



January 12, 2021

HB 1017
2021-23 Appropriation Request
North Dakota Game and Fish Department

The Game and Fish Department is a special fund agency receiving revenue from game and fish license sales (hunting, fishing, and boat registrations) and federal funding. We receive no general fund dollars.

The 2021-23 executive budget recommendation is \$91,812,839. This is an increase of \$6,509,207 from the 2019-2021 legislative base level appropriation. I will explain the details of the increase later when we go through the legislative Green Sheet.

Revenue Projections:

Federal revenue is projected to be as follows:

Federal Aid in Wildlife Restoration Act (PR funds)*	\$25,700,000	
Federal Aid in Sport Fish Restoration Act (DJ funds)**	\$9,000,000	
Recreational Boating Safety Program	\$1,900,000	
State Wildlife Grants	\$1,500,000	
Misc. Federal Grants	\$170,000	
Bureau of Reclamation (Lonetree)	<u>\$1,800,000</u>	
Total Federal Revenue	\$40,070,000	45%

Game & Fish (G&F) Revenue by Fund:

Game and Fish Fund (Licenses + Misc.)	\$38,324,000	
Private Land Habitat Fund	\$8,062,000	
Nongame Wildlife Fund (Donations)	\$64,000	
Aquatic Nuisance Species Fund	<u>\$2,028,955</u>	
Total Game & Fish Revenue	\$48,479,355	55%

Total All Revenue \$88,549,355

* **Wildlife Restoration Act** – funds are from excise taxes on the sale of guns, ammo and archery equipment which is allocated to the states by a formula based 50% on the amount of land area of the state relative to the rest of the states, and 50% based on the number of hunting license holders in a state relative to other states. These funds are referred to as Pittman-Robertson (PR) funds.

****Sport Fish Restoration Act** – funds are from excise taxes on fishing equipment and motorboat fuel which is allocated to the states by the same formula above with the exception of using the number of fishing license holders vs hunting licenses. These funds are referred to as Dingell-Johnson (DJ) funds.

Federal Revenue Levels

- USFWS Sport Fish Restoration Act funds (DJ) – In 2011 funds fell below \$4M, thus in 2013 we changed the funding source from federal to state for one of our fisheries projects. Since then DJ funds have fluctuated from \$3.6M in 2014 back up to \$4.2M in 2016. Funds remain at \$4.2M in 2019. We project the funds to remain around the \$4M level annually for 2021-23.
- USFWS Wildlife Restoration Act funds (PR) – In 2013 funds were \$7.7M and have steadily increased to \$11.9M in 2015. Funds remained at \$12.2M in 2019. We project the funds to remain around the \$12M level annually for 2021-23. These funds are apportioned to States from USFWS by law and are not dependent on Congress approval. The PR funds have a 2-year window to be obligated by the department; otherwise, we will lose the funds and they will revert back to the USFWS to be allocated to other states.
- USFWS State Wildlife Grant funds – have remained the same the last few years, but it is dependent on Congress. These funds pay for 2 biologist positions and projects involving nongame and endangered species. We project the funds to remain approximately the same for 2021-23.
- U.S. Coast Guard – We project the funds to remain approximately the same for 2021-23.
- Bureau of Reclamation - have remained the same the last few years.

USFWS DJ & PR funds equate to 87% of our total federal funds. These funds are not dependent on congress. They are apportioned to states each year based on the formula explained on the previous page. If these federal funds decrease, we would have to cut programs or use licensing revenue.

NDCC 20.1-02-17

Hunting and fishing license fees and application fees may only be used for departmental programs and administration. Noncompliance will result in a diversion of all USFWS federal funds.

License & Special Revenue

- Deer license revenue took a significant decrease in 2012. It has started to increase since 2016 with the ability to issue more licenses.
- Interest – est. \$362,400
(07-09 \$1.5M, 09-11 \$500K, 11-13 \$185K, 13-15 \$115K, 15-17 \$132K, 17-19 \$226K)
- Transfer from the Outdoor Heritage Fund (OHF) - \$500K. An OHF grant was approved and will be discussed in the Wildlife division section.

GENERAL GAME

2012	Res	102,274	NR	47,433
2013	Res	101,423	NR	45,016
2014	Res	96,026	NR	45,021
2015	Res	95,324	NR	46,985
2016	Res	96,011	NR	45,703
2017	Res	93,949	NR	37,044
2018	Res	97,524	NR	38,086
2019	Res	99,353	NR	36,660
*2020	Res	109,166	NR	41,310

*2020 license sales are not a complete license year, the last 3 months were projected based on current license sales trends.

RESIDENT DEER GUN

License sales are slowing
increasing

2009	125,583
2010	101,216
2011	94,130
2012	48,605
2013	43,625
2014	34,640
2015	29,559
2016	34,970
2017	40,438
2018	41,068
2019	52,347

