

**Montana Department of Fish, Wildlife and Parks
Fish and Wildlife Licensing and Funding Advisory Council
Meeting Summary, September 3, 2013**

Council Members Present: Mark Aagenes, Ed Beall, Robin Cunningham, Bob Gilbert, Art Hayes, Ed Hammer, Jim Olson, Debby Perry, Brett Todd, Senator Kendall Van Dyk, Fish and Wildlife Commission Chair Dan Vermillion, Representative Jeff Welborn. Not present: Tim Aldrich

Fish, Wildlife and Parks: Wade Cooperrider, Dave Hagengruber, Sue Daly, Quentin Kujala, Paul Sihler, Charlie Sperry, Neal Whitney, Hank Worsech

Environmental Quality Council: Hope Stockwell

Facilitator: Barb Beck, Beck Consulting

Public: Mac Minard, Jerry Davis and Laura Lundquist

Welcome and Introductions

Paul Sihler welcomed the council. Facilitator Barb Beck reviewed the agenda. The ground rules and decision rules had been updated according to the Council's suggestions. The meeting documents were posted on the webpage prior to the meeting as per Council members' request and they confirmed they were able to retrieve the meeting documents ahead of time.

Council members were given the opportunity to report on any comments they had received between the two meetings. The following input had been received in informal discussions: raise fees more often than every ten years; consider tying license prices to the Consumer Price Index (CPI); and find additional revenue to fund the Department's activities from people who do not hunt and fish.

Debby Perry reported that the Montana Sportsman's Alliance has distributed a survey asking about fair prices for licenses. She read some of the questions in the survey to the council. Council members thought the methodology and results of the survey would be helpful and relevant to their discussions. Debby will follow-up with the Association to find out the details of the survey design, participation, and the results. She will provide that to Charlie Sperry for distribution.

Paul and Charlie handed out hard copies of two comments the Department had received via e-mail.

Paul reported on a meeting with the Tri-State fish and wildlife agencies (Idaho, Montana, and Wyoming) that took place since the last Council meeting. Wyoming Game and Fish worked hard with their interim legislative committee to support a license price increase. However, during caucuses following the election, five new members were appointed to the 9-person committee. The new committee did not support an increase, nor did the legislature. Idaho Fish and Game is working to diversify their funding sources, increase license prices and increase license sales. They hope to have legislative approval to reduce license prices as a way to increase sales and also would like their commission to be given the authority to offer long-term license buyers reduced prices (similar to the Postal Service's "forever" stamp concept, but for a specified period rather than forever.) FWP will be monitoring the situation in these states.

Advisory Council Chairperson

The Council discussed the merits of selecting a Chair from their membership at the first meeting held in August 2013. No decision was made and the members agreed to give more thought to the issue between the August and September meetings for a decision at this, the September meeting.

Council members believe that having a Chair will be important to the ultimate success of their efforts. It is also important that the public understand that the work of the Council is nonpartisan. A Council Chair will lend credibility to the process so that it is clear to the public that the outcome of the Council's work is their own. After a discussion the council agreed by consensus that they wished to have a Council Chair and that Representative Jeff Welborn would serve as Chair. Representative Welborn agreed to serve as Chair. FWP will continue to provide the administrative support and plan the meetings. Facilitator, Barb Beck will run the meetings. The Chair will not need to run the council meetings, but will be involved as appropriate in external communications calling upon the Department and other council members for assistance and information necessary.

Council members also anticipate that there will be an important role for the Chair (communicating and advocating) for the Council's options/recommendations once they have completed their work.

Free and Discounted Licenses

Hank Worsech provided and talked through several handouts including a chart with lost revenue and the statutes related to free and discounted licenses—seniors, disabled, youth, military, etc. The lost revenue chart reflects an assumption that people would purchase the licenses at full price if the discounts were not available. The Department made this assumption to be able to show the cumulative effect. In reality, not everyone would purchase full price licenses if the discounts were unavailable.

