

☞ 05hr_JC-Au_Misc_pt12



☞ Details: Proposed Audit: Fish and Wildlife Account, Department of Natural Resources

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Joint

(Assembly, Senate or Joint)

Committee on Audit...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Record of Committee Proceedings

Joint Legislative Audit Committee

Proposed Audit: Fish and Wildlife Account, Department of Natural Resources

July 19, 2005

PUBLIC HEARING HELD

- Present: (8) Senators Roessler, Cowles and Lassa;
Representatives Jeskewitz, Kaufert, Kerkman,
Travis and Cullen.
- Absent: (2) Senators S. Fitzgerald and Miller.

Appearances For

- Scott Suder, Abbotsford — Representative, Wisconsin State Assembly
- Jerry Petrowski, Marathon — Representative, Wisconsin State Assembly
- Greg Dzedzic, Eagle River — President, Sporting Heritage Inc.

Appearances Against

- None.

Appearances for Information Only

- Joe Chrisman, Madison — Legislative Audit Bureau
- James Zylstra, Madison — Legislative Audit Bureau
- Scott Hasset, Madison — Secretary, Department of Natural Resources
- Joe Polasek, Madison — Budget Director, Department of Natural Resources

Registrations For

- Joe Leibham, Sheboygan — Senator, Wisconsin State Senate
- Dave Zien, Eau Claire — Senator, Wisconsin State Senate

Registrations Against

- None.

July 19, 2005

EXECUTIVE SESSION HELD

Present: (8) Senators Roessler, Cowles and Lassa;
Representatives Jeskewitz, Kaufert, Kerkman,
Travis and Cullen.

Absent: (2) Senators S. Fitzgerald and Miller.

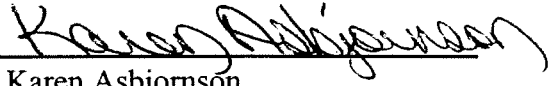
Moved by Representative Kerkman, seconded by Representative Kaufert that **Proposed Audit: Fish and Wildlife Account, Department of Natural Resources** be approved according to the scope statement dated July 11, 2005 prepared by the Legislative Audit Bureau.

Ayes: (7) Senators Roessler, Cowles and Lassa;
Representatives Jeskewitz, Kaufert, Kerkman
and Cullen.

Noes: (1) Representative Travis.

Absent: (2) Senators S. Fitzgerald and Miller.

ADOPTION RECOMMENDED, Ayes 7, Noes 1


Karen Asbjornson
Committee Clerk

Vote Record

Joint Legislative Audit Committee

Date: 7-19-05

Bill Number: proposed audit Fish and Wildlife Account, DNR

Moved by: Kerkman Seconded by: Kaufert

Motion: DNR Fish and Wildlife Account

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Carol Roessler Co-Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Suzanne Jeskewitz Co-Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Robert Cowles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Scott Fitzgerald	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Mark Miller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Senator Julie Lassa	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Dean Kaufert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Samantha Kerkman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative David Travis	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative David Cullen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 7 - 1 - 2

Motion Carried

Motion Failed





Joe Leibham

STATE SENATOR

October 24, 2003

Senator Carol Roessler, Co-Chair
Joint Committee on Audit
Room 8 South, State Capitol
Madison, WI 53708

Representative Suzanne Jeskewitz, Co-Chair
Joint Committee on Audit
Room 314 North, State Capitol
Madison, WI 53708

Dear Senator Roessler and Representative Jeskewitz,

On behalf of the sportsmen and women of Wisconsin, I am writing to request approval from the Legislative Joint Audit Committee for an audit of the Department of Natural Resources' (DNR) Fish & Wildlife Account.

As you know, as a part of his original 2003-2005 State Budget plan, Governor Jim Doyle proposed to increase hunting and fishing license fees by approximately \$23 million. While the legislature amended the Governor's proposal, license fee increases were enacted as a part of the final version of the state budget, 2003 Wisconsin Act 33.

The Governor's license fee increase plan generated a great deal of question and debate across our state. Many constituents who hunt, fish and enjoy Wisconsin's outdoors are interested in better understanding how the dollars that they invest on hunting and fishing licenses fees are being used by the DNR.

In light of the questions and interest raised, I would like to request that the Audit Committee approve an audit of the DNR Fish & Wildlife Account. The audit could focus on the following:

- A review of DNR accounting procedures used in regard to the receipt and allocation of hunting and fishing license fees.
- A review of the funds raised from the sale of hunting and fishing licenses and the extent in which the Department appropriates these funds to fish and wildlife programs. ✓ 1998
- A review of how the funds received from the sale of hunting and fishing license fees are used for other expenditures.
- An examination of how Wisconsin fares against neighboring states in expending percentage of funding for fish & wildlife activities versus administrative costs.

I appreciate your consideration of this request. Please contact me if you have any questions. This audit will provide valuable information to the legislature for future budget considerations and answers to the important questions asked by the sportsmen and women of our state.

Sincerely,

Joe Leibham

State Senator

9th Senate District

State Capitol: P.O. Box 7882 • Madison, WI 53707-7882

(608) 266-2056 • Toll-Free: (888) 295-8750 • Fax: (608) 267-6796 • E-Mail: Sen.Leibham@legis.state.wi.us

9th District: 3618 River Ridge Drive • Sheboygan, WI 53083 • Phone: (920) 457-7367

-----Original Message-----

From: Leibham, Joseph
Sent: Wednesday, March 24, 2004 12:35 PM
To: Roessler, Carol; Jeskewitz, Suzanne
Cc: Leibham, Joseph
Subject: Senator Leibham Audit Request

Senator Roessler and Representative Jeskewitz,

Now that we have finished up legislative work on the Transportation Projects Commissions (TPC) Bill, I am requesting your further consideration of my request for an audit on the use of hunting and fishing license fees by the Department of Natural Resources (DNR).

A copy of my original audit request letter is attached for your review.

<< File: Audit Request 10.1.03.doc >>

It was a pleasure working with both of you on the TPC legislation and I appreciate your consideration of this important audit request.

Thanks for your service to the State of Wisconsin.

It is an honor representing the residents of the 9th District in the State Senate!

Sincerely,

Joe Leibham
State Senator
9th Senate District

Sen.Leibham@legis.state.wi.us
Toll Free - 1.888.295.8750
Capitol Address -
P.O. Box 7882
Madison, WI 53707-7882
State Web Page - www.wisconsin.gov

"On-line" Office of the 9th Senate District
www.legis.state.wi.us/senate/sen09/news/index.htm

Reynolds too!

Need to do something



SCOTT SUDER

State Representative • 69th Assembly District

State Capitol Office:

Room 21 North
P.O. Box 8953
Madison, WI 53708-8953
(608) 267-0280 • Fax: (608) 282-3669

69th Assembly District:

Telephone/fax: (715) 223-6964
Call toll-free: (888) 534-0069
Rep.Suder@legis.state.wi.us

www.legis.state.wi.us/assembly/asm69/news

May 9, 2005

The Honorable Carol Roessler, State Senator
Co-Chair Joint Legislative Audit Committee
Room 8 South, State Capitol
Madison, WI

The Honorable Susan Jeskewitz, State Representative
Co-Chair Joint Legislative Audit Committee
Room 314 North, State Capitol
Madison, WI

Dear Senator Roessler and Representative Jeskewitz:

I am writing this letter to respectfully request that the Joint Legislative Audit Committee, under your leadership as Co-Chairwomen, consider performing a comprehensive audit of the Department of Natural Resources fish and wildlife accounts. Many sportsmen and legislators are deeply concerned that the DNR may not be using 100% of these monies for the purpose for which they were intended.

