

LEGISLATIVE BUDGET AND FINANCE COMMITTEE

A JOINT COMMITTEE OF THE PENNSYLVANIA GENERAL ASSEMBLY

Financial Analysis of the Pennsylvania Game Commission

October 2020



SENATORS

ROBERT B. MENSCH, CHAIRMAN
JAMES R. BREWSTER, VICE CHAIRMAN
MICHELE BROOKS
ARTHUR HAYWOOD
KRISTIN PHILLIPS-HILL
CHRISTINE TARTAGLIONE

REPRESENTATIVES

STEPHEN E. BARRAR, SECRETARY
JAKE WHEATLEY, TREASURER
AARON BERNSTINE
SCOTT CONKLIN
MARGO DAVIDSON
CRIS DUSH

Patricia A. Berger, Executive Director
Christopher R. Latta, Deputy Executive Director

Phone: 717.783.1600 Email: lbfcinfo@palbfc.us Or find us here:

Web: <http://lbfc.legis.state.pa.us/> Facebook: [PA Legislative Budget and Finance Committee](#) Twitter: [@PA_lbfc](#)

TABLE OF CONTENTS



Report Summary	S-1
Report Sections	
I. Objectives, Scope, and Methodology	1
II. Financial Trends Monitoring	3
III. Pennsylvania Game Commission (PGC) Financial Analysis	9
A. Financial Indicators	9
B. Revenues	10
C. Revenues vs. Expenditures	24
D. Expenditures	25
E. Operating Position	41
IV..Background Information on the Pennsylvania Game Commission (PGC)	45
V. Appendices	59
A. Act 2019-107	59
B. PGC Organization Chart	62
C. PGC Response	65

REPORT SUMMARY



Objectives and Scope

- ❖ *To prepare a financial analysis of revenues, including fees, fines, penalties, royalties, federal and state appropriations, and other sources of revenues received by the Pennsylvania Game Commission.*
- ❖ *To prepare a financial analysis of expenditures, including annual operating costs, investments, land purchases, and capital projects.*
- ❖ *Our analysis covered the period July 1, 2014, through June 30, 2019.*

Report Overview

The Pennsylvania Game Commission (PGC) is an independent public wildlife protection agency established by Act 1895-187. This act created the Board of Game Commissioners to “protect and preserve the game, song and insectivorous birds and mammals of the state . . .” and to “enforce the laws of this Commonwealth relating to the same.” Act 1897-103 set forth the actions prohibited by law and the penalties for such actions. Act 1937-316 consolidated the game laws and changed the name of the Board of Game Commissioners to the PA Game Commission. Act 1986-93, which became effective on July 1, 1987, codified the game laws into the Game and Wildlife Code.

The Commission is comprised of eight citizens of the Commonwealth appointed by the Governor, with the advice and consent of two-thirds of the Senate.¹ Commissioners are appointed from various geographical districts of the state. These districts are not the same as Game Commission agency regions.²

In accordance with Act 2019-107, the LBFC has prepared a financial analysis of PGC revenues and expenditures, including annual operating costs, investments, land purchases, and capital projects. See Appendix A for a copy of Act 2019-107.

To prepare our financial analysis of PGC revenues and expenditures, we obtained data from PGC annual reports, the Commonwealth’s SAP accounting system, and Pennsylvania’s Comprehensive Annual Financial Report. We used this information to calculate financial indicators necessary to analyze the PGC’s fiscal condition.

When required for analysis, adjusting for inflation converts current dollars into constant dollars. The conversion from current dollars to constant dollars allows for legislators and analysts to take into account the appearance of growth due to inflation. For this report, we used the Consumer Price Index (CPI), which tracks the prices of goods and services used by average wage earners in 2014.

¹ The Game and Wildlife Code, 34 Pa. C.S.A § 301, provides that members of the commission shall hold office for terms of four years each and may continue to hold office for a period of time not to exceed six months or until a successor is appointed and qualified, whichever occurs first. A member of the commission who serves three consecutive terms shall not be eligible for reappointment to the commission.

² <https://www.pgc.pa.gov/InformationResources/AboutUs/Commissioners/Pages/default.aspx>

To measure the overall fiscal health of the PGC, we chose 17 financial indicators based on the availability of data and their appropriateness for the PGC. The indicators are grouped into three areas – revenues, expenditures, and operating position.

From those indicators, we calculated various ratios that can be used by the PGC while planning and managing Commission resources and also by legislators to help determine the Commission’s stewardship of their financial resources. It should be noted that financial ratios alone do not tell the complete financial story of an agency nor should they be used alone; however, they are helpful to note variances and potential issues that may require further investigation.

The categories, financial indicators, and trends are highlighted below:

Categories	Financial Indicators	Trends
Revenues	Revenues per Capita	Favorable
4 Favorable 3 Caution	Revenues per Licensee	Favorable
	Revenues by Source	Caution
	License Revenues per Licensee	Favorable
	Intergovernmental Revenues	Caution
	Actual vs. Budgeted Revenues	Caution
	Revenues vs. Expenditures	Favorable
	Expenditures	Expenditures per Capita
2 Favorable 4 Caution 2 Warning	Expenditures per Licensee	Caution
	Expenditure by Function	Caution
	Employees per Capita	Favorable
	Employees per Licensee	Caution
	Personnel Costs as Percent of Expenditures	Favorable
	Fringe Benefits as a Percent of Wages and Benefits	Warning
	Retirement Costs as Percent of Wages and Benefits	Warning
Operating Position	Fund Operating Surplus or Deficit	Favorable
2 Favorable	Fund Balance as a Percent of Expenditures	Favorable

As shown by the financial indicators, the revenue condition of the Game Fund is favorable. The data shows that revenues per capita and revenues per licensee are not, at this time, placing an undue burden on hunters. Further, revenues consistently exceed expenditures. That said, the Pennsylvania Game Commission has not received an increase in the price of a license since 1999. As such, the sources of revenue are trending towards

an over reliance on extraction of natural resources. Further, the Game Commission's revenue predictions often miss the mark. This can cause the Commission to unnecessarily cut back on services.

Expenditures per capita and licensee are a concern. As the number of licensees decrease and expenditures increase, the cost of services per licensee will put a strain on the Game Fund. Additionally, fringe benefit costs – specifically retirement costs – will cause financial difficulties for the Fund over the long term unless services are cut or revenues increase.

This Page Left Blank Intentionally

SECTION I

OBJECTIVES, SCOPE, AND METHODOLOGY



Why we conducted this study...

- ❖ *Act 2019-107 requires the Legislative Budget and Finance Committee (LBFC) to conduct a financial analysis of revenues and expenditures of the Pennsylvania Game Commission.*
- ❖ *LBFC is to submit our analysis to the President Pro Tempore of the Senate, chair of the Game and Fisheries Committee of the Senate, the Speaker of the House of Representatives, and the chair of the Game and Fisheries Committee of the House of Representatives.*

Introduction

The Pennsylvania Game Commission (PGC) manages the Commonwealth's wildlife resources and is charged to protect, propagate, manage, and preserve game or wildlife and to enforce related laws. The Commission is primarily funded by the sale of hunting and furtaker licenses, natural resource sales, and Federal grants.

In accordance with Act 2019-107, the LBFC has prepared a financial analysis of the PGC revenues and expenditures, including annual operating costs, investments, land purchases, and capital projects.

Objectives

Our objectives for this financial analysis were:

1. To prepare a financial analysis of revenues, including fees, fines, penalties, royalties, Federal and State appropriations and other sources of revenue received by the Pennsylvania Game Commission.
2. To prepare a financial analysis of expenditures, including annual operating costs, investments, land purchases, and capital projects.

Scope

Our analysis covered the period July 1, 2014, through June 30, 2019.

Methodology

To prepare our financial analysis of Game Commission revenues and expenditures, we obtained data from PGC annual reports, the Commonwealth's SAP accounting system, Pennsylvania's Comprehensive Annual

Financial Report, and a performance audit report issued by the Pennsylvania Department of Auditor General. We used this information to calculate 17 financial indicators necessary to analyze the PGC's fiscal condition.

When required for analysis, adjusting for inflation converts current dollars into constant dollars. The conversion from current dollars to constant dollars allows for legislators and analysts to take into account the appearance of growth due to inflation. For this report, we used the Consumer Price Index (CPI), which tracks the prices of goods and services used by average wage earners in 2014.

Acknowledgements

LBFC staff acknowledges the excellent cooperation and assistance provided by the Pennsylvania Game Commission and its staff during our review. Appreciation for the cooperation and support they provided during this review is extended to Mr. Bryan Burhans, Executive Director, Mr. Daniel Dunlap, Administrative Services Bureau Director, Mr. Kevin Kayda, Fiscal Management Division Chief, and Mr. Joshua Zimmerman, Legislative Liaison.

Important Note

This report was developed by the staff of the Legislative Budget and Finance Committee, including project manager, Christopher Latta and staff analysts, Stevi Sprenkle and Shanika Mitchell-Saint Jean. The release of this report should not be construed as an indication that the Committee as a whole, or its individual members, necessarily concur with the report's findings, conclusions, or recommendations.

Any questions or comments regarding the contents of this report should be directed to the following:

Patricia A. Berger, Executive Director
Legislative Budget and Finance Committee
P.O. Box 8737
Harrisburg, Pennsylvania 17105-8737
717-783-1600
email: lbfcinfo@palbfc.us

SECTION II FINANCIAL TRENDS MONITORING



Fast Facts...

- ❖ *Financial management is a key function of any responsible entity in which public money is involved.*
- ❖ *Due to the unique operating environment of government, the PGC has a responsibility to be accountable for the use of funds in ways that differ from the accountability of other business enterprises.*
- ❖ *Financial ratios provide valuable insight into the financial performance of a government agency or fund.*

Overview

Financial trends monitoring is a method for monitoring the financial condition of the funds of the Commonwealth of Pennsylvania. In this case, the Game Fund. The purpose of this report is to comprehensively examine the financial trends of the Pennsylvania Game Commission (PGC). It is hoped this information is useful to the PGC in making any financial policy adjustments to improve its overall financial condition.

In completing this analysis, an extensive review of the PGC's financial history over the preceding five fiscal years is performed using a series of key budgetary factors. By reviewing historical actuals over a period of time, financial impacts may be reviewed for validity to current conditions and variables.

Issue Areas

A. Financial Trend Monitoring/Analysis

Financial management is a key function of any responsible entity which involves money. Governments differ from businesses in goals and accountability, therefore, governments follow different standards for financial planning, recording, and analysis. Generally speaking the overall goal businesses have in common is to make a profit. While a business has oversight and accountability, it is not to the degree of accountability of a government. For example, a business may be accountable to a board of directors and/or shareholders, whereas a government is accountable to all citizens within its jurisdiction. The Government Accounting Standards Board explains this difference as follows:

Separate accounting and financial reporting standards are essential because the needs of users of financial reports of governments and business enterprises differ. Due to their unique operating environment, governments have a responsibility to be accountable for the use of resources that differs significantly from that of other business enterprises. Although businesses receive revenues from a voluntary exchange between a willing buyer

and seller, most governments obtain resources primarily from the involuntary payment of taxes. Taxes paid by an individual taxpayer often bear little direct relationship to the services received by that taxpayer. Overall, taxpayers collectively focus on assessing the value received from the resources they provide to a government.³

Financial trend monitoring and analysis is an important part of financial management in government. Ideally governments have both retrospective and prospective analysis systems in place to monitor internal controls over public finances. The type of analysis contained in this report is retrospective, meaning analysis that uses past data to determine the overall health of a government or particular fund. This type of analysis can include:

- Information from audited financial statements.
- Financial information condensed into summary measures, usually in the form of mathematical ratios.
- A comparison of ratios across governments with similar population, wealth, and other characteristics.
- A grade or other summary measure.⁴

While retrospective trend monitoring is very effective and widely used it is important to note some limitations. It is important to remember that the data and ratios presented are for past fiscal years. This type of financial analysis is not in real time numbers so it does not speak to real time financial health. Additionally, it cannot be used to make absolute predictions for the future. While a trend can be used to make projections about the future, there is no guarantee the projections will be completely accurate.

PGC Financial Ratios

It is often thought the PGC is accountable to hunting license holders, because the PGC does not receive General Fund appropriations (often referred to as "tax dollars") and instead receives a large portion of its funding from hunting and furtaker license sales. The PGC also receives funding from State Game Lands timber, mineral, and oil/gas revenues, and a federal excise tax on sporting arms and ammunition. While the PGC does not expend taxpayer dollars, it is still a public agency with a mission to manage wildlife resources for all Pennsylvanians.

Financial ratios provide insight and analysis into the financial performance of a government agency and/or fund. These ratios revolve

³ Government Accounting Standards Board. Why Governmental Accounting and Financial Reporting is – and Should Be – Different. September 2017.

⁴ "Guide to Financial Literacy: Managing Your Jurisdiction's Financial Health" Governing. Volume 2. 2015.

around three key concepts: financial position, financial condition, and economic condition. These three concepts are defined by the Governmental Accounting Standards Board as follows:

- Financial Position: the status of a government's asset, liability, and net asset accounts, as displayed in its basic financial statements.⁵
- Financial Condition: the probability that a government will meet both its financial obligations to creditors, consumers, employees, taxpayers, suppliers, constituents, and others as they become due and its service obligations to constituents, both currently and in the future.⁶
- Economic Condition: a composite of a government's financial health and its ability and willingness to meet its financial obligations and commitments to provide services.⁷

Ratios can be used by the PGC while planning and managing Commission resources and also by legislators to help determine the Commission's stewardship of their financial resources. It should be noted that financial ratios alone do not tell the whole financial story of an agency nor should they be used alone, however, they are helpful to note variances and potential issues that may require further investigation.

Below, we highlight the financial indicators most appropriate to the PGC. These indicators reflect the condition of the Commission's internal finances, and they are a result of the influence of public and legislative requirements and organizational factors. For example, if the public makes greater demands than resources available and if the PGC is not effective in making a balanced response, the financial factors would show signs of cash flow or budgetary problems.

Revenues/Capita & Revenues/ Licensee. These ratios, particularly compared over time, show the ability of the agency to maintain service levels. Revenues for the PGC include hunting and furtaker license sales, State Game Lands timber, mineral, and oil/gas revenues, and a federal excise tax on sporting arms and ammunition. Comparing revenues to licensees gives insight into whether the license fees are appropriate for the number of license holders and service levels required.

⁵ Governmental Accounting Standards Board. *Analyzing the Financial Health of Governments after Statement 34*. https://www.gasb.org/cs/ContentServer?c=Document_C&cid=1176156742290&d=&page-name=GASB%2FDocument_C%2FDocumentPage

⁶ *Ibid.*

⁷ Governmental Accounting Standards Board. *Economic Condition Assessment*. <https://www.gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176156742174>

Revenues by Source. The sources of revenue are important to any government or agency, but especially so to the PGC. Most revenue sources are outside the control of the Commission. The General Assembly determines the cost of a hunting license. The federal government determines the size of grants sent to the various states. This indicator shows the change in the size of different funding streams to the Commission over time.

License Revenue per Licensee. Licensees are the number of individuals who have purchased a PGC hunting license of some kind. It is different from the total number of licenses sold, in that an individual may, and often does, purchase more than one license. This ratio shows the level at which individual hunters support the agency.

Actual/Budget Revenues. This ratio shows the ability of the agency to accurately predict revenue compared to revenues actually brought in during the fiscal year. In the case of the PGC, a large portion of their revenues are outside the agency's control. For example, according to a 2019 Auditor General report on the PGC, oil/gas revenues on State Game lands are unpredictable.⁸ Unpredictable revenues can make accurate budgeting more difficult.

Intergovernmental Revenues/Total Revenue. This ratio shows the percent of revenue that comes from other governments, or agencies. For the PGC this is typically the federal government through grants and tax revenues on sporting arms and ammunition.

Revenues vs. Expenditures. Revenues vs. Expenditures depicts how revenues and expenditures change over time relative to each other.

Expenditures/Capita & Expenditures/Licensee. These ratios, particularly compared over time, show the increase or decrease in services. They also show the changes in spending compared to each license holder. Increases and decreases in expenditures should be closely comparable to the percent change (increase or decrease) in population and/or license holders.

Expenditures by Function. Expenditures by function show a breakdown of PGC expenses by major category or function. Monitoring this trend helps analyze the causes of changes in overall expenditures over time by the Commission.

⁸ "Performance Audit Report: Pennsylvania Game Commission." *Pennsylvania Department of the Auditor General*. May 2019. <https://www.paauditor.gov/Media/Default/Reports/PA%20Game%20Commission%20Audit%20Report%2005-30-19.pdf>

Employees per Capita & Licensee. Personnel costs are a major portion of the Game Commission's budget. Plotting changes in the number of employees per capita and per licensee is another way to measure and explain changes in overall expenditures.

Personnel Costs as a Percent of Expenditures. This ratio gives insight into the percent of the agency costs associated with personnel versus the expenditures related to the agency's services.

Benefits as a Percent of Total Compensation. This ratio shows how much of employees' compensation is benefits. Comparing this ratio over time can show any changes in benefit costs that may need to be adjusted. It can be used to compare the agency's averages over time or compare to other public agencies to benchmark how the Commission compares to other agencies. For example, in December 2019 the U.S. Bureau of Labor Statistics reported that for state and local government workers employers' costs for compensation averaged 62.3 percent in wages and salaries, compared to 37.7 percent in benefits.⁹

Fund Deficit/Surplus as a Percent of Revenues. This ratio shows the percent of expenditures that were spent over the amount of revenue received (deficit), the excess of revenue over expenditures (surplus), or whether revenues received and expenditures spent were relatively balanced. If an agency continually runs a deficit there would be serious concerns about why expenditures exceed revenues. If an agency continually runs a surplus, there could also be concerns that service levels do not appropriately match incoming revenue; however, another explanation could be the agency is planning to have a surplus to save money for future adverse economic conditions (i.e., a rainy day fund).

Fund Balance/Fund Expenditures. The fund balance is the difference between assets and liabilities compared with expenditures. This ratio expresses the long-term health of the fund and the ability of the agency to properly plan/budget.

Pension Obligations/Salaries and Wages. This ratio compares PGC mandatory payments to the State Employees Retirement System (SERS) with total salaries and wages. Charting these costs is valuable as they can inadvertently escalate and place a financial strain on an agency and its ability to provide services. An increasing pension obligation is a negative signal that should be investigated to determine if the trend is expected to continue.

See Section III for an analysis of these financial indicators for the PGC.

⁹ U.S. Department of Labor, Bureau of Labor Statistics. *Employer Costs for Employee Compensation – December 2019*. <https://www.bls.gov/news.release/pdf/ecec.pdf>

This Page Left Blank Intentionally

SECTION III PENNSYLVANIA GAME COMMISSION (PGC) FINANCIAL ANALYSIS



Fast Facts...

- ❖ Revenues determine the ability of the PGC to spend the appropriate funds to provide services necessary to fulfill its mission.
- ❖ Expenditures are an approximate measure of the PGC's service output.
- ❖ Operating position refers to the Pennsylvania Game Commission's ability to maintain reserves for emergencies, and maintain sufficient cash to pay short-term obligations and bills.

Overview

The financial condition of the Pennsylvania Game Fund is important to ensure the Commission can fulfill its mission. For our purposes, financial condition is defined as the ability of the Commission to maintain existing service levels, withstand economic disruptions, and meet the demands of the public and the General Assembly.

For this analysis, we chose 17 financial indicators based on the availability of data and the appropriateness for the PGC. The indicators are grouped into three areas: revenues, expenditures, and operating position.

