitors creates public health anxieties and the increased risk of

disease transmission, which could jeopardize continued access to these public lands and waters. This has required state agencies to redirect additional staff capacity and expenses to managing public access challenges such as social distancing reminders, prevent overcrowding, and manage traffic congestion on state lands and waters. We ask the public to please practice #ResponsibleRecreation when enjoying the great outdoors. We remain concerned that the rising number of COVID-19 cases in some states coupled with insufficient social distancing could be cause for future public access restrictions and closures. We know the public needs these outdoor spaces for physical and mental health and well-being now more than ever, and state agencies will do what they can to maintain public access, but we need the public's help to do so.

Further, while state agencies are excited about the public's increased use of their lands and waters, the increased use of state lands and waters is straining the state infrastructure that supports it, and state agencies have lost millions of dollars of operating capital. State agencies with state parks systems such as Michigan, Mississippi, Montana, Nebraska and others have experienced sizable financial losses from a loss of park fees, service fees, lodging fees, and other sources of revenue. These deficits cannot be overcome this state fiscal year and will be carried forward into the next, and the impacts will be felt even longer. Unfortunately, these fiscal deficits prevent completion of critical maintenance and repair projects, some of which will affect the public's ability to use certain state lands and waters or their associated amenities. Some have closed, some may have to close, and others may be able to offer only partial access and amenities if funding is not available to fund the growing list of maintenance and repairs.

Social distancing requirements also have complicated state and federal aquatic invasive species (AIS) management and control efforts across the country. If left unchecked, AIS will spread within a waterbody and, through recreational boating and other water sports activities, be inadvertently spread to other water bodies. The costs of controlling AIS are escalating every year for state and federal agencies, and many are identified as threats to states' species of greatest conservation need, threaten important fish and wildlife habitats, and are most often the cause of public access closures on water bodies. Every year local, state, and private water bodies across the country are closed in order to perform control and management activities because AIS have restricted recreational boating and fishing access. Once a waterbody is infected with AIS, eradication is impossible and managing the spread of AIS becomes a new, expensive ongoing operational program for state and federal agencies, private landowners, and others. It's vitally important that outdoor enthusiasts continue to practice good watersports hygiene by cleaning, draining, and drying all aspects of their vessels and watersports equipment before entering and upon leaving any public or private pond, lake, or reservoir to prevent the spread of AIS.

#### Public Lands and Waters: Places of Respite and Despair

The COVID-19 pandemic continues to have unprecedented, harmful impacts on our citizens, our health care professionals, our first responders, and our conservation law enforcement officers. Many of our neighbors, friends, families, and community members in great numbers continue to seek the great outdoors as places for relief – places to exercise, decompress, breathe deeply and freely, enjoy life and family, and as a vital place of mental and emotional healing and restoration. Being out of doors and reconnecting with nature seems to improve our individual resiliency and ability to push onward. Our state agencies embrace this opportunity to connect with new

constituents and increase our relevancy to and opportunity for future communication and engagement with these citizens.

Sadly, state lands are not always a place of respite for some of our citizens, and some of the impacts of COVID-19 that our state agency staff are witnessing are worse than we ever imagined. Job stresses and losses, financial challenges, the death of a loved one, an emotionally demanding profession, and other aspects COVID-19 are taking a disconcerting toll on our citizens. State agencies' conservation law enforcement (CLE) officers increasingly find themselves engaged in suicide interventions with people seeking to commit suicide on state lands. Unfortunately, they also are responding to an increase in the number of suicides committed on state lands. Further, with pools closed due to COVID-19 and summer temperatures rising, people are increasingly swimming in dangerous and restricted bodies of water which is resulting in an increase in adult drownings. Our CLE officers are responding to an increasing number of search and rescue missions but more and more transition to search and recovery. The growing number of lives lost and the associated sorrow is taking a huge toll on the mental health and well-being of our communities, the CLE officers responding to these tragedies, and to the state agencies as a whole. We welcome the opportunity to work in partnership with health care professionals to improve the mental health and resiliency of our citizens and to save lives.

