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☞ Details: Audit Report 06-6, An Evaluation: Fish and Wildlife Funding, 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...

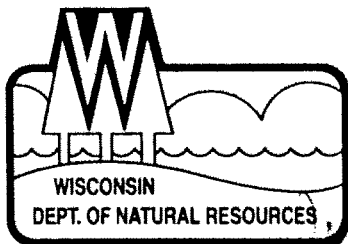
COMMITTEE NOTICES ...

- 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**

* Contents organized for archiving by: Stefanie Rose (LRB) (October 2012)



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Scott Hassett, Secretary

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*Fitzman & K...
(Nix...)*

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

*That 91% all
Fed. funds
2001
Spending*

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.

*Through
Management*

- 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.

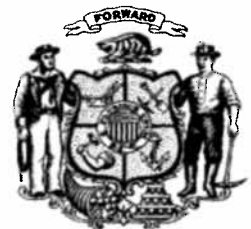
While the current scope of this audit seems retrospective in nature, we certainly would appreciate any help the audit could provide in dealing with an issue with which we are grappling – the long term viability of the current fee based revenue sources for the Fish and Wildlife Account. As we look at 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.



WISCONSIN STATE LEGISLATURE





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.

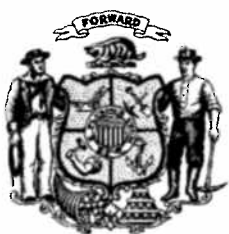
Thank you for your consideration of this request. This audit will provide valuable information to the legislature for future budget considerations and answers to the important questions asked by the sportsmen and women of our state.

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



**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



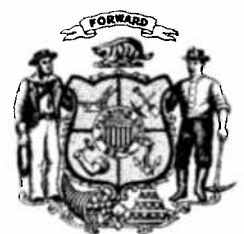
user fee is not spent directly for the benefit of the user, it becomes a tax. Sportsmen and women provide a valuable service to our state in balancing wildlife populations, voluntarily funding restoration of wetland and other habitat, funding the tourism industry and passing on an honored heritage. The 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





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

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

FOR IMMEDIATE RELEASE
For further information, contact:

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

July 19, 2005

**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 -

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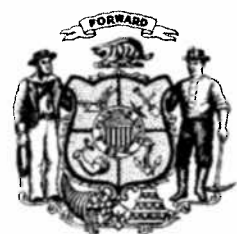
“Wisconsin relies on user fees to finance fish and wildlife management and habitat. The audit approved today will give us an analysis of what other states do to fund their fishing and hunting resources. As our population ages and fewer individuals will be participating or paying fees, a review of this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

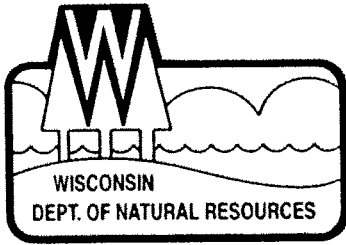
The audit approved today directs the Legislative Audit Bureau to review:

- 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.

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State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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Scott Hassett, Secretary

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May 30, 2006

Janice Mueller, State Auditor
22 E. Mifflin St., Ste. 500
Madison, WI 53703

Subject: Legislative Audit Bureau Audit of the Fish and Wildlife Account of the Conservation Fund

Dear Ms. Mueller:

Thank you for the opportunity to comment on the audit report addressing the Fish and Wildlife Account of the Conservation Fund. We believe the audit furthers our mutual goal of increased understanding of the funding of fish and wildlife programs and related policy issues.

We felt the audit was thoughtful and well done. We found a number of items of interest in the audit, such as the following:

- 97.6% of fish and wildlife user fee expenditures benefited hunters and anglers in 2004-05. The 2.4% portion of spending that did not "directly benefit hunters and anglers" was spent on things such as endangered resources surveys necessary to be eligible for federal fish and wildlife funding and cooperative efforts with Forestry to fight forest fires.
- Overall administrative spending, at 11.1% was 31% below the statutorily established 16% cap. In FY 1996-97 expenditures for the category of Department Administration at \$7.9 million represented 15.7% of user fee expenditures. 2004-05 spending in this category at \$6.4 million represents 9.5% of all user fee expenditures.
- \$21.0 million in non-license revenues contributed toward activities that primarily benefit hunters and anglers.
- The audit found that Wisconsin relies more heavily on user fees to fund fish and wildlife activities than other states, where state General Fund revenues and alternate revenue sources fund a larger proportion of these expenditures.
- The audit found that DNR adequately accounts for expenditures of gifts and donations and that restricted funds, such as stamps, were spent consistent with statutory requirements.

Fish and Wildlife Account Revenues Produce a Variety of Opportunities for Hunters and Anglers

- Wisconsin ranks fifth nationally in individual hunting license holders and fourth in the number of individual fishing license holders.
- 1.4 million anglers enjoy 22 million days fishing in Wisconsin and catch 69 million fish, 31 million of them keepers.
- 3/4 of a million hunters enjoy 9 million days of hunting in Wisconsin hunting 55 different species.
- Wisconsin's habitats support an annual harvest of more than 55,000 turkeys, a species DNR reintroduced a few short decades ago.
- Wisconsin's habitats support an annual harvest of more than 400,000 white-tailed deer, consistently in the top two or three harvests in the nation.
- DNR manages more than 1.5 million acres for hunting and outdoor recreation. Annually DNR also acquires, builds and maintains boat landings for anglers.

Report Recommendations

We agree with the recommendations included in the report and offer the following comments on each:

1. In regard to the use of basic program services as a time reporting category, the audit indicates that the percentage of staff time coded to the basic program services category has declined from 22% in 1998 to 14% in 2005. The Department maintains its goal of reducing this category to 10% and will continue efforts toward achieving this goal. We can report to the Committee by January 1, 2007 with the results of our efforts in this regard. However it may be more useful to provide this report by July 31, 2007 to allow one full year's experience for reporting purposes.
2. In regards to the use of project planning, project budgets and project outcomes, each of our Fish and Wildlife bureaus currently have project/workplanning systems in place which annually distribute resources for specific priority projects. We track those expenditures through our accounting system.

However, we understand the concerns of the Legislative Audit Bureau and would like to work with LAB to gain a better understanding of their experiences with effective systems currently in place in other state agencies, and build an improved system. We will report to the Committee by January 1, 2007 with the results of our efforts in this regard.

Clarification of Certain Topical Areas In the Audit

There are a few topical areas within the audit on which the Department would like to take this opportunity to provide additional information.