Issue Areas

A. Financial Indicators

We identified 17 indicators for the analysis of the Pennsylvania Game Commission's fiscal condition as shown in Exhibit 1:

Exhibit 1

Financial Indicators

Category	Financial Indicator	Trend
Revenues	Revenues per Capita	Favorable
	Revenues per Licensee	Favorable
	Revenues by Source	Caution
	License Revenues per Licensee	Favorable
	Intergovernmental Revenues	Caution
	Actual vs. Budgeted Revenues	Caution
	Revenues vs. Expenditures	Favorable
Expenditures	Expenditures per Capita	Caution
	Expenditures per Licensee	Caution
	Expenditure by Function	Caution
	Employees per Capita	Favorable
	Employees per Licensee	Caution
	Personnel Costs as Percent of Expenditures	Favorable

Exhibit 1 Continued

Category	Financial Indicator	Trend
	Fringe Benefits as a Percent of Wages and Benefits	Warning
	Retirement Costs as Percent of Wages and Benefits	Warning
Operating Position	Fund Operating Surplus or Deficit	Favorable
	Fund Balance as a Percent of Expenditures	Favorable

Source: Developed by LBFC staff.

Overall, the revenue condition of the Game Fund is favorable. The data shows that revenues per capita and revenues per licensee are not, at this time, placing an undue burden on hunters. Further, revenues consistently exceed expenditures. That said, the sources of revenue are trending towards an over reliance on extraction of natural resources. Further, the Game Commission’s revenue predictions often miss the mark. This can cause the Commission to unnecessarily cut back on services.

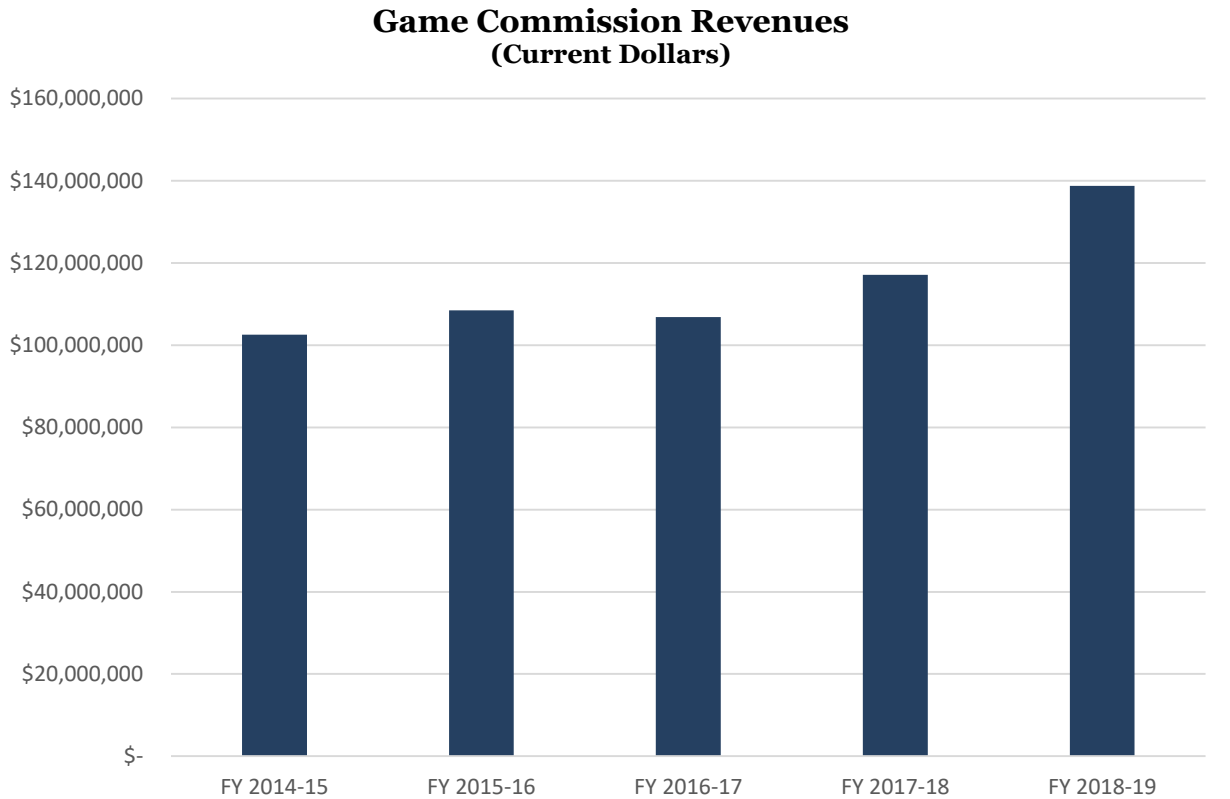
Expenditures per capita and licensee are a concern. As the number of licensees decrease and expenditures increase, the cost of services per licensee will put a strain on the Game Fund. Additionally, fringe benefit costs – specifically retirement costs – will cause financial difficulties for the Fund over the long term unless services are cut or revenues increase.

B. Revenues

Revenues determine the Game Commission’s ability to spend the appropriate funds to provide the services necessary to fulfill its mission.

The Pennsylvania Game Commission receives no funding from the Commonwealth’s General Fund. Revenues for the Game Commission include hunting and furtaker license sales, timber, mineral, and oil/gas revenues, and a federal excise tax on sporting arms and ammunition. See Exhibit 2.

Exhibit 2



Source: Developed by LBFC staff with information provided by the Pennsylvania Game Commission.

Revenues from the sale of natural resources, hunting licenses, and the leasing of right-of-ways average 60 percent of the Commission’s income over time. Revenues from the federal government average 24 percent of Commission income over time. Income from fines, sale of timber, subscriptions, and other miscellaneous sources average 15 percent over the scope of our study.

See Exhibit 3 for a breakout of these revenues.

Exhibit 3

**Pennsylvania Game Commission Revenues
(Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
License Revenues	\$35,248,250	\$35,535,338	\$35,343,341	\$36,124,770	\$36,006,294
Natural Resources ^{a/}	26,380,291	32,829,257	26,397,763	34,006,208	57,511,827

Exhibit 2 Continued

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Intergovernmental Revenues	25,320,196	26,880,948	26,525,584	27,965,000	27,864,142
Game Law Fines	1,571,149	1,615,588	1,623,071	1,505,552	1,293,866
Sales of Timber	5,960,551	6,539,143	10,268,341	10,794,721	7,987,844
Interest Income	1,738,763	1,182,744	3,013,822	2,340,461	4,081,682
Game News Subscriptions	662,740	661,835	621,704	888,657	771,941
Misc.	5,671,640	3,201,994	3,079,709	3,522,239	3,244,778
TOTAL:	\$102,553,580	\$108,446,847	\$106,873,335	\$117,147,608	\$138,762,374

Note:

^{a/} Includes the leasing of right-of-ways.

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

When required for analysis, adjusting for inflation converts current dollars into constant dollars. The conversion from current dollars to constant dollars allows for analysts to take into account the appearance of growth due to inflation. For this report, we used the Consumer Price Index (CPI) for goods and services used by average wage earners as our measure of inflation.

The conversion factor is equal to the 2014 CPI divided by the CPI of the next four years. We used the following formula to calculate constant dollars:

$$\text{Current Dollars} \times \frac{2014 \text{ CPI}}{\text{CPI}_{2014 \dots 2018}}$$

Exhibit 4 shows the CPI conversion factor used for each year and the percent change from the previous year.

Exhibit 4

CPI Conversion Factor

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Consumer Price Index	252.121	253.132	257.486	262.224	267.166
FY 2014-15 Conversion Table	1.000	0.996	0.979	0.961	0.944
Percent Change:		0.40	1.72	1.84	1.88

Source: Developed by LBFC staff with information from the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 5 shows Game Commission Revenues in Constant Dollars.

Exhibit 5

**Game Commission Revenues
(Constant Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
License Revenues	\$35,248,250	\$35,393,341	\$34,606,923	\$34,732,948	\$33,978,593
Natural Resources ^{a/}	26,380,291	32,698,073	25,847,736	32,696,010	54,273,038
Intergovernmental Revenues	25,320,196	26,773,533	25,972,894	26,887,559	26,294,968
Game Law Fines	1,571,149	1,609,132	1,589,252	1,447,546	1,221,002
Sales of Timber	5,960,551	6,513,013	10,054,389	10,378,820	7,538,007
Interest Income	1,738,763	1,178,018	2,951,026	2,250,287	3,851,821
Misc	5,671,640	3,189,199	3,015,540	3,386,533	3,062,048
Game News Subscriptions	662,740	659,190	608,750	854,419	728,469
Total:	\$102,553,580	\$108,013,500	\$104,646,509	\$112,634,121	\$130,947,947

Note:

^{a/} Includes the leasing of right-of-ways

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Revenues per Capita and per Licensee

Revenues per capita and licensee illustrate how revenues change relative to the change in those categories over time, showing the ability of the Game Commission to maintain service levels. For example, if revenues per licensee are decreasing, it could be expected the Game Commission would be unable to maintain existing service levels unless it were to find new revenue sources, reduce expenditures, or cut services.

Formulas.

Revenues per Capita:

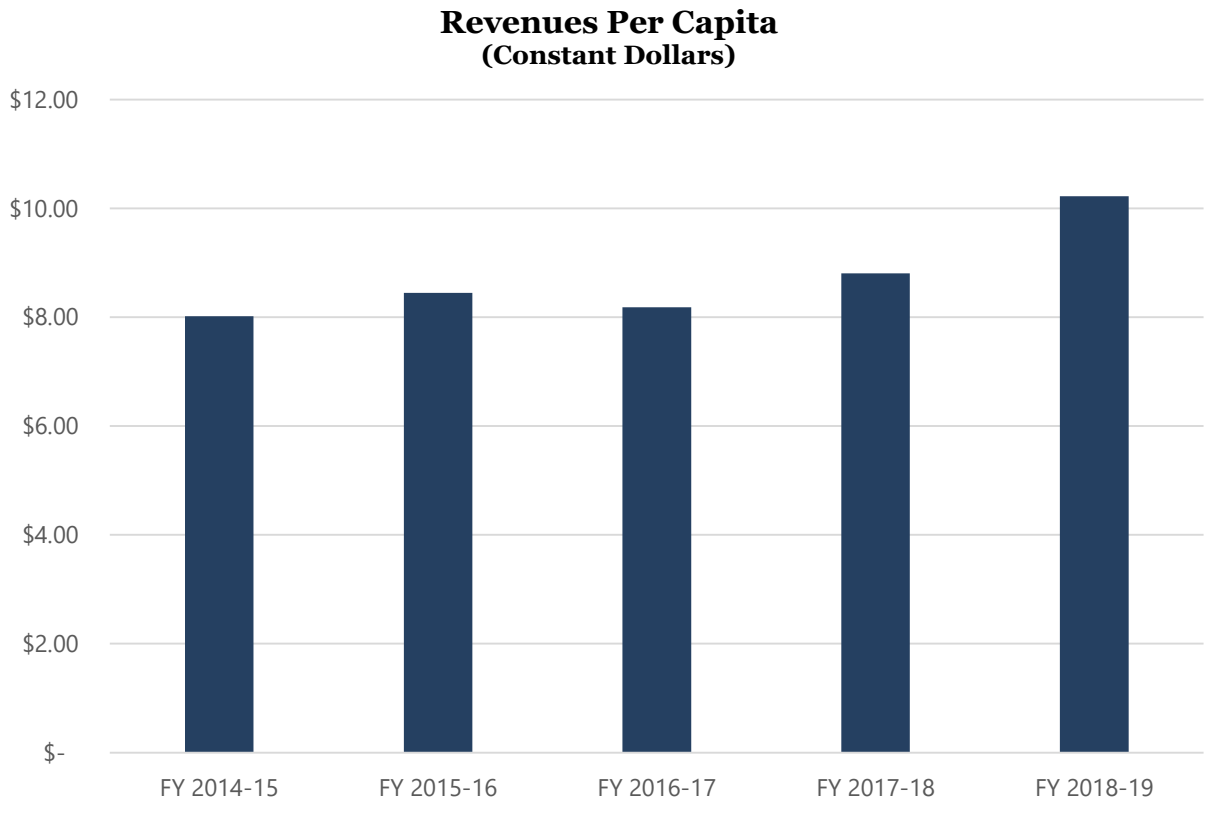
$$\frac{\text{Revenues}_{(constant)}}{\text{Total Pennsylvania Population}}$$

Revenues per Licensee:

$$\frac{\text{Revenue}_{(constant)}}{\text{Individual Licensees}}$$

Trend per Capita – Favorable. From FYs 2014-15 to 2018-19, total revenues per capita increased approximately \$2.00 per capita in constant dollars. This equates to a 28 percent increase in per capita revenues in constant dollars. While total revenues per capita decreased by about \$0.25 in FY 2016-17, the overall trend has been favorable. In FY 2015-16, per capita revenues in constant dollars increased five percent from the previous fiscal year to \$8.45. In FY 2016-17 they dropped three percent to \$8.19. Revenues per capita rebounded the following year by 7.6 percent to \$8.81. Over the scope of our study, revenues in constant dollars per capita increased 28 percent to \$10.22. Please see Exhibits 6 and 7 for additional detail.

Exhibit 6



Source: Developed by LBFC staff with information provided by the Pennsylvania Game Commission.

Exhibit 7

**Revenues per Capita
(Constant Dollars)**

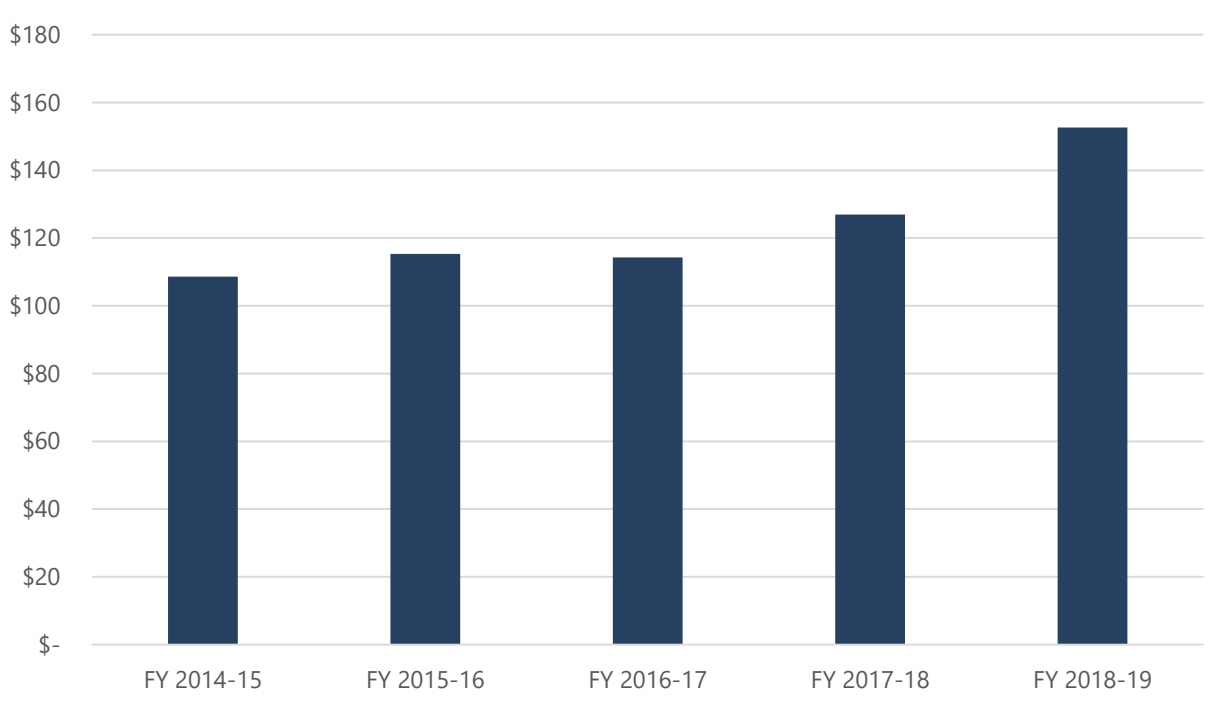
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Revenues (current)	\$102,553,580	\$108,446,847	\$106,873,335	\$117,147,608	\$138,762,374
CPI Conversion	1.0000	0.9960	0.9792	0.9615	0.9437
Revenues (constant)	102,553,580	108,013,500	104,646,509	112,634,121	130,947,947
Total Population	12,789,000	12,786,000	12,784,000	12,790,000	12,807,000
Revenues Per Capita (constant)	8.02	8.45	8.19	8.81	10.22

Source: Developed by LBFC staff with information provided by the Pennsylvania Game Commission.

Trend per Licensee – Favorable. In the same period, revenues per licensee have increased by \$44 to \$153 from \$109 – an increase of 41 percent. Revenues in constant dollars increased by 41 percent while the number of unique individuals purchasing a license from the Game Commission has decreased by nine percent. Please see Exhibits 8 and 9 for additional detail.

Exhibit 8

**Revenues per Licensee
(Constant Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 9

**Revenues per Licensee
(Constant Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Revenues	\$102,553,580	\$108,446,847	\$106,873,335	\$117,147,608	\$138,762,374
CPI Conversion	1.000	0.996	0.979	0.961	0.944
Revenues (Constant)	102,553,580	108,013,500	104,646,509	112,634,121	130,947,947
Licensees	944,524	936,384	915,490	887,445	858,204
Revenues per Licensee (Constant)	109	115	114	127	153

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. The population of Pennsylvania has been relatively stagnant during the scope of our study – increasing only 0.14 percent. Additionally, the number of individuals buying a Game Commission license has decreased by nearly 10 percent. At the same time, Game Commission revenues have increased by roughly 28 percent over the same period. As the population increases, it might be expected that the need for services would increase proportionately. Thus, the level of per capita revenues would ideally remain at least constant in real terms. Because per capita and per licensee revenues are increasing, it is expected that the Commission will be able to maintain existing service levels.

License Revenues per Licensee

Licensees are the number of individuals who have purchased a Pennsylvania Game Commission hunting license of some kind. It is different from the total number of licenses sold, in that an individual may, and often does, purchase more than one license. This measure gets to the level at which individual hunters support the agency.

Formula.