Furthermore, there is an increased demand on CLE officers who are dispatched to state lands, waters, boat ramps, and elsewhere to manage traffic and overcrowding, provide public education and safety services, provide social distancing reminders, interventions, and emergency responses. They are also being asked to provide support to local law enforcement efforts, to provide a police presence as a deterrence, and dispatched to manage COVID-19 testing traffic. This increases the strain on existing CLE staff capacity across the country at a time when many existing CLE officer vacancies will continue due to hiring freezes or insufficient state financial resources needed to hire more officers. These COVID-19 related expenses are a growing part of CLE divisions' budgets, and they are not eligible to apply for federal grants to seek reimbursement during declared emergencies such as this for their time and COVID-19 related response expenses. This downward spiral further erodes the capacity and morale of state agencies' CLE divisions. Congress could help by making CLE divisions eligible for the reimbursement of costs associated with responses to emergency declarations.

#### Delayed Stateside Land and Water Conservation Fund Projects

It was recently brought to our attention that the National Park Service is no longer performing Tribal consultations on Stateside Land and Water Conservation Fund (LWCF) projects. They are unable to initiate and/or complete required National Historic Preservation Act Section 106 and/or National Environmental Protection Act compliance on Stateside LWCF projects. We suspect this is related to impacts to the COVID-19 pandemic and lack of available staff to conduct consultations, although the state agencies have not received a formal justification for delayed Tribal consultations. Consequently, there are many projects across the country that cannot receive funding or begin construction because of these delays. Other states will not be able to complete high priority projects already under way, and funds already spent on those projects will be lost at a time when state fiscal resources are precious and scarce. Curiously, it is also our understanding that the US Fish and Wildlife Service currently is not experiencing similar delays

with their LWCF projects. To help states continue to implement outdoor recreation projects, maintain and create jobs, and alleviate the current state fiscal pinch, we recommend Congress consider taking the following actions to provide relief:

- Temporarily reduce the LWCF Stateside program nonfederal match requirement from 50% to no more than 20% to provide financial flexibility to states and small communities who otherwise will be unable to meet the nonfederal match requirement and will have to forego use of the LWCF Stateside programs.
- Temporarily allow the use of LWCF Stateside program funds for states' deferred maintenance and habitat stewardship needs on state-LWCF lands and projects to maintain outdoor recreation opportunities. Also, allow states to utilize up to 10% of the annual apportionment for administration purposes.
- Modify Section 6(f)(3) of the LWCF Act to allow for disposal of structures, amenities, and property that has met or exceeded its useful life. Currently, all Fund-assisted property must be used and retained for public outdoor recreation uses in perpetuity without any consideration or exception provided for surplus/disposal if the community or environmental conditions change, or if the lifespan or useful life of the structures, amenities, or property funded by the LWCF have been met or exceeded. These perpetual obligations to maintain outdoor recreational lands, no matter the cost or lifespan of the improvement, are financially and logistically unrealistic, particularly for small or shrinking rural communities.

#### Maintaining Public Access by Investing in State Outdoor Recreation and Public Safety Infrastructure

Investments in fish, wildlife, and habitat restoration and outdoor recreation infrastructure generate up to 33 jobs per million dollars invested, as demonstrated by the American Recovery and Reinvestment Act of 2009. The outdoor recreation economy generates \$778 billion in economic activity, which is 2.2% of the Gross Domestic Product according to the Bureau of Economic Analysis and was one of the fastest growing sectors of our economy before COVID-19. Investing in programs and infrastructure that support outdoor recreation activities at the state and federal levels are a wise investment. It creates local non-exportable jobs while restoring fish and wildlife species to keep common species common and recover declining species before protections of the Endangered Species Act are warranted, reducing regulatory uncertainty. Habitat restoration provides benefits to our citizens by improving water quality and quantity, restoring forest health, improving air quality, combating destructive invasive species, and providing additional outdoor recreation opportunities, all of which creates jobs and fuels the economy. Additionally, healthy habitats also improve both urban and rural communities' resiliency to wildfires, droughts, floods, hurricanes, and other natural disasters.