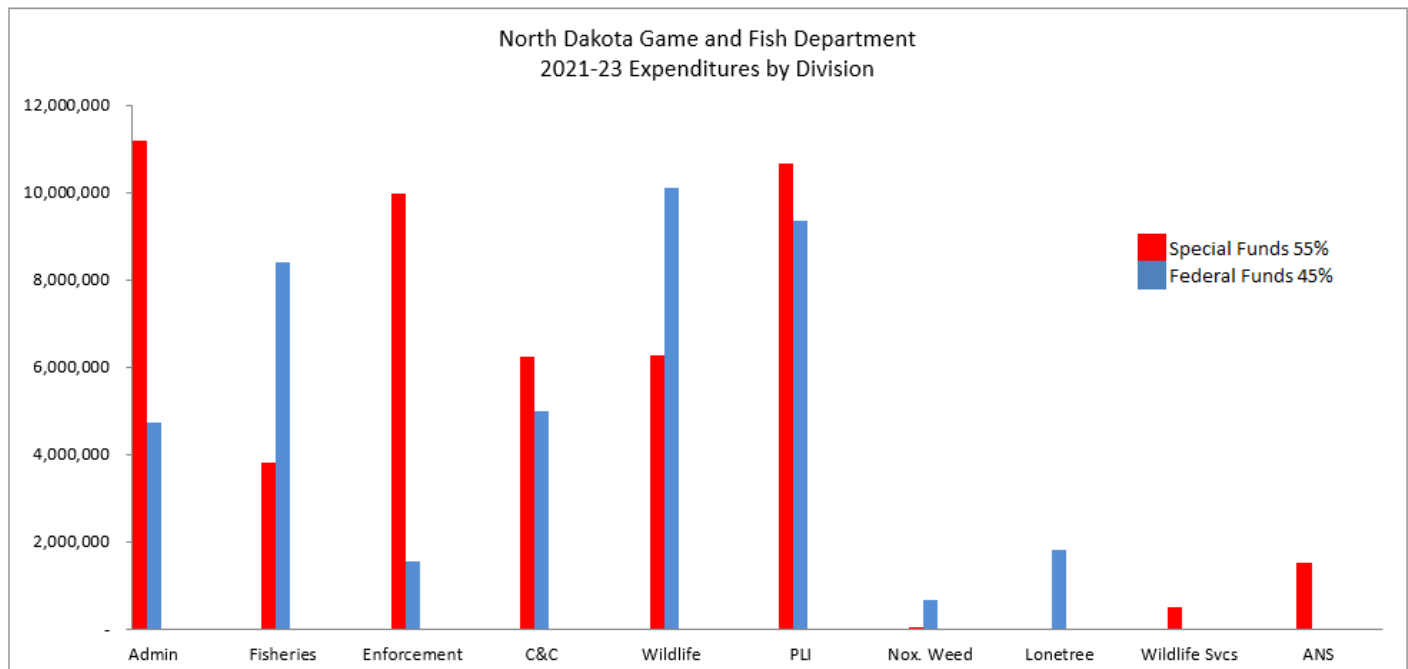
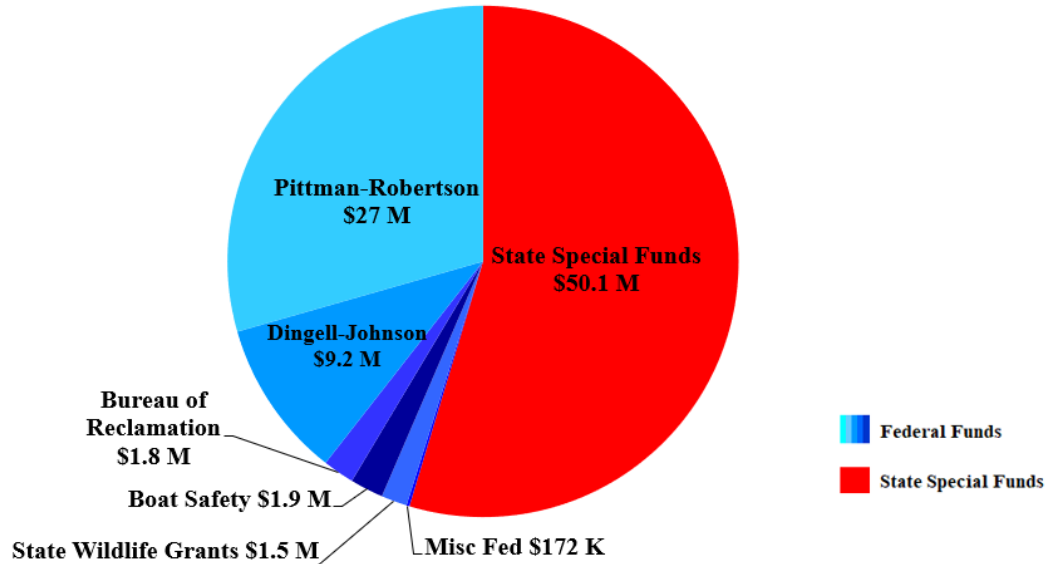
FISHING LICENSE SALES

Fishing license sales have spiked for
Residents since COVID.

2012	Res	159,502	NR	58,894
2013	Res	160,132	NR	59,311
2014	Res	157,187	NR	64,911
2015	Res	157,663	NR	64,949
2016	Res	152,102	NR	60,994
2017	Res	152,056	NR	62,958
2018	Res	147,573	NR	62,501
2019	Res	144,339	NR	64,156
*2020	Res	161,657	NR	67,677

*2020 license sales are not a complete license year, the last 3 months were projected based on current license sales trends.