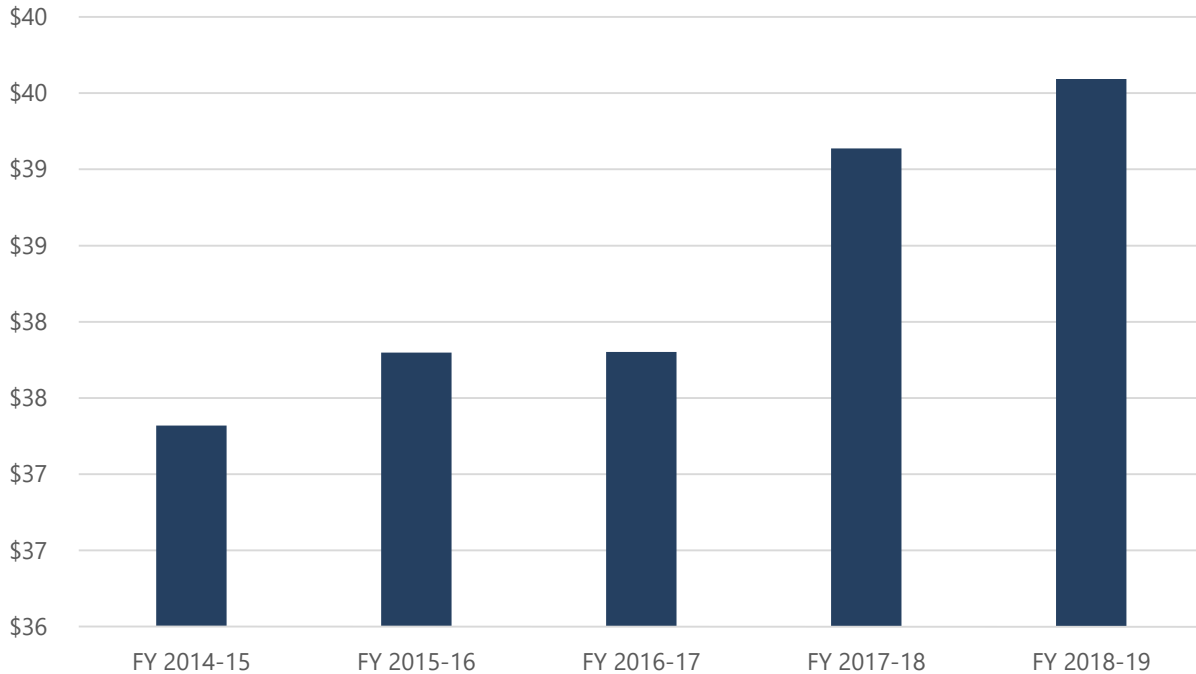
$$\frac{\text{License Revenue}_{(\text{constant})}}{\text{Licensees}}$$

Trend – Favorable. Looking only at Game Commission revenues from licenses sold, we see that in constant dollars, license revenues dropped from \$35 million to a little under \$34 million.

While license revenues, in constant dollars, decreased from FY 2014-15 to FY 2018-19 by 3.6 percent, the number of licensees decreased faster – nine percent. The result shows revenues in constant dollars per licensee increased over the scope of our study. See Exhibits 10 and 11.

Exhibit 10

**License Revenues per Licensee
(Constant Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 11

**License Revenues per Licensee
(Constant Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
License Revenues	\$35,248,250	\$35,535,338	\$35,343,341	\$36,124,770	\$36,006,294
CPI Conversion	1.000	0.996	0.979	0.961	0.944
License Revenues (constant)	35,248,250	35,393,341	34,606,923	34,732,948	33,978,593
Licensees	944,524	936,384	915,490	887,445	858,204
License Revenues Per Licensee (constant)	37	38	38	39	40

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. Revenues from the sale of licenses has and continues to decline in constant dollars. Further, the number of licensees is declining at a rate greater than revenues from the sale of licenses in constant dol-

lars. The result is an increase in per licensee revenues. While this is a favorable trend, it is certainly a mixed bag. At some point, if the Game Commission wishes to stabilize the level of revenues from licenses, it may seek an increase in the cost of a license and find the price is beyond what hunters are able or willing to pay – especially if the cost of a license increases at a rate faster than the increase in personal income of hunters. However, it should be noted the PGC has not received and increase in the cost of a license since 1999.

Revenues by Source

At the same time, overall revenues for the Pennsylvania Game Commission have grown. The result is the Game Commission is less reliant on hunters for funding and more reliant on revenues from other sources – specifically from the sale of natural resources.

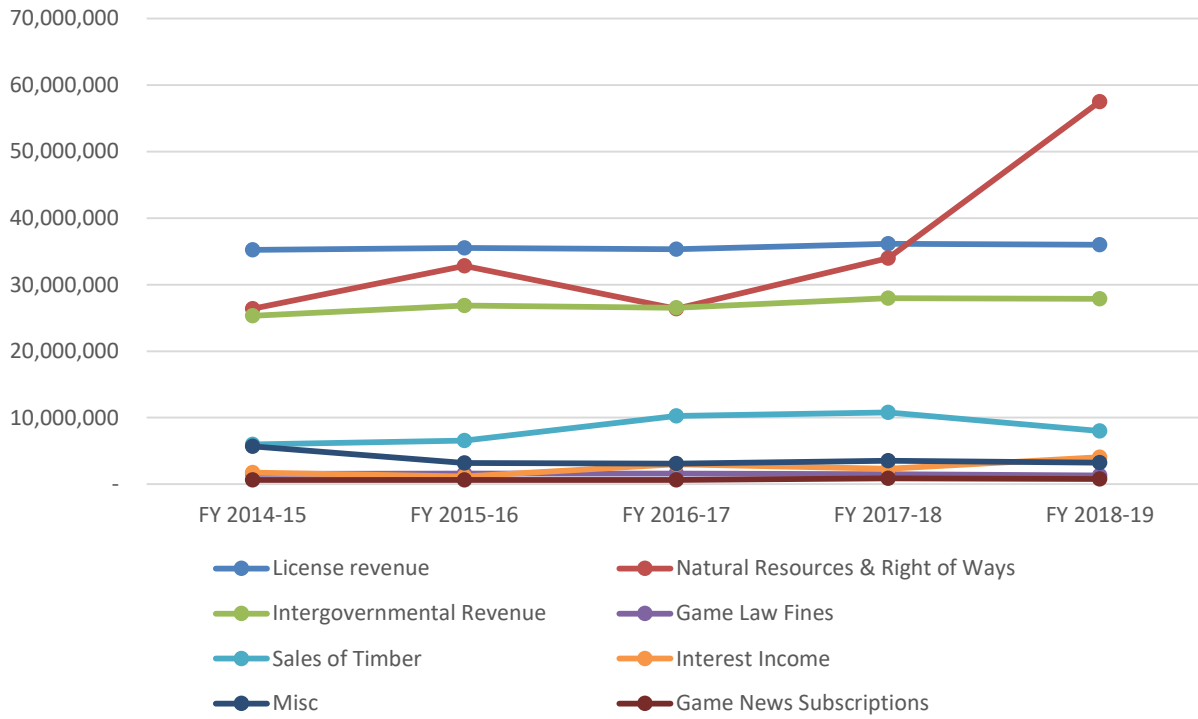
Formula.

$$\frac{\text{Revenue Source}}{\text{Total Revenues}}$$

Trend – Caution. Revenues from the sale of licenses were roughly \$35 million in FY 2014-15 and declined to a little less than \$34 million in FY 2018-19 (constant dollars). Revenues from natural resources and right-of-ways increased from \$26 million to \$54 million (constant dollars) over the same time period. In FY 2014-15, revenues from the sale of licenses were 35 percent of total Game Commission revenues. By FY 2018-19, that number dropped to 26 percent. The inverse is true for revenues from natural resources and right-of-ways. In this category, revenues were 26 percent of Game Commission revenues in FY 2014-15 and increased to 41 percent of revenues by FY 2018-19. See Exhibits 12, 13, 14, and 15 for a complete breakout of these revenues.

Exhibit 12

**Breakout of Game Fund Revenues
 (Current Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 13

**Breakout of Game Fund Revenues
 (Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
License Revenue	\$35,248,250	\$35,535,338	\$35,343,341	\$36,124,770	\$36,006,294
Natural Resources ^{a/}	26,380,291	32,829,257	26,397,763	34,006,208	57,511,827
Intergovernmental Revenue	25,320,196	26,880,948	26,525,584	27,965,000	27,864,142
Game Law Fines	1,571,149	1,615,588	1,623,071	1,505,552	1,293,866
Sales of Timber	5,960,551	6,539,143	10,268,341	10,794,721	7,987,844
Interest Income	1,738,763	1,182,744	3,013,822	2,340,461	4,081,682
Miscellaneous	5,671,640	3,201,994	3,079,709	3,522,239	3,244,778
Game News	662,740	661,835	621,704	888,657	771,941
TOTAL:	\$102,553,580	\$108,446,847	\$106,873,335	\$117,147,608	\$138,762,374

Note:

a/ Includes the leasing of right-of-ways

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 14

**Breakout of Game Fund Revenues
(Percent of Total)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
License Revenues	34	33	33	31	26
Natural Resources ^{a/}	26	30	25	29	41
Intergovernmental Revenues	25	25	25	24	20
Game Law Fines	2	1	2	1	1
Sales of Timber	6	6	10	9	6
Interest Income	2	1	3	2	3
Misc.	6	3	3	3	2
Game News Subscriptions	1	1	1	1	1

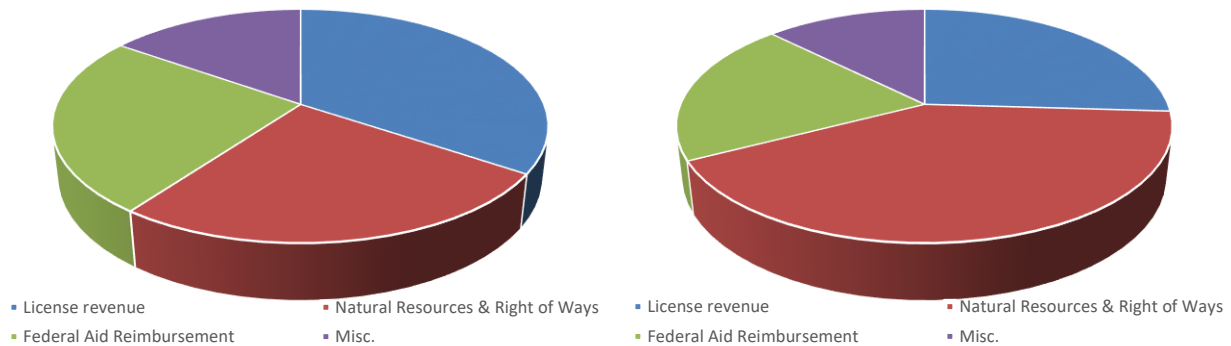
Note:

a/ Includes the leasing of right-of-ways

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 15

**Breakout of Game Fund Revenues FY 2014-15 and FY 2018-19
(Percent of Total)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Intergovernmental Revenues

An over dependence on Intergovernmental Revenues could have an adverse impact on the financial condition of the Game Fund. For example, the conditions the federal government attaches to these resources could prove to be too restrictive, especially if the conditions change in the future and the Game Commission has developed a dependence on the program for particular functions of the Commission. Further, as the federal government struggles with its own budgetary challenges, it could

choose to withdraw or decrease the funds and leave the Game Commission in the position of cutting its budget, asking for an increase in license fees, increasing the sale of natural resources, or seeking additional sources of revenues.

Formulas.

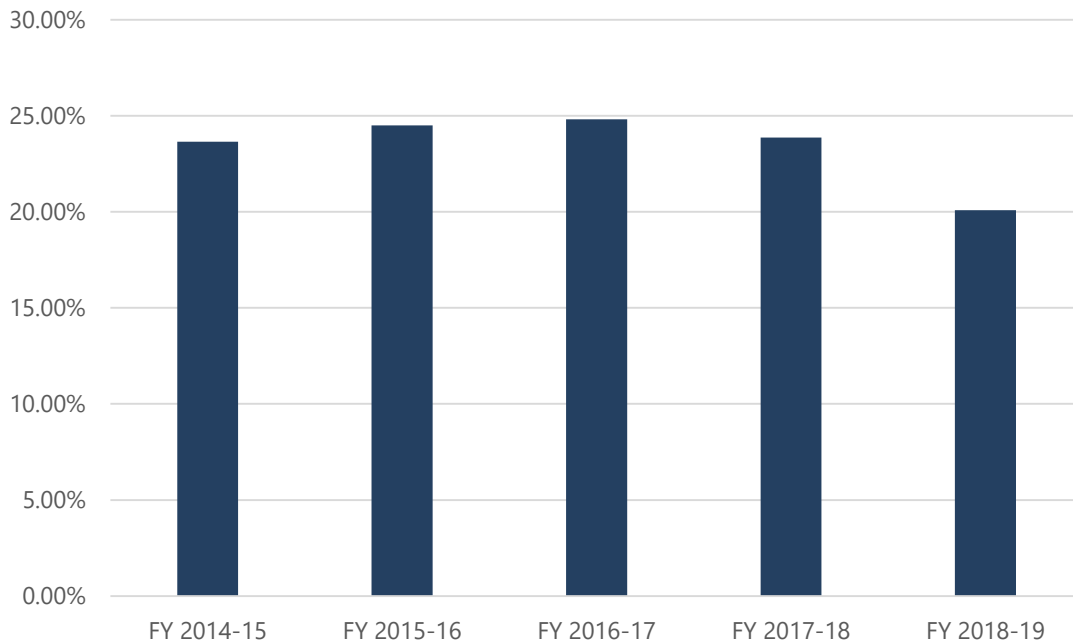
Intergovernmental Revenues Percentage:

$$\frac{\text{Intergovernmental Revenues}}{\text{Total Game Fund Revenues}}$$

Trend – Caution. The Game Commission’s Intergovernmental Revenues as a percent of Game Fund revenues is the Commission’s third largest revenue category. Only license revenues and revenues from the sale of natural resources are greater. Over the past five fiscal years, the percent of Intergovernmental Revenues has been constant, with the exception of FY 2018-19. In that year, the reimbursement fell from 24 percent to 20 percent of revenues. This was the result of a slight decrease in aid from the federal government and a significant increase in the sale of natural resources. Please see Exhibits 16 and 17 for additional details.

Exhibit 16

**Intergovernmental Revenues as a Percent of Game Fund Revenues
(Current Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 17

**Intergovernmental Revenues as a Percent of Game Fund Revenues
 (Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Intergovernmental Revenues	\$ 25,320,196	\$ 26,880,948	\$ 26,525,584	\$ 27,965,000	\$ 27,864,142
Game Fund Revenues	102,553,580	108,446,847	106,873,335	117,147,608	138,762,374
Percent:	26.65	24.50	24.82	23.87	20.08

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. The Pennsylvania Game Commission relies heavily on Intergovernmental Revenues for operating purposes. The Commonwealth of Pennsylvania has restricted the options for the Commission to generate additional direct revenues from increased license fees.

In current dollars, revenues from licenses have only increased \$758 thousand since FY 2014-15. In constant dollars (accounting for inflation), those revenues have decreased by \$1.3 million. If Intergovernmental Revenues decline, the Commission will be in the position of needing to cut spending, increase the sale of natural resources, or generate new and unknown sources of revenues, given the restrictions on license fees.

Game Fund Revenues: Actual vs. Budget

This indicator examines the differences between revenue estimates and revenues actually received by the Game Fund. Major discrepancies in revenue estimates can be an indication of a declining economy, inefficient collection procedures, or inaccurate estimating techniques.

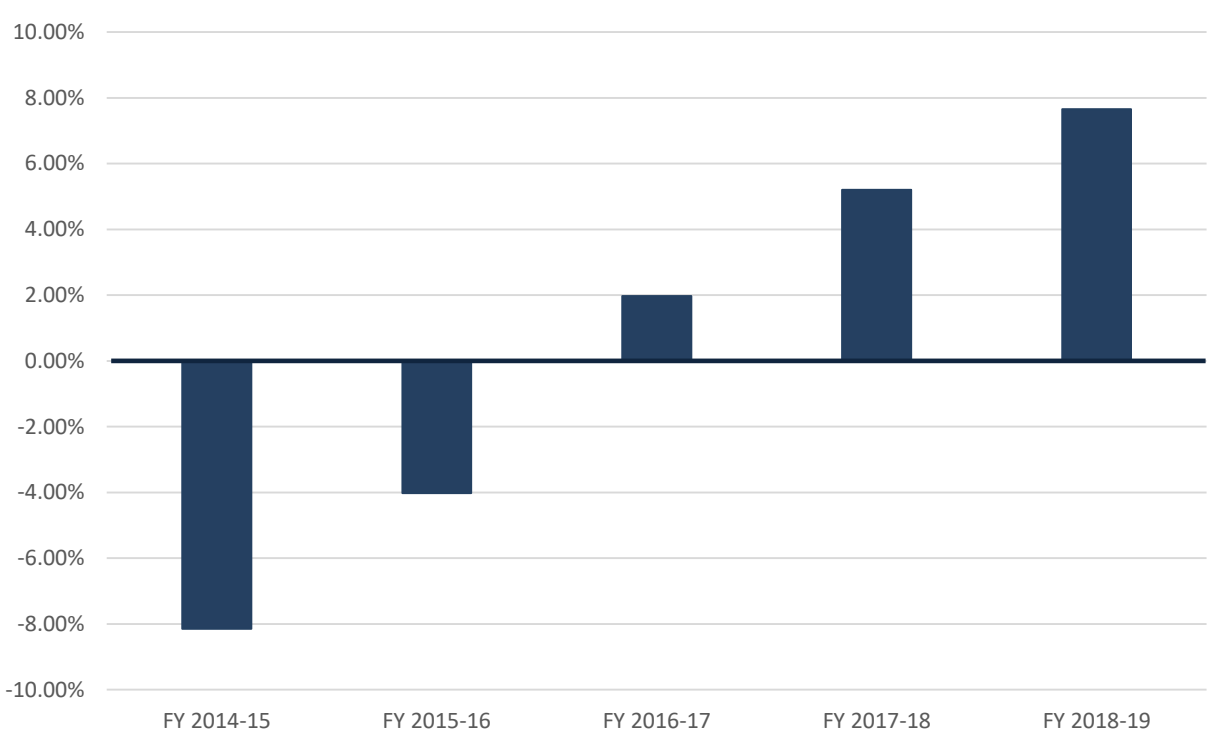
Formula.

$$\frac{\text{Actual Revenues} - \text{Budgeted Revenues}}{\text{Actual Revenues}}$$

Trend – Caution. In FY 2014-15 Game Fund revenues were \$8 million below estimate or -8.15 percent. By FY 2018-19, revenues were \$10 million above estimate, or 7.66 percent. Only in FY 2016-17 were actual revenues within two percent of budgeted revenues. See Exhibits 18 and 19 below for additional details.

Exhibit 18

**Game Fund Revenues - Actual vs. Budget
(Current Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 19

**Game Fund Revenues - Actual vs. Budget
(Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Actual Revenues	\$102,553,580	\$108,446,847	\$106,873,335	\$117,147,608	\$138,762,374
Budgeted Revenues	<u>110,910,196</u>	<u>112,809,946</u>	<u>104,768,584</u>	<u>111,048,000</u>	<u>128,132,142</u>
Difference	\$(8,356,616)	\$(4,363,099)	\$2,104,751	\$6,099,608	\$10,630,232
Percent of Actual Revenues	-8.15	-4.02	1.97	5.21	7.66

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. While it is certainly better to underestimate revenues, there is cause for concern with this trend. An under estimation of revenues means the Commission may decide to ask for an increase in fees or attempt to sell additional natural resources such as timber or natural gas.

An overestimation of revenues can result in unnecessary constraints on services or capital projects. Therefore, the difference between actual and budgeted revenues should be minimized as much as possible.

