

# MAINE STATE LEGISLATURE

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MINORITY REPORT  
of the  
SELECT COMMITTEE ON FISHERIES AND WILDLIFE

COMMITTEE MEMBERS

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Submitted to the  
Legislative Council  
109th Legislature

February 15, 1980

MINORITY REPORT  
SELECT COMMITTEE ON  
MAINE DEPARTMENT OF INLAND FISHERIES AND WILDLIFE

This Minority Report to the recommendations of the Select Committee on Fisheries and Wildlife is necessitated by our firm conviction that the Majority Report fails to address the two critical needs for action in this department. These needs are:

- A. To examine and recommend budget changes in the existing programs proposed by the Department to effect immediate economy measures.
- B. To address the long term funding needs of the Department in a substantial and effective way.

Our conversations with sportsmen and others outside the Department have convinced us that there is widespread belief that the programs and activities of the Department need substantial overhaul and redirection. This belief, however, should not be confused with any loss of support for the overall activities of the Department. There continues to be a strong and active constituency favoring the wise management of our fish and wildlife in Maine. It is our belief that the funding needs of the Department could be reduced significantly with a critical program review.

Our second major concern with the Majority Report is its failure to recommend actions for the long term funding of the Department. We believe neither the proposed dedication of a portion of the sales tax to the Fish and Wildlife Department nor the severance tax on minerals are politically or philosophically justifiable based on the information provided to the Committee. Dedicating additional funds from outside the traditional Fish and Wildlife area does not provide either the incentives

necessary for the kind of hard, efficient fiscal management of the Department, nor does it provide a means for a broader section of Maine people to give input to the Department through the legislative process. If the Department proposes to use funds raised from those additional sectors of the economy, it must realize that with that decision must come greater public and legislative say in the handling of the Department.

This Minority Report will detail the directions we feel must be pursued by the Department and the Legislature in order to address these two major problem areas.

## I. EXISTING PROGRAM AND FUTURE PROGRAM NEEDS

The Department has projected a need for approximately \$1.6 million in additional funds for fiscal year 1980-81 and \$2.0 million for fiscal year 1981-82.<sup>1</sup> A closer look at these projections, however, would indicate that the Department is being duly pessimistic about its needs.

The Department is projecting that license revenues will drop from \$5,488,600 in FY 79 to \$5,250,000 for the current fiscal year. Their assumption is based on the premise that the number of license sales will decline so dramatically that no net increase in revenue will be generated. We question this assumption because the constituents of the Department are extremely loyal and active. Last summer there were severe gas shortages, and tourism was generally down. Department revenues for July through December, 1979, however, were only down about \$50,000, or 1.36%, from the comparable period in the previous year. Additionally, the 109th Legislature passed a license fee increase effective January 1, 1980. If the same number of licenses are sold in the first 6 months of 1980 as were sold during the first 6 months of 1979, this license fee increase will increase revenues by \$512,520. While we may expect some decline in the number of license sales, we do not believe that it will be so substantial as to eliminate all of this revenue. By comparing the historical figures for resistance to license fee increases, we assumed that rather than declining by almost \$250,000, license revenues would increase by approximately that amount for the current fiscal year.

1 Including 700,000 for cash reserve.

The department also indicates that it did not include the effect of the moose season on the Department's funding picture. We feel that conservative estimates for income from this source to be in the range of \$225,000 for 1980.<sup>1</sup> In addition, the Department will have available to it approximately \$255,000 in federal matching funds to support a moose management program based on the assumption that the Department can successfully use the \$85,000 committed by the Legislature for research and monitoring as matching funds under various federal aid programs. While it is true that the moose season is currently a one-year experimental program, we believe that the program will be continued by future Legislatures.

An additional source of revenue potentially available to the Department is from the nearly \$650,000 in federal support for wildlife management that the Department has been unable to utilize due to the lack of state matching dollars. As we indicated above, the moose program could provide a means for utilizing some of these dollars. We also believe that a re-examination and redefinition of the role the Warden Service plays in wildlife management could provide ample justification for utilizing federal management dollars to underwrite part of the cost of that service. In table III, we project drawing down this unmatched balance by \$200,000 each year.

The department's projections also underestimate the rate at which federal funds have been increasing. Federal revenues come from an excise tax on arms, ammunition, and fishing, and can be expected to increase as inflation continues. We estimate that there will be at least \$100,000 a year more federal money than the department projects.

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1 Assuming 25% of the state's 193,000 registered hunters buy a \$5.00 lottery ticket.