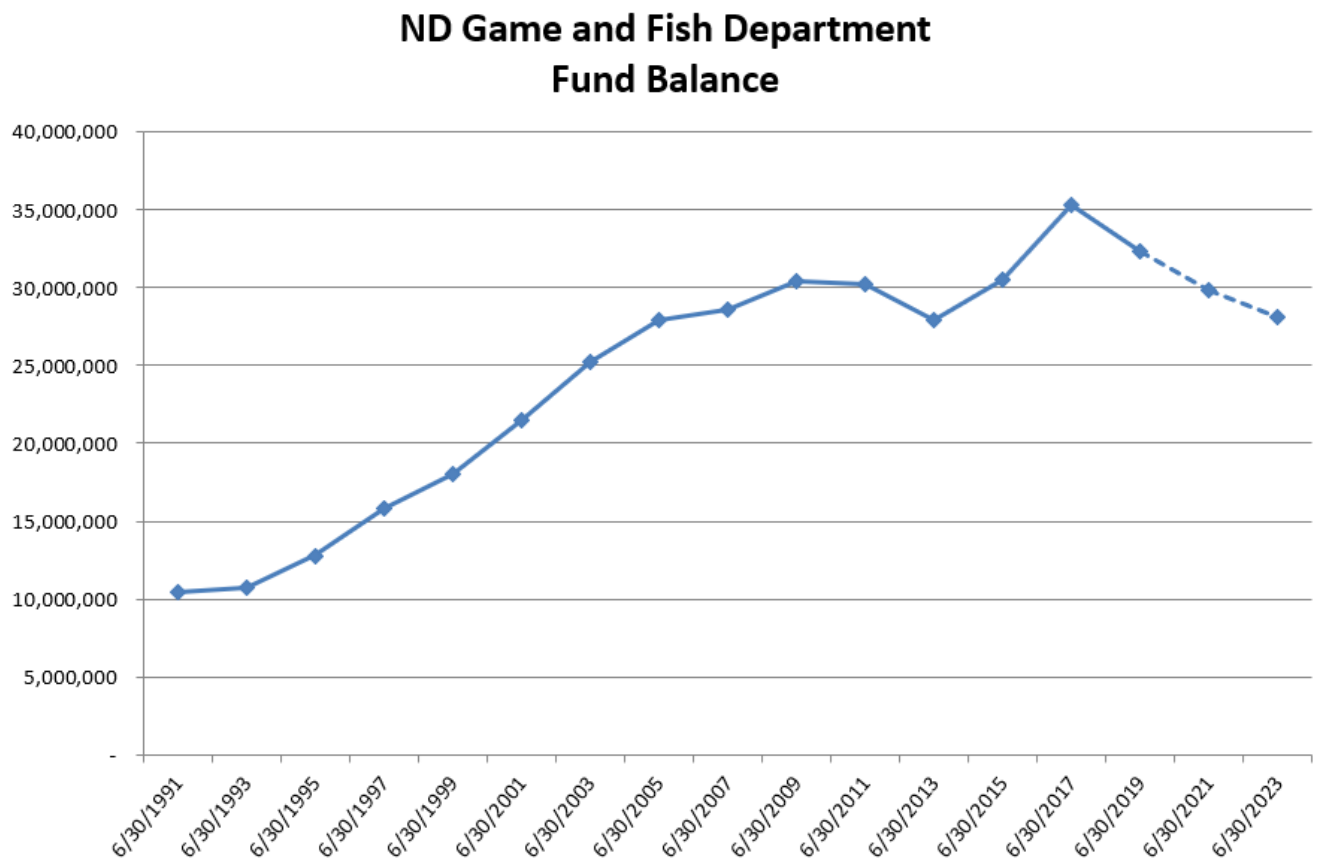
ND Game and Fish Department 2021-23 Expenditures by Funding Source



Fund Balances - Fund balance projections are as follows:

	<u>6/30/2021</u>	<u>6/30/2023</u>
Game and Fish Fund	\$29,097,897	\$25,477,983
Private Land Habitat Fund	\$525,621	\$1,961,611
Non-Game Wildlife Fund	\$100,835	\$64,835
Aquatic Nuisance Species Fund	\$119,815	\$648,770
Total	\$29,844,168	\$28,142,742

Per NDCC 20.1-02-16.1, the fund balance shall not be reduced below \$15M unless authorized by the budget section.



DEPARTMENT BUDGET BY DIVISION

The Department included in its budget request the following funds appropriated for grants to other state agencies:

- **\$122,000** to ND Parks & Recreation Department. This is the same amount included as revenue in the Parks and Recreation Department 2021-23 budget request. (100% federal funds)
- **\$124,136** to Board of Animal Health, Ag Dept.; the Ag Dept. is requesting the same amount. (100% G&F funds)
- **\$500,000** to Wildlife Services, Ag Dept. This is the same amount as 2019-21. (100% G&F funds)

DIVISIONAL BUDGETS

Brief details on the budgets for the Department's five (5) divisions: Administrative Services, Fisheries, Enforcement, Conservation & Communication, and Wildlife.

Total 2019-21 Department FTE is 165. The executive budget recommendation transferred 3 FTE from the Department to NDIT for IT unification.

The divisions are presented below:

1. **ADMINISTRATIVE SERVICES DIVISION** (26 FTEs) – Majority is funded with G&F funds. Operating costs in this division include:

- Secretarial support for all Divisions
- Licensing section costs including lotteries
- Accounting costs
- Information Technology costs
- All Department utility, telephone, office rental, janitorial, office supplies, insurance, postage, air craft costs, office machine rental, and other similar costs
- Credit card transaction fees
- Legal services from Attorney General's office
- Costs for the Game and Fish Advisory Board
- Statewide Cost Allocation payment to OMB
- North Dakota Risk Management fund
- Buildings, Grounds, Vehicle Maintenance Supplies
- Travel costs for the Director, Deputy Director, Administrative Services Division Chief, Business Manager and IT staff.
- **Capital Assets –**
 - \$1,329,000 for extraordinary repairs to Department owned facilities statewide (100% G&F funds)
 - \$1,465,600 for In Lieu of Tax payments for all Department lands WMAs (\$60,600 increase from 2019-21) (75% federal funds)
 - \$20,000 - two Park Model Trailers in Devils Lake, \$10k each.(100% G&F funds)

