



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #514

### **Pheasant Hunting on State Lands (DNR -- Fish, Wildlife, and Recreation)**

[LFB 2005-07 Budget Summary: Page 354, #3]

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#### **CURRENT LAW**

DNR operates the state game farm at Poynette, which raises adult pheasants for stocking on public hunting grounds. Further, the game farm provides day-old rooster chicks to conservation and sports clubs under cooperative agreements for stocking purposes. In addition, the Department also administers the wild pheasant restoration program, in which pheasants are released at various locations in the state.

#### **GOVERNOR**

Require that, in addition to a pheasant stamp, any individual hunting pheasant on public lands under DNR's ownership, management, supervision, or control that are stocked with pheasants must purchase a pheasant hunting permit. Set the fee for the permit at \$10 for both residents and nonresidents (which includes a 15¢ issuing fee to be retained by the vendor). Allow DNR to promulgate an administrative rule requiring that each person who is issued a pheasant hunting permit must record the number of pheasants taken under that permit. The rule could be promulgated initially as an emergency rule without the finding of emergency. Specify that all revenues generated from the sale of the license be deposited in a new, continuing appropriation to be used for the stocking and propagation of pheasants on Department lands. This provision would take effect on March 1, 2006. The permit requirement would be expected to generate revenues of \$396,000 in 2006-07.

#### **DISCUSSION POINTS**

1. Pheasants provided from the game farm for stocking are generally considered "put

and take" stock -- that is, most of the birds that are not harvested during the year in which they are stocked do not tend to survive over winter in the wild. In addition to annual stocking for the purpose of increasing hunting opportunities, DNR (in cooperation with Pheasants Forever) also administers a wild pheasant restoration program. Under this program, several hardier breeds of pheasants from Iowa and China have been released in different areas across the state in an effort to restore naturally reproducing populations of pheasant in the wild.

2. Pheasant management is generally funded from two sources. Revenues from the sale of pheasant hunting stamps is statutorily segregated for developing, managing, preserving, restoring and maintaining the wild pheasant population in the state, generally through habitat protection, development, and maintenance. An experiment in stocking several breeds of pheasant under the wild pheasant restoration program was also partially funded from stamp revenues (with remaining funds donated by Pheasants Forever). The state game farm in Poynette, which is responsible for raising and stocking put-and-take pheasant stock, is supported by general revenues to the fish and wildlife account of the conservation fund.

3. The following table shows the amount spent per year by DNR (including salary, fringe benefits, limited-term employee assistance, and supplies and services) for work related to the stocking of pheasants. The table also shows the number of pheasants stocked in each year, the number of counties where DNR stocking occurred, and the number of state owned properties receiving pheasants. The number of counties affected and properties stocked in the table represent only DNR staff efforts, and do not include properties stocked through cooperative agreements with conservation and sports clubs. The last column displays the number of day-old pheasant chicks supplied to approximately 64 local sports groups by the state game farm in the spring (during the prior fiscal year that ends on June 30), and then raised and subsequently stocked locally as adults by the clubs in the fall of the identified fiscal year. Consequently, the cost of providing these day-old chicks is primarily reflected in the previous fiscal year's expenditures. That is, 38,675 day-old chicks were hatched at the state game farm in the spring of 2004 (fiscal year 2003-04) and stocked by local clubs in the fall of 2004 (fiscal year 2004-05).