Over the decades states have made significant investments in providing opportunities for our citizens to access and enjoy fish, wildlife, their habitats, outdoor recreation, and the necessary infrastructure that supports those activities including hunting, recreational target shooting, fishing, boating, wildlife watching and photography, imperiled species restoration, habitat management, hiking, camping, reconnecting with nature, and more. For years, many state agencies have tried unsuccessfully to obtain state general funds for deferred maintenance expenses in order to keep these lands, waters, facilities, and infrastructure functioning for society. In some cases, these maintenance issues are imperative to protecting the public's safety and protecting property. Collectively, the cost of these existing "shovel-ready" state maintenance

needs have grown to billions of dollars. The longer we wait to make these repairs, the more likely a catastrophic event will occur, or these facilities will be forced to close which will hurt local communities and outdoor recreation economies. Addressing these state maintenance needs creates jobs on par with deferred maintenance projects on federal lands and waters, would support local businesses and contractors, and help stabilize and grow the outdoor recreation economy for the future. These projects would improve Americans' quality of life, their experiences outdoors, and access to outdoor recreation opportunities on public lands. To further jump start state and local economies, we respectfully request Congress consider providing grants to state agencies to address the following immediate state outdoor recreation infrastructure maintenance backlogs and needs in the next economic stimulus package:

- Address maintenance backlogs of state fish and aquatic species hatcheries which support the restoration of federal and state listed species as well as recreationally important species. Many of these facilities are over 50 years old and need new water wells drilled, energy efficiency upgrades, water quantity management systems, water quality treatment improvements, temperature regulating mechanisms, renovation of associated facilities, and more.
- Repair and rehabilitate public fishing piers, boat ramps, courtesy docks, marinas, parking lots, and associated public facilities to keep America fishing and boating.
- Repair, rebuild, and restore dangerous and degrading bridges and dams, water and habitat management structures of lakes and reservoirs, breakwaters, roads, and other state infrastructure that is critical to protect public safety, reduce flooding risks, restore habitat, maintain public access, and protect life and property.
- Repair, replace, and renovate water control structures, levees, dykes, and culverts to improve the management of water and wildlife habitats, reduce flooding and property loss, and reduce habitat losses from extended periods of flooding that are destroying critical outdoor recreation areas and habitats.
- Repair and upgrade building and maintenance facilities to improve operational efficiencies and in wildlife education and nature centers to better meet the needs of the public, improve energy efficiency, repair roofs, replace HVAC systems, and repair decades-old buildings.
- Fund facilities that provide for native terrestrial and aquatic plant production, which is used for fish and wildlife habitat restoration and enhancement projects.
- Fund repairs and maintenance of critical fish and wildlife monitoring and research equipment.
- Fund state assessments for Americans with Disabilities Act compliance and the rebuilding of compliant infrastructure on state wildlife management areas, parks, and other outdoor recreation facilities to improve access for all Americans.
- Repair and rebuild campgrounds, trails, roads, and associated facilities on state agency lands.

Moreover, by enacting the *Great American Outdoors Act* (S.3422, H.R.7092), Congress will create jobs by addressing the deferred maintenance backlogs for federal land management agencies as well as through the Stateside Programs of the LWCF in the future. We thank you for your dedicated, bipartisan efforts to pass the *Great American Outdoors Act* (S.3422), which is supported by diverse coalitions and interests across the nation and will help address the federal land management agencies' deferred maintenance backlogs. It also will continue the Stateside Programs of the LWCF, which provide important opportunities for state park agencies to provide additional outdoor recreation opportunities to the public. Passage of this Act is historic, and on

behalf of the state parks agencies like South Dakota Game, Fish, and Parks that utilizes the LWCF Stateside programs to benefit our citizens, I thank you.

Congress can help local communities, states, and the federal economies recover from the financial devastation created by the COVID-19 pandemic by prioritizing the above investments in natural resources restoration, and outdoor recreation while benefiting our citizens and future generations. We respectfully request you include in any economic stimulus package these investments in state and federal outdoor recreation infrastructure as well as provide temporary, partial relief from nonfederal match requirements.

