



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #555

Fish and Wildlife Account Overview (DNR -- Departmentwide)

CURRENT LAW

The conservation fund is a segregated (SEG) trust fund used to finance many of the state's resource management programs administered by the Department of Natural Resources (DNR). The conservation fund is divided into nine accounts, the largest of which is the fish and wildlife account.

OVERVIEW OF THE FISH AND WILDLIFE ACCOUNT

The primary source of revenue to the fish and wildlife account is the fees charged for hunting, fishing, and special licenses and stamps. 2005 Act 25 increased certain hunting and fishing license fees, effective July 27, 2005. Fees have not been increased since then. Table 1 shows major hunting and fishing license fees (current and previous) and the number during 2007-08.

TABLE 1**Major Hunting and Fishing License Fee Changes and Fiscal Year 2007-08 Sales**

	<u>2004 Fee</u>	<u>Current Fee</u>	<u>Change to Prior Fee</u>	<u>2007-08 Licenses Sold</u>
Resident Hunting				
Small Game	\$16.00	\$18.00	\$2.00	94,441
Senior Small Game	8.00	9.00	1.00	13,083
Youth Small Game	9.00	9.00	0.00	16,592
Deer	20.00	24.00	4.00	412,267
Youth Deer	N.A.	20.00	N.A.	64,993
Bonus Deer	12.00	12.00	0.00	36,666
Antlerless Herd Control		0.00		849,620
Elk	45.00	49.00	4.00	0
Class A Bear	45.00	49.00	4.00	4,309
Class B Bear	14.00	14.00	0.00	6,813
Archery	20.00	24.00	4.00	176,518
Youth Archery	N.A.	20.00	N.A.	17,302
Wild Turkey	13.00	15.00	2.00	127,298
Extra Turkey Tag	N.A.	10.00	N.A.	63,569
Trapping	20.00	20.00	0.00	4,453
Nonresident Hunting				
Annual Small Game	\$80.00	\$85.00	\$5.00	6,786
Five-day Small Game	50.00	55.00	5.00	4,249
Deer	160.00	160.00	0.00	31,891
Bonus Deer	20.00	20.00	0.00	1,192
Antlerless Herd Control	N.A.	0.00	N.A.	46,928
Elk	251.00	251.00	0.00	0
Class A Bear	251.00	251.00	0.00	91
Class B Bear	110.00	110.00	0.00	320
Archer	160.00	160.00	0.00	8,632
Wild Turkey	60.00	60.00	0.00	4,719
Extra Turkey Tag	N.A.	15.00	N.A.	1,936
Furbearing Animal	160.00	160.00	0.00	66
Hunting Stamps				
Pheasant	\$7.25	\$10.00	\$2.75	42,838
Waterfowl	7.00	7.00	0.00	58,052
Wild Turkey	5.25	5.25	0.00	113,243
Resident Fishing				
Annual	\$17.00	\$20.00	\$3.00	494,916
Senior Annual	7.00	7.00	0.00	92,332
Youth Annual	7.00	7.00	0.00	32,545
Husband and Wife	29.00	31.00	2.00	111,676
Disabled	7.00	7.00	0.00	12,569
Disabled Veteran	3.00	3.00	0.00	2,472
Sturgeon Spearing	20.00	20.00	0.00	9,853
Sturgeon Hook and Line	N.A.	20.00	N.A.	852

	<u>2004 Fee</u>	<u>Current Fee</u>	<u>Change to Prior Fee</u>	<u>2007-08 Licenses Sold</u>
Nonresident Fishing				
Individual:				
Annual	\$40.00	\$50.00	\$10.00	85,853
Fifteen-day	24.00	28.00	4.00	34,826
Four-day	18.00	24.00	6.00	95,526
Family:				
Annual	65.00	65.00	0.00	32,341
Fifteen-day	40.00	40.00	0.00	17,683
Sturgeon Spearing	50.00	65.00	15.00	136
Sturgeon Hook and Line	N.A.	50.00	N.A.	36
Fishing Stamps				
Inland Trout	\$7.25	\$10.00	\$2.75	132,239
Great Lakes Trout and Salmon	10.00	10.00	0.00	132,368
Two Day Great Lakes Fishing	14.00	14.00	0.00	52,172
Two Day Inland Lake Trout	N.A.	14.00	N.A.	674
Resident Multiple Licenses				
Conservation Patron	\$140.00	\$165.00	\$25.00	50,425
Junior Patron	75.00	75.00	0.00	4,645
Sports License	45.00	60.00	15.00	65,091
Junior Sports	35.00	35.00	0.00	3,316
Nonresident Multiple Licenses				
Conservation Patron	\$600.00	\$600.00	\$0.00	91
Junior Patron	75.00	77.00	2.00	909
Sports License	275.00	275.00	0.00	482
Junior Sports	35.00	36.00	1.00	3,255

Notes: Fees shown include the issuing fee, and the wildlife damage surcharge where applicable.

Table 2 shows selected hunting and fishing license fees in Wisconsin and surrounding states.

TABLE 2
2008 Selected Hunting and Fishing Licenses

	<u>Illinois</u>	<u>Iowa</u>	<u>Michigan</u>	<u>Minnesota</u>	<u>Wisconsin</u>
Resident					
Deer	\$15.00*	\$27.00*	\$15.00	\$27.00	\$24.00
Small Game	7.50	17.50	15.00	20.00	18.00
Annual Fishing	\$13.00	17.50	15.00	18.00	20.00
Nonresident					
Deer	\$250.00*	\$221.50*	\$138.00	\$142.00	\$160.00
Small Game	50.75	80.50	69.00	85.50	85.00
Annual Fishing	24.50	39.50	34.00	40.50	50.00
Habitat Stamp	\$5.50	\$11.50	N/A	N/A	N/A

*Also must purchase a general hunting license.

