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FISCAL IMPACT REPORT

ORIGINAL DATE 01/21/13

SPONSOR Stewart LAST UPDATED 01/24/13 HB 5/aHHGIC

SHORT TITLE Department of Game and Fish Appropriations Act SB _____

ANALYST McCoy

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$12,070.6	Recurring	Federal Funds
	\$27,169.2	Recurring	Other State Funds/ Fund Balance

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Game and Fish (DGF)

SUMMARY

Synopsis of HHGIC Amendment

The House Health, Government and Indian Affairs Committee amendment to House Bill 5 (HB5) increases the appropriations for the Department of Game and Fish to reflect the executive recommendation. As amended, the total appropriation from other state funds and fund balance is \$27.2 million, and the total appropriation from federal funds is \$12.1 million. The amendment also corrects a typographical error in one of the performance measures by change “office” to “officer” on page 2 and corrects the purpose of the conservations services program on page 3.

Synopsis of Bill

House Bill 5 contains the fiscal year 2014 (FY14) operating budget appropriation for the Department of Game and Fish. It appropriates money for seven budgeted funds under the jurisdiction of the State Game Commission and the department. The amounts contained in this bill represent the Legislative Finance Committee recommendation and applies an average 4.3 percent vacancy rate to allow the agency to reduce its vacancy rate, which has historically been approximately 21 percent.

FISCAL IMPLICATIONS

While the FY14 LFC recommendation of \$37.6 million is 18.7 percent above actual FY12 expenditures of \$31.7 million, it also represents a 2.8 percent, or \$1.1 million, reduction from the FY13 operating budget. The LFC recommendation applies an average vacancy rate of 4.3 percent, much lower than the average historical vacancy rate of 21 percent, to enable the agency to increase its staffing levels. Over the past two years, the agency experienced a high vacancy rate which the agency reports results from promoting from within the department, leaving the vacancy rate stagnant. The high vacancies also contributed to the agency's actual FY12 expenditures falling 17.6 percent below its operating budget. Fiscal year 2013 actual expenditures will also fall below the operating budget unless the agency fills vacant positions.

The FY14 LFC recommendation supports the agency's requested reorganization. The agency request reflected a reorganization that includes transferring certain divisions and their staff to different programs. Under the reorganization, the Sport Hunting and Fishing Program is renamed the Field Operations Program. The fisheries management, wildlife management, and public information and outreach divisions are transferred to the Conservation Services Program from the Field Operations Program. Additionally, 5 FTE are transferred to the Conservation Services Program from Program Support. The 96 FTE remaining in the Field Operations Program are condensed from four regional divisions into one statewide division with a straight line of command structure for law enforcement officials. The reorganization aims at streamlining services, improving response time, and ensuring employees have clear direction from management while consistently responding to constituents statewide. After completing its reorganization, if the agency is unable to reduce its vacancy rate, it should analyze the necessity of its vacant positions and work with the State Personnel Office to reclassify the positions so that they may be filled or deleted.

Overall, the FY14 program recommendations represent the following adjustments relative to the agency's FY14 base budget request:

- Field Operations Program (P716), the amounts contained in the bill represent a decrease of \$858.3 thousand from the FY14 request with no change in FTE;
- Conservation Services Program (P717), the amounts contained in the bill represent a decrease of \$512.3 thousand from the FY14 request with no change in FTE;
- Wildlife Depredation and Nuisance Abatement Program (P718), the amounts contained in the bill are the same as the FY14 request with no change in FTE; and
- Administration Program (P719), the amounts contained in the bill represent a decrease of \$277.1 thousand from the FY14 request with the no change in FTE.

SIGNIFICANT ISSUES

The Department of Game and Fish notes the executive recommendation is equal to the agency request, and the department recommends amending the bill to the executive recommendation amounts.

PERFORMANCE IMPLICATIONS

The legislation includes performance measures requested by the department for FY14. There is a correlation between the program appropriations and the ability of the agency to meet the performance target levels outlined in its performance measures listed below.

Field Operations– The target levels for the performance measures in this program are all newly proposed measures and reflect the agency’s FY14 request.

- Number of conservation office hours spent in the field checking for compliance will have a target of 30,000 for FY14
- Number of hunter and conservation education programs delivered by field staff will have a target of 350 for FY14
- Number of special field operations to deter, detect and apprehend off-highway vehicle and game and fish violators will have a target of 45 for FY14

Conservation Services Program – The performance measure for Conservation Services included in this recommendation is as follows:

- Number of days of elk hunting opportunity provided to New Mexico resident hunters on an annual basis increases to 167,000, up 2,000 from the FY13 level.
- Percent of public hunting licenses drawn by New Mexico hunters increases to 86 percent, up from 84 percent in FY13.
- Annual output of fish from the department’s hatchery system, in pounds remains at 455,000, the same level as FY13.

Wildlife Depredation and Nuisance Abatement Program – The performance measure for this program is as follows:

- Percent of depredation complaints resolved within the mandated one-year time frame remains at 90%, the same level as FY13.

ADMINISTRATIVE IMPLICATIONS

The bill does not make any changes to the permanent FTE count compared with the FY13 operating budget. The following sections summarize the fiscal impact of this recommendation to each of the department’s programs:

Field Operations Program – The appropriation proposed for this program is \$7,866.8. It supports 96 FTE with \$6,122.9 for personal services and employee benefits (200 category), \$72.3 for contractual services (300 category), and \$1,671.6 for the other (400 category).

Conservation Services Program – The appropriation proposed for this program is \$21,185.6. It supports 154 FTE with \$9,438.4 for personal services and employee benefits (200 category), \$3,127.8 for contractual services (300 category), \$8,122.1 in the other (400 category), and \$497.3 for other financing uses (500 category).

Wildlife Depredation and Nuisance Abatement Program – The appropriation proposed for this program is \$1,040.4. It supports 4.0 FTE with \$280.4 for personal services and employee

benefits (200 category), \$125.7 for contractual services (300 category), and \$634.3 in the other (400 category).

Administration Program – The appropriation proposed for this program is \$7,499.3. It supports 55 FTE with \$3,908.2 for personal services and employee benefits (200 category), \$569.9 for contractual services (300 category), and \$3,021.2 in the other (400 category).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

As part of the state’s overall appropriation, this bill will be incorporated into the General Appropriation Act of 2013 (House Bill 2).

TECHNICAL ISSUES

The Department of Game and Fish requests the following changes to language in the bill to address technical errors; please also see the amendment section:

1. On page 2, line 19, the word “office” should be replaced with “officer”.
2. The Department of Game and Fish recommends on page 3, striking lines 6 through 9 and replacing them with the following language: “The purpose of this program is to manage and conserve the state’s public wildlife resources and associated habitats for the benefit of the wildlife and for hunters, anglers and other wildlife users. Actions include the procurement and progressive management of wildlife habitat, providing technical assistance services and consultation to both public and private landowners and other affected interests regarding wildlife management and working to educate all sectors of the public about the wildlife resources of the state.”

ALTERNATIVES

Adoption of the Executive recommendation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Unless a duplicate appropriations act provides for a FY14 operating budget for the Department of Game and Fish, the department will not have a budget for FY14 to meet its statutory mandates.

MTM/svb:blm