Accounting for Administrative costs-- The audit points out that total administrative costs were at 11.1% of fish and wildlife user fee expenditures in 2004-05. This is well below the 16% statutory limit. Expenditures for the specific category of Department Administration, which includes things such as

accounting, human resources, information technology and rent fell from \$7.9 million in FY 1996-97 to \$6.4 million in 2004-05. That represents about a 19% decrease in spending despite increased salary costs. This reduction was associated with the original implementation of the 16% administrative cap in FY 2001 (\$320,000) and a 2004-05 budget reduction of \$2.0 million as part of a Fish and Wildlife fee package.

In FY 1996-97 expenditures for the category of Department Administration at \$7.9 million represented 15.7% of user fee expenditures. 2004-05 spending in this category at \$6.4 million represents 9.5% of all user fee expenditures.

The audit describes two failed Legislative attempts to establish a different definition of "administrative spending" within the current 16% cap. In addition to the two current administrative categories of "Department Administration and Division Administration" the proposed modification would have added "Bureau Administration and Licensing Administration". These two categories were not added in the past because they were not viewed as administrative in nature. Functions performed by these categories include:

Bureau Administration-- represents costs associated with direct program supervisors in the fish, wildlife and enforcement bureaus. Examples would include: warden field supervisors, supervisors of field wildlife biologists and technicians, and similar supervisors in fisheries. These are all working supervisors and clearly not support or administrative in nature. These expenditures have been categorized by the audit as primarily benefiting hunters and anglers.

Licensing Administration-- represents costs associated with delivering licenses and permits to hunters and anglers. These costs include basic operation of the Automated License Issuance System (ALIS). This system is used to gather information which is directly used in all of our enforcement and resource management activities. Staff in this program also works directly with hunters and anglers to answer questions and provide needed information ranging from explaining regulations to helping them locate information on public hunting grounds. Staff responded to more than 58,025 telephone calls throughout the month of November with 20,065 calls received the week prior to the 9-day deer season. These expenditures have been categorized by the audit as primarily benefiting hunters and anglers.

Fish and Wildlife Account Activity-- The audit describes the balance in the Fish and Wildlife Account declining from \$28.3 million in 2000-01 to \$954,000 in 2004-05. A variety of factors contributed to establishing this balance and to the drawdown of the balance. However, the overriding explanation is that account balances have a normal life cycle. Balances in accounts are higher in the early years after a fee increase to cover projected expenditures over a period of years and then decline as that fee cycle reaches its end and a new fee increase must be sought. **The balance identified in the audit allowed the Department to go seven years without a fee increase. That is almost double the length of the normal fee cycle.** Other contributing factors included:

Factors that increased the opening balance:

- 1998-99 was the first year of ALIS so the account did experience a one-time bump of \$10-\$12 million in revenues due to expedited revenue collections.
- 1997 was a fee increase year
- The 1999-01 Budget was the first to include a \$5.0 million transfer of Tribal Gaming Funds to the Account.

Factors that contributed to drawing down the balance:

- \$5.0 million of the reduced balance was increased spending of stamp/dedicated revenues demanded by organizations and dictated by funding for CWD.
- Investment income dropped by \$1.2 million, from \$1.9 million in 2000-01 to \$700,000 in 2001-02. It continued to drop to about \$53,000 in FY 2004.
- The 2001-03 Biennial Budget increased licensing agent transaction fees by \$0.50 at an annual cost of \$1.0 million, with no new revenue source to cover that cost.
- A total of 17.0 GPR Wardens were converted to the F&W Account—annual cost of \$1.3 million in the 2001-03 Biennial Budget (4.0) and 2001 Wisconsin Act 109 Budget Adjustment Bill (13.0).

As indicated in the audit, the Legislature did transfer \$4.3 million from the Recycling Fund and the Environmental Fund to the Fish and Wildlife Account in the 2005-07 Biennial Budget. Of this amount \$2.9 million was allocated to cover costs associated with wildlife damage payments to farmers, a venison donation program and CWD costs. The remaining \$1.4 million was rolled in as part of the fee increase package in an attempt to hold down some of the fee increases.

Once again, thank you for this opportunity to comment on the final audit draft. My compliments to you and your staff for their conscientiousness and level of effort on this audit.

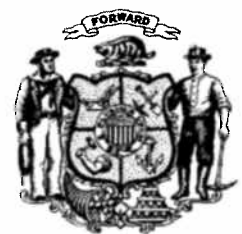
Sincerely,

A handwritten signature in cursive script that reads "P. Scott Hassett". The signature is written in dark ink and is positioned below the word "Sincerely,".

Scott Hassett
Secretary



WISCONSIN STATE LEGISLATURE





STATE OF WISCONSIN

Legislative Audit Bureau

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Janice Mueller
State Auditor

DATE: June 2, 2006

TO: Karen Asbjornson and Pamela Matthews
Committee Clerks to the Joint Legislative Audit Committee

FROM: Paul J. Stuber *Paul J. Stuber*
Deputy State Auditor for Program Evaluation

SUBJECT: Report 06-6: An Evaluation: Fish and Wildlife Funding

Fee increase

Enclosed is an evaluation of fiscal year (FY) 2004-05 expenditures made by the Department of Natural Resources (DNR) using fish and wildlife funding sources. DNR spent \$120.2 million from all funding sources on fish and wildlife activities in FY 2004-05, including \$68.2 million in user fees paid primarily by hunters and anglers. Other funding sources included federal aid, general purpose revenues (GPR), and program revenues. DNR was authorized a total of 874.4 full-time equivalent (FTE) staff positions in FY 2004-05.

When DNR proposed fee increases in 2005, concerns were renewed about expenditures it funds with user fees. We found that 97.6 percent of DNR's FY 2004-05 user fee expenditures provided some level of benefit to hunters and anglers, including 57.3 percent that were made primarily for their benefit. In FY 2004-05, DNR's user fee-funded administrative costs totaled \$7.5 million and represented 11.1 percent of all user fee expenditures. While these costs were within a 16.0 percent statutory limit, they would exceed the limit under an alternative definition of administration twice proposed by the Legislature.

We also assessed the overall financial condition of the Fish and Wildlife Account for the period from FY 2000-01 through FY 2004-05. We found that expenditures exceeded revenues in each year, and the account's balance has declined significantly, from \$28.3 million at the end of FY 2000-01 to \$1.0 million at the end of FY 2004-05. We believe close monitoring of the account's balance is warranted because without \$4.3 million in transfers that were authorized under the 2005-07 Biennial Budget Act, the Fish and Wildlife Account would likely have had a negative balance by June 30, 2006.

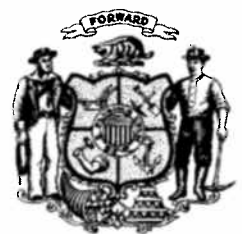
The report will be released on Monday, June 5, at 9:00 a.m. Please let us know if you have any questions regarding this report.

