



MINUTES

State Fish and Game Protection Fund Study Committee

November 16, 2011

MEMBERS PRESENT:

Senator Dennis Black, Co-chairperson
Senator Dick L. Dearden
Senator James F. Hahn

Representative Henry V. Rayhons,
Co-chairperson
Representative Curtis Hanson
Representative Jeff Smith

MEETING IN BRIEF

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- I. Procedural Business
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I. Procedural Business.

Call to Order. The first and only meeting of the State Fish and Game Protection Fund Study Committee was called to order at 10:00 a.m. on Wednesday, November 16, 2011, in Room 102 at the State Capitol Building in Des Moines, Iowa, by temporary Co-chairperson Senator Dennis Black. The meeting was adjourned at 2:37 p.m.

Election of Permanent Co-chairpersons. Members of the committee unanimously elected temporary Co-chairperson Senator Dennis Black and temporary Co-chairperson Representative Henry Rayhons as permanent co-chairpersons.

Adoption of Rules. Members of the committee adopted procedural rules which are posted on the committee's Internet site.

II. Charge, Welcome, and Comments by Co-chairpersons.

Committee Charge. The charge of the committee is to review the expenditures from the State Fish and Game Protection Fund (Fund) by the Department of Natural Resources (DNR).

Welcome and Opening Remarks. Co-chairperson Black welcomed members of the committee and asked them to introduce themselves. Persons present to observe the committee also introduced themselves. Co-chairperson Black said that he wants to know if the Fund is really in dire straits and that decisions must be made to decide the Fund's future. He observed that license sales or user fees provide the main source of the Fund's revenue along with federal funding and that the General Assembly has been reducing agriculture and natural resources funding in recent years. He opined that the only answers to funding problems in the future are to increase license and user fees or to reduce programs that have already been substantially reduced. Co-chairperson Rayhons echoed Co-chairperson Black's concerns.

III. Presentation—Legislative Services Agency, Fiscal Services Division.

Overview. Ms. Deb Kozel, Senior Fiscal Analyst, gave a presentation which explained the appropriations process of the Fund, what revenue sources are deposited in the Fund, appropriations made from the Fund, and capital expenditures funded by revenue from the Fund. Ms. Kozel introduced Mr. Aaron Todd, a new fiscal analyst, who will also be working with agriculture and natural resources appropriations.

Fund Revenues and Appropriations. Ms. Kozel explained that revenue is collected and deposited in the Fund each year. The largest sources of revenue are hunting and fishing license fees and federal funds. There is also revenue from sales income, income tax checkoff funds, interest, and miscellaneous sources. The DNR submits a budget request to the Department of Management for the following fiscal year and the Governor makes a budget recommendation to the General Assembly. The Joint Appropriations Subcommittee on Agriculture and Natural Resources reviews the DNR's request for funding, the Governor's recommendations, and other information that might affect the funding level before recommending the amount to appropriate to the DNR for its operations. Appropriations from the Fund have been fairly stable for the last five years.



Moneys not otherwise appropriated from the Fund can be used for capital projects such as dikes, levies, roads, and buildings, as well as land easements and acquisitions; state aid matching moneys for federal research grants for specific projects; and contingencies approved by the General Assembly or the Executive Council.

Discussion. Ms. Kozel answered questions from committee members relating to the use of Fund moneys for capital projects. Co-chairperson Black observed that 43.9 percent of the Fund expenditures are for capital projects including acquisition of land and the state fish hatcheries. Mr. Joe Larscheid, DNR Fisheries Bureau Chief, explained that the state has seven hatcheries, which are old and in need of frequent repair. Ms. Diane Ford, DNR legislative liaison, clarified that the DNR's lake dredging projects are funded with lake restoration funds, not capital funds. Co-chairperson Black cautioned that moneys in the Fund are constitutionally protected and must be utilized only for the purpose for which the Fund was created.

IV. Panel Presentation—DNR, Conservation and Recreation Division.

Overview. The committee heard a panel presentation by division staff, including Mr. Chuck Corell, Division Administrator; Mr. Dale Garner, Wildlife Bureau Chief; Mr. Bob Garrison, Law Enforcement Bureau Chief; and Mr. Joe Larscheid, Fisheries Bureau Chief.

