Susan Montee, JD, CPA
Missouri State Auditor

CONSERVATION

Department of Conservation

October 2009

Report No. 2009-113

auditor.mo.gov

Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Department of Conservation

Permit Restructuring and Pricing

In September 2008, the Conservation Commission approved tentative regulatory changes to increase the cost of most permits, eliminate lessee hunting and fishing privileges, and increase the minimum acreage for landowners to obtain no cost deer and turkey hunting permits. The MDC held a series of public hearings, as required by the rulemaking process, and received many negative comments from the public and the media. In December 2008, the MDC suspended most proposed changes but did approve permit price increases for nonresidents and eliminated reduced price deer and turkey permits for nonresident landowners.

We noted various concerns regarding the permit restructuring and pricing review. The Missouri Department of Conservation (MDC) did not comply with existing policy, the "permit price trigger rule" established in 1998, to determine when price adjustments to permits should be considered. The percent of revenue generated by permits did not drop for 2 consecutive years below the 20 percent long-term average, and permit price adjustments should not have been considered. The MDC proceeded with the permit restructuring and pricing project instead of identifying specific plans, programs, or activities that could be curtailed or eliminated. Also, the MDC did not consider both the positive and negative impact on federal aid when performing the permit restructuring and pricing study. In addition, the proposed action to increase permit prices and the minimum acreage to qualify for no cost deer and turkey permits would have conflicted with the MDC's goals of promoting citizen participation in hunting and fishing, reducing the reproductive potential of the deer herd, and increasing hunter and landowner satisfaction.

Voluntary Payroll Reduction Program

The MDC did not consider normal attrition when estimating the potential cost savings for the retirement incentive program. In addition, previous incentives at the MDC did not result in permanent elimination of salaried positions. The MDC based the voluntary payroll reduction program (VPRP) upon the assumption that 102 salaried positions would need to be permanently eliminated in order for the MDC to achieve the desired balance for personal service expenditures. The MDC estimated the VPRP would result in total savings of nearly $41 million in fiscal years 2011 through 2018. However, those savings will only be attained if the 102 positions are permanently eliminated.

Professional Services Agreements

The MDC did not always require written agreements for outside legal counsel services. Between July 1, 2007, and February 28, 2009, the MDC paid nearly $528,000 to three legal firms; however, the MDC did not have written agreements specifying the services to be provided, billing rates, allowable miscellaneous charges, or documentation required to support billed charges.

Conservation Area Planning

The MDC has not made significant progress toward ensuring management plans for conservation areas have been developed and updated. In our prior audit report, issued in August 2007, we noted policies and procedures for development and maintenance of area management plans were not followed, no management plans had been developed for some areas, and some areas had under gone extensive expansion or development without the area management plan being updated. As of June 2009, the MDC had determined management plans existed for only about 250 of 461 named conservation areas. Of the 250 areas with plans, 120 had not been updated according the originally planned schedule or term, or were not updated within 15 years.

Closed Session Minutes

The MDC refused to provide auditors complete copies of closed session minutes, but did provide redacted versions of the closed session minutes that indicated approval of real estate transactions, contract negotiations, award or rejection of bids and other actions that were apparently allowable actions for closed meetings. We also requested and were provided additional documentation related to some of the redacted items. However, we were unable to determine if some actions taken in closed session were reported in open session or made publicly available as required by the Sunshine Law.

All reports are available on our Web site: auditor.mo.gov

Department of Conservation
Table of Contents

SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Conservation Commission
and
John D. Hoskins, Director
Department of Conservation
Jefferson City, Missouri

We have audited the Department of Conservation. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2008 and 2007. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.

2. Evaluate the department's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. Certain information contained in the Commission meeting minutes for closed session was not provided to us based upon the department's interpretation of state law. Department officials have determined and assured us that this withheld information has no material effect on the audit. However, we could not audit certain potential transactions or information related to transactions because of this limitation the department imposed on the scope of our audit.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Conservation.

