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A Performance Audit of the Pennsylvania Fish and Boat Commission

Conducted Pursuant to the Fish and Boat Code

February 2008

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Report Summary and Recommendations

Responsibility for the Commonwealth's vast aquatic resources is vested in the Pennsylvania Fish and Boat Commission (PFBC), an independent administrative agency. Pursuant to the Fish and Boat Code, this responsibility involves protecting and managing the state's fishery resources and regulating and promoting recreational fishing and boating.

When the PFBC's license and fee structure was last increased in 2004, an amendment to the Fish and Boat Code also added a performance audit requirement. Under this provision, the Legislative Budget and Finance Committee (LB&FC) is to conduct a performance audit of the PFBC every three years beginning in 2007.

This initial audit under the Fish and Boat Code mandate focused on the PFBC's implementation of its multi-year "Strategic Plan," agency performance in selected program and activity areas, and Commission finances and the financial condition of the Fish Fund and Boat Fund. This report includes the results of our inquiry in these areas as well as input received through focus groups conducted with PFBC employees and stakeholders¹ and the implementation status of recommendations made to the PFBC from a prior LB&FC audit conducted in 1998.

Findings and Conclusions

A. Strategic Planning and Direction

1. The PFBC adopted a well-defined agency-wide Strategic Plan in 2005. While some shortcomings are apparent in the plan and the planning process, the agency has made substantial progress in implementing the plan's nine "prioritized objectives." At this point, an update of the plan and the application of full-time staff attention to the planning process is in order.

a. The Strategic Plan. The PFBC's contemporary involvement with strategic planning can be traced to the early 1990s. The current PFBC Strategic Plan was adopted by the Commission in January 2005, following a development process that began in the fall of 2003. As illustrated on the following page, this plan is structured around nine plan activities and operational objectives that are referred to in the plan as "prioritized objectives." For each of the listed plan activities and prioritized objectives, the Plan includes specific workplan detail steps and output and outcome measures.

¹As part of this audit, the LB&FC contracted with Responsive Management, Inc., to conduct focus groups of PFBC employees and stakeholder groups. Results from the focus groups are incorporated in pertinent sections of this report. See the methodology section of the report (Section I) for further information.

PFBC Strategic Plan Activity Areas and “Prioritized Objectives”

<u>Plan Activity</u>	<u>Description/Scope</u>	<u>Prioritized Objective</u>
1. Marketing	Enhance the Marketing and Promotion Efforts of the Agency in the agreed to areas of emphasis including but not limited to: Halting the decline in license sales, recovery of lapsed anglers, increasing nonresident license sales, attracting underrepresented demographic segments to fishing, promoting water trails, and warm/coolwater fishing opportunities.	<i>Develop specific marketing & PR initiatives targeted at key audiences.</i>
2. Fishing and Boating Access	Enhance fishing and boating access.	<i>Develop and implement a Boating Access Improvement Program</i>
3. Fishing and Boating Access	Enhance fishing and boating access.	<i>Develop a systematic approach to improve streamside and shoreline angling opportunities.</i>
4. Reengineer Trout Fishing Opportunities	Enhance trout fishing opportunities by improving trout fishing and the experience of trout fishing.	<i>Reengineer trout fishing opportunities to improve the attractiveness to anglers.</i>
5. Soft Money	Increase revenue from soft money sources.	<i>Increase revenue from “soft” sources (Mitigation, habitat, grants, etc.)</i>
6. Legislative Strategy	Develop and implement a legislative strategy.	<i>Develop and implement a comprehensive legislative strategy.</i>
7. Improve Organizational Efficiency and Effectiveness	Improve agency efficiency and effectiveness through the promulgation of agency administrative policies and identifying and communicating the roles of commissioners and staff.	<i>Identify and communicate the role of the commissioners and staff.</i>
8. Staff Development	Ensure the highest quality of staff and staff work by implementing effective employee development and succession planning programs.	<i>Develop an agency-wide employee development and succession plan.</i>
9. Resource Management	Improve agency resource management through focused efforts on habitat protection, management, and enhancement; development of Three-Rivers Center and implementation of the state wildlife action plan.	<i>Develop a coordinated, agency-wide approach to aquatic resource management, protection, and conservation.</i>

b. The Status of Plan Implementation. Based on our examination of PFBC efforts in the nine areas that comprise the Strategic Plan, we found that the Commission has made substantial progress toward completion of the current Plan objectives. Specifically, we found the following concerning the status of the nine program/activity areas identified by the PFBC as “Strategic Plan Prioritized Objectives”:

(1) The PFBC has developed specific marketing and public relations initiatives targeted at key audiences.

The PFBC has established an internal marketing function, hired a marketing specialist, and developed an agency marketing plan. The Commission has also integrated marketing initiatives in both its Strategic Plan and Annual Plan of Work. The marketing workplan, which covers an 18-month period through June 2008, relates, either directly or indirectly, to angler retention and expansion. The Commission is also planning to collect data on license purchasers through the Pennsylvania Automated Licensing Service (PALS) in an effort to identify primary causes of non-renewal of fishing licenses and to develop effective remediation strategies targeted at reducing the number of non-renewals.

Additionally, in an effort to increase non-resident fishing license sales and warmwater fishing, the PFBC has been working with the Pennsylvania Tourism Office and local destination marketing organizations to include fishing and boating-related materials in travel publications and promotions. The Tourism Office also assists the PFBC in executing direct mail and advertising campaigns targeting non-resident anglers and boaters. PFBC staff have also taken the lead in designating official “Pennsylvania Water Trails” and are working with the Pennsylvania Wilds Marketing Corporation to develop region-specific fishing brochures and additional content on the Commission website.

(2) The PFBC has developed and implemented a Boating Access Improvement Program.

One of the PFBC’s long-range strategies is to promote the use of the Commonwealth’s water resources by providing for expanded public access for recreational boating opportunities. To advance this strategy, the Commission owns and manages about 250 boating-access areas and launch ramps. To further promote this objective, the PFBC initiated a Boating Facility Grant Program in 2005 to help county and local government improve their boating access sites. The projects funded through this grant program include construction, repair, and rehabilitation of launch ramps, docks, access roads, parking lots, and other safety and public convenience amenities that are likely to attract greater public use of these facilities.

Regarding the Boating Facility Grant Program, we found that:

- Since the start-up of the grant program, the PFBC has approved funding for 49 projects with total estimated project costs of \$12.3 million in 27 different counties.
- As of October 2007, 16 of the 49 projects had been completed. Because of a high degree of program interest and to reduce associated demands on the PFBC's Engineering and Development staff, the PFBC temporarily discontinued processing grant applications in early 2007. Application processing is expected to resume during 2008.

(3) The PFBC has developed a systematic approach to improve streamside and shoreline angling opportunities.

Another of the PFBC's strategies is to promote the use of the Commonwealth's water resources by improving streamside and shoreline angling opportunities. Consistent with this objective and pursuant to Act 2004-159, the PFBC has initiated the Erie Access Improvement Program. This program, which began during FY 2005-06, provides resources, including grants and technical assistance, to implement acquisition and property development projects that are intended to improve fishing access and benefit anglers in the Lake Erie Watershed.

Through this program, PFBC staff work with "partners" such as state and local government entities, conservancies, and sportsmen's organizations. Erie Access Improvement Grants are financed from a special Lake Erie restricted account and are available to both public entities and non-profit groups.

Regarding the Erie Access Improvement Program, we found that:

- As of October 2007, the PFBC had approved a total of 13 Erie Access Improvement projects at a total cost of \$723,201 to be paid from the Lake Erie restricted account. These transactions included three land purchases by the PFBC, five easement purchases, one donation of an easement to the Commission, and four property purchases by local municipalities.
- Through these 13 projects, total lake or stream frontage in excess of 30,000 linear feet has been or will be acquired through this program.
- Funds available in the Lake Erie restricted account appear to be sufficient for current needs. As of the end of September 2007, the balance available in the restricted account was approximately \$1.3 million.

- In addition to the 13 approved projects, an additional ten projects were pending approval with an estimated PFBC cost of approximately \$898,000, and discussions on 16 other potential projects were reported to be ongoing.
- To further facilitate their access efforts, the PFBC has added a new Statewide Public Access and Lands Conservation Coordinator position to its complement. In addition to having responsibility for both the Erie Access Improvement Program and the Boating Facilities Grant Program, this position will be tasked to expand access program efforts to include streams in the remainder of the state beyond the Lake Erie Watershed.

(4) The PFBC has taken a number of steps to “reengineer” trout fishing opportunities to improve the program’s attractiveness to anglers.

Satisfaction with the PFBC’s management of trout in Pennsylvania waterways is key to Commission efforts to retain and expand the angler base. Consistent with this objective, we found that the PFBC has reorganized its Bureau of Fisheries and incorporated a number of objective-specific tasks in the PFBC’s Annual Plan of Work. The Commission has also done the following:

- Initiated a complete review of the PFBC trout management plan which is scheduled to expire in October 2008. This review will include a statewide telephone survey and three trout work group meetings to be held around the state.
- Initiated two trout season opening days. The Commission adopted new regulations to designate two opening days for trout season beginning in 2007. Under the new regulation, the trout season began on March 31, 2007, in an 18-county region in the southeastern and southcentral parts of the state. The first day of trout season in Pennsylvania’s other 49 counties was April 14, 2007.
- PFBC stocking of fewer but larger trout. In 2007, the PFBC stocked Pennsylvania waterways with adult trout that were, on average, 11 inches in length and 30 percent heavier than those stocked in 2006. The PFBC indicated that this move was in direct response to identified angler preferences for larger trout rather than a larger number of smaller fish.

(5) Actions are underway by the PFBC to increase revenue from “soft” sources like pollution and habitat mitigation, grants, and other partnerships.

The PFBC has taken actions to enhance its ability to identify and secure non-traditional funding resources available to the Commission. Monies obtained from these sources are used primarily to fund activities related to dam removal and fish passage, land conservation, management of non-game species, habitat management and restoration, and pollution mitigation. During FY 2004-05, the PFBC added a Conservation Coordinator position to its complement. This individual undertakes efforts designed to help increase revenue from “soft” sources like pollution and habitat mitigation, federal and private grants, and non-profit organizations, foundations, and endowments. To fill this position, the PFBC reallocated one existing staff position from its complement. During 2007, the PFBC was also developing a “Conservation Assembly” to further pursue funding for non-game and habitat programs it administers.

(6) The PFBC annually develops an overall legislative strategy for the agency.

The Commission annually develops a list of legislative priorities and an approach to enhance communications with both legislators and stakeholders. Among current key legislative initiatives are efforts to advocate the receipt of a portion of General Fund monies, obtain authorization to create a youth fishing license, and obtain approval to pass along to the license buyer the \$0.70 cost of the Pennsylvania Automated Licensing System (PALS) transaction fee.²

(7) The PFBC has identified and communicated the roles of the commissioners and staff in the form of a recently-adopted policy manual.

In July 2007, the Board of Commissioners approved and agreed to adhere to the content of a policy manual for the Fish and Boat Commission. This policy manual addresses the need to: (a) establish board accountability, (b) define a governing style, (c) adhere to a committee policy, (d) outline the board’s relationship with the executive director, (e) set executive director limits, (f) refine roles in human resources issues, (g) characterize and convey proper personnel management responsibilities, and (h) follow strict guidelines for political activities.

(8) The PFBC has developed an agency-wide employee development and succession plan.

We found that the PFBC has an “Employee Development and Succession Plan” that anticipates employee turnover (especially of possible retirements), and the development of necessary skills and leadership potential within the existing workforce. In this way, staff vacancies can be more

²Authorization to pass on the transaction fee, up to \$1 of the actual cost, to the license buyer was granted by Act 2008-2, signed on February 4, 2008.

quickly filled by current employees who have already demonstrated the requisite skills and qualifications for the positions.

Another component of the Plan is addressed through the use of the “Natural Resources Leadership Development Program” which the PFBC has adopted as a means to mitigate the potential loss of persons holding key leadership positions in the agency. The Commission contracts with a training consulting firm to deliver an annual training session for PFBC employees who are interested in leadership development that can be used now and later in their careers..

(9) The PFBC has developed a coordinated agency-wide approach to aquatic resource management protection and conservation.

A key component of this Strategic Plan activity is the PFBC’s use of Pennsylvania’s Wildlife Action Plan. There is evidence of significant progress made in this area, as the Commission’s Conservation Planner is actively pursuing non-federal matching funds for projects contained in the Wildlife Action Plan. Creation of the Three Rivers Ecological Research Center is another proactive step taken by the Commission to address waterways habitat needs. Additionally, the Commission continues with its Landowner Incentive Program, which targets technical and financial assistance grants to private landowners to address issues concerning species of special conservation concern as determined through the Wildlife Action Plan.

c. Strategic Plan and Process Shortcomings. While we found substantial progress in terms of the PFBC moving toward accomplishment of the specific prioritized objectives, a number of shortcomings are evident in both the strategic planning process and the plan itself. These include the following:

- The Strategic Plan does not have a specifically defined time frame and, although the PFBC’s intent was to annually review and modify/update the Plan’s “prioritized objectives,” this has apparently not occurred.
- While the PFBC developed both Strategic Plan timeline and “implementation activities and projects” documents to track plan implementation, neither document has received consistent use and application within the agency. The monthly calendar grid in the tracing document did not provide for reporting beyond the end of calendar year 2006. As a result, there is currently no formal internal progress reporting or tracking of output and outcome measures.
- With the initiation of the practice of developing an “Annual Plan of Work” that is administered by the PFBC Executive Director, the PFBC now has two separate planning documents.

There is, however, no direct link or interface between the two and their relationship is not clear. There are, for example, at least eight activities in the 2007 Annual Plan of Work that are not, to a discernable degree, connected to activities in the Strategic Plan.

- The absence of a full-time strategic planner position or another position in the Central Office dedicated to coordinating and monitoring plan implementation hampers the PFBC's planning efforts.
- Only a relatively few selected strategic initiatives are linked to the PFBC's budget.
- The focus group results compiled by Responsive Management concluded that the overwhelming majority of both PFBC employees and stakeholder groups appeared insufficiently knowledgeable of both the specific content of the Strategic Plan and the planning process leading up to the Plan's development.

2. Despite a less than universal awareness of the specifics of the Strategic Plan, there is substantial optimism and encouragement among both employees and stakeholders with regard to the current direction and leadership of the Commission.

In a series of focus groups, conducted in conjunction with this performance audit, the PFBC's current administration was praised as being a "positive change," "modern," "innovative," "communicative," and characterized by "intelligent decision-making." Further, many stakeholders and employees expressed approval of the current make-up of the Commission's administration. A consultant engaged by the LB&FC to conduct the focus groups concluded that high awareness levels of the change in PFBC leadership coupled with distinct approval of current leadership suggest confidence in the overall direction of the agency.

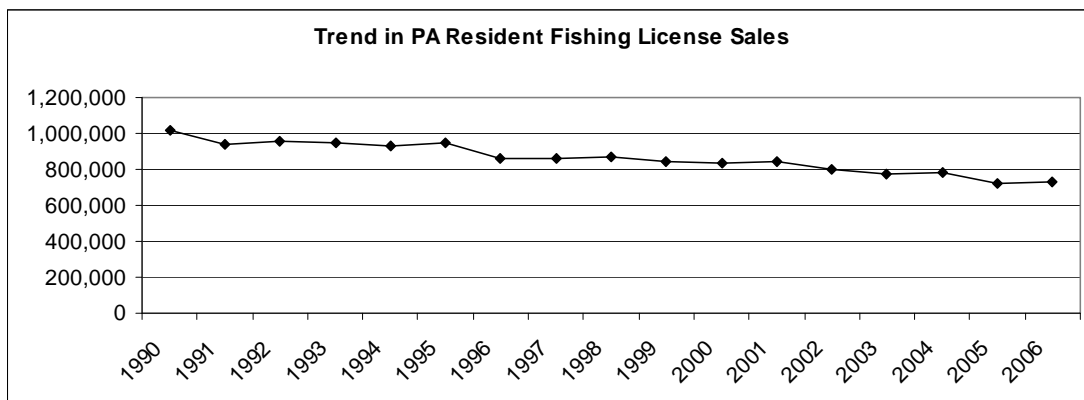
B. Other PFBC Performance Areas

1. Preserving and Ensuring Waterways Access. Pennsylvania has 83,000 miles of rivers and streams, over 200,000 acres of lakes, and 735 square miles of Lake Erie waters. To be able to use these streams, rivers, and lakes for recreational fishing and boating, the public must be able to access them. "Public" waterways are held in trust by the Commonwealth for the benefit of the public, and the public has a right to fish or boat there. The right of the public to access public waters does not, however, give them the right to cross private lands to get to the water. As a result, many prime fishing destinations in the Commonwealth have become difficult or impossible to access due to the posting of private properties. This trend has increased in recent years due to landowners having liability concerns about keeping their property open to the public.

Because public fishing access has historically been dependent upon the agreement of private landowners to open their lands for fishing activities, the PFBC meets with private landowners to negotiate easements across property for fishing access. Recently, the PFBC has intensified its efforts to pursue land acquisitions, leases, and easements. Since 2004, the Commission has acquired properties and easements that provide additional access to approximately 5.7 miles of streams. In addition, the PFBC created a Conservation Acquisition Partnership Program to solicit and accept donations to be used solely to obtain additional access to Pennsylvania’s waters.

2. Angler Retention, Promotion, and Expansion. National statistics show a continuing decline in the number of active anglers. According to U.S. Fish and Wildlife Service data, 30.0 million U.S. residents 16 years of age and older fished in 2006, a drop of 12 percent since 2001. This decline in the number of anglers nationwide between 2001 and 2006 follows a decrease of less than 1 percent between 1991 and 1996.

For Pennsylvania, the same data shows that a total of 830,000 resident anglers fished in the Commonwealth in 2006, down nearly 20 percent from the 2001 level. This compares to a decline of about 8 percent between 1991 and 1996. These statistics present a challenge for both the PFBC and other state fish and wildlife agencies across the nation to identify effective methods of long-term angler retention and expansion of the fishing licensee base.



We found that the PFBC is involved in a variety of efforts to retain and expand the angler base. Among these are the following:

- the development of an agency-wide marketing plan;
- the hiring of a marketing coordinator;
- expanded youth education and recruitment efforts;
- the planned use of automated licensing system data to target “lapsed anglers”;
- expanded attention to increasing non-resident license sales and warmwater fishing;

- initiatives to increase satisfaction with the PFBC’s trout management program; and
- the designation of an official “Pennsylvania Water Trails Program.”

3. Youth Fishing Education. The Commission has also taken a number of steps to further the education and recruitment of youth anglers through the implementation of a number of youth education programs and the development of a proposal for a youth fishing license. In an effort to create new and expand current programs and initiatives targeted at recruiting and educating youth anglers, the Commission has proposed the creation of a \$5 youth fishing license for anglers ages 12 to 15. (Currently, anglers under the age of 16 are not required to hold a valid license to fish in Pennsylvania waterways.) The need to expand and increase such programs may become more critical as the number of licensed anglers gradually decreases and, as national data has shown, youth are generally becoming less and less involved in fishing and other outdoor resource-based activities. If enacted, exemptions may be crafted for families and youth who may not possess the necessary financial means to afford a license, or for those engaging in fishing as part of an educational program. The Commission has stated that the absence of such a dedicated funding source may eventually precipitate programmatic cuts in other areas to fund some of its educational initiatives. Legislation to provide for a youth fishing license was pending at the time of this audit.

4. Trout Production. Due to environmental regulations and other factors, the PFBC’s trout production system is currently at capacity with no indication that system increases will be feasible. In FY 2006-07, the PFBC propagated a total of 3.4 million trout, a 35 percent decline from production levels of the mid-1990s.

Number of Adult Trout Propagated and Stocked by the PFBC			
<u>Species</u>	<u>FY 1996-97</u>	<u>FY 2006-07</u>	<u>% Increase (+) Decrease (-)</u>
Brook Trout.....	1,275,654	586,580	-54.0%
Brown Trout.....	2,278,491	1,031,914	-54.7
Rainbow Trout.....	1,651,273	1,733,416	+5.0
Golden Rainbow Trout	<u>9,592</u>	<u>9,278</u>	-3.3
Total	5,215,010	3,361,188	-35.5%

We found that:

- In FY 2006-07, the PFBC expended \$7.1 million for trout production at eight of its hatcheries. We calculated that the per fish cost of a 0.61 pound 11 inch trout produced by the PFBC was \$2.14.
- In 2002, declining water supplies to the state’s trout-producing hatcheries and the need to address the effluent quality leaving the hatcheries forced the PFBC to cut the number of trout produced for stocking by 25 percent.

Specifically, as a result of more stringent federal effluent standards under the National Pollutant Discharge Elimination System (NPDES), state hatchery system production was capped at about 1.9 million pounds (biomass) of adult trout annually and fish production was discontinued at the Big Spring Hatchery and reduced at most others.

- Subsequent to 2002, the PFBC revised its annual trout production goals in the 3.8 million to 4.2 million range. However, due to a policy initiative in 2005 to raise fewer but larger trout, the number of trout produced needed to be reduced by about 20 percent to 3.2 million to maintain compliance with the federal effluent requirements.
- The PFBC’s 2007 goal to stock 3.3 million adult trout was augmented by more than 122,000 adult trout obtained through a purchase contract with a commercial hatchery.
- Since FY 2003-04, the PFBC has obtained more than 467,000 adult trout from Tellico, Inc., a commercial hatchery, under a contract that expires in February 2009. The four-year average of the per fish cost of a 0.44 pound trout supplied by Tellico was \$1.13. The PFBC is planning to issue another Invitation to Bid in 2008 so that it can continue purchasing adult trout when the current contract expires next year.

5. Monitoring and Prioritizing Infrastructure Needs and Hatchery Updates. Despite a recent infusion of funds from the Growing Greener II Program, the PFBC has significant remaining infrastructure funding needs. The PFBC’s total outstanding infrastructure needs for improvements, upgrades, and renovations at state fish hatcheries, state-owned dams under PFBC control, and Commission-owned boat access areas have been estimated at more than \$175.0 million.

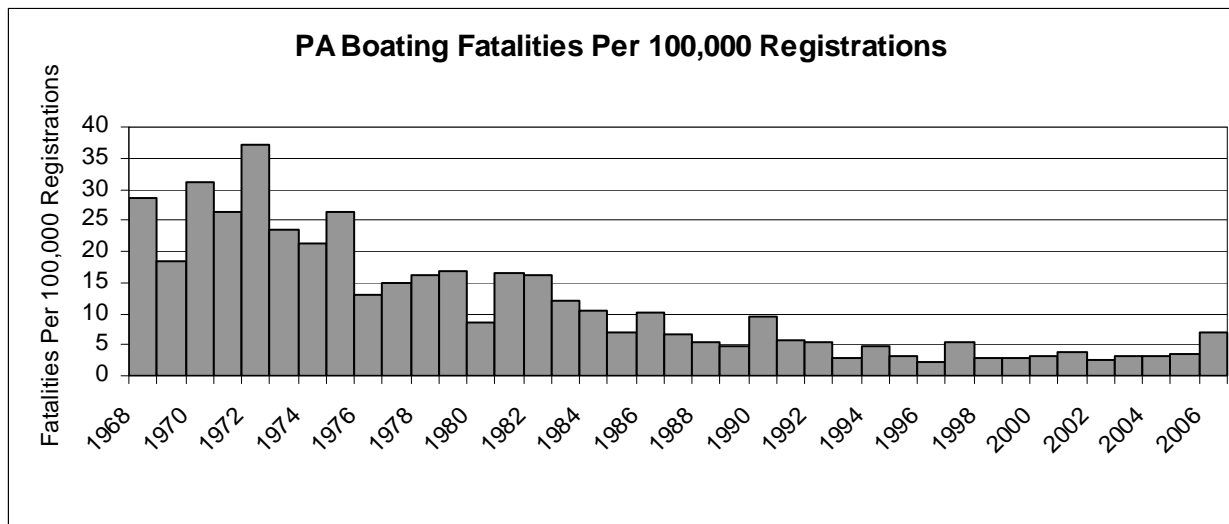
Summary of Estimated PFBC Infrastructure Needs	
<u>Project Type/Purpose</u>	<u>Estimated Cost (\$Millions)</u>
Infrastructure Improvements at State Fish Hatcheries	\$ 84.8
Dam Infrastructure Needs.....	83.1
Improvements to Commission-Owned Access Areas	<u>8.6</u>
Total Estimated	\$176.5

Of the total estimated \$176.5 million needed for hatchery and dam repairs, the Commission has compiled a list of “priority infrastructure needs” totaling \$86.5 million (\$26.5 million in hatchery repairs and \$60 million in impoundment/dam repairs).

The Commission has used a portion of the \$27.5 million received through the Growing Greener II bond initiative as the primary means by which to fund its capital improvements in lieu of incurring debt repayable from Commission revenues. While several capital improvements have been completed and many others are now at various stages of design and construction, Commission monies received through Growing Greener II represent a fraction of total cost estimates for projects authorized by the General Assembly for completion by the Commission and separately identified by the Commission as priority improvements.

6. Compliance With Hatchery Discharge Permit Requirements. Each of the PFBC’s 14 state fish hatcheries is currently in compliance with pertinent water quality and effluent discharge requirements. However, the installation of new water filtration/effluent treatment systems at state fish hatcheries is crucial for hatcheries to continue to meet the terms of their federal Clean Water Act National Pollutant Discharge Elimination System (NPDES) permits and thereby remain operational. Compliance through such improvements is also a key component of the PFBC’s commitment to reduce solids discharged from its hatcheries as part of its “Green Plan.”

7. Promotion of Boating Safety. The PFBC has primary responsibility for promoting recreational boating safety in Pennsylvania. Despite a dramatic spike in boating fatalities in 2006 that doubled the number of fatalities to 25, Pennsylvania’s overall boating safety record is good. As indicated on the graphic below, the state’s boating-fatality rate has declined markedly during a period in which boat registrations increased from under 100,000 in 1968 to nearly 350,000 in 2006. Pennsylvania also compares very favorably to national boating accident fatality rates; in 15 of the past 16 years, Pennsylvania’s boating fatality rate has been considerably lower than the national average.



8. The Water Rescue Training Program. Although not specifically required by the Fish and Boat Code, the PFBC has developed and administers an important and effective Water Rescue Training Program for emergency response personnel statewide. Current uncertainties regarding the future operation of the program center on issues related to program funding, staffing, and organizational responsibility and placement. The PFBC's Water Rescue Training Program, which it has administered since 1983, trains volunteer instructors who, in turn, provide hands-on training to other rescue personnel, in the proper procedures used in water/ice safety and emergency boat operations. The program has reportedly been instrumental in saving the lives of many victims and rescuers during flooding events around the Commonwealth in recent years. As of September 2007, there were nine volunteer instructors/trainers and approximately 175 "certified volunteer water rescue instructors" statewide. Although not formally identified in the Commission budget, annual program costs to the PFBC are reportedly between \$25,000 and \$50,000. The PFBC's position is that General Fund monies should cover the costs of this program instead of it being funded through Fish Fund and Boat Fund license and fee dollars.

9. Deployment of the Pennsylvania Automated Licensing Service (PALS). The PFBC has fully implemented an automated system of distributing and selling fishing licenses and permits. This system, the Pennsylvania Automated Licensing Service (PALS), allows the PFBC and license-issuing agents to process and print fishing licenses for applicants at the point-of-purchase. The implementation of this system will eliminate the need for a number of seasonal and permanent clerical staff and produce other operational and cost efficiencies and benefits. Annual system costs are estimated to be \$1.1 million. This estimate is based on the assumption that the PFBC will sell roughly 850,000 fishing licenses and 600,000 stamps/permits through the system each year, and will incur a transaction cost of 70 cents that is charged by the Commission's system contractor for each of the estimated 1,450,000 transactions. Legislation that would authorize the PFBC to pass along the 70 cent transaction fee to the license buyer was pending as of January 2008.³

10. Pursuit of Funding-Related Strategic Initiatives. Like the Pennsylvania Game Commission and many wildlife agencies nationwide, the PFBC is facing a funding dilemma as its licensee base erodes while expenses continue to increase. Compounding this trend is the aging of the Commission's licensee base as "baby boomers" who fish reach the age at which they are qualifying for annual reduced-fee senior licenses or one-time-fee lifetime senior licenses. Also, it is a matter of record that the PFBC loses a substantial number of license holders with each subsequent license fee increase. For example, following the most recent increase in 2005, resident fishing license sales dropped by over 8 percent from the prior year.

In short, it appears that both the PFBC and the functions for which it is responsible are in danger of outgrowing the funding capacity of its existing revenue base.

³This change was made by Act 2008-2, signed on February 4, 2008. This Act authorizes the PFBC to pass along a transaction fee of up to \$1 to the actual costs charged to the license buyer.

Annual operating deficits are projected and, even after a license fee increase is enacted, the past pattern is that revenues exceed expenditures for only a relatively few fiscal years before agency operations again go into an operating deficit position.

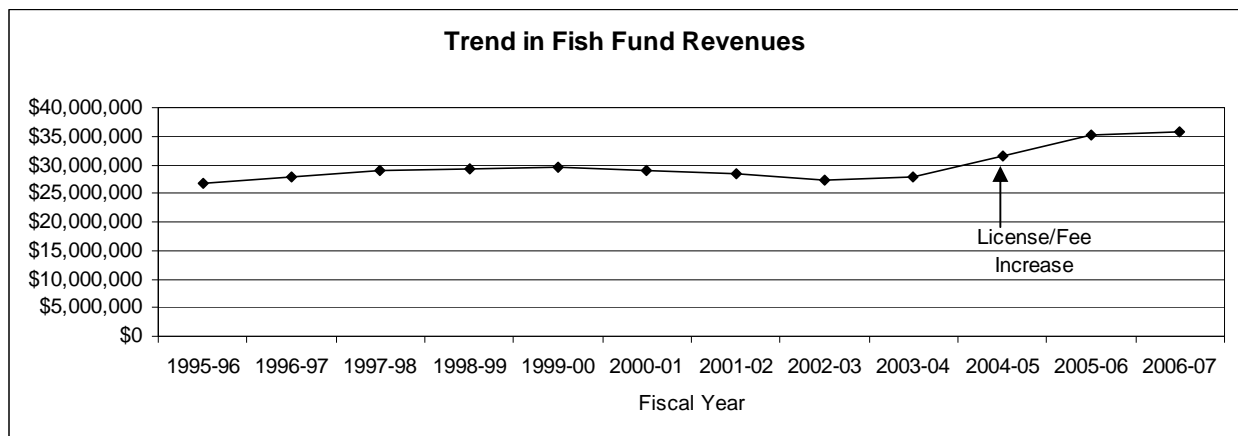
Recognizing that it faces both short- and long-term funding challenges, the PFBC incorporated two specific funding-related initiatives in its Strategic Plan: (1) to increase revenue from “soft sources” (e.g., mitigation, habitat grants); and (2) to seek legislation to earmark a portion of General Fund tax revenue generated by fishing and boating activities for PFBC operations.⁴

Additionally, the PFBC “2007 Annual Plan of Work” provides for the creation of a statewide conservation assembly to create broad-based support for funding of non-game and habitat programs. This effort ties directly with the strategic plan’s pursuit of non-traditional, or “soft sources” of revenue.

C. PFBC Revenues, Expenditures, and Financial Condition

1. In FY 2006-07, PFBC revenues totaled \$49.6 million, including \$35.7 (72 percent) million deposited in the Fish Fund and \$13.9 million (28 percent) deposited in the Boat Fund. Expenditures totaling \$44.9 million were made in FY 2006-07, \$31.9 million (71 percent) from the Fish Fund and \$13.0 million (29 percent) from the Boat Fund.

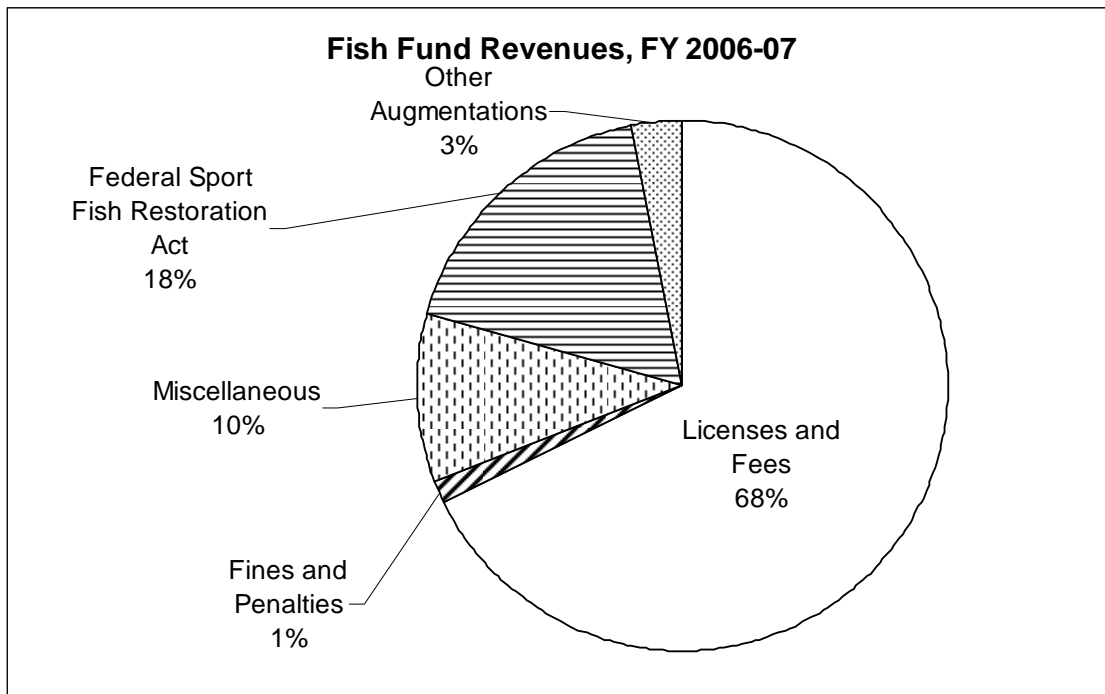
- a. Fish Fund Revenues. Fish Fund revenues in FY 2006-07 totaled \$35.7 million, a 1.2 percent increase over the prior year. The pattern of Fish Fund revenues over the past 12 fiscal years is illustrated below.



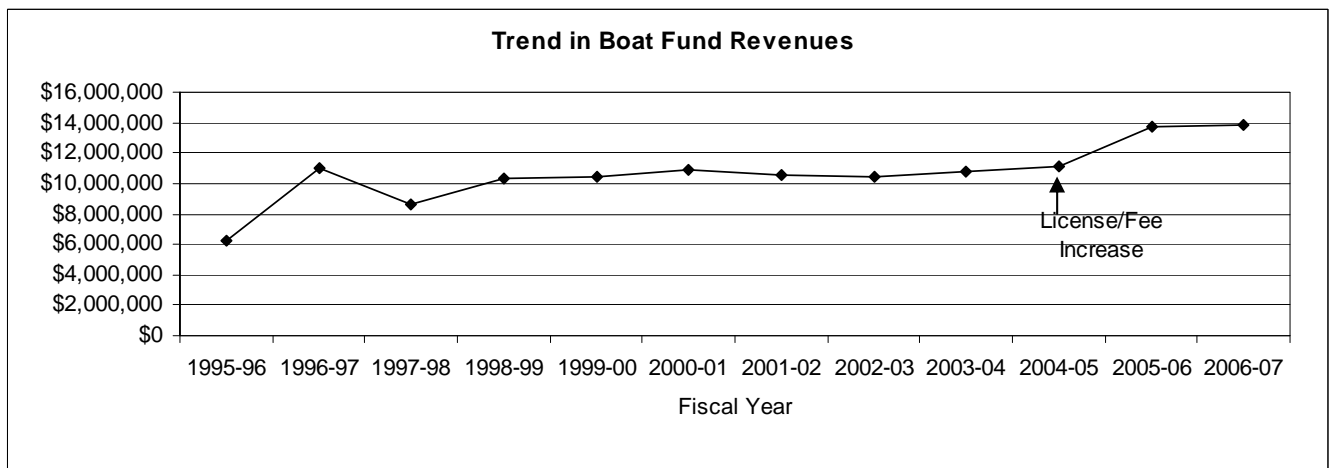
The Fish Fund realized increased revenues in the past three fiscal years due primarily to the passage of Act 2004-159, which increased the costs of fishing licenses and fees. Nearly three-quarters of the total \$35.7 million in Fish Fund revenues

⁴HB 1676 provides for the transfer of a portion of the sales and use tax proceeds into the Fish Fund.

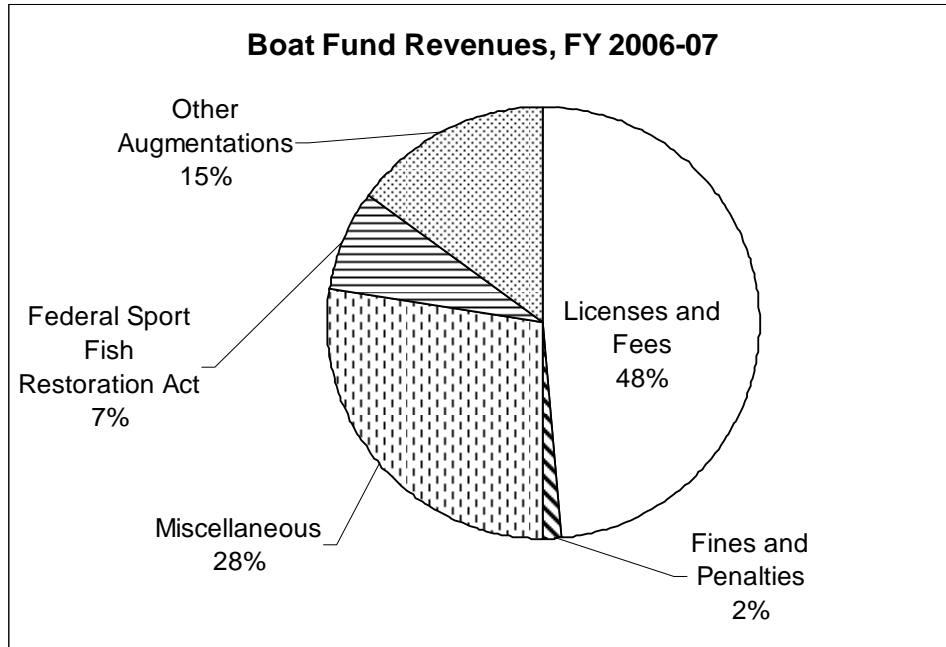
collected in FY 2006-07 came from resident fishing license sales, trout/salmon permits, and federal funds under the federal Sport Fish Restoration Act.



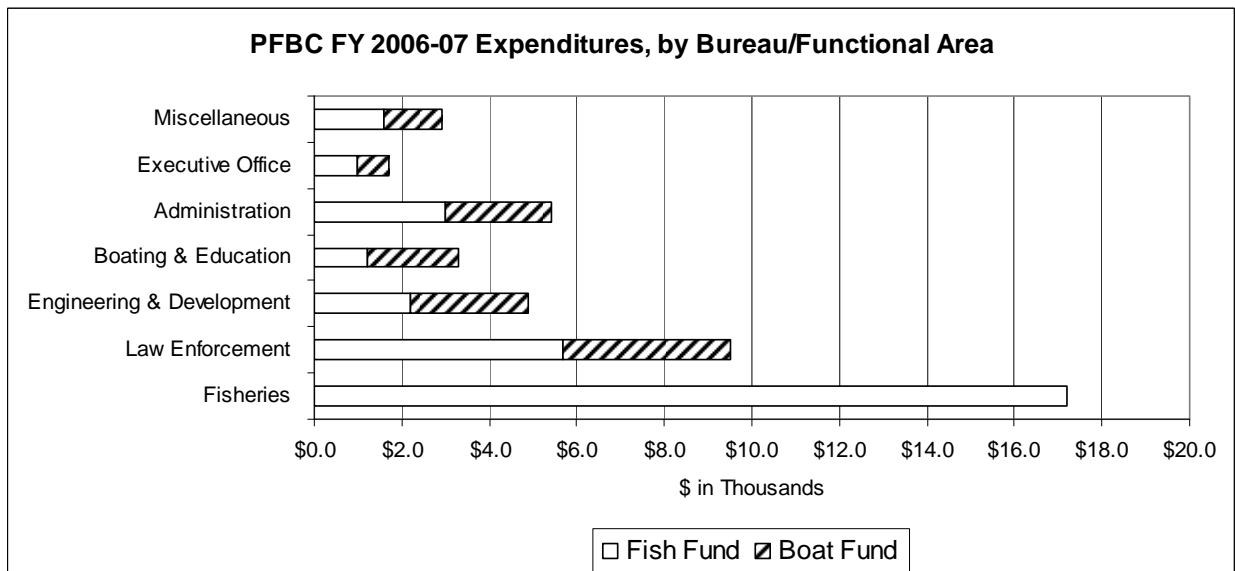
b. Boat Fund Revenues. Boat Fund revenues totaled \$13.9 million in FY 2006-07, an increase of about 1.3 percent over the prior year. The pattern of Boat Fund revenues over the past 12 fiscal years is shown below:



Revenues from motor boat registration fees accounted for about 44 percent of the total Boat Fund revenues in FY 2006-07.

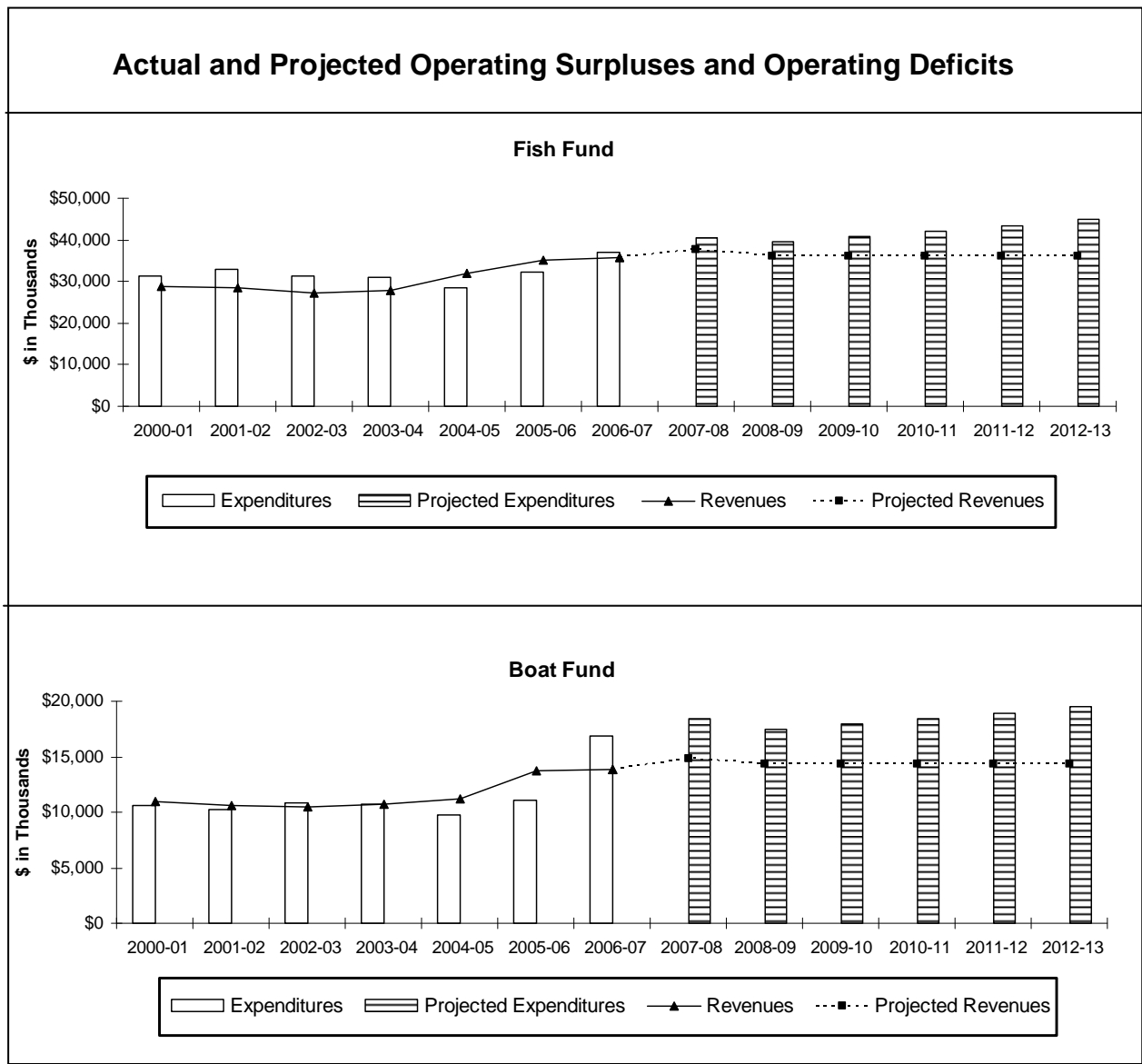


c. Expenditures. PFBC expenditures in FY 2006-07 totaled \$44.9 million, of which \$31.9 million, or 71.0 percent, was paid from the Fish Fund and \$13.0 was expended from the Boat Fund. Personnel services expenditures were the largest major object of expenditure for both the Fish Fund and the Boat Fund in FY 2006-07. Total personnel services expenditures were \$30.0 million in FY 2006-07, which represented approximately 70 percent of all expenditures from both funds. The PFBC also classifies and reports its expenditures by bureaus or functional area. As shown below, expenditures for fisheries and law enforcement together accounted for spending of \$26.7 million in FY 2006-07, or nearly 60 percent of the total.



2. Actual and Projected Fund Balances.

In FY 2006-07, total PFBC revenues of \$49.5 million exceeded total expenditures of \$44.9 million, resulting in a \$4.6 million operating surplus. While both the Fish Fund and the Boat Fund were in an annual operating surplus condition in FY 2006-07, signs indicate that both may slip into an operating deficit position in FY 2007-08, a trend that is projected to continue and intensify through the end of the projection period in FY 2012-13. If this trend materializes, PFBC officials project that the balance in both the Fish Fund and the Boat Fund will drop below the required minimum needed to meet operational cash flow needs when revenues are not consistent with expenditures (currently estimated to be \$9.6 million for the Fish Fund by FY 2012-13 and \$6.4 million for the Boat Fund by FY 2012-13).



D. Implementation Status of Prior (1998) LB&FC Audit Recommendations

The PFBC has generally responded favorably to LB&FC recommendations that were presented in the July 1998 report, *An Audit of the PA Fish and Boat Commission's Budget*. We found that, of approximately 25 recommendations made in that report, the PFBC has either completed or partially implemented 16; and, implementation is in process or ongoing for 3 others. However, legislative action is still necessary for the implementation of 2 recommendations and no action was taken or is planned for an additional 3 recommendations. Recommendations whose status is complete or ongoing include the finalization and adoption of the agency's strategic plan and its linkage to the budget process; the revision of fines and penalties for fishing and boating violations; and the continued monitoring and evaluation of customer reaction and demand (primarily through survey input) and incorporation of such into the Commission's planning, budgeting, resource management, and program evaluation purposes. Further, in a number of cases actions were taken to address issues and at least partially implement our recommendation in such areas as establishing a fee management system, reducing financial deficits in marina operations and publication of the *PA Angler and Boater*, and resource management. However, no action is reportedly planned for warehouse inventory-related recommendations or the creation of a system to classify agency expenditures by program.

Recommendations

1. The Pennsylvania Fish and Boat Commission (PFBC) should take steps to update and strengthen its strategic planning process. Specifically, we recommend that the PFBC:

- a. Follow through with recently stated plans to restore a full-time strategic planner position to the agency complement.
- b. With Commissioner participation, convene a planning session(s) to establish and define the strategic planning process (in policy statement and procedural form) and the role of the Strategic Plan in day-to-day PFBC operations.
- c. Define and clarify the interface/relationship between the Strategic Plan and the Executive Director's Annual Plan of Work.
- d. Update the current Strategic Plan taking into consideration and drawing upon the list of "strategic actions/operational objectives" the Commissioners and PFBC senior staff and leadership identified for strategic planning purposes in 2004.
- e. Establish a specific time frame for the updated Strategic Plan and a formal method of internal quantification of output and outcome measures.
- f. More consistently monitor and track Strategic Plan implementation progress and submit Strategic Plan status reports to the Commissioners at the regularly scheduled Commission meetings.
- g. Further link the Strategic Plan to the agency budget.
- h. Undertake a concerted effort to communicate and generate "buy-in" of the updated Strategic Plan from employees at all levels throughout the agency. Also, make the Plan readily available to key stakeholder groups.

2. The General Assembly should consider amending the Recreational Use of Land and Water Act (RULWA) to clarify and broaden the scope of legal protection afforded to landowners who wish to make their property (i.e., land and water areas) available for public recreational purposes such as fishing and boating.

RULWA protection is a major factor leading landowners to permit free public hunting, fishing, boating, and other recreational uses of lands and waters. According to the PFBC, the lack of legal clarity as to what fishing and boating-related improvements to land are covered under the RULWA has discouraged some landowners, clubs, and organizations from going forward with proposed projects. This situation hampers PFBC efforts to preserve and expand waterways access. While the definition of "land" under the RULWA specifically includes "buildings, structures and machinery or equipment when attached to the realty," Pennsylvania courts have held that RULWA coverage

does not extend to certain situations concerning property that has been improved. The General Assembly should consider amending the Act, 68 P.S. §§477-1-477-8, by clarifying and broadening the scope of legal protection afforded by the Act to cover certain fishing and boating related improvements to land, which could include improvements such as boating access and launch ramps, fishing piers, boat docks, ramps, access to and parking for these areas, and hiking trails.

3. The PFBC should provide a special assessment report to the House and Senate Game and Fisheries Committees on the Commission's experience to date in supplementing its annual hatchery production of trout with trout purchased under contract from a private hatchery. This report should cover contractor compliance with contract specifications and quality control provisions, cost-effectiveness analyses, and future plans/justification for further contracting.⁵

4. As part of a "hatchery program review" planned for mid-2008,⁶ the PFBC's Division of Fish Production should:

- a. Further develop and finalize a "state hatchery production and cost tracking system" that was undertaken during the course of this audit to identify and monitor per fish production costs and individual hatchery performance against targeted production goals.
- b. Consider the potential cost-benefits of expanding the practice of purchasing a portion of the total number of adult trout needed annually for stocking purposes.

5. The PFBC and the Pennsylvania Emergency Management Agency (PEMA) should form a working group from both agencies to determine the best approach to provide and enhance water and ice rescue training to the Commonwealth's emergency rescue providers.

Priority issues for this work group should include creation of a database of emergency rescue responders trained and certified in water rescue techniques, the establishment of more effective procedures for communicating during emergencies regarding availability and positioning of trained water and ice rescue personnel, and the identification of potential funding sources for these and other related improvements to the program. Particular attention should be directed at identifying potential funding sources other than fishing license and boat registration fees.

⁵This report, in VII-D, provides preliminary information on this subject.

⁶This review is intended to examine fish production needs, current and potential production, and hatchery staffing and expenses.

- 6. Consistent with the PFBC's recent implementation of the Pennsylvania Automated Licensing Service (PALS), the General Assembly should consider amending the Fish and Boat Code to:**
- a. authorize the PFBC to make license vouchers available for purchase and redemption through its issuing agents; and
 - b. better describe and allow for the maintenance of records by issuing agents in a manner prescribed by the PFBC, including pursuant to an electronic system.⁷

⁷Act 2008-2, signed into law on February 4, 2008, provided for this change.

I. Introduction

By enacting Act 2004-159, the General Assembly amended the Fish and Boat Code to implement a new license fee structure. In addition, Act 159 also contained a performance audit provision under which the Legislative Budget and Finance Committee (LB&FC) is to conduct a performance audit of the Pennsylvania Fish and Boat Commission (PFBC) on a three-year cycle beginning in 2007.

Audit Objectives

1. To survey and review overall agency operations and staffing and assess the efficiency and effectiveness of selected agency programs and processes.
2. To examine the Commission's strategic planning process and evaluate the implementation status of selected operational objectives.
3. To examine and analyze PFBC revenues and expenditures and determine the current and projected financial condition of the Fish Fund and Boat Fund.
4. To develop findings and recommendations, as appropriate.

Audit Scope and Methodology

This is the first performance audit of the PA Fish and Boat Commission conducted by the LB&FC pursuant to the audit provisions of the Fish and Boat Code, 30 Pa.C.S. § 503(a). The audit focused on the PFBC's development and implementation of its 2005 Strategic Plan, agency performance in other selected program areas, agency revenues and expenditures, the financial condition of the Fish Fund and Boat Fund, and actions taken by the Commission to implement recommendations made in the LB&FC's 1998 audit of the Commission's budget.

To obtain audit input and perspectives, we solicited comments from PFBC stakeholder groups, members of the House and Senate Game and Fisheries Committees, the PFBC Commissioners, members of the Boating Advisory Board, and the Governor's Advisory Council for Hunting, Fishing and Conservation. Additionally, the LB&FC contracted with Responsive Management, Inc., a management consulting and opinion research organization that specializes in working with wildlife, natural resource and outdoor recreation agencies. Under contract to the Committee, Responsive Management conducted focus groups involving PFBC employees and Commission stakeholders regarding their opinions on the operations and performance of the Commission.

Specifically, two focus groups each of Commission employees (consisting of mid-level management staff and “rank-and-file” employees) and Commission stakeholder groups (consisting of statewide organizations and smaller, local organizations) were held to determine the extent of their satisfaction with Commission programs, activities and performance, and their ideas and suggestions on how these could be improved. Focus group results are incorporated throughout pertinent sections of this report.

To gain an understanding of PFBC program and organizational structure and operations, we met with all agency bureau directors and numerous members of the Commission’s staff at various times throughout the audit. We also made field visits to the Bureau of Fisheries at Pleasant Gap, the Pleasant Gap Fish Hatchery, and the PFBC’s Southcentral Regional Office in Newville, Pennsylvania.

To analyze and evaluate strategic plan development and implementation, we traced the evolution of the PFBC’s involvement with strategic planning through the adoption of the current plan. We analyzed PFBC planning documents and implementation records and met with the PFBC staff members who were extensively involved in the creation of the former and current Strategic Plan. Planning documents and staff interviews also provided us with the means to assess the nature and extent of internal PFBC staff monitoring of Strategic Plan implementation progress.

We also analyzed the PFBC Executive Director’s Annual Plan of Work for 2007, including a comparative analysis of the relationship of activities contained in the Plan of Work with the current Strategic Plan. Moreover, other concurrent planning efforts and related activities in progress by the Commission were evaluated and their relationship to the Strategic Plan assessed.

Our review also included an assessment of the relationship of the Strategic Plan to the Commission’s budget, an evaluation of the degree of agency-wide involvement with the Strategic Plan, and a determination of the implementation status of the Strategic Plan’s nine operational objectives. Interviews with PFBC bureau directors and staff on this subject as well as comments and perspectives gained from the focus groups conducted by Responsive Management contributed to this assessment.

To further evaluate PFBC performance, we selected a number of program or issue areas based on input and information obtained through initial meetings, the results of the focus groups, and legislative or stakeholder interest. Detailed audit work was conducted to evaluate PFBC performance in these areas, including, for example, the PFBC’s efforts to preserve and ensure waterways access; to retain, promote and expand the angler population; and to promote fishing among the youth of the Commonwealth. We also examined the current status of state fish hatchery

upgrades, compliance with hatchery effluent discharge requirements, and an assessment of trout production and costs. Additional matters addressed in the report include boating safety and water rescue training, the recently implemented automated licensing system (PALS), and funding-related strategic initiatives.

To analyze PFBC revenues, expenditures, and financial condition, we examined budget and fiscal records and reports for the period FY 2000-01 through FY 2006-07, inclusive. We completed detailed analyses of the Commission's FY 2006-07 budget and FY 2006-07 revenues and expenditures. The Commission's budget process was examined, as well as compliance with applicable requirements related to budget development, presentation, and adoption. We did not independently audit the financial information presented in the report and, accordingly, do not express an opinion or any other form of assurance on the accuracy of the financial statements.

We analyzed revenues, by source, with particular analysis on significant changes in amounts derived from specific revenue categories between the two most recent fiscal years. To determine if the budget included an accurate estimate of revenues, we compared official PFBC revenue estimates to actual revenue collections for FY 2006-07, by total and by major source. Historical revenue trend analyses were also completed for both the Fish Fund and the Boat Fund.

We analyzed expenditures at both the major and minor object level, as well as by organizational unit. Audit staff met with the Director of the Bureau of Administration and the Manager of Budget and Fiscal Management to discuss major factors impacting Commission costs as well as cost-containment measures. We further examined minor objects of expenditure that varied significantly from year to year. A comparison of budgeted to actual expenditures by major object was also completed.

To assess the current and projected financial condition of the Fish Fund and the Boat Fund, we examined historical patterns of operating surpluses and deficits as well as patterns of monthly deposits of license revenue for both funds. We also examined the effects of past license increases on the financial condition of the funds, both by an examination of license sales/associated revenues and through an examination of PFBC staff prediction models.

The report also addresses the implementation status of recommendations made to the PFBC in a prior LB&FC audit report issued in 1998. Based on information received from the PFBC, we conducted follow-up review and analysis in order to assess the extent of the PFBC's compliance with recommendations made by the LB&FC as a result of an audit of the PFBC's budget completed in 1998.

Acknowledgements

We acknowledge and appreciate the excellent cooperation and assistance provided by the Pennsylvania Fish and Boat Commission and its staff during the audit. In particular, appreciation is extended to Douglas J. Austen, Ph.D., Executive Director; Brian Barner, Acting Deputy Director for Administration, Boating, and Engineering; Thomas P. Ford, former Director of Policy and Planning; Laurie E. Shepler, Chief Counsel; and Hope Miller, Manager of Budget and Fiscal Management.

We also acknowledge the work and services provided by Mark Damian Duda, Executive Director of Responsive Management, Inc., for his work in coordinating and conducting focus groups of PFBC employees and Commission stakeholder groups. Finally, the LB&FC staff expresses thanks to all PFBC employees and Commission stakeholders who attended the focus group sessions or otherwise provided information or assistance to us during this audit.

Important Note

This report was developed by Legislative Budget and Finance Committee staff. The release of this report should not be construed as an indication that the Committee or its individual members necessarily concur with the report's findings and recommendations.

Any questions or comments regarding the contents of this report should be directed to Philip R. Durgin, Executive Director, Legislative Budget and Finance Committee, P.O. Box 8737, Harrisburg, Pennsylvania 17105-8737.

II. Background Information on the Pennsylvania Fish and Boat Commission (PFBC)

Agency Mandate and Mission

The Pennsylvania Fish and Boat Commission (PFBC) is an independent administrative agency with authority to administer and enforce the Fish and Boat Code and other Commonwealth laws relating to: (1) the encouragement, promotion, and development of the fishery interests; (2) the protection, propagation, and distribution of fish; (3) the management of boating and the operation of boats; and (4) the encouragement, promotion, and development of recreational boating. The Commission further has the authority to promulgate rules and regulations concerning the protection, preservation, and management of fish and the management and operation of boats.

The Commission's mission is "to protect, conserve, and enhance the Commonwealth's aquatic resources and provide fishing and boating opportunities." The PFBC Board of Commissioners further states that the agency will strive to fulfill this mission by developing, adopting, and enforcing policies that are proactive, aggressive, and focused on the long-term health, protection, and development of the Commonwealth's aquatic resources.

Pennsylvania's aquatic resources¹ are large and diverse, including 83,000 miles of rivers and streams (17,624 cooperatively managed by the PFBC) and approximately 730,000 acres of rivers, streams, lakes, and Lake Erie and its tributaries cooperatively managed by the PFBC. The Commonwealth's aquatic resources include rivers, warmwater and coldwater streams, Lake Erie and tributaries, impoundments, and watersheds and wetlands.

