

**Montana Department of Fish, Wildlife and Parks
Fish and Wildlife Licensing and Funding Advisory Council
Meeting Summary, April 17, 2014**

Council Members Present: Mark Aagenes, Tim Aldrich, Ed Beall, Robin Cunningham, Bob Gilbert, Arthur Hayes, Jim Olson, Debby Perry, Brett Todd, Senator Kendall Van Dyk. Present via conference call: Representative Jeff Welborn. Not present: Ed Hammer, Dan Vermillion.

Fish, Wildlife and Parks: Sue Daly, Director Jeff Hagener, Quentin Kujala, Paul Sihler, Charlie Sperry, Neal Whitney, Hank Worsech

Environmental Quality Council: Hope Stockwell

Facilitator: Barb Beck, Beck Consulting

Public: One member of the press

Welcome and Introductions

The Bozeman Chronicle printed both an article and editorial on the council's work. The editorial was favorable to the council's work. The Billings Gazette ran a story following the March meeting.

Council members reported on conversations with their constituents, citizens, and local legislators.

- There is general support for the recommendations from the public.
- How people feel about the Department in general and some of FWP's other activities and programs are affecting the public's reactions to the council's work.
- The context for this discussion is critical to peoples' understanding of the recommendations.
- The council is viewed as an independent recommending body and is not viewed as the Department's proxy.
- There is general support from the EQC for the recommendations.
- Seniors aren't happy with the increased age threshold, but are still generally supportive.
- The outcome of the EQC meeting was somewhat disheartening to council members.
- There is support for combining the Coming Home to Hunt and Montana Native licenses.
- There appears to be support and no resistance to recommending a 4-year funding review cycle.
- The public is still concerned with the total financial picture--Department expenditures as well as revenues.
- People like the base license concept as opposed to increasing the price of deer and elk licenses.
- People like the change in the refund policy. This should help nonresidents' participation.

Environmental Quality Council (EQC) March 19-20 Meeting Recap

EQC staffer, Hope Stockwell, thanked the advisory council members who had attended the meeting and spoken to the EQC. There was specific feedback from the EQC on a number of items:

- Would rounding license prices to \$5 or \$10 increments and rounding the age threshold for senior licenses to 70 to make calculations easier for people?
- Support for the change in refund percentages and dates (for those unsuccessful in the March 15 drawing.)
- Concerned with changing 10-day angling license to 7-day license.
- What is the impact of these recommendations on residents versus nonresidents?
- Why didn't the council address earmarks?
- Request for projected expenditure information.
- What is the financial impact of changing the Coming Home to Hunt and Montana Native licenses?
- What is the need for the additional \$500,000 contingency?

The work of the council has been well documented, so as questions arise in the coming months and/or during the legislative process, there will be information available. This has been one of the benefits of the process.

Representative Welborn and Hope Stockwell did a great job presenting the information. The council members that were in attendance and spoke to the EQC came across well.

The EQC meets again on May 14-15, July 8-9, and September 10-11. Staff will be following up with them on information requests prior to and at their subsequent meetings.

Impacts of \$5.75 million annual shortfall

Paul Sihler explained that the Department has had internal discussions about what this shortfall would look like in terms of programs and services--if it comes to pass. FWP needs to understand the implications of the choices. The subject of earmarks continues to come up, as witnessed by the recent EQC meeting. Each earmark has a constituency and earmarks are inherently political. Part of FWP's discussion may be to develop an alternative that would show how currently earmarked funds could be redirected to cover shortfalls. The largest earmark programs include Block Management, Habitat Montana, Search and Rescue support to local governments, and the Upland Game Bird program.

The council discussed the fact that there are some unknowns on the revenue projection side and the conservative nature of the Department's expenditure projections (for example no inflation factor was included for any expenditures except personal services.) Based on this discussion, the council believes that even the \$500,000 contingency is unlikely to cover all of the true future needs. Discussion later in the day clarified that the council believes they are working for Montanans, serving as the voice to the legislature on these funding matters, and that it is important to retain the \$500,000 contingency until and unless they hear differently from their Montana constituents.

Recommendation

The Licensing and Funding Advisory Council recognizes our constituents value the current level of services. But the Department cannot maintain these services with the current income. There is a \$5.75 million annual shortfall in the general license account. The Council has developed a funding proposal to address this shortfall. The Council asks FWP to outline what service and/or program reductions would occur if the shortfall is not addressed.

Presentation of Preliminary Recommendations to FWP's Director, Jeff Haegner

Representative Jeff Welborn walked the group through the draft recommendation report. Director Hagener had been briefed ahead of the meeting. Two issues will be revisited in the afternoon.

Private Lands/Public Wildlife (PL/PW) Council

The PL/PW Council is meeting monthly to develop recommendations. They may at some point wish to propose programs or activities that will need an identified funding source. The LFAC discussed identifying specific sources of funding for this purpose, but decided that since the need is unknown it would not be appropriate to do so at this time. The LFAC endorsed the following statement:

The LFAC supports the work of the PL/PW Council. If the PL/PW Council has specific ideas to advance regarding access, the LFAC could help identify appropriate potential revenue sources. The work of the LFAC will be concluded in July 2014.

Public Comment

There were no public comments.