Susan Montee

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: John Luetkemeyer, CPA
Audit Manager: Dennis Lockwood, CPA
In-Charge Auditor: Joyce Thomson
Audit Staff: Jennifer Weggenmann, MBA
Kimberly Shepherd
Matthew Goans

1. Permit Restructuring and Pricing

We noted various concerns regarding the permit restructuring and pricing review conducted by the Missouri Department of Conservation (MDC). In September 2008, the Conservation Commission approved tentative changes in regulations to increase the cost of most hunting and fishing permits, eliminate lessee hunting and fishing privileges, and increase the minimum acreage for landowners to obtain no cost deer and turkey hunting permits. MDC staff estimated the changes would generate an additional $7.7 million annually, or a 26% increase in permit revenues. The table below shows examples of the September 2008 existing price, the proposed price, and related percentage increase for some permits.

Permit Type	Existing Price	Proposed Price	% of Increase
Resident Fishing	$ 12	$ 14	16.7
Resident Hunting & Fishing	19	22	15.8
Trout Permit	7	10	42.9
Resident Firearms Deer	17	20	17.6
Non-resident Firearms Landowner Deer	75	225	200.0
Non-resident Firearms Deer	175	225	28.6

After the September 2008 Commission decision, the MDC held a series of public hearings, as required by the rulemaking process, regarding the proposed changes and received many negative comments from the public and the media. During the December 2008 Commission meeting, the department director recommended the Commission "suspend" final actions on the change in the landowner provisions, elimination of lessee hunting and fishing privileges, and implementation of price adjustments for resident sport hunting and fishing permits. However, the Commission approved the permit price increases for nonresident permits and eliminated the reduced price deer and turkey permits for nonresident landowners. Those changes, effective July 1, 2009, were estimated to generate an additional $1.3 million annually.

The permit restructuring and pricing task force composed of ranking MDC officials was established in June 2007 by the MDC regulations committee pursuant to Commission dialogue on the same subject. The task force was directed to review and evaluate sport permit fees and structure in ways that would:

- Enhance agency permit revenues.
- Promote citizen participation in hunting and fishing.
- Assist potential federal aid receipts.

- Assess fee and privilege equity among permit types and permittee categories, including landowners, seniors, and youth.

- Recommend a method and strategy for possible change, if warranted.

1.1 Pricing policy

The MDC did not comply with existing policy, the "permit price trigger rule" established in 1998, to determine when price adjustments to permits should be considered. The first report by the permit restructuring and pricing task force, issued in May 2008, included the following, "Under this rule, permit price increases will automatically be considered whenever the proportion of permit sales to total Department revenue (less federal aid and adjustments for unusual or one-time revenue events) drops for 2 consecutive years below the long-term average (currently 20%)." The MDC did not determine if the preceding conditions were met prior to initiating the permit pricing task force. We analyzed revenue data from the statewide accounting system for state fiscal years 2003 through 2008 and determined the percentage of revenue generated by permit sales in accordance with the "trigger" rule. Based on our analysis, the average percentage of revenue generated by permit sales for the six year period was 20.61 percent. Only in fiscal year 2007 did the percentage fall under 20 percent when it was 19.92 percent. As a result, the percent of revenue generated by permits did not drop for 2 consecutive years below the 20 percent long-term average, and permit price adjustments should not have been considered.

In the report to the Commission, the task force indicated the current trigger rule is "… arbitrary and over the long term, unsustainable when viewed in the context of projected losses of hunters and anglers and economic growth fueling sales tax revenue." The Commission tentatively approved changing the trigger to a method based upon the consumer price index, measures of value (survey of surrounding states' like permits), anticipated permit sales and projected department revenue needs. However, this change was not included in the finally approved permit restructuring regulations. The MDC had not developed specific guidelines on how the new trigger rule would be implemented such as the rank of importance or weight that would be assigned to any one of the included factors. The MDC should review the existing permit pricing policy and determine whether revisions are necessary.

1.2 Other options

The MDC did not identify specific plans, programs, or activities that would have to be severely curtailed or eliminated without additional revenues. Total revenues of the Conservation Commission Fund had increased from just over $143 million in fiscal year 2003 to nearly $172 million (20.3 percent) in fiscal year 2008 while expenditures increased from $141 million to over $167 million (18.4 percent) for the same period. From July 1, 2006, to June 30, 2008, the available cash in the fund increased from $21.7 million to $33.2 million. However, sales tax revenues decreased slightly during fiscal year 2008. Rather than consider reducing existing services and programs or delaying land purchases, major construction projects or equipment purchases, the MDC proceeded with the permit restructuring and pricing project. To help ensure continued financial stability, the MDC should also consider reducing existing services and programs and delaying land purchases, large construction projects, and major equipment purchases as means to address declines in revenues in the future.