The Board of Commissioners

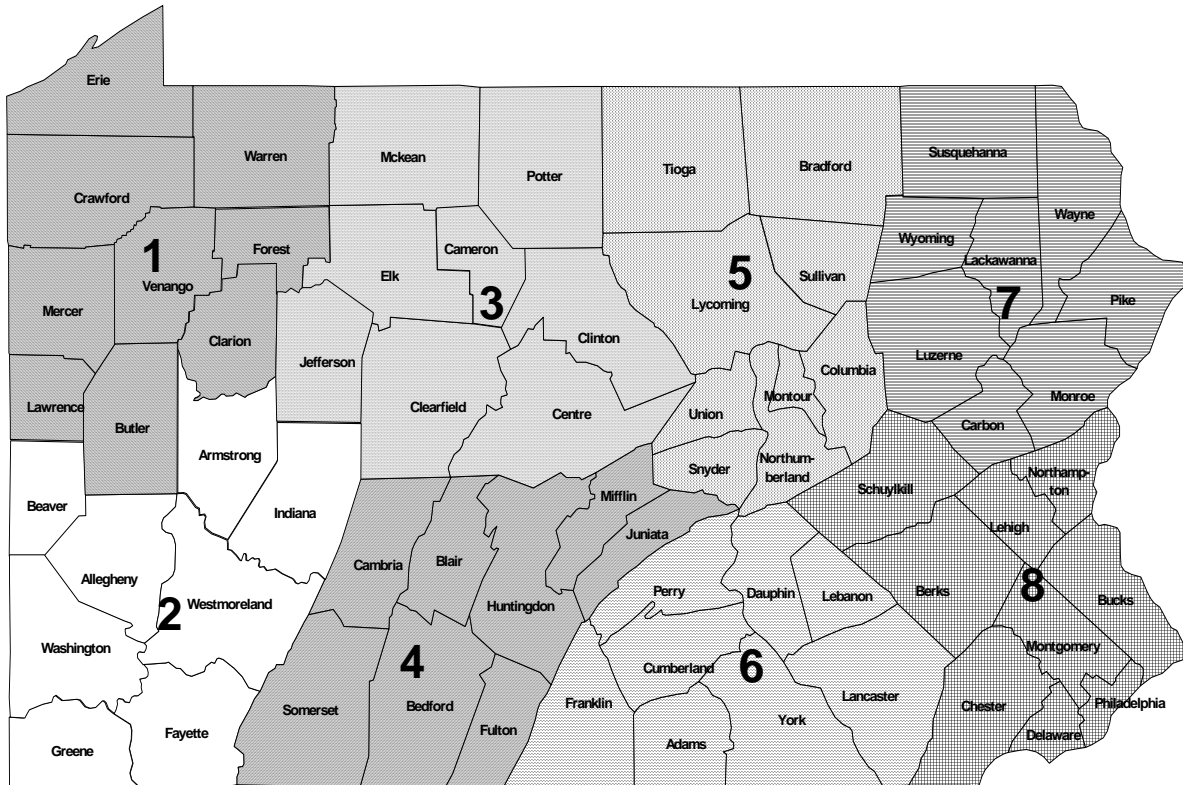
The Pennsylvania Fish and Boat Commission develops rules, regulations, and broad policies that establish the framework for agency operations and activities. The Commission is comprised of ten Pennsylvania citizens appointed by the Governor with the advice and consent of two-thirds of the Senate. As shown on Exhibit 1, each Commissioner is, by law, to be a resident of a specific geographic region of the Commonwealth. Commission members serve eight-year terms.

¹"Aquatic resources" are defined as the water environments of the state that support or have the potential to support natural, free-living aquatic organisms that include fish, fish bait, bait fish, amphibians, reptiles, plants, animals, and other organisms that grow, or live in or on the water.

Two PFBC members serve at-large and are required to be experienced in boating and water safety education and be registered boat owners in Pennsylvania. The remaining eight members each represent a specific geographic district and are to be well-informed on conservation, restoration, fish and fishing, and boats and boating. Exhibit 2 lists the Commission membership as of September 2007, along with district representation and term information.

Exhibit 1

PA Fish and Boat Commissioner Districts



Source: Pennsylvania Fish and Boat Commission.

The Commission must have an office in the Harrisburg area and hold meetings in January and July and at such other times and places as the Commission may designate. In actual practice, the Commission ordinarily meets four times a year. In addition to full Commission meetings, committees may conduct public meetings throughout the year. At the July meeting each year, the Commission elects from its members a president and vice-president.

A statutorily created eight-member Boating Advisory Board advises the Commission on all matters relating to boating and makes recommendations regarding any proposed rules or regulations affecting the equipment or operation of boats. The Board consists of three ex-officio members including the Secretary of the Department of Conservation and Natural Resources, the PFBC Executive Director,

Exhibit 2

**Pennsylvania Fish & Boat Commission
Commissioner Districts and Terms (as of September 2007)**

	<u>Counties</u>	<u>Incumbent</u>	<u>Confirmed</u>	<u>Term Expires</u>	<u>Eligible for Reappointment</u>	<u>Last Day In Office</u>
One	Erie, Crawford, Mercer, Lawrence, Venango, Butler, Warren, Forest, and Clarion	Samuel M. Concilla North East (Erie County)	5/4/93 (Gov. Casey) 6/4/01 (Gov. Ridge)	January 2001 June 2009	NO	December 2009
Two	Beaver, Allegheny, Washington, Greene, Armstrong, Indiana, Westmoreland, and Fayette	Thomas C. Shetterly N. Charleroi (Washington County)	6/14/06 (Gov. Rendell)	July 28, 2011	NO	January 28, 2012
Three	McKean, Elk, Jefferson, Potter, Cameron, Clearfield, Clinton, and Centre	William J. Sabatose Brockport (Elk County)	12/9/87 (Gov. Casey) 5/3/95 (Gov. Ridge) 7/28/03 (Gov. Rendell)	January 1994 January 2003 July 2011	NO	January 2012
Four	Cambria, Somerset, Blair, Bedford, Huntingdon, Fulton, Mifflin, and Juniata	Leonard L. Lichvar Stoystown (Somerset County)	3/6/06 (Gov. Rendell)	June 4, 2009	YES	December 2009*
Five	Tioga, Lycoming, Union, Snyder, Bradford, Sullivan, Columbia, Montour, and Northumberland	William R. Worobec Williamsport (Lycoming County)	6/14/06 (Gov. Rendell)	June 14, 2014	NO	December 14, 2014
Six	Franklin, Perry, Cumberland, Adams, Dauphin, York, Lebanon, and Lancaster	Robert A. Bachman Denver (Lancaster County)	4/24/07 (Gov. Rendell)	April 24, 2015	NO	October 24, 2015
Seven	Susquehanna, Wyoming, Luzerne, Lackawanna, Carbon, Wayne, Pike, and Monroe	Vacant	--	June 4, 2009	--	December 4, 2009
Eight	Schuylkill, Berks, Chester, Northampton, Lehigh, Bucks, Montgomery, Philadelphia, and Delaware	Richard W. Czop Collegeville (Montgomery County)	6/28/02 (Gov. Schweiker)	June 2010	NO	December 2010
Boating	At-Large	Donald K. Anderson Meyersdale (Somerset County)	5/3/95 (Gov. Ridge) 6/4/01 (Gov. Ridge)	January 1998 June 2009	NO	December 2009
Boating	At-Large	Steven M. Ketterer Harrisburg (Dauphin County)	4/24/07 (Gov. Rendell)	April 24, 2015	NO	October 24, 2015

*A person appointed to replace Commissioner Stidd (District Four) may be appointed to fill his unexpired term since he served fewer than four years. The term will expire June 2009.

30 Pa.C.S. §301(c) terms of office and compensation provides: The members shall hold office for terms of eight years and may continue to hold office for a period of time not to exceed six months or until their successor is appointed and qualified, whichever occurs first. A member appointed to fill a vacancy for a period of four years or less may be eligible for appointment to a full eight-year term. A member who serves a full eight-year term or fills a vacancy for a period of more than four years shall not be eligible for reappointment to the Commission until a period of eight years expires. The members shall receive no compensation for their services but may be reimbursed for travel expenses.

Source: The Pennsylvania Fish and Boat Commission.

and the Assistant Executive Director in charge of watercraft safety (whose functions are currently assumed by the Director of the Bureau of Boating and Access) and five volunteer members who are required to be experienced boaters and members of boating organizations. Members are appointed by the Governor for five-year terms.

Agency Structure, Staffing, and Functions

The Pennsylvania Fish and Boat Commission is an independent administrative agency that is organized into the following six bureaus: the Bureau of Fisheries; the Bureau of Law Enforcement; the Bureau of Policy, Planning and Communications; the Bureau of Administration; the Bureau of Boating and Access; and the Bureau of Engineering and Property Services. The latter three bureaus report to a Deputy for Administration, Boating and Engineering.

This organization, as shown on the chart on Exhibit 3, reflects a reorganization that occurred in July 2007. According to PFBC officials, this reorganization occurred in the interest of improving communications, reducing conflicting priorities, and instituting new organizational efficiencies. The names of the bureaus as listed in this section reflect the changes made in July 2007. Key elements of the reorganization are summarized on Exhibit 4.

As of June 30, 2007, the PFBC's staff complement totaled 432 salaried positions and 137 wage positions (see Table 1). The number of filled salaried positions on the complement totaled 396; vacancies numbered 36. More than 72 percent of the complement is employed in fisheries production management and law enforcement activities. (See Appendix B for a further breakdown of the PFBC complement.)

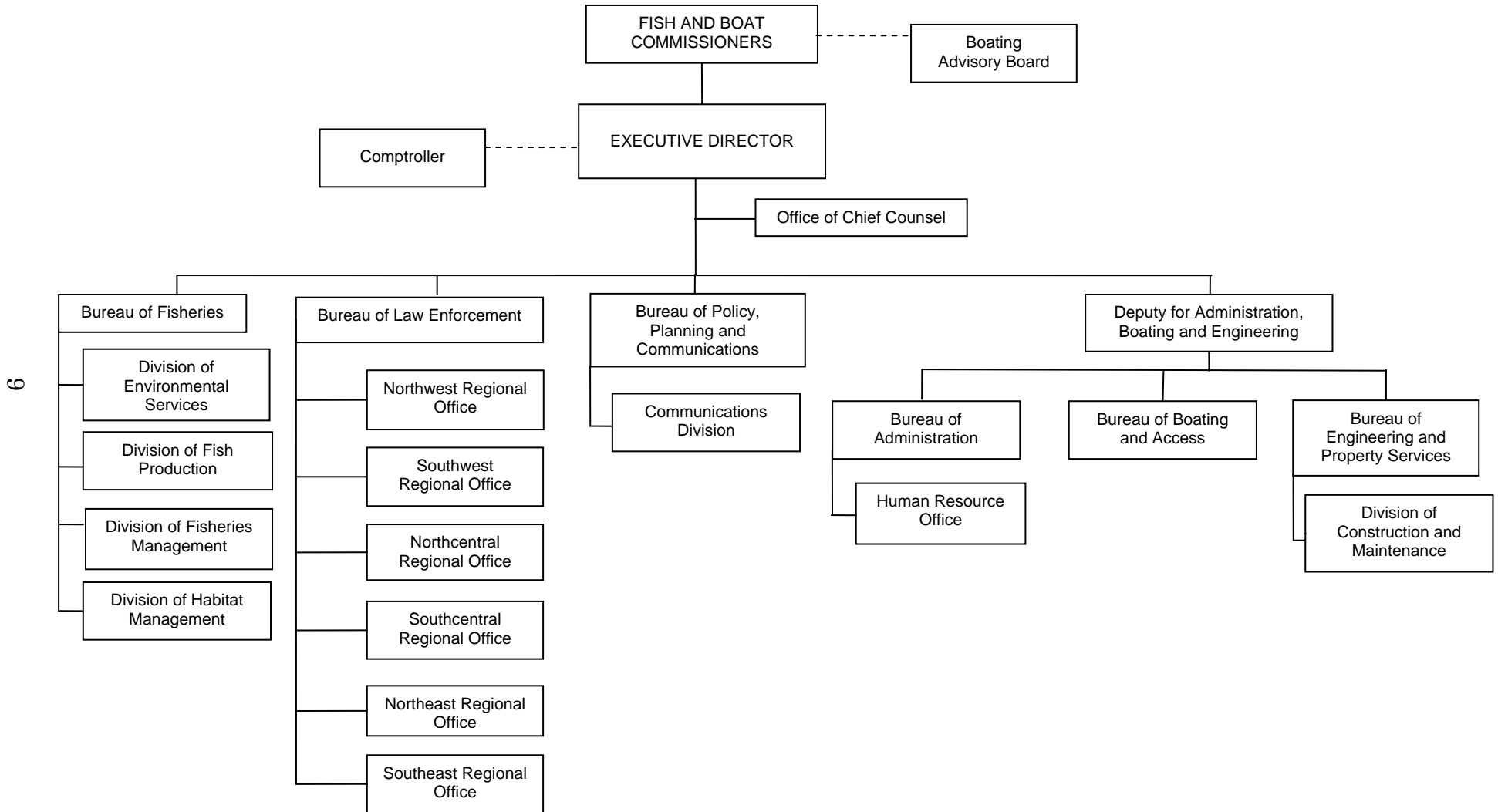
Table 1

PFBC Salaried Staff Complement, by Organizational Unit			
(As of June 30, 2007)			
	<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
Executive Office	18	0	18
Bureau of Administration.....	39	3	42
Bureau of Boating and Education	22	2	24
Bureau of Engineering and Development...	53	4	57
Bureau of Law Enforcement	95	11	106
Bureau of Fisheries	<u>169</u>	<u>16</u>	<u>185</u>
Total	396	36	432

Source: PFBC Personnel Complement Report, June 30, 2007.

Exhibit 3

Pennsylvania Fish and Boat Commission



Source: Pennsylvania Fish and Boat Commission. Reflects an administrative reorganization that occurred in July 2007 and is the agency's operating organizational structure as of September 2007. Final approval is pending.

Exhibit 4

Key Elements of the PFBC's 2005 and 2007 Reorganizations

2005:

1. Lake Erie Research Unit within the former Division of Research established as a stand-alone entity within the Bureau of Fisheries.
2. Division of Research within the Bureau of Fisheries renamed as Production Services (reporting to the Director of the Division of Fish Production).
3. Transition from the use of "Warmwater/Coolwater Production" to "Northern Hatcheries" within the Bureau of Fisheries' Division of Fish Production Services; and transition from "Trout Production" to the use of "Southern Hatcheries" within the Division of Fish Production Services.
4. Movement of the Environmental Services Division from the Executive Office to the Bureau of Fisheries.
5. Creation of the Division of Habitat Management within the Bureau of Fisheries.

2007:

1. Formal creation of Three Rivers Ecological Research Center in the Bureau of Fisheries. The Three Rivers Ecological Research Center will be developed as a multi-agency, collaborative facility to support research and natural resources management of the major rivers of western Pennsylvania.
2. Formal renaming of all Commission State Fish Culture Stations to State Fish Hatcheries. This name change reflects the common naming convention used for these facilities by the agency, public, press, state, and other governmental entities thus reducing confusion.
3. Creation of the Bureau of Policy, Planning and Communications. This Bureau will consist of duties formerly assigned to the Policy, Planning and Operations Section plus the newly created Division of Communications, which will manage the press office, marketing, *Pa Boater and Angler* magazine, and publications (written and web enabled). These functions are currently shared between two units, but coordinated across all bureaus. The proposed reorganization plan realigns these functions and the Aquatic Resource Education Section from the current Bureau of Boating and Education.
4. Creation of the Bureau of Boating and Access. This Bureau will allow the PFBC to foster an environment that focuses solely on boating. It will also be responsible for developing and managing the PFBC's statewide public access program, and will manage one of the Commission's most important current issues of providing access to fishing and boating opportunities.
5. Renaming of the Bureau of Engineering and Development to the Bureau of Engineering and Property Services. This title more accurately reflects the duties and functions assigned to the unit.
6. Creation of the Deputy for Administration, Boating and Engineering. Under a single deputy, the agency will consolidate its support functions provided by aligning the Bureau of Administration with the Bureau of Engineering and Property Services and the Bureau of Boating and Access. Under the deputy position, additional direction and management oversight will be provided.
7. Renaming of the Human Resource Office to the Division of Human Resources and moving it to the Bureau of Administration. This change reflects a more traditional organizational placement for Human Resources.

Source: Developed by LB&FC staff using information obtained from the Pennsylvania Fish and Boat Commission.

Executive Office

The Executive Office administers the operations and activities of the entire PFBC. The Executive Director serves as the chief waterways conservation officer of the PFBC and as an ex officio member of the Atlantic States Marine Fisheries Commission, the Environmental Quality Board, the Mid-Atlantic Fisheries Management Council, and the Boating Advisory Board. The executive director is supported by a variety of staff including the Office of Chief Counsel, Legislative Liaison, Press Secretary, Comptroller, Director of Policy, Planning & Operations, and the Human Resources Office.

The reorganization shifted staff previously located in the Executive Office to the Bureau of Policy, Planning and Communications (Legislative Liaison, Press Secretary, and a position of “Strategic Initiatives and Projects” formerly assumed by the Director of Policy, Planning & Operations), and the Bureau of Administration (Human Resources Office, now known as the Division of Human Resources).

Bureau of Fisheries

The Bureau of Fisheries directs the management, production, protection, propagation and distribution of fish, fisheries, habitat, reptiles, amphibians, and certain threatened and endangered/non-game species in the Commonwealth. The bureau also directs the operation of all state fish hatcheries operated by the PFBC.

The bureau operates through four divisions: Fish Production, which has a Cooperative Nursery Unit that assists the stocking of fingerling trout in non-profit nurseries operated by sportsmen’s groups and other outdoor organizations; Fisheries Management (divided geographically into eight fisheries management areas); Habitat Management; and Environmental Services (which oversees major permitting and permit review for pollution/effluent discharge from Commission hatcheries). The bureau also contains an independent Lake Erie Research Unit that provides technical guidance to other agencies and the public concerning issues affecting Lake Erie; conducts large scale fisheries management, research, and restoration activities; and participates in several technical task groups concerning Lake Erie. The bureau coordinates with the Bureau of Engineering and Development on infrastructure and renovations of the facilities under its management.

The Bureau also contains the Three Rivers Ecological Research Center,² which provides a research collective of the Allegheny, Monongahela, and Ohio Rivers and their watersheds to benefit habitat, species, and public resources. The Center also works on strategies to manage, conserve, and protect the rivers, and engages in educational partnerships on the three rivers and their watersheds.

²The reorganization formally created the Three Rivers Ecological Research Center and renamed all of the PFBC’s fish culture stations as “state fish hatcheries.”

The Division of Fish Production has organizational responsibility for the 14 state fish hatcheries operated by the Commission, divided into seven northern and seven southern hatcheries. The Division of Fish Production directs the production and stocking of trout and warmwater/coolwater species of fish in Pennsylvania's waterways (including Lake Erie). Pursuant to this charge, the division purchases, orders, and delivers all fish food used in the agency, and directs all interstate exchanges or trades of warmwater/coolwater fish and eggs.

Bureau of Administration

The Bureau of Administration provides administrative support services for all PFBC programs and operation, including issuance of and accounting for fishing licenses, stamps, and permits (including operation of the Pennsylvania Automated Licensing Service, or PALS); purchasing and procurement of supplies, equipment and services; fixed asset accounting services; issuance of boat registrations and titles; fiscal planning, budget preparation and expenditure, and revenue review; vehicle fleet management; insurance; warehousing and inventory; surplus property management; issuance of special permits; mail and messenger services; federal grants administration; purchasing and travel card management; sale of surplus property; development and management of information systems; and forms and records retention. The bureau does not have formal divisions within it, but it is split among six sections: Budget & Fiscal Management, Purchasing, Federal Assistance, Office Services, Information Systems, and Licensing & Registration.

The reorganization placed the Bureau of Administration under the supervision of the Deputy of Administration, Boating and Engineering. Further, the prior Office of Human Resources in the Executive Office was reorganized as the Division of Human Resources within the Bureau of Administration.

Bureau of Law Enforcement

The Bureau of Law Enforcement directs the enforcement of Commonwealth fishing and boating laws and regulation and certain water pollution/disturbance laws, as well as enforcement of Title 18 (relating to crimes and offenses) and laws relating to misdemeanors and felonies. Its corps of waterways conservation officers (WCOs) also provides education programs for boating, fishing, and conservation; reviews permits for mine drainage and stream encroachments; administers the PFBC's special activities permits and public surveys; promotes habitat and youth license initiatives; and participates in fish stocking operations. WCOs are also called upon to engage in rescue and recovery operations associated with infrastructure failures or natural disasters (such as floods).

The bureau also operates the PFBC's most active volunteer program, using a force of more than 180 deputy waterways conservation officers. The bureau has its own Administrative Section and operates out of headquarters in Harrisburg as well

as six regional offices located in Meadville, Somerset, Pleasant Gap, Newville, Sweet Valley and Elm. Staffing and functions of the Bureau of Law Enforcement underwent no demonstrable change due to the 2007 reorganization.

Bureau of Engineering and Development

The Bureau of Engineering and Development directs the planning, engineering, survey, design, construction, and maintenance of fishing and boating facilities and property. The bureau oversees tasks, duties, and functions related to the planning, engineering, surveying, design, construction, and maintenance of Commission buildings, structures, equipment, utilities, and property. The bureau completes these functions both in-house and through the use of contractors. The bureau develops emergency action plans to be used in cases of catastrophic failures at dams.

To carry out these responsibilities, the bureau is organized into the single Division of Engineering, Construction and Maintenance Services. The division is comprised of four sections: Construction, Property Maintenance, Property Services, and Survey Services. Specific examples of bureau duties include the maintenance of dams and public access areas, construction of new access areas, and renovations and maintenance of fish hatcheries and Commission administrative buildings. For maintenance purposes, the Commonwealth is divided into five maintenance regions.

The Bureau uses Growing Greener II bond proceeds for Commission infrastructure construction and improvements. The bureau also uses monies from federal grant programs for infrastructure construction and improvements, including through the Federal Aid in Sport Fish Restoration Act.

The reorganization renamed the bureau as the Bureau of Engineering and Property Services to more accurately reflect its duties and functions. The bureau now falls under the control of the Deputy for Administration, Boating and Engineering.

Bureau of Boating and Education

The Bureau of Boating and Education has the primary functions of administering fishing and boating education (including the mandatory boating safety education program for certain motorboat operators), overseeing boating safety in the Commonwealth, administering grants related to various aspects of boats and boating, and educational and informational materials development and production. In support of these activities, it develops diverse educational media; designs and produces brochures, booklets, maps and pamphlets; and publishes the PFBC's bimonthly magazine, *Pennsylvania Angler & Boater*. Bureau staff are also involved with administration of the Commission-led water rescue training program (see Section VII.H).

The bureau is comprised of three sections: Waterways Management, Education, and Graphic Services for publications. The bureau administers the agency's aids-to-navigation activities, the certification of passenger-for-hire boat operations, the operation of the North East and Walnut Creek marinas, the water trails programs, and the planning and development of a comprehensive boating access and facilities program. The bureau also assists in youth, family, and urban fishing initiatives to increase license sales in the Commonwealth. The bureau monitors the reports and statistics on boating accidents and safety-related incidents. The director serves as the Commonwealth's boating-law administrator.

The bureau was renamed as the Bureau of Boating and Access under the reorganization in order to accurately represent its primary focus on boating and its management of the PFBC's statewide public access program. The educational functions previously performed by the bureau have been transferred to the Bureau of Policy, Planning and Communications. The Media Productions Section in the Bureau of Policy, Planning and Communications now produces the *Pennsylvania Angler & Boater* magazine and all other brochures, maps, and summary booklets for the Commission. The bureau now also falls within the control of the Deputy for Administration, Boating and Engineering.

Commission Revenues and Expenditures

The PFBC operates on funds from the following major sources: the sale of fishing licenses and permits, boat registration fees, fines and penalties, transfers from other funds, and federal reimbursement through the Sport Fish Restoration Fund. The Commission also receives an annual General Fund appropriation of \$16,000 to pay the state's annual dues in the Atlantic States Marine Fisheries Commission.

In FY 2006-07, combined revenues to the Fish Fund and Boat Fund totaled \$49.5 million. Licenses and fees accounted for about 62 percent of total revenues. Federal funds and other augmentations, at \$10.4 million, accounted for about 21 percent of the total. Further information on and analysis of PFBC revenues are provided in Section III as well as in other sections of this report.

In FY 2006-07, PFBC expenditures amounted to \$44.9 million, representing \$31.9 million from the Fish Fund and \$13 million from the Boat Fund.³ More than two-thirds of all Commission spending is for personnel services. Operational costs accounted for \$10.6 million, or about 23.7 percent of total spending in FY 2006-07. Further detail and analysis of Commission expenditures are provided in Section IV and subsequent sections of this report.

³Expenditure totals are current as of August 2007.

III. PFBC Revenues

Pennsylvania Fish and Boat Commission (PFBC) revenues are derived from licenses and fees, fines and penalties, miscellaneous revenues, augmentations, and transfers from other state funds. All receipts from these sources are deposited into either the Fish Fund or the Boat Fund, which are special revenue funds within the Commonwealth's accounting structure.

In FY 2006-07, PFBC revenues totaled \$49,535,273. This figure includes \$35,669,557 that was deposited in the Fish Fund and \$13,865,716 deposited in the Boat Fund.

Fish Fund Revenues

Sources of Fund Revenues

The Fish Fund is a special revenue fund from which monies are provided for the administration and enforcement of the fish laws and the protection and propagation of aquatic life. All fees, royalties, fines, penalties, and other moneys collected under the provisions of the Fish and Boat Code (unless otherwise provided in the Code) are placed in the Fish Fund.

Fish Fund revenues are principally derived from:

- Fishing licenses and fees.
- Fines and penalties for fishing-related violations of the Fish and Boat Code (30 Pa.C.S. §101 *et seq.*).
- Federal grants and subsidies.
- Interest earned from the investment of Fund monies.
- Proceeds from the sale of the *Pennsylvania Angler & Boater* magazine.
- Royalty, sale, lease, and rent monies from land acquired with Fish Fund revenues (including a small amount from oil/gas leases).
- Income from sand and gravel dredging.
- Sale of unserviceable and confiscated property.
- Other monies paid, received, recovered, and collected under provisions of the Fish and Boat Code that relate to fishing (e.g., the Commonwealth receives contributions for restocking streams from persons or businesses that pollute, dam, or interfere with fish propagation and survival).

Fish Fund Revenue Analysis

Revenue Trends. Table 2 shows the annual trend in Fish Fund revenues since FY 1995-96. As shown, the Fish Fund recorded increases in revenue in all but three years between FY 1995-96 and FY 2006-07. Beginning with FY 1995-96, a year in which a license increase became effective, revenues increased only

marginally through FY 1999-00. Between each of the following three fiscal years (2000-01 through 2002-03), Fish Fund revenue declined annually. Following a slight (1.7 percent) increase in FY 2003-04, revenue increased by 13.4 percent in FY 2004-05, the year in which the most recent license increase became effective. After posting an 11.8 percent increase in revenue in FY 2005-06, an increase of only 1.2 percent was realized in FY 2006-07.

Table 2

The Pattern of Fish Fund Revenues (FY 1995-96 through FY 2006-07)			
<u>Fiscal Year</u>	<u>Total Revenue</u>	<u>Increase/(Decrease)</u>	<u>Percent Increase/(Decrease)</u>
1995-96 ^a	\$26,710,552	--	--
1996-97	28,008,563	\$1,298,011	4.9%
1997-98	29,071,439	1,062,876	3.8
1998-99	29,429,429	357,990	1.2
1999-00	29,638,017	208,588	0.7
2000-01	28,888,793	(749,224)	(2.5)
2001-02	28,373,241	(515,552)	(1.8)
2002-03	27,337,587	(1,035,654)	(3.7)
2003-04	27,792,920	455,333	1.7
2004-05 ^a	31,523,691	3,730,771	13.4
2005-06	35,248,782	3,725,091	11.8
2006-07	35,669,557	420,775	1.2

^aDenotes a fiscal year within which a license increase became effective.

Source: Developed by LB&FC staff from PFBC fiscal records and Department of Revenue "Report of Revenues and Receipts."

Revenues, by Source. Nearly three-quarters of the total \$35,669,557 in Fish Fund revenues collected in FY 2006-07 came from three sources: \$15,424,691, or 43.2 percent, was derived from resident fishing licenses; \$4,722,290, or 13.2 percent, was derived from trout/salmon permits; and \$6,286,996, or 17.6 percent, was from federal funds from the Sport Fish Restoration Program. Table 3 provides a breakdown of FY 2006-07 Fish Fund revenues, by source. The following analysis covers FY 2005-06 and FY 2006-07 revenues within the categories of "Licenses and Fees," "Fines and Penalties," "Miscellaneous Revenue," "Augmentations," and "Restricted Revenues."

License and Fee Revenues. Revenue from fishing licenses and fees totaled \$24,196,643 in FY 2006-07, the second full fiscal year of license and fee increases made effective by Act 2004-159. This represented an increase of only \$9,519 from the FY 2005-06 level. (See Exhibit 5 for a listing of current license and permit fees and Appendix C for a comparison of Pennsylvania's resident and non-resident fishing license fees to those charged in other states.)

Table 3

Fish Fund Revenues, by Source

(FY 2005-06 and FY 2006-07)

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>% Increase (Decrease)</u> <u>05-06/06-07</u>
<u>Licenses and Fees</u>^a			
Lake Erie Licenses	\$ 530	\$ 870	64.2% ^b
Fishing Lake Licenses	21,415	21,275	(0.7)
Miscellaneous Permits and Fees.....	141,655	130,283	(8.0) ^c
Resident Fishing Licenses-Regular	15,579,468	15,424,691	(1.0)
Non-Resident Fishing Licenses	2,047,233	2,021,176	(1.3)
Resident Senior Fishing Licenses	166,961	176,332	5.6
Scientific Collectors' Permits	10,830	11,130	2.8
Trout/Salmon Permit.....	4,717,241	4,722,290	0.1
Lifetime Fishing Licenses-Senior Residents.....	466,728	569,521	22.0
H.R. Stackhouse Facilities User Fees	1,850	1,300	(29.7) ^d
Tourist Fishing Licenses-3 days	715,522	612,103	(14.5)
Tourist Fishing Licenses-7 days	209,226	220,671	5.5
1-Day Fishing Licenses	56,104	63,162	12.6
Senior Lifetime License Upgrade	n/a	23,747	100.0 ^e
Resident Charter Boat/Fishing Guide Permit	20	29,810	f
Non-Res. Charter Boat/Fishing Guide Permit	n/a	18,800	100.0
1-Day Tourist Fishing Licenses	51,904	148,567	186.2
PA National Guard Fishing License.....	437	915	109.4
Subtotal—Licenses and Fees.....	\$24,187,124	\$24,196,643	0.0%
<u>Fines and Penalties</u>			
Fish Law Fines.....	\$ 445,921	\$ 447,931	0.5%
Subtotal—Fines and Penalties	\$ 445,921	\$ 447,931	0.5%
<u>Miscellaneous Revenue</u>			
Interest on Securities and Deposits.....	\$ 1,516,918	\$ 1,912,670	26.1%
Pollution/Stream Disturbance Settlements	212,325	277,735	30.8 ^g
Sale of Publications	40,525	32,392	(20.1)
Rental of PFBC Property	52,780	38,499	(27.1)
Income from Sand and Gravel Dredging	901,431	904,601	0.4
Sale of Pennsylvania Angler/Boater Magazine ...	171,021	238,880	39.7
Miscellaneous Revenue.....	24,985	33,235	33.0 ^h
Refunds of Exp. Not Credited to Appropriation ...	14,979	185,644	100.0 ⁱ
Sale of Patches.....	33,160	29,800	(10.1)
Sale of Recreational Fishing Promotional Items..	9,173	8,599	(6.3)
Royalty Payments.....	19,658	8,314	(57.7) ^j
Sales Tax Collected.....	(4,317)	11	(100.2) ^k
Sale of Timber	60,913	0	(100.0) ^l
Donations.....	3,068	4,041	31.7 ^m
Sale of Unservicable Property	0	9,859	100.0
Subtotal—Miscellaneous Revenue.....	\$3,056,618	\$3,684,279	20.5%

Table 3 (Continued)

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>% Increase(Decrease)</u> <u>05-06/06-07</u>
<u>Augmentations</u>			
Sale of Automobiles/Other Used Vehicles.....	\$ 23,100	\$ 21,900	(5.2)%
Dept. of Transportation-Permit Reviews.....	116,887	106,752	(8.7)
DEP/EPA Projects	137,296	0	(100.0) ⁿ
Purchasing/Travel Card Rebates.....	19,288	5,791	(70.0) ^o
Sport Fish Restoration	5,748,075	6,286,996	9.4
Dept. of Commerce (NOAA)	598,869	274,338	(54.2) ^p
Fed. Reimb.-Endangered Species.....	850	0	(100.0)
Fed. Reimb.-Surface Mine Regulatory Program .	48,023	52,214	8.7
Natural Disaster Costs Recovered	530,990	124,414	(76.6) ^q
State Wildlife Grant.....	335,741	151,893	(54.8) ^r
Wildlife Conservation & Restoration, Non-Game	0	264,390	100.0 ^s
Land & Water Conservation Fund	0	9,513	100.0 ^t
Reimb.-DEP/Three Rivers Ecological Study	0	40,000	100.0 ^u
Federal Reimbursement for Services	<u>0</u>	<u>2,504</u>	<u>100.0^v</u>
Subtotal—Augmentations	\$ 7,559,120	\$ 7,340,704	(2.9)
Fish Fund Total.....	\$35,248,782	\$35,669,557	1.2
<u>Restricted Revenue</u>			
Conservation Partnership Account	\$ 25,250	\$ 760	(97.0)% ^w
Voluntary Waterways/Watersheds Conservation	89	176	98.4 ^x
Program	43,756	65,683	50.1 ^y
Natural Resources—Damage Recoveries.....	607,773	614,256	1.1 ^z
Lake Erie Special Fishing Permits.....	<u>0</u>	<u>33,000</u>	<u>100.0^{aa}</u>
Settlement Agreement Proceeds.....	\$ 676,867	\$ 713,875	5.5%
Total Restricted Revenue			

Note: In some cases, totals and subtotals may not add due to rounding.

^aFor information on amounts of PFBC licenses and fees, see Exhibit 5.

^bFees for permits to catch and sell bait fish from Lake Erie.

^cConsists of replacement fish licenses, eel chute permits, seine (net) permits, use of explosives permit, timber rattle-snake permits, grass carp permits, and other miscellaneous licenses and permits issued by the Commission. Amounts recorded in this revenue code have varied from year to year due to inconsistent use of revenues recorded under this code by staff. In FY 2005-06, staff incorrectly deposited revenues from the newly-created Resident Charter Boat/Fishing Guide Permit in this revenue code.

^dThe H.R. Stackhouse facility (located at Bellefonte) is used for training WCOs, who live in the facility when in training. Rental fees charged by the Commission to fishing, boating, and conservation groups who use the facility when it is vacant are recorded in this revenue code.

^eA durable plastic card version of the Senior Resident Lifetime License that may be purchased by current holders of the Senior Resident Lifetime License.

^fRevenues collected during FY 2005-06 were incorrectly deposited in the revenue code Miscellaneous Permits and Fees. As a result, a percentage change is not shown for this source.

^gRestitution paid to the PFBC by polluters of Commission waterways (including violators of the Clean Water Act). Fines start at \$250 and may reach several thousand dollars.

^hIncludes shipping and handling fees collected, collector trout stamps purchased, non-augmenting interagency transfers, and other revenues not defined by existing codes.

ⁱUsed to record credited or errant expenditures from a prior fiscal year or for which staff is unable to track the precise source. In FY 2006-07, monies credited to this revenue code included reimbursements received for state insurance

Table 3 (Continued)

claims for water damage at several Commission-owned facilities. This revenue code is also used to record transfers from the State Gaming Fund to cover a portion of the in-lieu of tax payments made by the Commission to counties, townships, and school districts for certain Commission-owned land and property. By law, the Commission must pay \$1.20 per acre to all such qualified counties, townships, and school districts; with the State Gaming Fund covering (via a fund transfer) 80 cents per acre of these charges.

^jRoyalty payments include art work containing PFBC-owned designs and from PFBC gas and oil activity.

^kConsists of sales tax collected from the sale of miscellaneous Commission items (such as patches, mugs, hats, etc.). This amount is transferred to the Department of Revenue by the Comptroller on a monthly basis.

^lRevenue from the sale of timber harvested on PFBC property. PFBC has executed a Memorandum of Understanding (MOU) with DCNR in which the two agencies collaborate in the development of forest management plans and the implementation of good forest management practices on PFBC properties. When it is determined that timber management work or a timber harvest is necessary, DCNR performs necessary field administration work, while the PFBC oversees the execution of contracts for the harvest, and oversees all marketing and bidding aspects of any timber sales.

^mRevenue from private donations made directly to the Commission, specifying use for fish and fishing-related purposes.

ⁿGrant monies received from the Pennsylvania Department of Environmental Protection (DEP) as a pass-through for the federal Environmental Protection Agency (EPA) to develop fish environmental indicators for use by the DEP to assist in the evaluation of aquatic resources. Amounts received are dependent upon the number of projects occurring and the timing of payment.

^oDiscontinued revenue code used until the first quarter of FY 2006-07 to deposit rebates from VISA Purchasing Card purchases from previous quarters.

^pGrant monies received from the U.S. Department of Commerce National Oceanic and Atmospheric Administration (NOAA) and National Marine Fisheries Service. Monies are used to address implementation of fish passage at blockages/impediments in the Susquehanna River Basin, Anadromous Fish Restoration Coordination Project, and various bio-monitoring projects. Portions of the Anadromous Fish Restoration Coordination Project, which is a multi-year initiative to restore migratory fish stocks to their historical spawning habitat in the Chesapeake Bay and Susquehanna River, are funded through the federal Environmental Protection Agency (EPA) and are recorded under this revenue code.

^qReceipt of grant monies contingent upon grant availability and when work is completed. Monies received contingent upon the number of natural disasters, magnitude of damages, and amount of funds available.

^rMonies received to support cost-effective conservation aimed at preventing wildlife from becoming endangered, addressing components of Pennsylvania's Wildlife Action Plan. Congress created the program in 2001 as part of the Conservation Trust Fund. Funds appropriated under the State Wildlife Grants program are allocated to the states according to a formula that takes into account each state's size and population.

^sA component of the Wildlife Conservation Recreation Program (WCRP), grant monies are used by the PFBC for wildlife research, monitoring, and restoration activities to address critical wildlife conservation elements of the Commonwealth's Wildlife Diversity Conservation Plan. Variance in monies received due to changes in grant availability and timing of work completed.

^tA one-time receipt of federal grant monies used in conjunction with DCNR for boating access.

^uEstablished for a cooperative agreement between PFBC and DEP to promote greater cooperation and participation in the development of sampling protocols used in the DEP's permitting of commercial sand and gravel dredging in the Ohio River Basin. The protocols include endangered and threatened fish and mussel species. The agreement is for \$40,000 annually for the five-year period of CY 2005 through CY 2009.

^vA non-recurring revenue source used to record miscellaneous federal reimbursements with the concurrence of the Comptroller.

^wComprised of monies donated to the Commission specifically for the purchase of access areas to Commonwealth waterways. Receipts vary according to the number and amount of donations received.

^xConsists of contributions designated in support of the Commission's waterways protection and conservation efforts.

^yRevenues received from negotiated pollution settlements.

^zAnglers fishing on the Pennsylvania waters of Lake Erie, Presque Isle Bay, and their tributaries must possess an annual special permit for such fishing or a combination trout/salmon/Lake Erie permit. Monies from the sale of the Lake Erie permit (\$8) and \$6 (of \$14) from the sale of each combination trout/salmon/Lake Erie permit is recorded in this revenue code. Monies are used to provide public fishing access on or at Lake Erie and its watersheds.

^{aa}Used in FY 2006-07 to record monies received from a settlement with PPL Holtwood, LLC.

Source: Developed by LB&FC staff from the *Report of Revenues and Receipts*, the Department of Revenue, June 30, 2006, and June 30, 2007.

Exhibit 5

Fish Fund License Fee Rates*

<u>License Type</u> ^a	<u>Current Fee</u> ^b	<u>Year of Most Recent Change</u>	<u>Prior Fee</u>
Resident Annual Fishing ^c	\$ 21.00	2005	\$16.25
Senior Resident Annual Fishing.....	10.00	2005	3.25
Senior Resident Lifetime Fishing	50.00	2005	15.25
Non-Resident Annual Fishing ^c	51.00	2005	34.25
7-Day Tourist Fishing	33.00	2005	29.25
3-Day Tourist Fishing	25.00	2005	14.25
1-Day Resident Fishing (after May 1 only)...	10.00	2005	New
1-Day Tourist Fishing	25.00	2005	New
Trout/Salmon.....	8.00	2005	5.00
Lake Erie Permit.....	8.00	2005	New
Comb. Trout/Salmon & Lake Erie Permit.....	14.00	2005	New
Replacement License.....	5.00	2008	4.25
PA National Guard/Armed Forces			
Reserve	1.00	2005	New
POW Resident Fishing.....	1.00	2005	New
POW Lifetime Senior Resident Lifetime.....	1.00	2005	New
Senior Lifetime Upgrade	5.00	2005	New
Resident Charter Boat/Fishing Guide			
Permit	100.00	2005	New
Nonresident Charter Boat/Fishing Guide			
Permit.....	400.00	2005	New

*The Fish and Boat Code is Act 1980-175, as amended. Prior fees noted do not date before Act 175.

^aFishing licenses and related permits are valid for the year printed on the license certificate or permit, and the month of December of the preceding year, except for 1-day and tourist licenses that are valid for the dates specified on the license certificate.

^bLicenses purchased from an issuing agent include an additional \$1.00 "issuing agent fee,"

^cSee Appendix C for a comparison of these fee rates to those charged in other states.

Source: Developed by LB&FC staff using information obtained from the PFBC.

Sales of Resident and Non-Resident fishing licenses both decreased by approximately 1 percent in FY 2006-07, while Senior Resident Lifetime fishing licenses increased by 22 percent. In actual dollars, the decrease in resident fishing licenses between FY 2005-06 and FY 2006-07 (\$154,777) was greater than the 22 percent increase in Senior Resident Lifetime fishing licenses (\$102,793).

Fiscal Year 2006-07 was the first in which holders of Senior Resident Lifetime licenses could obtain a durable plastic card version of their Senior Resident Lifetime licenses for \$5. Revenue from sales of this upgrade totaled \$23,747 in FY 2006-07.

Proceeds from Three-Day Tourist fishing licenses decreased by 14.5 percent from the FY 2005-06 level, while 7-day tourist fishing license revenues increased by 5.5 percent. Collections from One-Day Resident fishing licenses increased by 12.6

percent, while 1-day tourist fishing licenses increased by \$96,663, or 186 percent, in FY 2006-07.¹

In addition, revenue from the sale of the Resident Charter Boat/Fishing Guide Permit totaled \$29,810, and the Non-Resident Charter Boat/Fishing Guide Permit generated \$18,800 in revenue in FY 2006-07.²

Fish Fund Fines and Penalties. Fines and penalties deposited into the Fish Fund increased by only \$2,010, or 0.5 percent, to \$447,931 in FY 2006-07.

Fish Fund Miscellaneous Revenues. Fish Fund revenues from miscellaneous sources increased by \$627,661, or 20.5 percent, in FY 2006-07, totaling \$3,684,279. Revenue from these sources equaled 10.3 percent of total Fish Fund revenues for FY 2006-07.

Interest income of \$1,912,670 constituted nearly 52 percent of total miscellaneous revenues, representing an increase of 26.1 percent from FY 2005-06. Interest income became the largest source of Fish Fund miscellaneous revenue in FY 2005-06, following an increase of over 100 percent from FY 2004-05 (the fiscal year in which the most recent license and fee increase became effective).

Income from sand and gravel dredging represented the second largest source of miscellaneous revenue in FY 2006-07, totaling \$904,601 and equaling 24.6 percent of all miscellaneous revenues in that year. While this was only a 0.4 percent increase from FY 2005-06, it was the highest amount of revenue from this source in the period spanning FY 2000-01 through FY 2006-07.

Between FY 2000-01 and FY 2005-06, revenue from this source has fluctuated moderately from year to year. Revenues are derived from payments from private contractors that dredge sand and gravel from PFBC waters who pay the Commission a royalty per dry ton or cubic yard of usable or merchantable sand and gravel. The Pennsylvania Department of Environmental Protection (DEP) reviews and approves sand and gravel dredging permits.³

¹The One-Day Resident fishing license (\$10) was created by Act 2004-159, and is not valid for fishing during the period of March 15 to April 30 of any year (as per Act 2008-2). Holders of the One-Day Resident fishing license are required to obtain all required special permits for the location and type of fishing conducted. Act 2005-54 created the One-Day Tourist fishing license (\$25). Holders of this license are also prohibited from fishing from March 15 to April 30 (as per Act 2008-2), but are not required to obtain special permits.

²Act 2004-159 set fees for the Resident Charter Boat/Fishing Guide Permit and Non-Resident Charter Boat/Fishing Guide Permit at \$100 and \$400, respectively. Revenues collected for the Resident Charter Boat/Fishing Guide Permit totaled only \$20 in FY 2005-06 due to being incorrectly deposited in the revenue code Miscellaneous Permits and Fees.

³During the period January 1, 2003, through December 31, 2010, holders of sand and gravel dredging permits must pay either 30 cents per dry ton or 40 cents per cubic yard plus or minus an amount equal to the change in the producer price index (PPI) for sand and gravel from the base year (2002), provided that the rate per dry ton may not be less than 25 cents (52 Pa. Code §51.92).

It is not uncommon for Fish Fund miscellaneous sources of revenue to exhibit a moderate degree of variance from year to year. Two main factors account for much of this variance. First, revenues are recorded within each code when deposited, not when they are received or necessarily for the time period to which they correspond. Revenues received may also be credited to the incorrect revenue code. Second, many of the miscellaneous sources of Fish Fund revenue are dependent upon a variety of factors that are characteristically fluid from year to year.

Four miscellaneous revenue sources (Sale of Publications, Sale of Patches, Sale of Recreational Fishing Promotional Items, and a portion of the revenue code Miscellaneous Revenue) derive monies from the sale of Commission promotional merchandise. In FY 2006-07, combined revenues realized from these four sources totaled \$104,026; only 2.8 percent of all miscellaneous revenue.

Revenues from two other revenue categories, Sale of Unserviceable Property and Sale of Timber, are dependent upon the availability of property to sell and the availability of harvestable timber on Commission lands, respectively. In the period FY 2000-01 through FY 2006-07, these two sources exhibited a very high degree of revenue variance from year to year.

To illustrate, the revenue source Sale of Unserviceable Property went from \$10 in revenue in FY 2001-02 to \$6,696 in FY 2002-03 and \$7,938 in FY 2003-04; followed by no revenue for two consecutive fiscal years (FY 2004-05 and FY 2005-06). Timber sales showed greater fluctuation, going from \$3,198 in FY 2000-01 to \$242,461 in FY 2001-02. In fiscal years 2002-03, 2004-05, and 2006-07, no revenue was realized from timber sales.

Revenue from the sale of the *Pennsylvania Angler & Boater* magazine increased by \$67,859 (39.7 percent) to \$238,880 in FY 2006-07. This was the highest amount of revenue garnered from magazine sales in the seven year period of FY 2000-01 through FY 2006-07. Despite this increase, personnel and operating costs incurred by the PFBC to produce the magazine have exceeded revenues for the past several fiscal years.

Also increasing by \$170,665 in FY 2006-07 were Refunds of Expenditures, mainly due to reimbursements received by the Commission for state insurance claims for water damage at the Tylersville hatchery, the H.R. Stackhouse facility, and the Benner Spring Research Center.

Augmentations to the Fish Fund. Augmentations to the Fish Fund represented 20.6 percent of total FY 2006-07 revenue.⁴ The Fish Fund's share of monies from the Federal Aid in Sport Fish Restoration Act cost-reimbursement program (commonly known as the Dingell-Johnson Act, with the Wallop-Breaux Amendment)

⁴Many federal grant programs in which the PFBC participates require a non-federal contribution as a condition of receipt of grant monies.

equaled 85.6 of Fund augmentations and 17.6 percent of total revenues in FY 2006-07.⁵

The act's formula-based apportionment is 60 percent constituted by the number of licensed anglers in a state and 40 percent based on a state's land and water area. The program is a cost-reimbursement program where the state covers the full amount of an approved project then applies for reimbursement through federal assistance for up to 75 percent of the project expenses. The state must provide at least 25 percent of the project costs from a non-federal source. The non-Federal share may be derived from license fees paid by anglers. Law enforcement and public relations are not eligible purposes of expenditure under the act.

While the PFBC had not prepared detailed description data for the use of Sport Fish Restoration Act monies for FY 2006-07 at the time of this audit, grant monies were used for the following purposes in FY 2005-06:

- maintenance of public access facilities;
- fisheries management (updating plans for waterways using scientific data collection methods and funding for the Commission's propagation and distribution of warmwater/coolwater species, Coho salmon, and steelhead trout);
- fisheries technical guidance;
- Keystone Aquatic Resource Education (KARE);
- Lake Erie research;
- propagation infrastructure improvement; and
- access area rehabilitation, improvement, and development projects.

The second and third largest sources of Fish Fund augmenting revenue in FY 2006-07 were reimbursements from the U.S. Department of Commerce and grant monies received to address elements of the Commonwealth's Wildlife Diversity Conservation Plan ("Wildlife Conservation & Restoration, Non-Game"), as a component of the Wildlife Conservation Recreation Program (WCRP). The PFBC received monies related to the WCRP in four of the previous seven fiscal years in the period FY 2000-01 through FY 2006-07.

Grant monies received from the U.S. Department of Commerce were used principally for implementation of fish passage plans in the Susquehanna river basin, anadromous fish restoration projects, and bio-monitoring and assessment projects for American Shad and river herring in the Susquehanna River Basin.⁶

⁵Pennsylvania's apportionment of federal Sport Fish Restoration Act (from the Sport Fish Restoration account) totaled \$7,096,709 in Federal Fiscal Year 2006; the tenth highest among the states in FFY 2006.

⁶Grants are administered by the U.S. Department of Commerce's National Atmospheric and Oceanic Administration (NOAA) and the National Marine Fisheries Service.

The Fish Fund is also augmented with monies through the federal State Wildlife Grant program. Since the first receipt of monies through this program in FY 2003-04 through FY 2006-07, the Fish Fund received \$725,536 through this program.⁷

Other augmenting revenues credited to the Fish Fund include:

- income from the sale of automobiles and other vehicles;
- purchasing/travel card rebates;⁸
- monies from DEP for a Three Rivers ecological study;
- federal reimbursement under the Surface Mine Regulatory Program;
- federal reimbursement from the Land & Water Conservation Fund;
- federal reimbursement for conservation activities related to endangered species;
- reimbursement from the EPA/DEP for the development of fish environmental indicators;
- federal reimbursement for costs related to natural disasters; and
- grant monies from the Federal Highway Administration (through PennDOT) for assisting PennDOT in reviewing bridge permits.⁹

Fish Fund Restricted Revenue. Several sources of revenue earmarked for specific purposes are also recorded in the Fish Fund. In the period FY 2000-01 through FY 2006-07, the Fish Fund had the following five restricted revenue codes:

- Conservation Partnership Account: Monies received from donations to the Commission earmarked specifically for the purchase of property for access to Pennsylvania waterways are recorded in this revenue code. Revenues have varied significantly in the period FY 2000-01 through FY 2006-07. The \$25,250 received for this purpose in FY 2005-06 was the most received in the seven-year period.
- Voluntary Waterways/Watersheds Conservation Program: Donations made that are designated specifically for supporting the Commission's waterways protection and conservation efforts are recorded in this revenue code. Revenue from this source has declined during the past several fiscal years.
- Natural Resources Damage Recoveries: Revenues received from negotiated pollution settlements are recorded under this code. While revenues have varied from year to year, a 50 percent increase in the amount received was realized in FY 2006-07.

⁷The PFBC first entered into a grant agreement through the State Wildlife Grant program in FY 2003-04, but was first reimbursed for qualified project expenditures in FY 2004-05.

⁸Discontinued as a revenue source during FY 2006-07.

⁹Applicable bridge permits are reviewed by the Commission to ensure preservation and conservation of Pennsylvania's waters.

- Lake Erie Special Fishing Permits: Monies from the sale of the Lake Erie Special Fishing Permits and a portion of the sale of each combination trout/salmon/Lake Erie permit are recorded in this revenue code to provide public fishing access on or at Lake Erie, its tributaries, and Presque Isle Bay. Proceeds from the sale of Lake Erie fishing permits were originally earmarked for compensation of Lake Erie commercial fisherman to change their method of fishing from gill to trap nets. Upon conclusion of compensation payments to affected commercial fishermen and applicable PFBC administrative costs, remaining monies reverted to use for increasing access on Lake Erie, its tributaries and Presque Isle Bay. Act 2002-101 set the deadline for holders of gill net licenses to accept recompense payments to July 10, 2002. After that point, according to the act, the balance in the restricted revenue account was to be used for this purpose.

Revenue was first recorded in this source in FY 2003-04, during which \$372,845 was received. Revenue increased by 63 percent to reach \$607,773 in FY 2005-06, and increased by 1.1 percent for a total of \$614,256 in FY 2006-07.

- Settlement Agreement Proceeds: This revenue code is currently being used by the Commission to deposit monies received from PPL Holtwood, LLC as the result of a settlement and Federal Energy Regulatory Commission (FERC) license issued. Funds are to be used specifically for recreational fishing and boating enhancements within the boundaries outlined in the agreement.

Actual vs. Estimated Fish Fund Revenues. The Commission overestimated revenues by \$602,193, or 1.7 percent, in FY 2006-07. Despite this overestimation, resident, non-resident, and lifetime senior fishing license sales exceeded expectations. Revenues from interest on securities and deposits and the sale of the *Pennsylvania Angler & Boater* greatly exceeded estimates. The major shortfall occurred with monies expected to be received through the federal State Wildlife Grants Program.

Table 4 provides estimated and actual Fish Fund revenues for major revenue categories in FY 2006-07.

Boat Fund Revenues

Sources of Fund Revenues

The Boat Fund is a special revenue fund used by the Commission for the administration and enforcement of programs related to boats and boating activities. Boat Fund revenues are principally derived from the following sources:

Table 4

Actual vs. Estimated Fish Fund Revenues^a

(FY 2006-07)

<u>Source</u>	<u>Estimated</u>	<u>Actual</u>	<u>Actual Higher (+) or Lower (-) Than Estimate</u>
Resident Fishing Licenses.....	\$15,080,000	\$15,424,691	+2.3%
Non-Resident Fishing Licenses.....	2,000,000	2,021,176	+1.1
Trout/Salmon Permit.....	4,835,000	4,722,290	(2.3)
Lifetime Fishing Licenses-Senior Residents ...	485,000	569,521	+17.4
Tourist Fishing Licenses-3 days	650,000	612,103	(5.8)
Interest on Securities and Deposits.....	1,251,150	1,912,670	+52.9
Income From Sand and Gravel Dredging.....	925,000	904,601	(2.2)
Sale of <i>Pennsylvania Angler & Boater</i>	160,000	238,880	+49.3
Sport Fish Restoration	5,740,000	6,286,996	+9.5
State Wildlife Grant.....	1,975,000	151,893	(92.3)
Fines and Penalties	431,000	447,931	+3.9
All Other Sources.....	<u>2,739,600</u>	<u>2,376,805</u>	<u>(13.2)</u>
Total Revenues ^b	\$36,271,750	\$35,669,557	(1.7%)

^aThe PFBC prepares revenue estimates for both the agency budget and rebudget submissions. Significant changes typically occur only in estimates of federal augmenting revenue.

^bLicense and fee increases resulting from Act 2004-159 became effective on all fees for licenses and permits issued on or after January 1, 2005.

Source: Developed by LB&FC staff from revenue estimates prepared by the PFBC for the FY 2006-07 rebudget and from the *Report of Revenues and Receipts*, the Department of Revenue, June 30, 2007.

- Boat registration and mooring permit fees.
- Boat titling fees.
- Boat capacity plate fees.
- Boating safety curriculum fees.
- Reimbursement from the Motor License Fund and Liquid Fuels Tax Fund for the qualified share of the liquid fuels tax from fuel consumed in the operation of motor boats or watercraft on waters of the Commonwealth (including bordering waterways) for which the Commission is entitled upon petition to the Board of Finance and Revenue.
- Fines and penalties for boating-related violations of the Fish and Boat Code that relate to boats and boating.
- Interest from the investment of Fund monies.
- Federal grants.
- Income from the sale of unserviceable property.

Boat Fund Revenue Analysis

Revenue Trends. As shown on Table 5 below, revenues posted between-year increases in all but three instances between FY 1995-96 and FY 2006-07, inclusive. Fund revenues increased by 75.6 percent in FY 1996-97, the fiscal year in which the Commission initiated its boat titling program. In the following year (FY 1997-98), revenues decreased by \$2,436,807, or 22.1 percent.

Following an increase of 20.3 percent in FY 1998-99, revenue increased at a lesser rate in fiscal years 1999-00 and 2000-01 before posting slight decreases in fiscal years 2001-02 and 2002-03. In the following two fiscal years (2003-04 and 2004-05) revenues increased at a lesser rate before increasing by 22.7 percent in FY 2005-06. In FY 2006-07, the Boat Fund collected \$182,166, or 1.3 percent more revenue than in FY 2005-06.

Table 5

The Pattern of Boat Fund Revenues (FY 1995-96 Through FY 2006-07)			
<u>Fiscal Year</u>	<u>Total Revenue</u>	<u>Increase/(Decrease)</u>	<u>Percent Increase/(Decrease)</u>
1995-96.....	\$ 6,273,257	--	--
1996-97.....	11,016,684	\$ 4,743,427	75.6% ^a
1997-98.....	8,579,877	(2,436,807)	(22.1) ^a
1998-99.....	10,323,213	1,743,336	20.3
1999-00.....	10,487,202	163,989	1.6
2000-01.....	10,925,653	438,451	4.2
2001-02.....	10,550,159	(375,494)	(3.4)
2002-03.....	10,436,958	(113,201)	(1.1)
2003-04.....	10,738,510	301,552	2.9
2004-05.....	11,147,689	409,179	3.8
2005-06.....	13,683,550	2,535,861	22.7
2006-07.....	13,865,716	182,166	1.3

^aThe transfer from the Motor License Fund for FY 1995-96 was combined with the transfer in FY 1996-97, thereby making the FY 1996-97 total revenue amount appear exceedingly large compared to FY 1995-96 and FY 1997-98.

Source: Developed by LB&FC staff from PFBC fiscal records and Department of Revenue "Report of Revenues and Receipts."

Revenues, by Source. Boat Fund revenues totaled \$13,865,716 in FY 2006-07, which was an increase of \$182,166, or 1.3 percent, from FY 2005-06. Revenues from motorboat registration fees constituted 43.7 percent of all Boat Fund revenues in FY 2006-07. However, total revenue from licenses and fees decreased by 3.4 percent from FY 2005-06. While the Boat Fund also realized decreased revenue from fines and penalties in FY 2006-07, moderate increases in miscellaneous revenue (4.8 percent) and augmentations (10.7 percent) contributed to the overall increase in revenue from the prior year.

Table 6 shows Boat Fund revenues for fiscal years 2005-06 and 2006-07.

License and Fee Revenues. Revenue from licenses and fees accounted for 48.5 percent of total Boat Fund revenue in FY 2006-07. However, license and fee revenue decreased by \$233,350 (3.4 percent) from FY 2005-06 to FY 2006-07. This decrease was mainly the result of \$176,712, less revenue from motorboat registration fees (which represent 90 percent of Boat Fund license and fee revenues) and a shortfall of \$66,408 in boat titling fees. (See Exhibit 6 for a listing of boat license and permit fees.)

The PFBC implemented a system of mandatory and voluntary boat titling as a result of provisions of Act 1996-73.¹⁰ Revenues from this source totaled \$454,833 in FY 2006-07, a 12.7 percent decrease from FY 2005-06.