**TABLE 1**

**DNR Pheasant Stocking Efforts 2000-05**

<u>Year</u>	<u>DNR Expenditures</u>	<u>Number of Adult Pheasants Stocked</u>	<u>Counties</u>	<u>Properties Stocked</u>	<u>Day-old Chicks</u>
2004-05	Not Available	19,160	24	50	38,675
2003-04	\$536,000	34,956	33	76	57,183
2002-03	786,100	59,530	33	78	57,273
2001-02	737,300	55,900	33	78	59,710
2000-01	777,700	55,300	33	78	59,509

4. The Department indicates that it intends to use revenues generated from the sale of

the pheasant tags in addition to (rather than in place of) funds currently provided for pheasant rearing and stocking efforts at the game farm. Wildlife management staff estimate that the optimal production capacity of the game farm is approximately 60,000 each of adult pheasants and chicks. Full funding of the game farm's current budget from the fish and wildlife account and all revenues from the sale of pheasant tags under the bill would be provided until the game farm was able to consistently meet its production goals (approximately \$1.0 million would be expected to be available in 2006-07 under the bill). In the event that the funding provided for game farm operations exceeds its anticipated expenses, a portion of the fish and wildlife revenue provided for supplies and service may be reduced, and reallocated for other fish and wildlife account supported operations. However, DNR budget officials note that any significant adjustments to anticipated expenditure levels from the fish and wildlife account under the bill could also affect funding allocated for game farm operations in 2005-06 and 2006-07.

5. The administration has indicated that it intends the provision to apply to any individual hunting pheasant on public lands under DNR's control that are stocked with pheasants by DNR staff. The Department indicates that the provision was not intended to apply to lands (some of which may be owned or under the control of DNR) that may be stocked by cooperating clubs under agreement with the Department using pheasants provided as chicks from the state game farm and raised by the clubs for fall release. However, the bill is not clear on this distinction. The bill could be modified to state that the provision applies to any individual hunting pheasant on public lands under DNR's ownership, management, supervision, or control that are stocked with pheasants by Department staff.

6. In 2003-04 and in 2004-05, general operations funding for some DNR activities supported by the fish and wildlife account were reduced in conjunction with the Governor's recommended fee increase package in order to maintain a positive balance within the fish and wildlife account. These reductions were adopted by the Legislature and funding for operations at the Poynette game farm were affected by this reduction, through reduced supplies and services allocations. With reduced funding to pay for the costs associated with raising, feeding, and maintaining pheasants, the game farm decreased the number of birds raised and stocked during those years. The resulting decrease in pheasant stocking efforts in the fall of 2004 and expected again this fall have generated a negative response from some hunters. From this perspective, it may be argued that providing additional funding from a dedicated revenue source to maintain DNR pheasant stocking efforts is a priority.

7. Currently, individuals pursuing pheasant in an area that has been declared a pheasant management zone must purchase a pheasant stamp in addition to a small game license (the stamp is included for holders of a conservation patron license). Revenues generated by the sale of the pheasant stamp are deposited in a continuing appropriation, and used for the preservation and management of pheasant habitat. The Governor proposes to increase the fee for the pheasant stamp from \$7.25 to \$10 under the bill. Hunters purchase approximately 31,000 pheasant stamps annually, which when combined with the allocation of a portion of revenue from the sale of conservation patron licenses (in recognition of the fact that a pheasant stamp is included in the privileges conveyed), generated \$396,900 in revenue in 2003-04 for pheasant habitat restoration. Historically,

revenues to the appropriation have exceeded expenditures, and the continuing appropriation for pheasant habitat projects is expected to have an available balance of approximately \$160,000 on June 30, 2005.

8. The administration's revenue estimate assumes that approximately 40,200 put-and-take tags would be sold in 2006-07. For license year 2004, 30,800 hunters purchased pheasant stamps. Further, almost 75,000 hunters purchase conservation patron licenses (which include both small game and pheasant stamp approvals). If one-third of patron holders hunt in pheasant management zones, the possible pool of hunters affected by this change could total over 65,000. However, given that it is uncertain how many conservation patron license holders pursue pheasant, and of those who do, how many hunt on stocked public land within the pheasant management zone, it is difficult to estimate the number of tags that may be sold. However, given the volume of pheasant stamp and patron license sales, an estimate of 40,200 in 2006-07 appears reasonable.