1.3 Impact on federal aid

The MDC did not consider both the positive and negative impact on federal aid when performing the permit restructuring and pricing study. The MDC cited the increase in federal aid as a primary justification for proposing the increase in the minimum acreage for landowners to qualify for no cost deer and turkey permits and estimated an increase of $629,000 in additional federal aid was expected to be generated by the change in the minimum acreage. However, the MDC's analysis did not identify any related reduction in federal aid funding for residents and non-residents who would no longer purchase permits due to increased permit prices.

The MDC estimated it receives federal aid of $17 for each individual who purchases one or multiple hunting permits, $11 for each individual who purchases one or multiple fishing permits, and $28 for combined hunting and fishing permits. However, based upon the MDC analysis, we estimated approximately 13,200 fewer hunting permits and 14,200 fewer combined hunting and fishing permits for which federal aid is received would be purchased due to the proposed price increases. The MDC predicted no decrease in the number of resident fishing permits sold. If the number of permits sold resulted in the same reduction in the number of individuals purchasing permits, the loss of federal aid would total about $622,000[1]. Therefore, the potential increase in federal aid could have been as low as $7,000, although the actual impact would likely be more because many sportsmen would still purchase at least one type of permit. The MDC indicated no reasonable quantification of reduced federal aid could be made as many other factors affect the federal aid revenues. In the future, the MDC should include both the positive and negative impacts upon federal aid that would likely result from changes in permit restructuring and pricing.

1.4 Impact on citizen participation

The action to increase permit prices and the minimum acreage to qualify for no cost deer and turkey permits would result in reduced participation and conflicted with the goal of promoting citizen participation in hunting and fishing. The permit restructuring and price increase analysis predicted over 63,000 fewer permits for residents would be issued as a result of the price

[1] We excluded from our calculation the number of permits sold for antlerless deer and trout permits as those sportsmen would likely purchase another hunting or fishing permit. We also excluded the number of no cost landowner permits issued as those do not qualify for federal aid purposes. Our calculation is: (13,200 X $17) + (14,200 X $28) = $622,000.

increase and change in the minimum acreage to qualify for no cost permits. In addition, about 17,000 fewer non-resident permits would be issued.

The MDC indicated that because of the current practice under which most permit vendors issue all of the available no cost permits to resident landowners, most landowners often had no intention of using all of the issued permits and therefore the impact of the predicted decline in the number of resident permits would not be that significant. The MDC also indicated that in the past the number of permits purchased following a price increase generally declined for the first year or two and then returned to near normal levels. The MDC should give more consideration to the impact of permit restructuring and pricing adjustments on citizen participation.

1.5 Impact on deer management

The expected reduction in the number of deer permits issued appears to conflict with the department's goal for reducing the reproductive potential of the deer herd and increasing hunter and landowner satisfaction. The analysis on permit pricing estimated about 35,000 fewer antlerless deer permits and 5,000 fewer any deer permits would be issued as a result of the changes. The analysis on increasing the acreage to qualify for no cost landowner permits estimated about 9,000 fewer any deer permits would be issued as a result of that change. In his comments to the Commission on September 26, 2008, following the tentative approval of the permit price increase and change in the acreage for no cost landowner permit, Director Hoskins provided the following statement, "The Department continues to ensure deer herd management to achieve specific goals, and the current 2008 deer regulations include goals for reducing the reproductive potential of the deer herd, increasing hunter and landowner satisfaction, clarifying and simplifying regulations, supporting the economic values associated with deer resource, and maintaining hunting as a viable management tool."

The MDC should ensure permit restructuring and pricing changes are consistent with MDC's game management policies.

Recommendations

The MDC:

1.1 Review the existing permit pricing policy and determine whether revisions are necessary.

1.2 Consider reducing existing services and programs and delaying land purchases, large construction projects, and major equipment purchases as means to address declines in revenues.

1.3 Include both the positive and negative impacts upon federal aid that would likely result from changes in permit restructuring and pricing.

