



The voice of fish and wildlife agencies

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April 10, 2020

The Honorable David Bernhardt
Secretary
US Department of the Interior
Washington, D.C. 20240

Re: COVID-19 Financial Relief for State Fish and Wildlife Agencies

Dear Secretary Bernhardt,

I write today to ask for your help in managing the crushing financial effects of the COVID-19 pandemic, 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. The Association of Fish and Wildlife Agencies (Association) represents the collective interests of the state fish and wildlife agencies (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. The Association and its state agencies greatly appreciate our robust, cooperative partnerships with the Department of the Interior (DOI) and its bureaus.

As you know from first-hand experience as an avid hunter and angler and after serving on the Board of Game and Inland Fisheries for the Commonwealth of Virginia, state agencies are often called upon to implement Governor's orders and assist with emergency management responses during times of crisis. Today, we find ourselves amid an unprecedented pandemic that has state agencies' staff responding hourly to changing needs, emergency response logistics, managing the public's escalating use of state lands and waters while trying to maintain safe physical distancing, and trying to carry-on with regular operational activities under new and growing financial strains and public pressures. We are making tough choices and doing our best every day to support hunters, recreational target shooters, fishers, boaters, and the public while fighting the pandemic.

Unfortunately, the current public health crisis caused by the novel coronavirus and the necessary actions to safeguard our citizens is sending states' and our nation's economies into a downward spiral. Stay at home orders, travel restrictions, mandatory quarantines, and reduced tourism continue to impact state revenues, which continue to plummet, 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 federal grants and the lifeblood of state agencies, are also being adversely affected in many states. Some state agencies are predicting a 30-50% loss of license sales revenue due to the current national crisis, which cannot be recouped. Activities that would normally generate sources of nonfederal match such as hunter education classes hosted by volunteers and hunter mentor programs are not occurring due to necessary precautions for physical distancing, causing additional financial losses. Further, the public is increasing use of state agencies'

managed lands and waters for much needed physical and mental health and well-being activities at unprecedented levels, and state agencies are struggling to maintain access to these vital, restorative landscapes at a time with the public needs them most.

While some state agencies' accounts for fish, wildlife, and habitat conservation activities that pay for staff and constituent programs and services are protected from diversion for other uses by the state, others are not. These important nonfederal match revenue accounts, which are not protected from diversion, are expected to be swept 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 revising current budgets downward, executing freezes on hiring and spending, and reducing agency revenue expectations for the current and next several fiscal years in order to balance their budgets.

State agencies utilize these revenues as nonfederal match for their federal grants administered by the US Fish and Wildlife Service's Wildlife and Sport Fish Restoration program. The vast majority of these grants are funded through federal excise taxes paid by industries and manufacturers on hunting, recreational target shooting, fishing, and boating equipment and sales which are apportioned annually to state agencies for specific purposes of wildlife and sport fish population and habitat restoration activities; hunter and recreational target shooter infrastructure; hunter, fisher, boater, and fish and wildlife conservation education programs; fish and wildlife disease work; recreational boating access; and providing the public with state agency managed lands, waters, and infrastructure needed to support these activities, outdoor recreation enthusiasts, and the outdoor recreation economy.

Federal excise tax revenue on the sale of firearms and ammunition is expected to rise based on the sales estimates, while state agencies' sources of nonfederal match revenues for these grant dollars are steeply declining. Currently, the federal:nonfederal match ratio for these grants is 75:25, but the current financial crises and COVID-19 associated challenges are creating severe financial hardships for many state agencies over the next several fiscal years. With the current trajectory, state agencies will not be able to meet the required 25% nonfederal match requirements for these grants which will result in a loss of jobs and reductions in programs, services, and important habitat management activities.

Financial relief from the current 25% nonfederal match requirement is immediately needed for all WSFR administered grants to state agencies in order to continue to meet the needs of hunters, recreational target shooters, fishers, and boaters as well as their state agency missions.