PS/bm

Enclosures



WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

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

June 5, 2006

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

Dear Mr. Hassett:

The Joint Legislative Audit Committee will hold a public hearing on the Legislative Audit Bureau's evaluation of *Fish and Wildlife Funding*, on Tuesday, June 20, 2006, at approximately 11:30 a.m. in Room 411 South of the State Capitol.

As this report relates to the activities of the Department of Natural Resources, we ask you, and the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Pam Matthews in the office of Representative Suzanne Jeskewitz at 266-3796 to confirm your participation in the hearing. Thank you for your cooperation and we look forward to seeing you on June 20th.

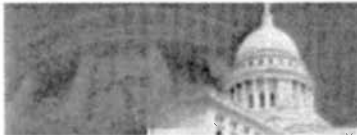
Sincerely,

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

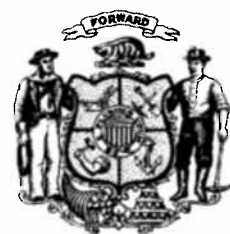
Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

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

For Immediate Release

June 5, 2006

For More Information Contact:

Representative Suzanne Jeskewitz
Senator Carol Roessler

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Audit Details Fish and Wildlife Expenditures

(Madison) Today, the nonpartisan Legislative Audit Bureau (LAB) released an evaluation of Fish and Wildlife Funding, which is administered by the Department of Natural Resources (DNR). LAB analyzed program funding, expenditures, and staffing data to determine whether user fees paid by hunters and anglers fund activities that benefit them.

In fiscal year (FY) 2004-05, LAB found that DNR spent a total of \$120.2 million for fish and wildlife activities, including \$68.2 million generated primarily from the sale of hunting and fishing licenses. DNR was authorized 874.4 full-time equivalent positions for fish and wildlife activities during that fiscal year. Wisconsin ranked fifth nationally and first among seven midwestern states in funding for fish and wildlife activities.

“Many hunters and anglers have wondered whether their fees are used for activities related to hunting and fishing,” stated Joint Legislative Audit Committee Co-chair, _____. “Thanks to this audit effort, we now know that 97.6 percent of fees provided some benefit and 57.3 percent of fees provided primary benefits to hunters and anglers. However, we must remain diligent in our efforts to ensure that hunters and anglers get the most ‘bang for their buck.’”

In response to legislative concerns about the level of DNR’s administrative costs, LAB found that user fees funded \$7.5 million of administrative costs at the department and division levels in FY 2004-05. Although DNR’s administrative costs were below a statutory limit, the Legislature twice proposed an alternative definition of administrative costs. Using this definition, which includes bureau-level administration and administrative costs related to issuing licenses, administrative costs would have represented 23.5 percent of all user fee expenditures in FY 2004-05.

“More careful scrutiny of DNR administrative costs is warranted,” remarked Joint Legislative Audit Committee Co-chair _____. “This is especially important, given that the audit also found that overall expenditures have exceeded revenues in each of the last five fiscal years. DNR must not allow high administrative spending to lead to a negative balance in the Fish and Wildlife Account.”

Co-chairs Jeskewitz and Roessler will hold a hearing on the audit report on Tuesday, June 20, in Madison. Interested members of the public are invited to testify before the Joint Legislative Audit Committee at that time. Copies of the audit may be obtained from the Legislative Audit Bureau’s Web site at www.legis.state.wi.us/lab or by calling (608) 266-2818 to request a copy of report 06-6. A copy of the public hearing notice, which provides additional detail about the time and location of the June 20th hearing, is also available on the Web site.

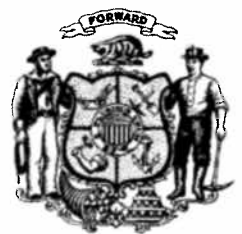
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SENATOR ROESSLER
P.O. Box 7882 • Madison, WI 53707-7882
(608) 266-5300 • Fax (608) 266-0423

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



WISCONSIN STATE LEGISLATURE



Matthews, Pam

From: Matthews, Pam
Sent: Tuesday, June 13, 2006 8:36 AM
To: Matthews, Pam
Subject: FW: DNR audit

From: steven [mailto:saltland.wi@worldnet.att.net]
Sent: Monday, June 12, 2006 7:07 PM
To: Rep.Suder; Wasserman, Sheldon; Darling, Alberta
Cc: Sen.Roessler; Sen.Cowles; Sen.Fitzgerald; Sen.Miller; Sen.Lassa; Rep.Jeskewitz; Rep.Kerkman; Rep.Kaufert; Rep.Travis; Rep.Cullen; Denman, Heather (Sen. Schultz)
Subject: DNR audit

Sir,

I see that the audit of the DNR came out, I found it on the internet and was wondering about a possible conflict. In 1999 the audit stated that 'commercial catch monitoring' had expenditures of \$94,226, in 2004 it increased to \$275,000 and just one year later in 2005 it was \$393,554. That from the current online audit. From 1999 to 2005 'commercial catch monitoring' was the fourth fastest growing expense. This cost is for just 78 commercial fishers, paying so little into the system that the sportsmen of this state wind up subsidizing them. Yet commercial fishing competes with sport fishing, with lake trout, smelt and yellow perch, three of the highest value species, money wise. In fact per Dr. Wilberg, illegal harvesting of yellow perch by commercials resulted in current perch crisis. An estimated 7 million perch were taken illegally in just 4 years and only 4 fishers pleaded guilty to taking 1.6 million perch, so who got the other 5.4 million perch. The cost of enforcement of the commercial fleet is lumped in with enforcement of sportsmen, but in 2004 it was put at \$250,000. The Quota system doesn't work, leads to overfishing, costs too much and doesn't return any real scientific value. And for all that, the sportsmen of the state have since at least 1992 and are still supporting a private industry, and we don't even have a choice. If this state wants a commercial fishing fleet then let the public vote on it and support it with their tax dollars, but don't stick it to the sportsmen by hiding the costs within the price of a fishing license.

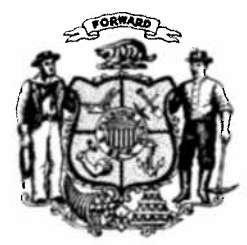
Thank you,

Steven Alt

2342 W. Daphne Rd.

Glendale, WI 53209

www.Lmyellowperch.com



shall not be diverted for any other purpose than the administration of the department when it is exercising its responsibilities that are specific to the management of the fish and wildlife resources of this state.

(3m) (a) The total amount that the department may expend for a given fiscal year from the fish and wildlife account of the conservation fund for administrative costs may not exceed 16% of the expenditures from that account for that fiscal year.

(b) For purposes of par. (a), administrative costs consist of the costs incurred in the administration of the department and its divisions and in providing support services for the department.

