



PERFORMANCE REVIEW

July 17, 2019

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Hunting and Fishing Fees Have Increased, But Has the Money Been Spent Properly?

Auditors determined that the agency followed the intent of the law and used new fees to train and equip new Conservation Officer (Cadets), but the agency has amassed more funds than they have used in new fees.

The Mississippi Office of State Auditor (OSA) conducted a review of House Bill 1151 (HB 1151) from 2016, which allowed for increased fees for certain hunting and fishing licenses issued by the Mississippi Department of Wildlife, Fisheries, and Parks (MDWFP). HB 1151 amended MS Code §49-7-5 and §49-7-9 and allowed for the increase of the Sportsman, All Game Hunting/Fishing, and the Small Game Hunting/Fishing licenses to fund training, equipping and compensation of Cadets to fill existing vacancies.

The objective of this review was to determine if MDWFP adhered to the requirements of HB 1151 and used the funds for recruitment, training, equipment, and Cadets' salaries. During this review, OSA analyzed how MDWFP administered and maintained the funds collected.

OSA reviewed legislative authority, reviewed data requested from MDWFP and the Mississippi State Personnel Board (MSPB), and conducted interviews with MDWFP's staff and the author of HB 1151. The law allows funds to be spent on Cadet training classes, to purchase equipment for Cadets such as boats, trucks, ATVs, guns and rifles, and to recruit and compensate Cadets. The author of the bill stated that his intent was to increase the number of conservation officers within the State, not provide for raises for existing positions held by conservation officers or other employees in the agency.

The Audit

OSA objective was to verify MDWFP compliance with HB 1151. In order to complete the review, OSA requested the following from the Mississippi State Personnel Board and the Mississippi Department of Wildlife, Fisheries, and Parks for FY 2017 and FY 2018:

- A complete listing of MDWFP's employees;
- A list of Cadet training classes since the inception of HB 1151;
- Funding codes/sources used to deposit/collect fees for the three (3) licenses that were authorized;

- The total number of licenses that were sold for the three (3) licenses authorized for an increase in HB 1151;
- All funding codes/sources used by MDWFP for salaries and any wage increases for all employees;
- MDWFP's policies and procedures that detail the fee structure of how the funds would be used, collected, and deposited;
- All law enforcement positions that included PINs and the indication of vacancies;
- A list of Cadet expenditures; and
- An inventory listing of all equipment purchased for Cadets.

OSA analyzed the data to determine if training classes were created, equipment was purchased, and additional funds collected because of the fee increases were properly expended.

During FY 2017 and FY 2018, OSA reviewed supporting documentation of the funding sources for all law enforcement officers' salaries within the agency. OSA determined all current conservation officers' salaries or promotions for FY 2017 and FY 2018 were paid with the agency's Special Fund. The Special Fund generates revenue from fines/penalties, license sales, permit sales, off-road fuel taxes, park user fees, museum user fees, farm leases, and the sale of personal property. For all other employees that received promotions and reclassifications for FY 2017 and FY 2018, OSA was unable to determine the funding source that supported the promotions and/or reclassifications.

License Increases

In HB 1151, three of fifteen main license categories were authorized for a fee increase. In Chart 1, the Sportsman license increased from \$32 to \$45, the All Game Hunting/Fishing license was increased from \$17 to \$25, and the Small Game Hunting/Fishing license was increased from \$8 to \$10.

Chart 1

Licensure Title	Old Fee Cost	New Fee Cost	Increased Amount to be used by MDWFP per HB 1151
Sportsman	\$32.00	\$45.00	\$13.00
All Game Hunting/Fishing	\$17.00	\$25.00	\$8.00
Small Game Hunting/Fishing	\$8.00	\$10.00	\$2.00

Source: 2016 Regular Legislative Session, House Bill 1151

New Cadets Added After Fee Increases

Filling Cadet vacancies, the primary purpose of the fee increases, is achieved through training and putting new cadets in the field. From FY 2016 to FY 2018, MDWFP conducted three (3) training classes. The classes are identified as Class 1 (FY 2016), Class 2 (FY 2017), and Class 3 (FY 2018). The amendments to the code sections listed in HB 1151 went into effect after July 1, 2016. Class 1 was authorized before the passing of HB 1151. This class started 16 Cadets with 15 Cadets completing the training, leaving 31 cadet vacancies to fill. Class 2 started 16 Cadets with 11 completing the training, which left the agency with 46 vacancies. Class 3 started 22 members with 15 persons completing the training. Combined, 41 Cadets graduated from MDWFP's training between FY 2016 to FY 2018 and became official conservation officers with the agency.