Department Appreciation

FWP Director, Jeff Hagener, thanked the council members for their good work on the licensing and funding council. Each council member received a wooden plaque with his or her name, date, the council's name, and a beautiful photograph of a bull elk.

Recommendation Discussion Continued

Council members asked to revisit two issues before accepting the preliminary recommendations to go out for public review.

- 1) What is/was the rationale for raising the season angling license to \$56? Council members explained that an angler still has the opportunity to purchase multiple 7-day licenses at less cost than a season-long license and that even at \$56, the license was competitively priced when compared to other states.

Decision: No change to this preliminary recommendation in license pricing.

- 2) Nonresident Refund Policy: FWP's recent experience with moose, goat, and sheep permits has demonstrated that the Department can create incentive (or decrease disincentive) for license purchasers through how the drawing fees and refund policies are structured. The council discussed briefly what authority the Commission holds to make changes. The Commission could alter the percent of a refund, but it would require a change in statute to implement a nonrefundable application fee, as was done in 2013 for moose, goat, and sheep permits. The council believes that (assuming the application fee would cover the Department's costs) it would be revenue positive to make the following change in the refund policy and that this would be under Commission authority.

Decision: Recommend as soon as possible to the FW Commission that the standard refund policy for nonresidents who are unsuccessful in drawing a permit in the March 15 drawing be 95% with FWP retaining 5%. Any refunds requested after March 15 would follow current policy. Make June 1 the deadline (which is currently August 1) for an 80% refund and move the June 2 deadline for a 50% refund to the general archery season opening.

Rationale: FWP is not in the business of making money on refunds. FWP is in the business of selling quality opportunities. This will reduce dissatisfaction and applicant resistance. The overall financial impact from this decision will be positive and it will create a sense of urgency among license buyers. This recommendation can be implemented by the Commission and if brought before the Commission soon, could be in place for the 2015 big game season.

Clarification Questions from Hope Stockwell

1. The council has recommended that the Come Home to Hunt and Montana Native licenses be priced at 50% of the full-priced equivalent. Once the B-10 and B-11 licenses reach the council-recommended price caps of \$999 and \$625 (including all fees), should the 50% pricing for the Come Home to Hunt and Montana Native licenses also include all fees?
Council's answer: yes.
2. Does the council wish to make any changes to the lifetime license for blind hunters?
Council's answer: no.
3. Will the Nonresident College Student license be priced at 50% of the nonresident license?
Council's answer: yes.

Public Involvement and Outreach

Public meetings are scheduled to occur in the locations of the FWP regional offices in April and May. Council members signed up for the meetings they will be able to attend. The meetings are for two purposes, 1) explaining the shortfall situation and presenting the council's recommendations to address the shortfall, and 2) taking comment. Comments will not be answered in the meetings. Questions can be answered one-on-one following the meetings. The group outlined an agenda for the meetings. Meetings will start at 7 p.m. FWP staff will meet at 6:30 with attending LFAC member to coordinate.

Public Meeting Agenda items

Welcome and Introductions by Regional Supervisor

Purpose of meeting (FWP)

Show "Choices" video (FWP)

Explain the shortfall situation (FWP)

Who we are, what we did, and what we came up with--give a high-level overview of the recommendations (LFAC member)

What do you think?

Take comments

After meeting concludes: one-on-one discussion and answer questions

Finalizing the Recommendations Report

The report has not been updated since the draft provided at the February meeting. FWP will incorporate the results from today's meeting and prepare a final report on the council's recommendations. Some explanation and framing language will be added as well as an Executive Summary. The report will be sent to the council members for review prior to the first public meeting on May 1st.

Council Self-Evaluation

The council went through a short exercise answering four questions to take a systematic look back on their work to develop recommendations.

1) What did we set out to do?

- Respond to our charge to simplify the license structure and enhance revenue.

2) What happened?

- Used decision criteria
- Achieved our goals
- Proposed a more consistent funding model
- Resolved archery stamp problem
- Addressed refund issues
- Created an opening for non-consumptive users to participate financially
- Left an opening for future increases in the prices of individual species licenses
- Agreed on a four-year funding model
- Brought a good broad base of ideas
- Stayed disciplined with respect to our scope
- Creative, came up with a different model
- Open to outside input
- Did not participate in the expenditure side of equation
- Took advantage of the expertise of FWP staff

3) Why did it happen?

- People listened and respected each other
- People willing to come to consensus
- Lots of individual effort by Council members
- Expectation of success
- Understood what was at stake
- Great mix of people
- Appropriate advocacy
- Good regional representation
- Department was able to rapidly provide information requested
- Good input from the EQC (staff)
- Council contained legislators and ex-legislators

4) What can we learn?

- How much can be accomplished in the absence of politics
- The group was unique in how well the members worked together (from FWP perspective)
- The balance with staff participation was helpful and appropriate
- Facilitation
- Using the Six Thinking Hats technique was helpful
- Humor

Wrap-up

Discussion Highlights

- There is general support among both the public and the EQC for the preliminary recommendations.
- The Licensing and Funding Advisory Council supports the work of the Private Lands/Public Wildlife Council.
- The Council believes it is important for people to understand the program and service implications of a \$5.75 annual shortfall in the Department's budget.
- Given future costs the Department may be expected to cover (de-listing of grizzly bears for one example), it is important to retain the \$500,000 in contingency.