(4) No money shall be expended or paid from the conservation fund except in pursuance of an appropriation by law.

(4m) No moneys that accrue to the state for or in behalf of the department under ch. 29 or 169 or s. 90.21 may be expended or paid for the enforcement of the treaty-based, off-reservation rights to fish held by members of federally recognized American Indian tribes or bands domiciled in Wisconsin.

(5) A gift or bequest shall be used in accordance with the directions of the donor.

(6) All moneys received from the United States for fire prevention and control, forest planting, and other forestry activities, for wildlife restoration projects and fish restoration and management projects, and for other purposes shall be devoted to the purposes for which these moneys are received.

(7) All of the proceeds of the tax which is levied under s. 70.58, and all moneys paid into the state treasury as the counties' share of compensation of emergency fire wardens under s. 26.14 shall be used for acquiring, preserving and developing the forests of the state, including the acquisition of lands owned by counties by virtue of any tax deed and of other lands suitable for state forests, and for the development of lands so acquired and the conduct of forestry thereon, including the growing and planting of trees; for forest and marsh fire prevention and control; for grants to forestry cooperatives under s. 36.56; for compensation of emergency fire wardens; for maintenance, permanent property and forestry improvements; for other forestry purposes authorized by law and for the payment of aid for forests as authorized in s. 28.11 and subchs. I and VI of ch. 77.

(a) Eight percent of the tax levied under s. 70.58 or of the funds provided for in lieu of the levy shall be used to acquire and develop forests of the state for the purposes or capable of providing the benefits described under s. 28.04 (2) within areas approved by the department and the governor and located within the region composed of Manitowoc, Calumet, Winnebago, Sheboygan, Fond du Lac, Ozaukee, Washington, Dodge, Milwaukee, Waukesha, Jefferson, Racine, Kenosha, Walworth, Rock and Outagamie counties.

(b) An additional 4% of the tax levied under s. 70.58 or of the funds provided in lieu of the levy shall be used to purchase forests for the state for the purposes or capable of providing the benefits described under s. 28.04 (2) within areas approved by the department and the governor and located within the region specified under par. (a).

History: 1971 c. 125; 1973 c. 90; 1977 c. 29; 1977 c. 418 ss. 244, 245, 929 (37); 1979 c. 34 ss. 707v, 2102 (39) (a); 1979 c. 221; 1979 c. 361 s. 113; 1983 a. 27 ss. 636m, 637, 2202 (38); 1985 a. 29 ss. 638g, 3202 (39); 1985 a. 135; 1987 a. 27; 1987 a. 312 s. 17; 1989 a. 31; 1991 a. 39, 269; 1995 a. 27; 1995 a. 257 s. 3; 1997 a. 1, 27, 248; 1999 a. 9; 2001 a. 16, 56, 105; 2003 a. 166.

25.293 Natural resources land endowment fund. There is established a separate nonlapsible trust fund designated as the natural resources land endowment fund, to consist of:

(1) All gifts, grants or bequests made to the natural resources land endowment fund. The department of natural resources may convert any noncash gift, grant or bequest into cash for deposit into the fund.

(2) All interest and other income generated from these gifts, grants and bequests.

History: 1999 a. 9.

25.295 Heritage state parks and forests trust fund.

(1) There is established a separate nonlapsible trust fund designated as the heritage state parks and forests trust fund, to consist of:

(a) All gifts, grants or bequests or other contributions made to the heritage state parks and forests trust fund. The department of natural resources may convert any noncash gift, grant, bequest or other contribution into cash.

(b) Notwithstanding s. 23.15 (4), all moneys received by the department of natural resources from utility easements on property located in the state park system, a southern state forest, as defined in s. 27.016 (1) (c), or a state recreation area under ss. 23.09 (10), 27.01 (2) (g) and 28.02 (5).

History: 1995 a. 27.

25.297 Wisconsin outdoor wildlife heritage trust fund.

There is established a separate nonlapsible trust fund designated as the Wisconsin outdoor wildlife heritage trust fund, to consist of all gifts, grants, or bequests or other contributions made to the Wisconsin outdoor wildlife heritage trust fund.

History: 2001 a. 92.

25.30 State building trust fund.

The state building trust fund consists of all appropriations or transfers made thereto by the legislature, together with all donations, gifts, bequests or contributions of money or other property, all restored advances and all investment income.

History: 1979 c. 221.

25.31 Benevolent fund. The benevolent fund, amounting to the principal sum of \$13,500, transferred to the state by chapter 636, laws of 1917, constitutes a separate trust fund and shall be conserved and applied as follows:

(1) First: The principal of said trust fund shall be held by the secretary of administration, and be invested and reinvested as provided in this chapter.

(2) Second: The income of said trust fund shall be used and expended exclusively for the benefit of girls committed to the Wisconsin School for Girls, or such other institutions as the state may hereafter establish and maintain for the care, custody and education of girls of the classes now or hereafter authorized by law to be committed to said institution, in providing healthful and instructive recreation and amusements, furnishing advance educational facilities for such of them as show special fitness therefor, providing needed medical or surgical care in exceptional cases, and other similar purposes; but no part of said income shall be used for defraying any of the ordinary expenses of any such institution.

(3) Third: The income shall be disbursed from the state treasury only upon warrants issued on certifications by the department of corrections upon the recommendation of the superintendent or other managing officer of such school or other institution.

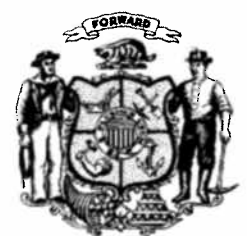
History: 1981 c. 390 s. 252; 1985 a. 135; 1989 a. 31, 107; 1995 a. 27; 2003 a. 33.

25.35 State capitol restoration fund. There is established a separate nonlapsible trust fund designated as the state capitol restoration fund, to consist of all monetary public and private gifts, grants and bequests received by the state capitol and executive residence board under s. 16.83 (2) (e).

History: 1993 a. 477.

25.36 Veterans trust fund. (1) Except as provided in sub.

(2), all moneys appropriated or transferred by law shall constitute the veterans trust fund which shall be used for the lending of money to the mortgage loan repayment fund under s. 45.35 (22) and for the veterans programs under ss. 20.485 (2) (m), (mn), (tm), (u), (v), (vo), (vy), (vz), (w), (z), and (zm), 45.014, 45.25, 45.35 (23), 45.351 (1), 45.353, 45.356, 45.357, 45.396, 45.397, and 45.43 (7) and administered by the department of veterans affairs, including all moneys received from the federal government for the benefit of veterans or their dependents; all moneys paid as interest on and repayment of loans under the post-war rehabilitation fund;





WISCONSIN LEGISLATURE

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

June 5, 2006

For more information, please contact:

FOR IMMEDIATE RELEASE

State Representative Scott Suder
608-267-0280 or 1-888-534-0069

Suder: DNR Living Beyond Its Means

Legislative Audit Reveals DNR Collecting 3rd Highest Fees in Nation

Madison – An audit released today by the non-partisan Legislative Audit Bureau shows the Department of Natural Resources (DNR) is overspending on programs supported by the Fish and Wildlife Account. State Representative Scott Suder (R-Abbotsford) who initially requested the audit says the report documents that the agency's spending habits are out-of-line.