As I'm certain you are aware, the most recent 1998 audit of these accounts indicated that only 40 percent of the user fee expenditures (hunting and fishing fees) primarily benefit hunters and anglers. That particular audit further showed that at least \$981,000 was spent on activities not directly supporting hunting or fishing opportunities, including various endangered resources work. In fact, an incredulous \$11.6 million, or 23.0 percent of user fees, was spent on the DNR's overhead costs. Furthermore, the audit showed that meaningful spending restrictions are placed on only 6% of revenue generated through hunting and fishing fees.

As you may also know, Wisconsin's budget for fish and wildlife activities is larger than those of most states, ranking sixth nationally and first among Midwestern states.

The last audit of these accounts was undertaken 7 years ago and the DNR has yet to provide to the Legislature or the public accurate accounting data regarding these accounts. Meanwhile, Governor Doyle and the DNR have undertaken an unprecedented public relations campaign trying to convince our constituents of the supposed need for a record increase in hunting and fishing license fees. I believe it is important for us as policy makers to have up to date, accurate information as to how the monies sportsmen are asked to pay for these important programs are being spent by the department.

Assembly Committee Assignments:

Criminal Justice, Chairman • Rural Development, Vice Chairman • Corrections and the Courts
Transportation • Agriculture • Law Revision • Rural Economic Development Board

Since the DNR refuses to reform its own accounting procedures with regard to these important programs (which was strongly recommended by the Audit Bureau in 1998), I believe it is important for sportsmen and taxpayers to have confidence that the fees they pay for hunting and fishing are being used by the DNR for their intended purposes. The 1998 audit clearly indicated a lack of oversight and accountability with regard to the DNR's management of these funds. It appears that the reforms suggested in the last audit have been thus far ignored by the department.

I believe a comprehensive audit of these accounts is important for a number of reasons. First, to ensure sportsmen that their hard-earned money is indeed being used for the programs they were intended. Secondly, an audit of these programs will assist both legislators and the public in understanding exactly how these fees are being used by this agency. Such an audit will also help ensure the integrity and solvency of these programs in the future.

If indeed the department is using hunting and fishing fees for purposes other than what they were intended for, as some allege, an independent audit will shine the light of truth on such practices. Unfortunately, as it stands, we simply don't know. That's unacceptable for both taxpayers and their elected leaders.

I respectfully urge you to take these facts into account and initiate an audit of the DNR's fish and wildlife accounts this year. Sportsmen and women statewide have a right to know how their hard earned money is being spent.

Thank you in advance for considering my request and I remain hopeful that with your assistance we will force the DNR to reform its confusing and loose accounting practices with regard to hunting and fishing funds. Please feel free to contact me should you have any questions or need any additional information. I look forward to your reply.

Sincerely,



Scott Suder

State Representative

Wisconsin's 69th Assembly District



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

FOR IMMEDIATE RELEASE

For further information, please contact:
State Representative Scott Suder

May 16, 2005

Toll Free at 1-(888)-534-0069

REP. SUDER CALLS FOR AUDIT OF DNR HUNTING AND FISHING ACCOUNTS

**Northern Lawmaker Wants To Know if Sportsmen Fees
Are Being Used For Unrelated DNR Activities**

ABBOTSFORD... State Representative Scott Suder (R-Abbotsford) has called for a comprehensive Legislative audit of the DNR's hunting and fishing accounts. In a letter to the Legislature's Joint Audit Committee, Suder said sportsmen and taxpayers deserve to know exactly how their hunting and fishing fees are being spent by the DNR. The lawmaker says the DNR needs to prove to the public these monies are being used for their intended purposes, and not to finance unrelated programs within the department. Suder sent an official request to the Joint Audit Committee for the audit to be conducted this year.

"Sportsmen throughout this state expect the DNR to be using 100% of their hunting and fishing fees for programs related to these activities," Suder said. "The fact is, the DNR's accounting practices are so loose, we don't know exactly how these funds are being spent."

A 1998 independent audit indicated that only a portion of hunting and fishing fees are actually used to fund hunting and fishing programs by the department. The audit further showed that \$981,000 of sportsmen fees was spent on activities that did not directly support hunting and fishing opportunities. Auditors also discovered that 23 percent of sportsmen fees (\$11.6 million) were spent on DNR overhead costs. Suder said sportsmen and taxpayers have a right to know exactly how these fees are being used.

"An independent audit of the DNR is the only way we will know once and for all how these fees are being spent," Suder stated. "The last audit 7 years ago raised serious questions about the DNR management of these funds and it appears those problems still exist today."

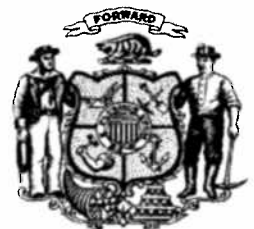
Often an outspoken critic of the DNR, Suder has been reluctant to support increases in hunting and fishing fees and has repeatedly questioned the agency's spending practices. Suder said serious questions remain about the accountability for fish and wildlife spending which can only be answered through an independent audit of the agency. Recent figures indicate Wisconsin's budget for fish and wildlife activities is larger than those of most states, ranking sixth nationally and first among Midwestern states.

"The DNR is one agency in dire need of accounting reform," Suder stated. "An audit will help ensure the integrity and solvency of Wisconsin's hunting and fishing programs for the future," Suder commented.

For more information on the license fee increase proposal and other legislative issues feel free to contact Representative Suder at (888) 534-0069 or email him at Rep.Suder@legis.state.wi.us.



WISCONSIN STATE LEGISLATURE





Joe Leibham

STATE SENATOR

July 5, 2005

Senator Carol Roessler, Co-Chair
Joint Committee on Audit
Room 8 South, State Capitol
Madison, WI 53708

Representative Suzanne Jeskewitz, Co-Chair
Joint Committee on Audit
Room 314 North, State Capitol
Madison, WI 53708

Dear Senator Roessler and Representative Jeskewitz,

On behalf of the sportsmen and women of Wisconsin, I am writing to request approval from the Legislative Joint Audit Committee for an audit of the Department of Natural Resources' (DNR) Fish & Wildlife Account.

Every year, thousands of sportsmen and women across Wisconsin pay millions of dollars to obtain hunting and fishing licenses. When a hunting or fishing license is purchased there is an understanding that the fees paid will be used to protect our state's fish and wildlife for future generations of sportsmen and women and all outdoor enthusiasts.

Wisconsin's sporting community has now been asked in two successive biennia to make a greater investment in the stewardship of our natural resources. This has generated a great deal of question and debate across our state. Many constituents who hunt, fish and enjoy Wisconsin's outdoors are interested in better understanding how the dollars that they invest on hunting and fishing licenses fees are being used by the DNR.

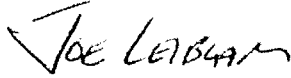
In light of the questions and interest raised, I would like to request that the Joint Legislative Audit Committee approve an audit of the DNR Fish & Wildlife Account. The audit could focus on the following:

- A review of DNR accounting procedures used in regard to the receipt and allocation of hunting and fishing license fees;
- A review of the funds raised from the sale of hunting and fishing licenses and the extent in which the Department appropriates these funds to fish and wildlife programs;
- A review of how the funds received from the sale of hunting and fishing license fees are used for other expenditures.

- An examination of how Wisconsin fares against neighboring states in expending percentage of funding for fish & wildlife activities versus administrative costs.

I appreciate your consideration of this request. Please contact me if you have any questions. This audit will provide valuable information to the legislature for future budget considerations and answers to the important questions asked by the sportsmen and women of our state.

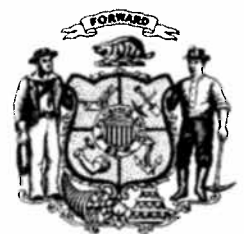
Sincerely,

A handwritten signature in black ink that reads "Joe Leibham". The signature is written in a cursive style with a checkmark-like flourish at the beginning.