Fee income from boat mooring permits for Walnut Creek Access, a marina owned and operated by the Commission on the southwest side of Lake Erie, totaled \$45,437 in FY 2006-07. Remaining Boat Fund license and fee revenue is derived from the PFBC's issuance of boat capacity plates and fees for boating education certificates.¹¹

Fund Transfers to the Boat Fund. The Boat Fund receives annual reimbursements from the Motor License Fund and Liquid Fuels Tax Fund for the Commission's qualified share of Pennsylvania's liquid fuels tax from fuel consumed in the operation of motorboats and personal watercraft on Pennsylvania waters (including border waterways) to which the Commission is entitled upon petition to the Board of Finance and Revenue. Transfers are overseen by PennDOT. Receipt of these monies is recorded as a source of miscellaneous revenue in the Boat Fund. A fuel usage survey is employed in which boaters estimate annual fuel usage to determine the amount of reimbursement requested by the Commission.

The Motor License Fund transferred these monies to the Boat Fund in fiscal years 2000-01 through 2003-04. In FY 2004-05, the Liquid Fuels Tax Fund transferred 95 percent of the Boat Fund's qualified reimbursement, with the remaining 5 percent transferred from the Liquid Fuels Tax Fund. In FY 2005-06, the Motor License Fund resumed transfer of 95 percent of the monies.

Combined transfers from the Motor License Fund and Liquid Fuels Tax Fund for the Boat Fund's qualified share of the liquid fuels tax were \$2,218,050, or 58

¹⁰The boat titling provision of Act 1996-73 became effective in January 1998. The PFBC initiated its boat titling system in March 1998.

¹¹Act 2002-199, which became effective in February 2003, created a \$10 fee for a boating education certificate and a \$5 fee for a replacement certificate. This had the effect of increasing revenue in the code "Boating Safety Curriculum Fees" from \$5,112 in FY 2001-02 to \$52,531 in FY 2002-03 (the fiscal year in which the fee became effective). By FY 2003-04, revenue reached \$143,456. Prior to enactment of this fee, revenue recorded in this source was from the purchase of instructional materials from the Commission for boating safety courses taught by instructors who charged a fee for the class (and who did not represent the Commission).

Table 6

Boat Fund Revenues, by Source

(FY 2005-06 and FY 2006-07)

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>% Change</u>
<u>Licenses and Fees</u>^a			
Boat Mooring-Walnut Creek Access.....	\$ 40,840	\$ 45,437	11.3%
Motorboat Registration Fees	6,233,667	6,056,955	(2.8)
Boat Capacity Plate Fees	4,153	3,955	(4.8)
Boating Safety Curriculum Fees.....	157,689	163,060	3.4 ^b
Boat Titling Fees.....	<u>521,241</u>	<u>454,833</u>	<u>(12.7)</u>
Subtotal-Licenses and Fees	\$6,957,590	\$6,724,240	(3.4)%
<u>Miscellaneous Revenue</u>			
Reimbur. From Motor License Fund.....	\$2,092,584	\$2,125,631	1.6%
Reimbur. From Liquid Fuels Tax Fund.....	90,982	92,419	1.6
Interest on Securities and Deposits.....	1,336,547	1,466,655	9.7
Sale of Unserv. Property (Through Dept. of General Services)	2,200	0	(100.0) ^c
Miscellaneous Revenue	62,134	70,621	13.7
Sales Tax Agent Fees	59,662	55,312	(7.3)
North East Marina.....	4,160	10,660	156.3 ^d
Donations.....	<u>1,377</u>	<u>1,960</u>	<u>42.3^e</u>
Subtotal-Miscellaneous Revenue	\$3,649,646	\$3,823,258	4.8%
<u>Fines and Penalties</u>			
Motorboat Fines.....	<u>\$ 270,143</u>	<u>\$ 212,887</u>	<u>(21.2)%</u>
Subtotal-Fines and Penalties.....	\$ 270,143	\$ 212,887	(21.2)%
<u>Augmentations</u>			
Sale of Automobiles and Other Used Vehicles ...	\$ 4,800	\$ 650	(86.5)% ^f
U.S. Coast Guard Grant for Boating Safety	1,263,639	1,976,674	56.4 ^g
Boating Infrastructure Grant (BIG) Program.....	200,000	96,475	(51.8) ^h
Sport Fish Restoration.....	1,337,731	1,008,817	(24.6) ⁱ
Clean Vessel Act	0	11,534	100.0 ^j
Land & Water Conservation Fund	0	9,513	100.0 ^k
Fed. Reimbursement for Services	<u>0</u>	<u>1,670</u>	<u>100.0^l</u>
Subtotal-Augmentations	\$ 2,806,170	\$ 3,105,332	10.7%
Total Boat Fund Revenue.....	\$13,683,550	\$13,865,716	1.3%

Footnotes to this table are on the following page.

Table 6 (Continued)

Footnotes for Table 6

Note: In some cases, totals and subtotals may not add due to rounding.

^aFor general information on and amounts of PFBC licenses and fees, see pages 19 and 30.

^bRevenue from fees collected when obtaining a boating safety certificate. The current fee is \$10 per certificate and \$5 for a replacement certificate.

^cRevenue from the sale of boats and boat-related fixed assets purchased with Boat Fund monies. Amount of revenue varies from year to year contingent upon the availability of property to sell.

^dRevenue from fees paid for boats docked at the Commission-owned North East Marina at Lake Erie. Revenue variance is mainly due to the timing of fee collections.

^eRevenue from donations made directly to the Commission, specifying use for boating-related purposes.

^fRevenue from the sale of automobiles and other vehicles purchased with Boat Fund monies. Revenue amount contingent upon the availability of property to sell.

^gFederal grant from the U.S. Coast Guard to fund, in part, the Commission's boating safety programs and services. Variance in revenue is due to the availability of grant monies.

^hFederal grant program used to construct and enhance facilities for transient recreational boaters who operate vessels 26 feet long or longer. Revenue amounts are contingent upon when grants are in place and when work is completed.

ⁱThe Boat Fund's portion of the PFBC share of grant monies received through the Federal Aid in Sport Fish Restoration Act cost-reimbursement program. Revenue amounts are contingent upon when grants are in place and when work is completed.

^jFederal grant program to provide funding for the construction, operation, and maintenance of sewage pumpout facilities and dump stations for boats. Revenue amounts are contingent upon when grants are in place and when work is completed.

^kFederal grant monies used in conjunction with DCNR for boating access. Revenue amounts are contingent upon when grants are in place and when work is completed.

^lA non-recurring revenue source used to record miscellaneous federal reimbursements with the concurrence of the Comptroller.

Exhibit 6

Boat Fund License and Permit Fee Rates

<u>License Type</u>	<u>Current Fee^a</u>	<u>Year of Most Recent Change^b</u>	<u>Prior Fee</u>
Owner Registration (Motorboats Less than 16')	\$13.00/yr.	2005	\$10.00/yr.
Owner Registration (Motorboats 16' to 20')	19.50/yr.	2005	15.00/yr.
Owner Registration (Motorboats 20'+)	26.00/yr.	2005	20/yr.
Owner Registration (Unpowered boats)	9.00/yr. ^d	2005	5.00/yr.
Duplicate Owner Registration	3.00/yr.	1991	1.00
Dealer Registration	15.00/yr.	1980	NC ^c
Commercial Passenger Boat Registration	25.00 ea.	1991	New
Operator License/Passenger Carrying Boat	5.00 ea	1991	New
Capacity Plate	5.00 ea	1991	2.00
Floating Structure/Private Aids to Navigation	10.00 ea.	1991	New
Certificate of Title	15.00 ea.	1996	New
Duplicate Certificate of Title	5.00 ea.	1996	New
Changing Information/Providing Copies of Cert. of Title	5.00 ea.	1996	New
Transfer Multi-year Boat Registration	5.00	1989	New
Non-powered Boat Use Permit (1-year)	10.00/yr. ^e	2005	New
Non-powered Boat Use Permit (2-year)	9.00/yr. ^e	2005	New
Boat and Marine Forfeiture	50.00	2005	New

^aBoat registrations are issued on a biennial basis; if a boat registration is purchased from an issuing agent, the agent may charge a fee not to exceed \$2.

^bThe current Fish and Boat Code is Act 1980-175, as amended. Prior fees noted do not date before Act 1980-175.

^cNC=Fee not changed since the enactment of the current Fish and Boat Code in 1980.

^dThe Fish and Boat Code specifies that the fee for owner registration for unpowered boats (canoes, kayaks, rowboats, etc.) is to be adjusted from time to time to remain equal to the fees charged by the Department of Conservation and Natural Resources for boat launch permits for state park lakes.

^eWhile unpowered boats are exempt from the registration requirements of the Fish and Boat Code, owners of unpowered boats that use Commission property have the option of registering the boat or purchasing a launch permit. The cost of this launch permit is \$10 for one year and \$18 for two years.

Source: Developed by LB&FC staff using information obtained from the PFBC and the Fish and Boat Code.

percent of Boat Fund miscellaneous revenue and 16 percent of total fund revenues in FY 2006-07.

Boat Fund Fines and Penalties. Revenue from violations of the Fish and Boat Code credited to the Boat Fund declined by \$57,256, or 21.2 percent in FY 2006-07.

Boat Fund Miscellaneous Revenues. Outside of the Motor License Fund/Liquid Fuels Tax Fund transfer, interest income is the largest source of Boat Fund miscellaneous revenue, totaling \$1,466,655 in FY 2006-07.

Revenue from boat docking fees at the North East Marina (located on the northeast side of the City of Erie) increased by \$6,500 to reach \$10,660 in FY 2006-07. Revenue from this source has exhibited moderate variance over the years, largely depending upon the timing of fee collections.

The Boat Fund also receives miscellaneous revenue from the sale of unserviceable property through the Department of General Services. Boats and boat-related fixed assets that were purchased with Boat Fund monies are sold periodically and, as such, revenue from this source tends to vary from year to year. In FY 2006-07, no revenue was realized from this source.

The Boat Fund also contains a source of miscellaneous revenue entitled “Sales Tax Agent Fees,” which totaled \$55,312 in FY 2006-07. In processing some boat registrations, the sales tax amount is included in the check made payable to the PFBC. The PFBC must forward the sales tax to the Department of Revenue, but is authorized to retain a 1 percent sales tax agent processing fee.

Other sources of Boat Fund miscellaneous revenue include donations made to the Commission that specify use for boating-related purposes and a miscellaneous revenue category that contains monies received for various boating permits.

Augmentations to the Boat Fund. The Boat Fund received augmentations of \$3,105,332, which accounted for 22.4 percent of total revenues in FY 2006-07. As with many Fish Fund augmentations, Boat Fund receipt of grant monies is dependent upon the completion of qualified projects pursuant to each grant program and the timing of federal reimbursements to the PFBC.

The largest source of augmenting revenue in FY 2006-07 was from a U.S. Coast Guard Grant for Boating Safety, which increased by 56.4 percent from FY 2005-06 to reach \$1,976,674 in FY 2006-07. This grant award is a cost-sharing arrangement used to fund, in part, the Commission’s boating safety programs and services.

The Boat Fund receives a portion of Pennsylvania’s apportionment under the Sport Fish Restoration Act cost-reimbursement program to, among other activities, fund maintenance of public access facilities. Grant monies received by the Boat Fund equaled \$1,008,817 in FY 2006-07.

The Boat Fund receives augmenting revenue through the federal Boating Infrastructure Grant (BIG) Program, which is used by states to construct and enhance

facilities for large transient recreational boating vessels, and through the federal Clean Vessel Act, which provides funding for the construction, operation, and maintenance of sewage pumpout facilities and dump stations for boats. Funding through the BIG Program was \$96,475 in FY 2006-07, and funding through the Clean Vessel Act totaled \$11,534 in FY 2006-07.

The Boat Fund also receives a varying amount of revenue from the sale of automobiles and other used vehicles. Only \$650 was received from this source in FY 2006-07, representing an 86.5 percent decrease from FY 2005-06.

Actual Versus Estimated Boat Fund Revenues. Actual Boat Fund revenues exceeded estimated revenues in FY 2006-07 by \$236,716, or 1.7 percent (see Table 7). This occurred despite lower than anticipated receipts from motorboat registration fees and boat titling fees. Combined, revenue from these two sources constituted \$6,511,788, or 47 percent of actual Boat Fund revenues in FY 2006-07. A major factor in actual revenues exceeding estimates was receipt of interest income that exceeded projections by \$741,655.

Table 7

Actual vs. Estimated Boat Fund Revenues^a			
(FY 2006-07)			
<u>Source</u>	<u>Estimated</u>	<u>Actual</u>	<u>Difference</u>
Motorboat Registration Fees	\$ 6,238,000	\$ 6,056,955	(2.9)%
Boat Titling Fees	460,000	454,833	(1.1)
Reimbursements From Motor License Fund/ Liquid Fuels Tax Fund	2,195,000	2,218,050	1.1
Interest on Securities and Deposits	725,000	1,466,655	102.3
Sport Fish Restoration	1,100,000	1,008,817	(8.3)
U.S. Coast Guard Grant for Boating Safety.....	2,000,000	1,976,674	(1.2)
Fines and Penalties	225,000	212,887	(5.4)
All Other Sources.....	<u>686,000</u>	<u>470,845</u>	<u>(31.4)</u>
Total Revenues ^b	\$13,629,000	\$13,865,716	1.7%

^aThe PFBC prepares revenue estimates for both the agency budget and rebudget submissions. Significant changes typically occur only in estimates of federal augmenting revenue.

^bFees for powered and unpowered boat registrations were increased by Act 2004-159, and became effective on January 1, 2005. Fiscal Year 2006-07 was the third fiscal year in which the new registration fees were effective.

Source: Developed by LB&FC staff from revenue estimates prepared by the PFBC for the FY 2006-07 rebudget and from the *Report of Revenues and Receipts*, the Department of Revenue, June 30, 2007.

IV. PFBC Expenditures

The Fish and Boat Code, at 30 Pa.C.S.A. §§521, 531, authorizes appropriation of all monies in the Fish Fund and Boat Fund to the Commission to be used for the purposes authorized in the Code for each fund. The Code specifies that the Commission is to, from time to time, submit expenditure estimates to the Governor for approval “as in the case of other appropriations made to Commonwealth agencies.” In addition, the Code mandates that the State Treasurer may not honor any requisition for expenditures in amounts greater than what the Governor has approved or in excess of amounts available.

PFBC expenditures in FY 2006-07 totaled \$44,929,821. Of this amount, 71 percent, or \$31,955,369 was paid from the Fish Fund and \$12,974,452, or 29 percent, was drawn from the Boat Fund.

Spending Authority and Authorized Spending Purposes

In conformance with provisions of the Fish and Boat Code, spending authority is granted to the Commission through executive authorizations issued by the Governor’s Office of the Budget and through the rebudget process. During the rebudget process, the Office of the Budget allocates federal funds and augmenting revenues to the PFBC and other state agencies.

Spending authority is granted through two separate executive authorizations; one each for the Fish Fund and the Boat Fund, and through the rebudget process. Table 8 shows that in FY 2006-07, the Governor’s Office of the Budget authorized the PFBC to spend a total of \$53.9 million from these two funds.

Table 8

PFBC Spending Authority, by Fund			
(FY 2006-07)			
	<u>Fish Fund</u>	<u>Boat Fund</u>	<u>Total</u>
Executive Authorization	\$27,514,000	\$13,425,000	\$40,939,000
Rebudget-Federal/ State Augmentations	<u>9,482,000</u>	<u>3,475,000</u>	<u>12,957,000</u>
Total Spending Authority	\$36,996,000	\$16,900,000	\$53,896,000

Source: Developed by LB&FC staff from executive authorization documents and the PFBC’s FY 2006-07 Rebudget.

From the Fish Fund

As per the Fish and Boat Code (30 Pa.C.S. §521), monies in the Fish Fund may be used for the following purposes:

- The payment of expenses incurred in processing, issuing, or supervising the issuance of fishing licenses, special licenses, and permits.
- Salaries and/or wages of the Executive Director and other employees.
- Travel expenses of Commission members, officers, and employees.
- Purchase of furniture, supplies, materials, equipment, fuel, and motor vehicles.
- Insurance.
- Postage and telephone expenses.
- Office rental expenses.
- Propagation, protection, management, and distribution of fish and fish stocking.
- Necessary repairs and improvements to fish cultural stations and other buildings, offices, or quarters used by the Commission.
- Maintenance and operation of Commission boats.
- Other contingent, incidental, and other expenses reasonably necessary in carrying on the work of the Commission, including the costs of activities for the promotion of public interest in recreational fishing in Pennsylvania.
- Direct purchase of fish and fish food.
- Purchase of lands, waters, and the impounding of waters in Pennsylvania for fishing, boating, and other recreational purposes.
- Purchase and acquisition of additional land and waters for fish cultural stations, the purchase and construction of buildings, ponds, and other extensions incidental to fish cultural stations, the propagation and protection of fish cultural stations, and the distribution and stocking of fish from fish cultural stations.
- The refund of fees, royalties, fines, or other moneys erroneously or unjustly paid into the Fish Fund.
- The lease of land, interests in land, or licenses for the use of the Commission.

The Fish and Boat Code (30 Pa.C.S. §521(b)) also authorizes the Commission to enter into cooperative agreements with Pennsylvania, federal, and other state and local government agencies for the purpose of impounding, managing, using, maintaining, and operating waters for public fishing. Fish Fund monies may be expended for agreed upon pro rata shares of the cost of the acquisition, construction, operation, and maintenance of these waters. In addition, the Commission may enter into agreements and expend monies from the Fish Fund pursuant to private or commercial interests for these purposes.

From the Boat Fund

The Fish and Boat Code (30 Pa.C.S. §531) authorizes monies to be expended from the Boat Fund to carry out the functions of the Commission that relate to boats and boating. Subject to this general limitation, Fund monies may be used for the following purposes:

- The payment of all expenses incurred in processing, issuing, or supervising the issuance of boat registrations, special licenses, and permits.
- The payment of the salaries, wages, or other compensation of the executive director, other employees, and other persons as may be required for the work of the Commission.
- The payment of the travel and other expenses of the Boating Advisory Board, officers, employees, and other persons as may be required for the work of the Commission.
- The purchase of such furniture, furnishings, stationery, supplies, materials, equipment, fuel, motor vehicles, boats, and printing and binding as may be necessary to the conduct of the work of the Commission, and the payment of premiums on surety bonds for such officers or employees of the Commission as may be required to obtain policies of workmen's compensation insurance and policies of liability insurance covering the motor vehicles and persons operating them.
- The payment of postage, telegrams, telephone rentals, telephone toll charges, and rentals for patented leased office devices or machines.
- Rentals for any offices outside of the Capitol buildings or any other grounds, buildings, or quarters necessary for the work of the Commission.
- Necessary repairs and improvements to boating access areas and buildings, offices, or quarters used in the work of the Commission.
- The maintenance and operation of such boats as may be required for the business of the Commission.
- Any contingent, incidental, or other expenses of any kind or description reasonably necessary in carrying on the work of the Commission as provided in Part III including the costs of activities for the promotion of recreational boating in this Commonwealth.
- The purchase of lands and waters and the impounding of waters and to make them available for use by the citizens of this Commonwealth for boating and other related recreational purposes. The lands and waters so purchased shall be under the supervision, direction, and control of the Commission.
- The refund of fees, royalties, fines, or other moneys heretofore or hereafter erroneously or unjustly paid into the Boat Fund.
- The development and implementation of a boating safety education program.

- The lease of land, interests in land, or licenses for the use thereof by the Commission.

The Commission may enter into cooperative agreements with federal, Commonwealth, and other state and local government agencies and with interstate compact agencies, singly or in concert, for impounding, managing, using, maintaining, and operating waters for public boating and may expend moneys from the Boat Fund for agreed upon pro rata share of the cost of their acquisition, construction, operation, and maintenance. The Commission may enter into similar agreements and undertake similar expenditures in conjunction with private or commercial interests for the same purposes.

The Allocation of Costs Between the Fish Fund and Boat Fund

As previously discussed, the Fish and Boat Code (30 Pa.C.S. §101 *et seq.*) establishes the Fish Fund and the Boat Fund, and defines each fund's qualified sources of revenue and authorized purposes of expenditure. The Fish Fund, established in 1925, received deposits of all monies for the sale of fishing licenses and, beginning in 1931, all monies from the sale of boat licenses. Since the establishment of the Boat Fund in 1963, which receives all deposits of revenue from boating license sales, the Commission has funded its operations from two special revenue funds.

The existence of separate funds reportedly resulted from a concern that boating activities were not receiving their fair share of funding once boating revenues were deposited into the Fish Fund. Portions of the legislative debate surrounding the establishment of a separate Boat Fund in 1963 indicate a concern, at least on the part of some legislators, that the [then] Fish Commission was not spending adequate monies for the benefit of boaters.

As indicated earlier, the PFBC is granted executive authorizations to expend monies from each fund through the budget and rebudget process. Throughout the year, revenues are deposited into either the Fish Fund or the Boat Fund depending upon the nature and source of the revenue.

The Commission uses the SAP system for all accounting, purchasing, and financial management functions. While the entire staff complement is assigned to the Fish Fund, employee salaries and wages are paid directly out of the Fish Fund and the Boat Fund. At budget and rebudget, the amount needed for salaries and wages from the Boat Fund is calculated and listed as "Agency Personnel Cross Charges."

To determine the percentage of qualified expenditures from the Fish Fund and the Boat Fund, the activities and expenditures made by each organizational

unit (under each bureau and division) are analyzed to identify those that relate to fish and fishing (payments from the Fish Fund) versus those that relate to boats and boating (payments from the Boat Fund). With the exception of the Bureau of Fisheries, each organization within the PFBC has activities and operations that relate to both fishing and boating.

To calculate the Fish Fund/Boat Fund qualified funding split for each organizational unit, the Commission administers employee surveys in which employees assess the percentage of their time associated with activities related to fish and fishing and activities related to boats and boating. Based on the responses, the Commission assigns a percentage (pro rata) rate for each activity. These surveys are conducted periodically, with the most recent survey administered in 2004. Prior to that, the survey had not been conducted since the early to mid-1990s. Bureau of Administration staff indicated that, generally, survey results do not differ markedly from time to time.

At the beginning of each fiscal year, the Commission's Budget Analyst calculates the up-front cost-allocation split between the Fish Fund and the Boat Fund for each organizational unit. In many cases, employees are deemed to have, for example, a 60-40 percentage split in payment of their salary (based on amount of time spent on fishing versus boating activities).

Other methods of fund cost allocation cited by the Commission include:

- analysis of past/planned efforts;
- educated adjustments based on management experience;
- management redirection of effort; and
- observation and adjustment based on current/actual activity.

Beginning in FY 2005-06, Commission staff initiated a two-phase revision of cost allocations between the two funds. Staff began Phase I in that fiscal year with adjustments to cost distributions within the Bureau of Engineering and Development. This bureau was selected due to an increased focus on the enhancement of recreational boating facilities and opportunities. Overall, the PFBC reports that the Phase I reallocation resulted in \$1.1 million in costs being shifted from the Fish Fund to the Boat Fund (i.e., a \$1.1 million decrease in Fish Fund costs concurrent with an equal increase in Boat Fund costs). The Commission has stated that potential Phase II cost reallocations will focus on "how PFBC administrative and law enforcement activities are deployed in support of fishing and boating opportunities."

The PFBC initiated a reorganization in 2005 (see Exhibit 7) that, among other provisions, created the Three Rivers Ecological Center and the Division of Habitat Management in the Bureau of Fisheries (previously located in the

Executive Office). In addition, a number of organizational entities and areas of responsibility were modified within the Executive Office.

Exhibit 7

Summary of the 2005 PFBC Reorganization

The 2005 reorganization produced the following changes:

- Establishment of the Three Rivers Ecological Research Center program office
- Elimination and realignment of the Deputy Executive Director/Chief Counsel Office
- Lake Erie Research Unit within the former Division of Research established as a stand-alone entity within the Bureau of Fisheries
- Division of Research within the Bureau of Fisheries renamed as Production Services (reporting to the Director of the Division of Fish Production)
- A classification and terminological change from "Fish Culture Station" to "State Fish Hatchery"
- Transition from the use of "Warmwater/Coolwater Production" to "Northern Hatcheries" within the Bureau of Fisheries' Division of Fish Production Services; and transition from "Trout Production" to the use of "Southern Hatcheries" within the Division of Fish Production Services
- Movement of the Environmental Services Division from the Executive Office to the Bureau of Fisheries
- Creation of the Division of Habitat Management within the Bureau of Fisheries (functions performed by the current division were formerly organizationally located in the Executive Office)
- Creation of the organizational unit "Executive Projects and Programs," which is allotted monies as a contingency each fiscal year for unexpected expenditures during the course of the year. When such expenditures arise, bureaus request additional monies from this source. In most cases, fixed asset requests are made. Upon the approval of the Executive Director, a transfer is made from this fund center to the appropriate purpose of expenditure.

The reorganization also modified, with the use of the employee activity survey, the Fish Fund versus Boat Fund cost allocation among organizational units. The following major changes resulted:

- Creation of separate organizational units within the Executive Office for the Chief Counsel; Policy, Planning & Operations; Legislative Liaison; and Press Secretary (each retained the prior funding split of 60 percent Fish Fund/40 percent Boat Fund)
- Cost allocation split among the Walnut Creek and North East Marina organizational units within the Bureau of Boating and Education from a 50/50 split between the Fish Fund and Boat Fund to 100 percent funding from the Boat Fund
- Switch from a 60/40 percent to a 75/25 percent Fish Fund/Boat Fund cost allocation for the Bureau of Administration organizational unit
- Shift in Bureau of Engineering and Development cost allocation from almost complete use of Fish Fund monies to increased use of Boat Fund monies. Specifically, the Engineering organizational unit shifted from a 90 percent Fish Fund allocation to a 60/40 Fish Fund/Boat Fund split. Cost allocation in Property Maintenance and among each Maintenance Area shifted from a 55/45 to 25/75 Fish Fund/Boat Fund split.

Source: Developed by LB&FC staff using information obtained from the PFBC.

The 2005 reorganization provided for more precise accounting for purposes of expenditures within bureaus and divisions. The reorganization had the effect of creating new organizational units, relocating organizational (bureau/office)

responsibility for existing organizational units, and elevating cost center units (subsumed under organizational units in SAP) to full organizational unit level.

While these changes were made as components of the reorganization, several of the prior organizational units initially remained in use to record expenditures. In addition, according to the Budget Analyst, staff also occasionally continues to miscode some expenditures, which explains some points of variance in amounts reported as expended for certain purposes from year to year.

Expenditure Analysis

Expenditures, by Major Object

The PFBC classifies expenditures into major and minor objects separately for both the Fish Fund and Boat Fund and within agency organizational units. “Major objects” of expenditure are first-level groups of expenditure classifications. The five major object classifications are Personnel Services, Operational Expenses, Fixed Assets, Subsidies and Grants, and Nonexpense Items.

“Minor objects” of expenditure are groupings of expenditures that are like or similar in nature and are breakdowns within the broader major object categorizations. Examples of minor objects of expenditure used by the Commission include Salaries under Personnel Services; Fish Food under Operational Expenses; and Watercraft under Fixed Assets.

Table 9 provides FY 2006-07 PFBC expenditures by fund and major object of expenditure. An analysis of expenditures by major object follows.

Table 9

PFBC Expenditures, by Major Object and Fund			
(FY 2006-07)			
<u>Major Object</u>	<u>Fish Fund^a</u>	<u>Boat Fund^a</u>	<u>Total</u>
Personnel Expenses	\$21,906,635	\$ 8,143,172	\$30,049,807
Operational Expenses.....	7,682,142	2,974,389	10,656,531
Fixed Assets	1,314,069	1,224,782	2,538,851
Subsidies and Grants.....	730,000	621,224	1,351,224
Nonexpense Items	<u>322,523</u>	<u>10,884</u>	<u>333,408</u>
Total ^b	\$31,955,369	\$12,974,452	\$44,929,821

^aFY 2006-07 expenditures current as of August 2007.

^bTotals may not add due to rounding.

Source: Developed by LB&FC staff from PFBC expenditure records.

Personnel Services. Personnel services expenditures were the largest major object of expenditure for both the Fish Fund and the Boat Fund in FY 2006-07. Total personnel services expenditures were \$30,049,807 in FY 2006-07, which represented approximately 70 percent of all expenditures from both funds. Expenditures under this major object constituted nearly 69 percent of Fish Fund expenditures and nearly 63 percent of Boat Fund expenditures. Principal expenditures under personnel services include salaries, wages, overtime, benefits, and leave payouts.

Through discussion with the PFBC Budget Analyst, the following factors were identified as affecting personnel services expenditures in recent fiscal years:

- Leave payout expenses continue to increase annually due to the increasing number of staff retirements.
- Health benefit expenses continue to increase, consistent with general industry costs.
- Lapses have occurred in recent fiscal years in Personnel Services due to the Commission funding but not filling vacant staff positions. In recent years, most vacant positions have remained fully funded in anticipation of being filled during the year. The Commission has adopted a “pool” concept to filling vacancies, in which when a staff vacancy occurs, positions may be temporarily removed from their current spot and placed in a “pool” to be evaluated for whether they are needed in the existing location or whether the position could be better utilized in a different location within the organization (including in a different bureau). The Commission also funds a number of Leave-Without-Pay (LWOP) positions during a portion of the year.

Operational Expenses. Commission operational expenses totaled \$10,656,531, or nearly 24 percent of total spending in FY 2006-07. Operational expenses paid from the Fish Fund totaled \$7,682,142. Fish food costs of \$1,138,159 represented the largest item of Fish Fund operational expenses in FY 2006-07. Other principal operational expenses from the Fish Fund included specialized services, fuels, electricity, subscriptions, heating fuel, and motorized equipment.

According to Bureau of Fisheries staff, increases in the cost of ingredients have driven up the cost of fish food purchased by the Commission in recent years. The Commission utilizes two vendors for the purchase of fish food (both in bags and in bulk), and issues quarterly bids for fish food contracts.

Operational expenses paid from the Boat Fund equaled \$2,974,389. Operational expenses for specialized services was the largest item at \$669,715. Other areas of significant spending in the area of Boat Fund operational expenses included postage, printing, travel, fuels, and contracted maintenance.

Fixed Assets. Commission expenditures for fixed assets totaled \$2,538,851, or just under 6 percent of total spending in FY 2006-07. Fixed asset expenditures were roughly equal between the two funds, with Fish Fund expenditures at \$1,314,069 (52 percent) and Boat Fund expenditures at \$1,224,782 (48 percent). Fixed assets represent expenditures made on items costing \$5,000 or more with an expected useful life of more than one year, and can be used repeatedly and remain in serviceable condition through normal repair, maintenance, or replacement of components.

Fixed asset expenditures from the Fish Fund included \$435,931 for capital improvements to and remodeling of buildings and structures (hatcheries). Other principal Fish Fund fixed asset expenditures included the purchase of trucks, machinery and equipment, and watercraft.

Boat Fund fixed asset expenditures included \$229,838 for the purchase of trucks, \$207,593 for land improvements, \$201,682 for capital improvements to buildings and structures, and lesser expenditures for the construction and repair of dams and docks, other capital improvements, remodeling expenses, the purchase of machinery and equipment, and the purchase of watercraft.

Lease payments on the Harrisburg headquarters building are scheduled to continue through 2015. Payments are recorded as fixed asset expenses under capital improvements/buildings/structures. Organizationally, payments are recorded under the Bureau of Administration (a 60/40 percentage Fish/Boat Fund cost allocation). The project was financed through the Dauphin County Industrial Development Authority. As of November 2005, total Commission lease payments of \$4,723,663 remain through 2015.

Another benefit of many fixed asset expenditures is the potential to receive reimbursement of up to 75 percent of project costs under the federal Sport Fish Restoration Act cost-reimbursement program.

Subsidies and Grants. Expenditures for subsidies and grants totaled \$1,351,224 in FY 2006-07; comprised of \$730,000 from the Fish Fund and \$621,224 from the Boat Fund. Expenditures recorded under this major object included in-lieu-of tax payments and grants for outside research and assistance with Commission projects which are paid mainly to local governments and nonprofit organizations.

Nonexpense Items. This major object of expenditure is used to record the disbursement of funds not considered to be a cost of government. The PFBC mainly uses this major object to account for its share of payments to the Game Commission for contractual costs related to its use of the Pennsylvania Automated Licensing Service (PALS).

Expenditures, by Organizational Unit

The PFBC classifies and reports its expenditures by organizational unit and by major and minor object. For accounting purposes, the Commission classifies expenditures according to organizational units, within the Fish Fund and the Boat Fund, for the Executive Office, the five bureaus, and Comptroller expenses.¹ This breakdown generally allows for separation of spending levels of individual divisions within bureaus. Examples of organizational units utilized by the PFBC include Chief Counsel, Press Secretary, Habitat Management, and Property Services.

The following provides bureau-level expenditure detail for FY 2006-07.

Bureau of Fisheries. As shown in Table 10, the Bureau of Fisheries expended \$17,164,828 in FY 2006-07; representing 38.2 percent of total Commission expenditures. All bureau expenditures were made from the Fish Fund, as all of its operations and activities are related exclusively to fish and fishing.

Table 10

Expenditures by the Bureau of Fisheries, by Fund (FY 2006-07)

<u>Division</u>	<u>Fish Fund</u>	<u>Boat Fund</u>	<u>Total</u>
Fish Production.....	\$12,370,155	\$ 0	\$12,370,155
Fisheries Management.....	1,831,269	0	1,831,269
Habitat Management.....	859,505	0	859,505
Environmental Services.....	1,243,815	0	1,243,815
Administration.....	427,949	0	427,949
Lake Erie Research Unit.....	362,932	0	362,932
Three Rivers Ecological Research Center.....	<u>69,203</u>	<u>0</u>	<u>69,203</u>
Bureau Total.....	\$17,164,828	\$ 0	\$17,164,828

Source: Developed by LB&FC staff from PFBC expenditure records.

Expenditures by the Division of Fish Production equaled \$12,370,155, or 72 percent of total bureau expenditures. The principal functions of the division were formerly split between the division of trout production and the division of warmwater/coolwater production. The bureau's other three divisions (Fisheries Management, Habitat Management, and Environmental Services) collectively accounted for \$3,934,589, or 22.9 percent of total bureau expenditures.

¹Beginning in FY 2006-07, an organizational unit designated as "Special Projects and Programs," was created.

Bureau of Law Enforcement. In FY 2006-07, the Bureau of Law Enforcement expended \$9,503,619, which accounted for 21.2 percent of total Commission expenditures (see Table 11). The Fish Fund bore approximately 60 percent of bureau expenditures, with the Boat Fund accounting for 40 percent of bureau expenditures.

Table 11

Expenditures by the Bureau of Law Enforcement, by Fund (FY 2006-07)			
<u>Division</u>	<u>Fish Fund</u>	<u>Boat Fund</u>	<u>Total</u>
Bureau Administration.....	\$1,218,604	\$ 775,542	\$1,994,147
Northwest Region	797,279	528,637	1,325,916
Southwest Region.....	878,706	583,297	1,462,003
Northeast Region	702,406	466,370	1,168,776
Southeast Region	844,079	561,044	1,405,123
Northcentral Region	661,017	440,177	1,101,194
Southcentral Region	<u>629,158</u>	<u>417,301</u>	<u>1,046,459</u>
Bureau Total	\$5,731,250	\$3,772,369	\$9,503,619

Source: Developed by LB&FC staff from PFBC expenditure records.

Bureau administration section expenditures were the highest among the bureau's organizational units in FY 2006-07 at \$1,994,147. Expenditures varied among the bureau's six regional offices, with the Fish Fund bearing a majority of total spending in each office. Regional office expenditures were primarily for the personnel services major object of expenditure and, secondarily, for operational expenses. Only the bureau administration section (located at the PFBC's Harrisburg headquarters) incurred fixed asset expenses.

Bureau of Engineering and Development. As shown on Table 12, the Bureau of Engineering and Development expended \$4,951,060 in FY 2006-07, which equaled 11 percent of total Commission spending.

Table 12

Expenditures by the Bureau of Engineering and Development, by Fund (FY 2006-07)			
<u>Division</u>	<u>Fish Fund</u>	<u>Boat Fund</u>	<u>Total</u>
Bureau Administration	\$ 246,218	\$ 163,532	\$ 409,751
Property Services	177,096	117,098	294,194
Fishing & Boating Facilities Design	78,299	59,327	137,626
Engineering	191,000	127,333	318,334
Construction and Maintenance- Admin.....	248,285	164,829	413,114
Construction	810,187	738,785	1,548,972
Property Maintenance	<u>489,418</u>	<u>1,339,652</u>	<u>1,829,070</u>
Bureau Total	\$2,240,504	\$2,710,556	\$4,951,060

Source: Developed by LB&FC staff from PFBC expenditure records.

Expenditures from the Boat Fund accounted for nearly 55 percent of bureau spending, with the highest amount expended on property maintenance.

Bureau of Boating and Education. The Bureau of Boating and Education expended \$3,300,628 in FY 2006-07, comprised of \$1,201,530 from the Fish Fund and \$2,099,098 from the Boat Fund (see Table 13). Bureau expenditures represented 7.3 percent of total Commission expenditures. A number of bureau activities, including access area development, utilize federal grant monies for completion. In addition, the bureau oversees administration of state-based education and access improvement grants.

Table 13

Expenditures by the Bureau of Boating and Education, by Fund			
(FY 2006-07)			
<u>Division</u>	<u>Fish Fund</u>	<u>Boat Fund</u>	<u>Total</u>
Bureau Administration.....	\$ 248,891	\$ 252,496	\$ 501,387
Waterways Management	0	22,447	22,447
Walnut Creek Marina	135	212,914	213,049
North East Marina	0	13,412	13,412
Aids to Navigation	0	89,253	89,253
Access Area Development....	0	685,008	685,008
Graphic Services.....	333,921	319,297	653,218
Education	<u>618,583</u>	<u>504,271</u>	<u>1,122,855</u>
Bureau Total.....	\$1,201,530	\$2,099,098	\$3,300,628

Source: Developed by LB&FC staff from PFBC expenditure records.

Education expenditures were the highest bureau expenditures proportionately in FY 2006-07, with the Fish Fund bearing the majority of spending for this purpose. Expenditures for the Commission-operated Walnut Creek Marina were paid almost entirely from the Boat Fund. PFBC costs associated with the contractor-operated North East Marina on Lake Erie were paid entirely from the Boat Fund. Reimbursements paid to Boating Advisory Board members for their meeting expenses are recorded under the bureau's Administration Division.

Bureau of Administration. Bureau of Administration expenditures totaled \$5,410,045 in FY 2006-07, which represented 12 percent of total Commission expenditures. The Fish Fund accounted for \$2,972,229 (55 percent) of expenditures, while the Boat Fund accounted for \$2,437,816 (45 percent) of bureau spending (see Table 14).

Licensing and registration expenditures were the highest, proportionately, at \$1,339,008. Of this amount, 82 percent was paid from the Fish Fund. Within the Licensing and Registration organizational unit, expenditures are made entirely from the Fish Fund for licensing administrative costs and for the point-of-sale

system.² The Boat Fund is used exclusively to fund administrative costs of Commission boat registration and titling.

Expenditures for bureau administration were proportionally the second-highest at \$1,246,893. Among other purposes, lease payments on the Harrisburg Commission headquarters building are recorded under this organizational unit. Reimbursements paid to the PFBC Commissioners for their meeting expenses are also recorded here.

Table 14

Expenditures by the Bureau of Administration, by Fund			
(FY 2006-07)			
<u>Division</u>	<u>Fish Fund</u>	<u>Boat Fund</u>	<u>Total</u>
Bureau of Administration-			
Administration	\$ 756,657	\$ 490,235	\$1,246,893
Information Systems-Harrisburg	381,771	254,665	636,436
Information Systems-Pleasant Gap	239,126	152,930	392,056
Budget & Fiscal Management.....	74,431	34,116	108,547
Federal Assistance	74,319	74,545	148,865
Purchasing/Administration	79,114	52,734	131,849
Purchasing and Warehousing-			
Pleasant Gap	144,140	81,786	225,925
Office Services.....	57,349	55,512	112,861
Warehousing-Harrisburg.....	61,808	60,642	122,450
Licensing and Registration.....	1,103,514	235,494	1,339,008
Registration and Titling/	<u>0</u>		
Administration		<u>945,156</u>	<u>945,156</u>
Bureau Total	\$2,972,229	\$2,437,816	\$5,410,045

Source: Developed by LB&FC staff from PFBC expenditure records.

Executive Office. In FY 2006-07, the Executive Office expended \$1,692,006, which represented 3.8 percent of total Commission expenditures. Of that amount, \$1,016,154 was expended from the Fish Fund and \$675,852 was expended from the Boat Fund.

As shown in Table 15, expenditures made in the area of human resources and personnel management equaled \$393,255, or 23.2 percent of total Executive Office expenditures in FY 2006-07. Three separate organizational units are used to record spending associated with the functions of the Press Office (Press Secretary, PS/Telco, PS/Market). Total spending in this area was \$346,901 in FY 2006-07.

²See Section VII-I for a description of the point-of-sale system utilized by the Commission, the Pennsylvania Automated Licensing Service (PALS).

Table 15

Expenditures by the Executive Office, by Fund
(FY 2006-07)

<u>Executive Office</u>	<u>Fish Fund</u>	<u>Boat Fund</u>	<u>Total</u>
Deputy Exec. Director/Admin.	\$ 210	\$ 140	\$ 350
Executive Office	150,814	97,309	248,123
Chief Counsel.....	173,981	115,498	289,480
Policy, Planning and Operations.....	114,107	75,329	189,436
Conservation Coordinator	58,716	39,145	97,861
PPO/GIS Coordinator.....	64,136	43,638	107,774
Legislative Liaison.....	9,441	6,093	15,534
Press Secretary.....	52,608	35,048	87,656
PS/Telco.....	49,076	32,718	81,793
PS/Market.....	106,481	70,971	177,452
Human Resource/Personnel	235,911	157,344	393,255
Environmental Svs. Div.-Admin ^a	673	2,619	3,292
Total.....	<u>\$1,016,154</u>	<u>\$675,852</u>	<u>\$1,692,006</u>

^aWhile the Environmental Services Division was moved to the Bureau of Fisheries in 2005, some expenditures are still recorded under this organizational unit in the Executive Office.

Source: Developed by LB&FC staff from PFBC expenditure records.

Comptroller Operations. The Comptroller for Public Protection and Recreation is the chief financial accounting officer of the Fish and Boat Commission. The Comptroller advises the Commission on matters relating to financial and service contracting policies and procedures as well as approving (or disapproving) expenditure documents for availability of funds, reasonableness and propriety, and adherence to laws, regulations, or other legal or policy constraints.

Payments made by the PFBC for Comptroller Services in FY 2006-07 totaled \$289,339. Of this amount, \$173,603 was paid from the Fish Fund and \$115,736 was paid from the Boat Fund.

Special Projects and Programs. This organizational unit is used for budgetary purposes only for large expenditures items subject to the PFBC's "Project Prioritization Process" during the initial budget cycle and for newly-identified projects by the bureaus during rebudget.³ This process is used mainly as an internal control/cost control measure. Approved projects mainly consist of repairs/renovations and fixed asset purchases (machinery, equipment, trucks, etc.). In FY 2006-07, \$2,618,791 was used for this purpose, comprised of \$1,455,766 from the Fish Fund and \$1,163,025 from the Boat Fund.

³See Section VII.E. for a further discussion of the PFBC's Project Prioritization Process.

The organizational unit “Executive Projects and Programs” is allotted monies as a contingency each fiscal year for unexpected or “emergency” expenditures. When the need for such expenditures arises, bureaus request monies from this source, which must be approved by the Executive Director. Approved expenditures are transferred from Executive Project and Programs to the organizational unit from which expenditures are made.

Budgeted Versus Actual Expenditures

As outlined in Appendix A, the PFBC submits its agency budget request to the Governor’s Office of the Budget in mid-October of each year. The agency budget request undergoes review by the Office of the Budget and is the basis upon which the Governor grants the Commission expenditure authority through the executive authorization process.

The Commission’s agency budget request for FY 2006-07 proposed total combined spending of \$51,900,000 from both the Fish Fund and the Boat Fund. Through the executive authorization and rebudget process, the Commission subsequently received spending authority of \$53,896,000. Total Commission spending was \$8,966,179, or 16.6 percent less than the amount budgeted in FY 2006-07.

For the past several fiscal years, the Commission has adopted an “austere” approach to budgeting that applies “stringent budgetary monitoring controls on operations” in an attempt to contain costs while fulfilling its mission. This approach seeks to more closely examine Commission priorities and commitments, identify additional alternative funding sources, and apply “scarce financial resources in the most cost-effective manner.” This approach to budgeting also considers the implementation of the Commission’s strategic plan and the financial condition of the Fish Fund and the Boat Fund.

As shown in Table 16, actual Fish Fund and Boat Fund expenditures were less than the amounts budgeted in every major object except nonexpense items. For both the Fish Fund and the Boat Fund, actual expenditures for subsidies and grants were the most overestimated. This occurrence is not unusual, as amounts assumed for grants may, during the course of the fiscal year, either have grant agreements not entered into or receipt of amounts less than originally projected. Fixed assets were not purchased in the amount initially planned, and operational expenses ran under projections. In addition, many of the PFBC’s capital improvement and renovation projects receive federal augmenting revenues from the Sport Fish Restoration Act program.

Table 16

**Budgeted Versus Actual PFBC Expenditures in
FY 2006-07, by Fund and Major Object of Expenditure**

Fish Fund:			Actual Higher (Lower) Than Budgeted	
<u>Major Object</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Amount</u>	<u>Percent</u>
Personnel Services	\$23,119,000	\$21,906,635	(\$1,212,365)	(5.2)%
Operational Expenses	9,300,000	7,682,142	(1,617,858)	(17.4)
Fixed Assets	1,851,000	1,314,069	(536,931)	(29.0)
Subsidies and Grants	2,521,000	730,000	(1,791,000)	(71.0)
Nonexpense Items	<u>205,000</u>	<u>322,523</u>	<u>117,523</u>	57.3
Total	\$36,996,000	\$31,955,369 ^a	(\$5,040,631)	(13.6)%
Boat Fund:				
<u>Major Object</u>				
Personnel Services	\$ 8,546,000	\$ 8,143,172	(\$ 402,828)	(4.7)%
Operational Expenses	3,746,000	2,974,389	(771,611)	(20.6)
Fixed Assets	1,794,000	1,224,782	(569,218)	(31.7)
Subsidies and Grants	2,814,000	621,224	(2,192,776)	(77.9)
Nonexpense Items	<u>0</u>	<u>10,884</u>	<u>10,884</u>	100.0
Total	\$16,900,000	\$12,974,452 ^a	(\$3,925,548)	(23.2)%
Commission Total:				
<u>Major Object</u>				
Personnel Services	\$31,665,000	\$30,049,807	(\$1,615,193)	(5.1)%
Operational Expenses	13,046,000	10,656,531	(2,389,469)	(18.3)
Fixed Assets	3,645,000	2,538,851	(1,106,149)	(30.3)
Subsidies and Grants	5,335,000	1,351,224	(3,983,776)	(74.7)
Nonexpense Items	<u>205,000</u>	<u>333,407</u>	<u>128,407</u>	62.6
Total	\$53,896,000	\$44,929,821 ^a	(\$8,966,179)	(16.6)%

^aTotals may not add due to rounding.

Source: Developed by LB&FC staff from the PFBC FY 2007-08 budget request and expenditure records.

V. The Financial Condition of the Fish Fund and the Boat Fund

The Fish Fund

The Fish Fund realized increased revenues in the past three fiscal years due primarily to the passage of Act 2004-159, which increased the costs of fishing licenses and fees. According to the Commission, Act 2004-159 had the effect of “modernizing the fishing license and boat registration fee structure.” Prior to the 2004 change, the last fishing license and permit fee increase occurred in 1995.

License and fee increases resulting from the act became effective on all fees for licenses and permits issued on or after January 1, 2005. As such, the new fees were in place beginning the second half of FY 2004-05.

By the close of FY 2005-06, the balance in the Fish Fund had recovered to \$26.9 million, up from a year-end level of \$11.2 million in FY 2003-04 prior to the license increase (see Table 17). The Fund began FY 2006-07 with this amount in reserve and realized \$35.6 million in revenue and a prior year lapse of \$3.3 million. The balance in the Fish Fund at the close of FY 2006-07 was \$28.9 million, up by about 7 percent over the prior year.

Table 17

Fish Fund Balances		
(Fiscal Years 2005-06 and 2006-07)		
(\$000)		
	<u>FY 2005-06^a</u>	<u>FY 2006-07^a</u>
Beginning Balance	\$19,123	\$26,912
Plus:		
Revenue	\$35,249	35,670
Prior Year Lapses.....	<u>4,837</u>	<u>3,335</u>
Total Funds Available	<u>\$59,209</u>	<u>\$65,917</u>
Minus:		
Expenditures.....	<u>\$32,297</u>	<u>\$36,996</u>
Ending Balance	\$26,912	\$28,921

^aFigures reported are current as of June 30 of each fiscal year as presented in the PFBC staff “fund calculator” used to reflect the financial condition of the fund. As such revenue and expenditure totals may not match actual figures reported elsewhere in this report.

Source: Developed by LB&FC staff using information obtained from the PFBC.

As shown on Table 18, the Fish Fund had annual operating deficits (i.e., annual expenditures exceeding annual revenues) each year between FY 2000-01 to

FY 2003-04, inclusive. As mentioned, the fishing license and permit rates enacted by Act 2004-159 became effective on January 1, 2005. In that fiscal year, the Fish Fund had an operating surplus (annual revenues exceeding annual expenditures) of \$3.1 million. In FY 2005-06, the Fish Fund ended the year with an operating surplus of \$5.8 million. For FY 2006-07, the operating surplus was \$3.7 million.

Table 18

Fish Fund Operating Surpluses/Deficits
(FY 2000-01 Through FY 2006-07)

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Operating Surplus/(Deficit)</u>
2000-01.....	\$28,888,793	\$29,687,580	\$ (798,787)
2001-02.....	28,373,241	29,013,805	(640,564)
2002-03.....	27,337,587	28,062,832	(725,244)
2003-04.....	27,792,920	28,053,739	(260,820)
2004-05 ^a	31,523,691	28,429,361	3,094,329
2005-06.....	35,248,782	29,469,398	5,779,385
2006-07.....	35,669,557	31,955,369 ^b	3,714,188

^aLicense fees increased in this year.

^bActual expenditures as of August 2007.

Source: Developed by LB&FC staff using information obtained from the PFBC.

The PFBC tracks the financial condition of the Fish Fund using a detailed financial statement, or “fund calculator.” Assuming current and projected revenue and expenditure trends, the fund balance may fall below the required minimum amount needed to meet operational cash flow needs when revenues are not consistent with expenditures. For the Fish Fund, the PFBC considers the \$9.0 million level to be “the required minimum fund balance” through FY 2008-09. The required minimum fund balance then increases each fiscal year, eventually reaching \$9.6 million by FY 2012-13. According to current PFBC staff estimates, the Fish Fund balance is currently projected to fall below this balance by the end of FY 2012-13.

This projection is based on the following assumptions:

A nearly 10 percent increase in operating costs is projected in FY 2008-09 followed by a 2 percent increase each year thereafter (an inflation index factor), and a 4 percent annual increase in personnel costs beginning in FY 2009-10. Fixed assets and grant expenditures were projected as remaining static beginning in FY 2008-09. In order to project conservatively, a flat revenue stream is also projected beginning in FY 2008-09.

Although the Fish Fund has posted operating surpluses in the past three fiscal years, PFBC staff projects the return of operating deficits (i.e., annual

expenditures exceeding annual revenues) in FY 2007-08 and each year thereafter through FY 2012-13. As shown on Table 19, these projected annual operating deficits range from \$2.7 million in FY 2007-08 to \$8.7 million in FY 2012-13.

Table 19

PFBC Projections for the Fish Fund						
(FY 2007-08 Through FY 2012-13)						
(\$000)						
	Fiscal Year					
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Beginning Balance.....	\$28,921	\$28,076	\$26,648	\$23,926	\$19,965	\$14,753
Plus:						
Revenues.....	37,715	36,173	36,173	36,173	36,173	36,173
Anticipated Lapse.....	1,850	2,021	1,981	2,044	2,109	2,175
Less:						
Total Expenditures.....	(40,410)	(39,621)	(40,876)	(42,178)	(43,495)	(44,859)
Personnel.....	(24,612)	(24,845)	(25,870)	(26,937)	(28,014)	(29,135)
Operating.....	(10,486)	(11,505)	(11,735)	(11,970)	(12,209)	(12,453)
Fixed Assets.....	(1,877)	(2,183)	(2,183)	(2,183)	(2,183)	(2,183)
Grants.....	<u>(3,435)</u>	<u>(1,088)</u>	<u>(1,088)</u>	<u>(1,088)</u>	<u>(1,088)</u>	<u>(1,088)</u>
Closing Balance.....	<u>\$28,076</u>	<u>\$26,648</u>	<u>\$23,926</u>	<u>\$19,965</u>	<u>\$14,753</u>	<u>\$ 8,241</u>
Operating Surplus/(Deficit)	(\$2,695)	(\$3,448)	(\$4,703)	(\$6,005)	(\$7,322)	(\$8,686)

Source: Developed by LB&FC staff using information obtained from the PFBC.

While it is difficult to identify a single point during the fiscal year in which Fish Fund reserves become insufficient to fully fund operations, discernable and somewhat predictable patterns in the timing of receipt of fund revenues are apparent.

Fishing license revenues generally decrease monthly from July through December of a fiscal year. However, it is not uncommon for total Fish Fund revenues to spike in the late summer due to receipt of augmenting revenues through the re-budget process. Fishing license revenues and total fund revenues then typically increase beginning in January and rise sharply through the peak month of May, before decreasing again in June.

The opening of the spring fishing season is the main reason for the peak revenue generating months of April and May. However, the actual peak months of fishing license sales are March and April, which corresponds to the actual opening days of the spring fishing season. The delay reflected in the recording of fishing license revenue is due to the lag between the time of the sale by license issuing agents and remittance of monies to the Commission. However, with the introduction of the Pennsylvania Automated Licensing Service (PALS) for the sale

of licenses by issuing agents, weekly transfers of license revenue began in FY 2007-08.

Due to these patterns, it is not uncommon for the Fish Fund to run monthly operating deficits (monthly expenditures exceeding monthly revenues) until the spring months, which see a peak in fishing license sales coinciding with the commencement of the spring fishing season. However, as current PFBC projections show, the influx of revenue from fishing license sales in the latter part of each fiscal year may still cause the Fish Fund to fall below its minimum required fund balance; a condition that may be accelerated if license sales decline and expenditures continue to increase as projected. This is especially important given that revenue from licenses and fees accounted for nearly 68 percent of total Fish Fund revenues in FY 2006-07.

If current revenue trends and expenditure projections are accurate, the PFBC projects that, by FY 2012-13, it will be necessary to pursue an increase in license fees or to seek sources of alternative funding to sustain operations at projected levels.

The Boat Fund

As with the Fish Fund, the Boat Fund received additional revenue as the result of boat registration fee increases enacted through passage of Act 2004-159. The act increased registration fees for each of the class sizes of motorboats and for unpowered boats that utilize Commission launch or access areas.¹ In addition, Act 2006-79 created the Boat and Marine Forfeiture fee, set at \$50, which is remitted to the Commission by marine businesses seeking to acquire the ownership rights of boats abandoned at the marine business. As was the case with fishing license and permit fee increases, boat registration fee increases became effective on registrations issued on or after January 1, 2005. As such, the new fees were in place during the second half of FY 2004-05.

At the end of FY 2005-06, the Boat Fund had a balance of \$21.8 million. During FY 2006-07, while expenditures increased, the Boat Fund balance increased to \$21.9 million due in part to a \$3.1 million lapse in funds from the prior fiscal year (See Table 20.)

¹While unpowered boats (canoes, kayaks, rowboats, etc.) are exempt from the registration requirements of the Fish and Boat Code, owners of unpowered boats that use Commission property have the option of registering the boat or purchasing a launch permit. The cost of this launch permit is \$10 for one year and \$18 for two years. The Commission also honors holders of boat launch permits for state park lakes. The Fish and Boat Code specifies that the fee for owner registration for unpowered boats is to be adjusted from time to time to remain equal to the fees charged by the Department of Conservation and Natural Resources for boat launch permits for state park lakes.

Table 20

Boat Fund Balances		
(Fiscal Years 2005-06 and 2006-07)		
(\$000)		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>
Beginning Balance	\$18,445 ^a	\$21,816 ^a
Plus:		
Revenue	13,684	13,866
Prior Year Lapses	<u>748</u>	<u>3,187</u>
Total Funds Available	\$32,877	\$38,869
Minus:		
Expenditures	<u>11,061</u>	<u>16,900</u>
Ending Balance	\$21,816	\$21,969

^aFigures reported are current as of June 30 of each fiscal year as presented in the PFBC staff "fund calculator" used to reflect the financial condition of the fund. As such, revenue and expenditure totals may not match actual figures reported elsewhere in this report.

Source: Developed by LB&FC staff using information obtained from the PFBC.

As shown on Table 21, the Boat Fund posted operating surpluses each year between FY 2000-01 and FY 2006-07, inclusive. The size of the fund operating surplus remained relatively constant between fiscal years 2000-01 and 2003-04. In FY 2004-05 (the year in which boat registration fee increases enacted by Act 2004-159 became effective), the Boat Fund operating surplus decreased by 21.6 percent. In FY 2005-06, the Boat Fund posted its largest operating surplus in the seven-year period, at \$2,622,876. This surplus was realized largely due to a 22.7 percent increase in fund revenues, offsetting a 13.6 percent increase in expenditures. The Boat Fund finished FY 2006-07 with an operating surplus of \$891,264, the lowest operating surplus in the seven-year period.

Table 21

Boat Fund Operating Surpluses/Deficits			
(FY 2000-01 Through FY 2006-07)			
<u>FY</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Operating Surplus/(Deficit)</u>
2000-01	\$10,925,653	\$ 9,267,841	\$1,657,812
2001-02	10,550,159	8,752,610	1,797,549
2002-03	10,436,958	8,868,866	1,568,092
2003-04	10,738,510	8,942,875	1,795,635
2004-05 ^a	11,147,689	9,739,893	1,407,796
2005-06	13,683,550	11,060,674	2,622,876
2006-07	13,865,716	12,974,452 ^b	891,264

^aBoat registration fees increased in this year.

^bActual expenditures as of August 2007.

Source: Developed by LB&FC staff from PFBC expenditure records.

Although the Boat Fund had an *operating* surplus of \$891,264 in FY 2006-07 and ended the year with a balance of \$22.0 million, operating deficits are projected to return in FY 2007-08. As with the Fish Fund, PFBC staff has calculated a required minimum fund balance for the Boat Fund through FY 2012-13. For FY 2007-08, this figure stood at \$6.2 million. The PFBC anticipates that the Boat Fund will need to maintain a fund balance of \$6.3 million by FY 2009-10 and a balance of \$6.4 million by FY 2011-12. Current PFBC projections hold that the Boat Fund balance will decline annually in the forthcoming fiscal years, and will fall below the required minimum fund balance in FY 2012-13. (See Table 22.)

Table 22

PFBC Projections for the Boat Fund						
(FY 2007-08 Through FY 2012-13)						
(\$000)						
	Fiscal Year					
	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Beginning Balance.....	\$21,969	\$19,139	\$17,011	\$14,350	\$11,213	\$ 7,595
Plus:						
Revenues.....	14,775	14,395	14,395	14,395	14,395	14,395
Anticipated Lapse	845	923	872	896	921	947
Less:						
Expenditures.....	(18,450)	(17,446)	(17,928)	(18,428)	(18,934)	(19,459)
Personnel	(9,336)	(9,707)	(10,107)	(10,524)	(10,945)	(11,383)
Operating.....	(3,874)	(4,085)	(4,167)	(4,250)	(4,335)	(4,422)
Fixed Assets	(1,923)	(1,461)	(1,461)	(1,461)	(1,461)	(1,461)
Grants.....	<u>(3,317)</u>	<u>(2,193)</u>	<u>(2,193)</u>	<u>(2,193)</u>	<u>(2,193)</u>	<u>(2,193)</u>
Closing Balance...	<u>\$19,139</u>	<u>\$17,011</u>	<u>\$14,350</u>	<u>\$11,213</u>	<u>\$ 7,595</u>	<u>\$ 3,478</u>
Operating Surplus/(Deficit)	(\$3,675)	(\$3,051)	(\$3,533)	(\$4,033)	(\$4,539)	(\$5,064)

Source: Developed by LB&FC staff from the PFBC fund calculator and related fiscal records.

