Legislative Budget and Finance Committee

A Joint Committee of the Pennsylvania General Assembly

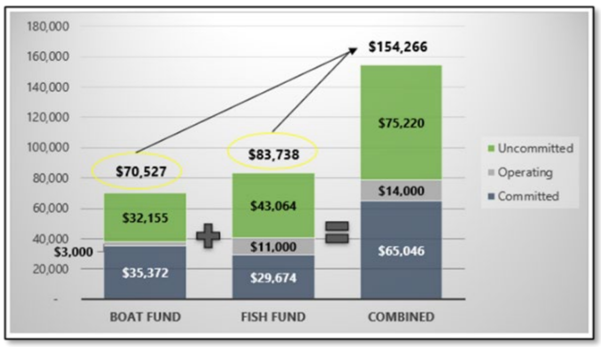
Report Highlights

A Performance Audit of the PA Fish and Boat Commission

Released: 05/25/2022

Act 2004-59 requires the Legislative Budget and Finance Committee (LBFC) to conduct reviews of the Pennsylvania Fish and Boat Commission (PFBC) every three years. This report covers the period July 1, 2019, through June 30, 2021, with some areas extended through 2022. This report is our sixth review under this mandate.

- **Reserve Fund Balances grew 41.1 percent since our last review**. The PFBC sustains agency operations through the Fish Fund and the Boat Fund. As of June 30, 2021, these two special funds had a combined total reserve of $154.3 million compared to $109.3 million in our



last audit (released 2019). The PFBC indicated that it intends to spend down the reserve fund balance in each fund, and it plans to keep reserve fund balances at 70 percent of the prior year's revenue level.

- **Revenue increases in the reserve fund balances were driven by unprecedented growth from license sales (Fish Fund) and boat registrations (Boat Fund).** Licenses and fee revenue for each fund increased substantially over the three-year period, with the Fish Fund growing by 19.2 percent and the Boat Fund increasing by 25.7 percent, respectively. We attributed this occurrence to the unforeseen consequence of the COVID-19 pandemic, which saw an increased interest in outdoor activities, and specifically angling and boating opportunities. The PFBC concurred with this assessment.

- **Total expenditures over the three-year period, increased 1.9 percent from the Fish Fund and 25.7 percent from the Boat Fund, respectively**. This latter increase being driven by significant increases in personnel expenses and grant spending within the Boat Fund, which was related to a new cost shift differential over how agency expenses are assigned to the Fish Fund or the Boat Fund.

- **New bureau cost splits increase expenses for the Boat Fund**. Since 1994 the PFBC has used a "cost split" to assign costs between the funds. Previously, we have encouraged the PFBC to revise these splits to ensure it reflects actual time/effort for the agency. The PFBC has since established new cost splits which shifts more cost to the Boat Fund for the Bureau of Law Enforcement and the Executive Office (increasing from 40 percent to 50 percent). For the Bureau of Law Enforcement, this shift is consistent with the increased fines and penalties that the PFBC saw over the past three years. Additionally, with the reorganization of the Bureau of Boating and Outreach into the Bureau of Boating, 100 percent of the funding for bureau operations has shifted to the Boat Fund.

- **Should the Fish and Boat Funds be combined?** Splitting costs between two special funds can be an overly bureaucratic process, which adds unnecessary costs to the PFBC. However, this complicated coding allows for greater accountability to specific stakeholders. We see value in combining the funds into one special fund and believe additional analysis is warranted toward this objective. Unfortunately, this analysis was outside the scope of the present study. *We recommend further cost/benefit analysis should be completed in this area, including determining acceptance among PFBC stakeholder groups.*

- **Hatchery physical plant operations need improvement.** The PFBC operates 13 state hatcheries. The PFBC has 242 projects planned, 152 of which are production-related improvements. Total investment for these projects is estimated to be $78.9 million. From an economic and environmental perspective, hatchery improvements are a wise investment for the PFBC and the commonwealth. Significantly, the upgrades will allow the PFBC to better meet environmental standards for effluent discharge and will also be an economic driver for many rural areas of the commonwealth. *We recommend these planned improvements be expedited.*

- **COVID-19 impact to PFBC operations**. From a service delivery perspective, we found the PFBC quickly pivoted to meet its mission, moving personnel, and realigning other activities and programs. From an organizational impact, we reviewed the PFBC's telework policy and COVID-19 vaccination incentives, offered through the Governor's Office of Administration. We found the telework policy to be well constructed, and approximately 38 percent of the staff continue in a telework environment. We found the vaccination initiatives to be unsuccessful at the PFBC, as the number of employees who applied to participate decreased between the two offered incentives. We estimate the direct cost to the PFBC to be between $215,000 and $327,000. *We recommend audits be completed to ensure compliance with the incentive requirements.*

For a full copy of the report, email us at lbfcinfo@palbfc.us or download a copy at http://lbfc.legis.state.pa.us/.