1.4 Give more consideration to the impact of permit restructuring and pricing adjustments on citizen participation.

1.5 Ensure future permit restructuring and pricing changes are consistent with game management policies.

Auditee's Response

The director of MDC provided the following response:

These are extraordinary times, and I am proud to say the Department of Conservation has taken timely action in response to the severe economic downturn and unprecedented decline in sales tax revenue. A great deal of deliberation went into developing actions considered to be proactive and responsible.

Permit restructuring and pricing were among the issues assigned for review to a task force comprised of tenured department staff. As with most professional decisions, choices were made with consideration to many factors, not just one element. Reports from the task force were comprehensive, purposeful, and given full consideration by the Commission in the decision-making process.

Departmental personnel discussed the issues addressed in great detail with state auditors and, unfortunately, the basis and justifications for decisions made were not adequately reflected in this report. The Department is candid about its deliberation processes and is prepared to discuss them with all interested parties.

2. Voluntary Payroll Reduction Program

The MDC did not consider normal attrition when estimating the potential cost savings for the retirement incentive program and previous incentive programs did not result in the permanent elimination of salaried positions.

The MDC established a voluntary payroll reduction program (VPRP) in December 2008 which called for the permanent elimination of 102 full time salaried employee positions. The goals of the program, as stated in the recommendation to the Commission, were to generate important cost-savings, assist the department in addressing an imbalance between revenue growth and budgetary expenditures, and to help control personal service expenditures. MDC personal service costs as a percentage of total revenues had averaged 54 percent over fiscal years 2003 through 2008, but were expected to reach 55 percent or more for fiscal years 2009 and 2010 unless cost control measures were implemented. The MDC estimated VPRP cost savings of nearly $41 million would be realized through fiscal year 2018 after absorbing additional retiree health care costs estimated at $6.6 million and $1.2 million for a temporary employment provision. The VPRP incentive included increasing the department's share of retiree health insurance costs from 35 percent to 80 percent for 7 years following retirement at an estimated annual cost of $4,717 per employee position. Retirees could also choose to work up to 450 hours as an hourly employee in the year following their retirement with a 12 percent or higher reduction in their hourly rate.

Employees had to submit their decision to participate no later than April 30, 2009, and set a retirement date on or before June 30, 2010. The MDC reported 145 of 280 eligible employees accepted the terms of the VPRP. The MDC had previously offered VPRP programs in fiscal years 1998, 2002, and 2003. The state offered a similar retirement incentive program in 2003.

2.1 Normal attrition

The MDC did not do a formal analysis of decreases in personnel that would have occurred through normal attrition and retirement in conjunction with a hiring freeze. MDC officials, following discussions with Missouri State Employees' Retirement System personnel, determined allowing normal attrition and retirement to reduce personnel would take too long.

The MDC's health insurance plan uses actuarial tables as part of that entity's rate determination processes. Those tables indicate that normal attrition was expected to exceed 10 percent for employees with less than 5 years of service, lower attrition rates for various employee age groups, early retirement for 5 percent of the employees eligible under that program, and normal retirement rates for employees from 48 to 74 years of age ranged from 10 to 30 percent for various age groups. The MDC did not attempt to estimate the impact of normal attrition and retirement but it did have the necessary information such as years of service, eligibility for early retirement and age of the employees available from various sources.

To ensure accurate estimates, the MDC should consider normal attrition and retirement when calculating the cost savings associated with future retirement incentive programs.

2.2 Program goals

Previous retirement incentives at the MDC did not result in permanent elimination of salaried positions. The MDC based the VPRP upon the assumption that 102 salaried positions would need to be permanently eliminated in order for the MDC to achieve the desired balance for personal service expenditures. The VPRP in 1998 was implemented to reallocate 80 existing positions to the newly established Private Land Services Division and the new positions were filled in an average of 8 months. The MDC estimated that program resulted in $1.1 million in savings through the first 3 years. The VPRP in 2002 was implemented to reallocate employees from existing positions into positions with high program needs. Of the 98 positions opened as a result of this VPRP, 86 were filled within 2 years. The MDC estimated this program saved $573,000 in the first year. In 2003 the VPRP was offered in conjunction with a statewide employee reduction program. Twenty-eight positions were opened and subsequently filled in an average of 8 months.