Joe Leibham
State Senator
9th District



WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

July 11, 2005

Mr. Scott Hassett, Secretary
Department of Natural Resources
101 South Webster Street, 5th Floor
Madison, Wisconsin 53703

Dear Mr. Hassett:

The Joint Legislative Audit Committee will hold a public hearing at 10:00 a.m. on Tuesday, July 19, 2005, in Room 411 South of the State Capitol. At that time, the Committee will consider a proposed audit of the Fish and Wildlife Account administered by the Department of Natural Resources.

As this proposed audit relates to the activities of your Department, we ask that you, or appropriate members of your staff, be present at the hearing to offer comments on the proposed audit and to respond to questions from committee members. The Legislative Audit Bureau will forward a memorandum outlining the scope of the proposed audit for your review in advance of the hearing.

Please contact Ms. Karen Asbjornson in the office of Senator Carol Roessler at 266-5300 to confirm your participation at the hearing. Thank you for your cooperation and we look forward to seeing on you on July 19th.

Sincerely,

Senator Carol A. Roessler, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Ms. Janice Mueller
State Auditor





STATE OF WISCONSIN

Legislative Audit Bureau

22 E. Mifflin St., Ste. 500
Madison, Wisconsin 53703
(608) 266-2818
Fax (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

Janice Mueller
State Auditor

DATE: July 11, 2005

TO: Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee

FROM: Janice Mueller *Janice Mueller*
State Auditor

SUBJECT: Proposed Audit of the Fish and Wildlife Account—Background Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering separate requests from Senator Leibham and Representative Suder regarding the use of funds from the Fish and Wildlife Account of the Conservation Fund. In fiscal year (FY) 2004-05, the Fish and Wildlife Account received an estimated \$68.0 million in revenues, primarily from hunting and fishing license fees. These funds are used to support various activities associated with hunting and fishing, such as habitat development, fish and wildlife management, law enforcement, land acquisition, research, and administration.

The 2005-07 biennial budget bill approved by the Legislature includes fee increases for several types of licenses and creates a \$20 youth deer gun and archery license for residents age 17 and younger. These fee changes are estimated to generate an additional \$5.0 million in FY 2005-06 and \$7.8 million in FY 2006-07.

Concerns have been raised about the extent to which fees collected for hunting and fishing activities are being used for the purposes for which they were intended and the amount of overhead costs the Department of Natural Resources (DNR) charges to the Fish and Wildlife Account. We last conducted an audit of the Fish and Wildlife Account in 1998. In that audit (report 98-9), we found that from \$50.4 million in FY 1996-97 user fee expenditures, \$981,000 was spent on activities that did not directly support hunting or fishing opportunities and \$11.6 million was spent on DNR's overhead costs. In response to our audit, the Legislature subsequently capped the amount DNR may spend on administration at 16.0 percent of annual Fish and Wildlife Account expenditures.

There is substantial interest in how DNR continues to use fish and wildlife funds, especially in how the fees paid by hunters and anglers are spent and whether fish and wildlife expenditure patterns have changed since our 1998 audit. These concerns result, in part, from DNR's accounting practices, which make it difficult to identify the ultimate source of funds used to finance various programs.

An audit of the Fish and Wildlife Account could examine:

- the extent to which revenue generated from user fees is spent on activities that primarily benefit hunters and anglers;
- the extent to which revenue generated from user fees is spent on activities that benefit multiple users and on activities that do not directly support hunting or fishing;
- the extent to which DNR exercises flexibility in spending Fish and Wildlife Account funds;
- compliance with the legislative restriction on the amount of administrative costs that DNR may charge to the Fish and Wildlife Account;
- how the level and source of fish and wildlife funding in Wisconsin compares to that of other states; and
- options for enhancing DNR's accountability for its use of fish and wildlife funds.

I hope you find this information helpful. If you have any additional questions regarding this request, please contact me.

JM/PS/km

cc: Senator Robert Cowles
Senator Scott Fitzgerald
Senator Mark Miller
Senator Julie Lassa

Representative Samantha Kerkman
Representative Dean Kaufert
Representative David Travis
Representative David Cullen

Senator Joseph Leibham

Representative Scott Suder

Scott Hassett, Secretary
Department of Natural Resources

**WISCONSIN LEGISLATIVE AUDIT BUREAU
AUDIT SUMMARY**

Report 98-9

July 1998

FUNDING FISH AND WILDLIFE PROGRAMS

In fiscal year (FY) 1996-97, the Department of Natural Resources spent \$81.2 million in state and federal funds, including debt service, for fish and wildlife-related programs. The majority of expenditures, \$50.4 million, were funded by hunting and fishing licenses and other user fees. Federal aid and general purpose revenue (GPR) also support fish and wildlife programs.

Hunters and anglers have long raised questions about how the license fees they pay are spent, and in recent years the Legislature and the public have become increasingly concerned about how the Department makes funding allocations. For example, the Department had intended to use hunting and fishing fees to fund a 1996 agreement that will pay an average of \$154,000 annually for 10 years to 11 individuals who agreed to retire their Lake Superior commercial fishing licenses. That decision was reversed in the face of public and legislative opposition, and the buyout is now being funded with GPR.

Approximately 40 percent of User Fee Expenditures Primarily Benefit Hunters and Anglers

The Department's accounting systems pool various user fees and do not track how revenue from individual types of licenses, such as deer hunting and fishing licenses, is spent. Nevertheless, we were able to categorize total user fee expenditures by their primary beneficiaries. We found that in FY 1996-97, \$20.0 million, or 39.7 percent of user fees, was spent for activities that primarily benefited hunters and anglers, such as game population management and habitat conservation. An additional \$17.8 million, or 35.3 percent of user fees, was spent on activities that benefited multiple users, who include but are not limited to hunters and anglers; \$981,000, or 2.0 percent, was spent on activities that did not directly support hunting or fishing opportunities, including recreational boating enforcement and endangered resources work. The remainder, \$11.6 million, or 23.0 percent of user fees, was spent on the Department's overhead costs.

The Department Has Substantial Flexibility in Spending Fish and Wildlife Funds

The Department faces few statutory restrictions on the use of hunting and fishing license fees, and in FY 1996-97 its legislatively approved budget contained most of these funds in a single appropriation. Meaningful spending restrictions are placed on only 6 percent of revenue generated through hunting and fishing fees.

Understanding the Department's spending flexibility provides useful context for assessing the level of funding currently allocated to individual activities. For example, in February 1998, the Department reported that Wisconsin ranked 49th among the 50 states in the number of conservation wardens based on the state's population. In response, the Legislature authorized 18 additional conservation warden positions, funding 17 with GPR and 1 with segregated revenue. However, even though the number of wardens in Wisconsin is lower than in other states, our survey of other states indicates that Wisconsin's budget for fish and wildlife activities is larger than those of most other states, ranking sixth nationally

and first among midwestern states. Further, at \$2.60 per hunter and angler per day, Wisconsin's FY 1997-98 budget is comparable with national averages.

Spending Flexibility Has Raised Concerns About Accountability

The extent of the Department's discretion in spending revenue generated through user fees, coupled with past legislative and public concern about its funding allocation process, has raised questions about accountability for fish and wildlife spending. Current accounting practices limit the Department's, the Legislature's, and the public's ability to obtain accurate information about which funds were used to pay for particular activities and to determine how actual expenditure amounts compare to budgets. To enhance its ability to provide the Legislature and its constituent groups with better information about how it spends fish and wildlife funds, the Department needs to improve its procedures for managing financial information and to develop procedures for reporting program expenditures in the context of progress toward meeting performance goals.

Some Other States Use Alternative Funding Strategies

States rely on user fees and federal aid to fund most fish and wildlife program costs. However, Wisconsin relies on user fees to a greater extent than do most other states. Excluding large capital expenditures, user fees represent 77.2 percent of Wisconsin's FY 1997-98 fish and wildlife budget, compared to a national average of 56.1 percent.