Proposed Financial Relief

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 each of the next two federal fiscal year apportionments, FY2021 and FY2022. To obligate and spend each year's apportionment and implement those projects and programs as planned takes three years. Two apportionments implemented over three years each equates to six years of financial hardship. State agencies' ability to meet the 25% nonfederal match requirement is going to be impossible over the next six years, especially with federal excise taxes generated from the sale of guns and ammunition expected to rise based on sales estimates. To enable state agencies to continue to serve the sportsmen and sportswomen's conservation community, we are seeking a temporary reduction in the nonfederal match requirements for WSFR administered grants as outlined below:

Provide temporarily financial relief to state agencies for a period of six federal fiscal years, beginning with funding apportioned in FY2020:

- Reduce the nonfederal match requirement for all WSFR administered grants from 25% to 10% for a period of six years;

- Reduce the nonfederal match requirement for the Target/Marksmanship provisions of Wildlife Restoration from 10% to 0% for a period of six years, which will create new state infrastructure and new jobs;
- Extend states' obligation period for all WSFR grants (e.g., all Wildlife and Sport Fish Restoration, State Wildlife Grants, and Wildlife Conservation and Restoration Program) from 2 years to 3 years; and from 5 years to 6 years for the 15% of Sport Fish Restoration funds spent on recreational boating access;
- Eliminate penalties and suspend the reversionary effect from safety margins to state agencies for WSFR grants that have a period of availability of federal funds for de-obligating and re-obligating grant funds for an additional two years for grants that are open as of the date of enactment of this provision;
- Ensure that state conservation law enforcement officers are eligible for federal law enforcement operational dollars for COVID-19 and can be accessed or applied for by state agencies as part of an emergency management strategy and response; and
- Reduce the nonfederal match requirement from 50% to 25% for Land and Water Conservation Fund state-side programs for a period of six years.

Benefits from Financial 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.

These changes will also allow states to meet the reduced nonfederal match requirements for their WSFR grants and spend these federal excise taxes 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 and compromised state outdoor recreation infrastructure. Further, it will allow state agencies to implement projects as planned and create new jobs associated with building and maintaining state infrastructure such as recreational target shooting ranges and habitat restoration efforts. In turn, these actions will grow outdoor recreation participation, sustain America's system of conservation funding, and benefit the outdoor recreation economy which accounts for 2.2% of the nation's Gross Domestic Product.

Anticipated Needs of WSFR Program Administration

Over the years there has been an erosion in the purchasing power of the CPI-adjusted administrative funds set aside for the administration, management, and oversight of the WSFR programs. Coupled with a substantial increase in volume and complexity of the workload associated with meeting these responsibilities, the net effect is a gap in funding that impacts WSFR's capacity and ability to provide the required grants management, training, recipient audits, and communications with recipients. Working with the Association, states, industry, and the nongovernmental conservation community beginning in FY2017, the WSFR program conducted a thorough analysis, and subsequently, a Shared Vision for WSFR program administration (Shared Vision) was established for WSFR to follow in its administration, management, and oversight of the Program.

In order to implement the Shared Vision, timely resolve recipient audit issues, and execute the desired financial relief provisions above, the Association believes WSFR will need a modest increase in funds to administer the programs. We support an increase in the Improvement Act Set-Aside of Expenses for

Administration in the amount of \$1,959,000, being evenly distributed across Wildlife Restoration and Sport Fish Restoration at \$979,500 each. As part of this proposed increase of \$979,500 in Sport Fish Restoration funding, the cap of \$900,000 specified in Section 121 - (g)(2) of the Improvement Act for small grant expenditures, should be increased to \$1,300,000. This resolves a longstanding inconsistency in the costs required to administer the labor-intensive small grants programs. Further, in December 2015 the FAST Act (P.L. 114-94) granted the WSFR program with the flexibility to obligate over two fiscal years funds for administration of the Program. Unfortunately, through a legislative drafting error this flexibility was applied only to the Sport Fish Restoration Program. Consequently, we also seek parity of this provision for the Wildlife Restoration Program in order for staff to implement and realize cost-savings and efficiencies identified through development of the Shared Vision.