TABLE I. DEPARTMENT PROJECTIONS  
(including federal grants)

	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Cash balance	-	699,182	(920,740)	(3,012,963)
Revenues	7,224,493	8,276,845	8,345,687	8,795,687
Expenses	<u>(9,262,792)</u>	<u>(9,896,767)</u>	<u>(10,437,963)</u>	<u>(11,054,473)</u>
Balance carried forward <sup>1</sup>	699,182	( 920,740)	(3,012,963)	(5,271,749)

1 The department forecasts a need for a 700,000 cash balance as a reserve against unanticipated expenses. The table does not take this into account.

TABLE II. MINORITY REPORT PROJECTIONS

(without program cuts or reorganization, or the passage of fee increases as contemplated by Majority Report.)

	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Cash balance	-	1,169,182	74,260	(1,617,963)
Revenues				
Dept. projection	7,224,493	8,276,845	8,345,687	8,795,687
Additional license revenue	500,000	-	-	-
Moose season <sup>2</sup>	-	225,000	-	225,000
Federal support	-	300,000	400,000	500,000
Total	<u>7,724,493</u>	<u>8,801,845</u>	<u>8,745,687</u>	<u>9,520,687</u>
Expenses	<u>(9,262,792)</u>	<u>(9,896,767)</u>	<u>(10,437,910)</u>	<u>(11,054,473)</u>
Balance carried forward	1,169,182	74,260	(1,617,963)	(3,151,749)

1 Assuming 25% of all hunters buy a \$5.00 lottery ticket.

2 Assuming reenactment of moose program by Legislature.

## II. REORGANIZATION AND BUDGET REDUCTION

Although the Majority Report developed by this Committee alludes to a number of potential areas for economy in the Department, as a whole the Select Committee failed to address the issue of program and budget reorganization and reduction in a substantial way. The Department on its own has implemented a budget-cutting program of \$441,000. Closer examination of these numbers would indicate that 75% of these budget reductions were made by eliminating capital requests from the fiscal year 1979-80 budget. Without additional information, we have no way of knowing what amount, if any, was for new programs or deferred maintenance and upkeep items that will require future expenditures. However, it is quite clear that those budget cuts are not a significant response to the need for program evaluation and the elimination of programs not financially justified by the revenues they generate or affordable given the Department's financial need.

Again, because of lack of data and more thorough examination of the programs than we were able to carry out, it is difficult for us to make complete and thorough recommendations as to reorganization. Moreover, this is rightfully the responsibility of the Commissioner of the Fish and Wildlife Department. However, we can make certain general observations concerning the Department's current budget priorities.

A. Warden Service. The vast majority of law enforcement activities of the Warden Service revolve around misdemeanor offenses that, while important to maintaining the fish and wildlife of this state, do not represent serious threats to the health and welfare of the state as a whole. Consequently, the fact that the Warden Service takes 51.5% of



the entire budget of the Department seems unduly high, especially since they receive virtually no other means of support than through fish and game license fees. In fact, testimony presented by the department indicated that at least ten positions in the Warden Service could be dropped without significantly reducing the effectiveness of that service because of increasingly sophisticated communication and transportation systems in the wildlands of Maine. Because of low attrition, the Warden Service appears to be top heavy with 14 people eligible for retirement. It appears this reorganization could be accomplished with little or no reduction in the field by streamlining the leadership. This modest reduction in services could save the Department between \$350,000 and \$450,000 according to information presented to the Committee by the Department.

Furthermore, this Minority Report would take the position that a Warden Service does not have as high a priority given the other needs of the Department, and could and should be further reduced in size to place greater emphasis on wildlife and fisheries management which surely must be considered the real purpose and focus of the Department. It should be pointed out that Maine has the largest Warden Service East of the Mississippi River. The time is gone when the Warden Service was the only law in northern Maine. Better communication and transportation systems as well as an increasingly effective State Police force has gradually replaced this broader law enforcement function of the Wardens with other programs.

It is interesting to note that an increase as little

\$200,000 in the wildlife program area would generate \$600,000 in additional federal support for wildlife programs because the Department currently is unable to utilize its full federal allotment under the various federal grant and aid programs due to insufficient state funds for matching purposes. Federal funds for matching the Warden Service cost should be pursued through careful re-evaluation of the Warden Service's function. This will leave State funds to pay for other areas of the department not eligible for federal matching or where sufficient State funds are not available to match federal funds.