Although most states use other revenue sources to support fish and wildlife programs, only nine states use secondary sources of revenue to support more than one-third of their fish and wildlife budgets. The most common and significant types of secondary revenue are transportation-related fees, such as boat registrations; state lottery profits; and miscellaneous fees and taxes, such as public document recording fees, hotel room taxes, and cigarette taxes.

[View Full Summary](#)

[Go to LAB Reports Page](#)

[Go back one page](#)



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

FOR IMMEDIATE RELEASE

July 11, 2005

For further information, please contact:
State Representative Scott Suder

Toll Free at 1-(888)-534-0069

JOINT LEGISLATIVE AUDIT COMMITTEE TO MOVE FORWARD WITH REP. SUDER'S DNR AUDIT REQUEST

Lawmaker Says DNR Will Finally Have to Account for Massive Spending Sprees

MADISON...Prompted by continued requests from State Representative Scott Suder (R-Abbotsford) for an updated accounting of how the DNR is spending millions of dollars in hunting and fishing fees paid by sportsman each year, the Joint Legislative Audit Committee announced today that it will move forward with a comprehensive audit of the DNR's hunting and fishing accounts early next week. In a letter to the Legislature's Joint Audit Committee in March of this year, Suder said sportsmen and taxpayers deserve to know exactly how their hunting and fishing fees are being spent by the DNR. The lawmaker, a constant critic of the DNR's mismanagement of these funds, said that state hunters, fishers, and trappers will finally know if these monies are being used for their intended purposes, and not to finance unrelated programs within the department.

"Sportsmen throughout this state expect the DNR to be using 100% of their hunting and fishing fees for programs related to these activities," Suder said. "With today's audit announcement the DNR will be forced to come clean and show how these funds are being spent."

A 1998 independent audit indicated that only a portion of hunting and fishing fees are actually used to fund hunting and fishing programs by the department. The audit further showed that \$981,000 of sportsmen fees was spent on activities that did not directly support hunting and fishing opportunities. Auditors also discovered that 23 percent of sportsmen fees (\$11.6 million) were spent on DNR overhead costs. Suder said sportsmen and taxpayers have a right to know exactly how these fees are being used.

"This independent audit of the DNR will help sportsmen know once and for all how these fees are being spent," Suder stated. "The last audit 7 years ago raised serious questions about the DNR management of these funds and it appears those problems still exist today."

Suder, an avid outdoorsman, said serious questions remain about the accountability for fish and wildlife spending which will hopefully be answered by the oncoming audit. Recent figures indicate Wisconsin's budget for fish and wildlife activities is larger than those of most states, ranking sixth nationally and first among Midwestern states.

"The DNR is one agency in dire need of accounting reform," Suder stated. "This long-awaited audit will help ensure the integrity and solvency of Wisconsin's hunting and fishing programs for the future," Suder commented.

For more information on Rep. Suder's DNR Audit and other legislative issues feel free to contact Representative Suder at (888) 534-0069 or email him at Rep.Suder@legis.state.wi.us.



WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

FOR IMMEDIATE RELEASE

For further information, please contact:
State Representative Scott Suder

May 16, 2005

Toll Free at 1-(888)-534-0069

REP. SUDER CALLS FOR AUDIT OF DNR HUNTING AND FISHING ACCOUNTS

Northern Lawmaker Wants To Know if Sportsmen Fees Are Being Used For Unrelated DNR Activities

ABBOTSFORD... State Representative Scott Suder (R-Abbotsford) has called for a comprehensive Legislative audit of the DNR's hunting and fishing accounts. In a letter to the Legislature's Joint Audit Committee, Suder said sportsmen and taxpayers deserve to know exactly how their hunting and fishing fees are being spent by the DNR. The lawmaker says the DNR needs to prove to the public these monies are being used for their intended purposes, and not to finance unrelated programs within the department. Suder sent an official request to the Joint Audit Committee for the audit to be conducted this year.

"Sportsmen throughout this state expect the DNR to be using 100% of their hunting and fishing fees for programs related to these activities," Suder said. "The fact is, the DNR's accounting practices are so loose, we don't know exactly how these funds are being spent."

A 1998 independent audit indicated that only a portion of hunting and fishing fees are actually used to fund hunting and fishing programs by the department. The audit further showed that \$981,000 of sportsmen fees was spent on activities that did not directly support hunting and fishing opportunities. Auditors also discovered that 23 percent of sportsmen fees (\$11.6 million) were spent on DNR overhead costs. Suder said sportsmen and taxpayers have a right to know exactly how these fees are being used.

"An independent audit of the DNR is the only way we will know once and for all how these fees are being spent," Suder stated. "The last audit 7 years ago raised serious questions about the DNR management of these funds and it appears those problems still exist today."

Often an outspoken critic of the DNR, Suder has been reluctant to support increases in hunting and fishing fees and has repeatedly questioned the agency's spending practices. Suder said serious questions remain about the accountability for fish and wildlife spending which can only be answered through an independent audit of the agency. Recent figures indicate Wisconsin's budget for fish and wildlife activities is larger than those of most states, ranking sixth nationally and first among Midwestern states.

"The DNR is one agency in dire need of accounting reform," Suder stated. "An audit will help ensure the integrity and solvency of Wisconsin's hunting and fishing programs for the future," Suder commented.

For more information on the license fee increase proposal and other legislative issues feel free to contact Representative Suder at (888) 534-0069 or email him at Rep.Suder@legis.state.wi.us.

May 9, 2005

The Honorable Susan Jeskewitz, State Representative
Co-Chair Joint Legislative Audit Committee
Room 314 North, State Capitol
Madison, WI

Dear Representative Jeskewitz:

I am writing this letter to respectfully request that the Joint Legislative Audit Committee, under your leadership as Co-Chairwomen, consider performing a comprehensive audit of the Department of Natural Resources fish and wildlife accounts. Many sportsmen and legislators are deeply concerned that the DNR may not be using 100% of these monies for the purpose for which they were intended.

As I'm certain you are aware, the most recent 1998 audit of these accounts indicated that only 40 percent of the user fee expenditures (hunting and fishing fees) primarily benefit hunters and anglers. That particular audit further showed that at least \$981,000 was spent on activities not directly supporting hunting or fishing opportunities, including various endangered resources work. In fact, an incredulous \$11.6 million, or 23.0 percent of user fees, was spent on the DNR's overhead costs. Furthermore, the audit showed that meaningful spending restrictions are placed on only 6% of revenue generated through hunting and fishing fees.

As you may also know, Wisconsin's budget for fish and wildlife activities is larger than those of most states, ranking sixth nationally and first among Midwestern states.

The last audit of these accounts was undertaken 7 years ago and the DNR has yet to provide to the Legislature or the public accurate accounting data regarding these accounts. Meanwhile, Governor Doyle and the DNR have undertaken an unprecedented public relations campaign trying to convince our constituents of the supposed need for a record increase in hunting and fishing license fees. I believe it is important for us as policy makers to have up to date, accurate information as to how the monies sportsmen are asked to pay for these important programs are being spent by the department.

Since the DNR refuses to reform its own accounting procedures with regard to these important programs (which was strongly recommended by the Audit Bureau in 1998), I believe it is important for sportsmen and taxpayers to have confidence that the fees they pay for hunting and fishing are being used by the DNR for their intended purposes. The 1998 audit clearly indicated a lack of oversight and accountability with regard to the DNR's management of these funds. It appears that the reforms suggested in the last audit have been thus far ignored by the department.

I believe a comprehensive audit of these accounts is important for a number of reasons. First, to ensure sportsmen that their hard-earned money is indeed being used for the programs they were intended. Secondly, an audit of these programs will assist both legislators and the public in understanding exactly how these fees are being used by this agency. Such an audit will also help ensure the integrity and solvency of these programs in the future.