The audit verifies that only four other states spend more money on Fish and Wildlife programs than Wisconsin and none of our seven Midwestern neighbors spend as much as the DNR. Yet, Wisconsin is third in the nation in user fees. Suder noted he remains concerned that the agency is chasing away hunters and anglers by continually hiking license fees. The audit indicated it is too soon to determine how the latest fee hikes approved last year will affect the number of sports men and women in the field.

Suder explained, "At the same time, as the Legislature is working to eliminate the state's deficit, and while working-class taxpayers make tough decisions daily about how to spend their income, the DNR continues its out of control spending."

Suder noted that in the last five years the DNR has almost totally depleted a \$28 million dollar surplus in the Fish and Wildlife Account. In the 2005-07 Biennial Budget the Legislature allowed the DNR to transfer \$4.3 million into the Fish and Wildlife Account; auditors expressed concern that without the transfer the account would have had a negative balance.

"The DNR can claim this reduction is caused by cyclical fluctuations in fee increases but, anyone with any common sense can see through that and realize the simple truth is this agency is bloated and has never seen a problem or a program that it wasn't willing to throw money at," said Suder.

According to Suder, as he more closely scrutinizes the audit he is finding more red flags and one of those is overstaffing. Auditors determined that there are 874 agency employees working on programs funded by the Fish and Wildlife Account.

"I do not believe the average hunter or angler would say they are getting the caliber of service they should receive with this level of staffing," stated Suder. He added, "With 874 employees, the state's hunters and anglers should be getting exemplary service. They are not."

Suder expressed concern that employees may be working on projects only somewhat related to Fish and Wildlife projects since one of the main recommendations made by auditors was for the agency to change how employees are tracking their time.

-more-

Suder on DNR audit – p. 2
06-05-06

“It is plausible there are times when employees are coding their time for projects with very little relation to Fish and Wildlife under the broadest parameters,” said Suder. “The agency must take the necessary steps to specifically document that these projects are pertinent.”

Since the audit compared Wisconsin’s Fish and Wildlife Account spending and funding sources with the other 49 states, Suder said he’d like to take it one step further and find out how the number of agency staff here compares with other states, also.

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Joe Leibham

State Senator
9th State Senate District

FOR IMMEDIATE RELEASE
June 5, 2006

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

Senator Leibham's Statement on Fish and Wildlife Account Audit Results *Leibham Expresses Concern With Administrative Overhead, Use of Certain Funds*

Madison, WI – This morning, the nonpartisan Legislative Audit Bureau released the results of their audit of the Department of Natural Resources (DNR) Fish and Wildlife Account. A few of the highlights found as a result of their audit included:

- User fees like hunting and fishing licenses accounted for \$68.2 million of the Fish and Wildlife Account in FY 2004-05;
- 11.1 percent (\$7.5 million) of this total was spent on DNR administrative costs;
- 2.4 percent (\$1.6 million) was spent on items entirely unrelated to hunters and anglers; and
- 57.3 percent (\$39 million) was spent on items solely benefiting hunters and anglers.

In response, State Senator Joe Leibham (R-Sheboygan) released the following statement:

"Every year, thousands of sportsmen and women across Wisconsin pay millions of dollars to obtain hunting and fishing licenses, thereby making a personal investment in the stewardship of our natural resources. 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. However, many citizens who purchase these licenses and permits have expressed concern that these dollars 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 findings of this audit validate many of these concerns. It is worrisome that \$1.6 million of the investments made in the Fish and Wildlife Account would be spent on items of no specific benefit to hunters and anglers. It is for this reason I led an effort during last year's budget deliberations to restore funding to the Waterfowl Stamp account, the Great Lake's Salmon and Trout Stamp account and the Wild Turkey Stamp account.

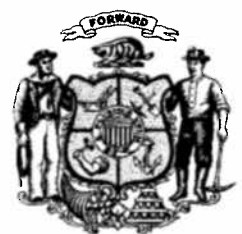
"Wisconsin's fish and wildlife programs provide important services in the areas of habitat protection, fish and wildlife species management and research, land and facilities management and conservation law enforcement. Funding for these valuable conservation functions is provided by revenues generated from the sale of hunting and fishing licenses, and the DNR has an obligation to our sportsmen and women that their investments are being spent wisely. This audit shows that the DNR has some work to do.

"This audit provides 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. I look forward to evaluating the DNR's response to this audit and how they will seek to further ensure that hunting and fishing license fees are spent efficiently and in a way that directly benefits the individuals who pay for them.

"I commend the State Auditor Janice Mueller and her staff for their work on this important and timely project. I also appreciate the hard work and diligence of the co-Chairs of the Joint Legislative Committee on Audit, Representative Suzanne Jeskewitz (R-Menomonee Falls) and Senator Carol Roessler (R-Oshkosh).



WISCONSIN STATE LEGISLATURE





State Senator

Neal J. Kedzie

11th Senate District

June 6, 2006
For Immediate Release

Contact: Sen. Neal Kedzie
(608) 266-2635

Fish and Wildlife Audit Concerns Kedzie

Madison – An audit released yesterday by the non-partisan Legislative Audit Bureau is raising concerns regarding the Department of Natural Resources' (DNR) Fish and Wildlife Program. Specifically, the audit details that the Department is spending too much money on administrative expenses, and expenditures above incoming revenues are jeopardizing the fund balance of the Fish and Wildlife Account. In addition, the audit shows that Chronic Wasting Disease is also draining resources from the fish and wildlife program and that recent hunting and fishing fee increases may be driving sportsmen away from the sport they love.

“The audit released yesterday is very enlightening as to what is occurring within the Fish and Wildlife Fund,” said Senator Neal Kedzie (R-Elkhorn). “Unfortunately, it has confirmed my suspicions, as well as the suspicions of many of my colleagues and sportsmen throughout the state.”

In examining the Fish and Wildlife Account activity since fiscal year 2000-01, the audit indicates that annual expenditures have outpaced incoming revenues, which has reduced the ending balance of the account from \$28.3 million in 2000-01 to just under \$1 million in 2004-05. Further, the audit specifies that user fees funded \$7.5 million of the DNR's administrative costs at the department and division levels, representing 11.1 per cent of user-fee expenditures. However, when bureau level administration and costs associated with issuing licenses is added to that, administrative costs rise to a staggering 23.5 per cent.