In addition to the re-evaluation of the Warden Service, we concur with and emphasize the need for budget cuts as alluded to in the Majority Report. Some examples of the need for elimination or reorganization are:

A. Aircraft use.

The department's aircraft are presently apparently not able to be utilized by other divisions of Fisheries & Wildlife or other state departments because the Warden Service has been less than willing to share them. The wildlife division for example has had to rent or lease aircraft from commercial vendors because the Warden Service charges them more than commercial vendors. Federal funds could match part of the warden's aircraft costs if this wider use was allowed. A complete audit of the aircraft situation is needed to clarify the finances of this area of expenditures.

B. Pheasant Stocking and game farm programs. This program costs around \$115,000 yet only brings in \$22,888 in

license fees. We believe that the game farm could be closed and only the amount of pheasants paid for in license fees should be stocked.

C. Information and Education Division. The Department's I&E Division has two full-time photographers at a cost of \$35,000 for salaries alone. Comparable free-lance services are available at a far smaller cost. The Fish & Wildlife Magazine also loses money because the subscription rate is ridiculously low and there is no promotional effort.

This Division should be a major asset to the Department, bringing in thousands of dollars by promotional activities designed to encourage license renewals, the increased use of some underutilized species, and the sale of specialized publications to license holders. To accomplish this goal, the Division should embark on a program of computerizing the list of license holders so they can be regularly informed of license rates, seasons, and the best changes of finding fish and game in Maine.

We do not recommend a budget cut here because we believe that the money saved by a reorganization of the I&E division should be utilized to upgrade the promotional and computerization program of the department.

D. New Sources of Revenue. In addition to these budget cuts several of the majority report recommendations are clearly desirable and should be implemented. These include:

- 1) Voluntary check off on the State income tax - \$50,000
- 2) Increase in trapping fees - \$45,000
- 3) Boat Registration increases - \$250,000.

For a further discussion of these areas refer to the majority report.

TABLE III

	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Cash balance	-	1,169,182	1,000,928	232,039
Revenues				
Projected from Table II	7,724,493	8,801,845	8,745,687	9,520,687
Boat registration	-	226,668	173,334	400,000
Income check-off	-	50,000	50,000	50,000
Trapping licenses	-	45,000	45,000	45,000
<u>Total</u>	<u>7,724,493</u>	<u>9,123,513</u>	<u>9,014,021</u>	<u>10,015,687</u>
Expenditures				
Dept. projections	(9,262,792)	(9,896,767)	(10,437,910)	(11,054,473)
Warden service	-	500,000	550,000	650,000
Pheasant and game farm	-	90,000	90,000	90,000
Aircraft	-	15,000	15,000	15,000
<u>Total</u>	<u>(9,262,792)</u>	<u>(9,291,767)</u>	<u>(9,782,910)</u>	<u>(10,344,473)</u>
Balance carried forward	1,169,182	1,000,928	232,039	(96,747)

### III. LONG TERM FUNDING

As we indicated early in the report, we believe that neither the sales nor severance tax is politically tenable. Both extend the dedicated revenue of the Department to non-traditional fish and wildlife support areas and yet do not allow broader public control that should come with such an expenditure. A rejection of these options leaves the Department with two alternatives. The first is to turn the Department into a general revenue account and end the pattern of dedicated revenue that has persisted for the entire life of the Department. The second alternative is to establish a system for raising license fees and other dedicated revenue sources presently available to the

Department to fund its activities. Neither of these two options are adequately addressed in the Majority Report, and we believe it is in the best interest of the Department and the Legislature to have these alternatives before them for their consideration. This Minority Report does not recommend one or the other of these avenues for adoption by the Legislature. We feel this decision should be made with greater public input than is presently available to the Select Committee.

A. General Fund Support. By making the Department a general revenue account, it will increase the accountability of the Department to the Legislature. As we have already pointed out, this is one of the weakest areas within the Department, and the greater public scrutiny afforded general revenue accounts would encourage a more critical look at the Department's financing priorities as well as existing or proposed new projects.

It has been suggested by some that the Department, by becoming a general revenue account, would lose its accountability to the fish and wildlife community. Government is becoming so big and unwieldy, so the argument goes, that the sportsmen of this state will no longer be able to have reasonable input into the Department when it is competing against other needs of the state. We disagree. The fish and wildlife community is a very strong one, and with the greater revenues potentially available through the general fund, that group, should it wish to exercise its collective political power, could very well increase the share of the state budget presently allocated to the Fish and Wildlife Department. We doubt very much that the identity

of the Department will be lost because of a change in the funding source. The employees of the Department are what makes it an open and friendly area of state government, not the specific source of revenue.