New Revenues from Fees and Spending on Cadet Training

During FY 2017, FY 2018 and FY 2019 (through August), MDWFP collected a total revenue of \$13.4 million and sold 473,385 hunting/fishing licenses for the three categories authorized in HB 1151. Because of HB 1151, MDWFP collected \$3.7 million from increased license fees and expended \$2.6 million for FY 2017 and FY 2018 as indicated in Chart 2.

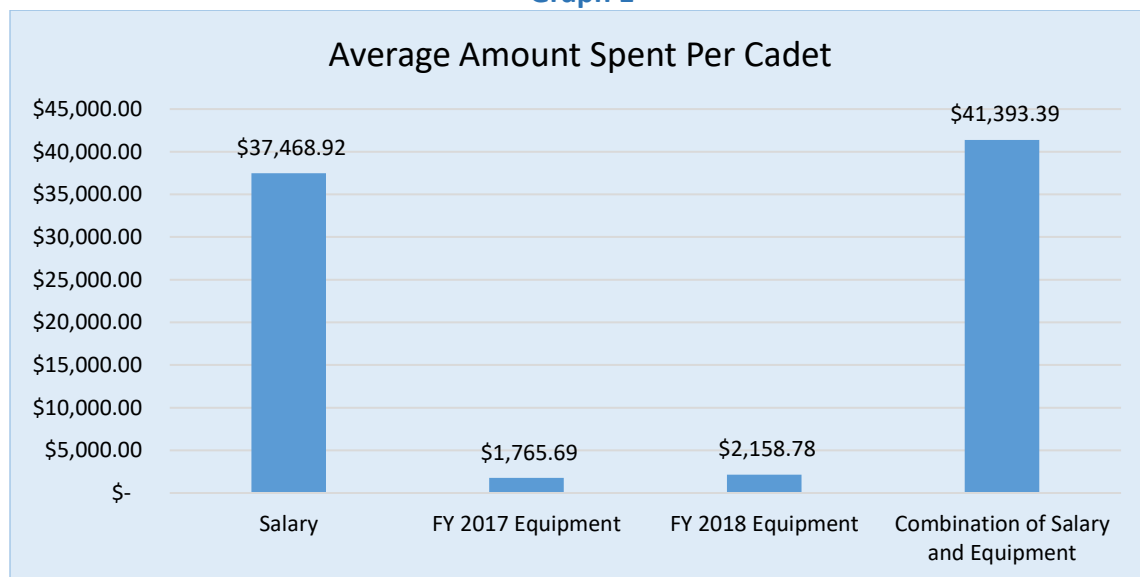
Chart 2

Fiscal Year	Total Licenses Sold	Total Amount Generated from Licenses Sold	Total Revenue Generated per HB 1151	Expenses for Cadet Training
FY 2017	224,142	\$6,362,850.00	\$1,791,567.00	\$1,093,090.68
FY 2018	217,349	\$6,161,700.00	\$1,734,344.00	\$1,585,690.99
FY 2019 through August	31,894	\$892,440.00	\$249,337.00	----
Total	473,385	\$13,416,990.00	\$3,775,248.00	2,678,781.67

Source: Mississippi Department of Wildlife, Fisheries, and Parks

In order to determine the expenses related to putting more Cadets into the field, OSA reviewed a 7% (\$76,049.41) sample of expenditures for FY 2017 and an 11% (\$171,483.07) sample for FY 2018. The sample percent varies because of the amount that was spent per year. The expense categories consisted of salaries, wages, fringe benefits, travel, subsistence, contractual services, commodities, and capital outlay related to Cadets. OSA found that expenses for equipment differed significantly for each Cadet. This appears to be a result of the agency having existing equipment they assigned and different needs of each individual officer. Several Cadets were furnished with old equipment dating back to 1995 and earlier. For this reason, those expenses were not considered during OSA's review. Equipment included boats, tool chests, tablets, ramps, ATVs, weapons and weapon mounts (though not all Cadets were assigned all the equipment listed). OSA found the average amount spent on each Cadets' salary and equipment (does not include vehicles) combined for FY 2017 and FY 2018 was approximately \$41,146.09 (see Graph 1).

Graph 1



Source: Mississippi Department of Wildlife, Fisheries, and Parks

OSA reviewed vehicle purchases and found the Cadets' vehicles purchases were not paid from funds generated under HB 1151. Instead, the agency used its Motor Vehicle Fund for those purchases. Per MDWFP's data, the agency has spent or transferred a total of \$1,086,535 for vehicles issued to Cadet Officers.