9. Given that under the bill a resident annual small game license would increase to \$20 and a pheasant stamp to \$10, it may be argued that some hunters may object to the new \$10 put and take permit, even if they would otherwise approve of providing additional funds for pheasant stocking. One alternative may be to decrease the price of the put and take pheasant tag to \$5.25 (including a 15¢ issuing fee), the same fee charged for a turkey stamp. Under this alternative, increased revenues of approximately \$205,000 to supplement the fish and wildlife account's support of the state game farm may be anticipated.

10. Alternatively, rather than create a new put-and-take approval, a portion of the revenues from the sale of the existing pheasant stamp could be used for stocking rather than habitat. Under the bill, the fee for a pheasant stamp would increase from \$7.25 to \$10. Allocating half of the higher stamp price for the preservation and management of pheasant habitat and half for the stocking and propagation of pheasants on Department lands would be expected to generate approximately \$225,000 annually for each purpose.

11. Finally, while the creation of a new appropriation for the stocking and propagation of pheasants on Department lands was included under the bill, no estimation of anticipated expenditure authority was provided. As a continuing, all monies received appropriation, DNR would have the authority to spend any revenues deposited to this appropriation. However, in order to more accurately reflect anticipated Department expenditures, the appropriation should be reestimated to reflect anticipated revenues. If the Committee were to choose the alternative that divides revenues from the pheasant stamp between the appropriations for habitat management and pheasant stocking and propagation, both appropriations should be reestimated accordingly.

## **ALTERNATIVES**

1. Adopt the Governor's recommendation to require that any individual hunting pheasant on public lands under DNR's ownership, management, supervision, or control that are stocked with pheasants must purchase a pheasant hunting permit, in addition to a pheasant stamp,

effective March 1, 2006. Set the fee for the permit at \$10 for both residents and nonresidents (which includes a 15¢ issuing fee to be retained by the vendor). Allow DNR to promulgate an administrative rule requiring that each person who is issued a pheasant hunting permit must record the number of pheasants taken under that permit. The rule could be promulgated initially as an emergency rule without the finding of emergency. Specify that all revenues generated from the sale of the license be deposited in a new continuing appropriation to be used for the stocking and propagation of pheasants on Department lands.

2. Adopt the Governor's recommendation. Further, provide \$396,000 in 2006-07 to reflect anticipated revenues and clarify that the permit only be required on DNR lands stocked by DNR staff.

<u>Alternative 2</u>	<u>SEG</u>
<b>2005-07 FUNDING</b> (Change to Bill)	\$396,000

3. Adopt the Governor's recommendation except set the fee for the permit at \$5.25 for both residents and nonresidents (which includes a 15¢ issuing fee to be retained by the vendor). Provide \$205,000 in 2006-07 in the new continuing appropriation.

<u>Alternative 3</u>	<u>SEG-REV</u>	<u>SEG</u>
<b>2005-07 REVENUE</b> (Change to Bill)	- \$191,000	
<b>2005-07 FUNDING</b> (Change to Bill)		\$205,000

4. Specify that beginning on March 1, 2006, one-half of all revenues generated by the sale of pheasant stamps be used for developing, managing, preserving, restoring and maintaining the wild pheasant population in the state; and one-half be deposited in a new continuing appropriation for the stocking and propagation of pheasants on Department lands (\$225,000 in 2006-07, based on a \$10 stamp). Reestimate pheasant stamp revenues used for habitat protection, development, and maintenance at \$225,000 in 2006-07 (a reduction of \$164,700 from the bill).

<u>Alternative 4</u>	<u>SEG-REV</u>	<u>SEG</u>
<b>2005-07 REVENUE</b> (Change to Bill)	- \$396,000	
<b>2005-07 FUNDING</b> (Change to Bill)		\$60,300

5. Maintain current law.

<u>Alternative 5</u>	<u>SEG-REV</u>
<b>2005-07 REVENUE</b> (Change to Bill)	- \$396,000

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