It is within the scope of the Council to make recommendations - to alter the statutes. The Fish and Wildlife Commission can related rule changes; the authority for statute changes resides with the legislature.

The total cost of military discounts is \$92,000. The legislature has provided for \$90,000 to be reimbursed to the Department from the General Fund, so the cost to the Department for military discounts is minimal.

Hope Stockwell from the EQC provided the legislative history for the statutes Hank discussed. There have been changes over the years with many occurring in 1983 and 2005. Representative Welborn pointed out that a 2005 bill addressed many items related to resident licenses at once.

Hope presented comparative information (also provided hard copy) on what other states are offering in the way of free and discounted licenses. The states included in the comparison to Montana are Arizona, Colorado, Idaho, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. The comparison spreadsheets are posted on FWP's website and available to the Council and the public. The Council had wide-ranging discussion on the various categories of youth, senior, and

disabled licensing. Some highlights of Hope's presentation and interspersed Council discussion are as follows:

- Arizona is working hard to recruit youth by allowing them to hunt for \$5 (9% of the full priced license for residents and 3% of the full priced license for nonresidents.) Arizona has reduced its overall license options but has provided more privileges with each license. Arizona had family pricing with subsequent reductions for additional family member licenses. They no longer offer this.
- Wyoming, Colorado, and Arizona provide the most youth discounts.
- Idaho has a license for juniors with an adult mentor that the Council discussed as ~~gets~~ getting at both recruitment and retention. Many states require youth to hunt and fish with a license holder.

The Council discussed the concepts of free and discounted licenses. They are two very different things. If it is free it appears to have no value and there is no commitment. If it is discounted, people must still have some motivation to participate. Most of the Council members expressed the sentiment that they were not in favor of free licenses as a general principle.

- Across the states Hope researched, residents generally pay 13-17% of what nonresidents pay for hunting and residents pay 40-60% of what nonresidents pay for fishing.
- Montana appears to be the only state with a senior combination license. Also Montana is the only state where free and discounted licenses for seniors begin at age 62; the minimum age requirement for senior discounts in the other states is higher.
- The Council was generally not in favor of rewarding long-term state residency, but was more agreeable to considering long-term license buyers or offering multi-year license options.
- Most states provide some kind of license benefit tied to military service. But there are big differences between the states. Many are tied to percent disability and these are primarily for the residents of the state. Most states rely on the Veteran's Administration system for determining disability.

The Council members continued to come back to the equity issue in pricing of licenses and preliminarily support having discounts—whether they be for seniors, youth, disabled, or others—consistently set at the same percentage of a full priced license. There was no decision made by the Council to do this, they would like to see more information on the impacts.

Recommendation Evaluation Criteria

The Council had a brief discussion about whether criteria to evaluate possible recommendations or options related to licensing structure would be helpful to their effort. They decided that criteria might be helpful and generated the following preliminary list. The list was not prioritized. These criteria can be used when the Council is arriving at recommendations or at any point they wish, and may be refined as needed.

Does the potential recommended option:

- Maximize recruitment/retention?
- Simplify the license structure?
- Effectively target the intended consumer (youth, disabled, senior)?
- Maximize revenue to the Department?
- Treat all license buyers fairly?
- Enhance long-term revenue stability?
- Have some chance of success? and
- Would it be cost effective to administer?

Council Discussion on Discounts for Seniors

The following points were made by the Council during discussion. Preliminary recommendations for senior, youth, and disabled licenses are grouped together in the notes at the end of these individual discussion sections.

- Montana has the lowest age (62) of all of the states to qualify for senior discounts. Others were 65, 67, and 70. The Council thinks that age 62 is too young.
- Do discounted licenses for seniors encourage or reward retention?
- Montana has both free (upland game bird and fishing) and discounted (deer and elk) opportunities for seniors.
- “Free” things don’t have a perceived value to people. The Council may want to take all licenses that are now free and look at charging 50% (or some other percentage) of full price for them.
- Those individuals that are already 62 and receiving these benefits could be grandfathered in if the age is raised. What would be the fiscal implication of doing this?