This projection is based on the following assumptions:

The Boat Fund balance is projected to decline at a steady rate each fiscal year through FY 2012-13. Beginning in FY 2008-09, these projections are based upon a continued flat revenue stream, a 4 percent increase in personnel costs, and a 2 percent annual increase in operating costs (inflation index factor). Fixed asset and grant expenditures are projected to be static from FY 2008-09 through FY 2012-13.

As with the Fish Fund, patterns of monthly deposits are discernable for the Boat Fund. Receipt of augmenting revenues causes a spike in total monthly revenues early in most fiscal years. Typically, monthly revenues decline in the late fall months through November, before increasing in December and often increasing significantly in January. According to the Director of the Bureau of Administration,

January is the peak month for Boat Fund license and fee revenue deposits due to the fact that the Commission mails registration forms to boat owners on December 1 and many boaters return their renewal application (which expires in March) in January.

As with the Fish Fund, if current revenue trends and expenditure projections are accurate, the PFBC projects that, by FY 2012-13, it will be necessary to seek an increase in boat registration fees or seek sources of alternative funding in order to sustain operations at projected levels.

VI. PFBC Strategic Planning

A. Prior PFBC Involvement With Strategic Planning

The Pennsylvania Fish and Boat Commission's contemporary involvement with strategic planning can be traced to the early 1990s.¹ During that time, the Commission reportedly formed a series of internal staff teams organized by six aquatic resource types (coldwater streams, warmwater streams, large rivers, impoundments, Lake Erie and its tributaries, and watersheds and wetlands). For each resource type, these teams developed the following:

- a description of the resource and the degree of ongoing activity;
- opportunities to develop enhanced recreation on the resource; and
- a list of goals and objectives for each resource category.

This process and plan format, based on resource type, was modeled on one that was reportedly being used by a number of other states at that time. The process culminated in a draft Strategic Plan completed in 1995, entitled, *A Strategic Plan for Providing Fishing and Boating in Pennsylvania Through the Year 2004*. According to senior PFBC staff, this initial draft version of the PFBC Strategic Plan was not successfully implemented mainly due to its large size and heavy emphasis on resource-specific areas that, by virtue of its format, presented practical barriers to implementation.

The Commission then determined that it was necessary to obtain public input on the plan. A shorter, more “reader friendly” version of the draft Strategic Plan was developed, which included a mail-in survey form to allow respondents to rank order the objectives developed for the resource areas. The Commission also convened a series of nine roundtable meetings with anglers and boaters, commissioned several surveys to assess angler and boater opinions and to identify priority program areas, and convened several issue-oriented work groups to gather opinions and guide policy development on specific topics.²

The revised Strategic Plan document, which incorporated the new information and customer input received, was adopted by the Commission in October 1998. The plan was entitled, *Enhancing the Future of Fishing and Boating in Pennsylvania: Strategies for the 21st Century*. The plan was rooted in the Comprehensive Management Systems (CMS) approach to wildlife agency planning and operations as defined by the U.S. Fish and Wildlife Service and the Organization of Wildlife Planners.

¹PFBC staff indicated that the Commission has been involved, to some extent, in what could be referred to as “strategic planning” since at least the early 1960s.

²The Commission contracted with Responsive Management, Inc. to conduct a comprehensive customer survey as part of the input-gathering conducted to update the plan.

This plan was based on the work that went into the initial draft plan, the information provided by the public information surveys and public input processes, and current trends impacting the Commission. Specifically, the 1998 plan was focused on Commission programs and their relationship to the resource and resource users. The plan document included a vision statement, a mission statement, and four agency-wide goals. The plan then identified several broad themes, or “focal points” as referred to in the plan, comprised of priorities on which to focus under each theme. Some of the priorities contained strategies that resembled action steps to be taken to address each priority. An articulation of program trends, opportunities, and challenges facing the Commission was also included.

According to Commission staff at the time, the 1998 Strategic Plan provided broad policy guidance and was a deliberate effort to orient the Commission’s activities on its primary missions as was recommended by the Wolf Advisory Report.³ They further stated that the plan provided broad budget linkages and some specific initiatives for Commission action. Agency officials also indicated that the plan identified the general areas of emphasis for future operations, and that appropriate budgeting priorities would follow accordingly. Completion of the plan was to be the responsibility of a full-time staff Aquatic Resource Planning Coordinator.

B. Development, Adoption, and Content of the PFBC’s 2005 Strategic Plan

Strategic Assessment

The current PFBC Strategic Plan was adopted by the Commission in January 2005, following a development process which began in the fall of 2003. The planning process began with a strategy session with the Commissioners, followed by five sessions with PFBC senior staff and leadership,⁴ and an internal planning team facilitated by The Drager Group, Inc., a firm specializing in strategic planning.

A Commissioner retreat was held in the fall of 2004 to review the output of the prior Commissioners’ strategy session and the output of the staff strategy sessions. Prior to the retreat, staff created a series of planning documents, with lead staff for many of the Commission’s initiatives working in concert with the Executive Director.

The draft document developed as a result of these sessions was entitled, “Long-Range Strategic Plan/2004 Operational Objectives.” According to the draft document, the purpose of the sessions was “to enable the organization to chart a direction in order to help PFBC achieve its mission and make positive, immediate and

³The “Wolf Advisory Report” was prepared by Wolf Advisory International, Ltd., in 1995 under contract to the Senate Game and Fisheries Committee. The purpose of this study was to identify specific areas of “improvement opportunity” and develop recommendations based upon these findings.

⁴“Senior staff and leadership” was a phrase used by the facilitator of the strategy sessions to describe staff members of the PFBC Executive Office, bureau directors, and mid-level managers.

lasting impacts on the organization.” The draft document enumerated the following activities completed by the session participants: (1) defined, discussed and documented internal strengths and weaknesses of the organization; external opportunities and threats facing the organization; and a series of key issues that should be addressed by PFBC, and through its Strategic Plan; (2) reviewed and reaffirmed the mission statement of the PFBC which, at that time, read as follows: to provide angling and boating opportunities through the protection and enhancement of the state’s aquatic resources;⁵ (3) developed long-range strategies and supporting potential strategic actions that defined the direction of the organization for the next year and into the future; and (4) targeted specific, short-term actions to be taken to implement the long-range strategies and assigned accountability to the appropriate individuals within the organization.

These sessions yielded a “strategic assessment” that identified the Commission’s strengths, weaknesses, opportunities, and threats. The results of the strategic assessment fell into the primary categories of comments gathered from workshop participants as summarized in Exhibit 8.

Exhibit 8

Results of PFBC Strategic Planning “Strategic Assessment”

Strategic Assessment Item	Primary Categories of Participant Comments
Strengths	<ul style="list-style-type: none"> • Our customers • Our funding • Our resource base • Our people • Our budget effectiveness • The public’s return on their investment in PFBC
Weaknesses	<ul style="list-style-type: none"> • Our internal and external communication and perception • Our internal lack of teamwork • Inadequate funding
Opportunities	<ul style="list-style-type: none"> • Partnerships • Marketing • Funding • Technology
Threats	<ul style="list-style-type: none"> • Commission structure • Decline in revenue • Changing demographic <ul style="list-style-type: none"> ○ Aging ○ Youth export • Political intrusion • Merger

Source: Pennsylvania Fish and Boat Commission draft document: *Long-Range Strategic Plan/2004 Operational Objectives, the Future of Fishing and Boating in Pennsylvania: Strategies for the 21st Century*.

⁵In July 2007, the PFBC Board of Commissioners modified the agency’s mission to emphasize resource protection and conservation. The current mission statement is: “The mission of the Fish and Boat Commission is to protect, conserve, and enhance the Commonwealth’s aquatic resources and provide fishing and boating opportunities.”

Long-Range Strategies

Based on the results of the “Strategic Assessment” (see Exhibit 8), Commission senior staff and leadership identified 71 “key issues” to be addressed in the long-range Strategic Plan. The result was the identification of six “overriding” long-range strategies to guide both short-term and long-term Commission actions in fulfilling its mission. Identification of these strategies was completed with the assistance of a facilitator, with the intention of covering as many of the “key issues” identified as possible.

Exhibit 9 shows the long-range strategies developed at that time and which are currently used to guide the Commission’s Strategic Plan.

Exhibit 9

PFBC Strategic Plan Long-Range Strategies

Strategy 1	PFBC will position itself as an organization known for serving the fishing and boating public and the resources it protects.
Strategy 2	PFBC will invest in activities, resources and programs in order to increase boating and fishing participation in the Commonwealth.
Strategy 3	PFBC will explore and implement methods in order to increase traditional and non-user fee based sources of revenue.
Strategy 4	PFBC will enhance relationships, leading to partnership opportunities with stakeholder groups, corporations, natural resource agencies, non-government organizations and others.
Strategy 5	PFBC will develop the internal structure and processes needed to effectively protect and manage aquatic resources and fishing and boating activities.
Strategy 6	PFBC will develop a coordinated, agency-wide approach to aquatic resource management, protection and conservation.

Source: Developed by LB&FC staff from the PFBC document, *Pennsylvania Fish and Boat Commission Long-Range Strategic Plan/2004 Operational Objectives* (Draft).

Accompanying the long-range strategies were a series of 60 “strategic actions” to be considered for implementation to support the strategies. Bureau directors were heavily involved in this process, mindful of “functional tasks” that could be completed by respective bureaus during the implementation phase. In 2004, PFBC leadership chose 28 of these strategic actions, and labeled them “operational objectives,” for purposes of implementation.

In 2005, PFBC leadership narrowed the list of 28 operational objectives to eight for implementation in support of the six long-range strategies. The selected operational objectives were then renamed “prioritized objectives.” Exhibit 10 shows the nine operational (i.e., prioritized) objectives around which the current Strategic Plan is structured.

Exhibit 10

PFBC Strategic Plan Prioritized Objectives	
Prioritized Objective 1	Develop specific marketing and public relations initiatives targeted at key audiences.
Prioritized Objective 2	Develop and implement a Boating Access Improvement Program.
Prioritized Objective 3	Develop a systematic approach to improve stream-side and shoreline angling opportunities.
Prioritized Objective 4	Reengineer trout fishing opportunities to improve the attractiveness to anglers.
Prioritized Objective 5	Increase revenue from “soft” sources (mitigation, habitat, grants, etc.).
Prioritized Objective 6	Seek legislation to capture an equivalent portion of General Fund revenue generated by fishing and boating.
Prioritized Objective 7	Identify and communicate the roles of the Commissioners and agency.
Prioritized Objective 8	Develop an agency-wide employee development and succession plan.
Prioritized Objective 9	Develop a coordinated, agency-wide approach to aquatic resource management, protection, and conservation.

Source: Pennsylvania Fish and Boat Commission Strategic Plan.

Based on the identification of the above-listed prioritized objectives, and building upon additional work and analyses completed by the bureaus, The Drager Group worked with PFBC staff to further develop and define specific “activities” and “detail steps” structured around the eight prioritized objectives culminating in a document entitled “Strategic Plan Timeline for 2004 through 2006.”⁶ The timeline used the eight prioritized objectives, renaming each an “activity,” and added a ninth activity relating to aquatic-resource management.

⁶This further development and definition of the plan actually occurred in conjunction with the development of a “Strategic Plan Timeline” for the period 2004 through 2006 and the “PFBC Strategic Plan Implementation Activities and Projects” document discussed in the next subsection entitled “Monitoring and Reporting on Strategic Plan Implementation Progress.” The format of the PFBC’s Strategic Plan as shown on Exhibit 11 is derived from these documents.

This timeline was to be the instrument used to record and track Strategic Plan implementation progress. A member of the Executive Office or a bureau director was to be assigned “ownership” of each activity. The activities were each comprised of a series of “detail steps,” which represent actions to be taken towards fulfillment of the activities and a staff member was also to be designated as “accountable” for each detail step. Each detail step was also to include an accompanying estimate of its budget/fiscal impact, if known and applicable. A monthly calendar grid was to be used to track completion of each detail step, along with explanatory note boxes.

Following completion of the timeline document, and with occasional consultation with a principal officer of The Drager Group, the former Deputy Director for Policy, Planning, and Operations and the Conservation Planner took the lead in creating another document entitled, “PFBC Strategic Plan Implementation Activities and Projects.” As previously described, this document also identified nine “plan activities.” One or more of the prioritized objectives and accompanying detail steps are subsumed under each plan activity, in a section entitled “workplan” actions to be taken toward fulfillment of each activity. The workplan sections are replicated versions, in numerous parts, of the Strategic Plan timeline document’s activity and detail step grid. However, the monthly calendar grid included in the original timeline document was removed, replaced by a “yes/no” completion box, a due date box, and explanatory note boxes as illustrated on Exhibit 11 below.

Exhibit 11

The Format of the PFBC Strategic Plan Implementation “Workplan”*

<u>Name of Activity</u>	<u>Owner: Name</u>	<u>Accountable</u>	<u>Complete Y/N</u>	<u>Due Date</u>	<u>Slip Date</u>	<u>Notes June 2006</u>	<u>Notes July 2005</u>
Detail Steps...	Budget		[Information is to be entered in these columns by assigned/responsible PFBC staff.]				
Step	Impacts						
	\$						

*The original Strategic Plan timeline document differed from this format primarily in the use of a calendar grid spanning from September 2004 through December 2006. It also did not include the completion, due date, and slip date columns.

Source: Compiled by LB&FC staff from the PFBC document, “PFBC Strategic Plan Implementation Activities and Projects.”

Following completion of the initial draft of the document, the Commission’s former Director of Policy, Planning, and Operations and the Conservation Planner convened a workshop with senior staff at the H.R. Stackhouse School (located at the Bellefonte State Fish Hatchery) to review the format of the document, discuss assignment of ownership of each of the detail steps, and address any preliminary staff concerns regarding the document or its implementation. The PFBC Executive Director indicated that while staff did have a number of questions and concerns about

the format and functional assignments in the draft document, the session provided the necessary input from senior staff to complete the document.

As shown on Exhibit 12, a description/scope statement accompanies each activity, followed by output/outcome measures corresponding to each activity. The output/outcome measures are designed in support of each plan activity, and thus are in support of the fulfillment of one or more prioritized objectives.

C. Monitoring and Reporting on Strategic Plan Implementation Progress

We found that, while both the timeline and the “Strategic Plan implementation activities and projects” documents were developed to structure and track plan implementation, neither document has received consistent use and application within the agency. The PFBC’s Strategic Plan timeline document contained a monthly calendar grid to track completion of the plan’s detail steps, which was later condensed to include only the completion date in the updated Strategic Plan implementation document. We found that the original timeline document contained relatively few entries or references to implementation of specific detail steps while notes of progress made toward completion of only several others were found in the revised Strategic Plan implementation tracking document.

We concluded that there is currently no formal, central tracking and internal reporting of progress made towards fulfillment of Strategic Plan activities, tracking of output and outcome measures, or detail steps. In large measure, this appears to be due to the absence of a Strategic Planner position or another position in the central office dedicated to coordinating and monitoring plan implementation. The Commission’s former Director of Policy, Planning and Operations was hired originally as an Aquatic Resource Planning Coordinator. In his former position, this individual was instrumental in the development of both the 1998 and 2005 Strategic Plans and would have been the logical person to perform the monitoring and tracking functions. However, following his promotion to the directorate position, additional duties were assumed and centralized Strategic Plan progress function did not receive focused attention.

The PFBC plans, however, to create a position entitled “Strategic Initiatives and Projects.” This position, to be located within the Bureau of Policy, Planning, and Communications, will assume, among other duties, the task of tracking progress made towards the fulfillment of Strategic Plan objectives. In addition, Commission officials report that they plan to continue to hold periodic Strategic Plan meetings that address the status of activities completed towards fulfillment of strategic initiatives.

Plan Structure: “PFBC Strategic Plan Implementation Activities and Projects”

Plan Activity:	Marketing
Description/Scope:	Enhance the Marketing and Promotion Efforts of the Agency in the agreed to areas of emphasis including but not limited to: Halting the decline in license sales, recovery of lapsed anglers, increasing nonresident license sales, attracting underrepresented demographic segments to fishing, promoting water trails and warm/coolwater fishing opportunities.
Activity/Prioritized Objective #1:	<ul style="list-style-type: none"> • Develop specific marketing & PR initiatives targeted at key audiences.
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Explore creating a marketing function <ul style="list-style-type: none"> – Develop job description/positions specification – Recruit/interview candidates – Approve/hire Marketing Specialist – Marketing Specialist begins work – Marketing Specialist develops prioritized list of initial projects 2. Target and recover “lapsed anglers” to become current <ul style="list-style-type: none"> – Point-of-Sale Licensing data becomes available – Collect two years of data on license purchasers – Conduct survey directed at second year non-purchasers to determine causes of drop-out – Develop remediation strategies to causes – Market-test remediation strategies to lapsed anglers 3. Increase non-resident license sales 4. Develop comprehensive list (with rough budgets) of potential promotional strategies with focus on recruitment in neighboring states <ul style="list-style-type: none"> – Meet with Pennsylvania Travel Office/others to explore partnership promotional opportunities (including Bass Master Classic) – Refine list, select 2-3 approaches – Develop final budget & implementation plan for selected approaches (18 month plan of work) – Implement selected approaches – Transition responsibility to Marketing Development Specialist 5. Promote water trails <ul style="list-style-type: none"> – Receive GIS data set for access locations via Paddle PA grant project – Begin producing maps using Paddle PA GIS data set – Enhance Commission web site to increase the interactivity of listed water trails, using Paddle PA access data set – Develop familiarization tours for travel & lifestyle writers for select water trails – Increase distribution of trail guides via non-traditional outlets within regions containing water trails – Conduct familiarization tours – Target additional sites for Water Trails – Identify and meet with potential local partners for new Water Trails 6. Promote warm-water fishing to local, regional and state tourism and economic development organizations <ul style="list-style-type: none"> – List warm-water fish species for focused management – Identify by name and latitude/longitude waters containing each fish species to be managed – Place and geo-correct waters on Geographic Information System maps – Develop fish species biological information – Develop fishing information for each fish species 7. Place GIS fish species maps on PFBC homepage

Exhibit 12 (Continued)

<i>Activity/Prioritized Objective #1 (Cont.)</i>	
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. Halt decline in license sales: Measure: License sales 2. Decrease Churn (3-yr. process): Measure: Churn Rate 3. Increase nonresident license buyers: Measure: Nonresident licenses 4. Attract underrepresented demographic segments (ongoing) <ul style="list-style-type: none"> – Measure: Fishing license buyer demographics compared to PA license buyers – Measures of activity—How do we measure “objectives of these efforts?” <ul style="list-style-type: none"> • Number of tackle loaner sites • Number of family fishing programs • Number of “SMART” programs • Number of subscribers to PLAY 5. Promote Water Trails <ul style="list-style-type: none"> – Measure: Number of Familiarization Tours – Measure: Number of water trail articles 6. Promote Warm/Coolwater Fishing <ul style="list-style-type: none"> – Measure: Number of warmwater/coolwater anglers – Measure: Number of warmwater/coolwater angling days
Plan Activity:	Fishing and Boating Access
Description/Scope:	Enhance fishing and boating access.
<i>Activity/Prioritized Objective #2:</i>	<ul style="list-style-type: none"> • <i>Develop and implement a Boating Access Improvement Program</i>
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Develop job description/position specification 2. Approve the position 3. Recruit and interview candidates 4. Hire program administrator and support staff 5. Develop database of current access and condition 6. Prioritize access needs 7. Develop a grant program 8. Budget for access improvements grant program for 05-06 9. Begin issuing contracts
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. Improve boat access areas 2. Improve satisfaction with boating access and boating participation 3. Measure: Number of boat access areas constructed or improved—Target 20-25 sites 4. Measure: Number and value of boat access grant projects 5. Measure: Customer satisfaction with boat access
<i>Activity/Prioritized Objective #3:</i>	<ul style="list-style-type: none"> • <i>Develop a systematic approach to improve streamside and shoreline angling opportunities</i>
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Identify organizational responsibility for this initiative. Use Erie as a “beta” for this initiative 2. Establish a base line of current availability of access 3. Identify opportunities for access improvement 4. Acquire access rights to property 5. Develop access specific to opportunity 6. Develop partnerships to get this done 7. ID functional responsibility for implementing this
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. Improve fish access areas <ul style="list-style-type: none"> – Improve fishing access satisfaction and increase fishing activity <ul style="list-style-type: none"> • Measure: Number of fish access sites secured/improved • Measure: Number of Erie grants executed • Measure: Number of Erie sites secured

Exhibit 12 (Continued)

Plan Activity:	Reengineer Trout Fishing Opportunities
Description/Scope:	Enhance trout fishing opportunities by improving trout fishing and the experience of trout fishing
<i>Activity/Prioritized Objective #4</i>	<ul style="list-style-type: none"> • <i>Reengineer trout fishing opportunities to improve the attractiveness to anglers</i>
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Establish a project to evaluate the factors influencing the frequency and distribution of fishing trips among stocked trout waters 2. Evaluate the factors influencing the frequency and distribution of trout fishing trips on wild trout waters that are not stocked 3. Evaluate the effect of fishing mortality on the size structure of trout populations and abundance of trout greater than 7 inches 4. Initiate the Trout Management Working Group <ul style="list-style-type: none"> – Involve pertinent staff/Commissioners – Produce and stock larger trout – Focus intensity of in-season trout stocking by reducing numbers of stocking and/or lengths of streams stocked – Focus in-season stocking on waters that can be announced as to date, time and place of stocking – Increase use of fingerling trout to stock highly productive waters to reach biological productivity and fishery potential – Develop alternative regulations to optimize angler use of wild trout – Simplify special regulations for trout fishing – Increase size of wild trout 5. Promote trout fishing opportunities to local, regional, and state tourism and economic development organizations 6. Continue promotion of trout fishing opportunities to news media 7. Identify significant policy issues and develop process for reconciling them
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. Improve satisfaction with trout fishing <ul style="list-style-type: none"> – Measure: Number of trout anglers (trout stamp sales) – Measure: Satisfaction of trout anglers – Measure: Days trout angling
Plan Activity:	Soft Money
Description/Scope:	Increase revenue from soft money sources
<i>Activity/Prioritized Objectives #5</i>	<ul style="list-style-type: none"> • <i>Increase revenue from “soft” sources (Mitigation, habitat, grants, etc.)</i>
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Create development position, document with a position description and hire person to fill 2. Identify existing “soft sources” used for agency work 3. Identify close fit “soft sources” to attack (Section 6, for example) and grant application timelines 4. Identify projects, agency needs, conservation needs to shop to funding sources directly or through partners 5. Identify and garner support of partners in our pursuit of soft funding for efforts 6. Ensure appropriate communications on efforts 7. ID other opportunities to “develop” voluntary donations from all sources 8. Identify and analyze grant management activities, internal impacts and document
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. Identify and target soft money sources to expand soft dollar funding for agency activities <ul style="list-style-type: none"> – Measure: Number of grant proposals written – Measure: Percentage success in securing funding – Measure: Dollars obtained – Measure: Diversity of funding sources – Measure: Dollars obtained vs. dollars spent chasing

Exhibit 12 (Continued)

Plan Activity:	Legislative Strategy
Description/Scope:	Develop and implement a legislative strategy
<i>Activity/Prioritized Objective #6</i>	<ul style="list-style-type: none"> • <i>Develop and implement a comprehensive legislative strategy</i>
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Annually develop list of legislative priorities 2. Enhance communications with partners/legislators 3. Develop a list of stakeholders for this specific purpose 4. Develop agency and Commonwealth partners (Governor’s Office and key legislators) that will be critical to convincing legislature to invest resources in fishing, boating, and conservation efforts 5. Work with stakeholders and partners to develop a strategy, proposal/approach and timetable 6. Build the groundswell necessary for effective lobbying to make this happen 7. Complete visits with Senators specific to the passage of HB 2155 but also inform them of PFBC and build a better working relationship 8. Identify key senators and representatives, etc., who have a significant role in developing fishing and boating legislation 9. Work with Governor’s Office to enhance relationship with PFBC
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. Develop and implement a comprehensive two-year legislative strategy <ul style="list-style-type: none"> – Measure: Percentage of key legislative initiatives passed 2. Long-term stable funding <ul style="list-style-type: none"> – Measure: Dollars available for initiatives 3. Species and habitat legislation <ul style="list-style-type: none"> – Measure: Number of species protected
Plan Activity:	Improve Organizational Efficiency and Effectiveness
Description/Scope:	Improve agency efficiency and effectiveness through the promulgation of agency administrative policies and identifying and communicating the roles of commissioners and staff.
<i>Activity/Prioritized Objective #7:</i>	<ul style="list-style-type: none"> • <i>Identify and communicate the role of the commissioners and staff</i>
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Develop a Commissioner-agency “interaction model that describes the working roles, responsibilities, committee structure etc., of both the Commissioners and the staff 2. Present to the Commissioners, get their input, and finalize 3. Document as a procedure, and communicate with the Commissioner structure and staff 4. Create and issue memo on communication protocol, distribute to staff, and have discussions with Executive Staff about implementation and potential modifications 5. Implement modified guidelines and timetable for Commission meeting agenda development, review by the Commission President and Executive Director, and need for committee meetings or briefings
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. Improve organizational efficiency and effectiveness <ul style="list-style-type: none"> – Measure: Number of agency policies formalized and adopted – Measure: Adoption of commissioner policies/manual

Exhibit 12 (Continued)

Plan Activity:	Staff Development
Description/Scope:	Ensure the highest quality of staff and staff work by implementing effective employee development and succession planning programs.
<i>Activity/Prioritized Objective #8:</i>	<ul style="list-style-type: none"> • <i>Develop an agency-wide employee development and succession plan</i>
Workplan Detail Steps:	<ol style="list-style-type: none"> 1. Run HR data to determine by Bureau and Commission-wide potential workforce turnover 2. Develop awareness within the Bureaus and identify affected key positions and discuss workforce planning issues 3. Identify initial competencies required for targeted/key positions <ul style="list-style-type: none"> – Conduct focus group of subject matter experts to identify top ten competencies 4. Conduct competency gap analysis 5. Design or acquire developmental opportunities for each set of competencies 6. Develop and maintain a talent pool. Create an Employee Development Program 7. Develop Natural Resources Leadership Development Program 8. Develop and maintain a talent pool. Create an Employee Development Prgm. 9. Recast organization to achieve strategic plan objectives/goals 10. Identify the budget impacts that are driven by this plan
Output/Outcome Measures:	<ol style="list-style-type: none"> 1. To affect the culture of the PFBC by enhancing leadership traits in key positions <ul style="list-style-type: none"> – Measure: Formalize Natural Resources Leadership Development Program – Measure: Test the program through bureaus by application of course content in operations 2. To maintain operations at acceptable levels during transition of key leadership positions <ul style="list-style-type: none"> – Measure: Development and implementation of succession strategy document per targeted position – Measure: Number of leadership positions with documented succession 3. Develop employee development plan and program <ul style="list-style-type: none"> – Measure: Percentage of staff with employee development plan in place – Measure: Percentage of staff development plans completed
Plan Activity	Resource Management
Description/Scope:	Improve agency resource management through focused efforts on habitat protection, management, and enhancement; development of Three-Rivers Center and implementation of the state wildlife action plan.
<i>Activity/Prioritized Objective #9:</i>	<ul style="list-style-type: none"> • <i>Develop a coordinated, agency-wide approach to aquatic resource management, protection, and conservation</i>
Workplan Details Steps:	<ol style="list-style-type: none"> 1. Ensure integration of PA's Wildlife Action Plan into F/B Strategic Plan <ul style="list-style-type: none"> – Implement PA's Wildlife Action Plan – Develop maps of "hot spots" for protection, stressors and other factors for Species of Greatest Conservation Need – Develop Communication and Marketing efforts for the Wildlife Action Plan. Includes: <ul style="list-style-type: none"> – Update of PFBC web page – Enhanced Action Plan summary (10-pager) – Work with Conservation Assembly – Develop a series of outreach articles for compilation into larger document – Produce press releases for each SWG project – Develop database for tracking projects, species, habitats studied through SWG grants

Exhibit 12 (Continued)

<p>Workplan Details Steps: (Continued)</p>	<ol style="list-style-type: none"> 2. Coordinate PFBC management and research needs with researchers. Conduct a workshop by December 2006 3. Participate in regional State Wildlife Grants Projects (regional mapping and monitoring, as of August 2006) 4. Identify options for non-federal match funding 5. Integrate Farm Bill and other programs into the Wildlife Action Plan implementation 6. Coordinate with partners and teaming with wildlife 7. Develop electronic catalogue of all State Wildlife Grant-funded reports 8. Coordinate and ensure incorporation of Action Plan initiatives in the Conservation Assembly process 9. Develop the Landowner Incentive Program
<p>Output/Outcome Measures:</p>	<ol style="list-style-type: none"> 1. Improve organizational efficiency and effectiveness <ul style="list-style-type: none"> – Measure: Number of agency policies formalized and adopted – Measure: Adoption of commissioner policies/manual 2. Habitat: Improve fisheries habitat in PA <ul style="list-style-type: none"> – Measure: Number of habitat improvement projects – Measure: Acres of critical habitat protected – Measure: Dollars leveraged for habitat improvement projects – Measure: Miles/acres of habitat improved – Measure: Document progress in the Landowner Incentive Program 3. Three-Rivers Resource Center—Outcome; Improve ecological integrity of rivers <ul style="list-style-type: none"> – Measure: Number of studies, number of partners contributing funding – Measure: Dollars leveraged – Measure: Acres of habitat protected/enhanced – Measure: Projects directed at critical issues – Measure: Number of “Don’t Get Wet” advisories 4. Implement PA’s State Wildlife Plan <ul style="list-style-type: none"> – Measure: Cumulative number of species of greatest conservation need encompassed by projects – Measure: Cumulative number of action items addressed – Measure: Additional projects protecting habitats or species – Measure: Reports completed

Source: Pennsylvania Fish and Boat Commission.

Currently, the PFBC's primary means of accountability for reporting progress made on achieving components of the Strategic Plan is a summary and status report of activities presented in the Commission's annual report. In the annual report, the prioritized objectives are referred to as "strategic initiatives."

Beginning with the 2005 annual report, the first half of the annual report provides a description of efforts and activities supporting the Strategic Plan prioritized objectives established for that year. The second half of the annual report consists of organizational unit reports for the Executive Office and each bureau, providing a description of each bureau's organization, duties, responsibilities, and major initiatives and accomplishments during the year.

We observed that while the Commission adopted eight prioritized objectives for implementation at its January 2005 meeting, both the 2005 and 2006 annual reports present information on only five of the eight prioritized objectives for implementation. Those not included follow:

- seek legislation to capture an equivalent portion of General Fund revenue generated by fishing and boating;
- identify and communicate the roles of the Commissioners and agency; and
- develop an agency-wide employee development and succession plan.

According to PFBC staff, the three prioritized objectives not included in the annual reports represent ongoing initiatives that may not be well-suited to explicit reporting. However, these objectives are included in the current Strategic Plan implementation document, and staff cited examples of progress made to address each of these three objectives. The PFBC also references all eight prioritized objectives in the agency budget request.

While evidence of progress has been shown for the Strategic Plan's activities and detail steps, no central, formal tracking is completed of the output/outcome measures established in the planning document. As discussed, output and outcome measures were created to serve in support of the Strategic Plan's activity measures. PFBC staff cite the lack of a full-time Strategic Planner position as the main reason that progress on these measures has not been formally tracked.

D. Relationship to Other Commission Planning Activities

The Executive Director's "Annual Plan of Work"

In addition to the PFBC's Strategic Plan, the PFBC Executive Director presents an agency-wide "Annual Plan of Work" to the Commissioners for approval each calendar year. The Annual Plan of Work is developed cooperatively by the PFBC Executive Director, staff in the Executive Office, and the bureau directors with the guidance and input of the PFBC Commissioners. There is, however, no direct link between the agency's Strategic Plan and the Annual Plan of Work.

The mandate for the Annual Plan of Work is included in the Commission's Policy Manual.⁷ This mandate is one component of the Commissioners' relationship with the Executive Director, insofar as the Commission has established as its prerogative the authority to "measure and evaluate the annual progress its Executive Director is making toward achieving its policies and directions"; a task identified by the Commissioners as "being essential to accomplishing its mission."

As stated in the Commission's Policy Manual, the PFBC Executive Director must present an Annual Plan of Work for the upcoming calendar year to each Commissioner. This plan is to be delivered in written form by whatever means is most convenient by December 15 of each year, and is to include the following:

- a listing and description of proposed activities for the upcoming year;
- the expected results to be achieved during the upcoming year;
- anticipated longer-term results;
- the expected timing of the results; and
- fiscal and personnel implications of each activity.

The Annual Plan of Work is to be approved by the Commission each year during its January meeting. The Executive Director must also present a written list of accomplishments for the prior year to each member of the Commission no later than the end of the first full week of each calendar year.

The policy manual mandates an annual evaluation of the Executive Director's job performance relative to fulfillment of the Board of Commissioners' policies and expectations, as well as the Executive Director's achievements for the preceding year (within limitations imposed upon the Executive Director's actions specified by the Commissioners). The performance evaluation is to be presented to the Executive Director at the Commission's January meeting. Further, the Policy Manual specifically calls for the Executive Director's plans for professional staff and personal development to be a permanent component of the Annual Plan of Work. An Annual Plan of Work was first completed for 2006.

The Annual Plan of Work is comprised of activities scheduled for completion by Commission staff in a given calendar year. Accompanying these activities are activity descriptions, desired outputs, and desired date(s) or time(s) for completion of each activity. Some activities have a defined deadline within the calendar year, while others are scheduled to be ongoing throughout the year, are to be completed in the current year in preparation of activities to be completed in a subsequent year,

⁷The Policy Manual for the Pennsylvania Fish and Boat Commission was formally approved by the Board of Commissioners on July 17, 2007.

or have no defined deadline. Probable fiscal and personnel resources projected to be necessary for completion of each activity are also provided.

While the Annual Plan of Work does not directly identify “ownership” for each activity in every instance, the PFBC’s former Director of Policy, Planning, and Operations indicated that, as a function of the development and input process for the plan, it is clear within the agency as to those who are responsible. In this way, the plan serves the purpose of ensuring staff accountability to the priorities of the Commissioners. The relationship and cross-walk between the agency’s Strategic Plan and the Executive Director’s Annual Plan of Work are not immediately clear however.

According to the former Director of Policy, Planning, and Operations, ties do exist between the current PFBC Strategic Plan and numerous activities in the Annual Plan of Work. Several activities in the Annual Plan of Work were, while not explicitly restated, “born in the Strategic Plan.” Examples cited by the Director of the Bureau of Administration include implementation and marketing of the Pennsylvania Automated Licensing Service (PALS), fishing and boating access initiatives, leadership development and staff recruitment initiatives, and identification of funding of non-game and habitat programs completed by the PFBC.

We conducted a comparative analysis of activities contained in the Strategic Plan and the Annual Plan of Work, noting instances in which similar or duplicative tasks are to be completed in both plans. In several instances, Annual Plan of Work activities appear to be tied, to some degree, to more than one Strategic Plan activity. Also noted were a number of activities that appear in one plan but not the other.

We found, however, that while there is a large degree of similarity and overlap between the Strategic Plan and the 2007 Annual Plan of Work, at least eight activities in the Annual Plan of Work are not, to a discernable degree, connected to activities in the Strategic Plan. This may be due to a need to establish a more direct interface between the Annual Plan of Work and the Strategic Plan. This would begin through a modification and update of the Strategic Plan.

Six of the eight Annual Plan of Work activities that do not have a corollary in the Strategic Plan pertain, to various extents, to hatchery, dam, and building/ infrastructure upgrades, renovations, and improvements. As such, the Bureau of Engineering and Property Services is more heavily involved in the completion of activities contained in the Annual Plan of Work than in the current activities contained in the Strategic Plan.

In light of the PFBC's 2007 reorganization, both the Strategic Plan and the Annual Plan of Work for 2008 may need to be modified or updated to ensure clear identification of parties responsible for completion of activities. Such an update may also provide an opportunity for the Commission to further integrate elements of its Annual Plan of Work into the Strategic Plan.

The Wildlife Action Plan

The PFBC must utilize, for the purpose of financial eligibility, plans established internally or in cooperation with other state agencies for the purpose of receiving grant monies. One component of planning for compliance with these programs is to include funding assumptions in bureau budget requests. As will be mentioned in the discussion of the connection of the Strategic Plan to the Commission budget, a number of such funding assumptions have been included in bureau strategic initiative submissions.

Other plans have been developed through the Commission's involvement with federal grant programs. The federal State Wildlife Grant program requires development of a state Wildlife Action Plan (known technically as a "Comprehensive Wildlife Conservation Strategy") for eligibility. Pennsylvania's Wildlife Action Plan was developed jointly by the PFBC and the Pennsylvania Game Commission (PGC).

The plan was developed through a facilitated meeting hosted by the PFBC and PGC that included conservation partners from across Pennsylvania who worked together to identify the overall vision, issues, and goals of the plan. These partners continued to provide comments and suggestions as the staff of the PFBC and PGC worked to develop strategic and operational objectives for the plan. Other inputs involved in the development of the plan were meetings of scientific committees of the Pennsylvania Biological Survey, collaboration with the Pennsylvania Biodiversity Partnership, a public opinion survey, and a series of other assorted facilitated meetings with a particular species or habitat focus.

The plan contains five "guiding principles," identifies primary challenges to conserving wildlife in Pennsylvania, and includes a series of recommended actions to conserve Pennsylvania's wildlife. A series of habitat and species conservation and preservation projects are then presented, each with project goals that consist of strategic and operational objectives.

Components of the Wildlife Action Plan are contained in the PFBC's Strategic Plan (under the Resource Management Activity), with involvement from the director of the PFBC's Human Resources Office and the Conservation Planner.

The PFBC Marketing Plan

The PFBC also has an active marketing plan. The PFBC's Press Office has developed this 18-month work plan to guide marketing and public relations activities through June 2008. The marketing work plan contains a mix of activities aligned with those contained in the Strategic Plan, those that may be accomplished pending anticipated revenue gain, and other activities deemed to have importance to marketing functions. Ties have been established between the marketing work plan and the Executive Office's strategic initiative submission for FY 2007-08. In that submission, a set of five core marketing objectives is provided.

The marketing work plan, which is discussed further in Section VII, includes eight separate "projects."

E. Relationship to the Commission Budget

The current Strategic Plan that was adopted by the Commission in January 2005 was only loosely linked to the agency budget. While there was no formal, dollar-for-dollar linkage between Strategic Plan initiatives and the agency budget, PFBC officials contend that staff was mindful of the costs to complete Strategic Plan activities.

Fiscal Year 2007-08 was the first in which the Commission reports that it attempted to directly link the budgeted costs of Strategic Plan implementation to the budget document. Instructions disseminated to bureau directors for completion of bureau budget requests for FY 2007-08 required each bureau to submit both its main budget request document (i.e., budget narratives, requests by organizational unit, and project request forms) as well as "Strategic Initiative Submission" for each Strategic Plan initiative assigned to the bureau. The bureau directors were informed that, "while the Strategic Initiative document is separate from your Budget Request, they should be tied together."

Exhibit 13 provides a summary of strategic initiative assignments, by bureau, for FY 2007-08. Instructions for the completion of bureaus' strategic initiative submissions first identified each initiative and the party (individual or group of individuals) responsible for completion of a strategic initiative submission of two pages or less. The instructions did not direct that all of the initiatives in the Strategic Plan be linked to the budget and only two of the five bureaus and the Executive Office were assigned strategic initiatives to implement in FY 2007-08. Further, the instructions stated that, "the budget numbers identified in the Strategic Initiative need to be included in the total budget for each bureau." The instructions also noted that the format "emulates the Federal Assistance narrative required for all federal projects."

Exhibit 13

PFBC Strategic Initiative Assignments, by Bureau
(FY 2007-08)

Executive Office.....	<ul style="list-style-type: none"> • Non-Traditional Funding Partnerships • Marketing and Public Relations • Natural Resources Leadership Development Program
Bureau of Fisheries	<ul style="list-style-type: none"> • Three Rivers Ecological Research Center Director • Expansion of Fisheries Management • Reengineer Trout Fishing Opportunities • Staffing the Division of Habitat Management • PFBC and DCNR Habitat Collaboration • Fish Passage Technical Assistance • West Branch Fish Passage Development
Bureau of Boating and Education.....	<ul style="list-style-type: none"> • Lake Erie Access Improvement Program • Boat Access Improvement Program

Source: Compiled by LB&FC staff from FY 2007-08 bureau budget submissions.

The instructions stated: “Most of these initiatives have overall agency budget impacts and will require involvement across bureau lines.” As such, the instructions called for cooperative development of strategic initiative submission narratives among “all impacted bureaus and divisions.”

It is evident from a review of the Executive Office and bureau strategic initiative submissions for FY 2007-08 that cross-bureau and inter-agency cooperation is planned on a number of the initiatives. For example, while the initiative “Non-traditional funding partnerships” is assigned to the Executive Office, it will require the cooperation of the Bureau of Administration and Bureau of Fisheries for completion. Further, while the ongoing Strategic Plan activity “Staff Development” is being led by the Human Resources Office, it involves accountability from all bureau directors.

Exhibit 14 shows the format of the strategic initiative submissions completed by responsible bureaus. For purposes of illustration, the submission provided for the Lake Erie Access Improvement Program, as submitted by the Bureau of Boating and Education for FY 2007-08, is provided.

Table 23 provides a breakdown of the amounts that PFBC organizational units budgeted for assigned strategic initiatives for FY 2007-08. As shown, approximately \$7.1 million was budgeted for completion of strategic initiatives in FY 2007-08. The Bureau of Boating and Education’s strategic initiatives represented over 60 percent of the total budgeted costs, although that bureau has only two

Sample Format of a PFBC Bureau Strategic Initiative Submission
 (Example: FY 2007-08 Lake Erie Access Improvement Program)

<i>Initiative Name and Description.</i> Use this section to briefly describe this initiative.					
<i>Lake Erie Access Improvement Program.</i> The purpose of the Pennsylvania Fish and Boat Commission's Erie Access Improvement Program is to provide grants to county and municipal governments and qualifying organizations (501(c) (3) organizations) for acquisition of lands and/or other property rights, and the development, improvement, or rehabilitation of public access sites located on the waters of the Commonwealth in the Lake Erie Watershed.					
<i>Objective.</i> Provide a brief one sentence summary of what is to be accomplished: Acquire through fee simple or easement agreement, fishing access to three miles of streams.					
<i>Approach.</i> Identify how you plan to achieve the objective. Identify the work to be performed, specific procedures, schedules, cooperators, etc: Staff will work through local government partners to identify parcels of opportunity and pursue acquisition through grants to local government units or through direct transactions. Special efforts will be directed at commercial or semi-commercial owners of property bordering key streams in Erie County to determine willingness to provide public access. Additionally, the Commission will continue to contact landowners along streams to encourage their participation in the program. The Commission will also pursue direct purchase opportunities and acquire property for parking and angler access.					
<i>Expected Results and Benefits.</i> Identify what benefits may be realized: The public will have perpetual access to additional areas to utilize the Lake Erie Steelhead fishery.					
<i>Measures and Outcomes.</i> Specify how progress will be measured and identify any tangible products: <div style="margin-left: 40px;"> <u>Measure 1.</u> Additional stream footage under public easements available for fishing. <u>Measure 2.</u> Public satisfaction with the use of Lake Erie Permit monies. </div>					
<i>Outcomes:</i> Additional fishing days on Lake Erie watershed streams.					
Estimated Costs – Provide budget information for each organizational unit (bureau or division)					
Budget Category	<u>2140</u>	<u>Organizational Unit</u>			<u>Total</u>
		<u>Unit #</u>	<u>Unit #</u>	<u>Unit #</u>	
Personnel (100).....	\$ 53,000	\$0	\$0	\$0	\$ 53,000
Operating (300)	25,000	0	0	0	25,000
Fixed Assets (400)	300,000	0	0	0	300,000
Grants (600)	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u>
Totals.....	\$678,000	\$0	\$0	\$0	\$678,000
Source: Compiled by LB&FC staff using PFBC budget narrative and budget submission instructions for the FY 2007-08 budget.					

initiatives assigned for FY 2007-08. The Bureau of Fisheries, responsible for seven strategic initiatives in FY 2007-08, budgeted just under 35 percent of the total costs. Finally, the Executive Office, responsible for three strategic initiatives, budgeted the least for activities and actions planned pursuant to its assigned initiatives at five percent of the total budgeted strategic initiative costs for FY 2007-08.

Table 23

Amounts Budgeted for Strategic Initiative Implementation
(FY 2007-08)

<u>Strategic Plan Activity</u>	<u>Amount</u>
Marketing/Public Relations.....	\$ 294,300
Boat Access Improvement	3,631,000
Fishing Access Improvement	678,000
Reengineer Trout Fishing Opportunities	280,000
Target Soft Money Sources	10,000
Resource Management Initiatives.....	2,188,490
Employee Development	<u>50,000</u>
Total.....	\$7,131,790

Source: Compiled by LB&FC staff using FY 2007-08 bureau budget requests and strategic initiative submissions.

The \$3.6 million budgeted for the initiative Boat Access Improvement equates to approximately 51 percent of the \$7.1 million budgeted for Strategic Plan initiatives in FY 2007-08. Resource Management Initiatives represent nearly 31 percent of the total budgeted for strategic initiatives in FY 2007-08, at nearly \$2.2 million, with the remaining five strategic initiatives accounting for the remaining 18 percent of the \$7.1 million budgeted.

While the PFBC has begun linking its budget to the Strategic Plan, the agency’s budget request submitted to the Governor’s Office of the Budget does not contain a separate accounting of actual and budgeted costs for completion of strategic initiatives. A narrative is included, however, that provides the Strategic Plan’s overriding strategies, operational objectives chosen for implementation, and a description of steps taken to meet operational objectives in support of the strategic priorities. The narrative includes some actual and budgeted costs of activities completed in support of or related to the strategic initiatives.⁸

Senior PFBC staff identified several intricacies they have found increase the complexity of tying the Strategic Plan to the agency budget. The requirement of the PFBC to budget by organizational unit and fund presents a significant barrier to tying initiatives to the budget. The PFBC is required by the Office of the Budget to

⁸The agency presentation in the Governor’s Executive Budget also does not include a summary of or costs associated with PFBC strategic initiatives. Pursuant to the Commission’s contribution to the Commonwealth program subcategory “Recreational Fishing and Boating,” associated program measures are reported, some of which appear in the PFBC’s “Strategic Plan Implementation Activities and Project Plans” document.

craft the agency budget by major and minor objects of expenditure within organizational units for both the Fish Fund and Boat Fund. This requirement makes budgeting for initiatives in which multiple bureaus are responsible for partial implementation very difficult, since PFBC staff currently does not have an accounting system equipped to, in a reasonably expeditious fashion, accurately account for all costs within each organizational unit assigned responsibility for completion of an initiative.⁹

Another difficulty is budgeting for and capturing all actual costs for completion of strategic initiatives that span several fiscal years. This is of particular concern in cases in which commitments of expenditure have been made in a prior fiscal year for which payment will be made in the current fiscal year when work is completed. Given the current format of the Commission's budgeting for strategic initiatives, such expenditures would not be reflected.

PFBC senior staff also expressed concern as to whether all costs of completing strategic initiative actions and activities are reflected in each bureau's total budget request. As discussed, bureau directors were instructed to include amounts budgeted for strategic initiative submissions in their total bureau budget request for FY 2007-08. According to PFBC senior staff, completion of actions and activities pursuant to fulfillment of strategic initiatives is not intended to be considered an unreasonable imposition of additional duties above and beyond routine duties performed by the bureau. However, the fact that it may be viewed as such by some bureau directors at times, and may in fact require independently increased costs in organizational units, presents both a perceptual difficulty and additional cost assumptions included in bureau budget requests.

This has, reportedly, occurred to some degree among the bureau directors when preparing strategic initiative submissions. Specifically, the requirement to cost-out strategic initiatives by organizational unit may conceivably be used by some bureau directors as a justification for requesting additional personnel and operational expenditures.

Another related concern regarding separate budgeting for strategic initiatives is mainly perceptual. That is, PFBC senior staff indicated that the potential exists for the amounts budgeted for strategic initiatives being viewed as expenditures above and beyond the total necessary to operate the agency. This could occur, for example, when scrutinizing the reasons for the budgeted costs of just over \$7 million for completion of strategic initiatives in FY 2007-08, compared to the total expenditures that have, in recent fiscal years, totaled over \$40 million from both the Fish Fund and Boat Fund.

⁹However, progress has reportedly been made with tracking expenditures in this way for federal programs. Through the use of federal internal order numbers, federal program expenditures may be tracked by program.

This may lead to or reinforce a perception that some strategic initiatives should not be of such high priority given the fiscal constraints imposed upon the Commission by virtue of declining Fish Fund and Boat Fund revenues and uncertainties in federal funding, and in conjunction with the Commission's "austere" approach to budgeting.

F. Degree of Agency-Wide Involvement With the Strategic Plan

Successful implementation of a strategic planning process requires agency-wide knowledge, understanding, and "buy-in" among all staff and organizational units. To assess the degree of agency-wide involvement with the Strategic Plan, we interviewed PFBC bureau directors and members of the Executive Office. Opinions, attitudes, and knowledge of the Strategic Plan were also gauged from focus groups of mid-level managers, rank-and-file employees, and PFBC stakeholder groups conducted for the LB&FC by Responsive Management, Inc.

Interviews With PFBC Bureau Directors

Directors of both the Bureau of Law Enforcement and the Bureau of Engineering and Development indicated that the activities performed by their bureaus serve a supportive or assistive role in overall agency fulfillment of the Strategic Plan. That is, while neither bureau is assigned lead responsibility for any Strategic Plan initiative or activity, the work completed by each bureau contributes indirectly and across bureau lines to assist in the completion of activities and initiatives by other bureaus. For example, the director of the Bureau of Engineering and Development indicated that the maintenance of fish hatcheries, dams, and access areas, in their totality, contribute directly to the quality of the fishing and boating experience and the public's perception of the Commission's performance.

Similarly, bureau-specific initiatives may fall outside of the Strategic Plan, but are in some way related to its components. This was found to be the case with two bureau directors to whom we spoke. The director of the Bureau of Law Enforcement indicated that the bureau has introduced an informal employee succession program that, when hiring or promoting individuals into positions within the bureau, assesses individuals' potential for filling the next position above that for which they are applying. In addition, bureau employee performance evaluations include factors that evaluate how well their assistants are trained and capable to perform managerial functions in their absence.

While not being completed explicitly for the purpose of the Strategic Plan, such activities appear to address the "Staff Development" Strategic Plan activity which has workforce planning as a component. However, while the bureau director believes that these initiatives serve the purposes of the bureau well, they may not be of the same utility to other bureaus within the Commission.

The Director of the Bureau of Administration indicated that he has both direct and indirect assignments related to the Strategic Plan, insofar as while his bureau has direct activities assigned in the plan and he is a member of the Strategic Plan policy group, he also provides logistical and research assistance to other bureau directors towards the implementation of Strategic Plan objectives and tasks.

Several bureau directors indicated that, in their views, the Commission's Annual Plan of Work is much more instrumental than the Strategic Plan in guiding agency activities and operations. In this regard, one bureau director expressed the belief that bureau staff work towards the Strategic Plan when required by agency leadership, but may not tailor operations directly to assigned duties in the Strategic Plan.

One bureau director pointed out that while his bureau is required to develop annual goals and objectives to qualify for certain federal grants received by the bureau, such goals and objectives are not included in the agency Strategic Plan.

Some bureau directors expressed the sentiment that, despite involvement in the early steps of the plan's development, their input had marginal influence on the components of the Strategic Plan, or that activities completed by their bureau failed to be included in the completed Strategic Plan. One director indicated that the plan is relatively difficult to implement at the bureau level due to a low number of measurable tasks (including some bureaus with no tasks assigned), and is more heavily focused on vision and strategies.

Focus Group Results

Focus groups of mid-level managers found that while "most mid-level managers expressed awareness of the Strategic Plan, the majority were relatively unfamiliar with specific aspects of its content." Some mid-level managers sought to obtain a copy of the plan on their own, as they stated the Commission did not provide them a copy. There was also a low level of awareness of the Strategic Plan among rank-and-file employees, with many claiming never to have seen a copy of the plan.

Among stakeholder focus group participants, the summary prepared by Responsive Management cited a "vast majority" being unfamiliar with the entire Strategic Plan; while at the same time being aware of select initiatives. Some stakeholder participants noted that the plan itself was somewhat "hard to find."

Rank-and-file staff members and a number of mid-level managers participating in the focus groups generally expressed feelings of confidence and productivity concerning their day-to-day duties and tasks, but showed less knowledge of the agency's mission and goals, and appeared to "lack a clear sense of how their individual job fits into the larger picture of the agency's direction." Increased communication that addressed these concerns, according to both mid-level managers and

rank-and-file employees, would create a broader sense that their job was “more meaningful.” Similarly, stakeholder group participants “overwhelmingly voiced interest in participating in a Commission planning process.”

There was also sentiment among mid-level managers that, while some are aware of the Commission’s overall goals and a few had participated in the planning process, “most felt that directives received from the state legislature rarely included their input.” Rank-and-file employees expressed the belief that “the state legislature and Commission representatives in Harrisburg are solely responsible for directional focus of the Commission.” No rank-and-file employees reported involvement in the strategic planning process.

At the same time, many staff members spoke positively about “past training events and team-building exercises,” which they “found to be beneficial to their work.” Agency staff also expressed a desire to gain greater familiarity with the agency mission, the agency’s hierarchy and division of labor, and “a firm concept of the strategic goals of the Commission.” According to many mid-level managers and rank-and-file employees, “more uniform training” was desired that would focus on “clear operational instructions and guidelines as opposed to administrative details.”

Mid-level managers and rank-and-file employees expressed a feeling of “perceived exclusion” from input on issues of “agency decision-making and directional focus.” These feelings, according to the report, are “most evident in the discussions on the Commission’s Strategic Plan and the planning process that preceded the Strategic Plan.”

Furthermore, some rank-and-file employees reported “poor communication with local bureaus in agency decisions.” Stakeholders also cited lack of communication from the Commission “regarding details of its decision-making,” and reported no participation in the planning process.

According to the focus group results compiled by Responsive Management:

. . . the overwhelming majority of Commission employees appeared insufficiently knowledgeable of both specific content of the Strategic Plan and the planning processes leading up to the Plan (i.e., how the Plan was drafted, the make-up of the committee drafting the Plan, whether or not suggestions and comments could be submitted regarding the Plan, etc.).

Exhibit 15 provides a summary of information obtained through the focus groups conducted of PFBC mid-level managers, rank-and-file employees, and state-wide and regional stakeholder groups regarding their opinions, attitudes, and involvement with the Commission’s Strategic Plan.

Summary of Focus Group Perspectives on the PFBC Strategic Plan

Understanding of the Commission's Strategic Plan

- Although most mid-level managers expressed awareness of the Strategic Plan, the majority were relatively unfamiliar with specific aspects of its content. Some mid-level managers reported having to seek out a copy of the Plan on their own in order to familiarize themselves with it, as they had not been provided a copy by the Commission.
- In general, there are low levels of awareness among rank-and-file employees regarding specific goals of the Strategic Plan. Many rank-and-file employees had not seen a copy of the Strategic Plan.
- Moreover, there appears to be a disconnect between the goals outlined by the Strategic Plan and the day-to-day job duties carried out by bureau employees; several mid-level managers noted that individual Commission employees may not be fully aware of the overarching goals dictating the work and activities of both managers and rank-and-file employees.
- The vast majority of local stakeholders were unfamiliar with the Commission's Strategic Plan. Some local stakeholders mentioned hearing about parts of the Plan (one example being the Lake Erie Trout Stamp), but were unaware of the entire list of points.
- Similarly, most statewide stakeholders had little if any familiarity with or knowledge of the Strategic Plan, with some stakeholders noting that the plan is "hard to find."

Understanding of the Commission's Planning Process

- Most mid-level managers were unfamiliar with the Strategic Plan planning process. One or two mid-level managers had actively taken part in a Commission planning process of some kind, but most felt that directives received from the state legislature rarely included their input.
- Not surprisingly, the sense of familiarity with the Commission's overall goals (and how individual bureau work fits into those goals) is greater among mid-level managers than among rank-and-file employees. Many rank-and-file employees believe that state legislature and Commission representatives in Harrisburg are solely responsible for directional focus of the Commission.
- Some rank-and-file employees felt disillusioned with Commission planning efforts in general, citing the Commission's poor communication with local bureaus in agency decisions: one rank-and-file employee mentioned that people had complained to him about there being an overabundance of fish in and around Harrisburg waters, while smaller local ponds throughout the state were stocked insufficiently. The perceived exclusion of local bureaus and lack of input from Commission employees statewide in agency decision-making was a major issue discussed in the rank-and-file group.
- Not surprisingly, the majority of local stakeholders were not aware of a planning process for the Strategic Plan and thus had not participated.

Exhibit 15 (Continued)

<u>Understanding of the Commission's Planning Process (Continued)</u>
<ul style="list-style-type: none">• In discussing Commission planning, several local stakeholders emphasized the need for greater communication and disclosure from the Commission regarding details of its decision-making.• Statewide stakeholder participation in a Commission planning process was extremely low, with virtually the entire group having not participated.
<u>Opinions on Improvements to the Commission's Planning Process</u>
<ul style="list-style-type: none">• As previously noted, both mid-level managers and rank-and-file employees would like to see the Commission include greater input from local bureaus in agency-wide decision-making. There were no participants in the rank-and-file group who took part in the planning process for the Strategic Plan.• Both mid-level managers and rank-and-file employees desire a better process for familiarizing employees with the goals of the Strategic Plan; similarly, both groups mentioned problems arising from employee turnover, specifically when new employees of the Commission fail to receive proper training.• Both mid-level managers and rank-and-file employees stressed the importance of intra-agency communication as a way to reinforce the goals of the Strategic Plan; many noted that their jobs would be more meaningful if they had an idea of how they fit into the big picture of the Strategic Plan (though it is important to note that all employees indicated feeling productive within their individual tasks and day-to-day assignments).• To improve planning and communications with Commission decision-makers, local stakeholders suggested inviting the public to committee meetings or updating the public regarding the committee's agenda (one member suggested putting the agenda online).• As in other groups, statewide stakeholders recommended that the Commission be more inclusive of the general public and of stakeholder organizations in its planning processes. Statewide stakeholders overwhelmingly voiced interest in participating in a Commission planning process.

Source: Compiled by LB&FC staff using information obtained from a report by Responsive Management, Inc. entitled, *Employees' and Stakeholders' Opinions on the Pennsylvania Fish and Boat Commission and Its Programs and Activities* (2007).

G. Implementation Status of Strategic Plan Operational Objectives

Since 2004, the PFBC has made progress in implementing the nine operational objectives contained in the agency's Strategic Plan:

1. Develop Specific Marketing and Public Relations Initiatives Targeted at Key audiences.

A marketing function has been established, a marketing specialist hired, and an agency marketing plan developed. See Section VII.B. (under "Angler Retention, Promotion, and Expansion") for further information and Commission marketing plans through FY 2008-09.

2. Develop and Implement a Boating Access Improvement Program.

In 2005, the PFBC implemented the Boating Facility Grant Program to "help ensure Pennsylvania's recreational boaters are provided with the highest quality boating facilities on all navigable water bodies of the state." This program is designed for public entities that have or will have the capability to provide boat access facilities that are open and available for general public use. A competitive grant program was developed to support planning, acquisition, development, expansion, or rehabilitation of public boating facilities. (See Section VII.A. for further information.)