Note: Illinois and Iowa- hunters must purchase a habitat stamp in addition to all other licenses purchased.

Some sources of revenue to the account are statutorily designated for specific purposes, rather than for general fish and game activities. These include hunting and fishing stamps, wildlife damage surcharge revenues (discussed in a separate paper), and handling fees. Fish and wildlife account revenues that are not statutorily designated for specific purposes support approximately 452 authorized permanent staff positions which carry out the fish and wildlife management and law enforcement functions of the department.

Primarily due to the state hiring freeze, the Department indicates that approximately 50 positions are currently vacant. This 11% vacancy rate is expected to significantly reduce 2008-09 expenditures (by approximately \$3,000,000). In addition, DNR indicates that reduced supplies and services and LTE spending could lead to a further reduction of \$1,000,000 in 2008-09. The vacancy rate is also expected to limit salary related costs through most of the 2009-11 biennium (it is unclear when, or if, the hiring freeze would be lifted by the administration during the next biennium). Therefore, 2009-11 expenditures are expected to be at least \$1 million lower than authorized due primarily to the existing vacancies. These reductions will limit the Department's activities in most aspects of fish and wildlife management programs and conservation law enforcement.

Even with these substantial planned reductions, and across-the-board reductions under the bill, the fish and wildlife account would be projected to have a negative available balance of approximately \$100,000 on June 30, 2011, as shown in Table 3. As some sources of revenue to the account are dedicated to specific purposes, the Department is unable to utilize them for general fish and wildlife account expenditures. Therefore, these dedicated revenues (such as trout stamp or waterfowl stamp revenues) are shown in the table as part of the fish and wildlife account continuing balance. While the account would be expected to have a significant cash balance, DNR would need to reduce expenditures (beyond the currently planned reductions) by approximately \$100,000 in 2010-11 to maintain the account in overall balance. Further, authorized expenditures under the bill would exceed anticipated revenues to the fish and wildlife account by approximately \$3 million annually creating a structural imbalance in the account. Therefore, either fee increases, expenditure reductions, or a combination of the two will likely be required again in the 2011-13 biennium.

TABLE 3**Estimated Fish and Wildlife Account Condition Under AB 75**

<u>Title</u>	<u>2007-08 Actual</u>	<u>2008-09 Estimate</u>	<u>2009-10 AB 75</u>	<u>2010-11 AB 75</u>
Opening Balance	\$21,055,600	\$15,253,500	\$16,687,600	\$13,241,300
Revenue				
Hunting Licenses and Stamps	29,437,000	29,375,000	30,310,000	30,110,000
Fishing Licenses and Stamps	27,480,400	27,925,000	27,965,000	28,000,000
Combination Licenses	11,384,100	11,220,000	11,225,000	11,225,000
Timber Sales	2,993,900	3,500,000	3,500,000	3,500,000
Tribal Gaming Transfer	3,000,000	3,000,000	3,000,000	3,000,000
All Other Revenues	<u>1,665,500</u>	<u>1,275,000</u>	<u>1,500,000</u>	<u>2,050,000</u>
Total Revenue	\$75,960,900	\$76,295,000	\$77,500,000	\$77,885,000
Total Available	\$97,016,500	\$91,548,500	\$94,187,600	\$91,126,300
Authorized Expenditures	81,763,000	79,655,700	80,935,800	80,204,500
Planned Reductions		-4,000,000	-1,000,000	-1,000,000
Health Insurance Reserves			<u>1,200,000</u>	<u>2,100,000</u>
Total Expenditures	\$81,763,000	\$75,655,700	\$81,135,800	\$81,304,500
Cash Balance	15,253,500	15,892,800	12,257,000	8,837,500
Encumbrances/Continuing Balance*	6,977,700	7,237,900	8,103,400	8,948,900
Available Balance	\$8,275,800	\$8,654,900	\$4,153,600	-\$111,400

*Includes amounts encumbered (committed, but not yet paid) as well as continuing balances from certain appropriations (such as trout, waterfowl, or wild turkey stamp programs) that are not available for general appropriation.

Under the bill, most fish and wildlife appropriations were reduced by at least 1%, and many appropriations were subject to further reductions (often 5%). In addition, the bill includes savings to the fish and wildlife account of approximately \$1.4 million over the biennium from closing counter service at DNR service centers. If the Committee wished to fill vacancies and/or restore some funding for programs (such as counter service), additional revenue would be needed.

The following table identifies the amount that would be generated if resident and nonresident deer hunting and fishing license fees were increased by \$1.00 (\$2.00 for nonresident fifteen day fishing). Increases of this nature would raise an estimated \$1.3 million annually. Approximately \$900,000 in additional revenue would be expected in 2009-10.

TABLE 4

Selected Hunting and Fishing Fee Increases

	<u>Current Fee</u>	<u>Alternative Fee</u>	<u>Change to Prior Fee</u>	<u>Annualized Revenue Increase</u>
Hunting				
Resident Deer	\$24.00	\$25.00	\$1.00	\$410,000
Nonresident Deer	160.00	161.00	1.00	30,000
Fishing				
Resident Annual	\$20.00	\$21.00	\$1.00	\$490,000
Resident Husband and Wife	31.00	32.00	1.00	110,000
Nonresident Annual	50.00	51.00	1.00	85,000
Nonresident Fifteen Day	28.00	30.00	2.00	35,000
Nonresident Four-Day	24.00	25.00	1.00	<u>90,000</u>
Total Annual Revenue Increase				\$1,250,000

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