**The Council asked FWP staff to compile demographic information on the ages of individuals using the senior free and discounted licenses and the financial implications of raising the cutoff age to 65, 67, and 70.*

Council Discussion on Discounts for Youth

- Other states are working to encourage youth participation. Montana also wants to encourage youth participation and recruitment.
- The current age structure is confusing and should be simplified. Making the licensing system more customer-friendly is one of the charges of this Council.
- License discounts may be most important to encourage resident youth who may have less means to participate than nonresidents.
- Free licenses for youth have not been proven to lead to recruitment. Because of privacy issues, it’s difficult to get information on youth participation.
- Parental involvement (and mentoring) appears to have a greater effect on recruitment and retention of youth hunters and anglers than free or discounted licenses.
- Wade Cooperider from FWP answered questions about participation in Hunter Education classes. The average annual participation in Hunter Ed is 6500-6800 plus another 2000 in the bowhunter classes. Wade estimated that just under two-thirds of the participants in Hunter Ed are 11-17 years old. Dave Hagengruber briefly summarized youth fishing efforts by FWP.

**FWP's Neal Whitney will pull the demographic information on age from the Automated Licensing System (ALS) and provide to the Council prior to the EQC meeting.*

Public Comment

Public Comment was invited at noon. One member of the public, Mac Minard, spoke to the council. Mr. Minard explained that although he serves as Executive Director of the Montana Outfitters and Guides Association, his remarks were being made as a private citizen. Mr. Minard thanked the Council members for their commitment to this work and expressed his belief that this work is complex. He also appreciated the work of the Department. Minard said that fish and wildlife are a public resource and sales of licenses contribute to caring for this resource. The job of the Council is not just about maximizing revenue to the Department, but to optimize benefits from the sale of licenses. People in the state expect some compassion when it comes to offering discounts to those with disabilities, military veterans, etc. He encouraged the Council to look at recruitment and retention and consider those who wouldn't otherwise be able to participate.

Council Discussion on Discounts for Disabled

- The Council wants to retain a break in license costs for disabled residents, but is not comfortable with the current definition of "disabled." The Council believes it is too broad and as currently used includes some individuals that should be purchasing a full price license.
- The authority to change the definition rests with the Fish and Wildlife Commission.
- The Council believes that looking into the definition of disabled for purposes of licensing is outside of the scope of their work and that the Fish and Wildlife Commission has the authority to address this issue.
- The Council indicated that the merits of charging a fee for permits to hunt from a vehicle should be evaluated.
- Towards the goal of making licensing more customer friendly, the Council thinks it would be appropriate to have licenses for disabled hunters and anglers be discounted at the same percentage as other discounted licenses.

Preliminary Options to Consider Related to Free and Discounted Licenses

The Council would like EQC feedback on the following preliminary options. Hope and Representative Welborn will discuss the following with the EQC at their quarterly September meeting and report back to the Advisory Council at the Council's October meeting.

The Advisory Committee believes that people who currently purchase hunting and fishing licenses are subsidizing hunters and angler who receive free or discounted fishing and hunting licenses. If the price of hunting and fishing licenses are to be increased, then as a matter of fairness and equity, the hunters and anglers who receive free or discounted licenses should also be expected to bear some of the burden of the fee increase.

The Council recommends retaining the military, block management cooperators, and Flathead Joint Tribal License discounts. The reasons for this recommendation are as follows.

- 1) The military discounts recognize the benefits provided to all Montanans by those who serve their country in the military.
- 2) The block management cooperator discounts are part of a statutory compensation to these individuals who cooperate with the Department to make hunting and fishing opportunities available to the public.
- 3) The Confederated Salish and Kootenai Tribes manage fish and wildlife and benefit area sportsmen. There is also a historical basis for these discounts tied to treaty rights.