C. Revenues vs. Expenditures

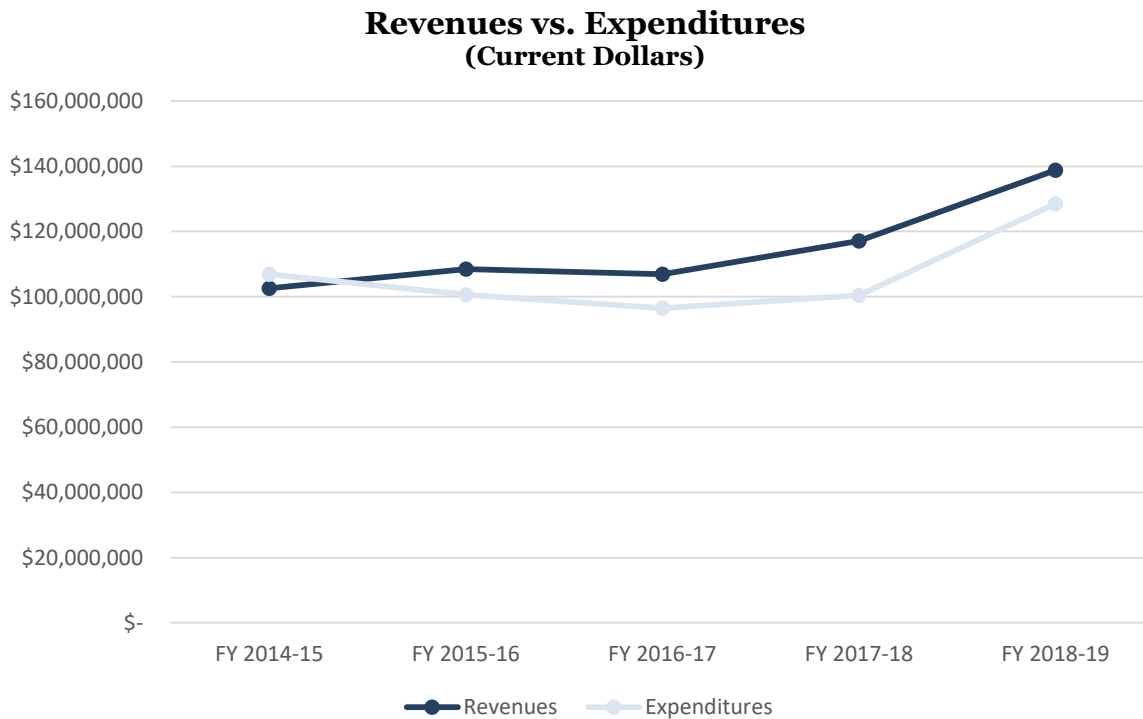
Revenues vs. Expenditures depicts how revenues and expenditures change over time relative to each other.

Formulas. None used.

Trend – Favorable. Pennsylvania Game Commission expenditures exceeded revenues in the first year of our review. However, the Commission quickly cut spending to bring revenues in line with expenditures. Beginning in FY 2015-16, revenues exceeded expenditures and have continued to do so. However, the gap between revenues and expenditures began to close in FY 2018-19.

As shown on Exhibits 20 and 21, revenues and expenditures have changed, virtually in tandem, beginning in year two of our review.

Exhibit 20



Source: Developed by LBFC staff from data provided by the Pennsylvania Game Commission.

Exhibit 21

Revenues vs. Expenditures
(Current Dollars)

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Revenues	\$102,553,580	\$108,446,847	\$106,873,335	\$117,147,608	\$138,762,374
Expenditures	106,878,162	100,579,341	96,512,748	100,422,583	128,494,276

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

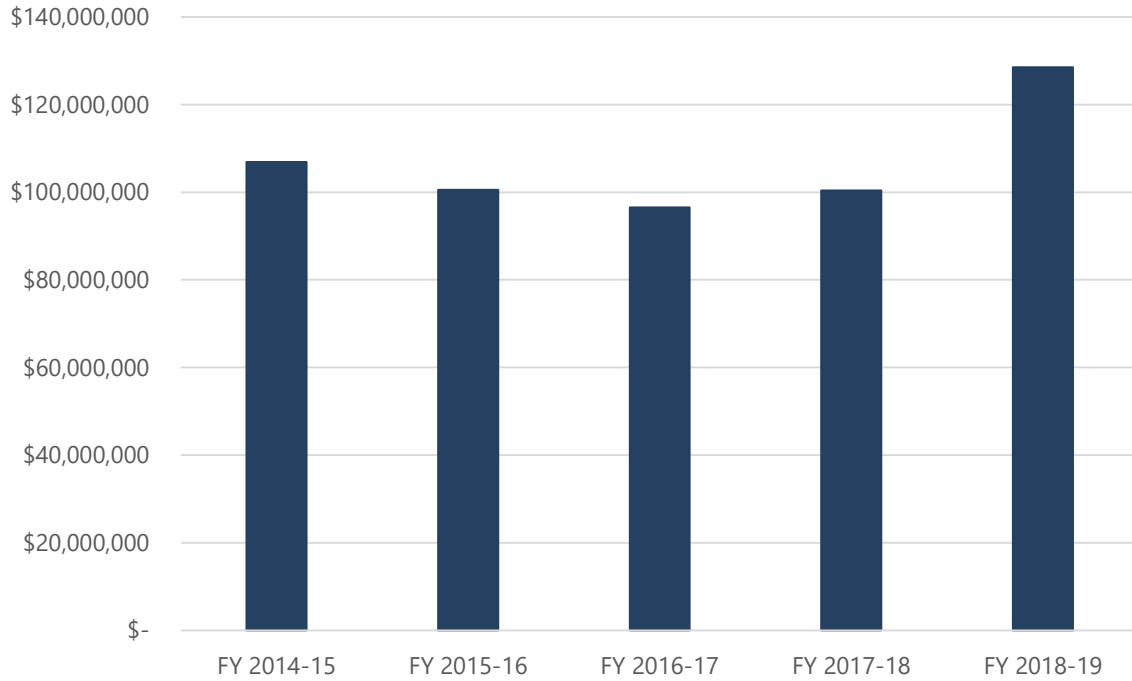
Analysis. Revenues have exceeded expenditures in every year of our review, with the exception of FY 2014-15. From FY 2014-15 to FY 2018-19, revenues increased by 35 percent and expenditures increased by 20 percent. However, from FY 2016-17 to FY 2018-19, revenues increased by 30 percent while expenditures increased by 33 percent. While it is too early to know if the recent expenditure growth exceeding revenue growth is the beginning of a trend, it is something policy-makers should watch closely.

D. Expenditures

Expenditures are an approximate measure of the Pennsylvania Game Commission's service output. An ideal situation would be that expenditure growth rate does not exceed the revenue growth rate and will have maximum spending flexibility to adjust to changing conditions. See Exhibit 22.

Exhibit 22

**Pennsylvania Game Commission Expenditures
 (Current Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Wildlife habitation management is the largest category of expenditures for the Game Commission (43 percent), and has remained remarkably stable over the scope of our study. Wildlife protection and administration are the next highest expenditures at 18 and 17 percent respectively. See Exhibit 23.

Exhibit 23

**Pennsylvania Game Commission Expenditures
 (Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Wildlife Habitat Management	\$46,076,661	\$43,497,052	\$41,945,701	\$42,891,172	\$54,673,661
Wildlife Protection	18,954,918	20,269,650	18,908,147	19,539,922	23,651,454
Administration	13,048,814	12,278,219	13,515,025	17,058,236	22,158,944
Wildlife Management	13,220,564	12,260,138	10,871,866	9,690,942	12,812,653
Information & Education	5,755,498	5,008,255	4,121,372	4,333,535	5,280,154
Automated Technology Services	3,981,474	3,593,341	3,617,454	3,711,608	4,832,360

Exhibit 23 Continued

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Executive Offices	5,840,233	3,672,685	3,533,183	3,197,168	5,085,050
Total:	\$106,878,162	\$100,579,340	\$96,512,748	\$100,422,583	\$128,494,276

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

When required for analysis, adjusting for inflation converts current dollars into constant dollars. The conversion from current to constant allows for analysts to take into account the appearance of growth due to inflation. For this report, we used the Consumer Price Index (CPI), which tracks the prices of goods and services used by average wage earners, as our measure of inflation.

The conversion factor is equal to the 2014 CPI divided by the CPI of the following years. We used the following formula to calculate constant dollars:

$$\text{Current Dollars} \times \frac{2014 \text{ CPI}}{\text{CPI}_{2014 \dots 2018}}$$

Exhibit 24 shows the CPI conversion factor for each year and the percent change from the previous year.

Exhibit 24
CPI Conversion Factor

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Consumer Price Index	252.121	253.132	257.486	262.224	267.166
FY 2014-15 Conversion Table	1.000	0.996	0.979	0.961	0.944
Percent Change:		0.40	1.72	1.84	1.88

Source: Developed by LBFC staff with information from the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 25 shows Game Commission Expenditures in constant dollars.

Exhibit 25

**Game Commission Expenditures
 (Constant Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Wildlife Habitat Management	\$46,076,661	\$43,323,240	\$41,071,715	\$41,238,652	\$51,594,704
Wildlife Protection	18,954,918	20,188,654	18,514,174	18,787,084	22,319,518
Administration	13,048,814	12,229,156	13,233,424	16,401,013	20,911,059
Wildlife Management	13,220,564	12,211,147	10,645,338	9,317,567	12,091,106
Information & Education	5,755,498	4,988,242	4,035,499	4,166,572	4,982,801
Automated Technology Services	3,981,474	3,578,983	3,542,080	3,568,606	4,560,225
Executive Offices	5,840,233	3,658,009	3,459,565	3,073,987	4,798,685
Total:	\$106,878,162	\$100,177,432	\$94,501,796	\$96,553,481	\$121,258,098

Source: Developed by LBFC staff with information provided by the Pennsylvania Game Commission.

Expenditures per Capita and per Licensee

Expenditures per capita and expenditures per licensee reflect the changes of expenditures relative to Pennsylvania's population and the number of licenses sold. As the population or number of licensees increases, it would be reasonable to expect the need for services would increase proportionately. Therefore, the level of per capita and per licensee expenditures should ideally remain constant in real terms, unless the Game Commission adds programs or services.

However, an increase in per capita spending may indicate the cost of providing services is exceeding the public's or licensee's ability to pay. If the increase in spending is greater than would be expected from continued inflation and cannot be explained by the addition of new services, it can be an indicator of declining productivity, whereby the Commission is spending more to support the same level of services.

Formulas.

Expenditures per Capita:

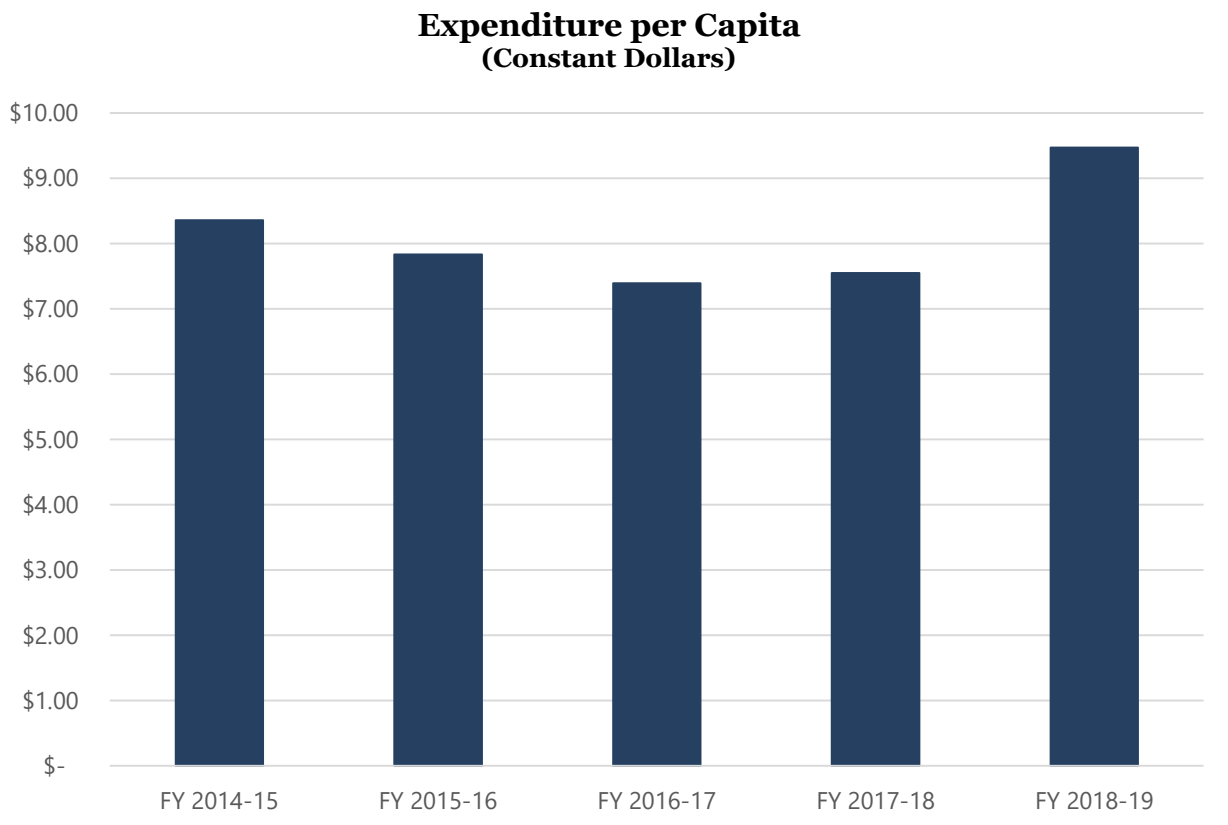
$$\frac{\text{Expenditures}_{(Constant)}}{\text{Pennsylvania Population}}$$

Expenditures per Individual Licensee:

$$\frac{\text{Expenditures}_{(Constant)}}{\text{Licensees}}$$

Trend per Capita – Caution. The overall per capita expenditures (constant dollars) of the Game Fund decreased from \$8.36 to \$7.39, or -12 percent from FY 2014-15 through FY 2016-17. Beginning in FY 2017-18, per capita expenditures began to increase from \$7.39 to \$9.47, or a 28 percent increase. The change in per capita expenditures over the entire scope of our study was an increase of \$8.36 to \$9.47, or 13 percent. See Exhibits 26 and 27.

Exhibit 26



Source: Developed by LBFC staff from information obtained from the Pennsylvania Game Commission.

Exhibit 27

**Expenditure per Capita
(Constant Dollars)**

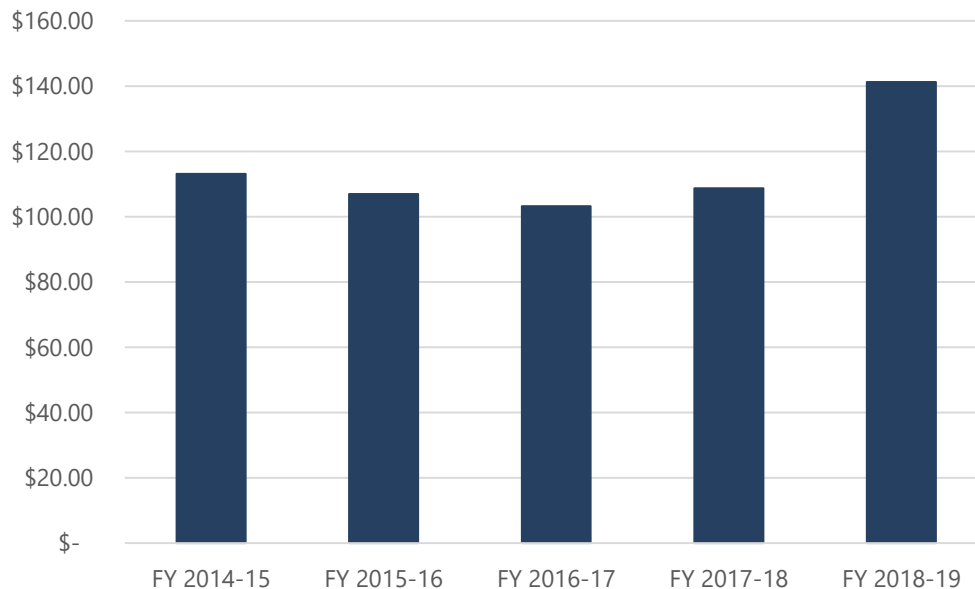
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expenditures (current)	\$106,878,162	\$100,579,341	\$96,512,748	\$100,422,583	\$128,494,276
CPI Conversion	1.000	0.996	0.979	0.961	0.944
Expenditures (constant)	106,878,162	100,177,432	94,501,796	96,553,482	121,258,098
PA Population	12,789,000	12,786,000	12,784,000	12,790,000	12,807,000
Expenditures per Capita (constant):	\$8.36	\$7.83	\$7.39	\$7.55	\$9.47

Source: Developed by LBFC staff from information obtained from the Pennsylvania Game Commission.

Trend per licensee –Caution. The expenditure trend per licensee in constant dollars is similar to the per capita trend. The difference is in the degree. Expenditures per licensee from FY 2014-15 to FY 2016-17 decreased from \$113.16 to \$103.23, or 9 percent. From FY 2016-17 to FY 2018-19, spending per unique licensee increased from \$103.23 to \$141.29, an increase of 37 percent. Over the entire scope of our study, expenditures per licensee in constant dollars increased 25 percent. See Exhibits 28 and 29.

Exhibit 28

**Expenditures per Licensee
(Constant Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 29

**Expenditures per Licensee
(Constant Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Expenditures (current)	\$106,878,162	\$100,579,341	\$96,512,748	\$100,422,583	\$128,494,276
CPI Conversion	1.000	0.996	0.979	0.961	0.944
Expenditures (constant)	106,878,162	100,177,432	94,501,796	96,553,482	121,258,098
Licensees	944,524	936,384	915,490	887,445	858,204
Expenditures per licensee:	\$113.16	\$106.98	\$103.23	\$108.80	\$141.29

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. The overall expenditure trend is concerning. Per capita and per licensee expenditures have grown during the scope of our study. However, the significant increase in PGC expenditures for FY 2018-19 included planned infrastructure initiatives such as building projects with the Department of General Services and capital asset purchases for replacing fully depreciated machinery and equipment beyond their useful life. If the aforementioned expenditures are more than a one-time spike it could be expected that the Pennsylvania Game Commission would be unable to maintain existing service levels unless it finds new revenue sources, increases revenues from existing sources, or decreases costs.

While the PGC serves the entire Commonwealth and not only those who purchase a license, the sale of licenses account for 26 percent of PGC revenue. Increasing expenditures per licensee can indicate the cost of providing services is greater than the hunting community's ability or willingness to pay, especially if spending is increasing faster than a hunter's personal income.

Expenditures by Function

Expenditures by function show a breakdown of the Game Fund expenses. Monitoring this trend can help analyze the causes of changes in expenditures over time by Commission function or department. The Pennsylvania Game Commission operates with seven primary expenditure areas – wildlife habitation management, wildlife protection, administration, wildlife management, information and education, automated technology services, and executive offices.

Formula.

