

PREPARED FOR THE ARKANSAS
LEGISLATIVE COUNCIL COMPARING
APPROPRIATIONS AND OPERATIONS

FOR THE BIENNIUM WITH REQUESTS FOR
2007- 2009 BIENNIUM



BUDGET INFORMATION ARKANSAS GAME &
FISH COMMISSION

ARKANSAS GAME AND FISH COMMISSION

2007 – 2009 BIENNIUM BUDGET REQUEST

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ARKANSAS GAME AND FISH COMMISSION

ENABLING LAWS

Constitution of the State of Arkansas:
Amendment 35
Amendment 75

HISTORY AND ORGANIZATION

The mission of the Arkansas Game and Fish Commission is to wisely manage all the fish and wildlife resources of Arkansas while providing maximum enjoyment for the people.

The Commission attained its present constitutional status by Amendment 35 of 1944 to the State Constitution. This status has been defined by Arkansas Supreme Court Opinion Number 88-80 and Attorney General Opinion Number 89-98. The amendment established the Commission's responsibility and authority for the "... control, management, restoration, conservation and regulation of bird, fish, game and wildlife resources of the State...". This responsibility pertains to nongame species as well as game species of fish and wildlife. When wildlife habitat is maintained and improved to sustain healthy fish and wildlife populations, the entire citizenry of Arkansas is the beneficiary. The Commission has a perpetual goal to improve hunting and fishing opportunities for the sportsmen of the State, but it also realizes that a healthy environment for our fish and wildlife assures a healthy environment for the citizens of Arkansas. Amendment 75 of 1996 to the State Constitution established the one-eighth of one percent Conservation Sales Tax, and distributes forty-five percent of the net collections to the Commission, forty-five percent to the Department of Parks and Tourism, nine percent to the Department of Arkansas Heritage, and one percent to Keep Arkansas Beautiful. Commission activities are financed primarily through the sale of hunting and fishing licenses, tags, and permits; the Conservation Sales Tax; and by Federal Aid funding. General Revenue funds are not used for Commission programs.

The Commission is composed of eight members; seven Governor-appointed members who serve regular seven-year staggered terms, and an ex-officio member who is chairman of the Department of Biological Sciences at the University of Arkansas. The Commission selects and employs an Executive Secretary, or Director, who is delegated broad administrative responsibilities for over-seeing the daily operation of the agency and carrying out directives of the Commission. The Director's staff includes three Deputy Directors and thirteen Division Chiefs over the functional divisions listed below:

The Enforcement Division plays a vital role in the success of the Commission's programs by enforcing the regulations for protection and enjoyment of fish, game, and nongame resources. The Commission has implemented a Wildlife Officers training program to meet the high standards required in the performance of their duties. Wildlife Officers assist in other programs of the Commission including Acres for Wildlife, Hunter Education, Boating Education, and are an important link between the Commission and the public. Wildlife Officers enforce boating laws, have full police authority, and assist other law enforcement agencies in criminal matters. They are trained First Responders and participate in land and water search and rescue operations.

The Fisheries Management Division manages the state's fisheries populations; manages lakes, reservoirs and streams for public fishing; acquires, develops and maintains stream access sites, lakes, nursery ponds and hatcheries; conducts an intensive trout management program; and provides fisheries management advice. The Division conducts fish habitat condition investigations and an on-going research program to measure fish population trends, determine limiting factors and develop better management techniques. The Division also manages the mobile aquarium and

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Stream Team programs.

HISTORY AND ORGANIZATION (Continued)

The Wildlife Management Division has the responsibility of managing the state's wildlife populations. Modern wildlife management practices consist largely of establishing hunting season regulations, habitat improvement through forest management, development of food resources, construction and maintenance of structures for water control, and the management and control of wildlife populations. Wildlife Management Areas contain a number of roads, bridges, boat ramps, and parking areas to assist sportsmen in accessing the Areas for wildlife-related recreational purposes. The Division works with landowners to stimulate wildlife habitat development on privately-owned land.

The Communications Division is responsible for managing all internal and external communications efforts of the agency. These duties include the publication of *Arkansas Wildlife* magazine, production of news releases and other publications, management of the agency webpage and intranet site, electronic media efforts and contact with local, state and national press outlets. In addition, staff members produce a monthly employee newsletter. The Division plays a key role in securing information reflecting public perception and opinion. Various staff members also serve on the Director's Legislative Liaison Team.

The Construction, Engineering and Real Estate Division is responsible for land purchases, construction projects, Marine Fuel Tax projects, and the maintenance of capital assets statewide.