The decision to offer the VPRP was made at the December 2008 Commission meeting. Between that meeting and April 30, 2009, the cutoff date for the VPRP program, the MDC had already hired 25 salaried and 69 part time employees. The MDC indicated the positions filled had either been approved for hiring prior to the decision to offer the VPRP or were deemed critical.

The MDC estimated the VPRP would result in total savings of nearly $41 million in fiscal years 2011 through 2018. However; those savings will only be attained if the 102 positions are permanently eliminated. If the opened positions are all refilled in an average of 8 months, the VPRP would likely result in savings of $1.7 million in fiscal year 2011 but over the life of the program the VPRP would increase costs by $4.1 million. To help control personal service expenditures and achieve the goals of the VPRP, the MDC should ensure the desired number of positions is permanently eliminated.

Recommendations

The MDC:

2.1 Consider normal attrition and retirement when calculating cost savings in any future consideration of retirement incentive programs.

2.2 Monitor the number of vacant employee positions to ensure cost savings are realized.

Auditee's Response

The Voluntary Payroll Reduction Program was a means to manage staffing reductions in a responsible and deliberate manner. Department management deliberated for the past nine months to develop a viable plan for Commission consideration to accomplish established goals and continue to provide needed services to the public with a reduced number of full-time staff.

Departmental personnel discussed the issues addressed in great detail with state auditors and, unfortunately, the basis and justifications for decisions made were not adequately reflected in this report. The Department is candid about its deliberation processes and is prepared to discuss them with all interested parties.

3. Professional Services Agreements

The MDC did not always require written agreements for outside legal counsel services. Between July 1, 2007, and February 28, 2009, the MDC paid nearly $528,000 to three legal firms; however, the MDC did not have written agreements specifying the services to be provided, billing rates, allowable miscellaneous charges, or documentation required to support billed charges.

The Commission approved retention of one firm in June 2000 and the firm continues to provide services. The billing rate was negotiated at $185 per hour for a lead attorney and has not changed since that time. However, rates for other attorneys, allowable travel costs and other types of charges were not discussed or agreed upon. The MDC paid this firm over $378,000 during the period July 1, 2007, through February 28, 2009. During the same time period, the MDC maintained no documentation regarding the retention of services of another firm paid about $124,500, and in November 2005 informally retained another firm, paid about $25,000, by e-mail. Each of these firms had been retained before the current MDC general counsel was hired. However, the MDC more recently has entered into written agreements with other firms retained within the last 3 years. The current MDC general counsel also developed a list of outside counsel requirements specifying allowable professional fees, expenses and documentation required to support the charges.

Without written agreements, it is difficult to determine the propriety of charges billed. In addition, written agreements are necessary to ensure all parties are aware of their duties and to clarify all compensation allowed. The MDC should develop procedures to ensure engagement letters for outside legal counsel services are prepared and signed by both parties. The agreements should cover all pertinent arrangements and be prepared prior to the services being provided.

Recommendation

The MDC enter into written agreements for all legal services prior to the services being provided.

Auditee's Response

The Department implemented procedures in 2006 to ensure engagement letters were obtained for all legal services.

4. Conservation Area Planning

The MDC has not made significant progress toward ensuring management plans for conservation areas have been developed and updated. In our prior audit report, issued in August 2007, we noted policies and procedures for development and maintenance of area management plans were not followed, no management plans had been developed for some areas, and some areas had under gone extensive expansion or development without the area management plan being updated. In addition, the MDC did not have a centralized tracking system for area management plans that would help identify conservation areas with no management plan. Since the issuance of that report, the MDC indicated they have made some progress toward developing a tracking system for area management plans; however, the MDC has not made development and updating of the plans a priority for regional and area managers. The MDC also indicated it had started but not completed revision of current area planning policies and procedures which were last updated in 1999. As of June 17, 2009, the MDC had determined management plans existed for only about 250 of 461 named conservation areas. Of the 250 areas with plans, 120 had not been updated according the originally planned schedule or term, or were not updated within 15 years. Many plans were to be updated within 15 years following development of the original plan, some had an expected renewal term ranging from 5 to 20 years, and other plans had no expected renewal term stated. For the purposes of our analysis, we considered a plan to be outdated if no term was indicated and the plan was more than 15 years old.