“Sportsmen are under the assumption that their hunting and fishing fees go primarily towards programs that they utilize,” Kedzie said. “I think most will be upset to learn that roughly one quarter out of every dollar paid in goes into bureaucracy.”

According to the report, in the 2004-05 fiscal year, the Department spent \$5.3 million on the Chronic Wasting Disease (CWD) program, which monitors and controls the spread of the disease. "It's no secret that CWD spending is draining resources from the fish and wildlife account," Kedzie said. "The Department needs to lay out a specific plan to move forward on this issue, as well as working with Wisconsin's sportsmen on implementing the plan." Later this month, the Senate Committee on Natural Resources and Transportation will be holding a hearing on the Department's latest rule related to CWD, and Kedzie is hopeful the Department will be able to address these issues in more detail at that time.

Most troubling, however, was what the audit revealed regarding hunting and fishing license sales. While the Department has pushed hunting and fishing fee increases in recent years as a way to offset rising expenditures, it now appears that those increases may be having a negative effect on the sport. According to the audit, after the most recent rise in hunting and fishing fees in June of 2005, deer hunting license sales declined 10.3 per cent and fishing license sales decreased 9.7 per cent. While these reductions were partially offset by slight increases in combination license packages such as a sportsmen license or a conservation patron license, it seems to be an indication that sportsmen may have had enough.

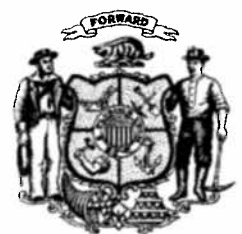
"Sportsmen are getting increasingly frustrated with the DNR. On one hand fees are increasing, while on the other the department is pushing through more regulations making complying with the law more complicated and confusing to sportsmen. Regrettably, this is taking the enjoyment out of the sport and I fear this trend will continue unless we step in and changes are made."

Kedzie indicated that the audit conveys the need to more closely monitor the Fish and Wildlife Fund. He looks forward to working with the Department to implement the changes needed to address the highlighted concerns.

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WISCONSIN STATE LEGISLATURE



<http://www.gazetteextra.com/dnraudit060506.asp>

Audit warns about financial health of DNR fish, wildlife account

(Published Monday, June 5, 2006 03:30:47 PM CDT;
updated Tuesday, June 06, 2006 8:42:54 AM CDT)

By Robert Imrie
Associated Press

WAUSAU, Wis. - An audit of the state account that receives tens of millions of dollars from the sale of hunting and fishing licenses warned Monday that declining interest in those activities will imperil the state's ability to support them.

The audit of the Department of Natural Resources' Fish and Wildlife Account - a main funding source for the agency - said surplus money in the account has dried up in the last five years because the agency has spent more than it's taken in.

"We believe close monitoring of the account's balance is warranted," the audit said.

It indicated the Legislature needed to transfer \$4.3 million into the account to keep it from having a negative balance at the end of this fiscal year.

State Auditor Janice Mueller said that whenever an agency spends more than it takes in, it needs to be reviewed.

A Republican state lawmaker who requested the audit said the findings show the agency is spending too much money.

"The simple truth is this agency is bloated and has never seen a problem or a program that it wasn't willing to throw money at," said Rep. Scott Suder, R-Abbotsford.

Some hunters and anglers have questioned whether the money they pay in license fees is being properly spent to support hunting and fishing opportunities. The audit found nearly 98 percent of the money is being spent to provide "some level of benefit" to hunters and anglers.

According to the audit, the Fish and Wildlife Account had an ending balance of \$28.3 million on June 30, 2001. It dropped to \$6.7 million by June 2003 and to \$1 million last June.

The audit said two trends are likely to continue to put pressure on the account's ability to raise money to keep up with rising costs and needs:

-A declining interest in both hunting and fishing among children and young adults, leading to reduced license sales as older people move away from the sports.

-A decline in the sale of deer hunting licenses related to concerns about chronic wasting disease (CWD), a fatal brain disease in deer that was discovered in southern Wisconsin in 2002.

Natural Resources Secretary Scott Hassett said the surplus in the account has dried up, in

part, because of the price of some licenses wasn't raised for seven years, while at the same time there have been new costs for battling CWD.

To slow the disease's spread, the DNR and other state agencies have worked to reduce deer populations in areas where they have detected the disease.

The audit said the DNR spent \$5.3 million last year on efforts to manage the disease, of which \$3.5 million came from the Fish and Wildlife Account.

Hassett welcomed the audit's warning that continuing to pay for most fish and wildlife programs with license revenue was worrisome because of declining revenue.

"There are national trends that show hunting is declining," he said. "All of this really points out the need to pursue alternative funding."

The audit reported in the year ending last June 30, the sale of hunting and fishing licenses and stamps, plus some other user fees paid primarily by hunters and anglers, produced \$68.2 million for the DNR.

Only 2.4 percent of that amount - or \$1.6 million - was spent on things that did not directly benefit hunters and anglers, and 11 percent - or \$7.5 million - went for administrative costs at the department and division levels, the audit said.

Hassett said some of the \$1.6 million was spent on activities necessary to be eligible for federal fish and wildlife funding and on cooperative efforts to fight forest fires.

Suder said it was "alarmingly clear" that the DNR is overspending from the account. He said the agency's 874 full-time jobs for fish and wildlife activities was excessive, and 11 percent was too much to pay for administrative costs of the agency.

Hassett disagreed. He said the audit should make hunters and anglers confident that their license dollars are being spent on programs and activities that enhance their sports.

"I am very proud the audit indicated we are using license fees wisely, and we do it with overhead costs that would be envied by any corporation," Hassett said.

The DNR spent a total of \$120.2 million for fish and wildlife activities last year, which included nearly \$20 million in federal aid, \$18.4 million from loans used to purchase land and \$8.6 million from state tax dollars, the audit said.

Last year, Wisconsin ranked fifth nationally and first among seven Midwestern states in funding for fish and wildlife activities, the audit said.

This is a printer friendly version of an article from the **The Sheboygan Press**

[Back](#)

Editorial: Audit shows where DNR can do better

June 8, 2006

The Legislative Audit Bureau's study of how the Department of Natural Resources spends the money it gets from hunting and fishing licenses raises some questions:

Why the significant decline in the state's fish and wildlife account from a \$28 million balance in 2001 to just \$1 million last year?

Why is 2.4 percent of license fees spent on things that have no benefit for hunters or anglers?

Is the 11.1 percent of the money spent on administrative costs an acceptable amount?