The Education and Outreach Division manages the Hunter Education, Boating Education, Project WILD, Hooked On Fishing Not on Drugs (HOFNOD), and Aquatic Resources programs which serve as vehicles for teaching not only safe hunting and boating, but all aspects of wildlife conservation and management. This Division operates Conservation Education Centers at the Rick Evans/Grandview Prairie center, the Cooks Lake/Potlatch center, and the Crooked Creek center. This division is responsible for the Governor Mike Huckabee/Delta Rivers Nature Center in Pine Bluff that opened in 2001, and the Forrest L. Wood/Crowley's Ridge Nature Center in Jonesboro that opened in August of 2004. The Janet Huckabee/Arkansas River Valley Nature Center opened in August of 2006 and the Witt Stephens, Jr./Central Arkansas Nature Center is scheduled to open in 2007. Other services include educational publications, and exhibits for fairs and other shows.

The Fiscal Services Division administers the General Accounting, Licensing, Budgeting, Disbursing, Purchasing, and Federal Aid sections. The License Section works with approximately 900 license dealers who make licenses and permits available locally. Licenses are also available twenty-four hours, seven days a week via the internet at AGFC.com and by telephone at 1-800-364-GAME.

The GIS Division is responsible for the coordination and administration of agency activities pertaining to Global Positioning Systems (GPS) and Geographic Information Systems (GIS). The Division develops, maintains, and disseminates geospatial data, provides technical support and training to personnel and serves as the point of contact within the agency and with federal, state, local and private partners.

The Human Resources Division is responsible for personnel management functions, employee recruitment and training, and payroll processing.

The Information Technology Division provides data processing services via a statewide PC network system for all divisions and operates the agency's telephone communication system.

The Legal Division includes the General Counsel for the agency and two staff attorneys.

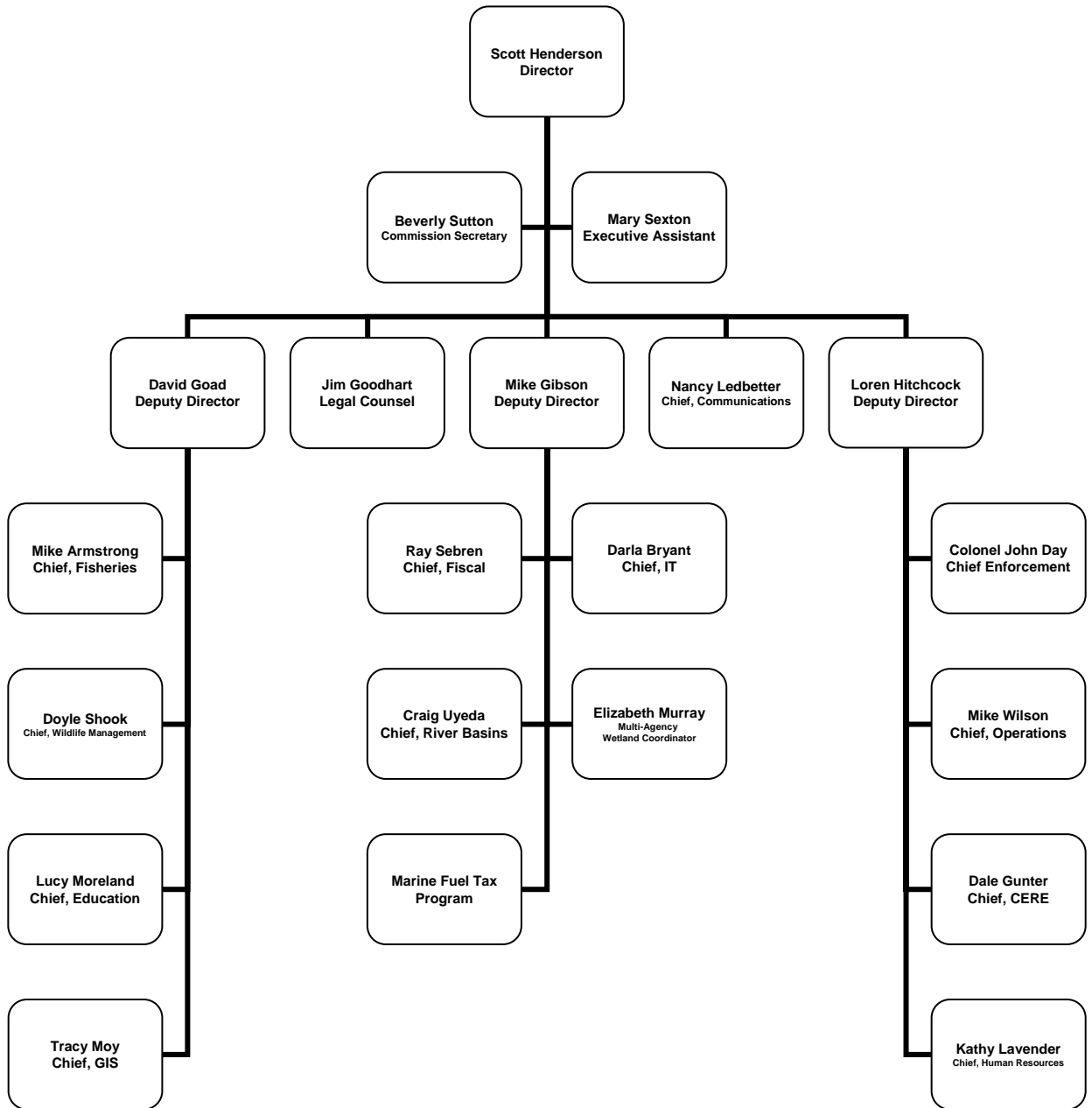
The Operations Division is responsible for vehicle fleet operations, building services, and the operation of ten regional offices.