Conservation and Recreation Division. Mr. Corell led the panel in discussing the history of the Fund and its current financial condition. The Fund has a long history, with Iowa an early leader in conservation. The Iowa Constitution was amended in 1996, with overwhelming support, to require that hunting, fishing, and trapping fees and other revenue received or appropriated for the regulation or advancement of hunting, fishing, or trapping, or the protection, propagation, restoration, management, or harvest of fish or wildlife must be used exclusively for the performance and administration of activities related to those purposes.

The estimated total economic impact in this state from fish and wildlife recreation in 2006 was \$1.54 billion. The sources of Fund revenue for FY 2010-2011 include hunting and fishing license fees; federal aid, including through the Pittman-Robertson Act of 1937 (tax on guns and ammunition) and the Dingell-Johnson Act of 1950 (tax on certain fishing tackle and boating equipment); fish and wildlife habitat fees; boat registration fees; all-terrain and snowmobile registration fees; miscellaneous fees; and the balance carryforward from previous years, all totaling \$66,981,370. It is necessary to maintain a balance carryforward in the Fund because revenue going into the Fund peaks every three years due to a three-year boat registration cycle, so those moneys must last until the next revenue peak.

In fiscal year 2010-2011, expenditures from the Fund were used to support the Wildlife Bureau (\$15,063,317), Enforcement Bureau (\$12,134,386), Fisheries Bureau (\$10,672,470), capital projects (\$10,392,096), administration (\$1,059,067), and a balance carryforward (\$17,362,884). In FY 2010-2011, the DNR paid property taxes to counties (\$755,885), but not all those moneys were paid from the Fund. In Iowa, there are 780,000 acres of public land, with the DNR holding 350,000 acres. The DNR pays property taxes on land acquired with Resource Enhancement and Protection (REAP) and wildlife habitat fee funding. The spending limit or "cap" for operations expenditures (used for day-to-day activities of the DNR bureaus and administration) from the Fund is authorized by the General Assembly each year. The remainder of the Fund is used for capital



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expenditures (infrastructure projects such as dikes, levees, roads, buildings, land easements and acquisitions, Federal Emergency Management Agency (FEMA) repairs, and other small repairs or projects) and the balance carryforward.

Due to decreasing revenues and increasing expenses, the Fund is expected to have a deficit of \$301,506 by FY 2015-2016.

Wildlife Bureau. Mr. Garner explained that the mission of the Wildlife Bureau is to conserve and enhance Iowa's wildlife resources on private and public land using science-based wildlife management programs. An Iowa Wildlife Action Plan has been developed by a coalition of scientists, sportsmen and sportswomen, conservationists, and other members of the public to proactively conserve all wildlife in the state before they become rare and more costly to protect. The Wildlife Bureau is the largest bureau in the DNR with responsibility for public and private lands management, research, botany, mapping and planning with satellite information, and depredation. The bureau's annual operations budget is predominately spent on management with other expenditures for administration, research, private land management, and management of areas owned by the U.S. Army Corps of Engineers (Condition 5). The bureau has 130.5 full-time employee positions and 16.79 seasonal positions.

The Wildlife Bureau counts among its successes the prairie resource unit restoration of native landscapes; Iowa's Habitat and Access Area Program allowing hunters access to private lands; shallow lakes restoration; a world-class deer herd; partnerships with private entities, county conservation boards, and the Army Corps of Engineers; inaugural dove hunting season in September 2011; Multiple Species Inventory and Monitoring Program; and wildlife restoration efforts of nongame species.

Law Enforcement Bureau. Mr. Garrison said that the mission of the Law Enforcement Bureau is to conserve and enhance Iowa's natural resources in cooperation with individuals and organizations to improve the quality of life in Iowa and ensure a legacy for future generations. Mr. Garrison has been bureau chief for 22 months. The primary function of the bureau is law enforcement and his goal is to involve people in the field in budget decisions and encourage them to regard each other as professionals. The bureau is organized into five districts in the state with 77 conservation officers and six recreation safety officers, and also oversees the Electronic Licensing System of Iowa (ELSI). The bureau's annual operations budget is predominately spent on field operations with expenditures for administration, hunter safety, boating safety, shooting ranges, and snowmobile enforcement.