3. Develop a systematic approach to improve streamside and shoreline angling opportunities.

During FY 2006-07, the PFBC initiated the Lake Erie Access Improvement Program. The purpose of this program is to provide grants to county and municipal governments and qualifying organizations (501(c)(3) organizations) for acquisition of lands and/or other property rights, and the development, improvement, or rehabilitation of public access sites located on the waters of the Commonwealth in the Lake Erie Watershed. (See VII.A. for further information.)

4. Reengineer trout fishing opportunities to improve the attractiveness to anglers.

In 2005, the PFBC reorganized its Bureau of Fisheries to help reengineer fish production efforts and the resulting fishing opportunities. The reorganization was done to improve reporting relationships, streamline workflows, and to strategically maximize personnel resources in the delivery of traditional and new services. During FY 2006-07, the PFBC also established the Three-Rivers Ecological Center program and Habitat Management Division offices.

Consistent with this objective and the Executive Director's 2007 Annual Plan of Work, the agency is also undertaking a complete review of the trout management plan. The plan, which is scheduled to be completed in October 2008, will consist of the following major elements:

- Fisheries Management
- Fish Production
- Habitat Management
- Environmental Protection

As a preliminary step, PFBC staff updated a document entitled, "History of the Management of Trout Fisheries in Pennsylvania." Staff plan to continue expansion of this document. At the September 2007 Commission meeting, the Board of Commissioners participated in a facilitated workshop session to obtain the input of the Commissioners on key issues that they feel need to be addressed in each of the above four major elements in the updated trout management plan. An open forum discussion session was also held to garner additional input from the Commissioners on the updated plan.

The Commission plans to convene a series of three trout work group meetings, which will include PFBC staff and anglers both affiliated and unaffiliated with stakeholder groups. The first trout work group meeting was held in November 2007, with the second and third meetings tentatively scheduled for spring 2008. To obtain additional public input, PFBC staff also plans to coordinate a statewide telephone survey in 2008.

Following completion of an initial draft of the updated trout management plan, the Commission intends to convene a series of public meetings through which to solicit comments on the plan. Staff also intends to provide public updates on the status of the updated plan on its website.

The Commission also completed interviews with anglers on trout-stocked streams to gauge their opinions on the stocking of fewer but larger trout (in a 2005 survey) and on satisfaction with dual opening days in the 2007 season. In both cases, the majority of anglers interviewed supported the initiatives. The Commission intends to continue the strategy of stocking fewer but larger fish in 2008 season (See Section VII.B. for further information).

In a related activity in the Annual Plan of Work, the Division of Fish Production is engaged in a "hatchery program review" scheduled for completion in mid-2008. Included in the review are fish production needs, current and potential production, and hatchery staffing and expenses. The Commission may use this review in making decisions regarding modifications in hatchery alignment and staffing.

5. Increase revenue from “soft” sources like pollution and habitat mitigation, grants, and other partnerships.

The PFBC has taken actions to enhance its ability to identify and fully use non-traditional funding resources available to the Commonwealth in support of programs that help meet the PFBC’s mission. During FY 2004-05, the PFBC added a Conservation Coordinator position to its complement. This individual undertakes efforts designed to help increase revenue from “soft” sources like pollution and habitat mitigation, federal and private grants, and other partnerships. To fill this position, the PFBC reallocated one existing staff position from its complement. (See Section VII-J for further information.)

6. Develop and implement a comprehensive legislative strategy.

A statement of the Commission’s overall legislative priorities and strategy is developed on at least an annual basis and evolves with the input of senior staff. The pursuit of General Fund money to fund agency activities related to the management of non-game species and the Commission-led water rescue training program remain high priorities. Other high priorities that are being pursued include securing authorization for capital improvements (either through increased debt authorization or possible General Fund assumption of debt), creation of a youth fishing license (See Section VII-I), and obtaining authorization to pass the cost of the PALS transaction fee to the customer.¹⁰ For a complete list of bills pending pertaining to the PFBC, see Appendix D.

7. Identify and communicate the roles of the commissioners and staff.

At the Commission’s July 2007 meeting, the Board of Commissioners approved and agreed to adhere to the content of a policy manual for the Pennsylvania Fish and Boat Commission. This policy manual addresses the need to: (1) establish board accountability; (2) define a governing style; (3) adhere to a committee policy; (4) outline the board’s relationship with the executive director; (5) set executive director limits; (6) refine roles in human resources issues; (7) characterize and convey proper personnel management responsibilities; and (8) follow strict guidelines for political activities.

8. Develop an agency-wide employee development and succession plan.

As identified by the PFBC Human Resources Director, the Commission Employee Development and Succession Plan has two components: (1) the anticipation of employee turnover, especially of possible retirements, and (2) the development of necessary skills and leadership potential within the existing workforce so that staff vacancies can be more quickly filled by current employees who have already

¹⁰Authorization to pass on the transaction fee to the customer was granted by Act 2008-2, signed on February 4, 2008.

demonstrated the requisite skills and qualifications for these positions. The application of these two components is viewed by PFBC officials as necessary to maintain continuity in programs as well as an acceptable level of service to the public.

The PFBC uses an automated retirement projection program, developed by the Office of Administration, to produce information related to potential agency workforce retirement projections four years into the future. These projections become the basis for planning efforts and strategies to respond to vacancies, especially in management and supervisory positions, when they occur.

The second component is addressed through the “Natural Resources Leadership Development Program” which the PFBC has adopted as a means to mitigate the potential loss of persons holding key leadership positions in the agency. The Commission contracts with a New York firm, Progress Associates, as a training consultant to deliver training sessions several times per year for the benefit of PFBC employees with leadership potential and interest in advancement within the agency. The Human Resources Director indicated that this type of program has become a national trend in recent years among natural resource agencies to enhance the core competencies as well as leadership potential of their staffs.

9. Develop a coordinated, agency-wide approach to aquatic resource management protection and conservation.

The centerpiece of this Strategic Plan activity is the PFBC’s use of Pennsylvania’s Wildlife Action Plan. As discussed, the plan was developed jointly by the PFBC and the Pennsylvania Game Commission (PGC). The PFBC Director of Human Resources and the Conservation Planner share primary responsibility for the implementation of this initiative. Efforts initiated to address this activity are ongoing and multi-year in design.

A major component of this activity is a cooperative effort with the PFBC’s developing Conservation Assembly in identifying new funding sources for species and habitat management activities contained in the Wildlife Action Plan. Staff is also to continually update project updates connected to the Plan through the production of press releases and through the PFBC website.

There is evidence of significant progress made in this area, as the Commission’s Conservation Planner is actively pursuing non-federal matching funds for projects contained in the Wildlife Action Plan. Creation of the Three Rivers Ecological Research Center is another proactive step taken by the Commission to address waterways habitat needs. Additionally, the Commission continues with its Landowner Incentive Program, which targets grants to private landowners (technical and financial assistance) to address issues concerning species of special conservation concern as determined through the Wildlife Action Plan.

VII. PFBC Performance in Selected Program Areas

A. Preserving and Ensuring Waterways Access

Two prioritized objectives in the PFBC's Strategic Plan relate specifically to waterways access. These objectives are stated, as follows: (1) to develop and implement a "Boating Access Improvement Program; and (2) to develop a systematic approach to improve streamside and shoreline angling opportunities. The Executive Director's "2007 Annual Plan of Work" also provides for the development of a statewide fishing access program. This section of the report defines the access issue and examines PFBC actions to address it.

What Is the Access Issue?

Pennsylvania has 83,000 miles of rivers and streams ranging from headwaters to major river systems. Moreover, the state contains over 200,000 acres of lakes as well as 735 square miles of Lake Erie waters. To be able to use these resources for recreational fishing and boating, however, the public must be able to access the waters.

The PFBC controls—either through direct ownership, lease, or easement—approximately 33,500 acres of land on which there are four dozen lakes and nearly 250 boating access or shoreline fishing areas. Other state agencies as well as counties and local municipalities also control lands and facilities at which access to public fishing and boating is made available. Of the state's stocked trout waters, however, 83 percent are located on private lands, while 70 percent of wild trout waters and 59 percent of Class A trout waters are also on private lands. As such, public fishing access has historically been dependent upon the agreement of private landowners to open their lands for fishing activities and is, therefore, susceptible to increased privatization.

The PFBC reports that "the number one reason waters are removed from active management programs (like stocking) by the Commission is because of increased landowner posting in response to poor behavior such as littering, building open fires, trampling farm fields and blocking driveways and access roads." According to PFBC officials, many of the prime fishing destinations in the Commonwealth have become difficult or impossible to access due to posting of the properties and privatization. This trend has increased in recent years, according to the PFBC, due to landowners having liability concerns about keeping their property open to the public.

Public access issues can be classified into two categories: (1) access to waters and (2) access to private land that needs to be crossed to get to the waters.

Access to Waters

The common law generally grants rights to persons who own real property that is either underlying or bordering rivers, streams, and other waterways. This “riparian doctrine” addresses the allocation and use of waters flowing in a natural watercourse and confers upon riparian owners the non-exclusive right to use the water that is available upon and that flows through their land. The public, however, may also have rights to access and use the water of a stream or waterway (for fishing or boating, for example) depending on the legal status of that waterway. If the stream is a “public” waterway, then title to the bed of that stream does not belong to the riparian owner but is deemed held in trust by the Commonwealth for the benefit of the public.¹ Therefore, as a public waterway, the public has a right to fish there. If the waterway is not “public” then title to the bed of that waterway is held by the adjacent riparian landowner(s) and the public does not have a right to access it.²

“Public” waterways in Pennsylvania include the great or principal rivers of the Commonwealth—the Ohio, Monongahela, Youghiogheny, Allegheny, Susquehanna (and its north and west branches), Juniata, Schuylkill, Lehigh, and Delaware Rivers. Public waters also include, however, all other “legally navigable” rivers, streams, and lakes. The law becomes somewhat complex and gray on the point of what other waterways are “legally navigable.” There is no definitive list of “navigable” waterways and the test of “navigability” is whether the waters are used, or are susceptible to being used, in their ordinary condition, as highways for commerce “over which trade and travel are or may be conducted in customary modes of trade and travel on water.” This is an historical test, meaning if the water met the navigability test at any point in its history—dating back to when William Penn was granted charter to Pennsylvania—it remains a legally navigable waterway.

Determinations on whether a stream qualifies as navigable water can be difficult, with historical evidence, legislative enactments from early days of the state, and scientific information being used to reach the conclusion. PFBC is not, however, authorized to decide “navigability.” The courts have addressed the issue with relatively recent cases upholding that both the Lehigh and Little Juniata rivers are navigable and subject to the public’s right to access them.³

¹Article I, Section 27 of Pennsylvania’s Constitution states that “Pennsylvania’s public natural resources are the common property of all the people, including generations yet to come.”

²The law, however, recognizes a “navigation servitude” that gives the public the right to find the way by boat across the non-public waters. No fishing is allowed under this “navigation servitude.”

³See, Lehigh Falls Fishing Club v. Andrejewski, 735 A.2d 718 (Pa. Super. Ct. 1999); and Pennsylvania v. Espy, No. 03-781, No. 03-1297 (Ct. Common Pleas, Huntingdon County, June 13, 2007). The latter case is currently on appeal to the Commonwealth Court with arguments expected to take place in early 2008.

Access to Adjacent Private Lands

A person who has properly entered a public waterway through a public access point is permitted to wade, boat, float, or otherwise be in the waterway even where it passes through private property, but the right of the public to access public waters does not give the public the right to cross private lands to get to the water. Working to gain the right of entry to waterways across private lands was identified by the PFBC as their main issue today regarding access. As such, the PFBC regularly meets with private landowners to negotiate easements across the landowner's property for gaining fishing access. The major focus of the PFBC's activity in this area is in the Lake Erie region and through the Erie Access Program, discussed later in this section.

As stated above, privatization of fishing waters on private lands has increased in response to liability concerns and poor behavior of the public on the land. The Recreational Use of Land and Water Act (RULWA), 68 P.S. §477-1 *et seq.*, was enacted in 1966 to encourage land owners to make land and water areas available for public recreational purposes and limits a property owner's liability toward persons entering their property by providing that a landowner who opens his property free of charge to the public for recreational use—such as hunting, fishing, swimming, boating, camping, picnicking, hiking, nature study, water skiing, water sports, cave exploration, and viewing or enjoying historical, archaeological, scenic, or scientific sites—has no duty of care to keep his property safe for recreational purposes or to warn the public of any dangerous property conditions.⁴ Pennsylvania courts have read the RULWA narrowly, holding that the act applies to lands that are largely unimproved in character and where no admission fee is charged. While the definition of “land” under the RULWA specifically includes “buildings, structures and machinery or equipment when attached to the realty,” Pennsylvania courts have held that RULWA coverage does not extend to certain situations concerning property that has been improved.

The PFBC believes it is unclear, therefore, whether the legal protections of the RULWA apply to fishing and boating related improvements to realty such as access ramps and paths (including ramps for persons with disabilities), hiking trails, fishing and boating piers, boat launch ramps, docks, stream improvement projects, dams and impoundments, parking lots, and hunting blinds. The PFBC reports that the protection afforded by the RULWA is a major factor leading many public and private landowners to permit free public hunting, fishing, boating, and other recreational uses of lands and waters. The lack of legal clarity as to what fishing and boating related improvements to land are covered under the RULWA, however, has discouraged some landowners, clubs, and organizations from going forward with proposed projects. PFBC legal counsel believes the RULWA could be

⁴A landowner can still be liable where he either charges a fee for the use of the land or acts willfully or maliciously in failing to guard or warn against a dangerous condition.

modified to help the access issue by legislatively broadening the definition of “land” to specifically cover certain things such as boating access and launch ramps, fishing piers, boat docks, ramps, and access to and parking for these areas.

What Is the PFBC Doing to Address the Issue?

Pursuing Land Acquisitions, Leases, and Easements

To increase access for fishing, the PFBC would need to increase its control over land from which desirable fishing waterways can be accessed. Control of land can be acquired either by purchasing fee simple title to the land, leasing it, or paying for an easement across it. Fee simple title to land would entitle PFBC to the full use of the entire property purchased forever, while leasing the property would allow for the exclusive use of the land for a determinate period. A public easement, however, would allow the public the right to use the land for a specific purpose (fishing access). According to the PFBC, the main issue regarding access pertains to obtaining fishing easements across private property. This more limited and targeted acquisition of access is less costly than acquiring a full lease or ownership of the property.

According to the PFBC, the easements typically acquired by the Commission provide a corridor along a stream that allows the public to wade in and walk along the stream bank for the purpose of fishing. The size and shape of the easement varies but generally it encompasses 25 feet of land from the stream bank on either side of the stream. Easements only allow fishing access; the landowner continues to own and otherwise control the land and may still post the land against other uses, such as hunting, trapping, camping, or hiking. Once purchased, the PFBC marks the boundaries of the easement with signs asking anglers to respect the landowner’s rights and not to trespass outside of the easement boundaries. WCOs conduct periodic patrols through the easement areas.

Since 2004, the PFBC has acquired properties and easements that provide access to approximately 5.7 miles (30,085 linear feet) of streams. For example, at the July 2007 PFBC meeting, the Commission approved the purchase of two new easements for public fishing, boating, and riparian buffer and fishery management. The first was an easement on over 1,400 linear feet of Elk Creek as it flows across a property in Girard Township, Erie County. (Elk Creek provides significant steelhead fishing opportunities in the area and will provide additional trout fishing opportunities.) The second easement was on over 1,885 linear feet of Walnut Creek as it flows across two contiguous parcels in Millcreek Township, Erie County. In addition to the fishing easement, an additional easement for parking along State Route 832 and an access trail from the parking area to the creek over an existing trail along with an easement allows reasonable access between the two creek front easement areas.

Currently, under the Erie Access Improvement Program, the PFBC targets properties that offer good fishing opportunities as well as easy access from the nearest road or bridge. The local Waterways Conservation Officers make the first contact with the landowners. Once a landowner expresses an interest in the easement program, the Waterways Conservation Officers provide the central office staff with the landowner's contact information. Staff then contacts the landowner to discuss the program in more detail and provides the landowner with more information. Once the landowner agrees to an easement or an acquisition, staff prepares an option agreement and provides it to the landowner for signature. PFBC counsel offers supporting guidelines to the program but is not directly responsible or engaged in negotiations with landowners. Landowners are paid based on a rate per bank mile or a proportionate part of a mile owned. Rates vary depending on the waterway and where footpath access or parking is attained.

In addition to the easement program, the Conservation Acquisition Partnership Program (CAP) was created by the PFBC to solicit and accept donations to be used solely to obtain additional access to Pennsylvania's water. Every dollar donated to the CAP program is matched by the Fish and Boat Commission and then these combined funds are used to attract other partners - conservancy, corporations, and others, including federally supported acquisition projects. Moreover, the Boating Facility Grant Program (discussed below) is used to improve access by providing grants to county and municipal governments for the planning, acquisition, development, expansion, and rehabilitation of public boating facilities located on the waters of the Commonwealth.

Initiation of the Boating Facility Grant Program

Strategy 2 of the PFBC's Strategic Long-Range Strategies calls for the PFBC to "invest in activities, resources and programs in order to increase boating and fishing participation in the Commonwealth." One aspect of this strategy is to promote the use of the Commonwealth's water resources by providing public access for recreational boating opportunities.

The Commission currently facilitates access through state ownership and management of about 250 boating access areas and launch ramps. Access to these public facilities is free. However, similar boating access facilities are provided around the state by various county and municipal governments. In January 2005, the PFBC created the Boating Facility Grant Program to help county and local governments improve their boating access sites.⁵ The Program is administered by the Boating Facilities Program Coordinator in the Bureau of Boating and Education. However, staff members from the Bureau of Engineering and Development

⁵The Boating Facility Grant Program is an expansion of the Technical Guidance program under which the Commission had provided engineering and some financial assistance for the construction of small access facilities.

have also been involved in providing technical assistance to grant applicants, reviewing project plans, and inspecting completed projects.

The goal of the Boating Facility Grant Program is to ensure that Pennsylvania's recreational boaters are provided with the highest quality boating facilities on all navigable bodies of water in the state

Program Overview. Boating Facility Grant Funds are available to public entities, including townships, boroughs and municipal and county governments which have or will have the capability to provide boat access facilities that are open and available for general public use. The grant will reimburse recipients for up to 75 percent of the costs for: (1) land acquisition, (2) project design and engineering, (3) development, (4) expansion, and (5) rehabilitation of public recreational boat access facilities.

Activities must benefit and directly support recreational boating. Eligible projects must occur on public lands owned by the project sponsor, or where the sponsor has a long term lease or agreement on the site. Eligible activities include the rehabilitation, expansion, or construction of new boat ramps, bulkheads, courtesy floats, access roads, parking areas, restrooms, signs, and localized landscaping. Grant funds are to be used for major site improvements and not for routine maintenance or operation activities.

Successful applicants must provide a 25 percent grant match, and they must be willing to enter into a long-term agreement to keep the facility open to free public use for its useful life. The PFBC has given priority-funding consideration to applicants that provide more than the required 25 percent match, thereby reducing the total amount of grant funds required to complete the project. The PFBC recognizes that in some instances the cash match is not easily obtainable by the applicant. In select instances, the Commission has approved up to 100 percent of the construction costs.

The Boating Facility Grant Program is a reimbursable grant program. Grant funds are disbursed to the applicant/recipient only after completion of the project occurs and agency staff has verified that the work has been completed.

Program grant funds are available in each annual state fiscal period as authorized and allocated by the PFBC. All work should be completed and final payment made within a one-year period. The Commission may adjust the amount of funds available, application, and consideration dates to meet existing needs or opportunities that may occur. Large projects may be phased in over several fiscal years to maximize leverage, distribution, and availability of funds.

The PFBC gives highest priority to the rehabilitation of existing facilities, followed by expansion of existing facilities, then acquisition and development of new boating facilities. Since funding for the grant program is derived principally from registered motorboats, the highest funding priorities will be those projects that serve or provide direct benefits to this user group. The PFBC recognizes that many access sites are multiple-use (motorized and non-motorized). In general, the Commission will give priority to projects that have 70 percent or more motorized use based on a review of existing use at the site or nearby sites. The Commission will grant priority consideration to projects based on local, regional, and statewide needs such as boat use and number of boaters served, relationship to adjacent or nearby public and private boating facilities (ramps and/or marinas), and needs based on strategic statewide regional or local plans.

The Boating Facility Grant Program funds are derived from boat registration fees, state fuel taxes collected on fuel used in motor boats, and taxes on fishing equipment and motorboat fuel from the Federal Aid in Sport Fish Restoration Program. The PFBC has budgeted \$2 million annually for the program.

Current Status of the Boating Facility Grant Program. A total of 49 separate projects had been approved by the PFBC to receive funding under the Boating Facility Grant Program, as of November 2007. Table 24 provides information on the 49 projects, 16 of which had been completed as of November 2007, and 33 which were still underway.

As shown on the exhibit, the PFBC grant awards total \$4,361,000, representing approximately 36 percent of the total estimated project costs of \$12,262,584. The various projects are located in 27 of the state's counties with Allegheny and Dauphin Counties having five projects each and Cumberland and Lancaster counties having three projects each. The grant amounts range from \$3,000 (Chester and Lancaster County projects) to \$300,000 (Erie County). Typical projects that have been funded by the Boating Facility Grant Program include construction, repair, and rehabilitation of launch ramps, docks, access roads, parking lots, and other safety and public convenience amenities that are likely to attract greater public use of these facilities.

According to the Boating Facilities Program Coordinator, the PFBC discontinued processing subsequent applications for the program in early 2007 so as to allow more of the earlier approved projects to be completed. This temporary slowdown in the program was also necessary to reduce the demands on the Engineering and Development staff in connection with the program. The Coordinator continues, however, to work with applicants and potential applicants interested in receiving approval for their projects to move forward in FY 2008-09. As such, the Coordinator anticipates resuming application processing in early 2008.

Table 24

Summary of Boating Facility Grant Projects and Costs

(As of November 2006)

Completed Projects		Total	Amount of
<u>County</u>	<u>Applicant</u>	<u>Cost</u>	<u>PFBC Grant</u>
Allegheny	Borough of Sewickley	\$ 400,000	\$ 150,000
Beaver	Ohioville Borough	408,226	190,000
Bucks	Middletown Township	25,000	15,000
Cambria.....	Cambria Somerset Authority	25,000	25,000
Carbon	Carbon County Parks	72,911	55,000
Chester.....	East Coventry Township	30,250	25,000
Chester.....	North Coventry Township	4,000	3,000
Cumberland	East Pennsboro Township	147,808	99,000
Cumberland	Lower Allen Township	56,864	25,000
Dauphin.....	Halifax Borough	94,000	65,000
Dauphin.....	Harrisburg City	142,921	111,000
Dauphin.....	Steelton Borough	300,000	150,000
Erie.....	Harborcreek Township	2,600,000	300,000
Schuylkill	Owl Creek Reservoir Commission (Tamaqua)	20,000	15,000
Schuylkill	Schuylkill County	75,000	50,000
Washington	Washington County Planning Commission	119,625	90,000
Subtotal - Completed Projects		\$ 4,521,605	\$1,368,000
Approved Projects		Total	Amount of
<u>County</u>	<u>Applicant</u>	<u>Cost</u>	<u>PFBC Grant</u>
Allegheny	County of Allegheny	\$ 85,000	\$ 65,000
Allegheny	City of Pittsburgh	89,200	50,000
Allegheny	Borough of Sharpsburg	160,000	150,000
Allegheny	Borough of Sharpsburg	387,060	185,000
Beaver.....	Bridgewater Borough	150,512	113,000
Berks.....	City of Reading	81,800	41,000
Berks.....	Union Township	75,000	75,000
Cambria.....	Ebensburg Borough	56,270	40,000
Carbon	East Penn Township	199,000	160,000
Clearfield.....	Borough of Clearfield	45,250	25,000
Clinton	Woodward Township	171,750	118,000
Cumberland	Silver Spring Township	68,595	23,000
Dauphin.....	Borough of Halifax	89,000	55,000
Dauphin.....	Dauphin County	200,000	75,000
Delaware.....	Borough of Norwood	43,240	33,000
Lackawanna.....	Lackawanna County	53,376	40,000
Lancaster	Borough of Columbia	2,100,000	250,000
Lancaster	East Donegal Township	411,203	230,000
Lancaster	Manor Township	4,800	3,000
Lehigh	City of Bethlehem	729,550	125,000
Lehigh	County of Lehigh	132,950	80,000
Luzerne	Hunlock Township	47,500	40,000
Luzerne	Luzerne County	621,000	200,000
Lycoming.....	Loyalsock Township	62,605	27,000
Montgomery	Lower Merion Township	149,100	95,000

Table 24 (Continued)

Approved Projects (Continued)		Total	Amount of
<u>County</u>	<u>Applicant</u>	<u>Cost</u>	<u>PFBC Grant</u>
Montgomery	Lower Providence Township	\$ 52,935	\$ 40,000
Northumberland	City of Sunbury	428,500	150,000
Northumberland	Northumberland Borough	44,140	35,000
Philadelphia	Philadelphia Recreation Dept.	434,743	125,000
Snyder	Selinsgrove Borough	111,800	88,000
Tioga	Borough of Wellsboro	221,500	107,000
Warren	Tidioute Borough	27,500	25,000
Westmoreland	City of Monessen	<u>206,100</u>	<u>125,000</u>
Subtotal - Approved Projects		\$ 7,740,979	\$2,993,000
Grand Total		\$12,262,584	\$4,361,000

Source: Developed by LB&FC staff using information obtained from the PA Fish and Boat Commission.

Administration of the Erie Access Improvement Program

Strategy 2 of the PFBC's Strategic Long-Range Strategies calls for the PFBC to "invest in activities, resources and programs in order to increase boating and fishing participation in the Commonwealth." One aspect of this strategy is to promote the use of the Commonwealth's water resources by improving streamside and shoreline angling opportunities.

Erie County provides a unique environment in the Commonwealth for outdoor enthusiasts. The region is particularly attractive to nature enthusiasts and sportsmen, not only for Presque Isle Bay and Lake Erie but also for its proximity to the other natural areas of northwest Pennsylvania such as Allegheny National Forest. However, the steelhead⁶ fishery on the Lake Erie tributaries annually attracts large numbers of anglers not only from within the state but also visitors from outside the state. Nearly a quarter of a million steelhead fishing trips are made every year, generating more than \$9.5 million in economic activity for the community.

According to a 2004 report on the economic stimulus of the steelhead fishery in Erie County, the steelhead fishery alone accounts for approximately 30 percent of all angler expenditures, 17 percent of total economic output, and 37 percent of the sportfishing related jobs in Erie County. As such, efforts to afford greater public access for sportfishing opportunities in this region have obvious benefit.

The Erie Access Improvement Program, established by Act 2004-159, provides resources including grants and technical assistance to implement acquisition and development projects that are intended to improve fishing access to the Lake Erie Watershed. The Program is administered by the Boating Facilities Program Coordinator in the Bureau of Boating and Education, but also has significant involvement with the Bureau of Engineering and Development. The goal of the Erie Access Improvement Program is to ensure quality public fishing access in the Lake Erie Watershed.

Program Overview. The Fish and Boat Code, 30 Pa.C.S. §2907.2, provides that the proceeds from the sale of the special Lake Erie fishing permits and \$6 of the fees for the combination trout/salmon/Lake Erie permits are to be deposited into a restricted account within the Fish Fund for five years and that this restricted account "shall be used to provide public fishing access on or at Lake Erie and the watersheds of Lake Erie." The funds that are deposited into the Lake Erie account are now, and into the future, restricted to their legislatively intended purposes.

⁶Steelhead is the anadromous (migrating) version of rainbow trout. The breed, originally from Washington State, was stocked by the Pennsylvania Fish Commission into the Lake Erie watershed in 1961 with a single stocking of 15,000 steelhead smolts (juvenile steelhead). The steelhead fishery in Pennsylvania is maintained exclusively by stocking.

Act 159 repealed a provision of the Code that pertained to another Lake Erie restricted account that had been created by Act 1994-79. From 1995 through 1998, Lake Erie stamps were sold to anglers who fished Lake Erie and its tributaries. Money raised through the sale of stamps was paid as recompense to former gill net commercial fishing licensees under a statutory formula and for administration costs. Act 2002-101 provided for the disposition of the remaining funds in this Lake Erie restricted account for the purposes of acquiring property and providing public fishing access on or at Lake Erie, its tributaries, and Presque Isle Bay.

The Commission's program has two core elements: (1) acquisition of property rights (fee simple, easement, lease, etc.) and (2) property development and enhancement. In matters relating to the acquisition of property rights (by the Commission or other parties with the Commission's monetary consideration), formal review and action by the Commission is sought by staff. The Commission has authorized the PFBC Executive Director to approve individual grants of \$100,000 or less, using monies in the Lake Erie restricted account to implement public access development and enhancement projects that do not involve the acquisition of property rights in the Lake Erie watershed. For grants in excess of \$100,000, and all acquisitions of property rights (by the Commission or other parties with the Commission's monetary consideration), staff must seek the Commission's approval.

Commission staff work with partners on potential property acquisitions and development projects that will benefit anglers and boaters in the Lake Erie watershed. The partners include, but are not limited to, state and local government entities, conservancies, and sportsmen's organizations. Partners provide resources (money, manpower, etc.) essential to the successful promotion and implementation of the program.

Erie Access Improvement Grant Funds are available to public entities, including townships, boroughs, municipal and county governments, and non-profit groups as defined and recognized by the Internal Revenue Service. The grant will reimburse recipients for up to 50 percent of the costs for:

- site acquisition (including property purchases, easements, or other property rights);
- development of new access facilities; and
- expansion or rehabilitation of existing access sites (including but not limited to access roads, parking areas, and ADA facilities).

Eligible development projects must occur on public lands owned by the project sponsor or where the sponsor has a long-term lease or agreement on the site. All construction activities must benefit and directly support recreational angler access and fishing.

Current Status of the Erie Access Improvement Program. A total of 13 Erie Access Improvement projects have been approved by the PFBC, as of October 1, 2007, at a cost of \$723,201 to be paid from the Lake Erie restricted account. As presented on Table 25, a total lake or stream frontage in excess of 30,000 linear feet has been or will be acquired through this program. The frontage acquired includes access to Lake Erie and four creeks in the Erie watershed (Crooked, Elk, Twenty Mile, and Walnut). The transactions included three land purchases by the PFBC, five easement purchases, one donation of an easement to the Commission, and four property purchases by local municipalities. The PFBC staff member administering the program informed us that the program has been more focused on the acquisition or granting of easements⁷ because they are generally less expensive and produce the same result.

Funds available in the Lake Erie restricted account appear to be sufficient for current needs. As of the end of September 2007, the balance available in the restricted account was \$1,288,259. In addition to the 13 approved projects, an additional ten projects were pending approval with an estimated PFBC cost of approximately \$898,000, and discussions on 16 potential projects were ongoing.

Creation of an Access Coordinator Position

To further facilitate the Commission's access efforts, the PFBC plans to add a new Access Coordinator position to its complement. The following are several key duties and responsibilities of this position:

- Develop and recommend strategies and implement a statewide public access and lands conservation program that protects land resources and habitats for jurisdictional species and enhances public access opportunities for fishing and boating through fee-simple acquisitions, conservation and fishing easements, and planning.
- Develop and maintain processes for identifying, contacting and negotiating land acquisition and easement transactions with landowners and for evaluating landowner interest in participating in the PFBC's public access and lands conservation program.
- Identify and employ the various sources, types, methods and practices used in identifying funding sources and various funding strategies to maximize public access and lands conservation projects. Utilize and leverage third party participation and funding when possible, including

⁷A public fishing easement is a voluntary and permanent legal contract between a landowner and the Fish and Boat Commission. An easement provides a corridor along a stream that allows the public to wade in and walk along the stream bank for the purpose of fishing. Easements put an encumbrance on the property title that stays on the land even if it is sold or deeded to an heir. Easements under this program provide only fishing access. The landowner continues to own and control the land.

Table 25

**Erie Access Improvement Program:
Projects Approved as of 10/1/2007**

	Total Project Cost	PFBC Cost	Access Acquisitions	Body of Water	Frontage in Linear Feet
Brugger.....	\$ 950,000	\$ 220,000	PFBC acquires easement on property purchased by Fairview Township.	Lake Erie	560
Semelka Acquisition	155,000	100,000	Northeast Township purchases property.	Twenty Mile Creek	1,900
Miller Property	146,000	73,000	PFBC acquires easement on property purchased by Girard Township.	Elk Creek	350
Rathman Property	55,000	55,000	PFBC purchases property.	Elk Creek	1,350
Blake Holliday Property	54,000	54,000	PFBC acquires easement on landowner's property.	Crooked Creek	6,000
Holiday Farm Properties.....	52,000	52,000	PFBC purchases property and easement.	Crooked Creek	2,660
100 Cassidy Campground.....	320,000	50,000	PFBC acquires easement on property purchased by Millcreek Township	Walnut Creek	5,200
Froehlich-Sitter Property	36,000	36,000	PFBC purchases three properties that were owned by a partnership.	Walnut Creek	2,760
Asbury Woods Properties.....	27,000	27,000	PFBC acquires easement on property owned by Millcreek Township School District.	Walnut Creek	2,885
Klimek Property	24,000	24,000	Landowner offers easement to PFBC.	Elk Creek	2,500
PALTA grant.....	42,000	21,000	N/A	N/A	N/A
Old Lake Road Property.....	11,200	11,200	PFBC acquires easement on landowner's property.	Walnut Creek	1,120
Mercyhurst College	<u>1</u>	<u>1</u>	College donates easement to PFBC.	Elk Creek	<u>2,800</u>
Totals.....	\$1,872,201	\$723,201		Total	30,085

Source: Pennsylvania Fish and Boat Commission.

- corporate and foundation grants, endowments, major gifts, and methods and techniques for developing grant proposals and other funding requests.
- Develop requirements for a database containing information pertaining to land acquisition and easements for public access and lands conservation purposes and oversee the maintenance of the database. Coordinate database development efforts with PFBC information management and GIS staff to integrate newly developed databases with existing PFBC databases and work to ensure that data are GIS enabled for easy reference and public use.

Also, the person selected to fill this position will be responsible for supervising the Lake Erie Access Improvement Program, as well as expanding the program to include streams and the remainder of the Commonwealth, and supervising the Boating Facilities Grant Program.

B. Angler Retention, Promotion, and Expansion

What Is the National Trend in Fishing Participation?

National statistics show a continuing decline in the number of active anglers. According to the U.S. Fish and Wildlife Service, “in 2006, 30.0 million U.S. residents 16 years of age and older fished compared to 34.1 million who fished in 2001, a drop of 12 percent.”¹ This decline in the number of anglers nationwide between 2001 and 2006 follows a decrease of less than 1 percent between 1991 and 1996.

Moreover, the U.S. Fish and Wildlife service found that fishing participation in the Middle Atlantic States (Pennsylvania, New York, and New Jersey) was 8 percent in 2006. This tied the Middle Atlantic States with the Pacific States for the lowest percentage among the U.S. geographic regions and below the average national participation rate of 13 percent.

Table 26 provides a comparison of the number of active anglers nationwide between 1991 and 2006.

Table 26

Number of Active Anglers Nationwide

<u>Year</u>	<u>Resident Anglers (000)^a</u>	<u>Percent Inc./Dec.)</u>
1991.....	35,578	--
1996.....	35,246	(0.9)%
2001.....	34,071	(3.3)
2006.....	29,952	(12.1)

^aTotals represent U.S. residents (16 years of age and older) who fished at least once in each respective year.

Source: U.S. Department of the Interior, Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. *National Survey of Fishing, Hunting, and Wildlife-Associated Recreation* (eds. 2001 and 2006).

These statistics present a challenge to state fish and wildlife agencies across the nation to identify effective methods of long-term angler retention and expansion of the fishing licensee base.

¹The survey reports information about U.S. residents who fished in 2006, regardless of whether they were licensed. Totals include residents who fished in freshwater and/or saltwater waterways. Source: U.S. Department of the Interior, Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. *2006 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation*.

How Does Pennsylvania Compare to the National Trend?

Two ways by which to gauge changes in the numbers of Pennsylvania anglers are to compare the number of resident anglers fishing in-state (regardless of the anglers' license status) and to examine changes in the Pennsylvania fishing licensee base.

Statistics collected by the U.S. Fish and Wildlife Service show a decrease in the number of Pennsylvania residents fishing in-state between 1991 and 2006. As shown in Table 27, the decrease in the number of Pennsylvania residents fishing in-state has been greater than the national decrease between each of the years of the national survey. The number of non-resident anglers fishing in Pennsylvania increased between the 1991 and 1996 surveys, but declined in survey years 2001 and 2006.

Table 27

Number of Anglers Fishing in Pennsylvania (1991, 1996, 2001, and 2006)				
<u>Year</u>	Resident Anglers (000) ^{a,b}	Percent Inc./Dec.)	Non-Resident Anglers (000) ^a	Percent Inc./Dec.)
1991.....	1,190	N/A	207	N/A
1996.....	1,094	(8.1)%	261	26.1%
2001.....	1,032	(5.7)	234	(10.3)
2006.....	830	(19.6)	164	(29.9)

^aTotals represent anglers 16 years of age and older who fished at least once in each respective year, regardless of whether they were licensed.

^bTotals exclude Pennsylvania residents who fished exclusively out-of-state.

Source: U.S. Department of the Interior, Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. *National Survey of Fishing, Hunting, and Wildlife-Associated Recreation* (eds. 1991, 1996, 2001 and 2006).

Unlike the in-state fishing statistics on Pennsylvania residents compiled by the U.S. Fish and Wildlife Service, the number of resident licenses issued by the Commission has shown considerable variance from year to year. As shown on Table 28, the trend has been a general decline in the number of resident licenses issued between 1990 and 2006. The number of non-resident licenses sold has followed similar sales patterns, occasionally increasing or decreasing at a greater or lesser rate than resident license sales from year to year.

Table 28

PFBC Fishing License Sales
(CY 1990 Through CY 2006)

License Year	Resident Licenses Issued	Percent Inc./ (Dec.)	Non-Resident Licenses Issued	Percent Inc./ (Dec.)	All Licenses Issued	Percent Inc./ (Dec.)
1990	1,015,134	N/A	73,893	N/A	1,163,758	N/A
1991	943,017	(7.1)%	69,226	(6.3)%	1,074,774	(7.6)%
1992	952,936	1.1	69,548	0.5	1,086,249	1.1%
1993	950,588	(0.2)	67,502	(2.9)	1,074,112	(1.1)%
1994	933,036	(1.8)	66,513	(1.5)	1,050,652	(2.2)%
1995	948,004	1.6	68,007	2.2	1,068,698	1.7%
1996	864,989	(8.8)	48,356	(28.9)	975,849	(8.7)%
1997	861,003	(0.5)	47,281	(2.2)	973,405	(0.3)%
1998	865,673	0.5	47,555	0.6	978,162	0.5%
1999	844,094	(2.5)	46,907	(1.4)	953,793	(2.5)%
2000	832,038	(1.4)	48,408	3.2	947,571	(0.7)%
2001	839,488	0.9	51,044	5.4	960,159	1.3%
2002	804,122	(4.2)	51,362	0.6	925,196	(3.6)%
2003	777,089	(3.4)	49,957	(2.7)	895,038	(3.3)%
2004	785,091	1.0	50,709	1.5	906,550	1.3%
2005	719,125	(8.4)	39,368	(22.4)	819,514	(9.6)%
2006	729,725	1.5	38,812	(1.4)	834,299	1.8%

Note: Total licenses issued each year include the following: Resident, Senior Resident, Senior Lifetime, 1-Day Resident, National Guard/Reserve, Non-Resident, 7-Day, 3-Day, 1-Day, and free licenses.

Source: Developed by LB&FC staff from information obtained from the PFBC.

Historically, in the immediate period following a general license fee increase, revenues have tended to increase while total license sales have tended to decrease. Total Fish Fund revenue increased in both fiscal years 2004-05 and 2005-06. However, as Table 28 shows, the number of fishing licenses issued by the Commission decreased in both CY 1996 and CY 2005; the former representing the first full calendar year following a license increase and the latter the effective year of the most recent general license increase.²

What Is the PFBC Doing to Address the Issue?

In an effort to retain and expand the angler base, the PFBC has developed an agency marketing work plan, hired a marketing coordinator, and integrated marketing initiatives in both its strategic plan and annual plan of work.

²License increases enacted by Act 1995-47 became effective on December 1, 1995. The Act 2004-159 license increase rates became effective for all licenses issued on or after January 1, 2005. The peak months of fishing license sales are March and April.

The PFBC's Press Office has developed an 18-month marketing work plan to guide marketing and public relations activities through June 2008. The marketing work plan contains a mix of activities aligned with those contained in the strategic plan, those that may be accomplished pending anticipated revenue gain, and other activities deemed to have importance to marketing functions.

Each component of the marketing work plan is related, directly or indirectly, to angler retention and expansion. That is, each component of the work plan either seeks to increase the number of resident and/or non-resident fishing licenses sold or stimulate interest in a particular fishing or fishing-related activity.

As shown in Exhibit 16, the work plan provides public relations methods, communication channels, and tailored messages to achieve these ends.

Exhibit 16

Format and Contents of the PFBC Marketing Work Plan

Projects

- Holiday Gift Licenses (two separate projects)
- Trout Fishing
- Water Trails
- Steelhead Fishing
- Online License Sales
- Musky Fishing

Project Contents

- Objective
- Target Audience
- Message
- Communications Channels
- Information Conduits
- Goals
- Measurable
- Direct Cost Assessment
- Staff Involvement
- Time Frames
- References (Connections to strategic plan goals and prioritized objectives, and related marketing work plan objective)

Source: Compiled by LB&FC staff using information obtained from the PFBC's Marketing Work Plan (through June 2008).

As of November 2007, the PFBC Press Secretary reports that efforts in the areas of water trails, safe boating awareness, and family fishing programs have been completed. Promotions for the new trout program, steelhead fishing, holiday license sales, 2008 water trails, 2008 safe boating awareness, and branding activities are in various stages of implementation, but have yet to be completed.

Youth Education

In an effort to educate and recruit youth anglers, the PFBC is involved in a variety of activities to support and expand youth education opportunities related to fishing, boating, and aquatic resources. The PFBC is also pursuing the adoption of a youth fishing license to generate additional funding resources for educational programming. See part C of this section for further information.

Commission Strategic Plan and Annual Plan of Work

Components of both the PFBC strategic plan and Annual Plan of Work for 2007 also focus on angler retention and expansion of the angler base. According to the PFBC Press Secretary, “lapsed anglers and boaters” have been identified as “key target groups for immediate action preceding efforts to maintain the agency’s current constituency.” The following efforts in this area are currently being conducted by Commission staff.

Reorganization of the Communications Function/Hiring of a Marketing Coordinator

The PFBC’s 2007 reorganization, among other changes, created the Division of Communications within the new Bureau of Policy, Planning, and Communications. This division coordinates the PFBC’s functions in the areas of public information, education, media relations, and marketing, as well as overseeing the production of agency publications. According to the PFBC Press Secretary, the consolidation of these functions into a single division “will enhance communications within like disciplines and allow for better integration/unification of message creation and delivery.” (See Section II for further information). To assist in the marketing functions of the agency, a marketing specialist position was filled by the Commission in July 2005.

Use of PALS Data to Target “Lapsed” Anglers

Both the PFBC strategic plan and the 2007 Annual Plan of Work contain activities related to the use of point-of-sale licensing data through the PALS system to create and target marketing messages designed to retain current anglers and to expand the fishing licensee base. As indicated in Section VII.I, the PFBC plans to collect two years of data on license purchasers using PALS for the purpose of conducting surveys of individuals who do not purchase a fishing license after two years. From this survey data, staff hopes to be able to identify primary causes of

non-renewal of fishing licenses, and to ultimately develop remediation strategies targeted at recovering such “lapsed” anglers. Staff also expects to develop anticipated “churn rates” (non-renewal rates) on a statewide and regional basis.

The PFBC also plans to collect angler demographic data in order to craft surveys to gauge their motivations, needs, and desires related to fishing. The PFBC has indicated that surveys could also be used to gauge angler opinions on Commission initiatives (such as stocking strategies, duel opening days, etc.) identify locations fished most heavily, identify species fish and fishing habits, and generally gauge anglers’ attitudes and preferences regarding any other area of Commission policy.

In the interim, the Commission has already begun to use point-of-sale data collected in the PALS introductory year of 2007. The first initiative was to use PALS sales records to identify resident trout anglers in the Erie, Pittsburgh, and Philadelphia regions as well as some non-resident trout anglers in border states that purchased a trout/salmon permit but who had not purchased either a Lake Erie permit or combination Lake Erie/trout/salmon permit. These anglers were then sent a postcard tied with a Lake Erie steelhead fishing promotional campaign that aimed to increase the sale of Lake Erie fishing permits and combination permits.

The Commission is exploring the use of established models to identify characteristics common to anglers at risk of lapsing. The PFBC could then apply license sales records to these models in an attempt to isolate and target marketing efforts at such anglers. Staff is also working with the non-profit Recreational Boating and Fishing Foundation (RBFF) towards the development of a direct-mail campaign that would use existing and forthcoming PALS data.

Increasing Non-Resident License Sales and Promotion of Warmwater Fishing

In an effort to increase non-resident fishing license sales and to promote warmwater fishing, the PFBC has been working with the Pennsylvania Tourism Office and local destination marketing organizations. In this area, the PFBC supplies fishing and boating content, images, and maps to the Tourism Office and local destination marketing organizations for inclusion in their travel guides, websites, print advertisements, and brochures. The Tourism Office also assists the PFBC in executing direct mail and advertising campaigns targeting non-resident anglers and boaters. Staff has also worked with the PA Wilds Marketing Corporation to develop region-specific fishing brochures and additional content on the Commission website.

Reengineering Trout Fishing Opportunities

A cornerstone of the retention and expansion of the angler base is satisfaction with the Commission’s management of trout in Pennsylvania waterways. For the

2007 season, the Commission chose to stock fewer but larger trout and to introduce two regional opening days of trout season (March 31 in 18 southeastern counties and April 14 in remaining counties).

- *Two Trout Season Opening Days in Pennsylvania* – The PFBC adopted new regulations to designate two opening days for trout season beginning in 2007. Under the new regulation, the trout season began on March 31, 2007, in an 18-county region in southeastern and south-central parts of the state. The first day of trout season in Pennsylvania’s other 49 counties was April 14, 2007.

The chief factor cited by the PFBC for instituting two trout season opening days is warmer temperatures in waterways in the south-central and southeastern portions of the state that provide conditions better suited for trout angling at an earlier time in the spring. Other factors cited by the PFBC for the decision include potential movement of stocked trout prior to opening day and incidences of fish dying between the time of stocking and opening day.

- *PFBC Stocking Larger Trout in 2007*. In 2007, the PFBC stocked Pennsylvania waterways with adult trout that were, on average, 30 percent heavier than those stocked in 2006. The PFBC indicated that this move was in direct response to identified angler preferences for larger trout rather than a larger number of smaller fish. These larger trout were produced at PFBC fish hatcheries, with additional trout obtained through a purchase contract with the Tellico Hatchery, located in North Carolina. In total, approximately 3.4 million adult trout were stocked by the PFBC in 2007 in waters open to public angling.

To ensure compliance with terms of the DEP’s National Pollutant Discharge Elimination System (NPDES) permit, the PFBC must limit its total fish production to 1.9 million pounds of trout. As a result, the PFBC adjusted the number of individual trout produced to accommodate the shift to larger trout. The PFBC estimates that production of the larger trout required a 20 percent cut in the total number raised.

To gauge angler satisfaction, the Commission conducted angler use counts and interviews on both opening days on a total of 76 trout-stocked stream sections. According to PFBC staff, based on 582 interviews conducted within the 18-county area of the first opening day, a total of 427 anglers (73.4 percent) supported the dual opening days approach. Interviews of 1,174 anglers on the second opening day resulted in 656 anglers (55.9 percent) supporting the approach.

In 2005, the PFBC conducted an angler use and harvest survey on trout-stocked streams to gauge anglers’ opinions on the potential stocking of larger but

fewer adult trout. The Commission reports that based on 3,851 responses to this question, 64 percent of anglers expressed support for the change.

Pennsylvania Water Trails

The PFBC has taken the lead in designating official “Pennsylvania Water Trails,” which are boat routes designed for single or multiple-day trips suitable for canoes, kayaks, and small motorized watercraft. Water trails are comprised of access points, boat launches, day use sites, and (in some cases) overnight camping areas. Trails and trail corridors are conceived and maintained in conjunction with a network of volunteers, property owners, civic groups, and associations. The PFBC has developed guidelines for the designation of official Pennsylvania Water Trails, which provide step-by-step details on the public planning process, water trail logos, mapping/signage, local government notification, access point designation, management/stewardship commitments, and posting of safety information related to water trails. DCNR and the PA Environmental Council are also involved in the process.

The PFBC publishes water trail guides that provide a detailed map of the trail, background information about the trail, tips on navigating and fishing the waterway, natural resource highlights, transportation infrastructure information along the trail (railroads, bridges, etc.), basic boating regulations, and safety information. Water trail guides are available in print form and electronically through the Commission’s website.

The PFBC worked to increase awareness of Pennsylvania Water Trails in 2007 through the implementation of a multimedia promotional campaign aimed at resident and non-resident target audiences. Exhibit 17 provides details on the PFBC’s 2007 water trails promotional campaign.

Exhibit 17

Description of PFBC 2007 Water Trails Promotional Campaign

Objective	To increase awareness of water trails and paddling safety information in 2007.
Measurable	10 percent increase in water trails page views in 2007 over 2006.
Promotional Period	March through June 2007.
Target Audiences	<ul style="list-style-type: none"> • Readers of Paddler Magazine, PA Angler & Boater magazine, and the PennDOT map. • Internet users visiting Paddler Magazine online and the PFBC website. • PA residents who listen to Radio PA affiliates. • Paddle outfitters and liveries and their customers. • Outdoor writers nationwide.
Communication Channels	<ul style="list-style-type: none"> • Print advertisements in Paddler Magazine, PennDOT map, PA Angler & Boater magazine, 2007 Boating Handbook, and PA Pursuits Magazine. • Web banner advertisements placed on the Paddler Magazine website and the PFBC website. • Statewide radio campaign (late May through mid-June). • Outdoor Writers Association of American (OWAA) online press kit and web banner. • Pop-up page on the PFBC website highlighting water trails information and sojourns. • Liveries and outfitter mailer to 225 businesses statewide promoting safe boating, water trails, and asking liveries and outfitters to distribute PFBC publications pertinent to paddling, water trails, and safe boating. • Online Paddle PA and water trail guide publication request form on water trails page (PFBC website).
Results of Campaign	<ul style="list-style-type: none"> • 2,792 radio messages broadcasted. • Approximately 800 requests for water trails guides were made through the web during the promotional period. • 17% response rate on direct mail to outfitters and liveries. • 23,150 fishing and boating publications were distributed to liveries and outfitters statewide. • Web trends comparisons could not be made due to the difference in reporting systems from 2006 to 2007. <ul style="list-style-type: none"> – Water trail guides were in top 20 downloaded files in May and June. – The water trail web page ranked #9 most visited in May and #28 in June (9,101 visitors). • Total circulation of print ads: 1,825,000. • No media interviews resulted from the OWAA online press kit. • One media interview occurred with a.m. radio host Don Steese of “Outdoors PA” as part of the packaging purchased for the radio campaign. • \$9,900 worth of ads received in-kind from DCED. • Contacts made: approximately 2,128,691. • Total cost per contact for the campaign: approximately \$0.014.
Conclusions	The PA Fish and Boat Commission plans to continue the promotion of water trails in 2008 with new and innovative techniques including taking a closer look at niche markets, multi-layered Internet advertising, Web 2.0 strategies, and alternative types of direct mail.

Source: Developed by LB&FC staff using information obtained from the PFBC.

C. Youth Fishing Education

What Is the Nature of the PFBC's Current Youth Education Efforts?

The PFBC has engaged in a series of activities to support and expand youth education opportunities related to fishing, boating, and aquatic resources. In an effort to complete these steps Commission staff, including a team of aquatic resources program specialists, continue to administer a variety of educational initiatives and offer numerous publications (many of which are available on the Commission website in a dedicated "Learning Center" section) aimed at educating and recruiting youth anglers.

Principal among the current initiatives are the following:

- maintenance of an "Online Education Resources Catalog," which includes fact sheets and online publications pertaining to fish, aquatic resources, and non-game species;
- publication of the Pennsylvania League of Angling Youth (PLAY) Newsletter (which is currently being distributed by the Commission free of charge to approximately 45,000 youth ages 8 to 12);
- participation in the aquatics portion of the Pennsylvania Envirothon;
- administering the Keystone Aquatic Resources Education (KARE) Program, which consists of workshops for educators and curriculum materials on amphibians, reptiles, fish, and aquatic resources for use in classrooms;
- creation of an "Instructor Information and Materials" section on the Commission website that includes lesson plans for educators;
- training sessions for volunteer aquatic resource trainers;
- issuance of educational aquatic field study permits; and
- maintenance of free tackle loaner sites.

The Commission also administers the Sportfishing and Aquatic Resource Education Grant Program. The program provides grant monies of up to \$5,000 per grantee to sportsman's clubs, school districts, community groups, and county agencies for the purpose of developing or expanding programs that teach fishing and boating skills as well as waterway, aquatic resources, and species-based education. Grant monies may be applied towards the purchase of equipment, instruction materials, certain transportation costs associated with field trips, and for other purposes related to fishing and aquatic resource education programs. In 2007, the Commission awarded more than \$67,000 in grant monies under this program.

Revenues from the potential creation of a Commission-proposed youth fishing license, if enacted, would be used to expand the number and amounts of youth education grants, create youth sportfishing clubs, expand the fishing tackle loaner

program, expand educational efforts in urban areas, develop more educational materials for classroom use, implement family-oriented fishing programs, and create new electronic youth education and information materials. The Commission has stated that, in the absence of a new source of dedicated revenue such as from the proposed youth fishing license, programmatic cuts in other areas may have to occur to fund many of its educational initiatives.

What Is the Proposed Youth Fishing License and How Would It Benefit Youth Education Programs?

The PFBC has proposed the creation of a \$5 youth fishing license for anglers ages 12 to 15. Currently, anglers under the age of 16 are not required to hold a valid license to fish in Pennsylvania waterways.

If enacted, the Commission advocates the deposit of youth fishing license revenue into a restricted account to be used for the purpose of funding youth fishing education programs. The Commission indicates that the need to earmark revenue from a youth fishing license specifically for the purpose of youth educational programs and initiatives is crucial in order to avoid using monies currently used to fund existing agency operations and activities.

The Commission has stated that exemptions may be crafted for families and youth who do not possess the necessary financial means to afford a license, or for those engaging in fishing as part of an educational program. This could be accomplished, according to the Commission, through clubs, organizations, or sporting goods/outdoor equipment retailers making bulk purchases of licenses. In addition, the Commission has pledged that WCOs will use encounters with unlicensed youth ages 12-15 to educate them on the license requirements, the purpose of the license (including the use of license revenue), and instructions on where to buy a license. Parents may also be contacted, and penalties may be invoked for repeat offenders.

According to the Commission, the need for a youth fishing license to fund education programs is heightened due to drops in the involvement of youth in outdoor resource-based activities (including fishing). In past testimony given by the PFBC Executive Director to the House Game and Fisheries Committee, it was cited that fishing must compete with a wide variety of activities in which youth engage; such as sports and electronic entertainment.

A February 2007 report by the U.S. Fish and Wildlife Service entitled, *Fishing and Hunting Recruitment and Retention in the U.S. from 1990 to 2005*, found the following:

- About 10 percent fewer 6 to 19 year-olds living at home had ever fished in 2005 compared to those who had ever fished in 1990.

- From 1995 to 2005 the fishing initiation rate declined twice as fast for children residing in households with incomes under \$40,000 than those in households with incomes of \$100,000 or more.
- Declines in the retention rate for fishing (and hunting) were particularly sharp among residents of urban areas.

The U.S. Fish and Wildlife service also compiles survey data every five years on the number of active youth anglers (ages 6 to 15) who fished in Pennsylvania. As shown in Table 29, the percentage of Pennsylvania youth ages 6 to 15 who fished peaked at 41 percent in 1995, before declining to 35 percent in 2000.

Table 29

Number of Youth Anglers in Pennsylvania (1990, 1995, 2000, and 2005)			
<u>Year</u>	<u>Youth Anglers (000)^a</u>	<u>Percent Inc./Dec.</u>	<u>% of PA Population Ages 6 to 15</u>
1990	613	N/A	39.0%
1995	695	13.4%	41.0
2000	578	(16.8)	35.0
2005	578 ^b	0.0 ^b	36.9 ^b

^aRepresents Pennsylvania residents ages 6 to 15 who fished in each year.

^bEstimated number based on 525,000 youth anglers who fished only and an estimated 53,000 youth anglers who both fished and hunted in 2005 using a very small sample size.

Source: U.S. Department of the Interior, Fish and Wildlife Service, and U.S. Department of Commerce, U.S. Census Bureau. *National Survey of Fishing, Hunting, and Wildlife-Associated Recreation* (eds. 1991, 1996, 2001 and 2006).

The Commission has articulated the need to recruit youth anglers in an attempt to cultivate a life-long interest in fishing. According to the PFBC Executive Director, the Governor’s Advisory Council on Hunting, Fishing, and Conservation (and its Youth Council) have expressed concern in this area. Through expansion of youth education programs overseen by the Commission, it is hoped that the decline in fishing license sales may be eventually stemmed or reversed. However, the Commission acknowledges in an analysis entitled, “Keeping Pennsylvania Fishing: Investing in Our Future,” that “participation in a fishing skills program will not, by itself, result in creating new anglers.”

In that analysis, the Commission identifies the following items as being “necessary to ‘make an angler’”: (1) an introduction to fishing; (2) access to the equipment needed to fish; (3) the knowledge and skills required to fish; (4) the knowledge of where to fish, and access to that opportunity; and (5) the support of family and friends who fish.

Exhibit 18 provides the Commission’s summary explanation, or “key points,” regarding the creation of a youth fishing license.

Exhibit 18

**“Key Points” Advanced by the PFBC Regarding
the Proposed Youth Fishing License**

1. Revenue from the youth fishing license must be spent on programs and initiatives that benefit youth and their families.
2. Revenue from the youth fishing license will be used for new and expanding programs, not maintaining current PFBC programs or activities.
3. Law enforcement will treat encounters between officers and youth as an opportunity to inform instead of punish.
4. Administration of the license will allow for license sales in quantity to clubs, organizations, and others who are interested in sponsoring youth. License exemptions will be offered to youth educational programs.
5. The youth fishing license should be inexpensive and for anglers 12-15 years of age.

Source: Developed by LB&FC staff from information obtained from PFBC paper entitled “Keeping Pennsylvania Fishing: Investing in Our Future.”

The Commission cited several examples of how the revenue from a youth fishing license would be used. Funding priorities using youth fishing license revenue are shown on Table 30.

Table 30

**Funding Priorities Using
Youth Fishing License Revenue**

<u>Project Proposal</u>	<u>Estimated Annual Cost</u>
Expansion of Education Grant Program	\$ 660,000
Creation of Youth Sportfishing Clubs	70,000
Expansion of the Fishing Tackle Loaner Program	150,000
Expansion of Education in Urban Areas.....	600,000
Development of Additional Classroom Materials.....	180,000
Implementation of Family-Oriented Fishing Programs	80,000
Production and Delivery of Youth-Specific Education and Information.....	<u>205,000</u>
Total Estimated Annual Costs	\$1,945,000

Source: Developed by LB&FC staff from information obtained from PFBC paper entitled “Keeping Pennsylvania Fishing: Investing in Our Future.”

The Commission acknowledges that these initiatives will require additional staff resources, a delay will occur between the time in which the youth license becomes effective and the availability of funding, and that actual program costs may increase from current estimates upon implementation.

In addition, the Commission cites the potential to garner additional grant monies through the Federal Sport Fish Restoration Act with the addition of a youth license, as 60 percent of each state's apportionment under the program is based on the number of licensed anglers within the state. The Commission estimates that enactment of a \$5 youth fishing license could result in approximately \$3 in Sport Fish Restoration Act monies for each youth fishing license sold (\$8 total).