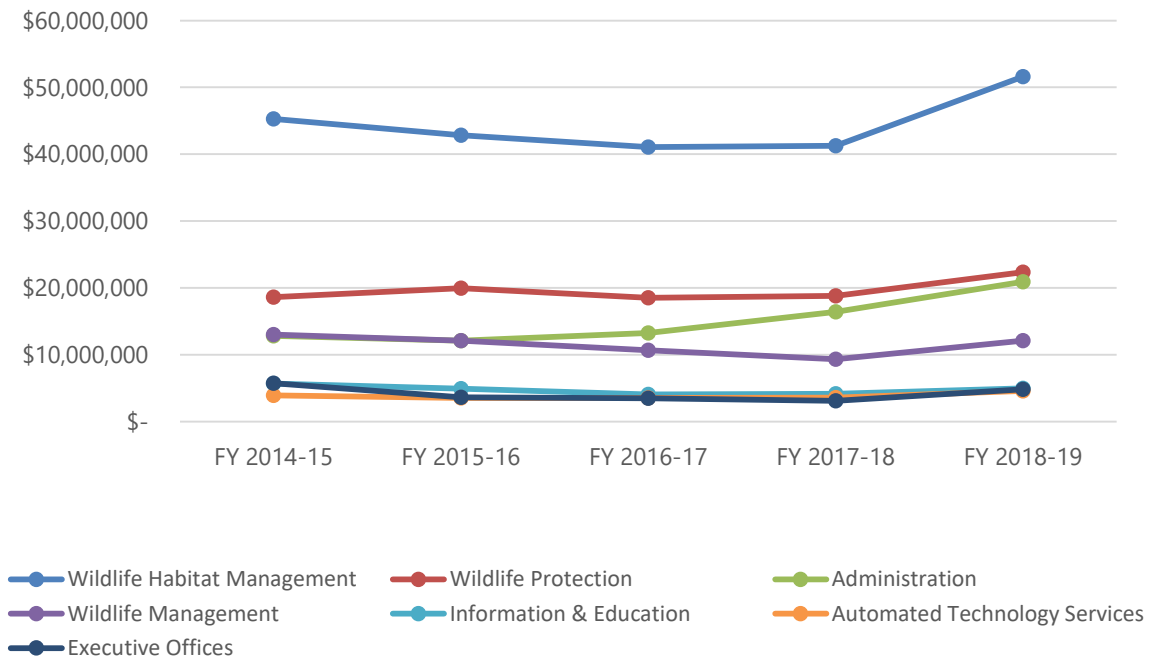
Expenditure by Function:

$$\frac{\text{Function Expenditure}}{\text{Total Expenditures}}$$

Trend – Caution. With the exception of Wildlife Protection, all areas of Game Commission operations saw a decrease in expenditures from FY 2014-15 to FY 2015-16 in constant dollars. In the second year of our study, all categories of expenditures decreased except for administration. Overall, three categories of expenditure realized a decrease in spending from FY 2014-15 to FY 2018-19 – Wildlife management (-7 percent), information and education (-12 percent), and the executive offices (-16 percent). Over the same period, expenditures increased for wildlife habitat management (14 percent), Wildlife Protection (20 percent), Administration (63 percent), and automated technology services (17 percent). According to the Pennsylvania Game Commission, the dramatic increase in administrative spending can be attributed to infrastructure improvements, vehicles, equipment for road repairs, and other maintenance projects. See Exhibits 30 and 31 for additional detail.

Exhibit 30

**Expenditure by Function
(Constant Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 31

**Expenditure by Function
 (Constant Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Wildlife Habitat Management	\$ 45,282,022	\$42,839,556	\$41,071,715	\$41,238,652	\$51,594,704
Wildlife Protection	18,628,021	19,963,257	18,514,174	18,787,084	22,319,518
Administration	12,823,774	12,092,624	13,233,424	16,401,013	20,911,059
Wildlife Management	12,992,562	12,074,815	10,645,338	9,317,567	12,091,106
Information & Education	5,656,239	4,932,551	4,035,499	4,166,572	4,982,801
Automated Technology Services	3,912,809	3,539,026	3,542,080	3,568,606	4,560,225
Executive Offices	5,739,512	3,617,169	3,459,565	3,073,987	4,798,685
Total:	\$105,034,939	\$99,058,997	\$94,501,796	\$96,553,481	\$121,258,098

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. The overall expenditures of the Pennsylvania Game Commission have been unstable over the course of our study. For the first two years of our review, spending decreased an average of five percent. For the final two years of our review, spending increased an average of 14 percent.

Of significant concern is the 63 percent increase in spending in the administrative category. While only 17 percent of expenditures, the administrative category is responsible for the Game Commission's License, Contracts and Procurement, Office Services, and Fiscal Management Divisions.

Employees per Capita and Licensee

Personnel costs are a major portion of the Game Commission's budget. Plotting changes in the number of employees per capita and per licensee is another way to measure changes in expenditures. An increase in employees per capita and per licensee may indicate that expenditures are rising faster than revenues, Commission services are becoming more labor intensive, or personnel productivity is declining.

Formulas.

$$\frac{\text{Number of Game Commission Employees}}{\text{Population of Pennsylvania}}$$

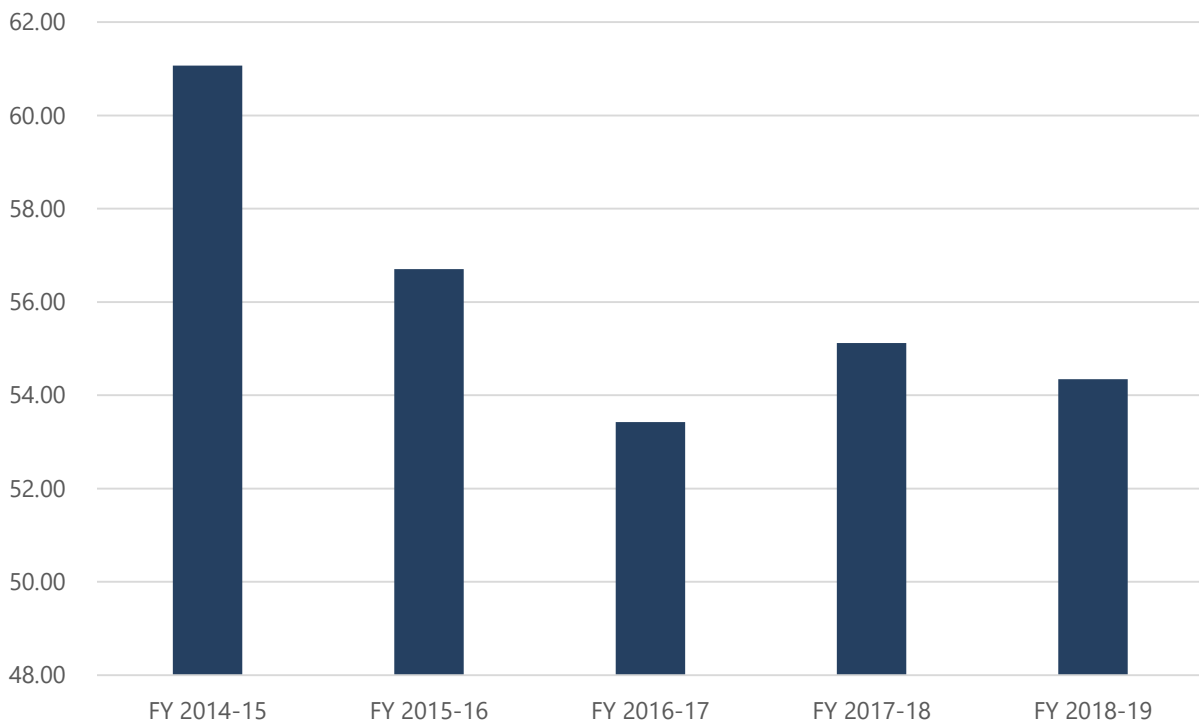
-or-

$$\frac{\text{Number of Game Commission Employees}}{\text{Number of Licensees}}$$

Trend per Capita – Favorable. The number of Game Commission employees per capita decreased significantly from FY 2014-15 to FY 2016-17 – 61 to 53 employees per 1,000,000 state residents. The number of employees increased by three percent the following year before beginning to decline again. Total employees for the Game Commission declined by 85 employees from 781 in FY 2014-15 to 696 in FY 2018-19. Please see Exhibits 32 and 33 for additional details.

Exhibit 32

**Game Commission Employees per Capita
(Per 1,000,000 residents)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 33

**Game Commission Employees per Capita
 (Per 1,000,000 residents)**

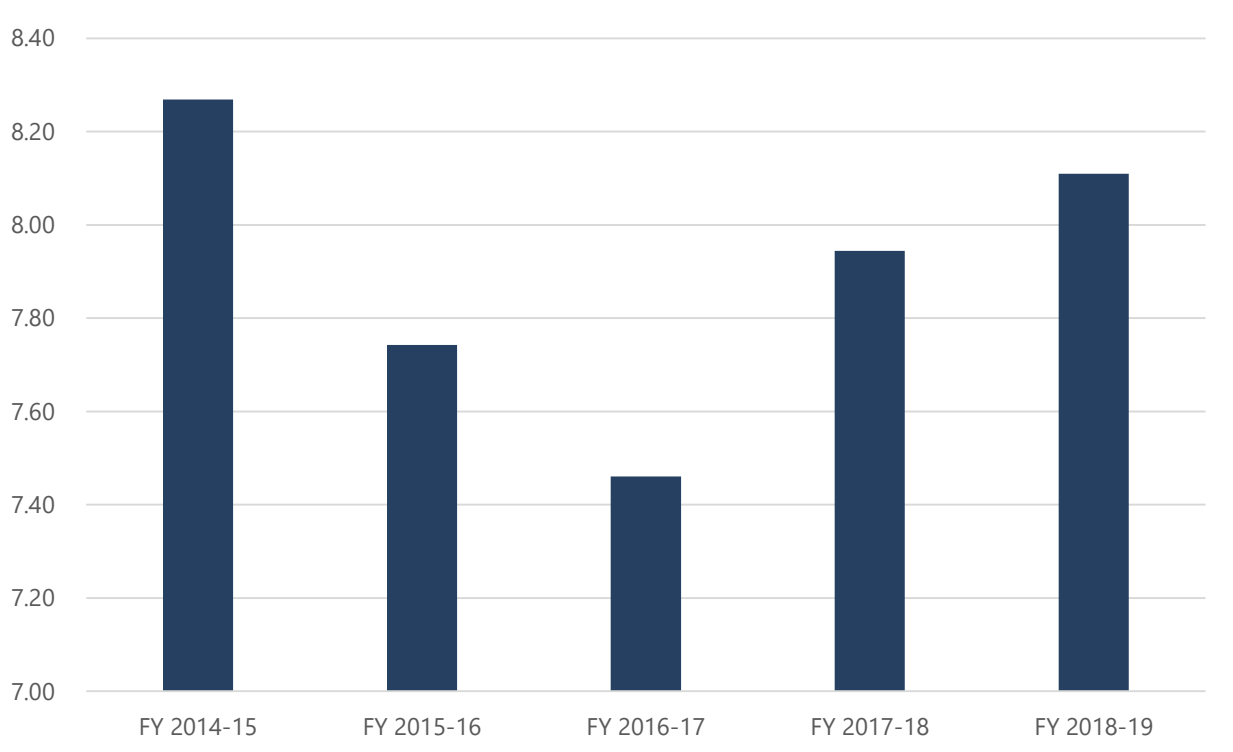
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Employees	781	725	683	705	696
Total Population	12,789,000	12,786,000	12,784,000	12,790,000	12,807,000
Employees per 1,000,000	61.07	56.70	53.43	55.12	54.35

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Trend per Licensee –Caution. From FY 2014-15 to FY 2016-17, the number of game commission employees per licensee declined by nearly 10 percent. However, from the period FY 2016-17 to FY 2018-19, the number of Game Commission employees increased by just under 9 percent. Please see Exhibits 34 and 35 for additional details.

Exhibit 34

**Game Commission Employees per Licensee
 (Per 10,000 Licensees)**



Source: Developed by LBFC Staff with information provided by the Pennsylvania Game Commission.

Exhibit 35

**Game Commission Employees per Licensee
(Per 10,000 Licensees)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Employees	781	725	683	705	696
Active and Distinct Licensees	944,524	936,384	915,490	887,445	858,204
Employees per 10,000	8.27	7.74	7.46	7.94	8.11

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. In response to revenues not meeting projections in FY 2014-15 and FY 2015-16, the Commission began eliminating positions. The Game Commission reversed this trend beginning in FY 2016-17 as revenues began to exceed expectations. While employees compared to the population of Pennsylvania have again begun to decline, the number of employees compared to the number of licensed hunters continues to climb.

The need to cut employees and then reverse that action and add employees, illustrates the importance of accurate revenue projections. With the exception of FY 2016-17, revenues for the Game Commission have risen in every year of our study. However, basing their budget on inaccurate revenue projections required the Commission to rapidly decrease the number of employees.

Personnel Cost as a Percent of Expenditures

As part of Game Fund expenditures, personnel costs reflect the ability of Pennsylvania’s population and/or the number of licensees to pay for the services the Commission provides.

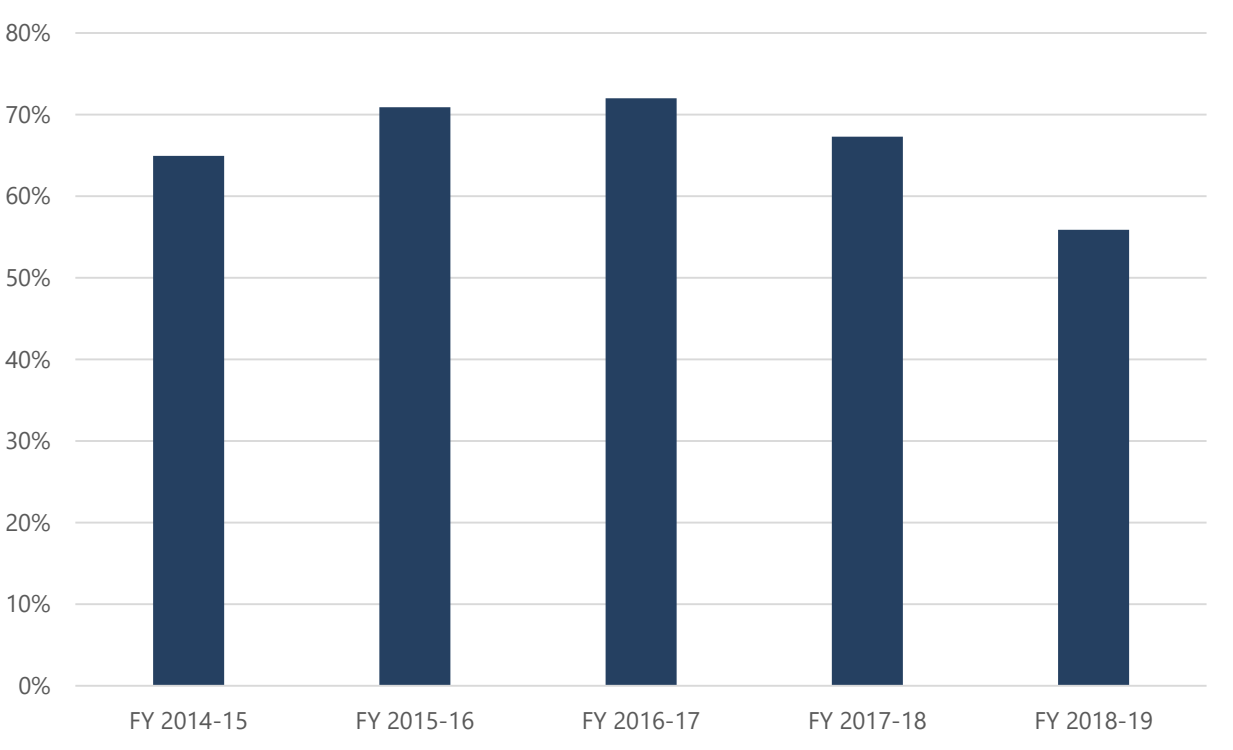
Formula.

$$\frac{\text{Wages and Benefits}}{\text{Expenditures}}$$

Trends – Favorable. From FY 2014-15 to FY 2016-17, personnel costs increased from 65 percent of expenditures to 72 percent. In FY 2016-17 employee costs declined from 72 percent of expenditures to 56 percent. Please see Exhibits 36 and 37 for additional detail.

Exhibit 36

**Total Personnel Cost as a Percent of Expenditures
 (Current Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 37

**Total Personnel Cost as a Percent of Expenditures
 (Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Wages and Benefits	\$69,425,425	\$71,310,059	\$69,498,518	\$67,581,458	\$71,829,577
Expenditures	106,878,162	100,579,341	96,512,748	100,422,583	128,494,276
Percent of Expenditures:	64.96	70.90	72.01	67.30	55.90

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. Rising personnel costs put pressure on the ability of Pennsylvania taxpayers and/or licensees to pay for the services provided by the Game Commission. While personnel costs as a percent of expenditures declined in the final two years of our review, this is primarily the result of a 28 percent increase in spending in FY 2018-19. If spending had

increased at the same rate as the previous year (4 percent), this indicator would have begun to rise again. As such, this is an area that the Commission should continue to watch closely until a more stable trend is established.

Fringe Benefits as a Percent of Wages and Benefits

The fringe benefits measured in this indicator are retired employee health insurance, Social Security, Medicare, State employee retirement, State Worker Insurance Fund, employee group life, and active employee health insurance. The level of benefits included here are beyond the control of the Game Commission. Charting these costs is valuable as they can escalate and place a financial strain on the Commission.

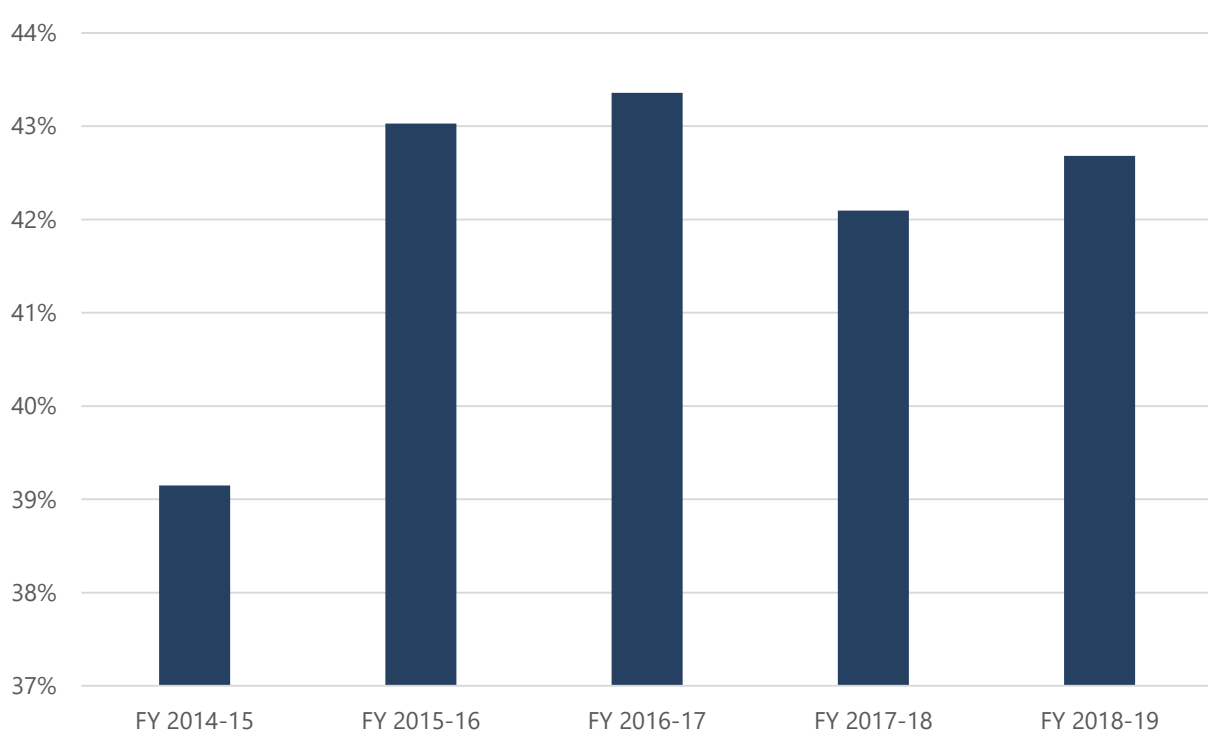
Formula.