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The River Basins and Governmental Relations Division is responsible for coordination of fish and wildlife resource review and comment on various water related development activities and proposals, as well as developing opportunities to protect, enhance, and restore fish and wildlife habitat in Arkansas.

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Organization Chart



ARKANSAS GAME AND FISH COMMISSION

AGENCY COMMENTARY

The Arkansas Game and Fish Commission is submitting its fifth biennium budget request since voters approved the 1/8 Cent Conservation Sales Tax (Amendment #75 of 1996). Historic concerns about inadequate revenue and cash flow have been replaced by needs for a long-term capital improvements program, greater resolution in program evaluation and tracking, and a management information system that facilitates public accountability and input. Changes are being made in our management and information systems to address these needs. Revenues from the 1/8 Cent Conservation Sales Tax are meeting projections, and have allowed the Commission to address a backlog of maintenance needs and operational needs for the first time in decades, while allocating a large portion to capital improvements and the new nature centers around the State.

As in previous biennia, the agency's budget request asks for appropriation in excess of anticipated funding. This is done to ensure there is sufficient appropriation in all the commitment items to allow the Commission the flexibility to adjust priorities for the agency as strategic planning advances, as unanticipated opportunities or needs arise, and to cover major construction projects in progress that are carried over from one fiscal year to the next.

In 2004-05, the agency sold over 222,000 hunting and fishing licenses to non-residents visiting Arkansas and over 669,000 licenses to Arkansas residents. In 2001, the most recent year for which data is available, state residents and non-residents spent \$1.1 billion on wildlife-associated recreation in Arkansas (2001 National Survey of Fishing, Hunting and Wildlife Associated Recreation, USFWS, 2002). More than 20,000 full and part-time jobs are supported in the Arkansas economy as a result of the many rounds of spending resulting from original retail purchases by hunters, fishers and wildlife watchers (Southwick Associates).

The agency is actively looking at potential revenue opportunities associated with natural gas exploration within the geographical confines of the newly defined Fayetteville Shale area. Currently, it is estimated that the agency holds title ownership to approximately 109,736 surface acres on 18 different wildlife management areas in 13 counties and an undisclosed number of net mineral acres available for gas exploration. The net mineral acreage available for exploration and the agency's potential revenue enhancement can only be determined after sufficient title searches have been compiled and reviewed. The agency is leaving the arduous task of these title searches to the interested gas exploration developers that submit lease proposals for the Fayetteville Shale area.

As of September 20, 2006, the agency is negotiating with three different gas exploration companies on bids on three different WMA's. No final contracts or leases have been signed or executed. This biennial request includes a new line for Gas Lease Revenues and includes an estimate of \$15 million the first year of the biennium and \$5 million the

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second year. The appropriation request for the first year includes \$15 million in the Land Acquisition commitment item and \$5 million in the Operating Expenses commitment item. The request for the second year includes \$5 million for Land Acquisition and \$2 million for Operating Expenses. Requesting extra appropriation for both years will allow the agency some flexibility in allocating the funds between acquisition and repair and maintenance.

Annually, the agency prepares an internal operating budget detailed by functional operating divisions and expense categories. The 2006-07 Fiscal Year internal budget was allocated as follows:

<u>Operating Divisions</u>	<u>%</u>	<u>Expense Categories</u>	<u>%</u>
Law Enforcement	20.6%	Salaries & Related Expenses	48.5%
Wildlife Management	18.1%	Maintenance & Operations	34.6%
Fisheries Management	13.7%	Capital Projects	12.6%
Education & Outreach	8.3%	Equipment & Vehicle Purchases	4.3%
Capital Projects	12.6%		
General Administration	4.0%		
Support Services	22.7%		