- **Grants** – \$295,000 for cooperative grants to local groups and organizations for game and fish related projects, funding for Tribal access agreements, ND Natural Resources Trust, other Director's grants and sponsorship grants (e.g. ND Landowners Sportsman Council, ND Stockmen's Assoc., etc.). (100% G&F funds)

The Department's **Grant-Gift-Donation** line is \$671,109 (Admin \$400,000; Wildlife \$271,109) is used as follows: (100% G&F funds)

- Grants and gifts received for special projects are used as desired by the donor.
- Revenue received for surface damage, easements, and reclamation on department owned or department managed properties as a result of mineral exploration and extraction activities. The department manages Corps of Engineers (COE) and department lands along Lake Sakakawea, the Missouri River and the Killdeer Mountain WMA. There is significant oil activity on these lands. The COE and other applicable federal agencies require that this money be spent by the department on these areas that are affected. This line allows the department to receive revenue and turn around and spend the funds on the appropriate areas. This funding is often used for road repairs, fencing, habitat development and similar work.
- Royalty payments received for the department's 160 acre mineral lease in the Killdeer Mountains WMA. These funds are used to employ one full-time biologist to assist with the increase in workload due to oil activity on our WMA's. The federal paperwork is time consuming.

2. FISHERIES DIVISION (26 FTEs) – This program includes fish production and distribution, fishery research and surveys, fishing area and boating facility development and maintenance, the Save Our Lakes program, and the Aquatic Nuisance Species program.

Grants – Total \$3,187,000:

- \$1,060,000 for boating access and development. These grants are used for cost sharing with local governments on fishing and boating facilities. The Department receives 75% federal funding for this work. In some cases, the 25% match comes from local partners such as park boards.
- \$720,000 in grants is to pay the Department's share of costs for the Garrison Dam National Fish Hatchery. (75% federal funds)
- \$100,000 base amount in grants used for Aquatic Nuisance Species. (100% G&F funds)
- \$700,000 in grants for Pondliners for Valley City National Fish Hatchery. (75% federal funds)
- \$122,000 to ND Parks and Recreation Department for boating access related costs on state parks. (100% federal funds)
- \$485,000 in grants for Save Our Lakes, Valley City State University stream survey work, and other miscellaneous grants. (68% federal funds)

Capital Assets line – Total \$1,071,000:

- \$885,000 in extraordinary repairs which includes dam repairs, fishing and boating facility development work and repairs such as toilets, fish cleaning stations, boat ramps, etc., on lands owned by the Department (WMAs) or areas we cooperatively manage. High and low water conditions at Devils Lake, Lake Sakakawea and the Missouri River have been major challenges for the boating access program. (75% is federal funds)
- \$186,000 for equipment – boat motor replacements, boat trailer replacements, new distribution unit, replace cat rubber track compact track loader, new cat trailer for heavy equipment, etc. (75% is federal funds)

Save Our Lakes Program (SOL) – To renovate prioritized lakes statewide to provide sustainable quality fisheries. These projects may include sediment dams, shoreline enhancements and building of earthen piers, establishment of buffer zones, building of rock weirs, building of wetlands, waste management systems, active hypolimnetic pumping systems, passive low water draw downs, fencing projects, alternate water sources (well), planting of trees and grasses in riparian areas, sediment removal, gravel spawning substrates, establishment of wave breaks and underwater boulder habitats. A significant portion of our watershed work will be on private land.

The budget for SOL also includes funds from the Private Lands special line item:

- \$400,000 – for work on private land to renovate prioritized lakes statewide to provide sustainable quality fisheries. Work includes engineering, construction of sediment filters, best management practices on agricultural land, riparian buffer protection, etc. (100% G&F funds)
- \$300,000 – to restore and enhance approx. 300-900 acres of riparian habitat to benefit Species of Conservation Priority (SCP). The North Dakota Wildlife Action Plan (WAP) lists rivers, streams, and related riparian areas as key habitat essential to these species. These improvements will benefit not only SCP populations but all wildlife. Riparian buffers filter out sediments, organic matter and nutrients before entering the state's waterways. These systems also benefit terrestrial wildlife species by providing important habitat for various life history stages. A holistic approach to watershed conservation benefits a wide array of fish and wildlife species. (100% G&F funds)

Aquatic Nuisance Species (ANS) – This Special Line item was created by passing SB2293 during the 2019 Legislative Session. Appropriation is \$1.5M (Fisheries \$1,249,665, Enforcement \$250,335). The appropriation in the Fisheries division is for salaries (1 full time FTE and temporary staff), operating expenses, grants and capital expenditures relating to augmenting ANS education, inspection, and monitoring programs conducted by the Department. Increased staffing will allow the Department to conduct more watercraft inspections, monitoring of North Dakota waters for ANS, and working with partners to increase information and education programs. These

expenditures are 100% funded through surcharges for fishing, combination license, and nonresident waterfowl licenses and requiring aquatic nuisance species fees for motorboats.

3. ENFORCEMENT DIVISION (39 FTEs) – This budget supports a staff of thirty-nine law enforcement employees. The budget includes operating expenses mainly for State Fleet and travel costs. Game wardens are very dependent on vehicles to do their work. Over 1.9M miles per biennium are driven using State Fleet vehicles.