Additional arguments in favor of general fund support for the Department include the basic belief by this Minority Report that the fish and wildlife resources of this state belong to all the people of Maine regardless of whether they are hunters or fishermen. All of us have a vested interest in seeing those resources protected and preserved for the future of our children and the quality of life of our state. It is incumbent upon all the people of the state, therefore, to support these broad-based important resources of the state through general tax dollars. It is an unfair burden to expect the sportsmen to do it alone.

Finally, by becoming a general revenue account, it will eliminate the need for the present cash reserve/contingency fund in the Department. Because of the disastrous consequences of the 1947 fire and other times in the state's history during which the sale of hunting and fishing licenses was prohibited or dramatically reduced, the Department has carried an extensive contingency fund in the past. As a general revenue account, this type of contingency would not be necessary within the Department thereby freeing between \$700,000 and \$1,000,000 of cash assets of the state for other programs and activities as necessary through the fiscal year.

B. Fund the Department by License and Other Dedicated Revenue Increases. The most frequently heard objection to

general fund support of the Department is the concern among sportsmen that they will lose control of the Department and its priorities. For sportsmen alone, however, to control the priorities and hold the Department accountable for its actions, they must also accept the assumption that sportsmen must pay for the activities of the Department.

In order for the Department to survive, based on the license fees and other dedicated revenue sources presently available to it, there must be a strong commitment by sportsmen to support regular inflationary increases in resident license fees. Out-of-state license fees are not uncommonly eight times higher than present in-state fees. It is clearly impossible to continue to raise out-of-state fees without a significant increase in the willingness of sportsmen in the state of Maine to pay for the Department. The Department serves primarily Maine people and, therefore, Maine people must accept the burden of supporting the Department. Regular inflationary increases in the license fees for both resident and non-resident citizens must be fully accepted and expected by the sportsmen if they wish to continue the present pattern of dedicated revenue. We would expect that such increases would average 6 to 8 percent per year. We have appended Legislation that would require license fees to equal the expenses of the Department.

A table listing license increases based on an 8% increase per year is presented below. If the budget assumptions adopted by the Minority Report are correct however, license increases of this nature would not necessarily be needed.

	<u>Current</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1984-85</u>
Hunting Resident	\$ 9.50	\$10.25	\$11.10	\$11.95
Combina- tion Resident	16.50	17.80	19.25	20.75
Fishing	9.50	10.25	11.10	11.95

#### IV. SUMMARY

In conclusion, we believe that the Department can, through a careful review of its existing and proposed programs, affect significant economies and reduce its projected cash needs of the future. Furthermore, by modest increases in projected revenues, we believe the Department can keep expenditures in line with revenues through 1983. Two avenues available to the Department for long term funding are politically and philosophically reasonable conversion of the Department to a general fund account or tying the existing dedicated revenues to inflationary increases. These are recommended for consideration by the Legislature. Legislation achieving these goals is appended for the consideration by the Legislature.



State of Maine

4941

In the Year of our Lord, Nineteen Hundred and Eighty.

An Act to Adjust License Fees, for Inflation,  
for the Department of  
Inland Fisheries and Wildlife.

Be it enacted by the People of the State of Maine, as follows:  
12 MRSA §7034, sub-§3 is enacted to read:

8. Recommended license fees. The commissioner shall,  
by January <sup>15th</sup> /of each biennium, recommend to the Legislature  
a license fee schedule for the following <sup>2</sup> calendar  
years. This schedule  
of fees shall be designed to raise sufficient revenues to  
cover necessary expenses of the department.

Statement of Fact

This bill directs the Commissioner of Inland Fisheries and Wildlife to recommend a license fee schedule to the Legislature each biennium. The department is financed almost exclusively by dedicated revenues. Even though the department is not expanding its personnel or programs, costs are rising rapidly. The cost increases are due to inflation generally, and high personal services in particular. To maintain the current levels of services, revenues must increase.

Historically, license fee increases have occurred every 3 or 4 years. Each time fees have increased, sales have fallen off for a year or so and then come back to about the same level. With the current high rate of inflation, putting off fee increases will only increase the impact of the fee increase when it inevitably goes up. By requiring the commissioner to recommend fee schedules biennially, the Legislature can enact fee levels that are sufficient to finance the department in a more systematic and orderly way.

In the Year of our Lord, Nineteen Hundred and Eighty.

An Act to Eliminate Dedicated Revenues for the Department of Inland Fisheries and Wildlife.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 5 MRSA §135, 6th sentence, as amended by PL 1975, c. 497, §3, is repealed.