Support Services includes Communications, Construction Engineering and Real Estate, Fiscal Services, Human Resources, Information Technology, Legal, Operations, and River Basins divisions. This Biennium Budget would be allocated in approximately the proportions listed above, except for some adjustments related to construction and operation of the proposed nature centers and utilization of the Gas Lease Revenue line item.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF:
ARKANSAS GAME AND FISH COMMISSION
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004

Findings

The lack of adequate internal controls over funds at the Governor Mike Huckabee Delta Rivers Nature Center Gift Shop in Pine Bluff resulted in a loss of \$480. According to an internal examination performed by the Agency and assisted by Arkansas State Police, Casey Cook, Administrative Assistant I, was identified as the primary suspect responsible for the loss. Cash totaling \$480 for sales made Friday, Saturday and Sunday, June 17, 18 and 19, 2005 was discovered missing on Tuesday, June 21, 2005. The Nature Center Director discovered this shortage while preparing the bank deposit. A lack of segregation of duties contributed to the loss because, along with having access to the gift shop receipts at all times, Ms. Cook normally prepared the bank deposit, the daily sales log and daily settlement reports. The Nature Center Director prepared the bank deposit on June 21, 2005 because Ms. Cook was absent from work that day. Ms. Cook made restitution of \$480 on July 7, 2005 and resigned her position.

Recommendations

The Agency strengthen internal controls over petty cash and change funds.

Employment Summary

	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>%</u>
White Employees	402	130	532	94 %
Black Employees	12	12	24	4 %
Other Racial Minorities	6	2	8	2 %
Total Minorities			32	6 %
Total Employees			564	100 %

POSITION USAGE REPORT – BY FISCAL YEAR

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
584	549	29	578	6	5.99%	590	568	17	585	5	3.73%	590	564	30	594	-4	4.41%

The four (4) additional positions in FY07 were created by special language allowing Game & Fish growth pool positions.

POSITION USAGE REPORT – 3 YEAR AVERAGE

Agency	FY2006-2007						3 YEAR AVERAGE (FY05, FY06, FY07)					
	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
		Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0080 - AR GAME AND FISH COMMISSION	590	564	30	594	-4	4.41%	588	560	25	585	3	4.76%

0080 - The four (4) additional positions in FY07 were created by special language allowing Game & Fish growth pool positions.

Appropriation Summary

Appropriation / Program 259 Game and Fish Commission

Funding Sources SDG - Game Protection Fund

Commitment Item	Historical Data			Agency Request & Legislative Recommendation			
	2005-2006	2006-2007	2006-2007	2007-2008		2008-2009	
	Actual	Budget	Authorized	Agency	Legislative	Agency	Legislative
		(As of 8/31/06)					
Regular Salaries 5010000	21,707,443.72	22,985,909	23,535,336	23,485,246		23,485,246	
# Positions	587	594	594	599		599	
Extra Help 5010001	556,345.38	638,985	700,000	700,000		700,000	
# Positions	119	155	170	170		170	
Personal Services Matching 5010003	7,020,431.23	7,427,520	7,416,292	7,998,239		7,998,575	
Uniform Allowance 5010016	824,716.08	848,700	869,500	885,000		885,000	
Maintenance & General Operation:							
Operating Expenses 5020002	23,582,167.61	24,188,262	29,252,154	31,771,353		29,980,762	
Travel-Conference Fees * 5050009	262,744.31	379,705	367,525	402,841		421,827	
Professional Fees 5060010	1,728,738.87	3,508,369	4,202,293	3,994,587		4,170,006	
Capital Outlay * 5120011	12,575,647.15	20,095,476	16,722,447	36,800,500		27,805,273	
Total	68,258,234.35	80,072,926	83,065,547	106,037,766		95,446,689	

Funding Sources							
Fund Balances	20,810,564.68	13,026,756	*****	5,000,000		5,000,000	
Special 1/8% Tax Revenue	25,232,775.26	25,928,100	*****	27,068,936		28,259,969	
Federal Funds	12,426,899.53	20,746,851	*****	22,615,721		22,615,721	
Special Revenues	19,582,193.70	20,575,000	*****	20,650,000		20,650,000	
Gas Lease Revenue	0.00	0	*****	15,000,000		5,000,000	
Non-Revenue Receipts	3,232,557.18	4,969,901	*****	4,969,901		4,969,901	
Other - Operating Reserve	(5,000,000.00)	(5,000,000)	*****	(5,000,000)		(5,000,000)	
Total Funding	76,284,990.35	80,246,608	*****	90,304,558		81,495,591	
Excess Appropriation/(Funding)	(8,026,756.00)	(173,682)	*****	15,733,208		13,951,098	
Grand Total	68,258,234.35	80,072,926	*****	106,037,766		95,446,689	

* - Budget Classification Transfers and a supplemental appropriation will be requested to adjust the 2006-2007 Authorized amount.