



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #631

Licensing LTE Funding (DNR -- Departmentwide)

[LFB 2001-03 Budget Summary: Page 466, #11]

CURRENT LAW

The Department of Natural Resources currently administers an automated hunting and fishing license sales system. There are a wide variety of licenses authorizing residents and nonresidents to hunt and fish. Hunting and fishing licenses vary according to the type of species that may be pursued, the method of pursuit, the number of people for whom the license is valid and the time period for which the license is valid. To hunt or fish certain species, a stamp must be purchased in addition to the license.

Most licenses may be purchased directly from DNR or from sales agents appointed by the Department (such as county clerks, sporting goods stores, discount stores and bait shops), although certain licenses are only available through the Department. A sales agent may retain 50¢ per license and 15¢ per stamp from the purchase price. Currently, 236 different licenses and approvals are issued through ALIS.

GOVERNOR

Provide \$375,500 SEG annually split funded from the fish and wildlife, boat, snowmobile, and ATV accounts to increase the Bureau of Customer Assistance and External Relations' limited-term employee (LTE) salary base. This increase would reflect actual costs incurred, and for a 15% increase in the average hourly rate received by the Bureau's LTEs in efforts to improve recruitment and retention.

DISCUSSION POINTS

1. Under the prior license sales system, DNR distributed licenses to county clerks, who in turn distributed them to sales agents. DNR indicates that the prior system was problematic in terms of license distribution and revenue collection. The Department also indicates that the system was too paper-intensive and inconsistent across counties. The number and variation of licenses sold created problems for sales agents, and the prior delivery system did not allow agents to readily respond to variation in license demand.

2. Under ALIS, a data terminal and printer are placed at license sales locations. Hunting and fishing licenses are printed by agents on demand. In addition, license sales information is captured electronically and license revenue is collected via electronic funds transfer. All DNR licenses are programmed into the system and thus, all agents are able to sell all DNR licenses and stamps. Licenses are printed on durable stock and multiple licenses can be printed on one form. Agents can also be updated on new information through notices on an electronic bulletin board system. The delays of a paper system are minimized and license inventory control is improved.

3. The funding for the increase to the Bureau of Customer Assistance and External Relations' limited-term employee (LTE) salary base (as well as to increase the hourly rate for LTEs) would be divided amongst the fish and wildlife, boat, snowmobile, and ATV accounts as follows:

Funding for License Sales LTEs

	<u>2001-02</u>	<u>2002-03</u>	<u>Total</u>	<u>Percent</u>
Fish & Wildlife	\$136,700	\$136,700	\$273,400	36%
Boat	154,700	154,700	309,400	41
Snowmobile	51,800	51,800	103,600	14
ATV	<u>32,300</u>	<u>32,300</u>	<u>64,600</u>	<u>9</u>
	\$375,500	\$375,500	\$751,000	100%

4. The Bureau of Customer Service and Licensing attributes the increased demand for LTE hours to increased customer demand. LTE hours in central office increased from 43,100 in 1998-99 to 59,300 in 1999-00. The Bureau attributes approximately 60% of this increase to increased snowmobile, boat, and ATV registrations. The remaining demand was attributed to increases in recreational licenses and special permits, such as turkey and hunter's choice. Of the total requested, \$274,200 annually would be used to increase the base level of funding available to meet the demand for LTE hours. The remaining \$101,300 would be used to increase the average LTE salary in both central office and DNR service center locations by over 15% from \$8.25 per hour to \$9.55 per hour.

5. Reliance on LTEs for seasonal support for customer service and licensing functions has been increasing. As shown in the following table, central office LTE costs have more than doubled since 1997-98.

Limited-Term Employee Salary Costs -- Central Office

	<u>Salary Cost</u>	<u>Increase</u>	<u>Percent</u>
1997-98	\$199,600		
1998-99	224,700	\$25,100	13%
1999-00	423,000	198,300	88

6. The implementation of an automated licensing system was intended to make the process of purchasing a license or approval more efficient and user-friendly. The new system was also expected to be less cumbersome for retail operators. However, ALIS costs for both system maintenance and operations have significantly exceeded original expectations.

7. Further, DNR argues that in central office, much of the vehicle registration work is complicated, and requires trained individuals to process applications accurately. At regional service centers, more experienced employees may be more efficient in their use of the ALIS system and may have a greater familiarity with DNR rules and regulations, improving the customer service mission of the DNR centers. The LTE pay increase would enhance DNR's effort to retain quality employees. In addition to selling licenses, counter staff at DNR service centers answer customer's questions about licensing and registration requirements, hunting and fishing rules and regulations, and recreational vehicle rules and regulations. Counter staff also direct inquiries to other DNR staff as necessary. DNR argues that well-trained LTEs help provide higher levels of customer service as well as resources for individuals who may have little or no contact with other DNR staff.

8. As of January 1, 2001, there were over 562,800 registered boats in Wisconsin. Boat registrations are valid for three years, and renewals are processed by central office customer service and licensing staff. In addition, as of February 28, 2001, there were 243,400 registered snowmobiles and 144,600 registered ATVs. Both snowmobile and ATV registrations must be renewed every two years.

9. For license year 2000 (April, 2000 through March, 2001), DNR service centers completed 195,100 ALIS transactions, and reported total sales of almost \$6.2 million. This represents 8% of all transactions and over 10% of total revenue generated through the ALIS system during license year 2000.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide funding from the fish and wildlife, boat, snowmobile, and ATV accounts to increase the Bureau of Customer Assistance and External Relations' to increase (a) the limited-term employee (LTE) salary base by \$274,200 SEG annually and (b) to provide a 15% LTE salary increase at \$101,300 SEG annually.

Alternative 1	SEG
2001-03 FUNDING (Change to Base)	\$751,000
<i>[Change to Bill]</i>	<i>\$0]</i>

2. Maintain current law.

Alternative 2	SEG
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>- \$751,000]</i>

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