Capital Assets Line - \$460,000 for replacement of equipment included are: four boat/motor/trailer replacements, one ATV replacement and 2 river patrol boats. The division has a replacement cycle for equipment. (49% federal funds)

Grants - \$80,000 for Boating Safety Grants to county law enforcement to assist in the promotion and enforcement of boat and water safety on their local recreational waters. (50% federal funds)

Missouri River Enforcement line – \$297,777 for this special line include salaries, operating, and equipment related to enforcement activities on and along the Missouri River in the Burleigh and Morton county area. Grants are also given to local law enforcement agencies to help with the Missouri River enforcement. This line is funded 50% from federal boat safety funds.

Aquatic Nuisance Species (ANS) – This Special Line item was created by passing SB2293 during the 2019 Legislative Session. Appropriation is \$1.5M (Fisheries \$1,249,665, Enforcement \$250,335). The appropriation in the Enforcement division is for salaries (1 full time FTE and temporary staff) and respective operating expenses for travel and motorpool to conduct watercraft inspections at boat ramps, inspections at fish cleaning stations, and check stations. Various wardens code time to this line for ANS work. We budgeted for cumulative warden hours equaling 1 FTE. These expenditures are 100% funded through surcharges for fishing, combination license, and nonresident waterfowl licenses and requiring aquatic nuisance species fees for motorboats.

4. CONSERVATION AND COMMUNICATION DIVISION (24 FTEs) – The division includes the communication section, education section and conservation section. Some programs include aquatic and hunter education, boating education, youth mentoring program, national archery in the schools program, nongame wildlife program, ND Outdoors magazine, ND Outdoors weekly television program, web page management, supplying general information to the public, environmental reviews, work involving the Endangered Species Act, etc. Also, natural resource related reviews and recommendations are provided to private and government entities.

Grants – Total \$2,950,555 :

- \$1,262,500 for shooting range grants throughout the state. All but \$60,000 is federal PR funds which is passed on to local clubs/groups that provide the matching funds for shooting facilities for public use and for hunter education.

- \$362,200 is included for youth programs: National Archery in the Schools Program, Hooked on Fishing, youth mentoring grants, trout in the classroom program, trapper education, etc. All but \$32K is game and fish funds.
- \$945,855 is included in grants for the State Wildlife Grant Program. This federally funded program works primarily with wildlife species that are not hunted. The match is normally provided by the grant recipient.
- \$80,000 for Innovative R3 (**R**ecruitment, **R**etention, and **R**eactivation) which encompasses any new and innovative opportunities and strategies the Department may identify to implement on its own or through cooperation with partners and stakeholders to increase or enhance the **R**ecruitment, **R**etention, and **R**eactivation of hunters, anglers, trappers, boaters, and recreational shooters of all ages, genders, and abilities. R3 done right requires adaptability to seek and find unique and novel ways to attract and engage non-traditional participation from all sectors of our public. Innovative R3 includes the efforts of the Department's R3 Coordinator to develop and implement the agency's R3 strategic plan, enlisting and engaging Department staff, conservation organizations, partners, and other stakeholders to achieve desired R3 results. The development and implementation of effective methods for attaining and tracking participation data, and monitoring and evaluating new and on-going R3 programs and strategies fall under this, as well. These R3 strategies may include, but are not limited to, promotional outreach and marketing campaigns, tools, and activities to reach new prospective participants; introductory and follow-up "How To" events, demonstrations, and mentoring; unique public and private land access opportunities; customer engagement through retail incentive; etc. To achieve R3 objectives when working with partners, the Department will develop cooperative agreements to lay out clear roles and expectations of involved parties, as well as the duration and measurable outcomes of the project. (75% federal funds)
- \$300,000 for Pollinator Plots Program for the establishment of diverse native wildflower and pollinator (e.g. monarch butterflies, bees, etc.) planting in urban and public areas, such as schools, parks, campgrounds, recreational areas, ROW's, and other "green" spaces. These urban wildflower plots mesh with the Main Street Initiative for enhancing healthy and vibrant communities. This will provide grant funds to cooperating groups and entities to help cover site preparation, seed and planting materials, interpretive information, and other establishment costs which often exceed \$500/ac. (100% G&F funds)

Capital Assets line – Total \$645,000:

- \$595K in extraordinary repairs for a new state owned shooting range at Hankinson WMA (25 yards, 100 yards, 200 yards). (90% federal funds and 10% G&F funds)
- \$50K in extraordinary repairs for Department's Conservation and Outdoor Skills Park area located on the State Fair grounds. (100% G&F funds)

Shooting Sports Grant Program line - \$250,000 is budgeted for shooting sports grants made available to schools, clubs, and organized groups in the state which are used to promote and facilitate increased shooting sports participation in the state. The clubs pay the 25% match for the majority of these grants. (75% federal funds)

Nongame Wildlife line - \$100,000 is budgeted for this special line which is supported by the income tax check off. (100% G&F funds)

5. WILDLIFE DIVISION (50 FTEs) – This budget includes operating costs for Department managed lands, wildlife surveys and investigations, grants to organizations on cooperative projects. It also includes the following Special Lines: Noxious Weed Control, Lonetree, Wildlife Services, and Private Land Habitat and Deer Depredation.