If indeed the department is using hunting and fishing fees for purposes other than what they were intended for, as some allege, an independent audit will shine the light of truth on such practices. Unfortunately, as it stands, we simply don't know. That's should be unacceptable for both taxpayers and their elected leaders.

I respectfully urge you take these facts into account and initiate an audit of the DNR's fish and wildlife accounts this year. Sportsmen statewide have a right to know how their hard earned money is being spent.

Thank you in advance for considering my request and I remain hopeful that with your assistance we will force the DNR to reform its confusing and loose accounting practices with regard to hunting and fishing funds. Please feel free to contact me should you have any questions or need any additional information. I look forward to your reply.

Sincerely,

Scott Suder
State Representative
Wisconsin's 69th Assembly District



March 14, 2005

Senate Majority Leader Dale Schultz
Room 211 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Assembly Speaker John Gard
Room 211 West
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Senator Schultz and Representative Gard:

On behalf of over one million hunters and fishermen in Wisconsin, we request your assistance in assuring that our money is properly utilized by the Department of Natural Resources (DNR). Wisconsin sportsmen and women are among the most generous in the nation. We pay higher license fees than most states, in addition to consistently leading the nation in fundraising for a variety of conservation and habitat improvement efforts from waterfowl to whitetails.

We are firm believers in conservation of resources and protection of our environment. But, environmental enforcement is our responsibility as citizens and should be treated that way. Hunting and fishing licenses are user fees related to game management, habitat conservation and citizen access to hunting and fishing opportunities.

The DNR is proposing hunting and fishing license fee increases of up to 60% without adequately addressing where the money will go.

We are concerned about several developments that have not been adequately addressed by the Department that have shaken the trust of sportsmen across Wisconsin, including:

- The non-partisan Legislative Audit Bureau audited of Fish and Wildlife programs in 1998 (Audit # 98-9). This audit showed that, ***"20.0 million, or 39.7% of expenditures funded by user fees, supported activities that primarily benefited hunters and anglers, such as managing game populations, preserving fish***

habitat, and conducting ecological assessments and evaluations of game species.” The DNR has not shown they have fixed a system that spends 60% of user fee dollars on other programs.

- The same audit found that an incredible \$18.8 million dollars paid by Wisconsin sportsmen went to fund programs that do not benefit sportsmen over others. We are not critical of the usefulness of these programs for Wisconsin. But, **when a user fee is not spent directly for the benefit of the user, it becomes a tax.** Sportsmen and women provide a valuable service to our state in balancing wildlife populations, voluntarily funding restoration of wetland and other habitat, funding the tourism industry and passing on an honored heritage. The DNR has neither shown they have eliminated nor justified this tax on sportsmen. Now they want to raise the tax.
- The audit also found the department took 23% of the Fish and Wildlife account to spend on the bureaucratic hierarchy of the DNR. One-in-four dollars spent on bureaucracy is either a sign of gross mismanagement, another grab of our user fees or both. The Secretary now says the DNR only takes 10% of the Fish and Wildlife Account for administration (Green Bay News Chronicle, March 11, 2005). Just using the audit numbers would show that cutting administration from 23% to 10% of the \$11.6 million expenditure at that time for administration would have resulted in over \$6 million more per year available for programs benefiting sportsmen without fee increases.
- The DNR has increased use of Conservation Wardens for environmental enforcement at the expense of their game management and conservation responsibilities. If Conservation wardens were freed from all but emergency environmental work or if this work was paid for by the proper non-wildlife accounts, how much more conservation enforcement could we have? The DNR is now calling some Wardens “Environmental Wardens” instead of “Conservation Wardens.” Were these “Environmental Wardens” created and funded at the expense of “Conservation Wardens” and is any portion of their cost associated with the Fish and Wildlife Account?
- Adequate funding and fee increases were approved for the current budget to maintain programs including stocking of fish and game birds. Apparently, the Department was unable to maintain programs that the non-partisan Legislative Fiscal Bureau said were adequately funded. Sportsmen and the Legislature deserve to know if reduced management and conservation by the Department was the result of mismanagement of our user fee dollars or diversion of those dollars from their budgeted purpose.

If we are going to maintain our traditions and provide the wildlife management services that are critical to maintaining a safe and balanced environment, we must assure sportsmen their dollars are wisely and properly spent. Hunters and fishermen have always paid our own way. Diverting the money we pay for the sport to other programs is a violation of the trust of every sportsman and woman. If this violation is not corrected, we will lose sportsmen, damaging our environment and our heritage.

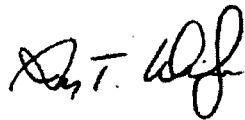
Please investigate these issues to restore confidence in the DNR and end the unfair taxation of sportsmen.

We request an audit of the DNR on the above topics to be completed prior to completion of the state budget. We further ask that more forceful steps be taken, if necessary, to ensure the Hunting and Fishing Tax is ended completely and permanently. When you have guaranteed our money is being properly spent, please set fees at the level necessary to maintain the greatest hunting and fishing opportunities in the United States.

Please do not approve any funding for the DNR until you can guarantee these issues have been addressed.

Allow us to pay for hunting and fishing as sportsmen and **ALL citizens** to pay equally for environmental enforcement which benefits **ALL citizens** of Wisconsin. We will pay our fair share for environmental enforcement and the other necessary programs offered by the DNR along with everyone else in the state. Please don't allow the DNR and the Governor to balance the budget of the backs of sportsmen.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Dzedzic". The signature is fluid and cursive, with the first name being more prominent.

Greg Dzedzic, President
Sporting Heritage, Inc



**Sportsmen's Group Requests DNR Audit
For Immediate Release**

March 14, 2005

**Contact: Greg Dziejic
715-479-7141**

Madison – A non-profit organization representing Wisconsin sportsmen and women is requesting an audit of the DNR's use of the Fish and Wildlife Account to prove DNR is actually spending it on programs to benefit hunters and anglers, the group's president announced today. In a letter to legislative leadership, Greg Dziejic, President of Sporting Heritage, Inc. requested that the Legislative Audit Bureau perform a follow up audit to a 1998 study that found that *less than 40% of the expenditures funded by user fees, supported activities that primarily benefited hunters and anglers, such as managing game populations, preserving fish habitat and conducting ecological assessments and evaluations of game species.*

"The DNR is proposing hunting and fishing license fee increases of up to 60% without adequately addressing where the money will go," Dziejic said. "We are concerned that the DNR has not shown they have fixed a system that spends 60% of user fee dollars on other programs".

Among other things, Dziejic requested that the audit be completed prior to approval of the state budget, to "ensure that our money is being properly spent, and to set fees at the level necessary to maintain the greatest hunting and fishing opportunities in the United States". Dziejic said that "when a user fee is not spent directly for the benefit of the user, it becomes a tax", noting that it is the sportsmen who voluntarily fund restoration of wetland and other habitat.

"DNR has neither shown that they have eliminated nor justified this tax on sportsmen. Now they want to raise the tax," Dziejic said. If we are going to maintain our traditions and provide the wildlife management services that are critical to maintaining a safe and balanced environment, we must assure sportsmen that their dollars are wisely and properly spent." Dziejic noted that Sporting Heritage is the only organization to question the wisdom of increasing license fees up to 60%. "We hope that our fellow sportsmen and women consider this fee increase request very critically before signing on to support it. In light of the last audit, there are many unanswered questions.

Sporting Heritage Inc. is a non-profit organization that represents Wisconsin sportsmen and women before the Legislature and state agencies. Formed in 1998 as the Sporting Heritage Coalition, Sporting Heritage ran the campaigns to add the Right to Keep and Bear Arms and the Right to Hunt, Fish and Trap to the Wisconsin Constitution, and works to provide more hunting and fishing opportunities for sportsmen and women.