Thank you for the opportunity to testify before you today, for considering our recommendations, and for your support of state agencies, public lands, and the outdoor recreation economy. We look forward to working with members of this committee to overcome these national crises while building a stronger outdoor recreation economy for the future. I would be happy to answer any questions you may have.

## Examples of States Experiencing Financial Hardships and in Need of Nonfederal Match Relief

The COVID-19 pandemic has drastically altered the financial conditions, spending authorities, day-to-day responsibilities, and workloads of state fish and wildlife agencies (state agencies). During these unprecedented times, precious state resources that normally would be used as nonfederal match to federal grants were lost, diminished, or not generated at all and at no fault of the state agencies. Loss of in-kind match on habitat field projects, fisheries projects, and hunter education classes is common as is the significant loss of revenue that would normally be generated by various types of non-resident hunting and fishing licenses. Loss of state energy royalties and the loss of interest generated on financial accounts also have diminished financial resources normally available to fund staff and state agency operations. Mandatory reductions in spending authority, hiring freezes, stringent spending restrictions, and reduction or elimination of state general fund revenues to the state agencies are some of the fiscal challenges they face going into the next state fiscal biennium.

Below are a few examples of how state agencies have been affected financially and operationally by the COVID-19 pandemic and why they seek fiscal relief from nonfederal match to grants administered under the Wildlife and Sport Fish Restoration Program (WSFR), which includes State and Tribal Wildlife Grants, of the US Fish and Wildlife Service (FWS).

### Alabama

- The Wildlife and Freshwater Fisheries Division of the Alabama Department of Conservation and Natural Resources relies heavily on state license revenues to pay for their conservation law enforcement (CLE) officers and operations as well as providing the vital state match portions to leverage Pittman-Robertson and Dingell-Johnson federal funds to adequately fund all the other fish and wildlife conservation responsibilities and services of the Division.
- There are insufficient state funds to cover the year-over-year growing financial shortfalls of Alabama's CLE needs, and the unfilled staff vacancies continue to grow. In fact, the number of CLE officers within the Division is at an historic low. They have the same number of CLEs today that they did in 1971, which represents a 35% decline and leaves more than 25 unfilled CLE officer positions.
- These historically low staffing levels occur at the worst time possible – when Alabama's wildlife management areas and recreational target shooting ranges are experiencing unprecedented high levels of public use during the COVID-19 pandemic, and more CLEs than the Division has are needed to manage over-crowding, assist with educating the public, and provide vital public safety functions. Additionally, CLEs are providing public safety assistance to local law enforcement jurisdictions that are also overwhelmed with overcrowding issues, which further stresses the Division's limited CLE resources.

- Further, the Division is challenged to make its nonfederal match for their Wildlife and Sportfish Restoration and State Wildlife Grant projects, and partners' in-kind and monetary donation match contributions are equally constrained, unable to offset the deficit. These fiscal difficulties are further exacerbated by a state budget cycle that requires all nonfederal match to be secured two years in advance, making recoveries from unexpected expenditures and resource challenges like responding to the COVID-19 pandemic extremely challenging.

### **Alaska**

- The lives of Alaskans directly depend on the state's fish, wildlife, and natural resources. Alaska's residents rely on subsistence hunting far more than those in any other state, but the budget of the Alaska Department of Fish and Game are highly dependent on hunting and fishing license sales.
- For Alaska, the majority of this revenue is from the sale of non-resident licenses. These are primarily generated by anglers and hunters within the tourism industry, which is now all but nonexistent and potentially facing a dire future. License and tag sales for nonresidents in the first half of 2020 are down 90% compared to sales through the first half of April 2019. The resulting loss totals 60% of the budget for the Department.
- A substantial portion of sales are non-resident fishing licenses sold to customers on cruises, an industry in the midst of a global shut down. Nonresident fishing licenses account for nearly 70% of the license revenue in a normal year and provides about 50% of the funding for the Division of Sport Fish within the Department of Fish and Game. The substantial loss of nonresident anglers in 2020 will have a devastating impact on license revenue and could result in a revenue loss of over \$9 million.
- Alaska would have to sell up to five times the annual number of resident licenses to make up for these revenue shortfalls, which isn't likely since nonresident license revenue comprises approximately 60% of the department's revenue. These are not budgetary shortfalls that can simply be addressed by state legislature moving money around. Up to 90% of Alaska's unrestricted state general fund relies on oil and gas revenues, which are projected to be less than half of expected yearly numbers.