Area management plans are the primary means to identify existing natural resources and potential resource management activities and public utilization of MDC lands. MDC staff indicated the area plans are an important component in the development of divisional and regional budgets and workload planning.

Recommendation

The MDC ensure area management plans are developed and updated, and complete its revision of area planning policies and procedures.

Auditee's Response

The numbers cited were taken from a preliminary document provided to the state auditors as evidence of our efforts to develop an inventory of area plans. The document was not intended to be used to quantify an audit finding. The Department will continue to dedicate time necessary to complete the area planning process in a prudent and practical manner.

5. Closed Session Minutes

The MDC refused to provide complete copies of closed session minutes for our review based upon its interpretation of the Sunshine Law.

The MDC did provide auditors redacted versions of the closed session minutes that indicated approval of real estate transactions, contract negotiations, award or rejection of bids and other actions that were apparently allowable actions for closed meetings. We also requested and were provided additional documentation related to some of the redacted items. However, we were unable to determine if some actions taken in closed session were reported in open session or made publicly available as required by the Sunshine Law. While the MDC has determined and assured us that the withheld information would have no material effect upon our audit of the department, we could not audit certain transactions or information due to the limitation the department imposed on the scope of our audit.

Section 29.130, RSMo, provides the state auditor with free access to all offices of this state for the inspection of such books, accounts, and papers as concern any of his duties. As a result, the MDC has failed to fully comply with the provisions of Section 29.130, RSMo. A similar condition was noted in our prior audit report.

Recommendations

The MDC comply with state law regarding state auditor access.

Auditee's Response

The Department's position on access to closed session minutes was based upon a knowledgeable recommendation by the general counsel and informed consent of the Commission.

Department of Conservation
Organization and Statistical Information

The Department of Conservation is constitutionally created pursuant to Article IV, Sections 40(a) and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. At June 30, 2008, the department owned 785,314 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. They serve without compensation for staggered six-year terms.

Commission Members at June 30, 2008

Commissioner	Term Expires
Lowell F. Mohler	July 1, 2009
William F. McGeehan	July 1, 2011
Don Johnson	July 1, 2013
Becky Plattner	July 1, 2013

The commission appoints a director who serves as the administrative officer of the Department of Conservation. The director appoints other employees and is assisted by three assistant directors with programs carried out by the divisions of fisheries, forestry, wildlife, protection, private land services, resource sciences, outreach and education, design and development, administrative services, and human resources.

John Hoskins was appointed Director effective July 1, 2002. At June 30, 2008, the department had approximately 1,512 salaried and 671 hourly employees.

Appendix A

Department of Conservation
Conservation Commission Fund
Comparative Statement of Receipts, Disbursements, Other Financing Uses,
and Changes in Cash and Investments

		Year Ended June 30,	
		2008	2007
RECEIPTS			
Sales and use tax	$	103,037,870	103,479,326
Permit sales		30,793,193	30,953,155
Sales, rentals and leases		9,079,285	9,788,096
Federal reimbursements		18,563,048	23,210,663
Interest		1,756,551	1,267,398
Donations, refunds and miscellaneous		8,693,069	2,977,908
Total Receipts		171,923,016	171,676,546
DISBURSEMENTS			
Personal service		69,892,374	70,056,403
Employee fringe benefits		22,266,837	22,012,776
Operations		64,630,018	55,105,295
Capital improvements and acquisitions		9,068,865	16,035,656
Total Disbursements		165,858,094	163,210,130
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES		6,064,922	8,466,416
OTHER FINANCING USES			
Appropriations exercised by other state agencies			
OA - Insurance and legal expense		696,809	818,325
OA - Worker's compensation		29,024	29,837
OA - Unemployment insurance		107,099	124,852
Office of the State Auditor		44,349	43,175
Department of Revenue		526,907	516,636
Total		1,404,188	1,532,825
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES		4,660,734	6,933,591
CASH AND INVESTMENTS, JULY 1		28,587,343	21,653,752
CASH AND INVESTMENTS, JUNE 30	$	33,248,077	28,587,343

Appendix B

Department of Conservation
Comparative Statement of Appropriations and Expenditures