In early 2007, the Commission put forth the following estimate of potential revenue that could be received through enactment of a youth fishing license:

The Commission estimates that the number of Pennsylvania youth ages 12-15 fishing each year could be 260,000 over the next ten years. If each of these youth purchased a license, simple math shows that an estimate of the potential revenue from the new license could be as much as \$2.1 million per year. This is an estimate of the potential, not a sale prediction.

Bills for the creation of a youth fishing license, at fees ranging from \$2 to \$5, have been introduced on several occasions in previous legislative sessions. The latest proposal, House Bill 1436 (2007), would create a \$5 youth fishing license for anglers ages 12 through 15, the proceeds of which are to be used for programs benefiting youth anglers. License holders would not be required to obtain special permits for certain species or fishing locations. By March 1 of each year, the Commission would be required to submit an annual report to the House and Senate Game and Fisheries Committees that would include information on youth fishing license proceeds, disbursements and expenditures, and significant accomplishments of the programs and services supported by the license proceeds.

Individuals purchasing youth fishing licenses would be exempt from the \$1 issuing agent fee. The bill would empower the PFBC Executive Director to establish eligibility criteria for the issuance of youth fishing licenses with no fee. Further, youth participating in approved educational programs would not be required to hold a youth fishing license.

The Commission has made efforts to engage and educate the public on the merits of creating a youth fishing license. In 2006, the Commission reported that its staff made over 600 presentations to groups around Pennsylvania on the subject. Further, staff developed a DVD, handouts, and information on the Commission website detailing issues and estimates surrounding the potential license.

In addition to working with the legislature toward passage of the youth fishing license, the Commission designated advocacy for the youth fishing license and expansion of youth education programs as an activity in its Annual Plan of Work for 2007. The plan activity calls for continued legislative and educational awareness in support of the license.

In the focus groups of Commission employees and stakeholder groups conducted by Responsive Management, Inc., the prospect of a youth fishing license received a mixed reaction. Exhibit 19 presents a summarization of responses developed by LB&FC staff using employee and stakeholder reactions to the proposed youth fishing license.

Exhibit 20 provides a classification, by state, of the presence of a youth fishing license, the age range within which a youth license is required, and the license fee. As of August 2007, 11 states require certain youth to possess a fishing license.

In surveying the states for information on youth fishing licenses, it was found that many states offer youth lifetime fishing licenses and special fishing stamps at discounted prices. Some states provide for free youth fishing licenses if used in connection with an educational program or purpose.

It can be seen from Exhibit 20 that if legislation was approved creating a \$5 youth fishing license for Pennsylvania anglers ages 12 to 15, it would match the amount charged for youth fishing licenses in three of the 11 states that currently require a youth fishing license. Two states with youth licenses charge \$3 and the remaining six have a youth fishing license fee in the \$6.75 to \$13.75 range.

Exhibit 19

**Commission and Stakeholder Focus Group
Perspectives on the Proposed Youth Fishing License**

Mid-Level Managers	<ul style="list-style-type: none"> • Mid-level managers were generally supportive of the youth license, viewing it as both an additional source of revenue and a recruitment tool for younger anglers. The potential to receive federal reimbursements for the sale of additional licenses was also viewed as an incentive for instituting the license.
Rank-and-File Employees	<ul style="list-style-type: none"> • A large number of rank-and-file employees opposed the youth license proposal. They were relatively skeptical about the potential of the youth license to attract new, younger anglers to the sport, and viewed the license as a pointless fee for which families would be expected to pay. Many rank-and-file employees also viewed the youth license as likely being an ineffective recruiting tool.
Local Stakeholder Groups	<ul style="list-style-type: none"> • The majority of local stakeholders opposed the idea of the youth license, mainly due to it being an unnecessary financial obligation for families and an ineffective recruiting tool. Some local stakeholder suggested allowing parents to receive free youth licenses for their children at the same time at which they bought their licenses. • However, despite not fully supporting the license proposal, many local stakeholders were enthusiastic about providing more conservation education for youth. • One local stakeholder mentioned the incentive for a possible increase in federal reimbursements from youth license sales.
Statewide Stakeholder Groups	<ul style="list-style-type: none"> • Statewide stakeholders viewed the youth license as having the potential to introduce younger anglers to the sport, and they placed this effect as being much more important than potential increases in revenue for the Commission. • Concern was expressed regarding the potential of youths without a license being cited by WCOs. As an alternative, it was suggested that officers make junior licenses available to purchase by youths they encounter who do not possess a license.

Source: Responses summarized by LB&FC staff from a report by Responsive Management, Inc., entitled, *Employees' and Stakeholders' Opinions on the Pennsylvania Fish and Boat Commission and Its Programs and Activities*.

Exhibit 20

Youth/Junior Fishing Licenses in the States
(As of August 2007)

<u>State</u>	<u>Youth License^a</u>	<u>Age^b</u>	<u>Fee (If Applicable)^c</u>	<u>State</u>	<u>Youth License^a</u>	<u>Age^b</u>	<u>Fee (If Applicable)^c</u>
Alabama	No	<16		Montana	No	<15	
Alaska	No	<16		Nebraska	No	<16	
Arizona	No	<14		Nevada	Yes	12-15	\$13.00
Arkansas	No	<16		New Hampshire	No	<16	
California	No	<16		New Jersey	No	<16	
Colorado	No	<16		New Mexico	Yes	12-17	5.00
Connecticut	No	<16		New York	No	<16	
Delaware	No	<16		North Carolina	No	<16	
Florida	No	<16		North Dakota	No	<16	
Georgia	No	<16		Ohio	No	<16	
Hawaii	Yes	9-15	\$ 3.00	Oklahoma	Yes	16-17	5.00
Idaho	Yes	14-17	13.75	Oregon	Yes	14-17	6.75
Illinois	No	<16		Pennsylvania	No	<16	
Indiana	No	<17		Rhode Island	No	<16	
Iowa	No	<16		South Carolina	No	<16	
Kansas	No	<16		South Dakota	No	<16	
Kentucky	No	<16		Tennessee	No	<13	
Louisiana	No	<16		Texas	No	<17	
Maine	No	<16		Utah	Yes	12-13	5.00
Maryland	No	<16		Vermont	Yes	15-17	8.00
Massachusetts	Yes	15-17	11.50	Virginia	No	<16	
Michigan	No	<17		Washington	No	<15	
Minnesota	No	<16		West Virginia	No	<15	
Mississippi	No	<16		Wisconsin	Yes	16-17	7.00
Missouri	No	<16		Wyoming	Yes	14-18	3.00

^aSome states require youth license holders to obtain separate licenses, permits, or stamps for fishing in certain waterways or for certain species.

^bSome states require all licensed youth to fish with a licensed adult.

^cNonresident youth fishing licenses are also offered in some states, at higher rates.

Source: Developed by LB&FC staff using information obtained from state fish, game, or wildlife departments.

D. Trout Production

What Is the PFBC's Involvement in Fish Production?

Fish production and stocking are two of the most visible and publicly-valued functions performed by the PFBC. By law, the Commission is charged, at 30 Pa.C.S. §2301(a), with determining “policy pertaining to the propagation and distribution or planting of the fish produced at the Commonwealth fish hatcheries or otherwise acquired.” The PFBC has further set forth as a policy statement, at 58 Pa. Code §57.1, its intention to use hatchery fish to provide recreation in those waters where fish populations are inadequate to sustain the fishery at desired levels.

The Bureau of Fisheries is the organizational structure within the PFBC that carries out fish production responsibilities, including directing the operations of the 14 state fish hatcheries listed on Exhibit 21. The Division of Fish Production in the PFBC Bureau of Fisheries directs the production and stocking of coldwater (trout), warmwater/coolwater species of fish and certain salmonids in Pennsylvania waters, including Lake Erie. The Division also purchases, orders, and delivers all fish food used in the agency and directs all interstate exchanges or trades of warmwater/coolwater fish and eggs.

Exhibit 21

PFBC State Fish Hatcheries

Northern State Fish Hatcheries:

Corry State Fish Hatchery ^a	Oswayo State Fish Hatchery ^a
Union City State Fish Hatchery	Pleasant Mount State Fish Hatchery
Fairview State Fish Hatchery	Tionesta State Fish Hatchery
Linesville State Fish Hatchery	

Southern State Fish Hatcheries:

Bellefonte State Fish Hatchery ^a	Pleasant Gap State Fish Hatchery ^a
Benner Spring State Fish Hatchery ^a	Reynoldsdale State Fish Hatchery ^a
Big Spring State Fish Hatchery	Tylersville State Fish Hatchery ^a
Huntsdale State Fish Hatchery ^a	

^aAs of December 2007, these eight hatcheries were directly involved in the production of adult and fingerling trout.

Source: Pennsylvania Fish and Boat Commission.

The various species of trout stocked by the PFBC include brook, brown, rainbow and golden rainbow trout, which are propagated to both adult and fingerling size (less than the statewide minimum limit of 7 inches). The PFBC also raises steelhead trout, an anadromous or migrating species, but only to fingerling size (this species is only stocked in Lake Erie and its tributaries). Although steelhead trout (approximately 1 million fingerlings propagated annually) is a coldwater

species, it has traditionally been categorized under the warmwater/coolwater production program. Warmwater/coolwater species include smallmouth bass, striped bass, walleye, muskellunge, northern pike, saugeye, crappie, catfish, and sunfish.

There are several differences between raising warmwater/coolwater species and raising trout. One of the principal differences is that the warmwater/coolwater production cycle takes place in one year. Warmwater/coolwater fish are normally grown to fry or fingerling stage, which varies by species, e.g., from about one inch for walleye to six inches for a muskellunge. The fish are then stocked, usually within a year of spawning. Thus, the expense of raising warmwater/coolwater fish is substantially less than the cost of raising trout, which are grown to adult size.

While the PFBC is engaged in the production and stocking of both coldwater (trout) and warmwater/coolwater species, this section of the report focuses solely on trends in trout production, factors influencing trout production levels, production costs, and methods the PFBC is employing to supplement its current trout production capacity.

When we conducted an audit of the PFBC's budget in 1998, the Bureau of Fisheries maintained a system that produced regular management information reports on fish production levels and costs, by hatchery. When we requested similar information for purposes of this audit, PFBC staff advised us that information of this type was not presently being maintained but that they would compile the requested data. Further, PFBC staff stated that the process would also be beneficial to the Bureau in that, by developing information to meet our request, they would also be activating a needed and useful internal data collection procedure. The production and cost data presented in this section is based upon the PFBC's response to our data request.

What Are the Current PFBC Trout Production Levels and Costs?

In 1998, the Legislative Budget and Finance Committee issued *An Audit of the PA Fish and Boat Commission's Budget*. At that time, ten PFBC fish hatcheries were involved in trout propagation and annual production figures for the period from FY 1993-94 through FY 1996-97 were approximately 5.2 million adult trout per year. In FY 2006-07, the PFBC propagated a total of 3.4 million trout, a 35.5 percent decline over the mid-1990s levels. Table 31 provides a breakdown of the numbers of adult trout propagated and stocked in FY 2006-07 by the PFBC, by species.

We also examined adult trout production goals against actual production figures for each state fish hatchery for FY 2006-07. As shown on Table 32, we found that six of the eight hatcheries exceeded their production while two hatcheries, Oswayo and Reynoldsdale, were below their goal. One of these, Reynoldsdale, was outside the 5 percent variance. (At the hatchery level, adult trout production goals set by the Commission are to be adhered to on the basis of plus or minus 5 percent.)

Table 31

Number of Adult Trout Propagated and Stocked by the PFBC
(FY 1996-97 and FY 2006-07)

<u>Species</u>	<u>FY 1996-97</u>	<u>FY 2006-07</u>	<u>% Increase (Decrease)</u>
Brook Trout.....	1,275,654	586,580	(54.0%)
Brown Trout.....	2,278,491	1,031,914	(54.7)
Rainbow Trout.....	1,651,273	1,733,416 ^a	5.0
Golden Rainbow Trout	<u>9,592</u>	<u>9,278</u>	(3.3)
Total	5,215,010	3,361,188 ^b	(35.5%)

^aDoes not include trout obtained from a private hatchery on contract to PFBC (see pages 123 and 124).

^bThe PFBC adopted a revision in adult trout production that resulted in fewer but larger trout stocked in 2007.

Source: PFBC Bureau of Fisheries.

Overall, the combined output of the hatcheries exceeded the statewide goal of 3.3 million adult trout by 1.7 percent. In terms of the size/weight of the fish produced, the established average goal range of 0.55 to 0.61 pounds was met by seven of the eight hatcheries, and was actually exceeded by four hatcheries, for a statewide average weight of 0.61 pounds.

Table 32

**PFBC Adult Trout Production:
Actual Performance Versus Goals, by Hatchery**
(FY 2006-07)

<u>Hatchery</u>	<u># of Fish Goal^a</u>	<u>Actual # of Fish Stocked</u>	<u>Percent + or (-)</u>	<u>Average Size Goal (lbs.)</u>	<u>Actual Average Size of Adult Fish</u>
Bellefonte	569,200	574,432	0.9%	0.55 to 0.61	0.63
Benner Spring	565,200	572,221	1.2	0.55 to 0.61	0.60
Corry.....	311,000	310,886	0.0	0.55 to 0.61	0.63
Huntsdale	507,400	536,600	5.8	0.55 to 0.61	0.52
Oswayo	283,600	270,100	(4.8)	0.55 to 0.61	0.63
Pleasant Gap	425,300	438,598	3.1	0.55 to 0.61	0.58
Reynoldsdale	203,700	186,084	(8.6)	0.55 to 0.61	0.69
Tylersville	<u>440,700</u>	<u>472,267</u>	7.2	0.55 to 0.61	0.60
Total	3,306,100	3,361,188	1.7%	0.55 to 0.61	0.61

^aTrout production capabilities vary considerably among the hatcheries depending upon such factors as facility size and condition, size and quality of the water source, whether the facility has enhanced oxygen regeneration capabilities, and the status of effluent treatment systems. Given the differences in hatchery capabilities, goals for both adult and fingerling trout are established annually in support of the overall propagation plan.

Source: PFBC Bureau of Fisheries.

Current trout production levels reflect a number of developments that have occurred since 2001. In that year, the PFBC contracted with Fishpro/Cochran & Wilkin, Inc., consulting engineers and scientists of Springfield, Illinois, to evaluate the Commonwealth's fish culture system. The evaluation included a review and analysis of identified major problems and potential solutions at the PFBC fish culture stations (i.e., state fish hatcheries). The areas of critical review included water supply and treatment, effluent management, infrastructure improvement, and general hatchery operations, among others. The evaluation report pointed out that several issues were dramatically affecting adult trout production capability. These included the fact that the closure of the Big Spring hatchery in 2001 resulted in the loss of the third largest trout production facility and another facility, the Tylersville hatchery, had its production capacity of adult fish restricted by over 30 percent as a result of effluent quality issues. These two reductions resulted in a reduction in production capacity of over 1 million adult trout annually.

An October 2002 press release issued by the PFBC characterized the issue as follows:

A slow, but steady decrease in the number of fishing licenses and trout permits sold over the last decade has eroded the Commission's funding base and impacted its operations, including trout programs. Declining water supplies to the state's trout-producing hatcheries and the need to address the effluent quality leaving those same hatcheries has forced the PFBC to cut the number of trout produced for stocking programs by more than 25 percent.

In 2002 the PFBC also hosted a multi-state Trout Summit focusing on issues related to trout management in Pennsylvania. Some of the specific questions and issues dealt with during this conference were (1) how many stocked trout of what size should be produced each year? (2) how can we make sure our hatchery program supports water quality improvement goals? (3) how does our stocked trout program complement Pennsylvania's wild trout fisheries? and (4) what different approaches should our state be taking to managing trout for present and future generations of Pennsylvania anglers?

Following the summit, the PFBC explored a number of new initiatives including entering into an agreement with the U.S. Fish and Wildlife Service to obtain 100,000 brook trout raised at a federal hatchery and developing a request for proposal for a pilot program where private commercial hatcheries would produce and stock approximately 125,000 adult trout into waters designated by the PFBC.

Prior to the beginning of the 2002 season, the PFBC announced that the annual production of adult trout would be reduced from approximately 5.2 million

trout to 3.8 million trout (a 27 percent reduction).¹ This action was taken because of water quality and quantity concerns at PFBC hatcheries resulting from more stringent effluent criteria in National Pollutant Discharge Elimination System (NPDES) permits issued for PFBC hatcheries by the Pennsylvania Department of Environmental Protection (see also part F. of this section). Consequently, fish production was discontinued at one hatchery (Big Spring), and reduced at most other hatcheries. To maintain compliance with these standards, a total PFBC hatchery biomass restriction of 1.9 million pounds of trout annually was established. To account for the reduction of 1.4 million trout from the statewide production system, stocking rates were reduced for most of the stocking categories and some waters were removed from the stocking program.

This reduced production goal of 3.8 million adult trout was a distinct change from the 5.2 million adult trout which the Commission had been stocking in prior years. Through some adjustments in production, a contract to purchase trout from a commercial trout hatchery, and a cooperative agreement with the United States Fish and Wildlife Service to raise trout at one of their hatcheries, the number of adult trout available for statewide distribution increased to 4.2 million trout for the 2004 season. As a result, stocking rates were slightly elevated on most stocking categories, and a number of the waters removed from the stocking program in 2002 were reinstated in the stocking program. The number of adult trout produced for the 2005 and 2006 seasons was similar to the number produced in 2004.

Prior to 2007, the PFBC announced its plan to increase the average size of the trout stocked, which would effectively reduce the number of adult trout propagated. Specifically, the Commission decided to increase the average size of adult trout produced for stocking in the 2007 season from 10.25 to 11 inches. By increasing the average length of trout from 10.25 to 11 inches, there was a corresponding 30 percent increase in the weight of the fish. To raise trout that were 30 percent larger in weight, the number of trout produced needed to be reduced by 20 percent to remain in compliance with the total hatchery biomass restriction of 1.9 million pounds. To account for the reduction in the number of trout available for statewide distribution, a 20 percent reduction in the stocking rate was applied to all stocking categories. The current number of adult trout available for annual statewide distribution is approximately 3.4 million trout.

It should be noted that the 2007 state hatchery distribution of adult trout was augmented by more than 122,000 trout obtained through a purchase contract with a commercial hatchery. Additionally, with respect to fingerling trout,² the PFBC maintains a Cooperative Nursery Program whereby private, nonprofit

¹This discussion is based on PFBC report entitled "*History of the Management of Trout Fisheries in Pennsylvania*," September 2007.

²"Fingerlings" is the designation of a fish's growth stage where the fish is recognizable by its features as belonging to a specific species and is also no longer feeding off its yolk-sac. Fingerlings vary in size by species and include fish up to one year of age.

groups, often sporting clubs, raise and stock fish in Commonwealth waters on behalf of the PFBC.

According to PFBC officials, the Commission's initiative to raise fewer-but-larger trout was in direct response to angler preferences documented by participants in the 2002 Pennsylvania Trout Summit and a working group of trout fishing interests who advise the Commission on management issues. Through these forums anglers indicated a strong preference for bigger, but slightly fewer trout as compared to more and smaller fish.

We also examined the PFBC's FY 2006-07 costs for trout production (see Table 33). Commission expenditures for trout production (adult and fingerling) can be placed into one of three broad categories: personnel services, operations, and fish food. We obtained trout production expenditures data for each of the eight hatcheries involved in trout propagation.

Table 33

PFBC Trout Production and Costs, by Hatchery*					
(FY 2006-07)					
<u>Hatchery</u>	<u>Total Expenditures^a</u>	<u>Pounds of Adult Trout Stocked</u>	<u>Cost Per Pound</u>	<u>Actual # of Adult Trout Stocked</u>	<u>Cost Per Fish</u>
Bellefonte.....	\$1,027,094	359,433	\$2.86	574,432	\$1.79
Benner Spring	1,096,040	346,688	3.16	572,221	1.92
Corry.....	557,410	210,666	2.65	310,886	1.79
Huntsdale	1,238,489	295,071	4.20	536,600	2.31
Oswayo.....	633,153	178,604	3.55	270,100	2.34
Pleasant Gap.....	819,543	258,725	3.17	438,598	1.87
Reynoldsdale.....	737,043	132,764	5.55	186,084	3.96
Tylersville.....	1,001,893	331,007	3.03	472,267	2.12
USFWS ^b	<u>81,000</u>	<u>0</u>	0.00	<u>0</u>	0.00
Total.....	\$7,191,665	2,112,958	\$3.40	3,361,188	\$2.14

*These costs also include the cost of the production of fingerlings.

^aTotal expenditures include the cost of personnel, operating costs, and costs of fish food, but do not include capital/fixed asset expenditures or the cost of trout obtained on contract from a private trout hatchery.

^bTrout from the U.S. Fish and Wildlife Service (USFWS) were included in the hatchery stocking numbers.

Source: PFBC Bureau of Fisheries.

We found that personnel costs account for about 66 percent of trout production expenses; operational costs about 21 percent; and fish food costs about 13 percent. These expenditures include the cost of producing fingerlings as well as adult trout and also include contractual expenditures associated with trout supplied by a private hatchery, Tellico, Inc. Overall, in FY 2006-07, the average cost to the PFBC to raise a pound of trout was \$3.40. This translates to, on average, \$2.14 for each 0.61 pound 11 inch adult trout.

How Is the PFBC Supplementing Its Current Fish Production Levels?

Since March 2004, the PFBC has contracted with a private trout hatchery to obtain and have stocked about 130,000 trout each year over a five-year period. This action was initiated pursuant to recommendations by FishPro/Cochran & Wilken, Inc., consulting engineers and scientists of Springfield, IL, following their evaluation of the state hatchery system in 2002.

The purpose of this initiative, described as a pilot program in the Invitation to Bid, was to determine if commercial procurement could help offset the nearly 40 percent decline in pounds of adult trout produced at the state fish hatcheries brought about through water quantity and quality issues and the closure of the Big Spring State Fish Hatchery.

Tellico, Inc., of North Carolina, owns the Tellico Trout Hatchery, located in western North Carolina. This facility is, according to the firm's website, the largest commercial hatchery in the eastern United States, with production capacity exceeding 5 million fingerlings per year. The contract, which was awarded through a competitive bid process, was finalized in late 2003 with an official start date of March 1, 2004. According to the PFBC official who administers and monitors the Tellico contract, Commonwealth procurement regulations at the time the contract was finalized allowed for purchasing of commodities prior to the start date of a contract, provided the vendor would supply them at the bid price. Tellico agreed to do so and began stocking fish in Commonwealth waters in December 2003. The contract is scheduled to conclude on February 28, 2009.

Contract specifications call for Tellico fish to be at least 0.44 pounds each. Random, unannounced spot checks are conducted at about 10 percent of the Tellico stockings to verify if the numbers and size of fish meet contract specifications. Also, Tellico fish must be inspected by a certified fish health professional and tested for PCB contamination annually. Thus far, Tellico has met or exceeded the contract specifications in all but one instance. During one spot check, it was discovered that Tellico was 300 fish short of the contracted number. This was due to a miscalculation during the loading of the stocking truck at Tellico. The invoice was corrected and the Commonwealth only paid for the number of fish stocked.

Table 34 contains actual numbers of fish provided by Tellico. As shown, more than 467,000 trout have been obtained from this contractor through June 2007. According to PFBC, approximately 97 percent of the 360 stockings conducted by Tellico thus far have been problem free. Higher than expected mortalities have occurred at about 10 stockings, the worst of which occurred in the fall of 2005 when several thousand fish were lost during stockings in southwestern Pennsylvania. Causes of these elevated mortalities are believed to be a combination of fish stress

incurred during transport and less than desirable water quality in the receiving waters. In instances where higher than expected mortalities were documented, invoices have reportedly been adjusted and the Commonwealth has not been charged for fish lost during stocking.

Table 34

Trout Stocked in Pennsylvania Waters by Tellico, Inc.
(FY 2003-04 Through FY 2006-07)

<u>Fiscal Year</u>	<u>Number of Fish^a</u>	<u>Total Costs</u>	<u>Cost Per Fish</u>
2003-04	90,400	\$ 95,287	\$1.05
2004-05	131,500	139,579	1.06
2005-06	122,900	146,155	1.19
2006-07	<u>122,510</u>	<u>148,591</u>	1.21
Total	467,310	\$529,612	\$1.13

^aAll rainbow trout.

Source: PFBC Bureau of Fisheries.

In October 2007, Tellico had to cancel 10 stockings due to their not having fish that met contract size specifications. This was due to extremely poor rearing conditions at Tellico brought on by the severe drought affecting much of the southeastern U.S. during the year.

Also shown on the table are the contract costs each year and the cost per fish for this contract. For FY 2006-07, the cost per fish was \$1.21 with a four year average of \$1.13. Overall, the PFBC has deemed the Tellico pilot program to be very successful. Results of random spot checks have indicated that the Commonwealth is acquiring trout on contract at a very reasonable price and, in the instances where Tellico trout were not delivered in an acceptable condition, invoices were reportedly adjusted.

The PFBC is planning to issue another RFQ in early 2008 to begin purchasing adult trout on March 1, 2009, to augment planned production. This RFQ will call for fewer numbers of fish but about the same number of pounds. Since 2003, the PFBC's internal adult trout production size goals have increased to 0.58 pounds per fish. The PFBC will be seeking bids for similar size fish that will result in fewer numbers purchased. If another contract is not awarded, the PFBC does not plan on making up the difference in the number of fish available. Due to environmental regulations and other factors, the PFBC's trout production system is currently at capacity with no indications that increases will be possible.

E. Monitoring and Prioritizing Infrastructure Needs and Hatchery Upgrades

How Does the PFBC Monitor and Prioritize Its Infrastructure Improvement Needs?

Between 1990 and 1996, the Commission made infrastructure improvement decisions based on a listing of projects entitled, “Fish Culture Station—Ten Year Needs Assessment for Environmental Compliance and Upgrade of Facilities.” The listing was developed in order to meet legally stipulated environmental standards and to address increasing fish production needs at state fish hatcheries.

Following a determination that this listing no longer accurately reflected a prioritization of the Commission’s major needs, the Executive Director coordinated the development of a new comprehensive listing of its deferred maintenance projects in 1996. Toward this end, each bureau director submitted a listing of their bureau’s major project needs, with most bureaus developing a list for a ten-year period. This listing, which was updated at least annually, represented the total inventory of the Commission’s deferred maintenance projects.

Beginning with the FY 1996-97 budget cycle, the Commission instituted a project prioritization process to determine which projects warranted a request for authorization of funding each year. This process is used for all projects with estimated costs exceeding \$5,000. All projects with estimated costs under this amount are included in what the Director of the Bureau of Engineering and Development refers to as the Commission’s “job jar,” which he estimates total about 200 projects per year (often pertaining to routine property maintenance).

At the beginning of each budget cycle, bureau directors are instructed to list and describe any capital projects they believe need to be funded. These bureau submissions are consolidated into a single inventory of requested projects. Concurrently, estimates of Fish Fund and Boat Fund monies available for funding capital projects are prepared.

The first round of project prioritization occurs during the initial budget phase, with newly-identified projects identified by the bureaus considered for funding during rebudget. While many of the projects are for repairs, renovations, and upgrades, also included in the project list are machinery, equipment, trucks, and additional wages for overtime and certain seasonal employees.

As the total available spending for capital projects is determined, a “Project Prioritization Committee” meets to discuss and prioritize the identified projects for funding. Based on the July 2007 Commission reorganization, the committee consists of the following members:

- Executive Director
- Deputy for Administration, Boating, and Engineering
- Bureau Directors
- Bureau Administrative Officers
- Budget Analyst
- Director of the Office of Boating and Access

The Executive Director serves as the final approval authority. The outcome of the committee's deliberations is a list of projects, in priority order, with corresponding estimated costs. Project costs are added until the identified spending limit from the two funds has been reached. Projects that fall within this limit are to be funded during the ensuing fiscal year, and remaining projects remain on the comprehensive list of deferred maintenance projects and may be reconsidered in subsequent budget cycles.¹

While authorized through statute, the Commission has chosen not to incur debt to finance capital improvements. A number of projects funded qualify for the receipt of federal augmenting revenues through the Federal Sport Fish Restoration Act cost-reimbursement program. Small-scale infrastructure improvements (such as minor hatchery upgrades, dam repairs, and access area improvements) are funded with current Fish Fund and Boat Fund monies.

Staff in the Bureau of Engineering and Development prepare cost estimates for projects scheduled to be completed in-house. The feasibility of using private contractors to complete projects is evaluated on a project-by-project basis. Chief among the factors weighed when deciding whether to contract a project are the workload of the Bureau and whether there is an in-house capability to complete the project.

When comparing in-house versus contractor project cost estimates, labor, equipment, building materials, and travel expenses are the main cost inputs. The PFBC uses a federally-approved standardized reference manual to calculate contractor costs. Contractor cost estimates generally increase as projects near commencement, in large part due to fluctuations in the cost of building materials (particularly fluctuations in the prices of gas and asphalt). Cost estimates also increase over time due to increases in applicable federal and state environmental regulation requirements (including improvements necessary to meet the terms of each hatchery's National Pollutant Discharge Elimination System ((NPDES)) permit).

According to the Director of the Bureau of Engineering and Development, it is somewhat difficult to find high-quality engineering consulting firms that specialize in fishing and boating projects. There are currently three main dam consultants in Pennsylvania that are primarily used by the PFBC, with others that have been previously used for minor projects. As a result, the Bureau maintains a staff of engineers specializing in hatcheries safety and engineering and a staff specializing in

¹Funded projects appear under the newly-created organizational unit "Special Projects and Programs."

dam safety and engineering. The Commission benefits from their familiarity and immediate response capability when problems occur, together with their familiarity with working in water. Many contractors, according to the Director, significantly increase costs due to the added requirement of working in water.

What Is the Estimated Cost of Infrastructure Needs at PFBC Fish Hatcheries?

In 2001, the PFBC contracted with FishPro/Cochran & Wilken, Inc., Consulting Engineers and Scientists (FishPro) to complete a “Commonwealth Cold and Cool/Warmwater Fish Culture System Evaluation.” The report consisted of a review and analysis of identified major problems and potential solutions at each of the (then operating) 15 fish culture stations.

The report provided the following explanation of the “areas of critical review” covered by the report:

The areas of critical review included water supply and treatment, effluent management, supplemental dissolved oxygen management of the aquaculture water supplies, rearing unit improvements, rearing unit expansion, general hatchery operations, and a variety of selected infrastructure improvements including expansion potential.

In addition, the report analyzed the historical production numbers of the Commission’s fish production program and projected future requirements, and identified “potential solutions and possible options,” including “construction cost opinions and projected time frame requirements,” to infrastructure needs. Also analyzed were “operational constraints associated with effluent treatment systems and water supplies” of the Commission.

In the area of recommendations for possible facility improvements at each of the Commission’s fish hatcheries, the FishPro report created a three-tiered categorization of infrastructure improvements (Priority 1, 2, and 3) based on the relative criticality and essentiality in meeting fish production goals and compliance with the Commonwealth’s operational codes and permits. For each hatchery, Priority 1, 2, and 3 improvements and renovations were assigned a total estimated (probable) cost. In addition, each recommended improvement/renovation identified within each priority category was classified as being either recommended to be completed through contracted construction or by PFBC construction crews.

At the time of the report’s completion in June 2002, the grand total estimate of probable cost for all improvements and renovations (priorities 1, 2, and 3), was \$84,794,257 (see Table 35). Of that amount, \$40,287,320, or 47.5 percent, represented Priority 1 repairs. Priority 2 repairs, which were identified as needed

Table 35

State Fish Hatchery Improvement and Renovation Estimates

(Priorities and Expenditures as Developed by FishPro in 2002)

Trout Production					
Hatchery	Total Needs	Priority 1 ^a	Priority 2 ^b	Priority 3 ^c	Priority 4 ^d
Bellefonte	\$ 6,461,942	\$ 4,219,303	\$ 2,224,049	\$ 18,590	\$ 0
Benner Spring	5,307,910	4,215,670	1,074,365	17,875	0
Big Spring	10,829,752	0	0	0	10,829,752
Corry	5,606,015	2,635,631	351,395	2,618,989	0
Huntsdale	7,461,036	3,671,859	2,482,467	1,306,710	0
Oswayo	4,458,238	2,039,053	548,989	1,870,196	0
Pleasant Gap	3,589,027	2,127,367	950,109	511,551	0
Reynoldsdale	10,783,339	5,572,648	1,291,414	3,919,277	0
Tylersville	<u>3,992,938</u>	<u>1,971,245</u>	<u>1,828,607</u>	<u>193,086</u>	<u>0</u>
Trout Production Subtotals	\$58,490,197	\$26,452,776	\$10,751,395	\$10,456,274	\$10,829,752
Warmwater/Coolwater Production					
Hatchery	Total Need	Priority 1	Priority 2	Priority 3	Priority 4
Fairview	\$ 3,187,327	\$ 1,104,687	\$ 911,002	\$ 1,171,638	\$ 0
Linesville	9,938,150	3,393,998	4,686,289	1,857,863	0
Pleasant Mount	4,579,951	3,224,741	828,832	526,378	0
Tionesta	2,745,273	2,184,541	486,674	74,058	0
Union City	3,343,645	2,893,073	374,897	75,675	0
Upper Spring Creek ..	2,509,714	1,033,504	1,476,210	0	0
WW/CW Subtotals	<u>\$26,304,060</u>	<u>\$13,834,544</u>	<u>\$ 8,763,904</u>	<u>\$ 3,705,612</u>	<u>\$ 0</u>
PFBC Hatcheries Total	\$84,794,257	\$40,287,320	\$19,515,299	\$14,161,886	\$10,829,752

^aPriority 1 improvements are considered essential to the station's ability to meet assigned PFBC fish production goals and compliance with the Commonwealth's operational codes and permits. Enhanced effluent treatment is a system-wide Priority 1 improvement item. Renovation of these systems is generally required to repair deteriorated components and restore operational performance requirements and/or provide for expansion opportunities.

^bPriority 2 improvements are recommended hatchery infrastructure improvements that are needed but are less critical than Priority 1. These items can be constructed in the future given that provisions for their completion are included in design engineering of Priority 1 items.

^cPriority 3 items can be added at some future date without major disruption of ongoing fish production.

^dPriority 4 items include potential improvements evaluated but not recommended in the study.

Source: Developed by LB&FC staff using information obtained from the PFBC and the FishPro report, *Pennsylvania Commonwealth Fish Culture Station Evaluation*, June 2002.

repairs that were less critical than Priority 1 repairs but were recommended for inclusion in Priority 1 design engineering, made up \$19.5 million, or 23 percent, of the total cost estimate. Priority 3 repairs, constituting items that can be added at a future date without major disruption of ongoing fish production, totaled \$14.1 million (16.7 percent).

A Priority 4 category was also established by FishPro, representing “potential improvements evaluated but not recommended in the study.” Estimated at \$10.8 million, these improvements apply only to the Big Spring hatchery, which ceased production in late 2001 and has since remained in an inactive status. The Commission reports that the 2001 closure of the hatchery was related to impairment of Big Spring Creek related to the hatchery discharge identified during the renewal process of the hatchery’s NPDES effluent discharge permit. The Commission indicated that “discharges from the hatchery must be improved since they, coupled with other factors, have had chronic negative impacts on Big Spring Creek and its environs.”

During that process, DEP did not approve an interim operations plan for the hatchery, which led to closure of the facility pending the installation of a recirculation hatchery in the future. Prior to the FishPro report, three engineering studies of the Big Spring hatchery were completed by DEP for the PFBC. In those studies, three improvement/renovation cost estimate options were developed. The FishPro report identified an option with an estimated cost of \$10.8 million as the only acceptable option. If chosen, this option would have Big Spring operate as a “semi-recirculating” hatchery.

While listed as Priority 4 improvements/renovations currently, the upgrades are necessary for the Big Spring hatchery to operate as a no-discharge recirculation hatchery. As such, if the PFBC made the decision to commence improvements and renovations to the hatchery to eventually resume production, these improvements could be fairly described as Priority 1. If such a decision were to be made, according to the FishPro report, a renewed effluent discharge permit for the Big Spring hatchery “will likely involve more stringent numeric effluent criteria that would require enhanced effluent treatment technology and/or water recirculation.”

The FishPro report recommended annual evaluation (during development of the Commission capital budget) of “factors influencing the hatchery improvements implementation sequence and priority of selected improvements”; and also recommended the following actions be taken in this regard:

- assessment of critical vs. non-critical infrastructure need;
- impact of deferred maintenance on fish production requirements;
- assessment of construction impacts on ongoing production programs (and possible mitigation of those impacts);

- available construction funding;
- project lead time (2 to 3 years on average per project);
- concurrent project funding, design engineering, and construction reducing overall time duration to complete system-wide improvements; and
- probable cost escalation of 3 to 4 percent per year.

The above factors provide important considerations in light of the history of the Commission’s approach to funding infrastructure improvements and the ongoing maintenance needs of state fish hatcheries. The report notes that the attendant funding necessary for “day-to-day maintenance and repair items essential to station operation” illustrates the need to classify the above repairs as capital improvements rather than maintenance projects. As will be discussed, the Commission has chosen to utilize proceeds from Growing Greener II to fund large capital improvement projects in lieu of incurring debt.

In March 2006, the Commission prioritized authorized repairs to be made at its state fish hatcheries using the \$27.5 million received through Growing Greener II.² To this end, the staff convened a special Growing Greener II/hatchery infrastructure team (a subgroup of the PFBC Project Prioritization Committee) with representatives from the Executive Office, the Bureau of Fisheries, and the Bureau of Engineering and Development.

Repairs were itemized by hatchery, and cost estimates were updated from those originally developed in the FishPro report. Repairs that were deemed “essential” as a result of the prioritization process were then compiled, representing the “total scope” of prioritized repairs at each site (consisting of PFBC in-house materials and labor costs together with contracted cost estimates). Contractor selection for design and construction then proceeded.

The Department of General Services (DGS) coordinates the selection of a contractor for the design phase and the advertising and awarding of construction contracts for completion of authorized projects. A letter of commitment is then issued for approval by DGS for the expenditure of monies by the Commission to the selected contractor(s) for project completion based on estimated project costs.

As of October 2007, DGS letters of commitment have been issued for \$25.4 million in repairs at state fish hatcheries (and one letter for improvements at Leaser Lake). Actual costs for completion of improvements and upgrades may ultimately fall above or below current estimates. As progress is made on selected hatchery upgrades and improvements using Growing Greener II monies, the subgroup convenes to identify new projects for funding. Once selected, staff requests the approval of the Commissioners to proceed with the use of Growing Greener II monies for the projects. The Commission must also occasionally request approval

²See page 141 for a further discussion of the Commission’s receipt of Growing Greener II monies.

to transfer Growing Greener II monies from one project to another as costs require (during design and/or construction), or to encumber additional Growing Greener II monies for projects.

Table 36 provides revised cost estimates, by hatchery, for prioritized improvement and renovation projects as of October 2007. Where applicable and available, amounts approved for project design and construction by DGS are provided.

Table 36

Prioritized Hatchery Upgrade/Improvement Costs*
(As of October 2007)

<u>Facility</u>	<u>Prioritized Project Cost Estimate^a</u>	<u>DGS Letter of Commitment Amount</u>
Bellefonte.....	\$2,865,080	\$3,636,000
Benner Spring	3,131,765	3,181,765
Corry.....	959,198	b
Huntsdale	3,789,655	4,547,586
Oswayo.....	1,573,488 ^c	n/a
Pleasant Gap.....	593,800 ^d	d
Reynoldsdale.....	4,175,983	6,400,185
Tylersville.....	680,296 ^e	e
Fairview	65,559	f
Linesville.....	2,870,563	870,061
Pleasant Mount	1,320,456	g
Tionesta.....	999,337	0
Union City.....	1,144,976	884,840

*Note: Figures presented in this table represent latest PFBC staff information as of October 2007. While explanatory notes are provided for several figures contained herein, see Exhibit 22 for information on the status of hatchery upgrades using Growing Greener II monies. Upgrades/improvements have not yet begun at the Big Spring and Upper Spring Creek hatcheries.

^aCost estimates represent totals from the Commission's March 2006 prioritization of essential hatchery upgrade/improvement projects.

^bAs of October 2007, expenditures to date on prioritized improvements at the Corry hatchery equaled \$298,259.

^cThis amount represents the prioritized cost estimate for essential projects at the Oswayo hatchery. As of October 2007, the Commissioners had not approved the commencement of improvement projects at the hatchery.

^dPhase I priority upgrades (totaling \$1.36 million) at the Pleasant Gap hatchery have been completed. The Commission plans to examine Phase II cost estimates as funding is available and as other projects are completed.

^ePhase I priority upgrades (totaling \$1.67 million) at the Tylersville hatchery have been completed. Phase II upgrades have been scheduled for beyond CY 2007 if additional funding becomes available after completion of other projects using Growing Greener II monies.

^fAs of October 2007, expenditures to date on prioritized improvements at the Fairview hatchery equaled \$7,670.

^gAs of October 2007, expenditures were authorized in the amount of \$30,640 at the Pleasant Mount hatchery.

Source: Developed by LB&FC staff using information obtained from the PFBC.

What Is the Estimated Cost of Infrastructure Needs at Dams Managed by the PFBC?

Another major concern is the growing list of deferred dam maintenance projects. According to the PFBC's Director of the Bureau of Engineering and Development, recent strengthening of dam safety standards has increased the costs attached to the maintenance backlog, which is becoming increasingly difficult to fully correct with current Fish Fund and Boat Fund revenues.

This difficulty is exacerbated, according to the Director, because hatchery improvement projects tend to receive a much higher priority due to the need to maintain continuous optimal output to retain and expand the fishing licensee base. Commission dam repair costs are partially mitigated through funding partnerships, which have become a special priority in recent years.

As mentioned, the Commission retains engineers in the Bureau of Engineering and Development with dam safety expertise. According to the PFBC Chief Counsel, approximately one-third of Commission dams are inspected annually for safety compliance. Occasionally, the Commission draws down lakes due to dam safety concerns or to effect dam repairs and safety improvements.

The Pennsylvania Department of Environmental Protection (DEP) Division of Dam Safety also provides for the regulation, safety, and inspection of Commonwealth dams and reservoirs. That division, among other functions, also has a role in the planning, design review, construction review, maintenance monitoring, and supervision of dams and reservoirs.

Table 37 provides a list of infrastructure needs and estimated costs at dams managed by the Commission. As shown, the total costs of infrastructure needs at PFBC-managed dams is \$83.1 million.

As an alternative to dam infrastructure improvements, the PFBC has been involved in dam removals, with the cooperation of funding partnerships, for the purpose of restoring stream habitats and fish passage. The Commission's Consultation and Grant Program for Fish Passage and Habitat Restoration, created in 1995, supports efforts to restore migratory and resident fishes to the Susquehanna River Basin through supplying technical and financial assistance to dam owners. Targeted for selection are dams that are deemed to no longer serve a functional purpose, thus allowing for the construction and operation of fish-passage facilities. To aid in this initiative, the Commission hired four habitat biologists in the Division of Habitat Management who are assigned to specific geographic regions in the state and charged with identifying and coordinating funds for the purpose of conservation, enhancement, and habitat restoration projects.

Table 37

Infrastructure Needs at PFBC-Managed Dams

1. PFBC Top Priority Dam Projects, by County

<u>County</u>	<u>Impoundment</u>	<u>Estimated Cost</u>
Beaver.....	Lower Hereford Manor Lake	\$ 7,750,000
Beaver.....	Upper Hereford Manor Lake	5,647,000
Beaver.....	Hereford Single RCC Dam	17,500,000
Centre	Colyer Lake	5,950,000
Cumberland	Opossum Lake	3,050,000
Lehigh	Leaser Lake (21' drawdown)	5,250,000
Washington	Canonsburg Lake	5,040,000
Washington	Dutch Fork Lake	<u>5,100,000</u>
Subtotal PFBC Priority		\$55,287,000

2. Identified by DEP for High Priority Repairs, by County

<u>County</u>	<u>Impoundment</u>	<u>Estimated Cost</u>
Butler.....	Glade Run Lake	\$ 3,500,000
Clarion/Venango	Kahle Lake	2,640,000
Fayette	Virgin Run Lake	3,500,000
Jefferson	Kyle Lake	3,500,000
Lancaster	Speedwell Forge Lake	3,500,000
Northampton	Minsi Lake	2,640,000
Somerset.....	Somerset Lake	2,640,000
Tioga	Nessmuk Lake	1,000,000
Wayne.....	Belmont Lake	1,050,000
Wayne.....	Lower Woods Pond	1,050,000
Westmoreland.....	Donegal Lake	3,500,000
Wyoming.....	Stevens Lake	<u>1,500,000</u>
Subtotal DEP Priority		\$30,020,000

3. Remaining Commonwealth Dams, by County

<u>County</u>	<u>Impoundment</u>	<u>Estimated Cost</u>
Berks.....	Kaercher Creek Lake	\$ 50,000
Bucks	Ingham Springs Lake	c
Bucks	Levittown Lake	
Cambria	Duman Lake	
Carbon	Mauch Chunk Lake	750,000
Centre	McCoys Dam	a
Chester	Icedale Lake (Breached)	b
Chester	Struble Lake	a
Columbia.....	Briar Creek Lake	750,000
Columbia.....	Orangeville Dam	a
Crawford	Tamarack Lake Dam "A"	750,000
Crawford	Tamarack Lake Dam "B"	750,000
Fayette	Dunlap Creek Watershed	a

Table 37 (Continued)

3. Remaining Commonwealth Dams, by County (Continued)

<u>County</u>	<u>Impoundment</u>	<u>Estimated Cost</u>
Fayette	Jacobs Creek Watershed	a
Fulton	Meadow Grounds Lake	\$ 2,250,000
Indiana	Hemlock Lake (Straight Run Dam)	850,000
Jefferson	Cloe Lake	0
Lackawanna	Ford's Lake	0
Lawrence	Bessemer Quarry Pond	0
Luzerne	Harris Pond	500,000
Luzerne	Lily Lake	0
Luzerne	Mountain Springs Lake	d
Lycoming.....	Rose Valley Lake	2,250,000
Northampton	East Bangor Lake	0
Snyder.....	C.F. Walker Lake	850,000
Snyder.....	Mussers Dam/Middle Crk Lake	b
Somerset.....	Cranberry Glade Lake	0
Somerset.....	High Point Lake	100,000
Sullivan	Hunters Lake	10,000
Susquehanna.....	Stump Pond	0
Tioga	Beechwood Lake	750,000
Warren	Browns Pond	0
Wayne	Douglas Pond	0
Wayne	Hankins Pond	500,000
Wayne	Long Pond	0
Wayne	Miller Pond	10,000
Wayne	Reining's Pond (Breached)	b
Wayne	Upper Woods Pond	0
Wayne	White Oak Pond	100,000
Wyoming	Lake Winola	a
Wyoming	Winola Mill Dam (Partial breach)	b
Subtotal Remaining.....		<u>\$11,220,000</u>
Total Dam Infrastructure Needs.....		\$83,120,000

^aNo cost estimate for repairs prepared.

^bNo plans to rebuild.

^cPFBC reports an estimate of \$900,000 for repairs to Ingham Springs Lake, but has no plans to commence repairs.

^dPFBC reports an estimate of \$1.3 million for repairs at Mountain Springs Lake. A possible transfer to DCNR is being considered.

Source: Developed by LB&FC staff using information obtained from the PFBC website.

In 2006, the Commission sponsored 19 dam removal and fishway restoration projects, which were partially financed through grants secured by the Commission (for project design and implementation) of \$718,000. Federal monies have also been secured for dam removal and fish passage restoration, including through the federal Sport Fish Restoration Act and the Chesapeake Bay Program.

The PFBC develops emergency action plans to be used in cases of any catastrophic failures at dams, in which maps are created that show the distance from each dam within which flooding greater than two feet would occur. In formulating the plans, the Commission works with the Pennsylvania State Police, PennDOT, PEMA, and county emergency management agencies. When a catastrophic failure occurs at a dam, the Bureau of Law Enforcement works closely with staff in the Bureau of Engineering and Development to monitor the implementation of the emergency action plan for the affected dam. The Bureau of Law Enforcement then deploys WCOs to assist in rescue and recovery operations as the situation requires.

What Is the Estimated Cost of Infrastructure Needs at PFBC-Owned Access Areas?

Current cost estimates for repair of Commission-owned boat access areas is estimated at \$8.6 million. This estimate is based on an average estimated need for each of the Commission's 215 access areas of \$40,000 for the next 5 to 10 years.³ A number of access areas included in this cost estimate have combined ownership, split between the PFBC and private parties, counties, U.S. Army Corps. of Engineers, or other local government entities. Many access area improvements use current revenues (often recorded as fixed asset expenditures). Many access improvement projects completed by the Commission are eligible for partial reimbursement with monies received through the federal Sport Fish Restoration Act. Together with Commission-administered grant programs, this provides the Commission with the potential for joint-financing of improvements to access areas.

What Improvements Has the PFBC Identified as “Priority” and What Are Their Associated Costs?

Among the total improvements outstanding, the Commission compiled a priority list of \$86.5 million in hatchery and impoundment improvements. This figure was comprised of \$26.5 million in priority hatchery improvements and \$60 million for impoundments. Priority needs at hatcheries reflected cost estimates identified as “Priority 1” in the FishPro report. Impoundment infrastructure needs were a combination of dam projects identified by both the PFBC and DEP for high priority repairs. Table 38 provides the Commission's list of priority infrastructure needs as per the FishPro report.

³At the time we reviewed PFBC infrastructure funding needs this estimation method was in effect. PFBC officials advised us in February 2008, however, that developing estimates on this basis has been discontinued.

Table 38

PFBC Priority Infrastructure Needs

(Based on 2002 FishPro Cost Estimates)

<u>County</u>	<u>Hatcheries</u> <u>Facility</u>	<u>Estimated Cost</u>
Bedford	Reynoldsdale Hatchery	\$ 5,572,648
Centre	Bellefonte Hatchery	4,219,303
	Benner Spring Hatchery	4,215,670
	Pleasant Gap Hatchery	2,127,367
	Tylersville Hatchery	1,971,245
Clinton	Huntsdale Hatchery	3,671,859
Erie	Corry Hatchery	2,635,631
Potter	Oswayo Hatchery	<u>2,039,053</u>
Total Hatchery Priority Needs		\$26,452,776

<u>County</u>	<u>Impoundments</u> <u>Facility</u>	<u>Estimated Cost</u>
Beaver	Hereford Single RCC Dam	\$17,500,000
	Lower Hereford Manor Lake	7,750,000
	Upper Hereford Manor Lake	5,647,000
Butler	Glade Run Lake	3,500,000
Centre	Colyer Lake	5,940,000
Clarion/Venango....	Kahle Lake	2,640,000
Cumberland	Opossum Lake	3,050,000
Fayette	Virgin Run Lake	3,500,000
Jefferson	Kyle Lake	3,500,000
Lancaster	Speedwell Forge Lake	3,500,000
Lehigh	Leaser Lake (21' drawdown)	5,250,000
Northampton	Minsi Lake	2,640,000
Somerset	Somerset Lake	2,640,000
Tioga	Nessmuk Lake	1,000,000
Washington	Canonsburg Lake	5,040,000
	Dutch Fork Lake	5,100,000
Wayne	Belmont Lake	1,050,000
	Lower Woods Pond	1,050,000
Westmoreland	Donegal Lake	3,500,000
Wyoming	Stevens Lake	<u>1,500,000</u>
Total Priority Impoundment Needs		<u>\$60,047,000</u>
Total Priority Needs		\$86,499,776

Source: Developed by LB&FC staff using information obtained from the PFBC.

As discussed, the Commission engaged in a prioritization exercise in March 2006, in which FishPro cost estimates were updated for selected projects. Moreover, with the Commission's receipt of monies through Growing Greener II, a new prioritization classified activities as "Phase I" or "Phase II." As such, while the priority infrastructure needs listed in Table 38 remain relevant, the estimation of costs and the selection of projects to be funded is an ongoing process.

How Does the PFBC Fund Its Capital and Infrastructure Needs?

Commission Funding

A number of funding sources and strategies have been used by the Commission for improvements, upgrades, and renovations to its facilities. In addition to funding improvements through license and fee revenue, the Commission has used funding from conservation bond initiatives (notably "Project 70" in the 1960s and "Project 500" in the 1970s), general state authority bonds, and a portion of the \$1.5 million received by the Commission under the Keystone Recreation, Park and Conservation Fund. The Commission also continues to utilize monies received through the federal Sport Fish Restoration Act and other federal grant programs to fund a portion of infrastructure improvement projects.

Outside of monies received through these initiatives, and in the absence of other dedicated sources of funding, the Commission funded most of its capital improvement projects out of current revenues from the Fish Fund and the Boat Fund. In addition to diverting funds from other operations and activities, the relatively limited availability of monies from the two funds for infrastructure improvements has the effect of "limiting the size and number of projects that the Commission can undertake in any one year." Moreover, in addition to cost estimates that have been developed for improvements, the Commission has entered interagency agreements with DEP to reduce solids discharged from PFBC facilities and to improve overall effluent discharge quality as part of the Governor's Green Plan.

The PFBC received authorization for infrastructure improvement projects through a series of Capital Budget Project Itemization Acts in past fiscal years. Capital projects authorized for completion by the Commission were each assigned total project allocations. The Commission was authorized to finance these projects by incurring debt or from current revenues of the Fish Fund and the Boat Fund (pursuant to executive authorization).

A total of 73 PFBC capital projects were approved through the three most recent capital budget itemization acts. Among these acts (2002-208, 2004-40, and 2006-83), a total of \$232.7 million in capital projects have been authorized for completion by the Commission.

While these acts authorized the Commission to incur debt to finance the authorized capital projects, debt service payments would (under current interpretations) be made from the Fish Fund and/or the Boat Fund rather than the Commission receiving a transfer from the Capital Facilities Fund to finance the projects.⁴ Due to these funding circumstances, and in light of the financial condition of the Fish Fund and the Boat Fund, the Commission has been unwilling to incur debt (and thus make debt service payments from the two funds) for the completion of the authorized capital projects.⁵

In a February 8, 2006, information paper on previous PFBC capital budget acts, the following “PFBC Position” was articulated regarding the content and funding mechanisms contained in the acts:

“These Acts [capital budget acts] contain the PFBC’s priority hatchery projects, among other projects. Although they contain a number of projects that have not been prioritized by the Commission, their enactment enables the agency to move forward with important efforts to upgrade Pennsylvania state hatcheries. Under the current stipulations for use of these funds—payback required [by the Commission on any debt incurred]—the Commission is severely restricted in implementing these projects.”

In an accompanying fact sheet entitled “PFBC Infrastructure Needs and Funding History,” the Commission concludes that it “cannot fund major infrastructure projects from license and registration income.” Further, the paper states that “it is simply prudent fiscal policy for the Commonwealth to invest in the capital infrastructure that supports an annual \$50 million General Fund revenue stream,” and suggests that “the existing capital budget process ensures that ultimate control over Commission infrastructure projects rests with the Governor and the General Assembly.”

Finally, the paper provides several proposals for the use of existing or new funding to support its capital improvement needs. Among the concepts are new Commonwealth conservation bonds; monies from existing special revenue funds or existing taxes; authorizing the PFBC to incur debt repayable from the General Fund or Capital Facilities Fund; or new dedicated sources of infrastructure funding

⁴A draft version of SB 1213 (2001--later becoming Act 2002-131) contained language that would have authorized the PFBC to fund authorized capital projects with the incurring of debt repayable from the General Fund. That language was struck from SB 1213 through an executive line-item veto when signed into law . Act 2002-208, signed into law on December 9, 2002 (the Pennsylvania Fish and Boat Commission Capital Budget Act for 2002-2003), itemized authorized projects with corresponding estimated costs, but removed the provision whereby debt incurred could be repayable from the General Fund.

⁵The Commission incurred debt, however, to finance its Harrisburg headquarters building. Annual debt service payments of approximately \$500,000 are paid by the Commission.

from, for example, earmarking a portion of sale tax revenue from fishing and boating-related activities for capital funding.

Growing Greener II

The PFBC is authorized to receive \$27.5 million in bond proceeds from the Growing Greener Bond Fund to be used for capital improvement projects on its existing lands and facilities. The monies received by the PFBC were part of the \$625 million in total indebtedness approved by the Commonwealth electorate in 2005 under the “Growing Greener II initiative.” Proceeds from the \$625 million authorized indebtedness were allocated to a number of Commonwealth agencies from the Growing Greener Bond Fund for a variety of conservation and environmental improvement-related purposes.⁶

Commission staff, in tandem with FishPro, categorized hatchery capital improvement projects into “Phase I” and “Phase II” priorities in an attempt to identify the most essential environmental compliance needs at each facility. Phase I priorities encompass only the most essential wastewater upgrades at hatcheries. Phase II priorities include other wastewater upgrades, additional water supply needs, rearing unit needs, and other site-related upgrades.

The Commission has begun to use Growing Greener II monies for construction and improvement projects at its state fish hatcheries. Of particular construction priority are upgrades to hatchery filtration systems. Other common upgrades being pursued involve hatchery raceway improvements, incidental utility and site repairs, emergency power backup systems, water aeration/treatment, sewage/sludge storage, and alarm systems.

As the Commission has been unwilling to incur debt (repayable from current revenues) to fund capital improvement projects, Growing Greener II bond proceeds have served as the primary vehicle through which major improvement projects are funded. The Governor’s Office of the Budget approved a plan submitted by the PFBC to fund authorized infrastructure improvements using allocated Growing Greener II proceeds. Planned and completed improvements at state fish hatcheries using Growing Greener II monies address a number of authorized projects that the PFBC has received through past capital budget project itemization acts, although neither current revenues nor the incurrence of debt has been used to fund construction.

⁶Act 2005-1 (the Growing Greener Environmental Stewardship and Watershed Protection Enhancement Authorization Act) created the question to be posed to the electorate to incur indebtedness of up to \$625 million for the conservation and environmental improvement-related purposes stated in broad terms in the question and to be subsequently defined by law. Following voter approval of the question, Act 2005-45 established agency allocations, among other provisions.

Exhibit 22 provides an inventory of hatchery upgrade projects being pursued by the Commission with the use of Growing Greener II monies. Phase I improvements at the Tylersville and Pleasant Gap hatcheries have been completed. However, according to the Acting Deputy Director for Administration, Boating, and Engineering, a number of the other hatcheries also have a variety of Phase I needs that staff is in the process of identifying for funding prioritization.

Even if the entire \$27.5 million in Growing Greener II monies is used by the Commission for deferred capital improvement projects, the Commission estimates total Phase I and Phase II repairs at \$56.2 million as of October 2007.

Related Commission-Administered Grant Programs

In addition to the potential reimbursement of up to 75 percent of the costs of a project under the Federal Sport Fish Restoration Act program, the Commission has initiated several state-based grant programs to fund infrastructure improvements. Through these grant programs, the Commission is able to effectively share the cost of improvements to fishing and boating access areas and infrastructure, with the added benefit (in some programs) of guarantees of areas remaining open for public use for a certain number of years.

Chief among these is the Boating Facilities Grant Program. Created in January 2005, the program provides grants to county and municipal governments for the planning, acquisition, development, expansion, and rehabilitation of public boating facilities located along Commonwealth waterways. The goal of the program, according to the Commission, is to ensure that Pennsylvania's recreational boaters are provided with the highest quality boating facilities on all navigable water bodies of the state. The grant program covers up to 75 percent of certain costs incurred toward project completion by local government recipients. For further information on this program, see Section VII.A.

Infrastructure Needs at Administrative Buildings

Lease payments on the Harrisburg headquarters building are scheduled to continue through 2015. The Commission entered into a lease/purchase arrangement to construct the facility, in which a third party issued bonds to pay for the construction of the building. The Commission then made periodic lease payments over the term of the agreement, with the option to buy-out the agreement at any time. Lease payments to the Dauphin County Industrial Development Authority totaling \$4.7 million remained as of November 2005, with annual lease payments of approximately \$500,000.

The Commission does not currently maintain a comprehensive database of infrastructure needs for its administrative buildings.

