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STATE OF MAINE

ONE HUNDRED AND TWENTY-THIRD LEGISLATURE

COMMITTEE ON INLAND FISHERIES AND WILDLIFE

MEMORANDUM

TO: Senator Margaret Rotundo, Senate Chair
Representative Jeremy Fischer, House Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Senator Bruce Bryant, Senate Chair *[Signature]*
Representative Troy Jackson, House Chair *[Signature]*
Joint Standing Committee on Inland Fisheries and Wildlife

DATE: February 15, 2008

SUBJ: Recommendations on the Governor's FY 08-09 Supplemental Budget (LD 2173)
and additional \$99 million budget target for FY 09.

We understand that we all face an extremely challenging budget situation and that every committee must make some difficult decisions to meeting the state's budgetary obligations. We have worked hard and dug deep within the Department of Inland Fisheries and Wildlife's (department) finances to achieve savings and efficiencies wherever possible. As a result of our work, we have made changes to the Governor's Supplemental Budget to reflect our policy priorities (as previously stated in our October 16, 2007 budget report letter) and crafted a proposal to meet your target of \$99 million in additional saving for FY 08-09. As you know, the Department of Administrative and Financial Services directed departments to provide proposals to meet the \$99 million target by 5:00PM on Monday, February 11, 2008. Unfortunately, the department was only able to share some aspects of its proposal with the committee. The inability of the department to openly discuss its recommendations with our committee effectively reduced the level of cooperation between our committee and the department at a time when close cooperation is key in maintaining important policies while addressing these new fiscal challenges. Despite this situation, the committee voted unanimously (8-0) in support of the following recommendations.

Governor's FY 08-09 Supplemental Budget

Except as provided below, we accept the recommendations contained in the Governor's supplemental budget (LD 2173).

- In Part D, section D-1, Licensing Services (0531), the committee voted to maintain the Office Associate II position by removing the proposed savings of \$54,900 in FY 2008 -09. The committee also voted to reduce the \$120,000 savings in the All Other line to \$86,000 leaving \$34,000 to allow the department to continue to issue some paper antlerless deer and moose permit applications. We recommend that these savings reductions be covered by a transfer from the department's carrying account in the amount of \$88,900. We are certain that completely eliminating the ability of the department to send out paper antlerless deer and moose permit applications, especially to nonresidents, will result in significant decreases in revenues from nonresident moose permit applications that far exceeds the savings proposed in LD 2173.
- Part D, section D-1, Office of the Commissioner (0529), reduces the number of law books printed and mailed to town clerks for a savings of \$40,000 in FY 08-09. We have serious doubts about the accuracy of the \$40,000 figure and believe that the savings from this initiative will be far less than \$40,000. We voted to remove this item from the budget and the language changes to carryout this initiative in Part E (sections E-2 through E-5). Even though we doubt the veracity of the \$40,000 savings projection, we recommend that the loss in savings be addressed through a transfer from the department's carrying account in the amount of \$40,000. We strongly feel that a person who purchases a license or registration from the department should be given the appropriate law book to maximize compliance with the laws and rules pertaining to that licensed activity.
- Part YY-1, the committee voted to support this language to achieve a savings of \$250,000 during fiscal year 2008-09 among four natural resources agencies.
- Part YY-2, the committee voted to remove this language from the budget. The committee was adamantly opposed to this merger plan and urges you, in the strongest terms possible, to eliminate this proposal from the budget.
- Part YY-3, the committee voted to support this proposal but only as it applies to Part YY-1.

Additional \$99 million target for FY 09

While we agree that every agency should find on-going General Fund savings in an amount equal to 3.5% of its General Fund revenues, we firmly believe the amount of General Fund money used to calculate the department's share of the \$99 million savings target is in error.

As you know, the department's budget is unique among all the state's agencies in that it is funded almost entirely on revenues raised by its user groups through various wildlife related fees. While these revenue streams go into the General Fund, the Constitution of Maine requires that an amount not less than the total of those revenues be appropriated to the department. Therefore, we strongly feel that this revenue should be viewed differently from the General Fund revenues appropriated to other agencies. Occasionally, the Legislature has provided General Fund dollars to the department in amounts that were greater than revenues raised by the department through its user fees and we support using those General Fund dollars for calculating the department's share of the \$99 million target. In FY 08-09 the department received \$2.5 million in General Fund monies above what the department raised through user fees. Using that General Fund money and the multiple of 3.5% we calculated that the department's share of the target amount is \$87,000. That amount plus \$128,900 in on-going costs created by our recommendations for the Governor's Supplemental Budget, we needed to find on-going General Fund savings of \$215,900. Based on data provided by the department, we are pleased to provide our recommendations to achieve that target.

- Closure of the Philips Fish Hatchery will result in an on-going GF savings of \$115,342;
- Elimination of an Office Associate II – Data Entry position will result in an on-going GF savings of \$48,960;
- A 3.5% reduction in the Office of Information Technologies will result in an on-going GF savings of \$38,500;
- A 3.5% reduction in the Natural Resources Service Center will result in an on-going GF savings of \$25,671;
- Reducing the department's Advisory Council meetings from 10 to 8 annually will result in a GF savings of \$2,000;
- Maintaining current vacancies in 3 District Game Warden Service positions and 1 Field Sergeant position, \$353,747; and
- Savings from the All Other line associated with maintaining vacancies of the 4 positions within the warden service listed above, \$80,000.

These recommendations will provide an on-going General Fund savings totaling \$230,473 and a reclassification of 4 vacant positions within the warden service from Personal Services to All Other within the warden service to support the operations of the remaining wardens. This transfer of \$353,747 will help cover costs charged to the department from Central Fleet, the Office of Information Technology and the Natural Resource Center that are currently resulting in a reduction of funds for use by the warden service.

An additional \$14,573 from the General Fund savings listed above must be allocated to All Other within the warden service to provide on-going funding for emergency pagers for wardens. It is a department priority to providing wardens with a pager service because of difficulties contacting wardens in remote areas of the state.

Finally, a transfer of \$50,000 in FY 08-09 from the department's carrying account to the warden service must be made to provide funding for warden specific training for new wardens currently in the field that have only received the minimum mandatory training to be a police

officer in this state. It is extremely important that these new wardens receive warden specific training to ensure they can meet the additional demands of being a game warden.

Our recommendations will provide our portion of the \$99 million target (\$215,900 in on-going GF savings) while providing critical support to our warden service. We believe this proposal strikes the proper balance in meeting our fiscal obligations without significantly reducing the department's ability to effectively manage our natural resources. Thank you for your consideration of our recommendations and if you have any questions about our recommendations, please contact us.

cc: Members, Joint Standing Committee on Inland Fisheries and Wildlife
Patrick Norton, Director, Office of Policy and Legal Analysis
Maureen Dawson, Principal Analyst, Office of Fiscal and Program Review
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