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Wages and Benefits}}$$

Trend – Warning. Fringe benefit expenditures increased from \$27 million in FY 2014-15 to \$30.7 million in FY 2018-19 – an increase of 13 percent. Over the same time period, wages and benefits increased from \$69 million to \$71.8 million – an increase of just three percent. The fringe benefit to wages and benefits ratio increased from 39.15 percent to 42.68 percent over the period. Please see Exhibits 38 and 39 for additional details.

Exhibit 38

**Fringe Benefit Expenditures as a Percent of Wages and Benefits
 (Current Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 39

**Fringe Benefit Expenditures as a Percent of Wages and Benefits
 (Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Fringe Benefits	\$27,179,767	\$30,684,244	\$30,132,325	\$28,449,286	\$30,657,611
Wages & Benefits	69,425,425	71,310,059	69,498,518	67,581,458	71,829,577
Percent of Wages and Benefits:	39.15	43.03	43.36	42.10	42.68

Source: Developed by LBFC staff with information provided by the Pennsylvania Game Commission.

Analysis. Fringe benefit expenditures as a percent of wages and benefits rose over the period of our study. As the cost of benefits increases more rapidly than wages and benefits, the Commission’s finances will come under strain if action to restrict costs is not taken.

Retirement Costs as a Percent of Wages and Benefits

Pension costs are beyond the control of the Game Commission. Charting these costs as a percent of wages and benefits, if they are escalating, show a financial strain on the Commission – and hinder its ability to continue to provide services to licensees and the general public.

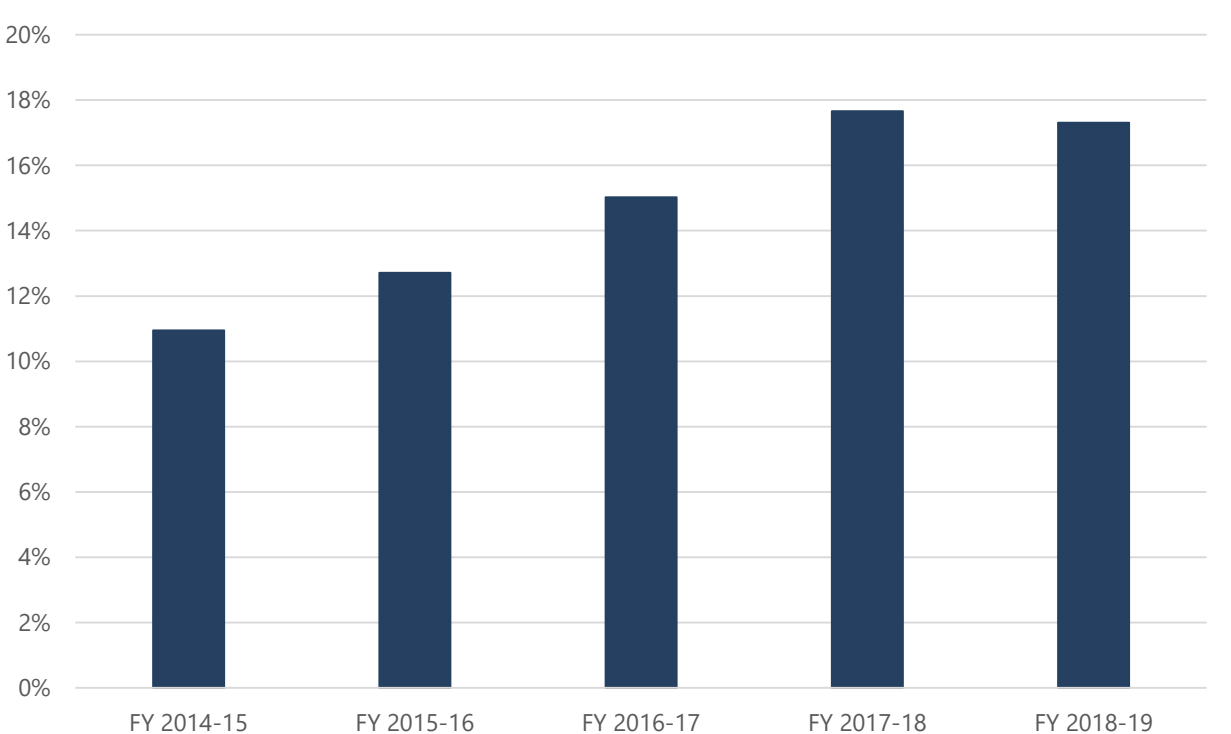
Formula.

$$\frac{\text{Pension Costs}}{\text{Wages and Benefits}}$$

Trend – Warning. The pension ratio averaged 15 percent between FY 2014-15 and FY 2018-19. The high point reflected over this period is FY 2017-18, which measured 17.66 percent. The trend for this indicator shows annual increases from prior fiscal years and is anticipated to continue into the future. Please see Exhibits 40 and 41 for additional details.

Exhibit 40

Pension Costs as a Percent of Wages and Benefits (Current Dollars)



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 41

**Pension Costs as a Percent of Wages and Benefits
(Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Retirement	\$7,602,686	\$9,066,320	\$10,440,756	\$11,932,268	\$12,435,003
Wages and Benefits	69,425,425	71,310,059	69,498,518	67,581,458	71,829,577
Percent of Wages and Benefits:	10.95	12.71	15.02	17.66	17.31

Source: Developed by LBFC staff with information provided by the Pennsylvania Game Commission.

Analysis. As stated earlier, pension costs are largely outside the Commission's control. We note with concern the rising costs related to State Employees Retirement System benefits. If pension costs continue to increase, the result will be a significant strain on the Game Commission.

E. Operating Position

Operating position refers to the Pennsylvania Game Commission's ability to maintain reserves for emergencies, and maintain sufficient cash to pay short-term obligations and bills. The Commission will generate an operating surplus (revenues exceed expenditures) or deficit (expenditures exceed revenues), which are created from policy decisions by the Commissioners or unintentionally from imprecise forecasted revenues and expenditures. Reserves are built through the accumulation of annual operational surpluses. These are maintained for a financial safety net in the case of a loss of a revenue source or economic downturn.

Game Fund Operating Surplus or Deficit

An operating surplus occurs when current revenues exceed current expenditures. If the reverse is true, it means that at least during the current year, the Game Commission is spending more than it receives. This can occur because of an emergency such as a natural catastrophe that requires a large immediate outlay or severely restricts revenues. It can also occur as a result of a conscious policy to use surplus fund balances that have accumulated over time. The existence of an operating deficit in any one-year may not be cause for concern, but frequent occurrences may indicate that current revenues are not supporting current expenditures and serious adjustments such as cutting costs or decreasing levels of service may be required.

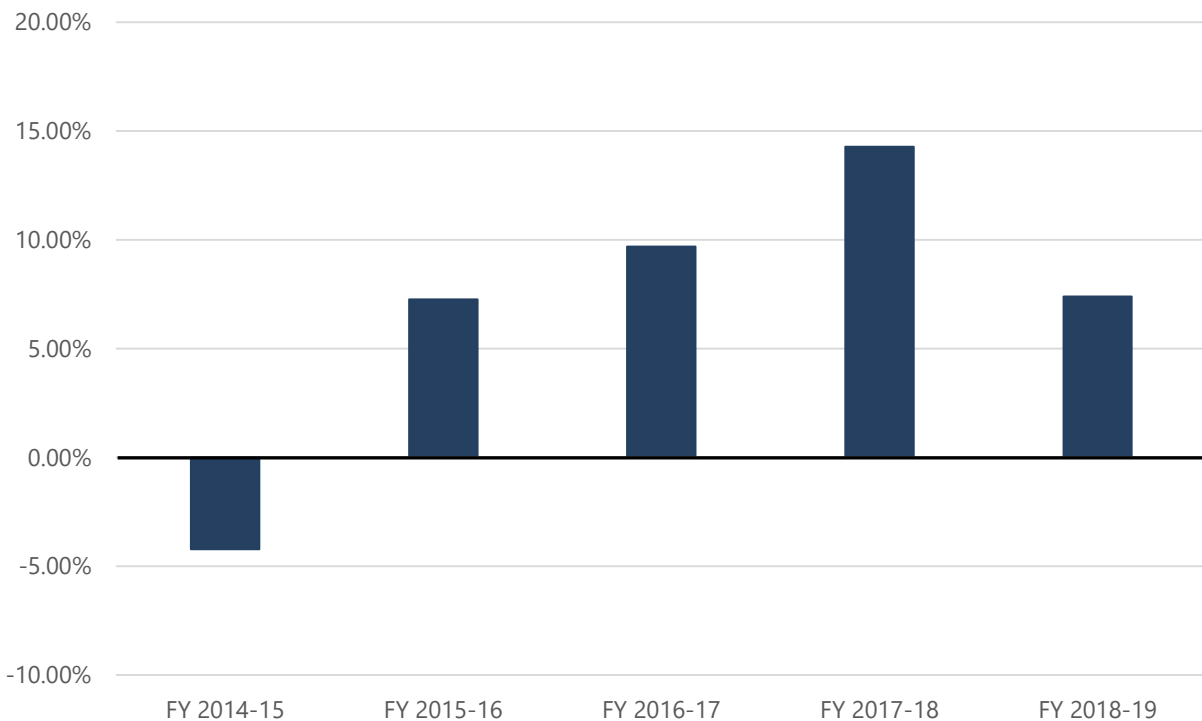
Formula.

$$\frac{\text{Game Fund Revenues} - \text{Game Fund Expenditures}}{\text{Game Fund Revenues}}$$

Trend – Favorable. In FY 2014-15 the Game Commission experienced an operating deficit of 4 percent. However, because of significantly improved revenues and cost cutting, FY 2015-16 showed an operating surplus. The Game Fund has had an operating surplus from FY 2015 – 16 to FY 2018-19. It should be noted, however, that the FY 2018-19 operating surplus is significantly reduced (although still positive) from the prior year. Please see Exhibits 42 and 43 for additional detail.

Exhibit 42

**Game Fund Surplus/Deficit as a Percent of Revenues
(Current Dollars)**



Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Exhibit 43

**Game Fund Surplus/Deficit as a Percent of Revenues
(Current Dollars)**

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Game Fund Revenues	\$102,553,580	\$108,446,847	\$106,873,335	\$117,147,608	\$138,762,374
Game Fund Expenses	106,878,162	100,579,341	96,512,748	100,422,583	128,494,276
Surplus / Deficit	(4,324,582)	\$7,867,506	10,360,587	16,725,025	10,268,099
Percent of Revenues:	-4.22	7.25	9.69	14.28	7.40

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis. For the first four years of our review, the Game Fund’s operating position improved. However, FY 2018-19 shows a decrease in the Fund’s operating surplus. It is possible this is a one year event. However, given the current recession brought on by COVID-19, it is possible the trend will continue.

Fund Balance

The level of the Game Commission’s fund balance may determine its ability to withstand unexpected financial emergencies, which may result from natural disasters (or a pandemic), revenue shortfalls, or steep rises in inflation. It also may determine the Commission’s ability to accumulate funds for large-scale one-time purchases without having to incur debt.

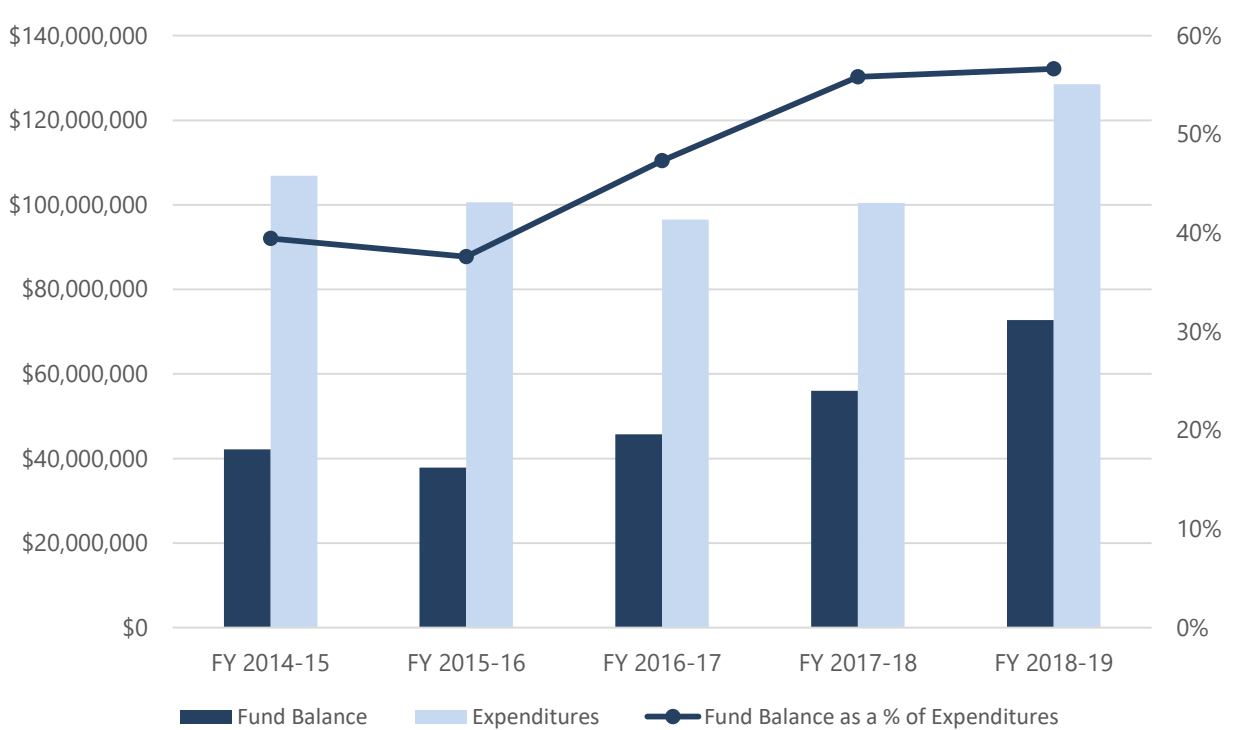
Formula.

$$\frac{\text{Game Fund Balance}}{\text{Game Fund Expenditures}}$$

Trend – Favorable. The Commission’s Fund Balance as a percent of expenditures in FY 2014-15 stood at 39.44 percent. It decreased to 37.61 percent in FY 2015-16 before rebounding significantly to 47.34 percent and 55.82 percent in FYs 2016-17 and 2017-18, respectively. The change from FY 2017-18 to FY 2018-19 was more modest. Please see Exhibits 44 and 45 for additional details.

Exhibit 44

Game Fund Balance as a Percent of Expenditures



Source: Developed by LBFC staff with information provided by the Pennsylvania Game Commission.

Exhibit 45

Fund Balance as a Percent of Expenditures

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Fund Balance	\$42,147,965	\$37,823,383	\$45,690,890	\$56,051,477	\$72,776,502
Expenditures	106,878,162	100,579,341	96,512,748	100,422,583	128,494,276
Balance as a Percent of Expenditures:	39.44	37.61	47.34	55.82	56.64

Source: Developed by LBFC staff from information provided by the Pennsylvania Game Commission.

Analysis - Given the size of its fund balance, the Game Commission is in a strong position to weather the challenges it faces in the near term (decreasing number of hunters, COVID-19 recession, and pension costs). However, the cushion will not last forever. Of these three areas, the Game Commission's policies can only reasonably influence the number of hunters. As such, it is critical that the Commission focus on this area.

SECTION IV BACKGROUND INFORMATION ON THE PENNSYLVANIA GAME COMMISSION (PGC)



Fast Facts...

- ❖ *The Pennsylvania Game Commission (PGC) is an independent public wildlife protection agency established in 1895.*
- ❖ *The PGC is comprised of eight citizens of the Commonwealth appointed by the Governor.*
- ❖ *The mission of the PGC is to protect, propagate, manage, and preserve the game or wildlife of Pennsylvania.*

Overview

Act 2019-107 directs the LBFC to prepare a financial analysis of revenues, including fees, fines, penalties, royalties, Federal and State appropriations and other sources of revenue received by the Pennsylvania Game Commission (PGC) and of expenditures, including annual operating costs, investments, land purchases, and capital projects.

This section provides an overview of the PGC, the Game Fund, revenues and expenditures, financial position, agency composition, organizational structure, and staffing.

Agency Mandate and Mission

The PGC is an independent public wildlife protection agency established by Act 1895-187. This act created the Board of Game Commissioners to "protect and preserve the game, song and insectivorous birds and mammals of the state . . ." and to "enforce the laws of this Commonwealth relating to the same." Act 1897-103 set forth the actions prohibited by law and the penalties for such actions. Act 1937-316 consolidated the game laws and changed the name of the Board of Game Commissioners to the PA Game Commission. Act 1986-93, which became effective on July 1, 1987, codified the game laws into the Game and Wildlife Code.

Powers and Duties

As directed in the Game and Wildlife Code, 34 Pa.C.S.A. §322(a), the Game Commission is:

. . . to protect, propagate, manage and preserve the game or wildlife of this Commonwealth and to enforce, by proper actions and proceedings, the laws of this Commonwealth relating thereto.

The Game Commission "has the power and duty to take all actions necessary for the administration and enforcement" of the Game and Wildlife Code. As stated in the Code, 34 Pa.C.S.A. §322(c), the Commission has the following specific powers and duties:

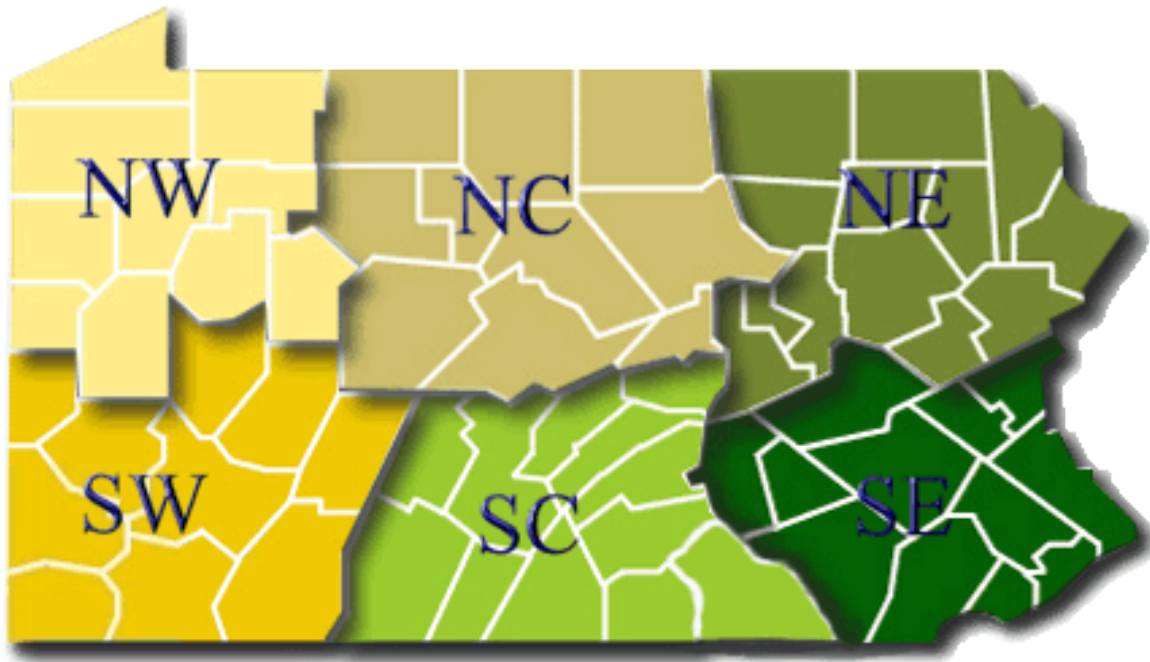
- To fix seasons, daily shooting or taking hours, and any modification thereof, and daily, season and possession limits for any species of game or wildlife.
- To remove protection, declare an open season or increase, reduce or close a season.
- To increase or reduce bag limits or possession limits.
- To define geographic limitations or restrictions.
- To fix the type and number of devices which may be used to take game or wildlife.
- To limit the number of hunters or furtakers in any designated area and prescribe the lawful methods of hunting or taking furbearers in these areas.
- To govern the use of recorded calls or sounds or amplified calls or sounds of any description for taking or hunting game or wildlife.
- To add to or change the classification of any wild bird or wild animal.
- To prohibit the possession, importation, exportation or release of any species of birds or animals which may be considered dangerous or injurious to the general public or to the wildlife of this Commonwealth.
- To manage and develop its lands and waters and other government or private lands and waters under agreement with the owners as it considers advisable and, by proper action and proceedings, enact and enforce regulations to insure the prudent and proper use of these lands.
- To collect, classify and preserve such statistics, data and information as in its judgment will tend to promote the object of the Game and Wildlife Code and take charge of and keep all reports, books, papers, and documents which shall, in the discharge of its duties, come into its possession or under its control.
- To take any necessary action to accomplish and assure the purposes of the Game and Wildlife Code.
- To serve the interest of sportsmen by preserving and promoting our special heritage of recreational hunting and furtaking by providing adequate opportunity to hunt and trap the wildlife resources of this Commonwealth.

