

**Montana Department of Fish, Wildlife and Parks**  
**Fish and Wildlife Licensing and Funding Advisory Council**  
**Meeting Summary, February 19, 2014**

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

**Fish, Wildlife and Parks:** Sue Daly, Director Jeff Hagener, Quentin Kujala, Kathy Reilly, Paul Sihler, Charlie Sperry, Neal Whitney, Hank Worsech

**Environmental Quality Council:** Hope Stockwell

**Facilitator:** Barb Beck, Beck Consulting

**Public:** One individual and one member from the press

**Welcome and Introductions**

No one was aware of any media coverage of the council's work since the January meeting. Citizens in Wyoming are coming out in support of Wyoming Game and Fish with their funding challenges.

Council members reported on conversations with their constituents, citizens, and local legislators.

- There is general support for the recommendations. Specifically, people believe the increase in fishing license prices is reasonable and simplifying licenses is a good thing,
- Legislators and others believe that raising the age for the senior discount from 62 to 70 is too high, most support either 65 or 68,
- There is no support for giving the FW Commission authority for license pricing,
- People seem indifferent as to whether additional revenue is raised through a base license or raising prices on individual species licenses,
- Have not heard opposition to base license concept,
- There was no disagreement expressed on the preliminary recommendations following a presentation at the recent Citizen Advisory Council meeting in Missoula,
- Adjusting the nonresident refund policy to 10% makes sense (discussed later in meeting),
- Recommendations are too harsh on free and discounted licenses,
- Most people are OK with a license increase,
- Public still very concerned about hunting opportunities,
- Price of a grizzly bear license (if delisted),
- It's OK to refer to costs as rationale for recommendations,
- Wardens are underpaid,
- Addressing the definition of "disabled" is very challenging,
- Individual EQC members are generally reacting positively to the preliminary recommendations,

- Raising the prices for nonresident moose, goat, sheep and bison (MGSB) to \$1500 is too much of an increase,
- There is broad support for standardizing and simplifying licensing,
- There appears to be support and no resistance to recommending a 4-year funding review cycle,
- An increase in the senior age and reduction in discounts for seniors is supported. Legislators do not believe many seniors are hunting out of necessity,
- A question was raised about relative success in hunting MGSB in various areas of the state, Quentin will follow-up with Jeff Welborn as needed, and
- Public is still concerned with total financial picture--Department revenues and expenditures.

## **Content Analysis**

FWP staff provided a 3-page handout listing all of the comments received via e-mail to date. The Council read through the comments and will take them into consideration during discussions. The Council believes that it will get a significant amount of additional comment when it takes the recommendations out to the public. The Council will likely reconvene following the conclusion of the public comment period to further consider these comments and all other comments received.

## **Nonresident Big game Combination License Pricing**

The price of this license is currently close to \$1000. Without intervention, the automatic price escalator put into effect by citizen initiative will soon push the price over \$1000. The Council believes that this was a minor part of the initiative, and that a recommendation on this aspect does not go against the primary will of the people who passed the initiative. There is already some difficulty selling these licenses. The Council members believe the price is negatively affecting demand and this will worsen if the price exceeds \$1000. Following discussion, the Council endorsed the following.

### **Preliminary recommendation:**

***Cap the B-10 nonresident big game combination license price, including the proposed base license and application fee, at \$995. Cap the B-11 nonresident deer combination license price, including the proposed base license and application fee, at \$625.***

Rationale: Two-thirds of FWP's license revenue comes from nonresident license fees—predominantly the B-10 and B-11 licenses. This funds the Department's fish and wildlife management programs which we all benefit from. A price of \$1000 or greater for the B-10 will be a psychological barrier to purchasing the license. Demand is already soft at the present pricing. This pricing can be revisited every four years with the recommended funding cycle as necessary. (Note: the Council set the B-11 license price to retain the relative pricing between the B-10 and B-11 licenses.)