###





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Carol Roessler
State Representative Suzanne Jeskewitz

FOR IMMEDIATE RELEASE

July 19, 2005

For further information, contact:

Rep. Suzanne Jeskewitz (608) 266-3796
Sen. Carol Roessler (608) 266-5300

**Audit Committee Gives Approval to Audit
the DNR's Fish and Wildlife Account**

(Madison)... The Joint Legislative Audit Committee, co-chaired by Senator Carol Roessler (R-Oshkosh) and Representative Suzanne Jeskewitz (R-Menomonee Falls), held a public hearing and executive session today on a proposed audit of the Department of Natural Resources Fish and Wildlife Account.

"I think this audit is a perfect follow-up to the 1998 audit which revealed some disturbing findings," declared Jeskewitz. "The last audit found that 23 percent of user fees were spent on overhead costs and that the DNR's accounting system pooled various user fees making it difficult to accurately account for how hunting and fishing license fees were spent."

The last audit of the DNR Fish and Wildlife Account was released in July of 1998. That audit focused on the extent to which hunting and fishing license fees are directed to programs of interest to those who pay the fees, the extent to which license fees are used to support programs that are not directly related to hunting and fishing, the extent to which the DNR's planning efforts related to the development of program priorities and influence project budgeting decisions, the types and costs of special hunting and fishing programs, such as those for persons with disabilities, and whether additional revenue sources could be identified to fund programs currently supported by the Fish and Wildlife Account.

"Wisconsin fish and wildlife enthusiasts pay higher license fees and consistently fundraise and provide matching dollars to state projects to enhance and retain our natural resources for hunting and fishing," Roessler stated. "With these great contributions over and above the fees, we owe them a thorough accounting to ensure their user fees are segregated for management, habitat, conservation, and access to areas for hunting and fishing."

"Sportsmen and women are typically not upset about increases in fees as long as they are convinced that the revenue is directed to the benefit of their sport," remarked Jeskewitz. "This audit can provide some assurances that the license fees they pay are being spent appropriately."

No one testified in opposition to this audit request and there was unanimous support in public testimony for this audit request.

- more -

SENATOR ROESSLER
P.O. Box 7882 • Madison, WI 53707-7882
(608) 266-5300 • Fax (608) 266-0423

REPRESENTATIVE JESKEWITZ
P.O. Box 8952 • Madison, WI 53708-8952
(608) 266-3796 • Fax (608) 282-3624

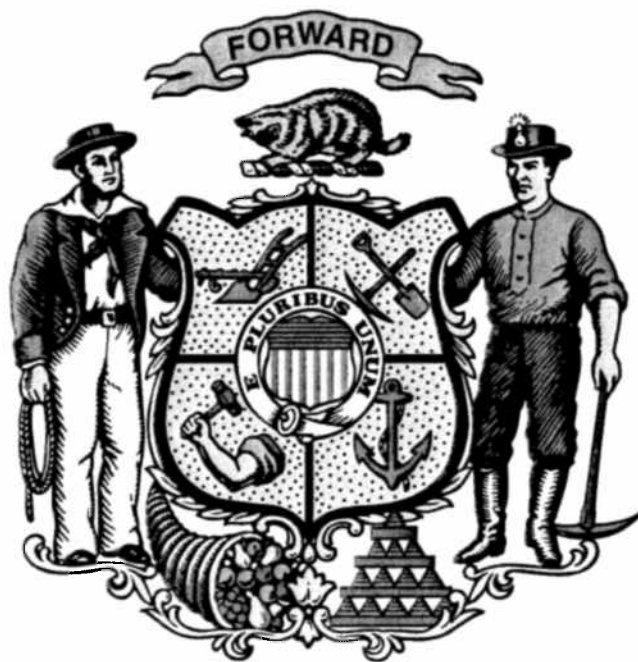
“Wisconsin relies on user fees to finance fish and wildlife management and habitat. The audit approved today will give us an analysis of what other states do to fund their fishing and hunting resources. As our population ages and fewer individuals will be participating or paying fees, a review of this fund with an ‘eye to the future’ is imperative to ensure Wisconsin’s strong hunting and fishing heritage,” Roessler said.

The audit approved today directs the Legislative Audit Bureau to review:

- the extent to which revenue generated from user fees is spent on activities that primarily benefit hunter and anglers;
- the extent to which revenue generated from user fees is spent on activities that benefit multiple users and on activities that do not directly support hunting and fishing;
- the extent to which DNR exercises flexibility in spending Fish and Wildlife Account funds;
- compliance with the legislative restriction on the amount of administrative costs that DNR may charge to the Fish and Wildlife Account;
- how the level and source of fish and wildlife funding in Wisconsin compares to that of other states; and
- options for enhancing DNR’s accountability for its use of fish and wildlife funds.

The Legislative Audit Bureau estimates this audit would be completed sometime in early spring of 2006. A copy of the audit scope statement can be obtained at the Legislative Audit Bureau’s website at www.legis.state.wi.us/lab or by contacting either of the co-chairs offices.

###



Sporting Heritage Lauds DNR Audit

For Immediate Release

Contact: Greg Dziejdzic
262-210-9270

July 19, 2005

Madison – Sporting Heritage, Inc. President Greg Dziejdzic praised the Legislature’s Joint Audit Committee for its decision today to order an audit of the DNR’s Fish and Wildlife Account, the first such audit since 1998.

“The Committee did right by Wisconsin sportsmen in ordering this audit,” Dziejdzic said. “The last audit showed that less than 40% of the money paid into the Fish and Wildlife Account by Wisconsin sportsmen and women was actually being spent on programs that directly benefit hunting and fishing. We need to know if the DNR has changed its spending patterns or if reform is necessary”.

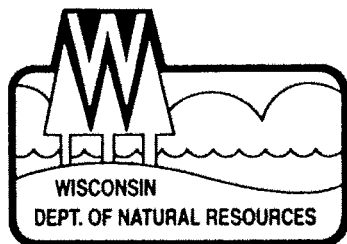
Sporting Heritage opposed DNR’s plan to increase deer hunting licenses, among other things, by up to 60% in the pending state budget without first conducting an audit of the Fish & Wildlife Account. Sporting Heritage requested the audit in public testimony before the Legislature’s Joint Finance Committee last winter and at numerous public meetings organized by the DNR, intended to rally support for the proposed fee increases. The Joint Finance Committee later scaled back the increases.

“Before you go ahead and raise license fees at a time when hunting and fishing numbers are declining, you’d better first make sure that these funds are going exactly where they are supposed to go. This audit will provide additional accountability and public scrutiny of the relationship between hunting and fishing license fees and the programs they are intended to fund”.

Dziejdzic also praised DNR staff for “doing an outstanding job protecting Wisconsin’s natural resources” and Reps. Scott Suder and Jerry Petrowski, and Sen. Joe Liebham for requesting the audit.

Sporting Heritage, Inc. is a 501 c (4) non-profit organization dedicated to protecting and preserving the rights of Wisconsin sportsmen and shooters. Sporting Heritage ran the campaigns to add the right to keep and bear arms and the right to hunt, fish and trap to the Wisconsin Constitution. They have worked to open thousands of acres of land to public hunting and regularly monitor state issues related to hunting, fishing and trapping and the shooting sports.





State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Scott Hassett, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711

Testimony of Secretary Scott Hassett Joint Legislative Audit Committee July 19, 2005

Thanks to the co-chairs and members of the Committee for the opportunity to discuss the proposed 2005 Fish and Wildlife Account Audit. We welcome this audit and my staff will work closely with the Legislative Audit Bureau.

I know it is important to the hunters and anglers of the state that their license fees be used to support hunting and fishing in Wisconsin. We are honored that the sports men and women of the state have entrusted their license dollars to us to invest -- we take that responsibility very seriously.