		2008				2007		
		Appropriation Authority	Expenditures	Lapsed Balances		Appropriation Authority	Expenditures	Lapsed Balances
CONSERVATION COMMISSION FUND								
Conservation Programs	$	143,254,143	139,052,771	4,201,372		141,048,873	129,029,138	12,019,735
MDC Statewide		6,237,031	5,395,815	841,216	*	18,078,704	17,055,194	1,023,510
MDC Construction		6,891,746	6,891,746	0		0	0	0
Statewide Construction		0	0	0		2,910,463	2,893,927	16,536
Total Conservation Commission Fund	$	156,382,920	151,340,332	5,042,588		162,038,040	148,978,259	13,059,781

* Biennial appropriations set up in fiscal year 2008 are re-appropriations to fiscal year 2009. After the fiscal year-end processing has been completed, the unexpended fiscal year 2008 appropriation balance for a biennial appropriation is established in fiscal year 2009. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2008.

Appendix C

Department of Conservation
Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2008	2007	2006	2005	2004
Salaries and wages	$	69,334,485	69,508,506	66,774,975	65,499,807	61,862,996
Benefits		7,751,371	7,813,617	7,831,369	8,091,387	7,921,277
Travel, in-state		1,344,758	1,569,437	1,814,733	1,502,117	1,710,335
Travel, out-of-state		228,750	213,436	206,297	200,892	191,149
Fuel and utilities		1,841,985	1,768,188	1,745,407	1,542,782	1,464,886
Supplies		19,817,090	18,153,916	19,255,380	17,685,334	14,811,623
Professional development		574,010	547,070	542,938	541,493	552,836
Communication service and supplies		1,352,666	1,357,984	1,339,282	1,421,008	1,439,916
Services:						
Professional		10,578,052	8,875,295	9,321,312	9,630,919	11,180,458
Housekeeping and janitorial		1,009,635	1,039,370	939,576	954,628	818,860
Maintenance and repair		1,829,131	2,178,199	2,032,047	1,866,241	1,812,036
Equipment:						
Computer		3,299,013	1,276,563	1,498,067	1,457,058	1,740,536
Motorized		5,235,419	3,107,497	5,508,680	3,905,645	7,707,842
Office		217,124	149,288	438,387	486,839	269,489
Other		2,591,388	1,468,635	2,758,236	2,508,575	2,970,379
Property and improvements		9,068,865	16,035,656	23,581,386	13,088,695	10,852,560
Building lease payments		517,578	519,295	553,811	599,324	664,141
Equipment rental and leases		1,979,073	1,845,351	2,449,988	2,008,214	1,663,201
Miscellaneous expenses		1,627,237	1,708,073	1,734,926	1,703,759	1,644,366
Refunds		194,357	212,812	190,865	197,437	136,818
Program distributions		10,948,345	9,630,071	9,000,546	6,260,484	5,425,221
Total Expenditures	$	151,340,332	148,978,259	159,518,208	141,152,638	136,840,922

Appendix D

Department of Conservation
Statement of Changes in General Capital Assets

		Equipment		Buildings		Land		Construction in Progress		Total General Capital Assets
BALANCE, July 1, 2006	$	79,151,861		86,077,006		311,090,300		11,647,643		487,966,810
Adjustments		247,046	(1)	400	(2)	(157,924)	(2)	(139,610)	(3)	(50,088)
Additions		4,860,378		9,189,284		4,842,211		5,483,698		24,375,571
Dispositions		(5,785,925)		(463,254)		(507,111)		(7,812,190)		(14,568,480)
BALANCE, June 30, 2007		78,473,360		94,803,436		315,267,476		9,179,541		497,723,813
Adjustments		94,002	(1)	0		0		(423,549)	(3)	(329,547)
Additions		7,560,553		809,810		2,601,604		3,611,376		14,583,343
Dispositions		(4,203,304)		(211,792)		(314,325)		(670,628)		(5,400,049)
BALANCE, June 30, 2008	$	81,924,611		95,401,454		317,554,755		11,696,740		506,577,560

(1) Adjustments to correct vehicle prepartion costs and additional equipment
(2) Adjustments to correct prior year balances
(3) Adjustments to correct infrastructure costs