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FISCAL IMPACT REPORT

SPONSOR Stewart DATE TYPED 2/14/2005 HB 5/aHGUAC

SHORT TITLE Department of Game and Fish Appropriation Act SB _____

ANALYST Aguilar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$179.6			Recurring	General Fund
	\$8,603.4			Recurring	Federal Funds
	\$19,540.8			Recurring	Game Protection Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act, Section 4 for the Department of Game and Fish

SOURCES OF INFORMATION

Report of the Legislative Finance Committee to the Forty-Seventh Legislature, First Session, January 2005 for Fiscal Year 2005-2006, Volume II, pp. 179 – 185.

Responses Received From
Department of Game and Fish

SUMMARY

Synopsis of HGUAC Amendment

The House Government and Urban Affairs Committee amendment to House Bill 5 increases personal services and employee benefits by \$206.8 thousand, contractual services by \$97.1 thousand and other costs by \$67.8 thousand from the Game Protection Fund. The increases would support basic operating costs relating to employee salaries and benefits and the consolidation of IT services within the agency. The HGUAC amendment also converts five temporary FTE to permanent status. The increases by program are detailed below:

Sport Hunting and Fishing
 PS&EB \$149.2
 FTE 4 FTE converted from TEMP to PERM

Conservation Services

FTE 1 FTE converted from TEMP to PERM

Administration

PS&EB 57.6
Contractual \$97.1
Other Costs \$67.8

Synopsis of Original Bill

House Bill 5 appropriates \$27,952.1 from the general fund, game protection fund and federal funds to the Department of Game and Fish (DGF) for its FY06 operating budget. The bill reflects the Legislative Finance Committee (LFC) budget recommendation for the agency.

HB5 includes performance measures and targets.

Significant Issues

The LFC recommends an overall reduction of 0.3 percent with no increase in general fund while limiting spending from the Game Protection Fund. This recommendation limits spending in contractual services and other costs and assumes an overall vacancy rate of five percent. The recommendation further includes a special two percent compensation increase for conservation officers in addition to the increase appropriated for all state employees.

PERFORMANCE IMPLICATIONS

The LFC recommendation recognizes agency performance and notes performance exceptions related to fishery operations. The LFC budget recommendation funds agency operations at levels which support performance goals and objectives.

FISCAL IMPLICATIONS

This bill appropriates \$27,952.1 in recurring funds for the FY06 operating budget; \$179.6 in general fund, \$8,603.4 in federal funds and \$19,169.1 from the game protection fund. The following information is relevant to the discussion of the bill.

Revenue from the following sources supports DFG's operations:

- Revenue to the game protection fund is generated from the sale of hunting and fishing licenses, special hunt fees, income from property owned by the department, and interest on balances in the fund. One dollar of each hunting and fishing license fee is reserved for capital projects approved by the State Game Commission.
- Other revenues are received from the purchase of a habitat stamp required to hunt and fish on federal property, the annual auction of one permit to hunt Rocky Mountain or desert bighorn sheep, federal funds from federal excise taxes and depredation fees assessed with each license to capitalize the big game depredation fund.

- General fund appropriations, while small, have augmented game protection fund revenue in carrying out the Conservation Services Division's responsibilities for public education and the conservation of nongame wildlife species.

OTHER SUBSTANTIVE ISSUES

Since FY01, the game protection fund has provided approximately \$16.2 million to complete several projects which include construction of the department's headquarters building, purchase of Eagle Nest Lake, construction at Red River hatchery, construction of the warm water hatchery at Santa Rosa, Eagle Nest dam repair and clean up at Terrero Mine. In FY05 the department will expend an additional \$1 million for continued repair activities at Eagle Nest. Subsequent to these activities, the fund was reduced from \$25 million to approximately \$8 million. In addition, department expenditures continue to outpace revenues annually by approximately \$1 million, a trend which will not be reversed in the near future without additional revenues. Due to the cyclical nature of license sales, revenues to the department are almost nonexistent from October through March requiring a fund balance greater than \$6 million to fund operations. To deal with revenue shortfalls the department reports it will request legislation increasing hunting and fishing fees during the 2005 session.

The department continues to struggle with staffing issues. The agency vacancy rate continues to hover around 10 percent to 12 percent with a substantial number of vacancies being conservation officers. The agency's expansion request includes eight conservation officers to support agency priorities, however at the time budgets were submitted; the agency had eight conservation officer positions vacant. This situation particularly with conservation officers is dangerous, considering the remote areas officers patrol.

The agency noted it is required to send conservation officer trainees to the police academy in Santa Fe even when a certified law enforcement program is available close to the trainee's home or place of work. This practice costs the agency a considerable amount of money in per diem, travel and compensatory time. Given state personnel rules governing the amount of compensatory time an employee may accrue and the time frame in which it must be used, the agency may not see an employee for at least six months once training begins. The LFC recognizes the importance of having officers in the field as soon as possible after training and supports the agency's efforts to have certification training take place at regional law enforcement training academies.

DGF at the urging of the committee and with assistance from the State Personnel Office conducted an internal review of issues regarding conservation officer's salaries, and the compaction of salaries within pay bands. As a result of the study, the department developed a compensation plan which provided in-band salary adjustments for conservation officers that took into account employee risk, training and experience. The cost of implementing this plan is estimated to be approximately \$80 thousand per year from the game protection fund. The plan was approved by SGC and put into effect in FY04.

Another issue raised by conservation officers is the possibility of changing retirement options from the general PERA plan to the police officer 20 year retirement. Legislation introduced in the 2004 legislative session indicated an additional impact on the game protection fund of approximately \$350 thousand annually and without a formal actuarial study the LFC cannot accurately predict the impact on PERA.

In January 2004, the State Game Commission (SGC) approved a land use fee schedule for department property. The initial schedule met with considerable resistance from members of both the oil and gas industry and the rural electric industry with both claiming the fees were arbitrary and out of line with fees normally assessed by the State Land Office and other entities both public and private. The committee directed the agency to reevaluate the fee schedule and determine if it were possible to better align the fees with current accepted standards. SGC approved a revised schedule in August 2004 which addressed the concerns raised and better aligned the fees. The director has noted industry representatives were involved in the revision process and no dissenting comments were made to the game commission.

Depredation complaints continue to increase along with resources dedicated to compliance and abatement. In addition to activities taken to physically keep wildlife off of private property such as building fences the department also provides a number of hunting tags which landowners then sell at a profit. This land owner signup system (LOSS) has proved to be troublesome to the agency in recent years as landowners have chosen to reject offers of physical measures and instead demand more and more tags while at the same time demanding financial compensation for damage to property. SGC is considering changes to LOSS requiring landowners to decide which option they would like to implement both of which will involve a reduction of direct payments. SGC is also considering changing the requirements regarding acreage and quality of forage to make the process more equitable to all stakeholders statewide.

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