### **Delaware**

- Safety margins are used in WSFR grant management to determine how much apportioned funds can be rolled forward and obligated the following fiscal year or must be reverted to the USFWS. Ongoing staff vacancies coupled with a hiring cap and restrictions in the use of contract employees has challenged the Delaware Division of Fish and Wildlife to fill and pay for these positions with grant funds. This lack of staff has jeopardized the Division's safety margins and increased their risks for reverting sportsmen's conservation dollars to the USFWS.
- Further, the COVID-19 pandemic has required the Division to alter their field work and associated protocols to protect the health and safety of agency staff and project volunteers. Consequently, the agency is currently unable to utilize volunteers' time as in-kind, nonfederal match assistance on State Wildlife Grant (SWG) projects, as well as WSFR funding associated with their Hunter Education Program. Volunteers are normally utilized to manage and deter the recreating public from disturbing nesting shorebirds, wading birds, and colonial nesting birds – species whose nesting success are particularly sensitive to human and vehicle disturbance. The total loss of this vital source of in-kind match jeopardizes the

Division's ability to meet their nonfederal match requirements for SWG projects. Delaware's Hunter Education Program utilizes at least 50 volunteer instructors to deliver 11 different programs to the public to educate hunters in the safe and proficient use of firearms and to promote knowledge in wildlife identification, management and conservation. Each year these volunteer instructors offer a minimum of 35 classes to over 1000 students statewide contributing over \$20,000 in in-kind services as match. The loss of this in-kind match jeopardizes the Division's ability to meet their nonfederal match requirements for WSFR Hunter Education projects.

### **Georgia**

- Georgia's Division of Wildlife Resources received an 18% budget reduction, totaling \$4.1 million. The majority of this funding was budgeted for capital outlay projects and would have been used as match for high priority WSFR projects.
- Further, the pandemic prevented the division from conducting in-person hunter education programs this year, which resulted in the loss of in-kind nonfederal match which the agency depends on for meeting nonfederal match requirements and future programs.
- Aquatic education revenue needed to support Georgia's Go Fish Education Center operation is down nearly 100% since March. The COVID-19 pandemic is the sole driver of this year's 35% loss in Center revenue.
- Any further budget cuts, loss of in-kind match, or unexpected expenses will further complicate the division's ability to meet their required nonfederal match for grants.

### **Illinois**

- Non-resident hunting licenses account for more than \$15 million in revenue for Illinois (fully half of the state's hunting license receipts), with \$6.9 million coming from non-resident archery deer hunting permits. Illinois faces the potential loss of non-resident deer hunting license sales this fall if the pandemic continues and travel remains restricted or reduced.
- Every state property in Illinois closed almost immediately due to COVID-19, from March 15-May 29, causing a loss of \$1.5 million in camping revenue.
- Illinois currently is near its legislatively mandated headcount cap with many essential positions still remaining to be filled. Additionally, a hiring freeze has been instituted that shuts off hiring for all but the most critical positions.
- The Illinois DNR faces an uncertain budget position, as many of its non-federal and non-license revenue funds are subject to statutory transfers to the state's general fund, potentially reducing funds available to the Department.

### **Indiana**

- Indiana Division of Fish and Wildlife of the Department of Natural Resources will experience a 15% budget cut on both general and dedicated funding like their sister state agencies, creating serious threats of reversion. This budget cut will last through the next biennium into 2022, with implications for the following biennium as well.
- The state legislature is highly likely to sweep all revenue accounts that are not protected from diversion, reducing the state revenue the division has available to meet nonfederal match needs.
- A hiring freeze has been issued as one of the strategies for the state to make the 15% budget cut. Currently the Division has 38 staff positions in the division unfilled, representing a 14%

total staff vacancy with no path forward. Staffing is down even more when considering research programs, seasonal field work, and fisheries work which rely heavily on volunteers that are not able to provide in-kind volunteer time as match.