Grants – Total \$2,410,788:

- \$2,286,652 Includes work for grants with wildlife groups and organizations on cooperative projects and wildlife research projects conducted through universities. These include chronic wasting disease (CWD) work, North American Wetland Conservation Act, Central Flyway studies, waterfowl habitat projects, studies/research on various species such as elk, pronghorn, sage grouse, deer, moose, mountain lions, etc. (51% federal PR funds)
- \$124,136 to reimburse the State Veterinarian for costs related to oversight of farmed wildlife producers and the administration of wildlife propagation permits. The amount in 2019-21 biennium was \$115,481. (100% G&F funds)

Capital Assets line – Total \$1,784,170:

- \$652,170 for extraordinary repairs (e.g. fences, roads, water control structures) and similar work on department wildlife management areas (WMA) statewide. (75% federal funds)
- \$332,000 for equipment – tractor and ATV/UTV replacements, replace 2 heavy equipment trailers, walk in freezers for CWD. (75% federal funds)
- \$800,000 is included for land acquisitions of small tracts near wildlife management areas, possibly in-holding or round-outs that may come up during the biennium. This amount is the same as the 2019-21 biennium. (100% G&F funds)

Noxious Weed Control line - \$725,000 is requested for the work on department lands. This line is the same amount as 2019-21. (75% federal funds)

Lonetree line – Approx. \$1.8M. The Lonetree area consists of over 30,000 acres of land managed for wildlife purposes. The North Dakota Game and Fish Department manages and provides technical services for this area for the State of North Dakota as laid out in the Garrison Diversion Reformulation Act. The budget for this line stayed about the same as 2019-21. The budget continues to include funding for 5 staff, operating, equipment, maintenance and development for this area. It is funded 100% by

federal funds from the Bureau of Reclamation.

Wildlife Services line - \$500,000 is to support Wildlife Service's animal damage control work in the Ag Department. (100% G&F funds) This is the same amount as the 2019-21 biennium.

Private Land Habitat and Deer Depredation line – A **\$19.9M** appropriation is requested to operate this special line. This line is funded with interest earned on game and fish funds, habitat stamp sales, cash from the regular game and fish fund, and 47% from U.S. Fish and Wildlife Services Pittman Robertson (PR) federal funds.

- There was a base budget increase of **\$300K** to restore and enhance approximately 300-900 acres of riparian habitat to benefit Species of Conservation Priority (SCP). This was explained in the Fisheries division SOL program.
- There were also two approved optional budget requests which increased the budget as follows:
 1. **\$1,485,000** for landowner payments for Private Land Open to Sportsmen (PLOTS) program allowing walk in access to the public for approximately 5,000 acres of new PLOTS for a 10 year period. The funding will be 75% federal and 25% game and fish funds.
 2. **\$500,000** to be used for an approved Outdoor Heritage Fund (OHF) grant as match towards a Red River Basin Wildlife and Water Quality Enhancement program, aimed at increasing wildlife and pollinator habitat and reducing potential nonpoint sources of pollutants impairing water quality in the Red River Valley. These funds will be used for approximately 3,000 acres to provide cost share for best management practices and producer management agreements in the Red River Basin Wildlife and Water Quality Enhancement program. It is estimated that the majority of these OHF funds will be spent in 2021-23. (100% G&F funds)
- The remaining increase is due to the executive recommended compensation package.

This line is commonly called the Private Land Initiative (PLI) line. This line is not just for our PLOTS program, it also includes big game depredation and administrative costs for the PLI line.

Of the total line, the budget for the PLOTS Program is approx. \$15.3 million of which approx. \$13.2 million is landowner payments. We had a goal to reach 1 million acres of public hunting access on private land by the year 2009. We reached that goal two years early in September 2007. The number of PLOTS acres for the 2020 hunting season was approximately 800,640 acres. A chart of PLOTS acres by program is attached to this testimony.

The line also includes \$1,100,000 mandated in the 2010 session by SB2227 to be budgeted to provide wildlife feeding and other winter management practices on lands impacted by big game depredation. Per NDCC 20.1-02-05(17h) - Any unexpended funds, up to two million dollars, may be carried forward for these types of expenditures in future bienniums.