## **Nonresident Refund Policy**

The current refund policy for nonresident big game licenses can lead to nonresidents paying many hundreds of dollars (almost \$200 per year) over several years without getting the opportunity to hunt in Montana. The Council discussed this situation and how the refunds are inconsistent at 10 or 20%

depending on whether they are covered by the correction to HB607. This affects about 800 hunters per year. Addressing this situation is under the authority of the FW Commission.

**Preliminary recommendation:**

***Recommend to the FW Commission that the standard refund policy for nonresidents who are unsuccessful in drawing a permit in the March 15 drawing be 90% with FWP retaining 10%. Any refunds requested after March 15 would follow current policy. Make June 1<sup>st</sup> the deadline (which is currently August 1<sup>st</sup>) for an 80% refund and move the June 2<sup>nd</sup> deadline for a 50% refund to general archery season opening.***

Rationale: The refunds under HB607 (corrected) would match other refunds. FWP is not in the business of making money on refunds. FWP is in the business of selling quality opportunities. This will reduce dissatisfaction and applicant resistance. There is a small financial impact from this decision and positive benefits for the customer.

**Financial Sustainability**

FWP's Sue Daly provided a handout that displayed the financial impacts of the Council's preliminary recommendations following the January meeting. She explained that these were a menu of choices and that she could update the information based on Council discussion and recommendations during the meeting. That way the Council could immediately see the impacts of any recommendation they were considering.

Within the context of the 4- year funding review cycle, the amount of additional annual revenue needed by the Department is \$5.75 million. This would maintain a necessary minimum safeguard for daily cash flow. The preliminary recommendations already under consideration by the Council total \$8.6 million. This is \$2.9 million more than the need. The Council now has latitude to reduce their recommendation by \$2.9 million. The Council discussed advantages of identifying exactly \$5.75 million in potential revenue versus a larger amount. They decided that identifying \$5.75 million in additional annual revenue plus \$500,000 (roughly 10%) as a margin/cushion would be a reasonable approach. The Council believes there are many unknowns related to future expenditures (Endangered Species responsibilities) and revenues (federal funding, numbers of licenses sold, etc.) Given the uncertainties, the additional \$500,000 would be a hedge against unforeseen but necessary costs.

The Council then revisited and discussed the major pieces of its preliminary recommendations for revenue generation and made adjustments captured below. Discussion points included:

- It's not fair to balance the budget primarily on the backs of anglers,
- The base license will spread the source of the new revenue across all hunters,
- Previous initiative addressed hunting license prices,
- Base license concept offers potential for non-consumptive users to assist with funding in the future because it preserves the conservation license as a stand-alone item,

- Identifying preliminary recommendations that the Council expected would be most criticized and vulnerable to success as those related to youth and seniors, needing to better explain the rationale for the base license, the increase in prices for MGSB, and the fishing license increases.

#### **Preliminary Recommendations:**

***Establish the nonresident season fishing license at \$86 (with the same rationale used previously to raise the price to \$96.) Earlier recommendations on other nonresident and resident fishing license prices would stand.***

Rationale: \$96 is a big increase and with the base license will put the cost over \$100. Montana has a premiere fishery and an increase from the current pricing is appropriate.

This decision on the price of a season license for nonresidents will reduce revenue to the Department by approximately \$300,000 annually (from the previous recommendation to price the nonresident season license at \$96.)

***Set the nonresident license prices for moose, goat, sheep, and bison at \$1250.***

Rationale: Doubling these prices represents too much of an increase. License prices at \$1250 will still be below mean and median prices in the 11 states used for comparison.

This decision will reduce revenue to the Department by \$76,000 annually (from the previous recommendation to price the nonresident MGSB licenses at \$1500.)

***Move the age to qualify for senior discounts to 68. Keep the discount at 50%. Do not grandfather.***

Rationale: This decision is consistent with comments Council members have received and more consistent with the age of Social Security.

#### **Public Comment**

One member of the public, Louie Bouma, addressed the Council. He encouraged the council to set the senior age consistent with other state programs that might identify a “senior” age. He thanked the council members for their work.

After the public comment period and lunch, the council resumed work on its decision making related to reducing additional revenues to the Department as a result of their preliminary recommendations.