The Advisory Council is tentatively considering the following recommendations for youth fishing licenses:

- Resident youth under the age of 12 continue to receive free fishing;
- That resident youth aged 12-17 should be able to purchase a discounted fishing license (at some percentage of the full price, perhaps 50% but this is yet to be determined);
- Resident individuals 18 and older would be required to purchase a full price license
- Nonresident youth under or at the age of 12 should receive free fishing;
- Nonresident youth over the age of 12 should purchase a full price nonresident fishing license.

Youth under the age of 12 cannot currently hunt legally. The Council tentatively recommends that resident youth aged 12-17 should be able to purchase a hunting license that is discounted from the full resident license price (discounted at the same percent as above for fishing licenses with the discount yet to be determined), and that resident individuals 18 and older purchase a full priced license.

The Council tentatively recommends that nonresident youth aged 12-17 should be able to purchase a hunting license discounted from the full nonresident license price (discounted at the same percent as above for resident hunting and fishing licenses with the discount yet to be determined), and that nonresident individuals 18 and older purchase a full priced license.

Overview of License Structure

As a preview to the discussions scheduled for the Council's October 18 meeting, FWP and Hope Stockwell presented information on license structure.

Hank Worsech went over a handout that listed all of the different kinds of Montana licenses and the prices for residents and nonresidents. It was evident from the list and discussion that there are many types of licenses and it is very complicated. All fees associated with both resident and nonresident licenses are set by the legislature.

Hope provided a handout and added comments about how Montana compares with other states on license pricing. Montana is below the median for resident pricing except for the few states that offer wolf tags. Montana is below the median for nonresident pricing except for deer, elk, black bear,

mountain lion, and upland game birds. Montana is well below the nonresident price for moose, sheep, and goat.

Some other states require a “base” hunting permit in addition to species specific licenses and when those states make price adjustments they seem to focus on changing the base license, though some still adjust prices for species specific licenses. Some states do more “bundling” of fees while other states have special charges such as a chronic depredation fee and a predator control fee. Four states offer lifetime licensing. Idaho has a three-year license and is considering customized packaging. There are also licenses of differing duration.

The Council was asked if there was any specific topic for which they would like more information before the October discussions on license structure. The information they requested included:

- Multi-year licensing for residents
- Multi-day nonresident fishing licenses
- Impacts of breaking apart existing combination licenses (ability to make “ala carte” license selections and removing upland game birds and fishing from the elk/deer combination license)
- Base licenses and what might be included in this
- Revenue division of the Conservation License between FWP and DNRC
- A list of the number of licenses of which fewer than 100 are sold
- Business practices such as refund policies
- Trophy permit opportunities for elk priced comparably with moose, sheep, and goat, and “quality” hunt licenses offered in other states
- Wyoming’s elk license fees

**FWP and EQC staff will gather information on the above issues to provide to the Council members before the October 18 meeting.*

Discussion Highlights for the Day

The following talking points were developed for any Council members that wish to use them. They were not prioritized.

1. Licensing is a very complex issue.
2. The Council is in the process of exploring options to be refined as outcomes are better understood (e.g. effects on certain groups and financial implications)
3. The “initial” options or ideas will be taken to the EQC for review and feedback.
4. The Council worked today on recommendations for changing free and discounted licenses (as a piece of the larger license structure) to be consistent, fair, and to generate revenue.

Council Meeting Evaluation

The Council closed out by evaluating the meeting. The Montana Wild facility is a good place to meet. Posting information on the website in advance of the meeting worked well. Providing handouts for the Council members' binders was appreciated. The Council would be open to break-out or smaller working groups in the future if appropriate for a particular topic. Thanks to Rep. Welborn for agreeing to Chair the Council.

**FWP staff will make arrangements for a block of rooms in Helena for each of the future Council meetings.*

Next Meeting

The next Council meeting will be held on Friday, October 18, at Montana Wild. The meeting will start at 9:00 a.m. and end no later than 5:00 p.m. An agenda will be sent out to Council members prior to the meeting and handouts will be posted on the website ahead of time.