Fees for and Expenditures on Cadets, 2017

In FY 2017, MDWFP generated \$1.8 million in revenue and sold 224,142 hunting/fishing licenses from the three allowed categories. The agency spent around \$1.1 million in Cadet expenses, which included salaries, wages, fringe benefits, travel, subsistence, contractual services, commodities, and capital outlay, leaving a remaining balance of \$698,476.32. This amount should have carried forward into FY 2018 as stated in Chart 3. MDWFP data specified the agency spent an additional \$50,770.39 to purchase new equipment for Cadets in FY 2017. This amount was an additional expense to the \$1.1 million spent during the FY 17 Cadet Training; which included a capital outlay of equipment in an amount of \$362,208.19 (included 46 radios, 35 ATVs, and 1 strike man dummy) purchased and used during training.

Chart 3

Category	Total Licenses Sold	Amount Authorized Per HB 1151
Sportsman	101,763	\$1,322,919.00
All Game Hunting/Fishing	37,315	\$298,520.00
Small Game Hunting/Fishing	85,064	\$170,128.00
Total	224,142	\$1,791,567.00
Cadet Training Expenses		(\$1,093,090.68)
FY 2017 Ending Balance		\$698,476.32

Source: Mississippi Department of Wildlife, Fisheries, and Parks

Fees for and Expenditures on Cadets, 2018

In FY 2018, MDWFP generated a total of \$1.7 million in revenue and 217,349 hunting/fishing licenses from the three allowed categories. The agency spent around \$1.6 million in Cadet expenses, leaving a remaining balance of \$148,653.01. This amount should have carried forward into FY 2019 as stated in Chart 4. MDWFP data specified the agency spent an additional \$86,034.84 to purchase new equipment for Cadets in FY 2018. This amount was an additional expense to the \$1.5 million spent during the FY 18 Cadet Training, which included a capital outlay of equipment in an amount of \$164,058.95 (included 34 radios, 20 Tasers, and 17 Glock 42 models) purchased and used during training.

Chart 4

Category	Total Licenses Sold	Amount Authorized Per HB 1151
Sportsman	98,546	\$1,281,098.00
All Game Hunting/Fishing	35,940	\$287,520.00
Small Game Hunting/Fishing	82,863	\$165,726.00
Total	217,349	\$1,734,344.00
Cadet Training Expenses		(\$1,585,690.99)
FY 2018 Ending Balance		\$148,653.01

Source: Mississippi Department of Wildlife, Fisheries, and Parks

MDWFP records showed the agency carried forward \$1,392,455.60 which includes carry forward funds (\$462,526.67), refunds from the Department of Public Safety (\$41,400), seed money from a restitution award (\$821,862.93), and fund adjustments (\$66,666).

OSA notes that MDWFP has carried forward each year a substantial portion of the funds collected by the increased fees. OSA recommends MDWFP consider increasing usage of these funds and continuing to increase the number of Conservation Officers to a level that the budget can support. Unless HB 1151 is changed, MDWFP will continue to have access to additional funds to recruit, train and equip new Conservation Officers.

Conclusion

During the review, OSA attempted to determine if increased fees were utilized for their intended purposes. With the additional funding imposed, MDWFP was able to recruit and provide training classes for new Cadet Officers, as well as purchase equipment and fund their salaries from the new monies. It appears MDWFP followed the intent of HB 1151 using funds to train and equip Conservation Officer Cadets. OSA recommends MDWFP aggressively recruit, train, and equip new cadets to fully utilize the additional funds provided by increased licensing fees for the intended purpose.

About the Office of the State Auditor and the Performance Audit Division

The Mississippi Constitution grants specific duties and powers related to prescribing systems of accounting, budgeting, and financial reporting for public offices in Mississippi. It also enumerates other statutory responsibilities including study and analysis of existing public managerial policies and practices; pre-audit and post-audit functions; investigation of suspected fiscal violations; recovering misspent and stolen funds; and a variety of related duties and responsibilities. The mission of the Office of the State Auditor is to serve its customers and protect the public's trust by independently assessing state and local governmental and other entities to ensure that public funds are properly received, are legally, effectively, and efficiently spent and are accounted for and reported accurately.

Performance audits provide objective analysis to assist those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability. The mission of the performance audit division is to provide useful information to the public, program leadership, and elected officials in order to hold state government accountable for its performance. This is accomplished by identifying and recommending specific actions to address issues related to the efficiency, effectiveness and economy of state agencies and programs. Audits by the Performance Audit Division are planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on established audit objectives.

All reports, documents and supporting materials obtained and utilized by the Performance Audit Division are considered public information unless otherwise prohibited by law. This report was produced by the Mississippi Office of the State Auditor in accordance with Mississippi Statute 7-7-211 and is available on the State Auditor's website at www.osa.ms.gov.

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