Sec. 2. 12 MRSA §7034, sub-§8 is enacted to read:

8. Preparation of budget and contracts. The commissioner shall prepare a biennial budget and shall submit to the Legislature requests for appropriations sufficient to carry out its assigned tasks. This budget shall include a description of all revenues collected from the sale of licenses and permits under chapter 707.

Sec. 3. 12 MRSA §7035, sub-§4, ¶C, as enacted by PL 1979, c. 420, §1, is repealed.

Sec. 4. 12 MRSA §7035, sub-§7, 2nd sentence, as enacted by PL 1979, c. 420, §1 is amended to read:  
He shall transmit all moneys received by the sales forthwith to the Treasurer of State to be credited to the department General Fund.

Sec. 5. 12 MRSA §7035, sub-§8, as enacted by PL 1979, c. 420, §1, is amended by adding at the end the following new sentence:  
Proceeds from these sales shall be credited to the General Fund.

Sec. 6. 12 MRSA §7035, sub-§9, 2nd sentence as enacted by PL 1979, c. 420, §1, is amended to read:

The proceeds from these sales shall be credited to the funds of-the-department General Fund.

Sec. 7. 12 MRSA §7037 is enacted to read:

§7037. Prohibition against diversion of funds

The Legislature shall provide sufficient appropriations to the department so that an amount equal to the revenues reported under section 7074 is used for the following purposes:

- A. The administration of the department;
- B. The protection, propagation, preservation and investigation of fish and wildlife;
- C. Conservation education; and
- D. Other expenses incident to the administration of these functions

Sec. 8. 12 MRSA §7074, as enacted by PL 1979, c. 420, §1 is repealed and the following enacted in its place:

§7074. Use of license and permit fees

1. Agent's duties. Each agent shall forward to the commissioner, on or before the 15th day of each calendar month, all of the funds collected by him during the previous month, together with a list of the persons and the kind of license or permit issued to them.

2. Deposit. The commissioner shall deposit these funds in the State Treasury and credit them to the General Fund.

3. Report. The commissioner shall report annually to the Legislature the total revenue derived from the sale of licenses and permits under this chapter.

Sec. 9. 12 MRSA §7800, as enacted by PL 1979, c. 420, §1 is repealed and the following enacted in its place:

§7800. Disposition of revenues

All revenues collected under this subchapter are disposed of as follows.

1. Fees collected. All fees collected for certificates, licenses and permits by the commissioner are paid daily to the Treasury of State and accrue to the General Fund.

2. Fines and costs collected. Each county shall pay all fines, forfeitures and penalties collected for violations of this subchapter and all officers' costs collected for either coastal wardens or game wardens to the Treasurer of State, monthly, and all of them shall accrue to the General Fund.

Sec. 10. 12 MRSA §7824, sub-§3, ¶A, sub-¶(1), as enacted by PL 1979, c. 420, §1, is amended to read:

(1) \$4.75 of each fee shall be credited to the department General Fund;

Sec. 11. 12 MRSA §7824, sub-§3, ¶B, sub-¶(1), as enacted by PL 1979, c. 420, §1, is amended to read:

(1) \$10.75 of each fee shall be credited to the department General Fund; and

Sec. 12. 12 MRSA §7824, sub-§3, ¶C, as enacted by PL 1979, c. 420, §1, is amended to read:

C. All other moneys received under this subchapter, including dealer license fees, shall be credited to the department General Fund.

Sec. 13. 12 MRSA §7824, sub-§4, ¶A, as enacted by PL 1979, c. 420, §1 is repealed.

Sec. 14. 12 MRSA §7910, sub-§1, first sentence, as enacted by PL 1979, c. 420, §1, is amended to read:  
The following moneys shall be paid to the Treasurer of State and credited to ~~to, appropriated by and expended by the department for the purpose of conducting the business of the department as provided by the Legislature~~ the General Fund:

Sec. 15. 12 MRSA §7910, sub-§2, as enacted by PL 1979, c. 420, §1 is repealed.

#### Statement of Fact

This bill eliminates dedicated revenues for the Department of Inland Fisheries and Wildlife. It also deletes the dedicated Snowmobile and Watercraft Funds. The commissioner is ~~is~~ required to submit a budget for the operation of the department, and the majority of the revenue will come from the General Fund. There is a provision requiring an amount at least equal to revenues from hunting and fishing licenses to be appropriated for fish and wildlife management and administration. This will ensure the eligibility of the state for matching federal grants.