The Law Enforcement Bureau counts among its successes hiring 16 additional officers; purchase of new narrowband radios; new shoulder patches commemorating the 120th anniversary of conservation officers in the state; work on rewriting the bureau's strategic plan; registration of docks; revamping of the computer system for the hunter education program; ELSI II adding boat registration to that for hunting and fishing licenses; assistance with the Missouri River flooding disaster in Summer 2011; increased officer training and special investigation efforts; public education, especially about the new .08 boating while intoxicated law; Turn in Poachers Program; Operation Dry Water for vessel safety checks; off-highway vehicle program for snowmobiles, all-terrain vehicles, and off-road vehicles; and the Archery in Schools Program.



Fisheries Bureau. Mr. Larscheid discussed the mission of the Fisheries Bureau which is to demonstrate leadership through education and scientifically based management for the protection, restoration, and enhancement of Iowa's fisheries and other aquatic resources while providing a wide range of outdoor recreational opportunities. Mr. Larscheid has been the bureau chief for two years after serving at the State Fishery on Spirit Lake for 18 years. The bureau has 94 full-time employees and 26 seasonal employees. The largest section is the fisheries management section, which is responsible for active management of 100,000 miles of streams and 300,000 acres of water in the state. Next largest is the fisheries culture section, which stocks high-quality fish in areas without sufficient natural reproduction. The fisheries research section focuses on improving fishing and recreational opportunities on the water. The lake restoration program strives to improve water quality and habitat in the state's lakes but is not funded by the Fund.

The bureau counts among its successes the walleye and trout stocking programs; high-quality muskellunge, catfish, and panfish fishing; improvements in water habitats, quality, and watersheds; and fishing projects and programs which encourage children to fish.

V. Committee Discussion.

Committee members asked questions about a wide range of topics and also made comments. Specifically, several committee members raised questions regarding the use of constitutionally protected fees.

Senator Dearden asked about the constitutionality of using license fees to support the Help Us Stop Hunger (HUSH) program, which funds the processing of donated deer meat. Mr. Corell responded that the \$1 fee paid by deer hunters to support the HUSH program does not completely cover the costs of processing the deer meat that is harvested. The Attorney General has indicated that it is permissible to use money from the Fund to help finance this program. Mr. Garner said that federal funds derived from the Pittman-Robertson tax on firearms and ammunition are also used because the HUSH program is a wildlife management tool. Hopefully, the need for the program will decrease as the deer population in the state comes under control. Iowa is ranked second in the country for venison donation. Senator Dearden opined that money to make up the shortage in funding for the HUSH program should come out of the General Fund or be paid by the Department of Corrections since it uses much of the meat.

Co-chairperson Black asked about the constitutionality of using licensing fees to support water trail improvements since this does not constitute the consumptive recreation that fish and game wildlife funding is meant to support. Mr. Corell said that boat registration fees are statutorily required to be placed in the Fund. In addition, the water trail program has separate funding from the General Assembly and funding through the marine fuels tax and Pittman-Robertson funds. In 2007, when boat registration fees were raised, the increase was required by statute to be used in part for administering and enforcing navigation and water safety laws on the inland waters of the state. The water trail program impacts water safety. Co-chairperson Black indicated he would ask the Attorney General for an opinion concerning use of moneys from the Fund for water trails.

Co-chairperson Black discussed the issue of increasing license fees to preserve the Fund and said that he would be willing to support such an increase next year.



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Co-chairperson Black asked about the organization of the Law Enforcement Bureau and indicated he would like to see a strategic plan for the bureau developed in-house. Mr. Garrison responded that there are currently only five regions designated instead of six because of budget concerns. The bureau needs an executive operations officer to deal with supervisors in the field and oversee special projects, and oversee all areas of the bureau. A skeleton strategic plan is being developed by him with bureau supervisors, who will then take the plan to the field for the officers to implement.