Hunting and fishing fees can only be spent on conservation programs and only in ways federal laws, state statutes and the legislature directs. The fish and wildlife account is one of the most scrutinized of all state funding accounts. Both federal and state auditors assure the account is used as intended. In fact, there is currently a Federal Fish and Wildlife Service Audit nearing completion with results due within the next two months.

We work very hard to invest license fees to produce some of the best hunting and fishing in North America.

Last Legislative Audit

We paid attention to the last audit. We have made changes in DNR in response to that audit and welcome a chance to showcase them. We believe any examination will clearly show our commitment to using license dollars wisely.

- We have a better system to track hours so we know our employees are devoting their time to priority hunting and fishing related activities.
- We have revamped our field organization and supervision to assure field fish and wildlife managers are supervised and directed by Fisheries and Wildlife Management.
- We cut license fee support to administration and infrastructure, eliminated a division, collapsed some bureaus together and made significant position cuts to achieve a very lean infrastructure.
- In fact, since the last audit the Legislature established a statutory 16% cap on the amount of dollars from the Fish and Wildlife Account that can be spent on administration. We are now at 10% or less.
- Since fiscal year 1998 (following the last legislative audit), DNR has been much more active in providing the public with information on how we spend the fishing and hunting fees. They include:

1. Wisconsin's Fish & Wildlife Annual Report. The report was established at the request of an advisory panel of legislators and hunting and fishing groups to assure accountability on license fees.
2. a web site
3. county fact sheets on how fishing and hunting dollars are spent.
4. fact sheets on each of our stamp accounts such as inland trout and pheasant.

Account Beneficiaries

One of the concerns that we had with the last audit was the category "benefiting multiple users" and how it was characterized by some. We fund many activities that primarily benefit hunters and anglers, and secondarily benefit many other users. That is not a misuse of fee revenues.

We purchase and manage habitat and properties for hunting, but people who enjoy watching birds also benefit. No hunter begrudges members of his or her family hiking wildlife areas and watching birds when hunting season is closed.

That all species and Wisconsin citizens benefit from hunter and angler dollars invested in huntable and fishable species and their habitat is a happy, side benefit. We will discuss the benefits of multiple use further with the Audit Team.

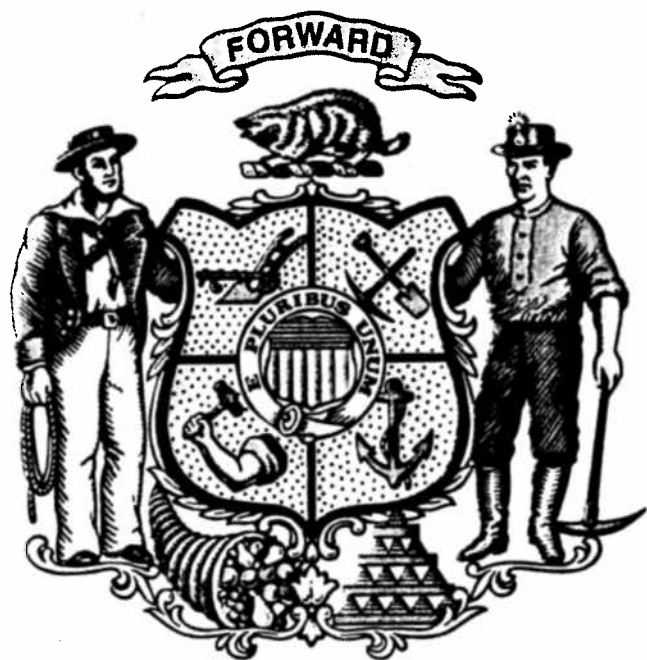
Possible Considerations with the Audit

We feel that the sporting groups should be involved in determining what things they value and want to pay for. They are our partners in managing the resource and have been there to support us in trying to obtain sufficient resources to do the job. We would urge the Committee and the Audit Bureau to involve them in this Audit and use their input to find out what hunters and anglers truly value.

While the current scope of this audit seems retrospective in nature, we certainly would appreciate any help the audit could provide in dealing with an issue with which we are grappling – the long term viability of the current fee based revenue sources for the Fish and Wildlife Account. As we look at demographic trends and see the aging of the baby boomer generation, without change or alternate funding, there will be increased license fee pressure on a declining number of participants.

Conclusion

What is important -- and what we all agree on -- is that Wisconsin uses license fees to assure quality hunting and fishing programs. Hunting and fishing remain an important part of our economy and quality of life. Thank you for opportunity to testify today. We share the goal of being openly accountable on license fees.





Joe Leibham

STATE SENATOR

**Testimony Submitted to the
Joint Legislative Audit Committee
Proposed Audit: Fish and Wildlife Account, Department of Natural Resources
July 19, 2005**

Thank you Co-Chair Roessler, Co-Chair Jeskewitz, committee members and concerned citizens. I apologize that I am unable to be before you today due to a scheduling conflict in the 9th Senate District. I want to extend to you my sincerest thanks for entertaining this audit request. Thank you also for your service to our state.

Every year, thousands of sportsmen and women across Wisconsin pay millions of dollars to obtain hunting and fishing licenses. With Governor Jim Doyle's proposal to raise these fees as a part of the 2005-07 State Budget, Wisconsin's sporting community has now been asked in two successive biennia to make a greater investment in the stewardship of our natural resources. This has generated a great deal of question and debate across the 9th Senate District and our state. Many constituents who hunt, fish and enjoy Wisconsin's outdoors are interested in better understanding how the dollars that they invest in hunting and fishing license fees are being used by the DNR.

That is why I was pleased to join Representative Suder in requesting approval from the Joint Legislative Audit Committee for an audit of the Department of Natural Resources' (DNR) Fish & Wildlife Account.

When a hunting or fishing license is purchased there is an understanding that the fees paid will be used to protect Wisconsin's fish and wildlife for future generations of sportsmen and women and all outdoor enthusiasts. However, many citizens who purchase these licenses and permits have expressed concern to me that the dollars they pay be spent on programs that directly benefit our wildlife and not allocated to pay for administrative costs in another part of the DNR budget.

In light of the questions and interest raised, the audit could focus on the following:

- A review of DNR accounting procedures used in regard to the receipt and allocation of hunting and fishing license fees;
- A review of the funds raised from the sale of hunting and fishing licenses and the extent in which the Department appropriates these funds to fish and wildlife programs;
- A review of how the funds received from the sale of hunting and fishing license fees are used for other expenditures; and
- An examination of how Wisconsin fares against neighboring states in expending percentage of funding for fish & wildlife activities versus administrative costs.

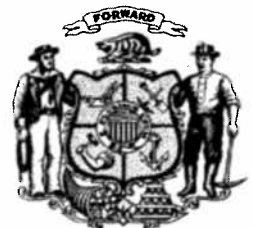
Thank you for your consideration of this request. This audit will provide valuable information to the legislature for future budget considerations and answers to the important questions asked by the sportsmen and women of our state.

Thank you again for the opportunity to submit this testimony, and thank you again for your service to our great state.

It is an honor representing the residents of the 9th District in the State Senate!



WISCONSIN STATE LEGISLATURE





WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

FOR IMMEDIATE RELEASE

July 19, 2005

For further information, please contact:
State Representative Scott Suder

Toll Free at 1-(888)-534-0069

REP. SUDER'S DNR AUDIT REQUEST APPROVED BY JOINT LEGISLATIVE COMMITTEE

Northern Lawmaker: DNR Audit a Victory for all Wisconsin Sportsmen

MADISON...For the past four years State Representative Scott Suder (R-Abbotsford) has been fighting for an updated accounting of where and how the DNR is spending millions of dollars in hunting and fishing license fees that state sportsmen pay every year. Suder's request was finally granted today after the Joint Legislative Audit Committee voted to approve Rep. Suder's request for a comprehensive audit of the DNR's Fish and Wildlife Accounts. Suder said the action today was a huge victory for sportsmen and taxpayers who will finally know exactly how their hunting and fishing fees are being spent by the DNR.