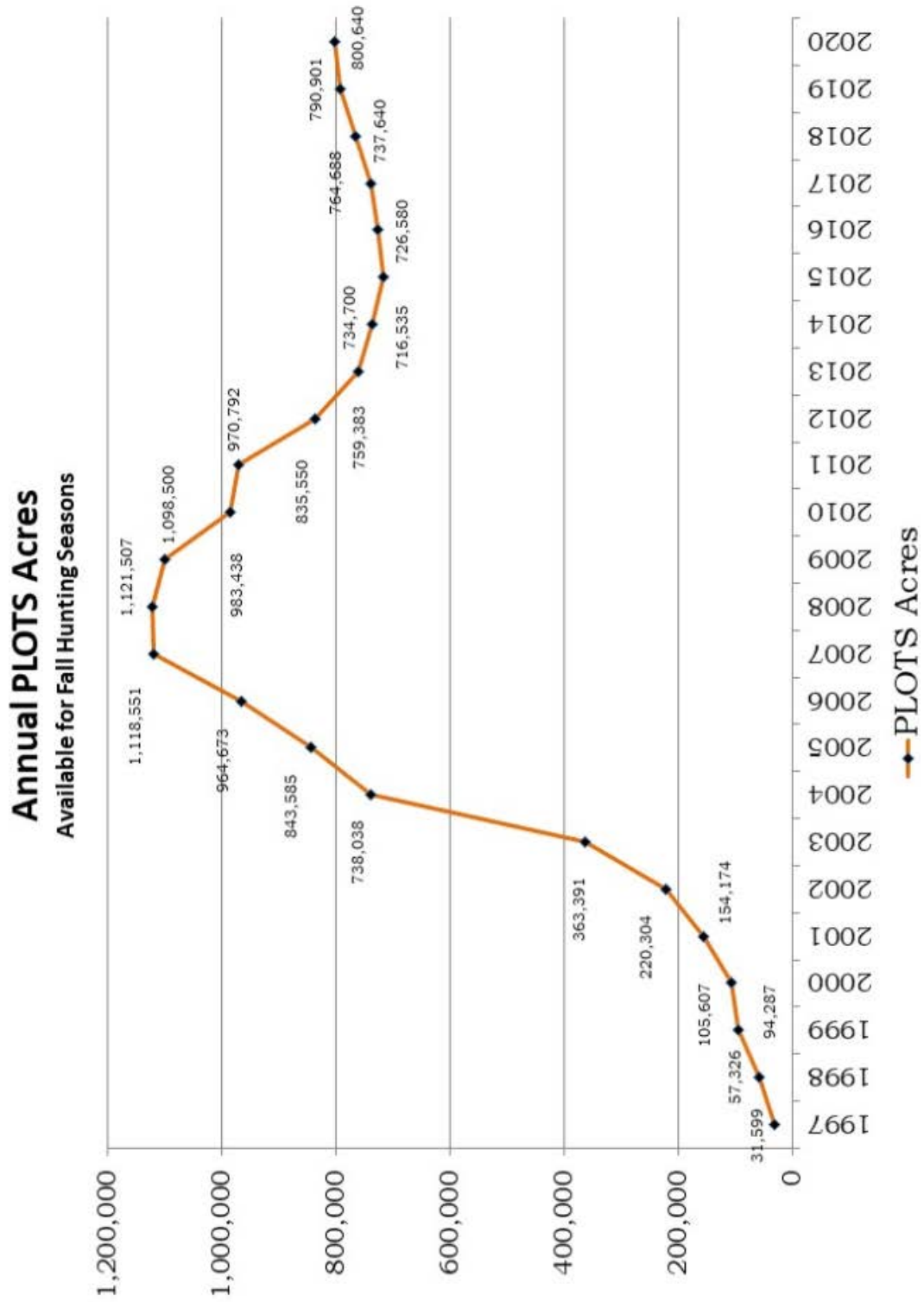


North Dakota Game and Fish Department Private Land Initiative 2020 PLOTS Program Acreage

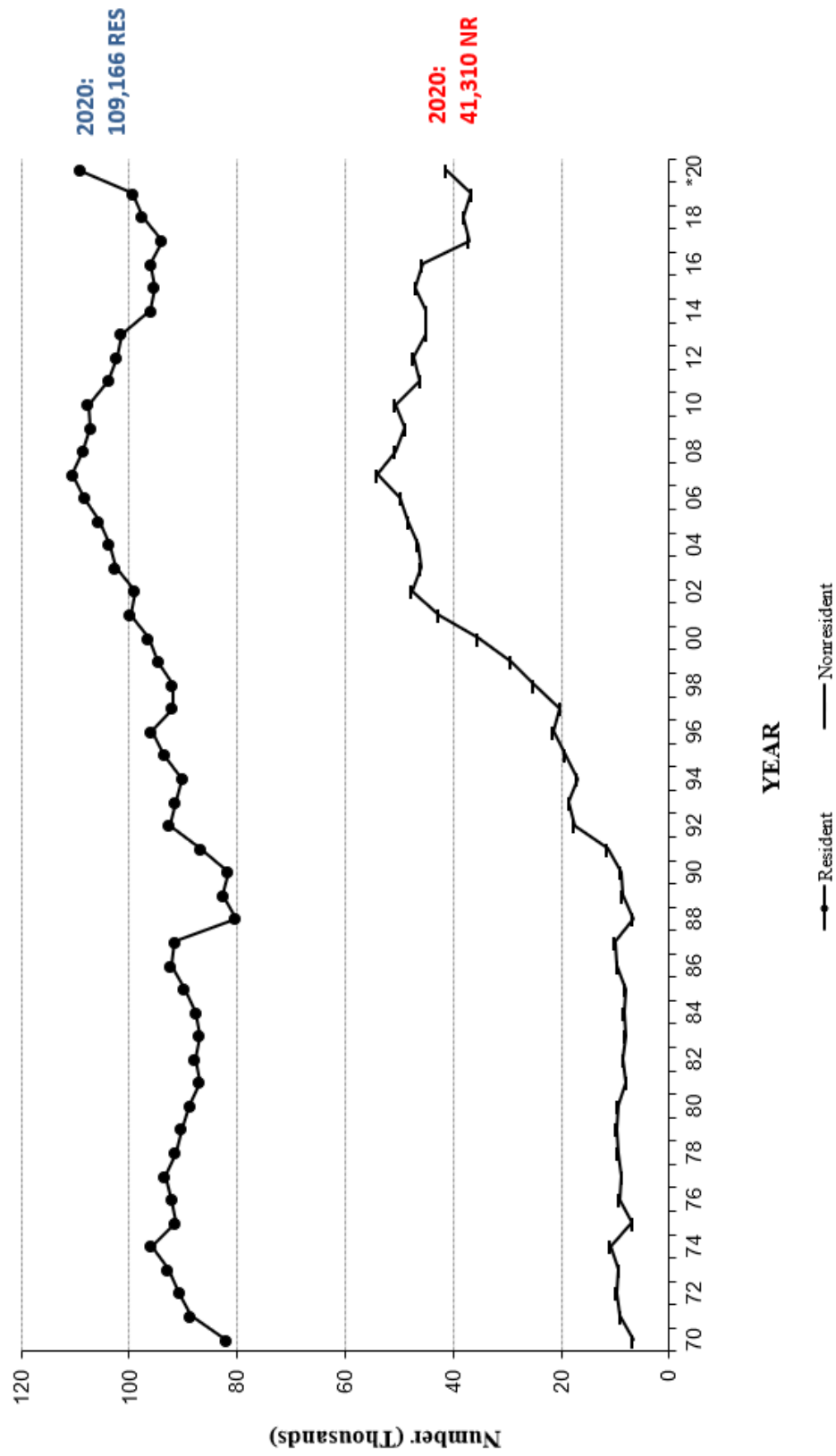
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<u>Program Type</u>	<u>Total Acres</u>	<u>Program Acres</u>	<u>Access Acres</u>
Beginning Farmer Program	2,520	2,520	0
CREP II	1,544	1,279	265
CREP/Coverlocks	13,287	1,703	11,584
CRP Access Program	237,478	217,588	19,890
Habitat Plots	115,650	99,546	16,152
Other	5,555	5,460	95
Private Forest Conservation Program	9,251	6,719	2,533
Tree Planting Cost Share Program	8	8	0
Working Lands Program	387,982	387,850	219
WRP Incentive Program	27,365	25,695	1,670
Totals	800,640	748,368	52,407