Pennsylvania Game Commission Board of Commissioners

The Commission is comprised of eight citizens of the Commonwealth appointed by the Governor, with the advice and consent of two-thirds of the Senate.¹⁰ Commissioners are appointed from various geographical districts of the state. These districts are not the same as Game Commission agency regions.¹¹ Exhibits 46 and 47 show PGC regions, commissioner districts and terms.

Exhibit 46

PGC Region Offices



Source: Pennsylvania Game Commission.

¹⁰ The Game and Wildlife Code, 34 Pa. C.S.A § 301, provides that members of the commission shall hold office for terms of four years each and may continue to hold office for a period of time not to exceed six months or until a successor is appointed and qualified, whichever occurs first. A member of the commission who serves three consecutive terms shall not be eligible for reappointment to the commission.

¹¹ <https://www.pgc.pa.gov/InformationResources/AboutUs/Commissioners/Pages/default.aspx>

Exhibit 47

PGC Districts, Commissioners, and Terms
 (as of December 31, 2019)

District	Counties	Incumbent	Term
I	Butler, Clarion, Crawford, Erie, Forest, Lawrence, Mercer, Venango and Warren	Kristen Schnepf-Giger Warren County	Nov. 2019 – Nov. 2020
II	Allegheny, Armstrong, Beaver, Fayette, Greene, Indiana, Washington, Westmoreland	Dennis R. Fredericks Washington County	June 2018 – June 2022
III	Cameron, Centre, Clearfield, Clinton, Elk, Jefferson, McKean, Potter	Scott H. Foradora Clearfield County	June 2018 – June 2022
IV	Bedford, Blair, Cambria, Fulton, Huntingdon, Somerset	Tim Layton Somerset County	June 2013 – June 2021
V	Bradford, Columbia, Lycoming, Montour, Northumberland, Sullivan, Tioga, Union	Charles E. Fox – President Bradford County	Oct. 2012 – Oct. 2020
VI	Adams, Cumberland, Dauphin, Franklin, Juniata, Lancaster, Lebanon, Mifflin, Perry, Snyder, York	Michael Mitrick – Secretary York County	July 2017 – July 2021
VII	Carbon, Lackawanna, Luzerne, Monroe, Pike, Susquehanna, Wayne, Wyoming	Stanley Knick Jr. – Vice President Luzerne County	July 2017 – July 2021
VIII	Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Northampton, Philadelphia, Schuylkill	Brian H. Hoover Delaware County	June 2012 – June 2020

Source: Pennsylvania Game Commission.

Agency Structure, Functions, and Staffing

The Commission recently updated their organizational chart as of April 19, 2020. As shown on the PGC organizational chart in Appendix B, the Commission has an Executive Office, six bureaus, and six regional offices. The information that follows provides information on each of the areas within the commission.

Executive Office

The Executive Office is responsible for planning, directing, executing, and coordinating all of PGC wildlife management programs in order to fulfill the agency's statutory and constitutional mandates. The functions of the Executive Office include developing and recommending a budget for consideration by the Commission and for presentation to the Governor as well as developing legislation to present to the General Assembly. Additionally, the Executive Office oversees the Human Resource Function

and the operation of the Ross Leffler School of Conservation, evaluates existing policies, and develops new PGC policies. The Executive Office also establishes and maintains working relationships with other state, federal, and private agencies and sportsmen's groups.

Human Resources Office. Develops, coordinates, administers and directs all Commonwealth Human Resource programs and activities in the following areas:

- Labor Relations: Contract Negotiations, interpretation and training as well as grievance investigation and arbitration and employee conduct and discipline.
- Classification and Pay: Advises managers and supervisors on appropriate compensation for new and reclassified employees and oversees the SAP transactions. Develops and revises Job Specifications, and conducts desk audits on agency positions.
- Recruitment, Selection & Placement: Plans, develops and directs the recruitment, selection and placement programs for the entire agency. Advises and trains bureau directors and managers regarding the selection and placement of all Civil Service and Non-Civil Service employees.
- Employee Benefits and Services: Directs the Employee Benefits program and is responsible for directing employee benefits, worker's compensation, time administration, unemployment compensation, and safety programs. Coordinates leave administration, record keeping, transaction processing, affirmative action, Americans with Disabilities Act compliance and workforce analysis and planning. All the above programs and other related activities are developed, coordinated and implemented as necessary in accordance with agency policy, civil service law, Commonwealth Personnel Rules and collective bargaining agreements.

Deputy Executive Director for Regional Operations and Training

This Deputy Executive Director oversees all operations and activities for PGC regional offices and training school.

Regional Offices. Game Commission field operations are administered through its six regional offices in Franklin, Bolivar, Jersey Shore, Huntingdon, Dallas, and Reading. The Regional Offices are responsible for planning, organizing, and directing the implementation of all agency programs within a specific geographic area. Each region is responsible for the administration of agency programs including: Wildlife Protection, Information and Education, Habitat Management, and Wildlife Management. To accomplish these tasks, regional office staff provides administrative services by utilizing management information systems.

Training School. Under the direction of the Executive Office, the Bureau directs and manages the overall training function, with emphasis on the Ross Leffler School of Conservation. Mandatory in-service law enforcement training for wildlife conservation officers (approximately 200) and deputy wildlife conservation officers (approximately 1,100), management training, safety training, out-service training, Right-to-Know act compliance, Hazardous Material training, and other agency training is provided as required.

Deputy Executive Director for Administration, Communications, and Wildlife Operations

The Deputy Executive Director oversees the operations and activities for contracts and procurement, communications, technology, and training. Additionally, this director oversees the management, protection, propagation, and preservation of Pennsylvania's wildlife resources and habitats.

Bureau of Wildlife Protection. The Bureau of Wildlife Protection is responsible for administering and coordinating the agency's wildlife law enforcement program in accordance with the statutory requirements of the Game and Wildlife Code, Title 58 of the Pennsylvania Code, other applicable state laws, federal statutes and Pennsylvania Game Commission policies and directives.

Enforcement Division. The Enforcement Division oversees the day-to-day operations of the Law Enforcement Uniform System. This includes interactions with uniform equipment vendors; evaluates, purchases and maintains adequate inventories of currently issued uniform equipment; oversees agency firearms records; serves as agency liaison for ATF Federal Firearms License; coordinates the Deputy Game Warden program; reviews all subject resistance/assault on officer reports; serves as lead agency representative to the Pennsylvania Emergency Management Agency (PEMA); and serves as agency armorer for issued handguns, shotguns, patrol rifles and other.

Special Permit Enforcement Division. The Special Permit Enforcement Division manages the Agency Special Permit system; coordinates the activities of the Rehabilitation Council; acts as liaison officer to falconers, the Department of Health, and the Department of Agriculture; reviews all disabled persons permits; oversees all special use permits; coordinates annual meeting with Sporting Dog Owners group; and reviews all law enforcement printed materials for publication in Game News.

Administrative Division. The Administrative Division oversees the prosecution reporting system and Incident Management System; oversees all hunting license revocations; serves as administrator for the Interstate Wildlife Violator Compact; coordinates agency shooting team activities;

oversees Commonwealth Law Enforcement Assistance Network (CLEAN) operation; and supervises Justice Network (JNET) operation.

Special Operations Division. The Special Operations Division oversees the Special Investigations program and the K-9 Unit; coordinates the activities of the Woodland Tracking Team; researches and develops bureau policies and procedures (SOP's); plans, develops, and directs the operation of the Statewide Law Enforcement program; analyzes and makes recommendations on course of action on serious personnel issues; assists with and conducts internal investigations; serves as lead officer for the Middle-Atlantic-Great Lakes Organized Crime Law Enforcement Network; serves as Agency Homeland Security Officer; researches, applies, and acquires training and equipment through grant programs; and participates in Deputy Game Warden Trial Board hearings.

Centralized Dispatch Operations Division. The Centralized Dispatch Operations Division is responsible for receiving all calls for service related to wildlife issues in the Commonwealth. Additionally, the Division develops and modifies the statewide radio system, microwave, and related telecommunications systems within the Commonwealth, specifically, the Pennsylvania Game Commission Communications Network; and manages all radio applications associated with transition and operations on the statewide P25 Land Mobile Radio System (PA-STARNet).

Bureau of Administrative Services. The Bureau of Administrative Services manages the operations and activities for the PGC budget, contracts, procurement, office services, and the issuing of hunting licenses. This Bureau is also responsible for the procurement, maintenance, and management/disposal of the Commission's automotive fleet. Four divisions operate within this Bureau including the Fiscal Management, Contracts and Procurement, License, and Office Services Divisions.

License Division. The License Division oversees the administration and management of all Commonwealth hunting license issuing agent activity; oversees approximately 900 issuing agents including county treasurers, commercial agents and Game Commission offices; initiates legal actions when necessary; and administers computer programs for the license system.

Contracts and Procurement Division. The Contracts and Procurement Division administers purchases for goods, services, and commodities for Commission distribution.

Office Services Division. The Office Services Division oversees mailroom activities, storekeeping, purchasing of office supplies and equipment, mailing and duplicating activities. Additionally, the Division oversees

Game Commission carpool, maintenance, and permanently assigned staff vehicles.

Fiscal Management Division. The Fiscal Management Division oversees the preparation, analysis, and control of bureau and regional budgets. The Division also provides technical advice and assistance to Commission officials in the preparation of budget requests.

Bureau of Information and Education. The Bureau of Information and Education is responsible for statewide information and education programs in conformation with the Pennsylvania Game and Wildlife Code and Title 58 of the Pennsylvania Code, which include the following program elements: administration, customer service, education, media relations, production, public involvement, human dimensions and training/internal communications. The Bureau is responsible for coordinating the information and education activities of regional supervisors, the agency Game Wardens, Deputy Game Wardens, and hunter-trapper education instructors throughout the commonwealth.

Research and Education Division. The Research and Education Division develops the curriculum and coordinates the statewide planning of hunter-trapper education programs within the Game Commission. Courses include basic hunter-trapper education, and advanced courses on subjects such as bow hunting and furtaking. The Division develops and implements programs designed to increase the number of first-time hunters/trappers within the Commonwealth; develops and implements programs designed to increase the number of individuals who participate in shooting sports in the Commonwealth through programs such as the National Archery in the School program and the Student Air Rifle program; conducts a variety of surveys with hunters/trappers and the general public to provide the Commission with a greater understanding regarding the human behavioral aspects of wildlife management and policy; and maintains network relationships with state, national and international programs, organizations and agencies involved in conservation education.

Publications Division. The Publications Division produces the *Pennsylvania Game News*, the agency's flagship publication, which is sent to approximately 100,000 individuals monthly; creates the annual *Hunter-Trapper Digest* which is provided to all purchasers of hunting licenses; develops, coordinates and approves all Game Commission news releases and responses to all news media outlets; and issues the yearly *Pennsylvania Big Game Records* book.

Media Services Division. The Media Division writes, records, edits, and packages video and audio programs on agency functions and projects; provides video and photographic services for news media and agency

personnel; develops, coordinates and approves information prepared for the Commission website; and responds to general public inquiries and requests for information.

Bureau of Wildlife Management. The bureau is responsible for directing the Game Commission's statewide wildlife conservation and management programs including comprehensive species conservation planning; investigations and research; population and harvest monitoring; harvest management programs; endangered and threatened species recovery projects and reintroductions; technical assistance in wildlife management, permitting, and habitat management; health monitoring and disease response; and data analysis and interpretation.

Game Management Division. The Game Management Division designs and independently conducts management-directed research studies; works with technical staff to develop management plans that are implemented at the region level; develops, implements and evaluates technical wildlife management program goals, objectives and strategies; directs the preparation, review, approval and implementation of long-range wildlife species management plans; directs the development and implementation of technical program rules and procedures and evaluates compliance; evaluates program implementation at staff and region levels to determine effectiveness and recommends appropriate remediation; and designs and coordinates statewide and regional game and furbearer population monitoring and harvest management programs; provides technical assistance on game management issues and prepares reports of findings for the Board of Commissioners, Executive Office, and senior staff.

Wildlife Services Division. The Wildlife Services Division provides coordination and support services for game management, wildlife diversity, and regional operations on all operational-related issues and needs; assists in administration of State Wildlife Grant and Landowner Incentive Grant programs; coordinates and administers large-scale wildlife management and conservation projects in conjunction with the federal Pittman-Robertson Federal Aid-in-Wildlife Restoration Program; assists in coordination of contracts used for bureau-related activities; recommends seasons and bag limits and other regulations for game and furbearer management; provides expert testimony at various hearings, administrative and legal proceedings on wildlife management and conservation matters; coordinates and assists in wildlife staff training; coordinates national wildlife surveys; designs, coordinates and manages wildlife databases; provides technical support on wildlife research reports; produces quarterly bureau activities reports; serves as a liaison for the Penn Vet, Wildlife Futures Program; coordinates and directs propagation and release of ring-necked pheasants for increased public hunting opportunities; and provides technical support to clubs, schools and individuals in pheasant rearing.

Wildlife Diversity Division. The Wildlife Diversity Division designs and independently conducts management-directed research studies; designs and coordinates statewide and regional endangered, threatened, and non-hunted species population monitoring and restoration programs; develops, reviews and revises the Pennsylvania State Wildlife Action Plan; assists in the administration of State Wildlife Grant and Landowner Incentive Grant programs; receives, analyzes, and interprets wildlife data to determine population status and trends; develops and manages databases of species survey data and important habitats; provides technical assistance in wildlife impact assessments for proposed energy and development projects; provides technical assistance on non-game management issues; and serves as a liaison for the Penn Vet, Wildlife Futures Program that includes diagnostics and disease surveillance, applied research, communications, outreach, policy, and, upholding animal welfare protocols.

Wildlife Administration Division. The Wildlife Administrative Division works with Bureau of Wildlife Management (BWM) division chiefs and Bureau Director to develop and maintain a comprehensive database of BWM wildlife research and monitoring activities implemented by staff in the PGC's six region offices. The division also works with staff to develop and monitor implementation of annual work plans based on the statewide research and monitoring project database; works with the Diversity Division Chief, the Game Divisions Chief, the Board of Commissioners, and the Executive Office to prioritize monitoring and research objectives and timeframes within the BWM; participates in the review process for research proposals and for new or expanded monitoring program proposals; serves as a liaison for the Penn Vet, Wildlife Futures Program; compiles quarterly reports of program-based expenditures and accomplishments from Bureau and regional biologists for Executive Office, board meetings, and legislative briefings; and assists in the planning and directing of wildlife management bureau programs through collaboration with the Bureau Director.

Bureau of Wildlife Habitat Management. The Bureau of Wildlife Habitat Management is responsible for managing PGC lands acquired through purchase or secured through cooperative lease arrangements. The Bureau also provides for public access to these lands for recreational pursuits, and reviews wildlife impact assessments on private and public lands. The development of comprehensive plans and the development of these lands for wildlife habitats by timber harvests and removal of oil, gas, and/or minerals is another major task assigned to this bureau. The bureau is charged with direct management of about 1.5 million acres of State Game Lands and assists with another 2.2 million acres of private land enrolled in the agency's Public Access Program. The bureau is comprised of five divisions including the Real Estate, Engineering, Environmental Planning and Habitat Protection, Habitat Planning and Development, and Forestry Divisions.

Engineering Division. The Engineering Division manages infrastructure on State Game Lands; designs and constructs projects using the Growing Greener programs; conducts inspections of existing facilities and coordinates disaster relief projects and funding; maintains Game Commission headquarters building and Haldeman Island facilities.

Habitat Planning and Development Division. The Habitat Planning and Development Division plans, develops, and implements wildlife management activities on State Game Lands and certain other public and private lands. The division also manages and implements the following: programs for federal and state habitat grants; GIS planning and development; public access for enhanced hunting and trapping opportunities; public and private lands habitat planning and development; and the cooperative use agreements on State Game Lands. The division coordinates State Wildlife Grants, Landowner Incentive Program Grants, and Threatened and Endangered Species Protection Grants with the Bureau of Wildlife Management.

Forestry Division. The Forestry Division oversees management of the forestry program on State Game Lands. This includes all aspects of planning and development for commercial timber sales, timber management relating to wildlife habitat goals and objectives, GIS planning for forest cover types, and timber forestry inventory analysis on all State Game Lands. This division also tracks all expenditures to inventory, plan, develop, implement, and manage for sustainable and healthy timber regeneration and future commercial sale values.

Real Estate Division. The Real Estate Division is responsible for acquiring land, water, building, rights-of-way, easements, oil, gas, and minerals for purposes authorized by the Game and Wildlife Code. The Real Estate Division includes a legal section that provides legal advice, counseling, and technical services concerning all aspects of land acquisition, protection, litigation, and management.

Environmental Planning and Habitat Protection Division. The Environmental Planning and Habitat Protection Division oversees program management on oil, gas, and mineral recovery operations on approximately 1.5 million acres of existing State Game Lands as well as overseeing all environmental permit reviews and authorizations.

Bureau of Automated Technology Services. The Bureau of Automated Technology Services consists of 3 divisions and provides and manages information technology and GIS resources and services for the entire agency to include hardware, software, security, data management, infrastructure, network, telecom, web services, IT procurement and support.

Technical Services Division. The Technical Services Division provides desktop and mobile computing needs, network, web administration, IT procurement, database administration and help desk support services to the agency.

Data Resources Division. The Data Resources Division provides comprehensive applications development services to all bureaus and regions within the agency. This includes planning, design, development, testing, deployment and maintenance in support of agency business initiatives. The division also performs data administration duties to monitor, maintain, manage, and control agency data assets.

GIS Services Division. The GIS Services division manages and supports projects, software, tools, applications, data and architecture related to geospatial initiatives and technologies that support and accomplish agency objectives.

Bureau of Marketing and Communications. The Bureau of Marketing and Communications ensures bureau efforts are targeted at supporting all agency programs, including regional efforts. The Bureau also directs the overall marketing efforts of the PGC to ensure effective strategies are implemented that are measurable and consistent with the agency's strategic plan; and collaborates with the PA Fish and Boat Commission to coordinate marketing efforts to ensure maximum impact on marketing efforts.

