

FACT SHEET

Report on an Audit of the Pennsylvania Fish and Boat Commission's Budget

Summary of Findings and Recommendations:

The Pennsylvania Fish and Boat Commission (PFBC) is an independent administrative agency responsible for administering and enforcing the state's fishing and boating laws. The Commission operates on funds from the following major sources: the sale of fishing licenses and permits, boat registration fees, transfers from other funds, and federal reimbursement through the Sport Fish Restoration Fund.

- 1. Revenues.** In FY 1996-97, PFBC revenues totaled \$39.0 million. Of this amount, about 72 percent were Fish Fund revenues, and 28 percent were from Boat Fund sources. Total FY 1996-97 revenues were 18.3 percent higher than the prior year, due largely to recent increases in certain fishing license fees and a double transfer of Liquid Fuels Tax revenues to the Boat Fund. The report includes detailed analyses of PFBC revenues. (See pp. 16 to 27.)
- 2. Expenditures.** In FY 1996-97, the PFBC expended a total of \$33.7 million. About 76 percent of this amount came from the Fish Fund, and 24 percent from the Boat Fund. Total FY 1996-97 expenditures were 1.1 percent higher than the prior year and 6.6 percent below the amount budgeted by the Commission for the fiscal year. The report presents detailed analyses of PFBC expenditures. (See pp. 28 to 43.)
- 3. Fish Fund Balance.** The Fish Fund ended FY 1996-97 with reserves of \$12.4 million, an increase of \$2.8 million, or 29.2 percent, over the prior year's level. The 1996 license and permit fee increases, combined with internally imposed spending constraints contributed to an operating surplus. However, based on PFBC estimates, a request for an increase in fishing license fees may be necessary as early as FY 2001-02. Fishing license fees were last increased in 1995. (See pp. 44 to 49.)
- 4. Boat Fund Balance.** As of June 30, 1997, the Boat Fund had an unreserved balance of \$8.5 million. However, a general pattern of annual operating deficits is projected through FY 2002-03, when fund reserves are projected to drop to about \$3 million. The Commission anticipates requesting an increase in boat registration fees as early as FY 2001-02. Boat registrations fees were last increased in 1991. (See pp. 50 to 57.)
- 5. Accounting for Fish Fund and Boat Fund Monies.** The current requirement that "fish revenues" and "boat revenues" be separately accounted for presents problems and inefficiencies for the PFBC and creates added costs for both anglers and boaters. Recommendation: The Legislature should consider amending the law to consolidate the two funds, and the PFBC should establish a cost accounting structure to clearly delineate spending for fishing versus boating activities. (See pp. 58 to 61.)
- 6. Planning and Budgeting.** The PFBC's budgetary and expenditure decision-making processes are not currently linked to an overall agency strategic plan. Recommendation: The PFBC should finalize a draft strategic plan and relate it to the agency's annual budget process beginning in FY 2000-01. (See pp. 62 to 66.)
- 7. Fish Production Costs.** During FY 1996-97, direct expenditures by the PFBC for fish production were \$8.4 million, with trout production accounting for about two-thirds of the total. Trout production costs average \$2.42 per pound or about \$1.20 per adult catchable fish. (See pp. 67 to 87.)
- 8. License and Permit Fees.** The PFBC does not have a fee management system to assess the adequacy of the more than 40 separate license and permit types it issues. Recommendation: The PFBC should examine all existing fee rates and develop a proposed fee adjustment schedule for legislative consideration. (See pp. 88 to 104.)
- 9. Fines and Penalties.** Some Fish and Boat Code fine and penalty amounts have not been adjusted since 1925 and may no longer represent a sufficient deterrent or appropriate sanction. Recommendation: The Legislature should consider increasing fines and penalties for fishing and boating violations. (See pp. 105 to 112.)
- 10. Marina Management.** The PFBC incurred an operating deficit of more than \$280,000 in FY 1996-97 on two marinas which it owns and operates on the shores of Lake Erie. Recommendation: The PFBC should attempt to divest itself of marina operations while maintaining an appropriate operational and financial interest. (See pp. 118 to 124.)
- 11. Wolf Advisory International, Ltd., Study.** In 1995 a consulting firm performed an overview study of the PFBC and identified "improvement opportunities" in such areas as automated technology, licensing, privatization, and warehouse inventory practices. The report provides information on the PFBC's response to the Wolf report. (See pp. 183 to 202.)
- 12. Other Budget-Related Topics.** Other sections of the report deal with a wide range of budget-related topics and questions raised by legislators, legislative staff, and various sportsmen's groups. These include, for example, federal funding (pp. 113-117); personnel services administration and costs (pp. 125-132); budgeting for capital and deferred maintenance projects (pp. 133-137); revenues from royalties and the sale of natural resources (pp. 138-144); the fiscal position of the *PA Angler and Boater* magazine (pp. 145-150); estimated costs of a new headquarters building (pp. 151-156); shad restoration costs (pp. 157-162); supplemental funding mechanisms (pp. 163-170); boat titling (pp. 171-173); PFBC customer surveys (pp. 174-178); and Lake Erie fishing permits (pp. 179-182).