Rep. Scott Suder, a Republican from Abbotsford, who wondered if the high cost of licenses is preventing people from hunting and fishing.

Wisconsin, he said, ranks third in the nation in the user fees and only four other states spend more money on fish and wildlife programs.

If the cost of hunting and fishing is keeping people from enjoying Wisconsin's outdoor resources — or if sportsmen and sportswomen don't feel they are getting the most for their money — the decline in revenue will only continue.

There is also a concern that young people aren't taking up hunting and fishing, which will further affect revenue.

That's why it's important for the state's sportsmen to make their feelings known at a public hearing on the audit report June 20 in Madison.

The hearing will begin at 10 a.m. in Room 411 South of the State Capitol building.

We urge local hunters and anglers who have concerns about DNR spending to bring them to the hearing or contact state Sen. Joe Leibham, a member of the Legislature's Joint Finance Committee.

Although the DNR's administrative costs — 11 percent of total spending — would appear to be below the 16 percent threshold the Legislature has set, the audit raises questions about how the DNR calculates the amount of staff time spent on hunting and fishing programs.

To an extent, this gets to the issue of trust between the department and the outdoors public. Do sportsmen and sportswomen feel the DNR is really working for them?

Another area where trust is an issue is the battle against chronic wasting disease, which was first found in the state's deer herd in 2002.

The DNR has spent millions of dollars and hours of research to combat CWD. This explains some of the drop in the fish and wildlife fund balance. There is also no question that CWD has also caused

some hunters to drop out of the annual deer hunt, which may account for some of the drop in license fees.

But what hunters are saying is that they don't see a clear vision from the DNR on how to control chronic wasting disease and many don't trust the DNR's overall management of the deer herd.

These issues go to the trust bond that the DNR and hunters must have if Wisconsin's rich heritage of bountiful hunting and fishing is to continue.

The audit and its suggestions for improvement should be the starting point to rebuild the bond between hunters, anglers and the DNR.

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Outdoors: DNR vindicated by audit numbers

PAT DURKIN For the State Journal
June 11, 2006

What are state lawmakers to do after unleashing an audit amid claims the Department of Natural Resources is ripping off hunters and anglers, only to have the bloodhounds return to their handlers and report, "Sorry, Chief, but there's scant scent of that."

A leader might concede he stretched things and even praise the agency for lowering administrative costs in the eight years since the previous audit. But because these are lawmakers, not necessarily leaders, some snarl more lame accusations before anyone can ask about their original demagoguery.

Lawmakers should recall that bullying tactics only worked for Sen. Joe McCarthy until U.S. Army attorney Joseph Welch punched back on June 9, 1954, in defending one of McCarthy's victims: "Have you no sense of decency, sir? At long last, have you left no sense of decency?"

Unfortunately for the DNR, elected bullies now find it safe to attack institutions. Seldom do they publicly utter names when yipping from behind their Capitol doors like puffed-up terriers. But hasn't this gone on long enough? Or do lawmakers think voters admire such deficiencies in decency?

Apparently so. Last summer, lawmakers such as Sen. Dave Zien (R-Eau Claire) and Rep. Scott Suder (R-Abbotsford) set the Legislative Audit Bureau loose in hopes it would substantiate claims of "bloated" DNR staffing (Suder) and "gross mismanagement" of sportsmen's money (Zien).

We can only imagine their private disappointment Monday when the nonpartisan audit bureau reported 97.6 percent of license dollars went to programs that support hunting, fishing and trapping. More specifically, 57.3 percent went to programs that benefit sportsmen exclusively, such as fish and pheasant stocking; and 40.3 percent went to programs that benefit not only hunting and fishing, but things such as boat landings and improvements to fish and wildlife habitat, which benefit all citizens.

I don't know if any private company can boast a nearly 98 percent spending efficiency. But what of the remaining 2.4 percent - about \$1.6 million - spent on programs that don't benefit hunting and fishing? This includes money spent on surveys for endangered resources. Sen. Joe Liebham (R-Sheboygan) pounced on the crumb: "It is worrisome that \$1.6 million ... would be spent on items of no specific benefit to hunters and anglers."

Well, actually, some of us think work on endangered resources helps hunting and fishing. For instance, the U.S. Fish and Wildlife Service requires Wisconsin to provide data on endangered resources. If we ignore the request, we forfeit about \$17.5 million annually in federal funds collected from sales of hunting, fishing and archery equipment.

What about claims of bloated staff and runaway administrative costs? A year ago Suder reminded us that the 1998 audit found the DNR spent 23 percent of its license revenue (\$11.6 million) on "overhead." State law now caps that figure at 16 percent. No problem. The 2006 audit reports the DNR reduced that figure to 11.1 percent (\$7.5 million).

How did our elected terriers respond? Suder "remains concerned the agency is chasing away hunters and anglers by continually hiking license fees."

Oh. Is that his next audit request? Odd he didn't mention that Wisconsin ranks fifth nationally in licensed hunters, fourth in licensed anglers and first in nonresident licensed anglers.

Meanwhile, Wisconsin increasingly relies on sportsmen to pay for its fish and wildlife programs. We rank 29th in investing general taxes into conservation efforts, even though hunting and fishing annually add \$4 billion to Wisconsin's economy, support 35,000 jobs and generate \$142 million in tax revenue. And we're doing the work with a statewide DNR staff of 874, an average of 12 per county.

To that, we get this Suder insight: "With 874 (DNR) employees, hunters and anglers should be getting exemplary service. They are not."

Now there's an exemplary example of a bully: Set a vague standard, ignore evidence to the contrary and use your elected position to humiliate people who - to conform to a public employee's code of conduct - cannot push back no matter how unfairly they're trampled.

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Audit questions DNR administrative costs

Fish, wildlife account balance shrinking

By LEE BERGQUIST
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Posted: June 5, 2006

Legislative auditors raised concerns on Monday about a sharp slide in the balance of the state's fish and wildlife account - the multimillion-dollar fund used to finance stocking programs and fight chronic wasting disease.

Advertisement The Legislative Audit Bureau also took issue with administrative costs of the \$120 million program, which draws heavily on proceeds from resident and non-resident fishing and hunting licenses.

But the Department of Natural Resources defended its handling of the account, and noted that auditors found that 98% of money benefited hunters and anglers.

Secretary Scott Hassett noted that auditors made few recommendations, and he added if critics of the agency were looking for a "gotcha," I don't think there is one there."

But both auditors and the DNR agreed that flagging interest among young people in hunting and fishing could harm the fund in future years.

Also, sales of deer hunting licenses have not recovered after the discovery of chronic wasting disease in the wild deer population in 2002.

The fish and wildlife account boasted a balance of \$28.3 million in fiscal 2000-'01, but by 2004-'05, the agency had whittled it down to \$1 million, auditors found.