## **Michigan**

- All Michigan Department of Natural Resources (MDNR) staff began teleworking on March 16, during which human health and social distancing considerations precluded fish and wildlife fieldwork from being completed on conservation projects and programs. While fieldwork resumed on May 28, the necessary delay created fieldwork backlogs and project completion challenges.
- On March 30, 2020, Governor Whitmer issued [Executive Directive 2020-4](#), which implemented a hiring freeze for all state Departments, leaving staff vacancies for the immediate and foreseeable future. The State of Michigan also has implemented a one day a week temporary layoff for 10 weeks this summer. This temporary layoff is scheduled to end July 24<sup>th</sup>.
- On March 30, 2020, Governor Whitmer also issued [Executive Directive 2020-3](#) and states “state government must take action now to limit its discretionary spending, to help ensure that the COVID-19 pandemic does as little harm as possible to both the public health and the fiscal health of this state.” This means focusing fiscal and human resources on health and human safety needs and COVID-19 responses above other priorities unless otherwise mandated or required, which also complicates the delivery of fish and wildlife conservation projects and public services.
- Many fish and wildlife conservation projects are completed through grants, contracts, and cooperative agreements with conservation organizations, academia, and specialized expertise. Unfortunately, most of these grants, contracts, and agreements are paused and not being funded until further notice. This jeopardizes the implementation of future projects funded by Pittman-Robertson and Dingell-Johnson programs that are normally completed in cooperation with partners.
- One of the unseen risks to accomplishing conservation work is the impact of macro scale state budget pressures. In Michigan, there are critical conservation programs, like certain invasive species work and most significantly, our law enforcement work is largely supported by state general fund revenues -- a source of revenue which is experiencing catastrophic decline and nearly un-precedented demand. Should those general fund dollars leave the MDNR’s budget as a result of the need to balance the state budget, those cuts will have to be back-filled with mix of user generated revenues, a significant portion of which will be state game and fish dollars and WSFR funds. Relieving the nonfederal match requirement will provide critical flexibility to ensure that the (hopefully) temporary declines in general fund revenues do not have permanent negative impact on critical conservation programs and services.
- States like Michigan are facing a dilemma where providing the necessary funds for nonfederal match could mean lacking the personnel capacity to implement funded projects.
- Reversion of federal dollars will set state agencies in a vicious cycle of lost revenue and conservation opportunities, and in Michigan, this cycle has already begun. Due to social distancing requirements and public health considerations, all egg-takes for fish hatcheries were cancelled. Anglers rely on these hatcheries to provide seasonal stocking, and less fish means less angling opportunities in the future and less license revenue generated.

- These limitations and unforeseen challenges associated with the COVID-19 pandemic will affect services to the public and fish and wildlife conservation efforts in Michigan for years to come.

### **Nebraska**

- The Nebraska Game and Parks Commission lost over \$1 million due to the closure of non-resident turkey hunting. That means approximately 7,200 less certified hunters paying into state conservation and comparable reductions in the state's federal funds to be apportioned under the Pittman-Robertson Wildlife Restoration Program in the next fiscal year.
- All camping in the state was closed for months due to the pandemic. Camping fees, one of the main funding sources for the Commission for their state parks program, are behind \$2.5-3 million dollars as of the end of May, as are lodging fees. These funding shortfalls coupled with additional unexpected pandemic related expenses are putting additional strains on existing state revenues, reducing the resources available to meet nonfederal match requirements.
- With the wide-scale closure of activities under directed health measures, public use of every state-owned property skyrocketed with people wanting to get out of their homes and get outdoors. More staff were redirected to these properties to assist with social distancing, traffic management, regulation compliance and overcrowding concerns – increasing the strain on state funds. Public health restrictions resulted in the necessary reduction of volunteers for various state agency programs and projects. This has drastically decreased available in-kind match across all states, but Nebraska in particular relies on research and field work volunteers to generate in-kind match for their grants. This loss represents a substantial reduction in in-kind match that is no longer available and adversely affects the agency's ability to meet nonfederal match requirements.