Administrative Transition to GrantSolutions

As you are aware, the Department of the Interior (DOI) will be implementing a new grants management platform, GrantSolutions, with a go-live date of May 18, 2020. The system will require a new and higher level of interaction by state agency staff. While we understand why the transition is occurring, we have serious concerns about deploying a major, new grant management system in the midst of the COVID-19 pandemic. State agency staff who normally are working on their federal grants with a July 1 start date have been deployed to carry out a variety of new and adapting tasks and actions in response to the pandemic and declared health emergencies. They are not conducting business as usual!

State grant managers are tasked with coordinating their section's respective COVID-19 response during an officially declared Federal and State Public Health Emergency, and some of those coordination and staff tasks include: coordinating medical supply distributions from the Strategic National Stockpile to hospitals across the state; assisting the law enforcement division with boat ramp and wildlife management area patrols; approving personnel transactions related to, and assuring staff are in compliance with, the Families First Coronavirus Response Act; notifying citizens of their exposure to COVID-19; and monitoring and responding to staff who are sick or who have been exposed to a COVID-19 positive patient to name a few. Much is expected of state agency staff who are thrust into responding to this public health emergency while trying to balance work responsibilities with home schooling their children and providing supplies and care to elderly parents. We cannot allow ourselves to forget, that during these difficult times, families matter.

Like many staff within the DOI, the majority of state agency staff are teleworking, often under very challenging work environment, particularly in the rural parts of the states. Not all staff have sufficient internet infrastructure in their communities, which may not allow them to attend the online training or to upload grant information into the GrantSolutions system. Depending on the status of COVID-19 in each state, not all state agency staff may have access to the various grant documents from their home which may be needed to enter into the new system. Additionally, there is concern about time – these staff may still be responding to the pandemic. This must be their priority for the health and well-being of our citizens and our nation. There are not enough hours in the day to manage the often hour-by-hour emerging and emergency demands that this crisis is putting on our staff and also begin to understand a new grant management system.

Further, the transition comes right before state agencies normally submit their grant proposals to the WSFR program for review and approval. This delay in obtaining a grant award may negatively impact our state agencies' abilities to operate and support their staffing levels. Some states won't approve their own budget without a grant award being in place, which starts on July 1 for most states. The funding from the WSFR program may be critical to many states who may already be feeling the economic pinch from COVID-19 policy actions. At this point in time, we must keep our priority on the health of our

citizens and hopefully our returning work force. Most states continue to have some semblance of their usual business operations, but for the transition to the GrantsSolutions system to be effective, it must be done at the right time. We respectfully request you to delay implementation of GrantSolutions until October 1, 2020, in concert with the new federal fiscal year, giving state agencies the time to recover from this pandemic and restore normal business operations. We believe we can continue to meet current grant submission deadlines during the COVID-19 crisis; however, meeting those deadlines will be much more challenging, if not impossible, if we are forced to add the training and implementation of GrantSolutions next month.

Temporary Suspension of All State Agency Audits

We support audits and transparency because they are important components of our state agencies' business operations. We will work with WSFR staff to suspend audits of their grant programs for six months to alleviate situational constraints and challenges during the COVID-19 pandemic. However, considering the hardships articulated above, we respectfully request that all DOI and bureau audits of state agencies be suspended for a minimum of six months. Staff who would normally be responsible for gathering all of the necessary data for and managing these audits are also part of the emergency response to the pandemic, and they must prioritize implementation of Governor's orders and emergency responses for the health and well-being of our citizens during this time of crisis.

In closing, the Association also recognizes there are additional federal budget line items and programs within the DOI and its bureaus that are tremendously successful at creating jobs and providing benefits to the management and restoration of fish, wildlife, and their habitats which may be well-suited for a future job stimulus package. We continue to hone our list of recommendations for your and Congress's consideration, which we will share with you soon.

Thank you for considering our requests and for your partnership with the state agencies. We look forward to working with you and your staff to overcome this national crisis while building a conservation legacy and stronger outdoor recreation economy. Please do not hesitate to contact me if you wish to discuss the contents of this letter. I can be reached at Kelly.Hepler@state.sd.us or at 907-242-1907 may also contact the Association's Government Affairs Director, Mrs. Jen Mock Schaeffer, at jenmock@fishwildlife.org or 202-870-8062.

Sincerely,



Kelly R. Hepler
President

Cc: Margaret Everson