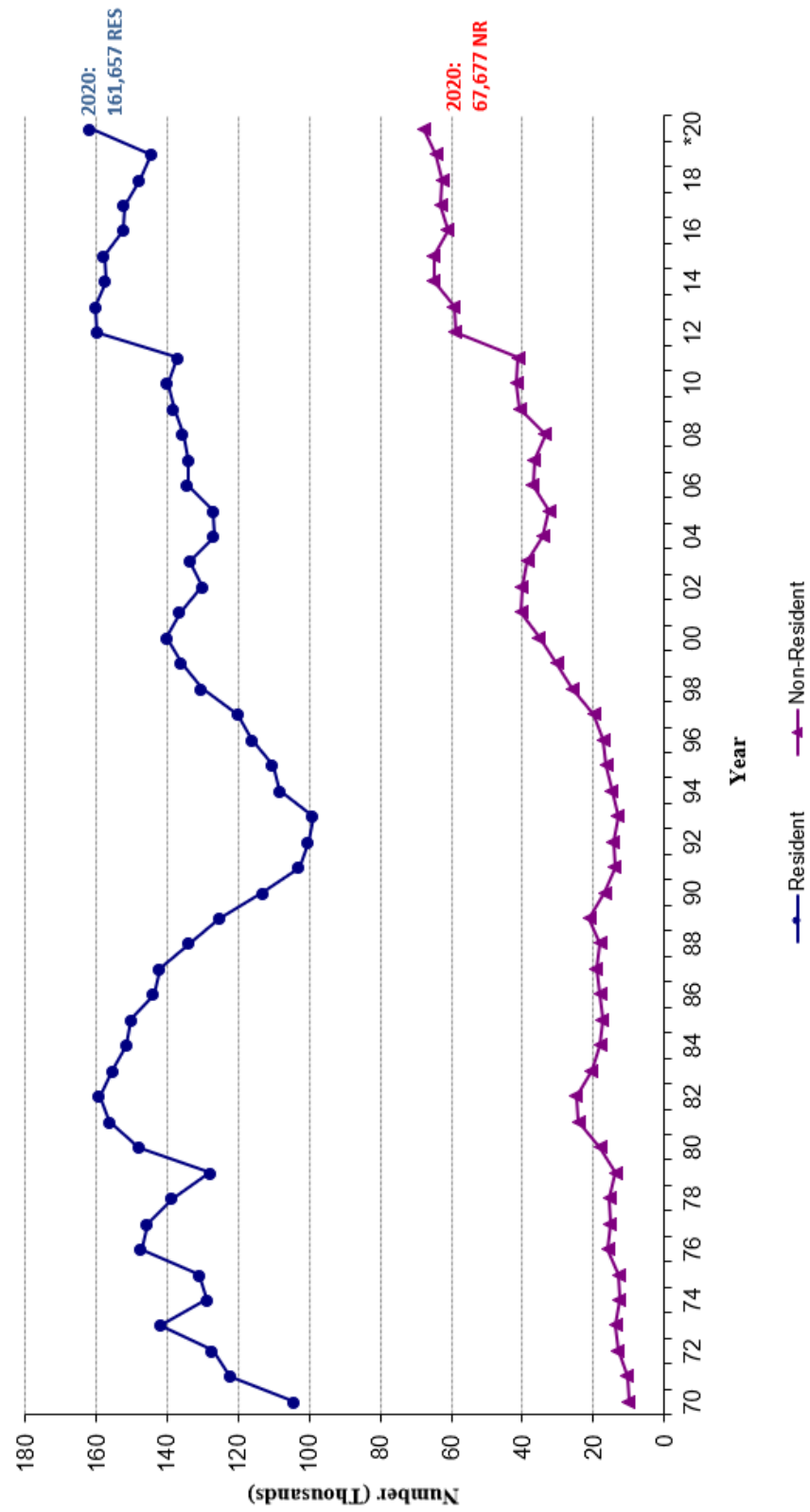


North Dakota General Game License Sales



**Last 3 months of season projected based on current license sales trends*

North Dakota Fishing License Sales



**Last 3 months of season projected based on current license sales trends*