Strategic Communications and Outreach Division. The Strategic Communications and Outreach Division directs the overall preparation of consistent messaging surrounding new and proposed regulations, frequently asked questions, and inquiries on social media and email requests; directs outreach for programs to achieve hunter retention, recruitment and reactivation efforts; and works with regions and bureaus to evaluate areas of communication needs, especially for controversial and complex issues.

Marketing Division. The Marketing Division develops marketing initiatives and strategies to support hunting and trapping license sales, support strategic communication goals, and other agency programmatic efforts; develops and implements strategies to enhance agency brand, public image, and public trust; develops, monitors, and evaluates metrics resulting from specific marketing efforts; works with bureaus and regions to identify specific areas where marketing and strategic communication efforts are needed and develops and implements strategies to address these areas; and obtains corporate sponsorships to support other agency program efforts such as *Operation Game Thief*, *National Fishing and Hunting Day*, *Opening Day of License Sales* events, and *Statewide Go To Camp Day*, etc.

Digital Communications Division. The Digital Communications Division develops and oversees overall preparation of the agency's digital media presence using audio and video technology; develops and oversees web-site content and design development and coordinates with Bureau of Automated Technology Services for implementation; develops content and design of digital marketing efforts to include email campaigns, digital ad campaigns, such as Google ads, Facebook ads, LinkedIn ads, radio/television advertising, and billboards; researches and develops materials to support the PGC podcast; and researches and develops a digital web series designed to promote the agency and outreach to the public on various topics including hunting, trapping, wildlife habitat management, wildlife protection, and wildlife science efforts.

Game Fund

The Pennsylvania Game Commission administers the Game Fund which is composed of all fees, royalties, fines, penalties, and other monies. The Game and Wildlife Code requires the Game Fund to be used to carry on the work of the commission, including, but not limited to, the purchase of land, the costs of activities for the promotion of public interest in recreational hunting and furtaking, nongame species, endangered or threatened species and all other game or wildlife in the Commonwealth.¹²

Furthermore, "a minimum of \$4.25 from each resident and nonresident license and \$2 from each antlerless deer license issued shall be used for habitat improvement, development, maintenance, protection and restoration for natural propagation of game and wildlife on all lands under the control or operation of the commission including lands enrolled in the commission's public access programs and other public lands open to hunting under agreement with the commission."¹³

Escrow Accounts

During FY 2018-19, a performance review conducted by the Pennsylvania Department of Auditor General (DAG) provided recommendations concerning the Commission's escrow accounts. The DAG recommended that the Commission have independent oversight of the accounts by transferring them to the PA Treasury or closing accounts where appropriate.

A total of five accounts are currently held by the Commission and two of those accounts, FNB Wealth Management and P&N Coal Escrow (FNB and P&N), require no approval from outside parties for use of the funds.

¹² See Title 34 Pa. C.S.A. § 521(b)

¹³ Title 34 Pa. C.S.A. § 522 (b) (1).

The Commission worked with the Comptroller's Office and Governor's Budget Office (GBO), which has resulted the establishment of a restricted revenue account within the Game Fund to improve transparency and provide independent oversight.¹⁴ Further, starting in FY 2018-19, the PGC included in their Annual Report revenues and expenditures from the FNB Wealth Management and P&N Coal escrow accounts; which increased the fiscal year revenues by \$51,167,197 and expenditures by \$45,545,674.¹⁵

Lastly, the Commission determined the remaining escrow accounts (IBAT, PSU, and White Nose Syndrome) will not be brought into the agency financial statements. Those accounts will be closed and/or are not under the control of the Commission.¹⁶

¹⁴ During FY2018-19, account balances and land acquisitions purchased by escrow funds (FNB and P&N) were reported in the Comprehensive Annual Financial Report (CAFR) with an explanation of change in Fund. The amounts remaining in FNB and P&N were transferred over to the restricted revenue account for FY 2019-20.

¹⁵ Escrow accounts FNB and P&N revenues and expenditures were not included in prior Commission financial statement reports.

¹⁶ PA Game Commission, *Annual Report 2019*. IBAT, PSU, and White Nose Syndrome escrow accounts are subjected to the United States Fish and Wildlife Services (USFWS) control and approval.

APPENDIX A
ACT 2019-107



GAME AND WILDLIFE CODE (34 PA.C.S.) - ACCOUNTABILITY, HUNTING ON
SUNDAY PROHIBITED, TRESPASS ON PRIVATE PROPERTY WHILE HUNTING AND
HUNTING ON SUNDAY WITHOUT WRITTEN PERMISSION

Act of Nov. 27, 2019, P.L. 739, No. 107

Cl. 34

Session of 2019

No. 2019-107

SB 147

AN ACT

Amending Title 34 (Game) of the Pennsylvania Consolidated Statutes, in Pennsylvania Game Commission, further providing for accountability; and, in hunting and furtaking, further providing for hunting on Sunday prohibited and for trespass on private property while hunting and providing for hunting on Sunday without written permission.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 328 of Title 34 of the Pennsylvania Consolidated Statutes is amended by adding a subsection to read:

§ 328. Accountability.

* * *

(f) Financial analysis.--

(1) Within 180 days of the effective date of this subsection, the Legislative Budget and Finance Committee shall prepare a financial analysis of fees, fines, penalties, royalties, Federal and State appropriations and other sources of revenue received by the commission and of expenditures, including annual operating costs, investments, land purchases and capital projects, to carry out the financial analysis under this subsection:

(i) The commission shall provide records, financial statements and other documents reflecting the revenue and expenditures subject to the financial analysis under this subsection.

(ii) The commission shall respond to inquiries and requests for information from the Legislative Budget and Finance Committee in a timely manner.

(iii) The Legislative Budget and Finance Committee shall include its most recent performance audit under section 522(b) (relating to appropriation and audit of moneys).

(2) The financial analysis shall be submitted to the President pro tempore of the Senate, chair of the Game and Fisheries Committee of the Senate, Speaker of the

House of Representatives and chair of the Game and Fisheries Committee of the House of Representatives. The financial analysis shall be public information.

(Continued from previous page)

Section 2. Section 2303(b.1) of Title 34 is amended by adding a paragraph to read:

§ 2303. Hunting on Sunday prohibited.

* * *

(b.1) Exceptions.--Subsection (a) shall not apply to:

* * *

(4) Hunting on three Sundays each calendar year, as follows:

(i) One day of Sunday hunting shall be instituted by the commission during the deer rifle season.

(ii) One day of Sunday hunting shall be instituted by the commission during the Statewide deer archery season.

(iii) One day of Sunday hunting as determined by the commission shall be instituted by the commission.

Authority to hunt on any Sunday instituted by the commission under this paragraph shall not apply to any person required to secure a hunting license who attempts to hunt on private land without obtaining written permission of the landowner, an agent of the landowner or lessee.

* * *

Section 3. Section 2314 of Title 34 is amended to read:

§ 2314. Trespass on private property while hunting.

[a] General rule.--Any person who while violating any provision of this title or any regulations promulgated under this title and who in addition is found to be trespassing as defined in 18 Pa.C.S. § 3503 (relating to criminal trespass) shall be in violation of this section.

(b) Penalty.--A violation of this section:

(1) A violation of this section is a summary offense of the fifth degree.

(2) A second or subsequent violation of this section within a seven-year period is a summary offense of the fifth degree and may result in forfeiture of the privilege to hunt or take game or wildlife anywhere within this Commonwealth for a period of one year.]

(a) General rule.--A person, while engaged in hunting or furtaking, commits an offense if, knowing that the person is not licensed or privileged to do so, the person:

(1) enters or remains on any land of another without authorization to do so, when the land is posted in a manner prescribed by law or reasonably likely to come to the person's attention or is fenced or enclosed in a manner manifestly designed to exclude trespassers; or

(2) enters or remains on any land of another without authorization and defies an order not to enter or to leave that has been personally communicated to the person by the owner of the land or other authorized person.

(b) Applicability.--This section shall not apply to an unarmed person who enters onto posted property for the sole purpose of retrieving a hunting dog.

(c) Penalty.--An offense under this section shall be graded as follows:

(1) A person who violates subsection (a)(1) commits a summary offense of the third degree.

(2) A person who violates subsection (a)(2) commits a misdemeanor.

(3) A person who commits a second or subsequent violation of this section within a seven-year period commits a misdemeanor, and the second or subsequent violation shall result in forfeiture of the privilege to hunt or take game or wildlife anywhere within this Commonwealth for a period of one year.

(d) Enforcement.--The director shall authorize the police department of each municipal corporation to assist in the enforcement of this section as necessary, in addition to those under section 903 (relating to delegation of enforcement powers).

Section 4. Title 34 is amended by adding a section to read:

§ 2315. Hunting on Sunday without written permission.

(a) General rule.--A person required to secure a hunting license to hunt commits an offense if, while engaged in hunting on Sunday under section 2303(b.1)(4) (relating to hunting on Sunday prohibited), the person enters private land without obtaining written permission of the landowner, an agent of the landowner or lessee.

(b) Penalty.--A person who violates subsection (a) commits a summary offense of the third degree.

Section 5. This act shall take effect in 90 days.

APPROVED--The 27th day of November, A.D. 2019.

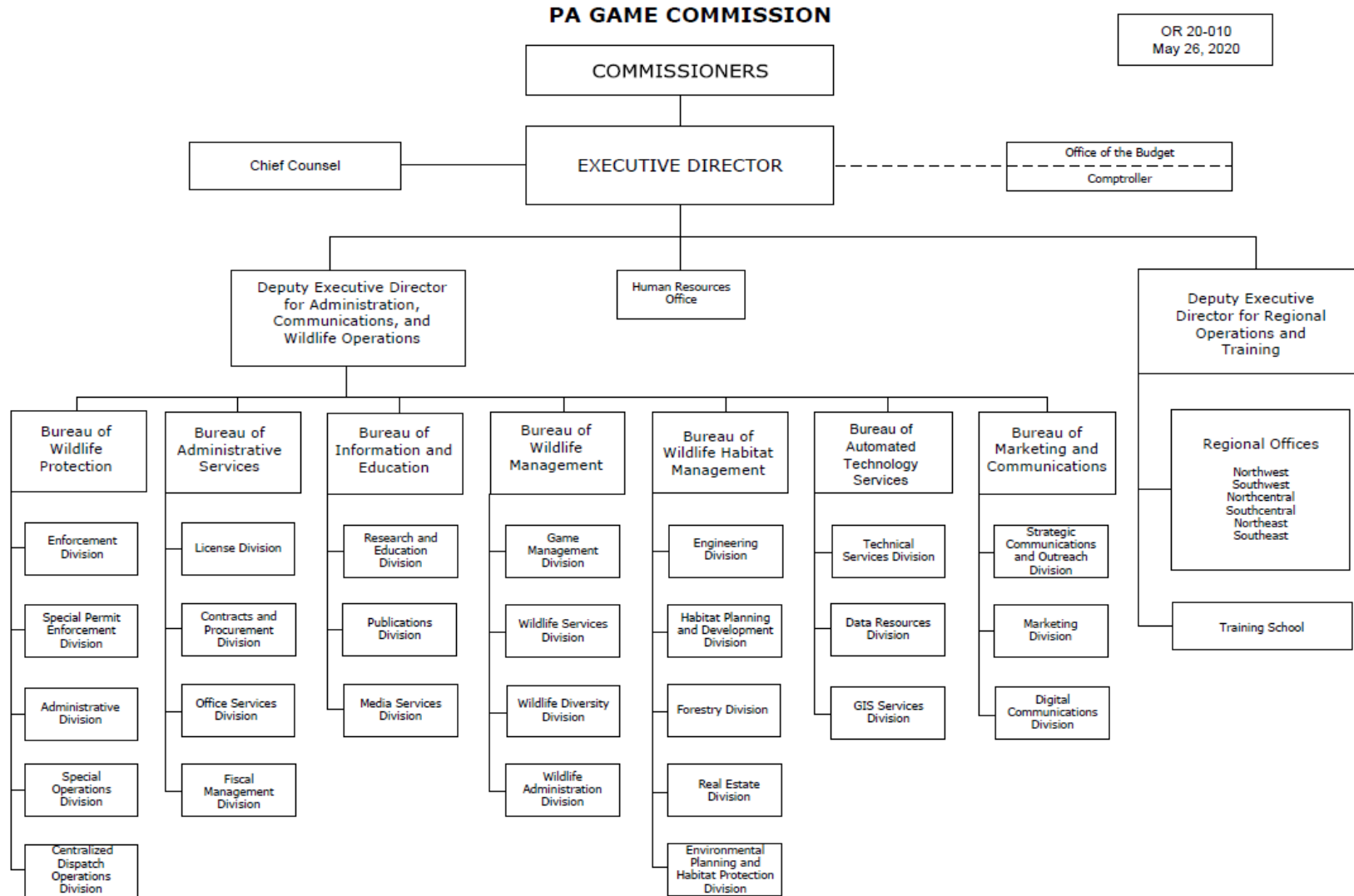
TOM WOLF

This Page Left Blank Intentionally



APPENDIX B

PGC 2020 ORGANIZATIONAL CHART



This Page Left Blank Intentionally

APPENDIX C PGC RESPONSE



September 28, 2020

Ms. Patricia A. Berger Executive Director
Legislative Budget and Finance Committee Finance
Building, Room 400A
Harrisburg, PA 17105-8737

Re: Financial Analysis of the Pennsylvania Game Commission - Fiscal Years 2014-2018 Pursuant to Act 2019-107

Dear Ms. Berger:

The Pennsylvania Game Commission would like to thank you and the Legislative Budget and Finance Committee (LBFC) for the financial review and analysis of Pennsylvania Game Commission for fiscal years 2014 - 2018. This type of independent financial review of the revenue and expenditure trends and performance measures is helpful as we continue to manage the wildlife resources of the Commonwealth.

The attached report serves as the Pennsylvania Game Commission's response to the LBFC Financial analysis. Please note that the PGC is in agreement with the trends for each of the financial indicators. The response provides further explanations, awareness and insight as to trend indicators and causes, along with follow-up items for discussion and consideration.

Sincerely,

Bryan Burhans Executive Director

Enclosure

cc: Executive Office, J. Zimmerman, D. Dunlap, K. Kayda

Legislative Budget and Finance Committee - Financial Analysis of Pennsylvania Game
Commission –for Fiscal Years 2014-2018 Pursuant to Act 2019-107
Pennsylvania Game Commission Response - October 7, 2020.
Bryan Burhans, Executive Director

It is a pleasure for me to discuss the results of Legislative Budget and Finance Committee (LBFC) financial analysis of Pennsylvania Game Commission (PGC) for the fiscal years 2014-2018. I would like to first thank the LBFC for initiating this financial review and analysis of the PGC. This type of independent financial review of the revenue and expenditure trends and performance measures is insightful as we continue to manage the wildlife resources of the Commonwealth.

We would also like to acknowledge the respect and consideration given by Patricia Berger, Chris Latta, and the entire LBFC team working on the financial analysis in providing the time needed and support for Game Commission personnel in gathering and reviewing of the financial data.

The financial analysis presents the overall fiscal health of the PGC. The measures and results (indicators) were grouped into three areas: revenues, expenditures and operating position. For discussion purposes, I wanted to summarize each of these areas, along with the concerns, challenges and possible courses of action to pursue.

Revenue

As you know, the PGC does not receive any revenue from the Commonwealth's general fund. Revenues for the Game Commission include hunting and furtaker license sales, timber, mineral, oil/gas revenues, grants through federal excise tax on sporting arms and ammunition (also known as Pittman-Robertson Funding), along with other miscellaneous revenue sources.

We agree the current revenue trend indicators are favorable to the PGC. However, we share the same concerns as to reliance on natural resources, mainly natural gas as a leading revenue source. Even though fossil fuels continue to be a viable energy resource, the market conditions can be volatile and the future for fossil fuels remains uncertain. We continue to monitor each of these key revenue resource categories and trend these results on a monthly and yearly basis.

Over the years, hunting and furtaker license revenue went from the number one revenue source to number two behind natural resources. Hunting and furtaker license prices are set by law, not by the PGC. The overwhelming majority of those prices have not been increased since 1999. Over the same period, where hunting license fees have remained constant, inflation has risen by over 40%. The impact of inflation on agency mission implementation is dramatic.

The Game Commission would like LBFC to consider the following as a means to remove the growing reliance on natural resources as the leading revenue resource, offset the declining value of the dollar over the last 20 years where license fees remained constant, and account for future inflationary consideration:

- The ability to incrementally increase hunting license fees, when needed, by giving the authority to the PGC to set license fees.
- The ability to offer new license classifications to hunters and furtakers. The Game Commission needs the flexibility to create new licenses or bundle licenses for Pennsylvania's sportsmen and women.

Expenditures

The next category offered up in the financial analysis is expenditures. Again, the PGC is in agreement with the financial indicator trends. An explanation for the caution in some of the financial indicators is attributable to the spike in expenditures for fiscal year 2018. The increase in Game Commission expenditures for fiscal year 2018 included planned infrastructure initiatives: building projects with the Department of General Services, along with capital asset purchases for replacing fully depreciated and worn out machinery and equipment.

The two expenditure indicators with a warning include fringe benefits and retirement costs. These costs are generally outside the control of the PGC and are Commonwealth negotiated. We understand that these costs are under constant review by the Commonwealth and that changes have been implemented to fringe benefits and pensions that will drive these costs down going forward. However, we remain concerned as to how that may impact the recruitment efforts going forward with the removal or reduction of these benefits that attract prospective employees to the Commonwealth.

Operating Position

The last category for review is operating position. The performance indicator trends, of which we agree, were favorable for each of these measures. A question was raised from this financial review as to what is needed to ensure financial solvency. The Game Commission response included the following - It is difficult for the Commonwealth or any agency to determine a specific fund balance needed to *ensure* financial solvency. The COVID-19 pandemic demonstrated the need for a fund balance when there is a sudden drop in revenue, along with an increase in unplanned expenditures. The concern the Game Commission has is what constitutes an adequate Game Fund reserve to manage the needs of the agency through economic downturns, wildlife crises, or other unplanned expenses.

Currently, the target is a fund balance between 9-12 months, or 75%-100% of our current year budget.

The rationale for this fund balance is that the Game Commission funding is primarily derived from the following current revenue sources: natural resources - 44%, licenses & fees - 32% and federal grants - 20%. There is a certain degree of uncertainty in revenue from market-driven funding sources. Natural resource revenue, mainly through Marcellus shale and timber sales, is dependent upon economic conditions and subject to market volatility; licenses and fee revenue is obtained through license sales and these sales for nearly 40 years have been trending down, along with Federal grant funding which is also subject to market conditions. With no ability to increase license costs at this time to counter inflation, this does cause the agency great concern looking into the future.

As such, the Game Commission needs to have a sufficient Game Fund Balance to cover fluctuations in its revenue stream. The target of a fund balance between 9-12 months of current budget does not *ensure* solvency, however, it will provide the PGC the means to advance the mission of managing wild birds, wild mammals and their habitats for current and future generations during economic crises.

In summary, we would like to thank the Legislative Budget and Finance Committee for the comprehensive financial analysis. We believe that these financial results bring to the surface the needs to continue being fiscally responsive in managing the wildlife resources and PGC assets for all citizens of this great Commonwealth.

Respectfully,

Bryan Burhans
Executive Director, PA Game Commission