

Report Highlights

A Performance Audit of the Pennsylvania Fish and Boat Commission

Act 2004-159 amended the Fish and Boat Code to implement a new license fee structure and requires the Legislative Budget and Finance Committee (LB&FC) to conduct a performance audit of the Pennsylvania Fish and Boat Commission (PFBC) every three years. In this fourth cyclical report we found:

- **Total Fish Fund and Boat Fund revenues have decreased by 1.5 percent over the last three years** – In FY 2014-15, PFBC revenues totaled \$49.9 million, including \$36.4 million (73 percent) deposited in the Fish Fund and \$13.5 million (27 percent) deposited in the Boat Fund. Licenses and fees accounted for 71 percent of all Fish Fund revenues and 56 percent of all Boat Fund revenues.
- **The PFBC continues to make efforts to contain the growth in spending** – The PFBC implemented a Spending Reallocation Plan (SRP) in FY 2014-15 that limits expenditures to no more than the amount of revenues received in any given fiscal year until it can maintain an average of one year’s worth of funding in uncommitted reserves. This is in addition to cost containment efforts made in prior years. Since FY 2012-13, total combined spending has decreased 1.0 percent even as combined personnel spending increased 6.5 percent over the last three years, although salaried staff has decreased 5.7 percent. PFBC officials attribute this to rising health care costs, contractual labor increases, and pension costs.
- **The Fish Fund and Boat Fund reserve balances are projected to be sufficient to meet cash flow needs through FY 2020-21; however, increasing costs may impact operations** – Since FY 2012-13, the year-end balance for the Fish Fund has increased from \$67.4 million to \$74.9 million. The Boat Fund balance has increased from \$23.3 million to \$24.5 million. Although the SRP will keep the funds solvent, increasing pension and healthcare costs will continue to consume more of the operating revenues. Without additional revenue, there will be a need to reduce services.
- **The PFBC implemented many of the objectives of its *Strategic Plan July 2010 – June 2015* but, due to funding issues, adopted a new strategic plan in July 2014** – Since the completion of our 2013 audit, the PFBC completed 5 additional goals, carried 18 goals into the new strategic plan and eliminated 6 subgoals.
- **Timely implementation of the *Strategic Plan July 2014 – June 2017* has been impeded by funding constraints** – The PFBC has focused this plan on four key areas: funding; conservation; recreation; and internal resources. Lack of staff has slowed the use of restricted revenue accounts and the timely completion of the Trout Management Plan, among others.
- **The PFBC has increased the number of anglers with the sale of multi-year licenses but, the reduction in license fees for 2015 resulted in a net loss of revenue to the Commission** – In an effort to increase the number of licenses sold, annual license fees were reduced by \$1 for 2015. Multi-year licenses purchased in December 2014 were also reduced by \$3 and \$5 (for 3-year and 5-year licenses, respectively). We reviewed the sales for the license categories for which the fee reduction was applicable and found that while the overall number of licensed anglers increased somewhat, the fee reduction resulted in a loss of approximately \$700,000 in license sales revenues. This does not include impacts or revenues from other sources, e.g., Federal Sport Fish Restoration funds. A PFBC consultant study of resident sales that included anticipated federal funds calculated the fee reductions resulted in a \$467,000 net loss.

Recommendations:

The PFBC should:

- (a) consider offering a retention reward to encourage multi-year license holders to purchase a new multi-year license when their current license expires;
- (b) evaluate the need to staff a restricted revenue account manager to access funds that are currently available to pursue agency priorities;
- (c) include its advisory bodies more directly in strategic plan goals; and
- (d) continue with its plan to use the results of the Pennsylvania State University team analysis of its operations to inform its next strategic plan.