"When we see expenditures are exceeding revenues, that's a concern," said State Auditor Janice Mueller.

Rep. Scott Suder (R-Abbotsford), one of the lawmakers who asked for the audit, said the report shows that the DNR is "overspending - they clearly need to do a better job at money management."

But Hassett said the balance in the fund fell for many reasons, and that 2000-'01 had unusual circumstances. That year, the fund benefited from a \$12 million influx when its automated license system went into operation and sped up proceeds to the agency. It also was helped by a \$5 million transfer of tribal gaming dollars.

Meanwhile, 17 wardens were shifted into the program and much of the state's chronic wasting disease program has tapped the fund.

"CWD is draining resources from the program," said Sen. Neal Kedzie (R-Elkhorn), chairman of the Senate Committee on Natural Resources and Transportation, underscoring complaints that the agency hasn't spelled out how it will solve the issue.

The DNR says its aggressive approach - killing as many deer as possible where the disease has been found - is necessary to control a disease that could wreak havoc on the state's deer population.

The fish and wildlife audit is one of three that the Legislature asked state auditors to conduct on the DNR. The others involve chronic wasting disease and the wetland permit program.

The fish and wildlife program was criticized by auditors in 1998 for running up administrative costs of more than 20% of its total expenditures. Those costs have declined to about 11%, but auditors said the DNR fails to include field staff managers and administrative costs associated with its automated licensing system.

For a copy of the audit: www.legis.state.wi.us/lab

From the June 6, 2006 editions of the Milwaukee Journal Sentinel
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Plan to add police wins more city support

Change in funding may ease approval for 40 new officers

By LARRY SANDLER
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Posted: June 19, 2006

Aldermen gave a boost Monday to efforts to add 40 more officers to the Milwaukee Police Department.

Advertisement A second Common Council committee backed the move, with a change that will improve its chances of winning passage on the council floor today, despite the opposition of council President Willie Hines Jr.

Since a rash of 28 shootings on Memorial Day weekend, public attention has focused on police staffing, which has been short by up to 200 officers for several years.

The council's Finance and Personnel Committee voted 3-1 to support a resolution by Ald. Tony Zielinski to spend \$750,000 to add 20 more recruits to each of the two remaining police academy classes scheduled this year. That measure previously won the support of the council's Public Safety Committee.

But in a key change from the version backed by that committee, the measure endorsed by the finance committee would use half of \$1.5 million that had been set aside for other police purposes. That means the proposal could be approved by a simple majority - eight aldermen.

The original version would have taken the money from the city's contingency fund, a move that requires 12 votes on the 15-member council. To date, seven aldermen have either voted for the measure in committee or have signed on as a co-sponsor. Four others have voted against it in committee, said they would oppose it or lean toward opposing it.

Zielinski and John Balcerzak, president of the Milwaukee Police Association, said more officers are needed to reduce overtime, which they warned could lead to burnout and dangerous errors. But Ald. Michael Murphy, the finance committee chairman, pointed to figures that showed overtime is not directly tied to the vacancy rate.

Ald. Joe Davis Sr., the lone "no" vote on the finance committee, raised questions about the impact of the added police spending on both this year's budget and in future years, when the officers' full salaries and benefits would reach \$2.3 million a year.

The \$1.5 million account tapped for the additional officers was reserved for either police overtime or for

starting a "community service officer" program of civilian officers to handle low-level police tasks. But a recent report on the community service officer concept indicated that the program couldn't start this year even if it were approved, and Mayor Tom Barrett has pushed to use the money for current police needs.

Nonetheless, Hines and Ald. Terry Witkowski told Journal Sentinel editors and writers that city officials need to adopt new approaches to police service instead of adding more officers. As the leading proponents of the community service officer idea, they pointed to figures showing that even with its vacancies, Milwaukee has more active-duty officers per 100,000 residents than 13 larger cities and that it spends more per capita on police than do eight similar-sized cities.

Sworn officers aren't needed to write reports about traffic crashes, burglaries and other incidents reported after they are no longer in progress, or to book and guard suspects in the city lockup, Witkowski said. Community service officers could assume those duties and free sworn officers for fighting crime, he and Hines said.

Hines and Witkowski said they also would be open to bringing back retired officers on a part-time basis. Police Chief Nannette Hegerty has said she could use the part-timers to clear a backlog of background investigations on police recruits. But Witkowski and Hines said it should be possible to use those retired officers or police service specialists - former officers who work in the police motor pool - for other duties as well.

As for the \$1.5 million, Hines said it should be used for efforts to take guns off the streets or for overtime on specific assignments, instead of adding officers or funding overtime in general.

Plans are under way for an audit of how police overtime money is spent and for an overall study of police staffing, but results of those won't be available in time for 2007 budget deliberations this fall, Hines and Murphy said.

Gov. Jim Doyle has pledged \$700,000 for police overtime and additional summer jobs and has asked the Legislature's Joint Finance Committee for another \$1 million for police. But it is not clear whether the legislative committee will act on that request when it meets Wednesday, city officials said.

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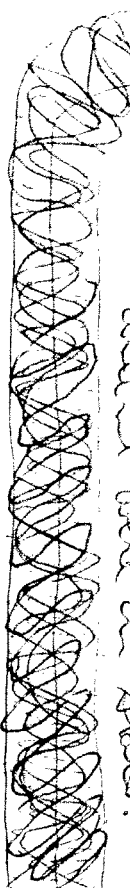


Common Smut

- Does not exceed per ATE. limit
 - Leaps 2X (total re-charge) (not det.)
 1999 total - A0133 (Budget Bill)
 2000 total - A094

↳ to include Government admin
 or admin costs related to issuing
 loans

↳ still 23.5% of leaps
 interest were in ATEs.



re-charge
 ↳ saving costs to make it
 local bills

Pg. 30-31

- Balances to draw from to
 cover expenditures
 ↳ spend down in stamp acts?
 ↳ could act for production
 in expenditures

- 1998 Report - 198-97 expenditures
- 2000 " -

Table 4, pg. 15 - All funding services

18.4M to 50M
 5.6M 492 - Debt Service on Securities

(Appendix 3 - All Services of Funding)

Major - Table 7 (Appendix 7)

91.6% - debt benefit

57.3% - primary benefit

↳ debt - 100% of activity

* may be some benefits as well to
 others

↳ purchasing local benefits to
 more than just functions

↳ education

Pg 34-35 Table 10

Net effect is

7.2 FTE's benefit

(open) (supplies)
 - materials
 equipment

Pg 36-37 - Admin costs

- last report - 16% of all exp. from all admin

- 1998 Budget - current report 16%

- Table 37 ->