Exhibit 22

Commission-Initiated Capital Projects Under Growing Greener II

<u>Project Location</u>	<u>Summary of Planned Improvements</u>	<u>Estimated Cost and Status</u>
Tylersville Hatchery	Effluent treatment/infrastructure improvement; high flow capacity microscreen filter system; incidental facility/site repairs; emergency power backup.	<u>Phase 1:</u> Cost: \$1.67 million; Status: Complete <u>Phase II:</u> Testing and monitoring new equipment started in 12/06; scheduled for beyond 2007 pending funding/other Growing Greener projects.
Pleasant Gap Hatchery	Install high flow capacity microscreen filter system; partial recirculation and disinfection system; off-line aerated sludge storage tank; incidental facility/site repairs; power backup.	<u>Phase 1:</u> Cost: \$1.36 million; Status Complete <u>Phase II:</u> Scheduled for beyond 2007 pending funding/other Growing Greener projects.
Bellefonte Hatchery	Install high flow capacity microscreen filter system; water source pretreatment; exploration for water augmentation/partial recirculation/disinfection system; filtration/disinfection of hatch house; raceway repairs; incidental facility/site repairs; power backup.	Est. Cost: \$3.6 million; Status: Design 90 percent complete; Phase 1 construction to begin in FY 2007-08; scheduled completion date: November 2008.
Benner Spring Hatchery	Install high flow capacity microscreen filter system; water source pretreatment; particle recirculation and disinfection system; off-line aerated sludge storage tank; filtration/disinfection of hatch house; cool/warmwater unit repairs; incidental utility/site repairs; power backup.	Est. Cost: \$3.2 million; Status: Design 90 percent complete; Phase 1 construction to begin in FY 2007-08; scheduled completion date: November 2008.
Huntsdale Hatchery	Install high flow capacity microscreen filter system; filtration/disinfection of hatch house; cool/warmwater rearing unit improvements; domestic sewage treatment facility; incidental utility/site repairs; power backup.	Est. Cost: \$4.6 million; Status: Design 90 percent complete; ; Phase 1 construction to begin in FY 2007-08; scheduled completion date: November 2008.
Corry Hatchery	New water supply well; installation of 6,700 feet of transmission pipeline from well to hatchery; upgrade alarm system; power backup; hydrogeological study to potentially develop an additional well.	Est. Cost: \$959,198; Status: Construction started August 2006; work being performed in part by PFBC construction crews as well as a public contractor; emergency system installed; contracts awarded for hydrogeologic study and installation of alarm system; generator building completed; well pumps to be purchased and installed in FY 2007-08; pipeline contract scheduled for FY 2009-10.

Exhibit 22 (Continued)

<u>Project Location</u>	<u>Summary of Planned Improvements</u>	<u>Estimated Cost and Status</u>
Reynoldsdale Hatchery	Completely modernize the hatchery to be on par with current fish propagation technology; replacing all antiquated earthen raceways with outdoor circular tanks; partial ultraviolet disinfection and recirculation system; new high capacity microscreen filtration; clarifier and sludge storage system; power backup.	Est. Cost: \$6.4 million; Status: Preliminary design started; Phase I construction to begin in FY 2008-09.
Linesville Hatchery	Reconstruction/reconfiguration of ponds; including installation of impervious linings; new outlet and harvest structures; additional settling ponds; reservoir water pretreatment; hatch house filtration; power backup.	Est. Cost: \$906,030; Status: On hold pending final cost of earlier projects.
Union City Hatchery	Development of additional wells; installation of heat exchangers; pond consolidation/reconfiguration; installation of impervious liners; upgrade alarm system; modern effluent treatment for hatch house; general electrical upgrades; power backup.	Est. Cost: \$916,370; Status: On hold pending final cost of earlier projects.
Fairview Hatchery	Install a new roof and upgrade the alarm system.	Est. Cost: \$7,670; Status: Construction materials (for the roof) ordered; alarm contract scheduled for FY 2007-08.
Leaser Lake Dam	Dam rehabilitation to meet current DEP dam safety standards; major upgrades to spillway; work to stop seepage through dam's earthen walls.	Est. Cost: \$1.75 million; Status: Construction scheduled to begin in March 2009; completion scheduled for March 2011; total of \$4.8 million in grants from various sources; ^a Leaser Lake is the centerplace of a facility leased by Lehigh County from the PFBC.
Opposum Lake	Dam rehabilitation to meet current DEP dam safety standards; major upgrades to spillway; work to stop seepage through dam's earthen walls.	Awaiting conceptual model and alternative analysis.

^aFunding for improvements at Leaser Lake will be derived from the PFBC's allotted Growing Greener II monies, DCNR's Community Conservation Partnerships Program, and through the state's capital budget.

Source: Compiled by LB&FC staff using information obtained from the PFBC.

Has the Commission Incorporated Infrastructure Initiatives in Agency Planning Processes?

The PFBC has integrated its infrastructure improvement needs into both the agency-wide strategic plan and the Annual Plan of Work for 2007.

While the current agency-wide strategic plan does not explicitly address Commission infrastructure needs, several elements in the plan are directly or indirectly dependent upon the integrity of state fish hatcheries and fishing and boating access areas. Identification of opportunities for access improvement (for the plan activity “Fishing and Boating Access”) is the prime activity related to infrastructure needs contained in the strategic plan. In addition, the Commission continues to pursue alternative funding mechanisms for its capital improvement needs as part of its legislative strategy.

The PFBC’s Annual Plan of Work for 2007 contains activities related to continued utilization of Growing Greener II monies for hatchery upgrades and dam renovations, completing a contract for architectural/engineering work on the Walnut Creek marina, computerization of PFBC property records, a review and evaluation of hatchery operations, and an evaluation of the administrative facilities at Pleasant Gap.

F. Compliance With Hatchery Discharge Permit Requirements

What Water Quality Standards Apply to State Fish Hatcheries?

As authorized by the federal Clean Water Act (CWA), the National Pollutant Discharge Elimination System (NPDES) permit program regulates point-source discharges¹ into waters of the U.S.² The CWA prohibits anyone from discharging “pollutants” through a point source into a U.S. water unless they have a NPDES permit. The permit contains limits on what the person or entity can discharge, monitoring and reporting requirements, and other provisions to ensure that the discharge does not hurt water quality or people’s health. In essence, the permit translates general requirements of the CWA into specific provisions tailored to the operations of each person or entity discharging pollutants.

The act requires each state to establish water quality standards for all bodies of water in the state. These standards serve as the backup to federal technology-based requirements by indicating where additional pollutant controls are needed to achieve the overall goals of the act. The CWA allowed the EPA to authorize the NPDES Permit Program to state governments, enabling states to perform many of the permitting, administrative, and enforcement aspects of the NPDES Program. In states that have been authorized to implement CWA programs, the EPA still retains oversight responsibilities. Pennsylvania is among the qualified states that have been delegated responsibility for the permit program.

Pennsylvania’s Clean Streams Law provides the Pennsylvania Department of Environmental Protection (DEP) with the basic legal authority to prevent and abate water pollution in Pennsylvania. The law also establishes appropriate enforcement procedures and penalties which apply to violations of the law. Under provisions of Article I of the Law, the Environmental Quality Board has established rules and regulations to control water pollution and to protect the water quality. NPDES regulations (25 Pa. Code, §92.1 *et seq.*), provides for administration of the NPDES Permit Program with Pennsylvania and established criteria for the content of NPDES permit applications, standard permit conditions, public notification procedures, general NPDES permits, and other requirements. NPDES permits are executed as inter-agency agreements between the PFBC and the DEP.

¹A “point source” is defined as “any discernible confined and discrete conveyance including but not limited to a pipe, ditch, channel, or conduit from which pollutants are or may be discharged.” Point source discharges are required to have either a state NPDES or a federal NPDES permit if located in states without a federal EPA-approved NPDES permit program.

²A “water of the United States” means navigable waters, tributaries to navigable waters, interstate waters, the oceans out to 200 miles, and intrastate waters which are used by interstate travelers for recreation or other purposes, as a source of fish or shellfish sold in interstate commerce, or for industrial purposes by industries engaged in interstate commerce.

Are PFBC Fish Hatcheries Currently in Compliance?

According to officials of the state DEP, PFBC state fish hatcheries are currently in compliance with their NPDES permits. However, to remain in compliance, the PFBC is in the process of upgrading water filtration systems at the hatcheries. To this end, high flow capacity microscreen filter systems have recently been installed at the Tylersville and Pleasant Gap hatcheries, with such systems planned for other hatcheries pending availability of funding.

Each of the PFBC's fish hatcheries produce discharges into Commonwealth waterways (mainly fish waste, undigested fish food, and formaldehyde from fish medication), and each has its own unique permit. According to the Director of the Division of Fish Production, NPDES permit requirements depend both on the nature and type of production in each hatchery (trout, warmwater/coolwater) and the stream into which effluent is being discharged. Some hatcheries have strict biomass limits (mostly hatcheries which primarily produce trout), while others may have parameters with limits that allow for little if any discharge.

This requires water from the stream into which water leaves each hatchery to be tested against the effluent requirements set forth in the permit. Such NPDES discharge monitoring reports are submitted monthly following self testing by the PFBC.³ These monthly reports mainly consist of water quality parameters that affect the stream quality and benthic organisms within the stream.

According to officials in DEP's Division of Planning and Permits within the Bureau of Water Standards and Facility Regulation, around 2002, more stringent effluent requirements were placed on PFBC hatcheries due to a discovery of decreased water quality leaving the hatcheries. Since hatcheries must utilize water from "high quality streams" for raising trout, it is not uncommon for more stringent permitting standards to be placed upon hatcheries.

The Director of the Division of Fish Production stated that, individual hatcheries have occasionally exceeded certain permit parameters (chemicals or other discharge elements). In some cases, if the element of discharge that exceeded established limits in the permit is not reduced by a certain amount within a defined time-frame in the same or subsequent year, hatcheries may be compelled to either cut

³Monitoring and assisting in the testing of point source effluent discharge pursuant to hatchery NPDES permit requirements is one component of the PFBC's watershed/water quality standards efforts. Staff primarily located in the Division of Environmental Services (within the Bureau of Fisheries) complete a series of water quality tests, both independently and in conjunction with DEP, to ensure that waterways are not impaired and to test compliance with pollution reduction goals.

production in certain areas or upgrade their effluent treatment (filtration) system.⁴ Streams that are deemed to be impaired have more stringent hatchery effluent discharge standards.

According to the Director of the Division of Fish Production, the criticality and priority of wastewater filtration upgrades at state fish hatcheries will increase as NPDES permit requirements become more stringent.

NPDES permits are valid for five years, with the renewal process beginning 180 days prior to expiration of the permit. If there are no compliance issues, renewal is fairly routine. Permit restrictions may change between renewals depending on a variety of factors (such as the amount of water flow through the hatchery), and may also be amended during a permit's effective term. There is an interim period within which the hatchery may continue production while taking positive action to come into compliance, and negotiated compliance schedules may be developed between DEP and PFBC.

In 2007, the PFBC stocked Pennsylvania waterways with adult trout that were, on average, 30 percent heavier than those stocked in 2006. In total, approximately 3.4 million adult trout were stocked by the PFBC in 2007 in waters open to public angling. To ensure compliance with terms of its NPDES permit, the PFBC must limit its total annual production of adult trout to 1.9 million pounds. As a result, the PFBC adjusted the number of individual trout produced to accommodate the shift to larger trout. The PFBC estimates that production of the larger trout required a 20 percent cut in the total number raised.

What Has the PFBC Committed to Do Relative to Its Green Plan?

The Governor's Green Government Council (GGGC) was established in 1998 by executive order to

cooperatively across agency jurisdictions, facilitate the incorporation of environmentally sustainable practices, including Strategic Environmental Management, into Commonwealth government's planning, operations, and policymaking and regulatory functions, and to strive for continuous improvement in environmental performance with the goal of zero emissions.

⁴The Big Spring state fish hatchery ceased production in late 2001 and has since remained in an inactive status due to impairment of Big Spring Creek related to hatchery discharge identified during the renewal of the hatchery's NPDES permit. During the renewal process, DEP did not approve an interim operations plan for the hatchery, which led to the closure of the facility pending the installation of a recirculation hatchery in the future. In February 2008, the Commission made the decision to demolish the concrete raceways at the hatchery and partially replant the site with native vegetation.

The Council is comprised of the secretaries of the Departments of Environmental Protection and General Services, independent agencies choosing to incorporate environmentally sustainable practices in their operations, and other individuals appointed by the Governor. Each participating agency must develop and submit an annual Green Plan to the Council by June 1, which outlines the actions the agency will take in the upcoming year (as well as measures to evaluate the effectiveness of its actions) to address the GGGC's purpose as described above. Each participating agency must assign either its agency head or deputy secretary-level alternate to assume responsibility for overseeing agency activity related to its Green Plan, and must provide sufficient funds to develop and implement its Green Plan. The Council presents a report to the Governor by September 1 of each year that summarizes the past year's activities.

The PFBC has taken a number of actions related to its Green Plan, a major part of which is its Green Hatchery Initiative. In 1999, the Commission set a goal of reducing the effluent from its state fish hatcheries by 25 percent by 2003. Towards this end, PFBC staff worked cooperatively with DEP staff to revise the design of wastewater treatment at state fish hatcheries and towards the development of effluent reduction strategies and improvement options for each hatchery.

Actions taken by the PFBC in furtherance of its Green Hatchery Initiative principally consisted of the following:

- modification of trout diets to reduce concentrations of nutrients and solids in hatchery effluents;
- installation of supplemental oxygen injection systems to reduce the amount of water/total discharges;
- sludge storage and handling improvements;
- pond and raceway cleaning procedure improvements;
- installation of improved microscreen filtration systems;
- installation of raceway baffles; and
- installation of 24-hour effluent monitoring equipment.

In its 2003-2004 Green Plan submission, the Commission reported a drop of more than 31 percent in total discharge of suspended solids from its state fish hatcheries between the years 1999 and 2002. Factored in this average were reported reductions in effluent of 45 percent at the Benner Spring hatchery, 44 percent at the Bellefonte Hatchery, and 43 percent at the Tylersville hatchery. The Commission continues to prioritize and commence improvements and upgrades at its state fish hatcheries related to effluent discharge reduction, but must do so within the constraints of available capital improvements funding.

The Commission has taken a number of other actions to address elements of its Green Plan. Principal among these actions are the following:

- instituting a riparian buffer policy to stabilize stream banks/shorelines and enhance water quality and fish and wildlife habitats;
- installation of many environmentally-friendly and energy efficient components in the Harrisburg headquarters building;
- use of recycled paper to print many of its publications, and using non-toxic vegetable based inks for printing; and
- instituting fuel reduction initiatives, including efforts to reduce unnecessary travel through videoconferencing and carpooling, use of cleaner and quieter boat motors for boating and law enforcement programs, and acquisition of fuel-efficient vehicles for certain field officers.

G. Promotion of Boating Safety

What Are the PFBC's Responsibilities Related to Recreational Boating Safety?

Pennsylvania waterways provide substantial opportunities for recreational boating. Within the Commonwealth are 83,261 miles of rivers and streams and 76 natural lakes providing 5,266 acres of flatwater. An additional 2,300 constructed impoundments provide another 200,000 acres of boatable waters. Lake Erie has 64 plus miles of shoreline and 735 square miles of waters within the state's boundaries. Further, the Delaware River provides 56 miles of tidal waters within Pennsylvania, giving access to the Atlantic Ocean.

The PFBC is authorized to administer and enforce all laws relating to the management of boating and the operation of boats on these waters, as well as to encourage, promote, and develop recreational boating.¹ Emphasis on boating safety is reflected in the composition of the Commission, which includes two at-large members experienced in boating and water safety education and who must also be registered boat owners. The PFBC may use monies in the Boat Fund to develop and implement a boating safety education program.

In other related areas, the Fish and Boat Code provides that the PFBC:

1. supervise, through the executive director, the administration and enforcement of all requirements regulating the operation and equipment of boats, the establishment of educational programs, and the improvement of waterway facilities including aids to navigation;
2. may require an individual to successfully complete a Commission-approved safe boating course when that individual has been convicted of a boating related violation (this is in addition to, or in lieu of a revocation, denial, or suspension of any license or privilege);
3. promulgate regulations that establish criteria for a boating safety education course;
4. coordinate a statewide program of boating safety instruction and certification;

¹The Fish and Boat Code (at 30 Pa.C.S.A. §102) defines a "boat" as every description of watercraft constructed or sold for the primary purpose of being used as a means of transportation on the water. The term does not include: (1) surfboards and other similar nonpowered contrivances used primarily as swimming aids, (2) commercial craft subject to federal manning and inspection requirements, and (3) seaplanes. The code further defines "watercraft" as every description of device used on the water or ice or capable of being used as a means of transport on water or ice. The term includes boats, motorboats, iceboats, all terrain or amphibious vehicles when they are operated on water, and all such other devices. The term does not include seaplanes.

5. provide boating safety education materials to persons who plan to take the boating safety course; and
6. issue a certification of boating safety to a person who passes the course and pays the fee.

Further, the PFBC Executive Director is empowered to recruit, train, and accept volunteers to help with education and information programs, and boating safety and water rescue programs. The Fish and Boat Code, at §303, also provides that the Executive Director may appoint two assistant executive directors, one of whom is to be in charge of and responsible for watercraft safety. Currently, no individual has been appointed as the AED in charge of watercraft safety.

The PFBC's Bureau of Law Enforcement also plays an important role in enforcing boating and related laws in the Commonwealth. Additionally, the Fish and Boat Code, §306, establishes a Boating Advisory Board to advise the Commission on all matters relating to boating and to make recommendations with regard to any proposed rules or regulations affecting the equipment or operation of boats.

Other agencies also have functions and responsibilities related to recreational boating and boating safety, and frequently work in cooperation with the Commission. Such agencies include the Pennsylvania Department of Conservation and Natural Resources and the U.S. Coast Guard, which administers the federal Recreational Boating Safety (RBS) Grant Program.

What Are the Key Components of the PFBC's Boating Safety Program?

The PFBC is responsible for assuring that the boating public is educated and informed and that it understands and practices boating safety. Primary responsibility for administration of the PFBC's boating safety program resides with the Bureau of Boating and Education. According to the Acting Bureau Director, the PFBC's recreational boating program encompasses a variety of functions and activities including education and information, marketing and promotion, boating accident analysis, and boating regulation.

Boating Safety Education Courses. The PFBC offers three boating safety related course options: PA Basic Boating Course; Boating and Water Safety Awareness; and, Boat PA—Internet and Video/Correspondence Course (see Exhibit 23). Successful completion of any of these courses makes a student eligible for a Boating Safety Education Certificate. The first two course options are provided in a classroom setting, however, the third option, Boat PA, offers either a video home-study course or an online course. Each of the courses has been approved by the National Association of State Boating Law Administrators (NASBLA), which establishes standards for mandatory boating education. No fees are charged for the classroom

courses; however, a fee of \$15.00 is required for the Internet course, payable to the vendor, Boat Ed of Dallas, Texas, who designed and administers the course. Regarding the video/correspondence option, the price is \$24.95 plus \$5.00 shipping/handling.

Exhibit 23

PFBC Boating Safety Education Courses

Pennsylvania Basic Boating Course (minimum of 8 hours)

The Basic Boating Course was developed to supply boaters with practical information so they can make better informed decisions on the water. Instructors provide students with information to help them reduce the risk of injury and conflict on the water. The course is designed for Pennsylvania's recreational power boaters. However, it can be presented to any group interested in boating or boating safety. This course is taught by PFBC employees and certified volunteer instructors.

Boating and Water Safety Awareness Course (minimum of 8 hours)

This course was developed to promote boating and water safety education by involving students in the proper procedures for recreational boating and having the students demonstrate proficiency in boating and water safety. This course is designed for students in the sixth through twelfth grades. Through appropriate adaptation, the course may also be used to teach scouts or youth groups. This course is taught by PFBC employees and certified volunteer instructors.

Boat Pennsylvania Internet and Video/Correspondence Courses

Because it is sometimes inconvenient for boaters to attend a classroom boating course, the PFBC offers this as a long distance learning opportunity. This can be done either by visiting the "boating course page" to link to the Boat Pennsylvania Internet boating course or by ordering the Boat Pennsylvania video-correspondence course. Both courses present information on boating and water safety. Both have six chapters of boating information followed by a practice test (Internet), or chapter review exercises (video-correspondence). A person can take the Internet course free of charge until choosing to take the final "certification" examination. Once the student is secure with his/her knowledge, he/she can take the final 75-question multiple-choice certification exam. A grade of 80 percent must be achieved to pass either course and to qualify to be issued a Boating Safety Education Certificate. The vendor issues a temporary certificate good for 60 days. A permanent credit-card-like certificate issued by the Commission follows.

Source: PFBC's Basic Boating Course.

Boating Safety Certification. Although the PFBC has offered boating safety education and certification for many years on a voluntary basis, a mandatory program was enacted in 2002. Act 2002-199 amended 30 Pa.C.S. §5103, to provide, in certain circumstances, for mandatory boater education and certification. The act established a requirement that any person born after January 1, 1982, and who operates a boat powered by a motor in excess of 25 horsepower must obtain and

have in their possession a Certificate of Boating Safety Education.² To obtain a certificate a boater must first successfully complete a Commission-approved boating course and related examination. The student may then apply for a certificate. The act also provided for a fee of \$10.00 to be charged to obtain the Certificate. Once issued, the certificate is valid for the lifetime of the person to whom it was issued.

Additionally, as regards personal watercraft (PWC),³ by regulation (58 Pa. Code §109.3(g)) the Commission established that any person operating a PWC on Pennsylvania's public waters must have in their possession a Boating Safety Education Certificate.

The annual number of Boating Safety Education Certificates issued since Act 199 was enacted has been between approximately 12,000 to 14,000; (14,208 in 2003; 12,639 in 2004; 13,121 in 2005; and 14,029 in 2006). PFBC staff report that they consider compliance with the mandatory education requirement to be good to excellent and that most persons required to obtain a certificate have done so. Not everyone taking a boating safety course applies for a Boating Safety Education Certificate, as many persons take a boating safety course for fun or enrichment.

The Commission approves courses for certification for Commonwealth residents as well as non-residents. In addition to the PA Fish and Boat Commission courses listed on Exhibit 23, a student may select other similar courses, for example, courses offered in other states, by non-profit organizations, and by federal agencies such as the U.S. Fish and Wildlife Service, and the U.S. Coast Guard.⁴

In 2006, the PFBC issued Boating Safety Certificates to 14,029 persons who had successfully completed an approved boating safety education course. Of the total number of certificates issued, 12,609 went to persons who had taken one of the PFBC courses. About 90 percent of the total number of individuals who received certification did so as a result of completing one of the PFBC-provided courses of instruction.

In 2006, a combination of PFBC staff and certified volunteer instructors taught 133 Basic Boating courses and 53 Boating and Water Safety Awareness courses. As shown on Table 39, the PFBC issued certificates to 2,266 students who successfully completed the Pennsylvania Boating Course and 620 certificates to students who had taken the Boating and Water Safety Awareness Course. However, not everyone who successfully completes a course applies for a certificate. In

²A person 11 years of age or younger may not legally operate a boat powered by a motor greater than 25 horsepower under any conditions. However, there are no age restrictions on operation of motorboats 25 horsepower or less.

³A personal watercraft is a boat less than 16 feet in length that uses an internal combustion motor powering a water jet pump as its primary source of propulsion. It is designed to be operated by a person sitting, standing, or kneeling rather than in the conventional manner of boat operation.

⁴Notice of these approved non-PFBC courses is published annually in the *Pennsylvania Bulletin*.

the case of the “awareness course,” only 29 percent of the students completing the course applied for a certificate (e.g., some students may not apply for a certificate because of the associated cost).

Table 39

**Certificates Issued to Persons Taking a PFBC
Provided Boating Safety Education Course
(2006)**

<u>PFBC Course Title</u>	<u>Certificates Issued</u>	<u>% of Total</u>
Internet/Video	9,723	77.1%
PA Basic Boating	2,266	18.0%
Boating and Water Safety Awareness.....	<u>620</u>	<u>4.9</u>
Total.....	12,609	100.0%

Source: Pennsylvania Fish and Boat Commission.

Based on the number of certificates issued for the Internet/Video category, one may conclude that the distance learning options are very popular. According to the PFBC, 757 people completed the Boat Pennsylvania correspondence course in 2006. Only two people who took the correspondence course failed to pass. A total of 11,382 students took the Boat Pennsylvania Internet course with 10,339 successfully completing it. The Commission issued 9,723 Boating Safety Education Certificates to persons who had completed one of these two courses.

Other PFBC Boating Safety Activities. The PFBC also promotes safety through the development and dissemination of boating safety related information. For example, safe boating habits are promoted and boater knowledge is increased through the production and distribution of literature (through the mail and at sports shows and other outlets). A safety brochure, information sheets and a Pennsylvania Boating Handbook are periodically updated and a copy of the handbook is provided to all first time boat owners and to participants in boating courses.

A video library to be used in boating courses and public speaking appearances is accessible to boating safety instructors, as well as various clubs, organizations, and individuals. The PFBC further promotes boating safety through news releases, radio advertisements, public service announcements, radio and TV interviews, and the Commission’s Internet web page.

The Commission also maintains a computer-based inventory and numbering system on all Aids-to-Navigation (i.e., buoys and floating structures installed around the state for boating safety purposes). Further, law enforcement patrols and related activities of the waterways conservation officers such as public outreach

efforts, specialized boating safety efforts, and emergency assistance during flooding, serve to underscore the PFBC's emphasis on boating and water safety.

The PFBC staff also maintains a boating-accident and reporting system and database. The PFBC maintains a federally approved boating casualty reporting system. Data from this system is reported to the U.S. Coast Guard to be used in development of the annual report on recreational boating accident statistics.

The PFBC's accident data comes from the boating operators involved in accidents. Each operator of a boat involved in a boating accident must stop, render assistance, and offer identification. If the accident results in a death or disappearance, the PFBC must be notified immediately, followed by a written boating accident report within 48 hours. If the accident results in an injury that requires treatment beyond first aid, a written boating accident report must be submitted within 48 hours. If the accident results in damage to the vessel or other property exceeding \$2,000, or if there is a complete loss of the vessel, a written boating accident report must be submitted within ten days.

Fish and Boat Commission regulations (58 Pa. Code §101.2) provide that a boating accident shall be reported when one or more of the following conditions exist:⁵ (1) a person dies; (2) a person is injured and requires medical treatment beyond first aid; (3) damage to vessels and other property totals \$2,000 or more or there is a complete loss of any vessel; and/or (4) a person disappears from the boat under circumstances that indicate death or injury is likely.

What is Pennsylvania's Recreational Boating Safety Record and How Does It Compare Nationally?

Boating Accidents in Pennsylvania in 2006

The total number of reported recreational boating accidents in Pennsylvania declined slightly in 2006. According to data compiled by the PFBC's Boating Safety Education Manager, 2006 saw a total of 66 recreational boating accidents of all types statewide, a decline of 6 accidents from 2005. The number of vessels involved in reported accidents totaled 77.

Table 40 provides an overview summary of 2006 boating accident data. As shown, although the reported number of boating accidents was down, 25 fatalities occurred as a result of recreational boating accidents in 2006. This is 13 more fatalities than the number reported in 2005 and the highest number reported in Pennsylvania since 1990 when 27 deaths resulted from recreational boating accidents.

⁵This definition is identical to the definition found in federal regulations (33 CFR Part 173; Subpart C – Casualty and Accident Reporting).

Table 40

Pennsylvania 2006 Boating Accident Analysis

1. Number of Boat Registrations	344,452
2. Number of Reported Boat Accidents	66
3. Number of Injuries	65
4. Number of Reported Fatal Boat Accidents	19
5. Number of Fatalities.....	25
6. Number of Fatal Accidents and Fatalities by the following:	

	Number of	
	<u>Accidents</u>	<u>Fatalities</u>
a. <u>Location:</u>		
Rivers	9	13
Lakes.....	6	7
Ponds.....	2	2
Lake Erie.....	<u>2</u>	<u>3</u>
	19	25
b. <u>Type of Boat (Carrying Victim):</u>		
Open Motorboat	7	8
Canoe	5	6
Cabin Motorboat	3	6
PWC.....	1	2
Pontoon.....	1	1
Kayak	1	1
Rowboat.....	<u>1</u>	<u>1</u>
	19	25
c. <u>Type of Accident:</u>		
Capsizing	7	9
Fall Overboard	6	6
Collision With Fixed Object...	2	4
Collision With Vessel	2	3
Boat Over Dam	1	2
Swamping/Flooding	<u>1</u>	<u>1</u>
	19	25
d. <u>Personal Flotation Device:</u>		
Aboard but Not Worn	--	7
Not Applicable.....	--	6
None Onboard	--	5
Insufficient Number Onboard	--	5
Worn.....	--	1
Unknown	<u>--</u>	<u>1</u>
	--	25
e. <u>Hypothermia or Sudden</u>		
<u>Immersion</u> ^a	6	7
f. <u>Alcohol</u> ^b	11	14

^aAs a possible factor.

^bAny proven use regardless of blood alcohol content.

Source: Developed by LB&FC staff using information obtained from the PA Fish and Boat Commission.

PFBC officials have referred to the excessive number of fatalities in 2006 as “an anomaly,” and overall, consider 2006 a “good year” in terms of the number of reported boat accidents (six less than 2005), injuries (the same as 2005), and property damage value (lower than average at \$137,438). The PFBC’s Boating Safety Education Manager noted, however, that “chance is always a factor in the number of recreational boating fatalities, and 2006 was a terrible year” for fatalities. The 25 fatalities that occurred in 2006 were more than double the number in 2005 and were the most since 1990 when 27 fatalities were recorded. In January 2008, PFBC reported that there were 11 boating accident fatalities during 2007.

The following are key points from an analysis of the PFBC boating safety staff’s data as shown on Table 40:

In 2006:

- There were more fatalities in any year since 1990 (27 fatalities), the second worst year since 1983 (25 fatalities).
- In accidents in which a Personal Flotation Device (PFD) use was a factor, only one victim was wearing a life jacket. Eighteen of the victims may have survived if they had worn a PFD at the time of the mishap that resulted in their death.⁶
- Eight of the 25 victims were onboard unpowered boats. Seventeen were onboard powerboats.
- Thirteen fatalities occurred on rivers, seven on lakes, three on Lake Erie, and two on ponds.
- Nine of the victims died when their boats capsized, six fell overboard, and one was in a boat that swamped. Seven died in collisions, and two died when their boat went over a dam.
- Hypothermia or sudden immersion into cold water was a possible factor in seven fatalities.
- Alcohol was a possible contributing factor in 14 fatalities, one of the worst years ever in Pennsylvania.⁷
- Twenty-three of the 25 victims were male; 8 of the victims were anglers; 8 were paddling a canoe or kayak or rowing a boat.

⁶At its July 2006 meeting, the Commission approved the publication of a notice of proposed rulemaking that would require persons in boats under 16 feet in length and all canoes and kayaks to wear personal flotation devices during the period October 1 through May 31. Based upon the recommendation of the Boating Advisory Board and on comments received during the official comment period, the Commission, at its January 2007 meeting, decided not to adopt this proposal.

⁷Act 2006-149 amended the Fish and Boat Code related to boating-under-the-influence by revising the chemical testing provisions to determine the amount of alcohol and/or controlled substances, lowered the B.A.C. from .10 percent to .08 percent, increased penalties for graduated offenses, and added a section for aggravated assault by watercraft while operating under the influence. This legislation took effect on January 8, 2007.

- Fourteen of the 25 victims were known to be able to swim.
- Two of the victims were less than 18 years of age; six were older than 50.
- Three of the boat operators involved in the fatal accidents had taken a boating course.
- The month of June accounted for seven fatalities, July had six; May followed with three. February, April, August, and September each had two. November had one and there were no fatalities in January, March, October, and December.

Pennsylvania Boating Accident Trend Data. We analyzed boating accident trend data for Pennsylvania for the period 1989 through 2006. Table 41 provides the annual number of boat registrations, reported boating accidents, fatalities, injuries, and property damage for this period.

As shown, boat registrations peaked at 360,361 in 2000 but since declined to 344,452 in 2006. During the 18-year period we examined, the annual number of reported boat accidents ranged from a low of 60 in 2004 to a high of 136 in 1998. At 66, the number of reported accidents in 2006 was the second lowest annual total in the period examined. Further, reported property damage resulting from recreational boating accidents, at \$137,438, approached an 18-year low in 2006.

Based on the past 18-year period (1989 through 2006), the average annual number of boating related fatalities is 13.7. However, the overall average has declined during this period. For the first half of the period (1989 through 1997), the average number of annual fatalities was 14.8. For the second half (1998 through 2006), the average fatality rate dropped to 12.7. This decline took place despite a dramatic spike in fatalities that occurred for 2006 when a total of 25 fatalities resulted from 19 fatal recreational boating accidents.

The most obvious indicator of safety in recreational boating, and one way to measure the success of Pennsylvania's boating safety program, is the number of recreational boaters injured or killed in boating accidents. The fatality rate, i.e., the number of reported fatalities compared to the number of registered recreational boats, is the measure most often used. Further, because of the importance of weather and other factors difficult or impossible to control, the trend in boating accident fatalities and fatality rates are the statistics considered most valid for judging program success.

Table 41

Pennsylvania Boating Accident Statistics
CY 1989 Through CY 2006

<u>Year</u>	<u>Boat Registrations</u>	<u>Reported Boat Accidents</u>	<u>Fatalities</u>	<u>Injuries</u>	<u>Reported Property Damage</u>
1989.....	278,535	94	13	77	\$810,076
1990.....	286,826	120	27	82	374,186
1991.....	301,804	110	17	93	228,298
1992.....	311,893	119	17	75	299,493
1993.....	311,542	101	9	63	327,914
1994.....	322,318	111	15	83	368,642
1995.....	330,426	115	10	101	242,595
1996.....	337,201	117	7	77	276,109
1997.....	340,637	122	18	94	201,563
1998.....	348,393	136	10	116	162,130
1999.....	352,231	125	10	89	337,434
2000.....	360,361	90	12	67	234,370
2001.....	359,706	90	14	66	179,362
2002.....	357,434	107	9	66	149,687
2003.....	355,246	83	11	60	230,316
2004.....	353,478	60	11	50	107,191
2005.....	348,512	72	12	65	303,424
2006.....	344,452	66	25	65	137,438

Source: Developed by LB&FC staff based on information obtained from the PA Fish and Boat Commission.

Table 42 shows the number of recreational boating fatalities per 100,000 registered boats in Pennsylvania for the period 1991 through 2006. Also shown is the comparable national boating fatality rate for those years as published by the U.S. Coast Guard. As shown, with the exception of 2006, the fatality rate (i.e., the number of boating fatalities per 100,000 population) for Pennsylvania was substantially lower than the national average.

Table 42

**Comparison of Pennsylvania Versus
National Boating Fatality Rates**
(CY 1991 Through CY 2006)

Year	Number of Fatalities per 100,000 Registered Boats	
	<u>U.S.</u>	<u>PA</u>
1991	8.3	5.6
1992	7.3	5.4
1993	7.1	2.8
1994	6.9	4.6
1995	7.1	3.0
1996	5.9	2.1
1997	6.7	5.3
1998	6.5	2.9
1999	5.8	2.8
2000	5.5	3.3
2001	5.3	3.9
2002	5.8	2.5
2003	5.5	3.1
2004	5.3	3.1
2005	5.4	3.4
2006	5.6	7.3

Source: Developed by LB&FC staff based on 2006 Boating Statistics, U.S. Coast Guard and data obtained from the PA Fish and Boat Commission.

H. The Water Rescue Training Program

What Is the Water Rescue Training Program?

Since 1983, the PFBC has administered a Water Rescue Training Program (WRTP) that seeks to train emergency response personnel in the proper procedures used in water/ice safety and emergency boat operations. Specifically, the program focuses on providing training on the major components of water and ice rescue to volunteer instructors who, in turn, provide hands-on training to other rescue personnel.

This program was conceived and developed by a former Fish and Boat Commission employee as a means of addressing the incidence of emergency rescue personnel deaths that were occurring during water emergencies, primarily because the rescuers were not sufficiently trained in water and ice emergency response techniques. Although it was initially developed for the training of fire and rescue department personnel, it has also been used by police department and park service personnel as well as by members of boating and water safety organizations.

The Fish and Boat Code contains no specific requirement for the PFBC to train emergency personnel in water rescue. However, statutory authority for a volunteer water rescue training program can be inferred from the Fish and Boat Code in 30 P.S. §327(b) as follows: “The executive director or his designee is authorized to recruit, train and accept, without regard to civil service classification laws, rules or regulations, the services of individuals without compensation as volunteers for or in aid of interpretive functions, education and information program, boating safety and water rescue programs”

According to the PFBC’s Acting Director of Boating and Education (who has administered the program for the past 12 years), the water rescue training program is unique in the nation, largely due to its volunteer nature. The program is also believed to be the largest non-profit, public water and ice rescue training program in the country and in 2004 received national recognition.¹

In recent years, the PFBC’s water rescue training program has reportedly been instrumental in saving the lives of victims as well as rescuers during hurricane related flooding events around the Commonwealth. Water rescue training is also provided to the Commission’s waterways conservation officers (WCOs) who, while not typically first responders in search and rescue operations, have been called upon to serve as “front line” personnel in emergencies such as flooding.

¹In June 2004, the PFBC’s Water Rescue Training Program received the Higgins and Langley Swiftwater Rescue Program Development Award, given for outstanding achievement in the technical rescue discipline of swift-water and flood rescue.

How Does the Water Rescue Training Program Work?

The program utilizes volunteer instructor/trainers who train and certify persons who subsequently provide water and ice rescue instruction to groups of emergency responders. As of September 2007, there were nine volunteer instructors/trainers and approximately 175 “certified volunteer water rescue instructors” state-wide.

Since 1983 this network of volunteer instructors has successfully trained and certified nearly 19,000 persons in one or more of the Commission’s water and ice rescue training courses. Courses are arranged based on requests from agencies desiring to enhance the water rescue skills of their personnel. Therefore, classes frequently consist of persons who already function in a team capacity. All courses require a minimum of two instructors per recommended class size of 12 to 16 students.

The courses in the PFBC’s Water Rescue Program are designed to train water rescue personnel in current techniques of water rescue and safety, meeting National Fire Protection Association (NFPA 1670) standards. (A description of each of the courses is presented in Exhibit 24.) (The Commission only trains Water Rescue instructors and the fee varies based on the location and who is hosting the course for the Commission.)

The Bureau of Boating and Education maintains a listing of the approximately 175 certified volunteer water rescue instructors who have been trained by the volunteer instructor trainers. Fire or rescue companies desiring to have their personnel trained in water rescue techniques may call the PFBC Bureau of Boating and Education to receive such a listing from which they can select and contact an instructor to arrange for training. Specific arrangements for training are made between the emergency organizations and the trainers contacted; the PFBC is not involved in this process. When rescue personnel have successfully completed a course, the trainer informs PFBC of their names and affiliated organizations. In 2006, the PFBC certified 1,590 persons through 100 courses conducted as part of the program.

What Issues Are Currently Facing the Water Rescue Training Program?

1. The Program is currently supported wholly by volunteer efforts and monies from boater registration fees.

It is questionable whether the training of emergency responders is appropriately supported solely by PFBC fishing license or boating registration fees. In February

PFBC Water Rescue Course Descriptions

Water Rescue for the First Responder (2-2.5 hours) -- Classroom course covers: scene assessment, activation of the Emergency Response System, evaluation of potential and existing water hazards, scene management, rescue vs. recovery, and personal safety measures. This course meets NFPA 1670 awareness level guidelines.

Water Rescue and Emergency Response (16 hours) -- Covers valuable swiftwater rescue techniques. Classroom and practical hands-on training includes: planning, medical considerations, rescue equipment, self-rescue, and shore-based techniques. This course meets NFPA 1670 operator level guidelines.

Emergency Boat Operation and Rescue (16 hours) -- Builds on the Water Rescue and Emergency Response course and familiarizes the rescuer with proper safe boat handling procedures and boat rescue techniques. Specifically, the course includes both classroom and practical hands-on training in boat selection, recommended equipment, boat handling, moving-water tactics, and boat-rescue techniques. This course meets NFPA 1670 Technician-level guidelines. Pre-requisite: Water Rescue and Emergency Response.

Advanced Line Systems Rescue (16 hours) -- This advanced course teaches skills often used in flooding situations for victims stranded in vehicles and in hazardous situations where extraction by boat is dangerous or impossible. Includes classroom and practical hands-on training. Students learn to select the appropriate line system for the situation, establish and operate the system, effect the rescue or recovery, and to tear down the system. This course meets NFPA 1670 Technician-level guidelines.

Ice Rescue and Emergency Response (16 hours) -- This specialty course prepares rescue personnel to evaluate and respond to ice-related emergencies in order that a victim that has fallen through the ice may be safely extracted. Specifically, the course includes both classroom and practical hands-on training including identifying ice conditions, using ice rescue equipment, and practicing shore, boat, and direct contact rescue techniques. This course meets NFPA 1670 Technician-level guidelines.

Source: Developed by LB&FC staff using information obtained from the PA Fish and Boat Commission.

2007, the Executive Director of the PFBC cited the Water Rescue Training Program as one example of an activity that should not be dependent upon license dollars. Although it is not formally identified in the budget, annual program costs to the PFBC are reportedly in the \$25,000 to \$50,000 range.

2. The program is largely “personality-driven with no assurance of continuity when current personnel leave the agency.”

Concerns about the future operation of the program relate to the fact that this is not a mandated function for the PFBC and a former Commission employee conceived the program to address an obvious shortcoming in water safety training. The program continued through this person’s efforts and by those of the current Acting

Director of Boating and Education. Once this person moves to another position within the PFBC, transfers to another agency, or retires, the network of support for the water rescue program within PFBC will be greatly diminished or cease to exist altogether.

3. The state does not have a central database or a systematic means of rapidly deploying trained water rescue personnel.

The ongoing process of water rescue training increases the rescue capabilities of first responders who may be called upon to respond in water or ice-related emergencies. However, no official listing or database of organizational units, personnel, or equipment is maintained by the PFBC or by the Pennsylvania Emergency Management Agency (PEMA) that can be accessed during water-related emergencies to direct an appropriate response. The absence of such information, which should be regularly updated in order to be current when an emergency situation arises, can lead to an impaired and untimely emergency response. Additionally, without such information, the PFBC is unable to assess the adequacy of the distribution of trained personnel around the state, so that it can more effectively target its training efforts. Currently, PFBC officials involved with the program believe that more emergency personnel in urban and heavily populated areas such as southeastern Pennsylvania should receive such training.

What Can Be Done to Address the Issues Currently Facing the Program?

To address the above-listed issues, PFBC officials believe that a shared agency approach will provide for continuation of the program while enhancing its capacity and effectiveness.

PFBC officials propose the following:

- employing a full-time water rescue training coordinator;
- increasing efforts for the training and coordination of a cadre of water rescue instructor-trainers;
- coordinating and presenting water and ice rescue training courses;
- purchasing and maintaining water and ice rescue equipment to support training efforts;
- creating and maintaining an accurate database of all emergency response teams in Pennsylvania that respond to ice and water related emergencies;
- coordinating with the State Fire Marshall and PEMA to improve communications and for response in a flooding emergency;
- establishing regional water rescue instruction centers;
- contracting with those facilities to provide training to emergency response teams members in that region; and

- administering an accreditation program for water rescue teams in cooperation with the Pennsylvania Emergency Management Agency.

PFBC calculates the total cost of these enhancements at approximately \$250,000 for the first year and \$200,000 annually thereafter, \$100,000 per year for personnel and \$100,000 per year for operational expenses (the first year includes \$50,000 for fixed assets).

I. Deployment of the Pennsylvania Automated Licensing Service (PALS)

Certain activities in the PFBC's Strategic Plan are dependent upon implementation of the Pennsylvania Automated Licensing Service (PALS), and the PFBC's "2007 Annual Plan of Work" called for full PALS activation by March 15, 2007. The system was to be completely operational before the start of trout season and all license issuing agents were to be fully operational but with a paper system as backup.

What Is the Pennsylvania Automated Licensing Service (PALS)?

The Pennsylvania Automated Licensing Service, or PALS, is the PFBC's automated system of distributing and selling fishing licenses and permits. The system, initiated as a joint effort with the Pennsylvania Game Commission (PGC), allows the PFBC and license issuing agents to process and print fishing licenses for applicants at the point-of-purchase, thereby eliminating the need for issuing agents to issue Commission-provided paper licenses to customers.

How Does PALS Work?

The PFBC and the Pennsylvania Game Commission (PGC) together selected Automated License Systems (ALS) of Nashville, Tennessee, through a competitive bid process as the primary contractor to operate PALS in Pennsylvania. The contract with ALS was executed on May 31, 2006, and is valid for six years (through May 31, 2012), with a maximum extension of four years (taking it to a possible extension date of May 31, 2016). The PFBC and PGC also use the services of an "independent verification" and "validation vendor" (IV+V) to provide third-party quality-based oversight of the operation of the PALS system. The two Commissions evenly split the service costs of this vendor.

A per-item transaction cost of 70 cents for each item (license or permit) sold was negotiated in the contract, whether sold individually or in combination with other licenses or permits. For example, a transaction involving both a fishing license and a trout/salmon stamp would cost a total of \$1.40. Under the current terms of the contract with ALS, the PFBC is required to pay all transaction fees associated with the sale of fishing licenses and permits to ALS.¹ This negotiated arrangement provides the PFBC and its licensed issuing agents with all point-of-sale computer and electronic equipment used by issuing agents, access to a 24-hour customer support hotline (for license buyers, issuing agents, and Commission

¹Act 2008-2, signed into law on February 4, 2008, amended the Fish and Boat Code to provide that actual transaction costs associated with PALS be paid by the license or permit buyer at the point-of-purchase in an amount not to exceed \$1 per transaction.

personnel), training, and necessary electronic infrastructure to support electronic funds transfers and system operations. The Commission was not required to invest in other hardware or software to enable its use of the PALS system.

License issuing agents have the choice of using either a “VeriFone” machine (similar in size and structure to a credit card processing device), or a “WebPOS” computer-based point-of-sale capability. Upon entering customer information, PALS issues and prints computer-generated fishing licenses and permits using specialized printers.² Alternatively, issuing agents may choose to use their own computer equipment in tandem with the specialized printer to issue licenses and permits. Each fishing license issued has its own unique number, and displays different graphics depending upon the license and permit privileges contained in each license. Licenses are printed on Commission-issued PALS license stock.

The PFBC has printed and is currently storing in its warehouse a large reserve supply of paper licenses to be used as an “emergency backup” for prolonged PALS service interruptions (and the attendant inability to sell licenses). These paper licenses do not contain a price or a year in which they are valid, allowing for their use at any time as the need may arise. By 2008, the Commission plans on entirely ceasing distribution of paper licenses to issuing agents.

What Are the Actual/Potential Benefits of PALS?

Our review of PALS identified a number of benefits that have or should result from its implementation:

- PFBC staff estimates that approximately 80 percent of its issuing agents also issue hunting licenses for the PGC. As such, use of the PALS system provides for a uniform system, rules, and policies for processing license transactions; while at the same time benefiting the two commissions in the timely, electronic transfer of license revenue.
- The PFBC has calculated estimated cost savings that may be realized with the introduction of PALS. Chief among these savings are eventual elimination of the need to print, distribute, and account for fishing licenses and stamps. Issuing paper-based licenses and permits proved to be very labor-intensive and costly for the Commission, with the number of licenses issued having to be closely tracked, and unsold units having to be recalled every year for inventory control. PFBC staff estimated combined printing and distribution costs at \$90,000 annually.
- The use of PALS changed the method by which license revenues are transferred from issuing agents to the Commission. Under the paper license

²The PALS system is capable of validating customers’ Pennsylvania residency status and, while a social security number must be provided by customers at the point-of-purchase, numbers are electronically secured.

issuing system, issuing agents were required to file a report to the PFBC by the 15th of each month showing the license sales and other transactions handled for the previous month. With these reports, issuing agents were to remit the full amount of money they collected in the previous month.

- Under this system, PFBC staff reported occasionally finding situations in which issuing agents did not promptly remit the amount of monies they reported in sales.³ Some issuing agents were also found to improperly maintain records, fail to file required reports, and other general license violations (such as issuing licenses out of numerical sequence or providing false information on a license). Moreover, the extent and degree of late remittances may not have been sufficiently monitored due to staff resources not permitting a full-time position to monitor remittances.
- With the introduction of the PALS system, weekly transfers are made by issuing agents directly from issuing agents' bank accounts, allowing for accurate posting of revenues when received by the Commission.⁴ As a result, revenue collections will more accurately reflect actual peak periods of license and permit sales.⁵ Agents that have insufficient funds or are otherwise delinquent in remitting monies to the PFBC can be locked out of the PALS system, thereby losing the ability to sell licenses until they return to being in compliance.
- The PALS system will also provide for electronic verification of the number of licenses sold, which will improve Commission-based record-keeping and ensure accuracy in statistical reporting to the federal government for the purpose of certain federal aid eligibility. Further, staff hopes to use PALS data to send reminders to purchase a new fishing license to existing license holders in an attempt to stem the number of license holders who do not renew from year to year.
- The PFBC is also considering eventually using the PALS capability to streamline law enforcement functions. Actions being considered include instituting field verification of anglers' fishing privileges (through cell phones, "blackberries," or other mobile communication devices) further limiting the likelihood of license alteration or falsification, reducing efforts in the investigation of delinquent issuing agents (through the PALS agent lockout capability), and providing additional information to maximize WCOs' contacts with anglers and boaters (through angler/boater surveys sent with PALS-supplied licensee information). The PALS system also

³Criminal and civil penalties are in place to charge such issuing agents.

⁴As per the Fish and Boat Code, issuing agents are authorized to charge and retain an additional \$1 on the cost of each license and permit sold as an "issuing agent fee."

⁵April and May have been, historically, the peak months in which revenue from license and permit sales have been received by the Commission. However, the actual peak months of fishing license sales are March and April (corresponding to the actual opening days of the spring fishing season).

- provides instantaneous identification of customers who have had their fishing license privileges revoked to prevent a purchase from proceeding.
- The 2007 Annual Plan of Work contains activities related to the implementation of PALS. In the strategic plan activity “Marketing,” the PFBC plans to collect two years of data on license purchasers using PALS for the purpose of conducting surveys of individuals who do not purchase a fishing license after two years. From this survey data, staff hopes to be able to identify primary causes of non-renewal of fishing licenses, and to ultimately develop remediation strategies targeted at recovering such “lapsed” anglers. The Commission has indicated that surveys could also be used to gauge angler opinions on Commission initiatives (such as stocking strategies, duel opening days, etc.) to measure angler demographics, identify locations fished most heavily, identify species fished and fishing habits, and generally gauge anglers’ attitudes and preferences regarding any other area of Commission policy.
 - A marketing activity in the Annual Plan of Work related to that contained in the strategic plan would also use PALS data to implement new marketing programs, and analyze data obtained from sports shows in order to better target initiatives.

What Are the Implementation and Operational Costs of PALS?

The Commission currently estimates that the system will cost \$1.1 million annually. This estimate is based on the assumption that the PFBC will sell roughly 850,000 fishing licenses and 600,000 stamps/permits through the system each year, and will incur a transaction cost of 70 cents for each of the estimated 1,450,000 transactions.⁶

The Commission has also planned for possible future costs to train or augment information technology (IT) staff for database management and report generation purposes, as well as possible reclassification or training of staff to fulfill new auditing and fiscal oversight responsibilities related to PALS. The Commission’s goal is to hire a qualified business analyst to complete some of these IT-related and auditing/fiscal oversight functions in-house. Moreover, staff anticipates that the implementation of PALS will eliminate the need for a number of seasonal and permanent clerical staff that were needed under the paper-based licensing system. The only other costs incurred by the PFBC in relation to PALS is the aforementioned IV&V vendor; which staff anticipates may be required until approximately December 2008.

⁶Act 2008-2, signed into law on February 4, 2008, amended the Fish and Boat Code to provide that actual transaction costs associated with PALS would be paid by license buyers at an amount not to exceed \$1 per transaction.

What Is the Status of PALS Implementation?

Use of the PALS system for selling 2007 fishing licenses was scheduled to begin on December 1, 2006. However, due to logistical challenges encountered in coordinating the setup of PALS equipment among issuing agents, only 10 issuing agents and the PFBC headquarters building in Harrisburg began using PALS on that date. To accommodate this delay, the PFBC printed and distributed paper licenses to issuing agents to sell in lieu of using PALS. As a result of the delayed commencement of PALS, and in order to smooth the transition to the new system, both paper and PALS-issued licenses were used for the 2007 season. In addition, licenses may also be purchased online through the PFBC's Outdoor Shop.

There are currently 917 fishing license issuing agents in Pennsylvania. All but 40 of these agents were using the PALS system as of October 2007. The Commission continues to work with these agents to transition from paper-based license to the use of PALS. As of November 2, 2007, a total of 234,284 fishing licenses and 147,896 stamps (trout/salmon, Lake Erie, and the combination trout/salmon and Lake Erie permit) had been issued using the PALS system.

J. Pursuit of Funding-Related Strategic Initiatives

What Initiatives Are Being Pursued by the PFBC?

The PFBC is employing what it considers to be an “austere” approach to budgeting that places an emphasis on cost containment and an ongoing examination of Commission priorities and commitments. When decisions are made to implement new programs or initiatives (either one-time or recurring), the Commission must seek new sources of funding or reallocate existing resources.

Given these fiscal realities, the Commission has made a concerted effort to defer maintenance projects and equipment purchases deemed to be non-critical. As personnel costs constitute over 60 percent of total agency expenditures (and contain contractual cost-of-living/step increases), the main control employed by the Commission to contain costs in this area is not to fill non-critical vacant positions.

Recognizing that it faces both short- and long-term funding challenges, the PFBC incorporated two specific funding-related initiatives in its 2005 Strategic Plan: (1) to increase revenue from “soft sources” (e.g., mitigation, habitat grants); and (2) to seek legislation to capture an equivalent portion of General Fund revenue generated by fishing and boating activities.

Additionally, the PFBC “2007 Annual Plan of Work” provides for the creation of a statewide conservation assembly to create broad-based support for funding of non-game and habitat programs. This effort ties directly with the strategic plan’s pursuit of non-traditional, or “soft sources” of revenue.

What Is Revenue From “Soft Sources”?

The pursuit of revenue from non-traditional or “soft” sources has become a major Commission priority. Monies obtained from these sources are used primarily to fund activities related to dam removal and fish passage,¹ land conservation, management of non-game species, habitat management/restoration, and pollution mitigation. Vital to the pursuit of soft sources of revenue is the formation of partnerships with cognate state agencies and interested stakeholder organizations towards the furtherance of the Conservation Assembly, particularly conservation-related objectives. Moreover, PFBC staff is developing a database of non-traditional funding sources that it is tracking and pursuing. As of November 2007, this database was reportedly 90 percent complete. Despite the PFBC’s active pursuit and

¹The PFBC periodically receives monies from PennDOT and the Federal Highway Administration to cover a portion of the costs of dam removal associated with highway development and litigation. See Section VII.E. for further information on the PFBC’s Consultation and Grant Program for Fish Passage and Habitat Restoration, which supports efforts to restore migratory and resident fishes to the Susquehanna River Basin through supplying technical and financial assistance to dam owners.

receipt of federal grant monies, most monies received are under a cost-reimbursement basis requiring expenditure of PFBC monies for the receipt of federal matching dollars.

The major sources of soft revenue received by the Commission are through federal grants, although the Commission is increasingly receiving monies through non-profit organizations, foundations, and endowments for these purposes. Monies received through the Federal Aid in Sport Fish Restoration Act cost-reimbursement program and the State Wildlife Grant are instrumental in funding the aforementioned activities.² Other major grants received include monies from the federal EPA and Pennsylvania DEP for fish metrics/indices modeling and the U.S. Department of Agriculture for habitat management, monitoring, and database development. Foundation monies received include grants from the National Fish and Wildlife Foundation/Doris Duke Foundation for a multi-state fisheries research project and the American Fisheries Society for the development of a wildlife management data sharing program between state and federal agencies.

The Commission also receives monies from federal, state, and private sources for restitution payments related to pollution settlements, research projects related to environmental and aquatic resources, natural disaster cost recoveries/disturbance settlements, monies for the permitting and enforcement of surface coal mining regulations, and fisheries management/species-specific research (including endangered and non-game species). For many of these programs, the amount of money received is often contingent upon the number of projects identified and the availability/timing of payments to the Commission. In addition, the Commission receives donations from private sources that may be earmarked for access acquisition or conservation-related purposes.

Grant programs administered by the PFBC that utilize monies garnered from soft sources include:

- Landowner Incentive Program (LIP): A federally-funded program administered by the U.S. Fish and Wildlife Service designed to assist states by providing grants to establish or supplement programs that protect and restore wildlife habitats on private lands. Grants are awarded to benefit species of special concern, and provide technical and financial assistance to private landowners for habitat protection and restoration.
- Coldwater Heritage Partnership Grant Program (CHP): Provision of leadership, coordination, technical assistance, and funding support for the evaluation, conservation, and protection of Pennsylvania coldwater streams. Represents a collaboration among the PFBC, DCNR and Pennsylvania Trout Unlimited (PATU). CHP is administered by PATU under

²See Section III for a description of the Commission's use of Sport Fish Restoration and State Wildlife Grant monies.

contract with DCNR, and receives funding assistance from the PFBC, DCNR, and the Western PA Watershed Program (WPWP). Grants of up to \$5,000 annually are awarded to non-profit organizations such as watershed groups, conservation districts, and local chapters of Trout Unlimited.

- Tulpehocken and Quittapahilla Watershed Grant Program: Grants for stream restoration, habitat enhancement, and recreational enhancement activities on streams located in the Tulpehocken and Quittapahilla Creek watersheds. Funding is available through a settlement agreement between the PFBC and the operator of an electric generation facility.
- Valley Creek Watershed Grant Program: The Valley Creek Trustee Council, comprised of the PFBC and the National Park Service, oversees this grant program to provide funding for restoration of the Valley Creek Watershed in Chester County.

In FY 2007-08, the PFBC budgeted for the completion of a strategic plan “strategic initiative” aimed at targeting sources of soft money. The Conservation Coordinator, organizationally located in the Executive Office, has assumed lead responsibility for this initiative.³ Portions of this initiative, budgeted at \$10,000 for FY 2007-08, are to be completed by the Bureau of Administration and the Bureau of Fisheries.

The objective of the strategic initiative is “to identify and secure non-traditional funding to address strategic activities, through a coordinated and focused series of proposals.” The initiative seeks to develop a coordinated approach to developing and reviewing proposals (including support materials) to be submitted to grantors for the receipt of non-traditional sources of revenue. In a related action, the Commission hired four habitat biologists in the Division of Habitat Management, who are assigned to specific geographic regions in the state and charged with identifying and coordinating funds for the purpose of conservation, enhancement, and habitat restoration projects.

Pursuant to the PFBC’s 2007 Annual Plan of Work, the Commission is now also developing a “Conservation Assembly” in order to further pursue funding of non-game and habitat programs that it administers. The goal of the Conservation Assembly is to expand the number of partners and support for funding related to the management of non-game species and habitat management for the PFBC, PGC, cognate state agencies, and other non-governmental organizations. The PFBC plans to convene regional and/or statewide assemblies of interested organizations to develop a strategy through which it may, together with partner organizations, pursue additional non-traditional sources of revenue.

³The position, which was created to seek additional augmenting and non-traditional sources of federal and non-federal revenue for the Fish Fund and the Boat Fund, has been filled with an existing Administrative Officer position. The position has been relocated to the Bureau of Policy, Planning and Communications as part of the Commission’s 2007 reorganization.

Several other activities contained in the PFBC's Annual Plan of Work for 2007 seek to utilize soft money for their completion. These include the following:

- Building abandoned mine land partnerships for adjacent stream restoration.
- Crafting threatened and endangered species recovery management plans, including the identification of links to potential funding sources.
- Continued development of the Three Rivers Ecological Research Center, including the exploration of partnerships.
- Implementation of community-based fish sampling, including the cultivation of partnerships for a cooperative effort.