### **Oklahoma**

- Oklahoma's state budget relies significantly on oil and gas revenues for the bulk of its general fund revenue. The drop in this revenue coupled with a highly volatile stock market has had significant economic impacts on the state budget and funds.
- The economic downturn guarantees the state legislature will seek to sweep any non-protected funding sources, exacerbating the Oklahoma Department of Wildlife Conservation's FY 2021 budget deficit. This deficit is the direct result of the current pandemic, caused by significant loss of interest on investments, stock market swings, and loss of nonresident license revenues each of which are critical to meeting the budget needs of the department.
- The Department's Lifetime License Trust Fund, from which annual interest earnings are withdrawn, is utilized to meet nonfederal match requirements for federal grants and make up department budget shortfalls in recent years from the ongoing decline in annual license sales. In the early months of the COVID-19 outbreak, the Department lost nearly \$11 million in its stock market investments, thus resulting in an FY 2021 budget that is over \$7 million less than FY 2020. If conditions don't improve or relief is not provided, the Department will be unable to meet its nonfederal match requirements much less maintain its grants, contracts, and cooperative agreements with partners to sustain important projects, programs, management activities, research, and constituent services.

## **Washington**

- At the Governor's request, the Washington Department of Fish and Wildlife submitted a \$12.8 million cut for their FY21 budget, representing a 15% reduction in State General Fund spending authority, resulting in the postponement and potential cancellations of projects dedicated to restoring state species of greatest conservation need, and lost opportunities to restore imperiled species before protections of the Endangered Species Act are warranted.
- Further budget implications include reduced funding for fish barrier analysis and mapping that benefits salmon populations, listed Southern Resident Killer Whales, and other fisheries as well as reductions in aquatic invasive species mitigation, the latter of which are one of the most critical threats to the health of Washington's aquatic habitats and fisheries. Dire fish hatchery improvements have been cancelled, further straining state recreational and commercial fisheries infrastructure.
- With multi-billion-dollar state budget shortfalls predicted over the next several years, the Department is planning deeper budget cuts for the next biennium, and the Department will be forced to further reduce services and alter project timelines, which will adversely affect the public and their conservation partners for years to come.
- The Department, like many other state fish and wildlife agencies across the country, is currently under a hiring freeze as well as an equipment and contract freeze.
- Department capacity challenges are further exacerbated by mandatory furloughs and redirected resources that are not protected from diversion. Through at least July 25, the majority of Department staff will be furloughed one day a week, with a voluntary furlough offered in addition. The Department will continue to furlough staff one day per month through November 2020. The hiring and contract freezes coupled with existing Department vacancies will adversely impact the Department's ability to deliver conservation programs and public services in a timely manner.

## **West Virginia and Kansas**

Estimated sales of guns and ammunition have increased by about 300% in the second fiscal quarter of FY2020. Revenues generated from these taxes are apportioned to the state agencies under the Pittman-Robertson Wildlife Restoration Program, with a 25% nonfederal match requirement. However, 100% of project funding is provided up front by state agencies. Matching this estimated 300% increase is a concern for almost every state, but the state agencies of West Virginia and Kansas have expressed particular concern.

- The West Virginia Division of Natural Resources has seen a significant decline in hunting and fishing license revenue. The year to date loss in license revenue through June is almost \$1 million or about 3.5% of the Wildlife Resources Section's operating revenue. This lost revenue will impact the agency's ability to provide essential services to the public. This revenue deficit is due in part to declining numbers of nonresident anglers and turkey hunters. In addition, resident anglers were granted two months of free fishing privileges during the peak trout fishing period.
- In Kansas, the reduction and eventual termination of non-resident licenses sales likewise resulted in a \$2 million loss in revenue.