Co-chairperson Rayhons suggested that before raising fees, consideration should be given to the acquisition of land by the DNR, the issuance of nonresident deer hunting licenses, and the decline in the state's pheasant population. Mr. Corell responded that the biggest request the DNR receives is for more places to hunt and the DNR's response has been to acquire more land by adding to existing blocs of public land of 5,000 acres or more. The DNR could sell many more nonresident deer hunting licenses, but others want more deer to be available for lowans, and more nonresident licenses means that more land will be purchased in the state by nonresidents. Mr. Garner added that in order to properly pressure the deer herd, people need to harvest more does, and nonresidents are not willing to do this. The DNR subscribes to the North American model of conservation, which is that wildlife should be accessible to everyone, and higher fees limit access to only a few. In addition, if Iowa raises nonresident deer hunting license fees, reciprocal fees in other states for deer hunters from Iowa will also increase.

Co-chairperson Rayhons also asked about the state's inaugural dove hunting season, which was held this fall. Mr. Garner said that people hunting doves could use a regular small game hunting license and did not need to purchase a special license to hunt doves, although they were supposed to register as migratory game bird hunters. About 23,000 people did register but many did not know about the requirement, so the number of people who participated in hunting doves this year was probably higher.

Representative Hanson commented that his constituents think the deer population is out of control. Too much property is being placed in forest preserve with no management, causing wildlife proliferation. Mr. Corell admitted that the size of the deer herd is a contentious issue and that forest preserves can become deer sanctuaries. He said that the DNR will offer information, but should not lead the conversation on how to handle the situation. Mr. Garner said that the DNR has a depredation program to help with overpopulation of deer, but in order to work, hunters need access to private land.

Representative Smith asked about the possibility of creating a dove stamp to generate revenue. Mr. Garner responded that there is currently a migratory game bird fee, but it applies only to hunting water fowl. Senator Dearden added that a migratory game bird fee for dove hunting was not included in the bill when it passed this year, but might be added later when the General Assembly considers increasing other hunting and fishing license fees.

Representative Smith asked about possible causes for the decline in pheasants and whether there is any research into the reasons for the decline. Mr. Garner responded that if there were more habitat for pheasants, there would be more nests and they would be more protected. Better harvesting practices have reduced the amount of available grain left on the ground. There are also more predators now because fur prices are down and there are fewer trappers. Harsh winter



weather and floods are another cause for the decline. Mr. Corell said that there has been a dramatic decrease in the number of nonresident small game hunting licenses sold in the state. Most pheasant hunters now go to South Dakota.

Representative Smith asked about the DNR's control of aquatic invasive species, which pose a threat to Iowa's lakes. Mr. Larscheid said that when boat registration fees were increased in 2007, the state's aquatic invasive species control program was expanded and the DNR now monitors more than 100 water systems in the state to look for new infestations and treat them immediately. The program also includes education in schools, boater education, and monitoring of boat ramps in high-use water systems like Lake Okoboji. Public awareness of the problem is increasing.

Representative Smith also asked about new issues related to carp in lakes as a result of the Missouri River flooding this past spring. Mr. Larscheid said that silver carp and bighead carp have been found in some lakes after the flooding, but hopefully will not reproduce outside the river system. The DNR would like to erect barriers to prevent new fish from getting into lakes before the next flood occurs.

Representative Smith asked how the DNR estimates the economic impact of wildlife watching trips at \$494.3 million per year. Mr. Corell said that the estimate includes money spent during a trip to watch wildlife, including lunch, gas, and other incidentals.

With unanimous consent, the committee received and filed the testimony given to provide a record for further legislative consideration.

VI. Materials Filed With the Legislative Services Agency.

The materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the "Committee Documents" link on the committee's Internet page:

<http://www.legis.iowa.gov/Schedules/committee.aspx?GA=84&CID=543>

1. Meeting Notice.
2. Tentative Agenda.
3. State Fish and Game Protection Fund Study Committee.
4. PowerPoint Presentation by Department of Natural Resources, Conservation and Recreation Division staff.
5. Members.
6. Charge.
7. Letter to Members.
8. Proposed Rules.
9. Adopted Rules.
10. Sign Up Sheet.
11. Iowa Fish and Game Protection Fund Report for Fiscal Year 2011 (corrected) by Department of Natural Resources.
12. Background Statement by Mr. Adkisson, Legal Counsel, Legal Division, Legislative Services Agency.



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13. PowerPoint Presentation by Ms. Kozel, Senior Fiscal Analyst, Fiscal Services Division, Legislative Services Agency.

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