"Sportsmen throughout this state expect the DNR to be using 100% of their hunting and fishing fees for programs related to these activities," Suder said. "With today's audit announcement the DNR will be forced to show how these segregated funds are being spent."

A 1998 independent audit indicated that only a portion of hunting and fishing fees are actually used to fund hunting and fishing programs by the department. The audit further showed that \$981,000 of sportsmen fees was spent on activities that did not directly support hunting and fishing opportunities. Auditors also discovered that 23 percent of sportsmen fees (\$11.6 million) were spent on DNR overhead costs. Suder said sportsmen and taxpayers have a right to know exactly how these fees are being used.

"This independent audit of the DNR will help sportsmen know once and for all how these fees are being spent," Suder stated. "The last audit 7 years ago raised serious questions about the DNR management of these funds and it appears those problems still exist today."

Suder, an avid outdoorsman, said serious questions remain about the accountability for fish and wildlife spending which will hopefully be answered by the oncoming audit. Recent figures indicate Wisconsin's budget for fish and wildlife activities is larger than those of most states, ranking sixth nationally and first among Midwestern states.

"The DNR is one agency in dire need of accounting reform," Suder stated. "This long-awaited audit will help ensure the integrity and solvency of Wisconsin's hunting and fishing programs for the future," Suder commented.

For more information on Rep. Suder's DNR Audit and other legislative issues feel free to contact Representative Suder at (888) 534-0069 or email him at Rep.Suder@legis.state.wi.us.



**CHAIRPERSON**

COMMITTEE ON JUDICIARY, CORRECTIONS AND PRIVACY

VICE CHAIRPERSON

COMMITTEE ON VETERANS, HOMELAND SECURITY, MILITARY AFFAIRS, SMALL BUSINESS AND GOVERNMENT REFORM

MEMBER

COMMITTEE ON JOB CREATION, ECONOMIC DEVELOPMENT AND CONSUMER AFFAIRS

SENTENCING COMMISSION

COUNCIL ON TOURISM

JUDICIAL COUNCIL

JOINT LEGISLATIVE COUNCIL

BUILDING COMMISSION

STATE-TRIBAL RELATIONS COMMITTEE

PRESIDENT PRO TEMPORE

Zien testimony on Audit of DNR Fish and Wildlife Account Joint Legislative Audit Committee July 19, 2005

Thank you committee Chairs and members for holding a hearing on the audit of the DNR Fish and Wildlife Account today. During the budget process, I requested an audit of the DNR before raising hunting and fishing fees, and I submit testimony today to show my continued support for this request.

Wisconsin sportsmen and women are among the most generous in the nation. They pay higher license fees than most states, in addition to consistently leading the nation in fundraising for a variety of conservation and habitat improvement efforts from waterfowl to whitetails.

They are firm believers in conservation of resources and protection of our environment. But, environmental enforcement is our responsibility as citizens and should be treated that way. Hunting and fishing licenses are user fees related to game management, habitat conservation and citizen access to hunting and fishing opportunities.

Although the DNR has proposed hunting and fishing license fee increases of up to 60%, it has not adequately addressed where the money will go. It has provided no convincing data showing why there is a deficit or why that would necessitate a fee increase. Its only justification for an increase are these points:

- "There is a \$20 million projected deficit in the hunting and fishing account by the end of 2007 without any fee increase." (source: March 11, 2005, FAQ)
- "There will not have been an increase in the deer license fee in 9 years." (source: March 11, 2005, DNR FAQ)
- "Rising costs are forcing Wisconsin to cut back on outdoor-management and law-enforcement activities we've planned." (source: April 4, 2005, Sec. Hassett letter to the editor)

There exists no compelling argument to raise fees when the DNR merely points to a deficit, but fails to provide convincing data why there is a deficit or where the money has gone. Instead of providing a detailed analysis of where the money has gone, the DNR provides a list of cuts that will occur if there is no fee increase. Listing prior and potential cuts without justifying spending deficits shows gross mismanagement of sportsmen's dollars.

Consider that a 1998 audit by the Legislative Audit Bureau of the Fish and Wildlife account showed that \$18.8 million dollars paid by Wisconsin sportsmen went to fund programs that do not benefit sportsmen over others. The DNR has not shown that they have fixed a system that spends 60% of user fees on other programs. When a



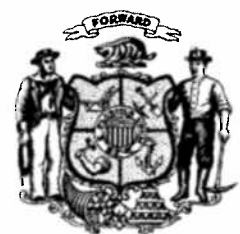
user fee is not spent directly for the benefit of the user, it becomes a tax. Sportsmen and women provide a valuable service to our state in balancing wildlife populations, voluntarily funding restoration of wetland and other habitat, funding the tourism industry and passing on an honored heritage. The DNR has neither shown they have eliminated nor justified this tax on sportsmen.

If we are going to maintain our traditions and provide the wildlife management services that are critical to maintaining a safe and balanced environment, we must assure sportsmen that their dollars are wisely and properly spent. Hunters and fishermen have always paid their own way. Diverting the money they pay for the sport to other programs is a violation of the trust of every sportsman and woman. If this violation is not corrected, we will lose sportsmen, damaging our environment and our heritage.

Thank you for your time.



WISCONSIN STATE LEGISLATURE





Joe Leibham

State Senator
9th State Senate District

FOR IMMEDIATE RELEASE
July 20, 2005

CONTACT: Senator Joe Leibham
(608) 266-2056 / (888) 295-8750

Senator Leibham DNR Audit Request Receives Committee Approval *Fiscal Analysis of Fish and Wildlife Account Would Confirm Proper Use of License Fees*

Madison – Yesterday, the Joint Legislative Audit Committee approved, in a 7-1 vote, a request by State Senator Joe Leibham (R-Sheboygan) to audit the Department of Natural Resources' (DNR) Fish and Wildlife Account in an effort to track the use of hunting and fishing license fees. Senator Leibham requested the audit on behalf of sportsmen and women in the 9th Senate District who are interested in better understanding how the dollars that they invest in hunting and fishing license fees are being used by the DNR.

"Every year, thousands of sportsmen and women across Wisconsin pay millions of dollars to obtain hunting and fishing licenses," said Senator Leibham. "With Governor Jim Doyle poised to sign another fee increase into law as a part of the 2005-07 State Budget, Wisconsin's sporting community has now been asked in two successive biennia to make a greater investment in the stewardship of our natural resources. This has generated a great deal of question and debate across the 9th Senate District and our state as to how the funds are used."

Senator Leibham continued, "When a hunting or fishing license is purchased there is an understanding that the fees paid will be used to protect Wisconsin's fish and wildlife for future generations of sportsmen and women and all outdoor enthusiasts. However, many citizens who purchase these licenses and permits have expressed concern that the dollars they pay be spent on programs that directly benefit Wisconsin's wildlife and not allocated to pay for administrative costs in another part of the DNR budget."

The audit will likely focus on the following:

- A review of DNR accounting procedures used in regard to the receipt and allocation of hunting and fishing license fees;
- A review of the funds raised from the sale of hunting and fishing licenses and the extent in which the Department appropriates these funds to fish and wildlife programs;
- A review of how the funds received from the sale of hunting and fishing license fees are used for other expenditures; and
- An examination of how Wisconsin fares against neighboring states in expending percentage of funding for fish & wildlife activities versus administrative costs.

This audit will provide valuable information to the legislature for future budget considerations and answers to the important questions asked by citizens who hunt, fish and enjoy Wisconsin's great outdoors.

###