What Is the PFBC's Approach to Seeking General Fund Support?

Receipt of General Fund monies is a component of the Commission's legislative strategy. During the formulation of the current agency-wide strategic plan, the pursuit of an equivalent portion of General Fund revenue generated by fishing and boating was identified as a prioritized objective. While the Commission retains this strategy and while they continue to cite the estimated economic benefit realized by the General Fund from fishing and boating activities in Pennsylvania (estimates generally cited are above \$50 million in tax revenues per year), the strategy has now been extended to emphasize the capture of General Fund monies to fund the Commission-led water rescue training program and for the management of non-game species.⁴

As discussed, in lieu of receipt of General Fund monies, the Commission continues to pursue soft revenue sources to fund many of its activities related to the management of non-game species (certain species of fish, reptiles, amphibians, and aquatic invertebrates). A number of regulatory permits are also in place for the possession and taking of certain reptiles and amphibians. The Commission also bears the cost of funding its water rescue training program, funding the cost of the program from the Boat Fund.⁵

There is evidence of Commission efforts in advocating the receipt of a portion of state General Fund monies, as legislation is periodically introduced to this effect.⁶ One possibility articulated by the PFBC is the dedication and transfer of a percentage of the state sales and use tax on sales of fishing and boating equipment to the Commission to be used to fund infrastructure renovations and improvements or other fishing or boating-related activities. At least three other states (Arkansas,

⁴The only General Fund money received by the PFBC is an annual appropriation for the payment of membership dues in the Atlantic States Marine Fisheries Commission.

⁵For a discussion of the water rescue training program, including associated costs, see Section VII.H.

⁶House Bill 1676 (2007) would allocate a portion of the sales and use tax to the Commission.

Missouri, and Virginia) transfer a percentage of their sales tax on certain equipment or have a dedicated conservation sales tax to augment funding for their state fishing and wildlife agencies.⁷ As the Commission moves forward with implementation of its strategic plan, PFBC officials anticipate that continued advocacy in this area will remain part of its comprehensive legislative strategy.

⁷House Bill 1676 (2007) would allocate a portion of the sales and use tax to the Commission.

VIII. Implementation Status of Prior (1998) LB&FC Audit Recommendations

In July 1998, the LB&FC issued a report on an audit of the Pennsylvania Fish and Boat Commission's budget and associated revenues, expenditures, and program activities. This report contained numerous recommendations to Commission programs, finances, and operations.

As part of this current performance audit, we sought to determine the implementation status of recommendations from the Committee's 1998 audit, especially those that required PFBC action. The following is a listing of our 1998 recommendations along with narrative relating to the implementation actions and status of each recommendation as reported by the PFBC in mid-2007. The narrative also provides our assessment of the reported implementation actions and status.

A. Budget Manual

1998 Recommendation: The PFBC should develop a budget manual which documents its budget development, review, and monitoring processes. This manual should include a formal definition of the role of the Commission members in budget review and approval.

Status: Partially Implemented.

Discussion: The PFBC has developed a budget manual but it does not document the agency's budget development, review, and monitoring process or the role of the Commission members in budget review and approval. According to PFBC officials, however, the Commissioners are now briefed regularly on the budget process and formally approve the submission of the PFBC budget annually during the October meeting. For purposes of the 2007 meeting, Commission staff provided both a written and power-point presentation detailing the steps in the budget process, including key terms, participants and roles, budget process and preparation, and related information.

The role of the Commission in budget review and approval is also not addressed in the recently adopted *Policy Manual for the Pennsylvania Fish and Boat Commission* (July 2007). At the time of this audit, the budget manual was reported to be under review for updating with needed changes relating to the Commonwealth's new accounting system IES (Integrated Enterprise System).

B. Link Between Strategic Planning and Budgeting

1998 Recommendation: Upon adoption of the “strategic plan” discussed in this report, the PFBC should take steps to formally link its annual budget process to the goals and objectives of the plan.

Status: Implementation Complete.

Discussion: The PFBC adopted a strategic plan most recently at the January 2005 Commission meeting. Initially, the budget was loosely linked to the plan. For FY 2007-08, the Commission developed a formal link between budget preparation and submittal to the plan. As part of the budget preparation process, staff are required to submit a description, tasks, and estimated costs for strategic initiatives that emanated from the plan. In addition, work expectations for staff include implementation of strategic plan tasks assigned to them. (See Section VI for further information.)

C. Liquid Fuels Tax Transfer

1998 Recommendation: The PFBC should formulate a proposal to revise the methodology through which the annual Liquid Fuels Tax transfer to the Boat Fund is calculated. The Commission should submit this proposal, with justification, to the Board of Finance and Revenue and Department of Transportation for review and comment, and to the House and Senate Game and Fisheries Committees for consideration.

Status: Implementation Complete/Would Require Legislative Action.

Discussion: The PFBC agrees that the methodology by which the annual Liquid Fuels Tax transfer to the Boat Fund is calculated should be changed. In October 1998, the PFBC submitted a proposal in the form of draft legislation to the House Game and Fisheries Committee for consideration. This language would have amended 75 Pa.C.S. §9017(c) to change the Liquid Fuels Tax transfer to a percentage of the total tax collected in the preceding fiscal year. No action was taken on this proposal and the PFBC has not resubmitted its proposal.

D. Fish Fund and Boat Fund Consolidation

1998 Recommendation: The General Assembly should consider amending the Fish and Boat Code to consolidate the current separate Fish Fund and Boat Fund into a single Fish and Boat Fund.

Status: Would Require Legislative Action

Discussion: The Commission agrees that there would be some benefit in combining the Fish Fund and Boat Fund into a single Fish and Boat Fund but has not taken a formal position on the matter.

E. Cost Accounting

1998 Recommendation: In conjunction with any fund consolidation that may occur, the PFBC should establish a cost accounting structure which includes program report groups or cost codes to clearly delineate spending for “fishing” versus “boating” activities. The PFBC should publish summary expenditure information on this basis in its annual report to anglers and boaters.

Status: No Action Taken; Would Require Legislative Action.

Discussion: If the two funds are merged, the Commission reports that it will develop a cost accounting capability to report on the fiscal support given to both fishing and boating activities. Summary expenditure information would be included in the Commission’s annual report.

F. Strategic Plan Completion

1998 Recommendation: The PFBC should finalize the strategic plan by October 1998 as is currently planned and should take steps to relate the plan to the agency’s annual budget process for FY 2000-01.

Status: Implementation Complete.

Discussion: The strategic plan was finalized in 1998 and was “refreshed” in 2004, with a new plan adopted in January 2005. The Commission has established a link between the plan and the budget process. See Section VI for further information.

G. Strategic Plan Progress Reporting

1998 Recommendation: The PFBC should actively monitor strategic plan implementation and include a “strategic plan progress report” in its annual report.

Status: Partially Implemented.

Discussion: Commission executive staff report that they review the status of the strategic plan implementation at periodic plan review meetings and through strategic initiative-specific review meetings. While a point-by-point accounting of strategic plan implementation is not provided in the annual report, progress information is included in the annual report narrative. However, as discussed further in Section VI, active and systematic internal tracking of progress on plan implementation is lacking.

H. Fee Management

1998 Recommendation: The PFBC should establish an internal fee management system under which the rates of all licenses and permits it issues are regularly examined and evaluated.

- The Commission should examine all existing fee rates and develop a “proposed fee adjustment schedule” for consideration by the House and Senate Game and Fisheries Committees that would, at a minimum, be adequate to cover the costs associated with administering the fee. This proposal should also include information on licenses and permits which are currently issued free-of-charge but for which a fee appears appropriate.*
- The Commission should also establish an internal recordkeeping system with the capability to generate management information reports on the number of each special license and permit sold during each fiscal year. Comprehensive information of this type as well as a means of calculating associated administrative costs are necessary in order to periodically assess the adequacy of these fees.*

Status: Partially Implemented.

Discussion: PFBC officials report that they currently review all licenses and permits fees on a regular basis and work with the House and Senate Game and Fisheries Committees to introduce legislation to establish or increase fees to adequately cover costs associated with administering the fee, whenever it is cost effective. Recent examples include the Resident Charter Boat/Fishing Guide Permit and the Boat and Marine Forfeiture Fee.

Act 2004-159 requires fishing guides and charter boat operators to be permitted in order to operate in Pennsylvania, and authorizes the PFBC to create regulations for the issuance of these permits. The Act establishes an annual fee of \$100 for a resident charter boat/fishing guide permit and \$400 for a non-resident charter boat/fishing guide permit.

Act 2006-79 outlines the steps that must be followed by the Commission and marine businesses for a marine business to acquire the ownership rights of a

boat abandoned at the marine business. The maximum resale value assessment to be applied under this law for boats and any related equipment is adjusted and set annually by the Commission. The annual maximum resale value limit is computed by analyzing the Consumer Price Index for all urban consumers (CPI-U) for a predetermined 12-month period and adjusting the maximum resale value limit accordingly. The boat and related equipment resale value for calendar 2007 is \$5,105.00.

For fees the PFBC has the discretion to regulate directly, PFBC officials report periodic review and revision activity. An example is the Scientific Collector's Permit Fee. Increases in fees relating to scientific collectors' permits were proposed in the *Pennsylvania Bulletin*, August 11, 2007. If approved on final-form rulemaking, the revised fees will go into effect January 1, 2008. The proposed amendment will increase fees for permit applicants. The fee for a Type I permit for Non-Profit Research and Education will increase from \$10 to \$30, assistants on Type I permits will remain free, and the fee for a Type I permit amendment will increase from no fee to \$15. The fee for a Type II permit for government remains free, and assistants and permit amendment also remain free. The fee for a Type III permit for consulting will increase from \$50 to \$150, the fee for assistants on Type III permits will increase from \$10 to \$30, and the fee for a Type III permit amendment will increase from \$10 to \$75.

In addition, an internal recordkeeping system has reportedly been established for the majority of special licenses and permits sold during each calendar year. Estimated percentage of implementation completion is 90 percent and the anticipated date of completion was December 31, 2007.

I. Fines and Penalties

1998 Recommendation: The General Assembly should consider amending the Fish and Boat Code to increase the fines and penalties for fishing and boating violations.

Status: Implementation Complete.

Discussion: Act 1999-41 provided for a complete revision of the Fish and Boat Code provisions pertaining to fines and penalties for fishing and boating violations. Act 41 addressed the penalty inadequacies described in our 1998 report. Section 923 of the Fish and Boat Code increased the fine structure as follows: summary offense of the first degree--from \$100 to \$200; summary offense of the second degree--from \$50 to \$100; and summary offense of the third degree—from \$25 to \$50. In general, a person engaging in any activity for which a license or permit is required without acquiring the license or permit commits a summary offense of the second degree (\$100 fine). Previously, the fine was \$25.

PFBC staff report that, since 1999, they have periodically reviewed fines and penalties and worked with the House and Senate Game and Fisheries Committees to introduce legislation that would increase fine and penalty amounts, where appropriate. For example, Act 2006-79 added a section to the Code to establish a penalty for providing false information to the Commission. The fine and penalty structure for violations of the Fish and Boat Code is found at 30 Pa. C.S. §§923-924.

J. Report on Fines and Penalties

1998 Recommendation: To facilitate legislative consideration of this matter, the PFBC should provide a report to the House and Senate Game and Fisheries Committees which:

- *addresses the Commission’s view on the adequacy of the current penalties for each of the offenses listed in the Commission’s Abbreviated Code/Regulation and Fine Listing; and*
- *provides a proposed penalty structure, proposed increases in fine and penalty amounts for specific offenses and, if necessary, proposed reclassifications of certain offenses.*

Status: Implementation Complete.

Discussion: As part of the changes made under Act 1999-41 (described above), PFBC staff provided the recommended information to the House and Senate Game and Fisheries Committees.

K. Audits of Licensed Agents

1998 Recommendation: The PFBC should also request that the Comptroller for Public Protection and Recreation periodically audit the Commission’s license issuing agents to test compliance with provisions of the license agent agreement which pertains to remittance of revenues from license sales. The Commission should consider requesting that the Comptroller include such an audit in the PFBC’s next “Annual Agency Audit Plan.”

Status: The new Pennsylvania Automated Licensing System should eliminate the need to implement this recommendation.

Discussion: Revenues from licenses sales submitted by issuing agents are the major source of income for PFBC and are scrutinized very carefully by agency staff through internal audits. In addition, the new electronic

licensing system, PALS (Pennsylvania Automated Licensing System), began with the 2007 licensing year. Under this system, electronic fund transfers are conducted weekly against agent bank accounts, collecting revenues for licenses sold electronically.

It appears that the need for the specific action recommended in the 1998 report (i.e., periodic audit of license issuing agents v. license agent agreement by the Comptrollers staff) may no longer be necessary or appropriate. This recommendation will be substantially addressed by PALS, which should be completely implemented by the end of 2007. (See Section VII for further discussion of PALS.)

L. Marina Operations

1998 Recommendation: If unsuccessful in reaching a satisfactory private management agreement through the current RFP process, the PFBC should take actions to reduce the operating deficit of the Lake Erie Marinas by implementing the “Retain Management With Modifications” alternative. As a long-term goal, the PFBC should continue to attempt to divest itself of the marina business while maintaining an appropriate physical presence and operational and financial interest.

Status: Partially Implemented.

Discussion: The PFBC has leased out the North East Marina to a private vendor (North East Marine Services, Inc.) who oversees the day-to-day operations of the facility. The contractor pays a yearly lease fee of \$10,000, reducing expenses by more than half. PFBC officials report that while this facility still operates at a loss, this is only due to issues that arose from the Army Corps of Engineers requiring the PFBC to relocate sand that accumulates due to the placement of the barrier wall.

The contract administrator is headquartered in the PFBC central office located in Harrisburg. The PFBC staff member that administers the North East contract also manages the Walnut Creek Marina facility, which remains under PFBC control. The privatization of the Walnut Creek Marina was explored with the Erie Port Authority but after serious discussions, it was decided that it was not economically feasible for a private contractor to run the facility. However, staffing was reorganized with three seasonal employees (two part-time and one full-time) manning the facility during peak months. By utilizing one staff member to manage both facilities from PFBC headquarters, and sharing the maintenance staff with other PFBC facilities and access areas, officials report that they were able to cut certain expenses. The PFBC also now moors 69 boats versus 59 and will only berth transient boats when slipholders do not have their boats moored, bringing in additional revenue not only from the additional slips but also from the transients. In addition,

beginning the 2007 boating season, the PFBC has increased the mooring fees from \$575 to \$725, bringing the total mooring revenue to \$50,025.

By implementing, in part, the LB&FC's recommendations, the PFBC has reduced the operating deficit by approximately \$162,347 for both marinas. Officials told us that they are continuing to look at different options that might further reduce that deficit.

M. Resource Management

1998 Recommendation: The Commission should direct that its staff conduct a cost analysis to determine if the revenue potential would justify the costs of adding a resource management position¹ to its staff to ensure that the agency is maximizing the revenue potential of its land and resource holdings. If such a position is not added, the PFBC should seek to obtain a comprehensive assessment of the revenue potential of its resources.

Status: Partially Implemented (On a Modified Basis).

Discussion: The Commission has not added a resource management position as recommended in the 1998 report. The agency has, however, developed and implemented a memorandum of understanding (MOU) with DCNR to obtain resource management assistance on PFBC lands. The PFBC reports that it is renewing this MOU and is having discussions with both DCNR and the PGC on other resource management issues relating to oil and gas development on PFBC land. The Commission is also assessing the workload, structure, and capacity needs of their real estate/property management unit.

N. Resource Management Plan

1998 Recommendation: The individual hired to fill the position recommended in #M above or, in the alternative, the firm selected to conduct a comprehensive assessment of the revenue-generating potential of PFBC resources, should prepare a "PFBC resource management and revenue maximization plan" for the Commission.

Status: Partially Implemented (On a Modified Basis).

Discussion: PFBC officials agree on the resource management plan concept but believe such plans need to be developed on a site-by-site basis. For example, the agency has developed a resource management plan for the

¹This position would most likely have been in the Property Services Section of the Bureau of Engineering and Development (now the Bureau of Engineering and Property Services).

Oswayo property. Officials report that while an overall plan for the agency may be helpful, current demands on property management staff are being driven on an ad hoc site-by-site basis. Also, PFBC is extending an existing arrangement with DCNR for consulting services on timber management and is investigating developing a process to take advantage of DCNR's and/or the PGC's expertise on oil and gas management.

O. Customer Input

1998 Recommendation: The PFBC should continue ongoing monitoring and evaluation processes (including customer surveys) so that customer reaction and demand can be factored into Pennsylvania Angler and Boater "product decisions."

Status: Implementation Complete.

Discussion: The Commission conducted its "Pennsylvania Angler & Boater Subscriber Survey" in 2001. To ensure this survey's scientific validity, the Commission worked with the Tests & Measurements Department of Shippensburg University, which helped the Commission craft the questions, structure the survey, and analyze the results. In addition to the guidance that this survey provided, the Commission reports that it seeks feedback from its magazine subscribers on a routine, continuing basis.

P. Paid Advertising

1998 Recommendation: In conjunction with the activities described in recommendation O. above, the PFBC should determine the subscription and readership impact of its cost reduction actions taken during FY 1996-97. As has been authorized by the PFBC, staff should then consider revenue enhancement possibilities such as offering paid commercial advertising in the Pennsylvania Angler and Boater as the Commission has successfully done in its Pennsylvania Summary of Fishing Regulations and Laws. If it decides to make paid advertising available, the Commission should include a written disclaimer in its publication stating that inclusion of the advertising does not mean that the PFBC endorses any of the advertised products or services, concurs with any advertising claims, or accepts any liability arising from the use of the products or services listed.

Status: Partially Implemented (On a Modified Basis).

Discussion: The Commission reports that it has consulted staff, industry experts, Commissioners, and subscribers on the feasibility and effect of offering paid commercial advertising in the magazine. Based on this, the Commission concluded that the magazine's subscription base is not sufficient

for commercial advertising to be cost-effective. However, staff continues to pursue similar ideas including group advertising (in several Commission products, including the magazine) and sponsorship, or subsidizing, of individual issues or annual volumes. The Commission has implemented several potential cost-saving and revenue enhancement measures to reduce the magazine's operating deficit. These measures include:

- Annual canvassing of those receiving complimentary subscriptions to verify their continued status as complimentary subscribers and to remove the names of those no longer eligible.
- Creating an approval request form for receiving a new complimentary subscription. The approved categories on this form have been reconciled with the Commission's policy on those individuals and groups eligible to receive a complimentary subscription.
- Increasing the subscription price from \$9 for one year to \$12 for one year, and from \$25 for three years to \$30 for three years, thus increasing subscription revenue.
- Changing editorial content, increasing the number of regular contributors and engaging the services of younger regular contributors. Editorial changes like these help the Commission to include content suitable for a younger audience and, therefore, attract new, younger subscribers.

PFBC officials believe that implementation of the measures indicated above have served to reduce but not eliminate the deficiency of revenue over expenditures. They believe, however, that the magazine, while produced at a loss, remains the Commission's premier publication whose public relations value to the agency should negate concerns about the publication's profitability.

Q. Special Permit Fees

1998 Recommendation: The PFBC should take action to initiate a fee for those special permits which it currently issues free-of-charge. The Commission should identify all such fees, the issuance of which requires the Commission to incur significant administrative, law enforcement, or other operational costs, and should seek to establish fees at a level which are sufficient to enable the agency to recover its special permit fee-related costs. For example, imposition of a fee for special permits issued to operators of fishing tournaments appears to be a permit type for which a fee should be charged.

Status: Implementation In Process/Ongoing

Discussion: The Commission reports that it has and continues to work with the House and Senate Game and Fisheries Committees on establishing fees for special permits issued where significant administrative, law enforcement, and/or other operational costs are associated. However, fees for special activity permits such as fishing tournaments have not been instituted.

As shown on Exhibit 25, the PFBC issued more than 2,500 special activity permits in CY 2006.

Exhibit 25

**Permits Issued by the PFBC Without a Charge
(CY 2006)**

<u>Permit Name</u>	<u>Description</u>	<u>No. Issued 2006</u>
Special Activity Permits	Primarily for fishing tournaments, special boating events, or special use of PFBC property.	2,530
Skiing Without Observer	Allows boat operators an exemption from having a required observer onboard under special circumstances.	27
Disability Permits for Motorized Vehicles	Allows a person with a disability to use a motorized vehicle on PFBC properties where normal motor vehicle use is prohibited.	15
Fish Cleaning Station Operators	Allows a business that cleans and processes angler caught fish an exemption from the fish fillet regulations.	3
Drawdown Permits	Joint permits issued by the PFBC and the PA DEP Bureau of Waterways Engineering for anyone proposing to draw down waters (ponds, lakes, and reservoirs) of the Commonwealth.	136
Herbicides	Joint permits issued by the PFBC and the DEP Bureau of Water Supply Management for applying chemicals to the waters of the Commonwealth to control aquatic vegetation.	1,145
Type II Scientific Collector Permits	Permit issued to state and federal employees engaged in scientific collecting as a part of their required duties. A Type II permit may be statewide or regional depending on the individual application. All applicants must have a valid PA fishing license.	158

Source: Developed by LB&FC staff using information obtained from the PFBC.

Special activity permits can be relatively costly for the PFBC to administer. These permits, issued free of charge, must be obtained for fishing tournaments/derbies, special boating events, and other special uses of Commission property. Bureau of Law Enforcement WCOs review and issue special activity permits, which are processed in the regional offices. Often, the site of a requested event is located on or adjacent to land owned by DCNR, PGC, state park land, or land that requires the approval of the Army Corps. of Engineers. In addition to the administrative costs incurred in processing the permit applications, Commission staff monitors the events to ensure compliance with the conditions of the permit.

While no firm fee proposals have been developed for the special activities permit, Section 742 of the Fish and Boat Code authorizes the Commission to charge such fees as it deems reasonable for the use of its land for purposes other than fishing and boating. The Commission created the special activity permit pursuant to its general authority under the code to promulgate rules and regulations for the use of its property. These regulations would need to be amended to provide for a fee.

R. Supplemental Funding

1998 Recommendation: The PFBC should periodically update information on the supplemental funding sources identified by its "Funding Initiative Team" in 1995, and assess their feasibility and potential for implementation. The PFBC should provide information to and consult with the House and Senate Game and Fisheries Committees on potential supplemental funding sources.

Status: Implementation is Ongoing/In Process.

Discussion: The PFBC regularly pursues alternative funding/augmenting funding for project implementation. One of the tasks identified in the current strategic plan is to pursue "soft funding." To accomplish this, staff have developed a database of funding sources and are actively pursuing them, especially for habitat and research needs. The Commission is also working on developing a "Conservation Assembly" that will provide momentum and support for a broader alternative funding source for the Commission's non-game and other under-funded needs.

S. Customer Surveys

1998 Recommendation: The PFBC should continue to periodically obtain survey input from both anglers and boaters for planning, budgeting, resource management, and program evaluation purposes.

Status: Implementation is Ongoing/In Process.

Discussion: The Commission reports that it is using surveys on an ongoing basis to collect customer opinions and support management decision-making. For example, officials report that surveys were used most recently to make management decisions on the trout program and developing youth education efforts. The agency states that it also benefits greatly from survey efforts conducted by the Northeast Conservation Education Organization and the U.S. Coast Guard.

T. Lake Erie Fishing Permits

1998 Recommendation: The PFBC should provide a detailed report of this special permit program to the House and Senate Game and Fisheries Committees.

Status: Implementation Complete.

Discussion: In June 2001, PFBC staff presented to the House Game and Fisheries Committee a detailed report of the restricted revenue account associated with the Lake Erie Fishing (Gill Net) permits.

U. Funds Disposition

1998 Recommendation: The PFBC should advise the Legislature of the amount of monies remaining in the restricted revenue account after paying recompense to the fishermen and covering its administrative costs. Additionally, the Commission should propose a plan to the Legislature for the expenditure of these funds. Since the revenue was obtained from Lake Erie sports fishermen, it would appear to be most appropriate for the funds to be spent improving the Lake Erie fishery.

Status: Implementation Complete.

Discussion: At the June 2001 presentation to the House Game and Fisheries Committee, PFBC provided details of monies remaining in the restricted revenue account after all recompense payments were made to the fishermen and any applicable administrative costs. In addition, a plan was proposed to the Legislature for the expenditure of the remaining funds to benefit Lake Erie, its tributaries and its fisheries. HB 1482 was enacted, and, pursuant to this legislation, the PFBC has since exhausted the remaining Lake Erie Gill Net monies. These remaining monies were used to fund access provisions as contained in Act 2004-159.

V. Information Systems Needs Assessment

1998 Recommendation: In conjunction with its planning activities for an anticipated move to a new headquarters in 1999, the PFBC should conduct or have conducted a comprehensive agency-wide information systems need assessment of the type recommended in the Wolf Advisory report.² Based on the results of this assessment and other pertinent planning and programming data, the Commission should develop an “Automated Technology Strategic Plan” for the agency as a companion document to the overall agency strategic plan which is currently being finalized.

²The “Wolf Advisory report” was prepared by Wolf Advisory International, Ltd., in 1995, under contract to the Senate Game and Fisheries Committee. The purpose of this study was to identify specific areas of “improvement opportunity” and develop recommendations based upon these findings.

Status: Implementation Complete (On a Modified Basis).

Discussion: While assessment efforts were carried out in conjunction with the move to the new headquarters in 1999, the Commission believes it is presently sufficiently aware of its information systems needs to make an assessment of the magnitude suggested in the 1998 report unnecessary. The Commission does prepare a multi-year IT plan, in accordance with Management Directive 245.4. PFBC officials stated that the limiting factor on information systems is not knowledge of the needs, but rather the fiscal resources needed to address the identified needs.

W. Warehouse Inventory System

1998 Recommendation: The PFBC should establish an internal “warehouse inventory control system development task force” to plan and coordinate the design of a new inventory system which can be implemented when the Commission moves the current Harrisburg inventory operations to its new headquarters building in 1999. This task force should include purchasing, warehousing, budget, and information system personnel from the Bureau of Administration as well as representation from all other PFBC bureaus. In carrying out this assignment, the task force should:

- meet with pertinent staff of the Pennsylvania Game Commission, and examine the PGC’s Major Asset Control System (MACS) to determine if this inventory system, or portions of it, could be adapted for use by PFBC; and*
- consult with pertinent state agency personnel (e.g., in the Office of Administration’s Bureau of Management Consulting Office for Information Technology, or Department of General Services) and, if necessary, a specialized private consultant to finalize the design and implementation plan for the new warehouse inventory control system.*

Status: No Action Planned.

Discussion: The Commission reports that it currently maintains this warehouse primarily for storage of publications. Inventory is controlled by the use of Excel spreadsheets. In addition, the warehouse is being utilized to store used and unused fishing licenses returned by issuing agents until they are audited by the Auditor General’s Office and later destroyed. PFBC officials do not believe a review of this type and scale given the limited warehouse inventory would prove beneficial to the Commission.

X. Warehousing Staff Position

1998 Recommendation: The PFBC should consider designating one staff position (with an appropriate number of support staff) as being responsible for directing the agency's overall warehousing operations.

Status: No Action Planned

Discussion: See W above.

Y. Expenditure Classification System

1998 Recommendation: The PFBC should develop a system which will enable it to classify and relate its annual expenditures to specific programs and services. The PFBC staff should also work with the Comptroller's Office to develop this expenditure classification system and should ensure that it is compatible with and linked to the PFBC Strategic Plan.

Status: No Action.

Discussion: PFBC reports that it continually attempts to modify ways to classify annual expenditures to specific programs and services. They report that this effort is made difficult in that the accounting system mandated by the Commonwealth accumulates costs by minor and major objects within organizations which, they believe, has been an impediment to program accounting. However, progress has been made with federal programs. Through the use of federal internal order numbers, federal program expenditures are able to be tracked by program.

IX. Appendices

APPENDIX A

The PFBC Budget Process

The Fish and Boat Code (30 Pa.C.S. §101 et seq.) establishes both the Fish Fund and the Boat Fund, enumerates qualified sources of revenue and authorized purposes of expenditure, and details procedures for both collection of receipts and requisition of expenditures from both funds. The Code also mandates the principal duties and responsibilities of the Commission. The Code does not, however, provide an explicit outline of the Commission's budget process.

The Code provides that, for both the Fish Fund and the Boat Fund, the PFBC is to annually submit estimates of expenditures from the Fish Fund and the Boat Fund to the Governor for approval. The Governor, through the Office of the Budget, then grants the Commission spending authority from each fund through the issuance of executive authorizations and through allocations of federal funds and augmenting revenues during the rebudget process.

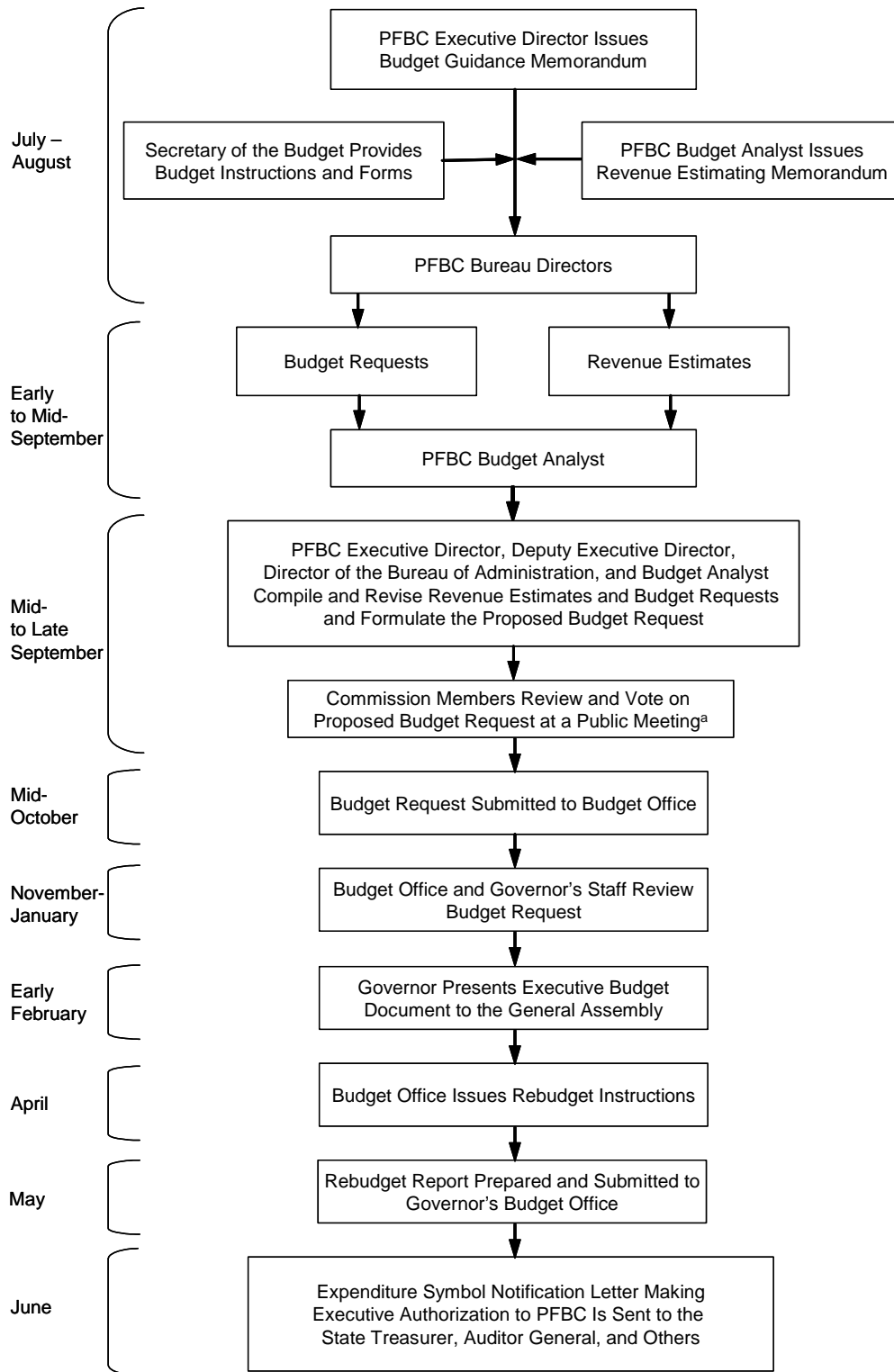
The chart on the next page is a timeline of dates in which key actions in the PFBC's budget process are completed. The PFBC submits annual estimates of Fish Fund and Boat Fund expenditures (including one General Fund appropriation) in an agency budget request. The process begins with issuance of budget submission instructions by the Executive Director to the PFBC bureau directors in July. This is followed shortly thereafter by the receipt of budget instructions and forms from the Governor's Office of the Budget. The Executive Director issues budget submission instructions to the bureau directors prior to receipt of the official budget instructions to ensure that the budget is prepared for submission to the PFBC Commissioners for approval at the fall quarterly Commission meeting.

The budget instructions issued by the Executive Director provide guidance to bureau directors on the preparation of the bureau budget narrative and accompanying expenditure requests. The bureau budget narrative includes a summary of a bureau's total request, which highlights major initiatives planned for the upcoming fiscal year and a general discussion of associated funding sources and requirements. Also included in bureau budget narratives are descriptions of and reasons for major initiatives planned and major changes in funding requested, anticipated accomplishments or expected outcomes of initiatives planned, and identification of any additional funding needed. Bureau directors are instructed to keep budget narratives under two pages in length.

Beginning with the FY 2007-08 agency budget, bureaus charged with implementation of PFBC strategic plan initiatives were also required to prepare a "Strategic Initiative Submission" for each strategic initiative assigned to the bureau. Strategic Initiative Submissions are completed by PFBC staff in an attempt to formally budget the costs to implement strategic plan initiatives scheduled for completion within a fiscal year. Bureau directors were instructed to include amounts budgeted in all strategic initiatives under their charge in the total bureau budget. While certain bureau directors were assigned lead responsibility for completion of strategic initiatives, budgeting for their completion required an amount of inter-bureau cooperation and collaboration.¹

¹See Finding A for a discussion of the relationship of the Commission's budget to the PFBC strategic plan.

The PFBC Budget Process



^aThis step was initiated with the FY 1997-98 budget request.

Source: Developed by LB&FC staff from information obtained from the Pennsylvania Fish and Boat Commission.

Appendix A (Continued)

PFBC bureau budget requests are compiled by major and minor objects of expenditure within organizational units for each bureau. The Executive Directors' budget instructions provide technical guidance on the formulation of these requests. Proposed fixed asset expenditures must be itemized and prioritized by each bureau and included in the budget narrative. Projects identified with estimated costs exceeding \$5,000 are requested using a project request form. Projects are ultimately selected for funding subject to the Commission's "project prioritization process."

The PFBC has developed a budget manual used in the formulation of the agency's budget request in response to an LB&FC recommendation in the July 1998 audit of the Commission's budget.² Last revised in July 2007, the budget manual provides technical instructions and guidance on the completion of bureau budget requests. The budget manual does not contain information on the PFBC's budget development, review, and monitoring processes, and also does not include a formal definition of the role of the Commission members in the budget review and approval; all of which were recommended for inclusion in the budget manual in the LB&FC's July 1998 audit of the Commission's budget. PFBC staff indicated that the budget manual is currently under review, with updates planned as a result of the Commonwealth's current accounting system, IES.

Concurrent with the completion of bureau budget requests, the Bureau of Administration prepares the Commission's official revenue estimates for the upcoming fiscal year. Revenue estimates are prepared for both the Fish Fund and the Boat Fund for the upcoming (budget) year and the following four fiscal years. The estimates are prepared based on prior revenue activity and other assumptions such as changes in law that may affect specific revenue sources.

Completed bureau budget requests are submitted to the PFBC budget analyst by late August or early September. For the FY 2007-08 agency budget, bureau directors were required to submit requests to the PFBC Budget Analyst by August 18. As mentioned, completed bureau budget requests contain proposed expenditures by major and minor object within each bureau's organizational units. These amounts are further requested by fund to reflect amounts from the Fish Fund and the Boat Fund.³

The Budget Analyst then compiles the completed bureau budget requests and revenue estimates into budget schedules. Upon completion, these schedules are presented to the Executive Director for review and analysis. Following additional input from senior staff, the Executive Director formulates the agency's official budget request. This process occasionally includes consultation with individual bureaus regarding adjustments before finalization of the agency budget.

The agency budget request is then presented to the PFBC Commissioners for review and approval at the Commission's fall quarterly meeting. While approval of the agency budget by the Commissioners is not required in law, it has taken place in each fiscal year beginning with the FY 1997-98 agency budget request.⁴

²See Section VIII for a discussion of the PFBC's implementation of prior LB&FC audit recommendations.

³A further discussion of the accounting for Fish Fund and Boat Fund monies is presented in Section V.

⁴Agency budget request approval by the Commissioners beginning in FY 1997-98 was consistent with the 1995 Wolf Advisory Study recommendation that the Commissioners take "board-level responsibility" in agency operations.

Appendix A (Continued)

Following approval by the Commissioners, the agency budget request is submitted to the Governor's Office of the Budget for review. The Office of the Budget issues rebudget instructions in April preceding the beginning of the new fiscal year. The Commission then prepares its rebudget request for review and approval by the Office of the Budget in May. The Expenditure Symbol Notification Letter making an executive authorization to the PFBC (from the Fish Fund and the Boat Fund) is then issued upon commencement of the new fiscal year.

The Commission continues to employ an "austere" budget approach which, according to the agency budget request, employs "stringent monitoring controls on operations" while fulfilling its mission, successfully implementing its strategic plan, and considering the financial condition of the Fish Fund and Boat Fund.⁵ This approach also purports to more closely examine Commission priorities and commitments, seeks increased use of alternative funding sources, and seeks to apply "scarce financial resources in the most cost-effective manner."

Pursuant to this approach, the Budget Analyst prepares monthly expenditure reports for review by members of the Executive Office, bureau directors, and others. Separate reports are prepared for both the Fish Fund and the Boat Fund, which include:

- fund balances;
- Fish Fund and Boat Fund current and prior fiscal year-to-date revenues;
- expenditures by organizational unit (amount budgeted, amount expended and committed, budget balance, and percentage of budget remaining);
- expenditures by major and minor object (amount budgeted, amount expended and committed, budget balance, and percentage of budget remaining);
- expenditures for salaries, wages, overtime, and out-of-service training by organizational unit (amount budgeted, amount expended and committed, budget balance, and percentage of budget remaining);
- expenditure status of approved executive projects and programs.

⁵See Section V for a discussion of the financial condition of the Fish Fund and the Boat Fund.

APPENDIX B-1

PFBC Salaried Staff Complement, by Organizational Unit (As of June 30, 2007)

	<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
Executive Office:			
Executive Office.....	18	0	18
Bureau Administrative Services.....	33	2	35
Bureau of Boating and Education.....	16	2	18
Bureau of Law Enforcement.....	<u>7</u>	<u>0</u>	<u>7</u>
Subtotal – Executive Office	74	4	78
Pleasant Gap Complex:			
Bureau of Fisheries	50	5	55
Bureau Administrative Services.....	6	1	7
Bureau of Engineering and Development	<u>36</u>	<u>4</u>	<u>40</u>
Subtotal – Pleasant Gap Complex	92	10	102
Law Enforcement and Aquatic Resource Program Specialist Regions:			
<u>Northwest</u>			
Bureau of Law Enforcement.....	16	0	16
Aquatic Resource Program Specialist.....	1	0	1
Property Maintenance	3	0	3
<u>Southwest</u>			
Bureau of Law Enforcement.....	15	3	18
Aquatic Resource Program Specialist.....	1	0	1
Property Maintenance	3	0	3
<u>Northeast</u>			
Bureau of Law Enforcement.....	13	2	15
Aquatic Resource Program Specialist.....	1	0	1
Property Maintenance	4	0	4
<u>Southeast</u>			
Bureau of Law Enforcement.....	17	3	20
Aquatic Resource Program Specialist.....	1	0	1
Property Maintenance	3	0	3
<u>Northcentral</u>			
Bureau of Law Enforcement.....	14	1	15
Aquatic Resource Program Specialist.....	1	0	1
Property Maintenance	4	0	4
<u>Southcentral</u>			
Bureau of Law Enforcement.....	13	2	15
Aquatic Resource Program Specialist.....	<u>1</u>	<u>0</u>	<u>1</u>
Subtotal - Bureau of Law Enforcement and Aquatic Resource Program Specialist Regions.....	111	11	122

Appendix B-1 (Continued)

	<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
Bureau of Fisheries State Fish Hatcheries:			
Corry	6	0	6
Fairview	4	0	4
Linesville	11	0	11
Pleasant Mount.....	9	1	10
Tionesta	7	0	7
Union City	4	0	4
Oswayo.....	7	0	7
Bellefonte.....	9	1	10
Benner Spring.....	10	2	12
Big Spring	1	0	1
Huntsdale.....	12	1	13
Pleasant Gap.....	9	1	10
Reynoldsdale.....	7	0	7
Tylersville.....	<u>10</u>	<u>1</u>	<u>11</u>
Subtotal – Hatcheries	106	7	113
Bureau of Fisheries Management Areas:			
Linesville	1	1	2
Tionesta	2	0	2
Bellefonte.....	0	2	2
Sweet Valley.....	2	0	2
Bushkill	2	0	2
Revere	2	0	2
Newville	0	1	1
Somerset	2	0	2
Fairview	<u>2</u>	<u>0</u>	<u>2</u>
Subtotal - Management Areas.....	<u>13</u>	<u>4</u>	<u>17</u>
Commission Total.....	396	36	432

Source: PFBC personnel complement report, June 30, 2007.

APPENDIX B-2

PFBC Wage Staff Complement, by Organizational Unit

(As of June 30, 2007)

	<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
Executive Office:			
Executive Office	1	1	2
Bureau Administrative Services	10	2	12
Bureau of Boating and Education	4	2	6
Bureau of Law Enforcement	<u>10</u>	<u>0</u>	<u>10</u>
Subtotal – Executive Office	25	5	30
Pleasant Gap Complex:			
Bureau of Fisheries	23	3	26
Bureau Administrative Services	0	0	0
Bureau of Engineering and Development	<u>6</u>	<u>2</u>	<u>8</u>
Subtotal - Pleasant Gap Complex	29	5	34
Law Enforcement and Aquatic Resource Program Specialist Regions:			
<u>Northwest:</u>			
Bureau of Law Enforcement	1	0	1
Aquatic Resource Program Specialist	1	0	1
Property Maintenance	4	0	4
<u>Southwest:</u>			
Bureau of Law Enforcement	1	0	1
Aquatic Resource Program Specialist			
Property Maintenance	2	0	2
<u>Northeast:</u>			
Bureau of Law Enforcement	1	0	1
Aquatic Resource Program Specialist	1	0	1
Property Maintenance	3	0	3
<u>Southeast:</u>			
Bureau of Law Enforcement	1	0	1
Aquatic Resource Program Specialist	4	0	4
Property Maintenance	2	2	4
<u>Northcentral:</u>			
Bureau of Law Enforcement	1	0	1
Aquatic Resource Program Specialist	1	0	1
Property Maintenance	4	0	4
<u>Southcentral:</u>			
Bureau of Law Enforcement	1	0	1
Aquatic Resource Program Specialist	<u>2</u>	<u>0</u>	<u>2</u>
Subtotal – Bureau of Law Enforcement and Aquatic Resource Program Specialist Regions	30	2	32

Appendix B-2 (Continued)

	<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
Bureau of Fisheries State Fish Hatcheries:			
Corry.....	1	1	2
Fairview.....	2	0	2
Linesville.....	0	1	1
Pleasant Mount.....	0	0	0
Tionesta.....	2	0	2
Union City.....	1	0	1
Oswayo.....	1	1	2
Bellefonte.....	1	0	1
Benner Spring.....	1	1	2
Big Spring.....	0	0	0
Huntsdale.....	1	0	1
Pleasant Gap.....	1	1	2
Reynoldsdale.....	2	0	2
Tylersville.....	<u>2</u>	<u>1</u>	<u>3</u>
Subtotal – Hatcheries.....	15	6	21
Bureau of Fisheries Management Areas:			
Linesville.....	<u>1</u>	0	1
Tionesta.....	5	0	5
Bellefonte.....	3	0	3
Sweet Valley.....	1	0	1
Bushkill.....	3	0	3
Revere.....	1	0	1
Newville.....	5	0	5
Somerset.....	1	0	1
Fairview.....	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Management Areas.....	<u>20</u>	<u>0</u>	<u>20</u>
Commission Total.....	119	18	137

Source: PFBC personnel complement report, June 30, 2007.

APPENDIX B-3

PFBC Salaried Staff Complement, by Position Title and Civil Service Status

(As of June 30, 2007)

Civil Service Positions:

<u>Position Title</u>	<u>Filled</u>	<u>Vacant</u>	<u>Position Title</u>	<u>Filled</u>	<u>Vacant</u>
Administrative Officer 2.....	1		Fisheries Biologist 1	12	
Applications Developer	2		Fisheries Biologist 1		3
Aquatic Resource Ed Manager...	1		Fisheries Biologist 2	7	
Aquatic Resource Prgm Spst.....	6		Fisheries Biologist 2		2
Assistant Regional Supervisor	7		Fisheries Biologist 3	16	
Assistant Regional Supervisor		4	Fisheries Biologist 3		2
Budget Analyst 3.....	1		Fisheries Biologist 4	4	
Boating Safety Ed Manager	1		Fisheries Technician 1.....	1	
Custodial Worker Supervisor	1		Fisheries Technician 1.....		1
Civil Engineer General	2		Fisheries Technician 2.....	5	
Civil Engineer General		1	HR Analyst 1 (Gen)	1	
Civil Engineer Manager General.	1		HR Analyst 2 (Gen)	1	
Draft Designer	2		HR Analyst 3 (Lbr Rltns).....	1	
Director Bureau of Fisheries	1		HR Director 2.....	1	
Director Fish Production	1		IT Generalist 1	1	
Director Law Enforcement	1		IT Generalist 2	2	
Distributor Sys. Administrator 1 ..	1		IT Generalist Adm. 2.....	1	
Distributor System Specialist 1 ...		1	IT Generalist Supervisor.....	1	
Electrical Engineer 2	1		Land Rsch Supervisor Tech ...	1	
Engineering Manager.....	1		Law Enf Program Ops Mgr.....	2	
Fish Culturist 1	3		Management Tech.....	2	
Fish Culturist 1		1	Real Estate Tech.....	1	
Fish Culturist 2	69		Sr. Civil Eng. Hydr	1	
Fish Culturist 2		4	Sr. Civil Eng. Supv. Ger.....	1	
Fish Culture Station Foreman	12		Surveyor 2	1	
Fish Culture Station Foreman		1	Telecoms. Specialist 2.....	1	
Fish Culture Station Manager	11		Waterway Cnsvn Officer.....	69	
Fish Culture Station Manager		1	Waterway Cnsvn Officer.....		7
Fish Production Manager.....	2		Wtrwy Cnsvn Ofr Manager	<u>7</u>	<u>—</u>
Subtotal – Civil Service Positions				268	28

Appendix B-3 (Continued)

Non-Civil Service Positions:

<u>Position Title</u>	<u>Filled</u>	<u>Vacant</u>	<u>Position Title</u>	<u>Filled</u>	<u>Vacant</u>
Accounting Assistant.....	2		Editor 1	1	
Administrative Assistant 1	4		Editor 1		1
Administrative Assistant 2.....	1		Editor 3.....	1	
Administrative Officer 1.....	3		Electrician.....	3	
Administrative Officer 1.....		1	Electrician Foreman	2	
Administrative Officer 2.....	4		Equipment Operator B	5	
Administrative Officer 2.....		1	Ex Dir	1	
Administrative Officer 3.....	3		Ex Sec 2.....	1	
Attorney 2.....	1		Fshg Boating Fclts Manager ..	1	
Automotive Mechanic.....	1		Fshg Boating Fclts Mntnr	12	
Automotive Mechanic.....		1	Fshg Boating Fclts Supv	5	
Automotive Mechanical Supv....	1		Lith Press Opr 1	1	
Business Analyst 1.....		1	Lith Press Opr 2	1	
Chief Counsel 1	1		Management Analyst 1	1	
Clerical Supervisor 1	4		Management Tech	1	
Clerical Supervisor 2.....	1		Maintenance Repairman 2.....	9	
Clerk 2.....	10		MSN	1	
Clerk 3.....	1		Port Capt.....	1	
Clerk Steno 2	1		Purchasing Agent 1.....	1	
Clerk Typist 2	15		Purchasing Agent 2.....	1	
Clerk Typist 3	10		Purchasing Agent 3.....	1	
Construction Foreman	4		Press Sec 1.....	1	
Conservation Dstr FI Rep 1.....	1		Secretarial Supervisor 2.....	1	
Conservation Dstr FI Rep 2.....	2		Stock Clerk 3.....	2	
Carpenter	1		Storekeeper 2.....	1	
Carpenter		1	Wldlfe Cnsvn Ed Spcst	<u>1</u>	—
Dir of Policy Planning and Op ...	1				
Subtotal – Non-Civil Service Positions				128	6

Source: PFBC personnel complement report, June 30, 2007.

APPENDIX C

Pennsylvania's Resident and Nonresident Fishing License Fees Compared to Those Charged in Other States*

(As of August 2007)

Resident		Nonresident	
State	Fee	State	Fee
California	\$37.30	Alaska	\$145.00
New Hampshire	35.00	California	100.00
Nevada	29.00	Idaho	82.00
Texas	28.00	Wyoming	76.00
Tennessee	28.00	Arizona	70.25
Massachusetts	27.50	Utah	70.00
Utah	26.00	Montana	70.00
Montana	26.00	Nevada	69.00
Colorado	26.00	Oregon	61.50
Idaho	25.75	South Dakota	60.00
South Dakota	25.00	Louisiana	60.00
New Mexico	25.00	New Mexico	56.00
Oregon	24.75	Colorado	56.00
Alaska	24.00	Texas	55.00
Arizona	23.50	New Hampshire	53.00
New Jersey	22.50	Maine	52.00
Washington	21.90	Pennsylvania	51.00
Pennsylvania	21.00	Wisconsin	50.00
Maine	21.00	Nebraska	50.00
Maryland	20.50	Mississippi	50.00
Kansas	20.15	Kentucky	50.00
Wisconsin	20.00	Washington	43.80
Vermont	20.00	Kansas	42.15
Oklahoma	20.00	Vermont	41.00
Nebraska	20.00	Tennessee	41.00
Kentucky	20.00	Ohio	40.00
Connecticut	20.00	New York	40.00
Wyoming	19.00	Missouri	40.00
Ohio	19.00	Connecticut	40.00
New York	19.00	Iowa	39.50
West Virginia	18.00	Massachusetts	37.50
Virginia	18.00	Oklahoma	37.00
Rhode Island	18.00	Virginia	36.00
Minnesota	18.00	West Virginia	35.00

Appendix C (Continued)

Resident		Nonresident	
State	Fee	State	Fee
Iowa	\$17.50	South Carolina	\$35.00
Indiana.....	17.00	Rhode Island.....	35.00
North Carolina	15.00	North Dakota.....	35.00
Michigan	15.00	Minnesota.....	35.00
Florida.....	13.50	Indiana	35.00
Illinois.....	13.00	New Jersey	34.00
Missouri	12.00	Michigan.....	34.00
Arkansas	10.50	Arkansas	32.00
South Carolina.....	10.00	Florida	31.50
North Dakota	10.00	Alabama	31.00
Louisiana	9.50	North Carolina.....	30.00
Alabama	9.50	Hawaii	25.00
Georgia.....	9.00	Illinois	24.50
Delaware	8.50	Georgia	24.00
Mississippi.....	8.00	Delaware	15.00
Hawaii.....	5.00	Maryland	a/

***Important Note:** Many states also require license holders to obtain separate licenses, permits, or stamps for fishing in certain waterways or for certain species.

^aMaryland's non-resident license fee is equal to the fee charged a Maryland resident in non-resident's home state.

Source: Developed by LB&FC staff using information obtained from state fish, game, and wildlife agencies.

APPENDIX D

Pending Legislation Related to the PFBC

(As of February 5, 2008)

House Bill 142: Provides for an amendment to the Pennsylvania Constitution that states that hunting, fishing, and harvesting game is a right of the people of Pennsylvania.

House Bill 250: Provides for the term of office of the commissioners.

House Bill 433: Provides for exemptions from license requirements for persons with certain disabilities.

House Bill 587: Repeals provisions relating to powers of Commission members in that members of the Commission would not be allowed to exercise any of the powers of waterways patrolmen as they are currently allowed.

House Bill 789: Authorizes waterways conservation officers to enforce trespass laws.

House Bill 820: Provides for restrictions on the issuance of one-day tourist fishing licenses and one-day resident fishing licenses.

House Bill 948: Provides for vouchers for licenses and permits. (See also Senate Bill 880.)

House Bill 1109: Increases the fee for a replacement fishing license from \$4.25 to \$5; sets a transaction fee for use of the Pennsylvania Automated Licensing Service in an amount to cover actual costs up to \$1 per transaction; prohibits one-day fishing licenses from being issued from March 15 to April 30.¹

House Bill 1436: Provides for a youth fishing license.

House Bill 1442: Provides for a raffle for free lifetime fishing licenses.

House Bill 1676: Provides for transfers of a portion of the sales and use tax proceeds into the Fish Fund.

House Bill 1862: Authorizes waterways conservation officers to arrest for Vehicle Code violations.

Senate Bill 538: Amends the Lemon Law to include boats under the definition of new motor vehicle.

Senate Bill 926: Provides for the organization and composition of the Commission, and for terms of office, compensation, vacancies, meetings, officers, and quorum requirements.

Senate Bill 1118: Provides for a license fee exemption for Pennsylvania National Guard members deployed for 120 consecutive days, instead of the current 180 consecutive days requirement. (See also House Bill 1915, Senate Bill 1118, and Senate Bill 1257.)

Source: Developed by LB&FC staff from a review of proposed legislation in the 2007-08 legislative session.

¹This bill was signed into law on February 4, 2008; it is now Act 2008-2.

APPENDIX E

Response to This Report



Pennsylvania Fish & Boat Commission

EXECUTIVE DIRECTOR
P.O. Box 67000
HARRISBURG, PA 17106-7000
717-705-7801 – 717-705-7802 (FAX)
E-MAIL: DAUSTEN@STATE.PA.US

February 11, 2008

Mr. Philip R. Durgin
Executive Director
Legislative Budget and Finance Committee
Room 400 Finance Building
Harrisburg, PA 17105-8737

Dear Mr. Durgin:

Thank you for providing us with the opportunity to review and respond to the draft audit report titled "A Performance Audit of the Pennsylvania Fish and Boat Commission." I would like to express our appreciation for the time, thoroughness and professionalism exhibited by your staff in the conduct of their review. In general, we find the report to be an accurate and fair representation of the conditions that exist here at the Fish and Boat Commission.

We have taken the liberty of responding to each of the six recommendations included in the draft report. Those comments are included in the attachment. Please feel free to call upon us if any of these are unclear or require additional description.

Sincerely,

Douglas J. Auster, Ph.D.
Executive Director

Attachment

Our Mission:

www.fish.state.pa.us

To provide fishing and boating opportunities through the protection and management of aquatic resources.

Pennsylvania Fish and Boat Commission
Response to Confidential Draft Report Recommendations
A Performance Audit of the Pennsylvania Fish and Boat Commission

Recommendation #1

The PFBC concurs with the Committee's recommendation to take steps to update and strengthen the agency's strategic planning process. In November 2007, the PFBC filled the position of Strategic Initiatives and Projects. In addition to coordinating the agency's next strategic planning effort, this position will be responsible for providing the necessary consistency and support across the agency to track progress toward the agency's work plan and strategic plan, and make stronger linkages to the agency's budget. Staff is currently investigating a variety of strategic planning models and tools, and consulting with other states in regard to successes, challenges, and innovative approaches to address the numerous concerns detailed in the Committee's Performance Audit. The PFBC anticipates that a new time frame and process for the agency's strategic plan update will be presented to the Commission for consideration in early 2008.

Recommendation #2

The PFBC supports the Committee's recommendation that the General Assembly should consider amending the Recreation Use of Land and Water Act (RULWA) to clarify and broaden the scope of legal protection afforded to property owners who open their lands free of charge to the public for fishing and boating. One way to address the matter is to amend RULWA's definition of "land," as the Committee suggests, to include boating access and launch ramps, fishing piers, boat docks, ramps, access to and parking for these areas and trails. The PFBC, along with several of its partners, previously supported efforts to amend the definition in that regard. The PFBC would appreciate the Committee's support in advancing those efforts in the future.

Recommendation #3

The Commission agrees with this recommendation and will work with the House and Senate Game and fisheries Committees to schedule an appropriate meeting by or before August 15, 2008.

Recommendation #4 a

The PFBC concurs with this recommendation and is currently in the process of developing a system for tracking hatchery expenditures to compare costs between facilities. The PFBC is in the process of evaluating and determining the best method for internal direct comparisons of costs between hatcheries, which preliminarily appears to be a comparison of direct operating and personnel costs for adult and fingerling fish and the inclusion of fixed asset expenditures and other capital costs. PFBC staff are in the process of instituting a more precise method of comparing actual fish production performance with established production goals at each facility.

Recommendation #4 b

The PFBC concurs with the concept of this recommendation; however, PFBC staff believe that certain limitations associated with the availability and species of fish available through non-traditional fish rearing means exists which should be included when making decisions on whether to “grow our own” or to procure trout from private vendors. Since trout production is based largely on scientific input supplied by the Commission’s Division of Fisheries Management and the Commission production capacity, a small number of requests to supply trout have been satisfied through commercial means. The trout secured through this method are currently stocked in locations that are more conducive to private vendors (lake stockings) and consist of only rainbow trout. It has proven to be difficult for vendors to stock streams with multiple stocking points over many days during the pre-season/early in-season stocking period in a cost effective manner. PFBC staff report that there are a limited number of vendors who can meet the quantity, quality and species requirements. The PFBC does, however, agree that if additional stocking sites become available or are identified that allow for or benefit from quick release or large one-stop distribution stockings, procurement of trout from private vendors should be considered and if feasible utilized.

Recommendation #5

The PFBC concurs that there should be close coordination with PEMA for water rescue and emergency response issues. The priority for the PFBC is to participate in a working group with PEMA to obtain assistance and funding for the PFBC water rescue training program. At this time, there is no defined responsibility to create a database of emergency rescue responders for PEMA’s use during flooding and water emergencies. However, it is the PFBC’s position that this task should be done and should be a Commonwealth priority. For the PFBC water rescue training program to continue, the PFBC proposes the following action plan:

- Work with the General Assembly to secure the necessary dedicated funding to ensure the long-term success of this program. Program funding requirements are estimated to \$250,000 annually.
- Employ a full-time water rescue training coordinator.
- Increase efforts for the training and coordination of water rescue Instructor-Trainers.
- Coordinate and present water and ice rescue training courses.
- Purchase and maintain water and ice rescue equipment to support training efforts.
- Create and maintain an accurate database of all emergency response teams in Pennsylvania that respond to ice and water related emergencies.
- Coordinate with the State Fire Marshall and PEMA to improve communications and for response in a flooding emergency.
- Establish regional water rescue instruction centers. Contract with those facilities to provide training to emergency response teams members in that region.
- Administer an accreditation program for water rescue teams in cooperation with the Water Rescue Instructor’s Association.

Recommendation #6 a

The PFBC supports the Committee's recommendation that the General Assembly should consider amending the Fish and Boat Code to authorize the PFBC to make license vouchers available for purchase and redemption. Senate Bill 880 is currently in the House of Representatives for consideration and addresses the issuance and redemption of license vouchers by the PFBC.

Recommendation #6 b

The PFBC supports the Committee's recommendation that the General Assembly should consider amending the Fish and Boat Code to better describe and allow for the maintenance of records by issuing agents in a manner prescribed by the PFBC for sale of licenses and permits through the PFBC's new electronic licensing system. House Bill 1109 was passed by the Senate and the House of Representatives and was forwarded to the Governor where it was signed into law on February 4, 2008.