#### **Base License**

The Council asked the Department to run the numbers for charging \$10 for a resident base license, \$15 for a nonresident base license, and retaining the price of \$10 for the archery stamp. (The cost of the current Hunting Access Enhancement Fee (HAEF) would be included in these base license prices.)

Dropping the base license pricing to these levels would reduce the Department’s revenue by \$1.9 million from previous proposals to charge more for these license.

### **Preliminary recommendation:**

***Establish the base license prices, including the HAEF, at \$10 for residents (this will be a net increase of \$8 over present charges) and \$15 for nonresidents (this will be a net increase of \$5 over present charges.) The fee for the archery stamp will remain \$10.***

Rationale: This simplifies license structure, is an alternative to raising the individual species license prices, is equitable in that it is spread across all license purchasers, values core customers, contributes to the financial sustainability of the Department, resolves the archery stamp compliance issue, overcomes potential vulnerability and variability in license sales, ties the firearm and archery + firearm pricing to the opportunity, and creates a mechanism for non-consumptive users to contribute financially in the future by leaving the conservation license as a stand-alone item.

### **Draft Report**

The Council talked generally about the report, format, content, and use, and then went through the language in the report. Overall the Council was pleased and comfortable with the first draft of the report and said more clarification and detail is needed on some of the points. The Council believes a basic--primarily text report--without excessive embellishments will suffice. The Council went through the draft report page by page to identify revisions needed. FWP staff will address those areas identified including the following plus some additional specific wording changes not captured here.

- There needs to be more background in the executive summary about what the Council was tasked with, the major themes.
- The specific recommendations should be moved to the back of the document so that people can first understand the deliberations of the Council in reaching the recommendations.
- It needs to be pointed out that the prices of individual species hunting licenses for residents will not be increasing.
- More detail needs to be added to the report about the value of fish and wildlife management.
- The screening criteria used by the Council need to be included in the report.
- The rationale for some of the recommendations should be explained further.
- Statutory references should be inserted as appropriate.
- The ideas brainstormed by the Council for license structure simplification should be retained but they do not need to be displayed in a table format.
- Under the license fee discussion, it should be made clear that while the Council considered comparative information from other states, that information did not determine the Council's recommendations.
- Make clear that the recommendation to change the nonresident combination license refund is a Commission authority and does not need to go to the legislature.
- Do not include listing of current earmarks either in the report or as an appendix. Better explain the rationale for not making a recommendation on earmarks.
- Update the report to reflect recommendations made at the February meeting.
- Add more detail about the public involvement process.

## **Public Involvement and Outreach**

The Department provided a handout with a four-step process. The steps are background (what has happened to date), updating the EQC in March and getting its input, holding a series of public meetings around the state (until the end of June), and developing the recommendations for the 2015 legislature. FWP anticipates reconvening the Council one final time after the close of the public comment period to consider the input received.

The draft report will be updated to reflect today's discussion and sent out to the Council members by February 26 for their comment back by February 28. Hope Stockwell and Charlie Sperry will incorporate Council comments and the draft report will be provided to the EQC. Rep. Welborn and Hope will give the update to the EQC together. Any Council members who are able to attend the EQC meeting should plan to attend and speak during public comment. On Thursday, March 19, Council members can meet at the FW Commission Room at 11:30 for lunch and to coordinate comments before the EQC meeting that afternoon. The licensing and funding topic will begin at 1:00 p.m. that day.

## **Wrap-up**

### **Discussion Highlights**

- The preliminary recommendations have been completed.
- The preliminary recommendations contain a new base license.
- The preliminary recommendations do not propose any increase in individual species hunting license prices for residents.
- The preliminary recommendations have simplified the existing license structure.
- The preliminary recommendations include shortening the 10-year funding cycle to 4 years.

### **April 17, 2014 Meeting Preview**

Topics on the agenda include: discussion of EQC feedback, presentation of the final recommendations and report to FWP Director Hagener, setting dates for public meetings, and celebrating meeting the charge given to the Advisory Council.