



Montana Fish, Wildlife & Parks

FWP General License Account (GLA) Analysis: Background and Assumptions

- The following information and associated graphs and tables pertain to FWP's past and projected expenses during the time period from 2009 through 2021 and assume the 2015 Legislature approves the proposed revenue increase.
- FWP has been operating under a 10-year funding cycle.
- Under a 10-year funding cycle, the Legislature sets license fees high enough at the onset to generate enough revenue to sustain the agency for approximately 10 years (the agency generates a surplus in license dollars at the front-end of the cycle and eventually depletes the surplus at the end of the cycle).
- FWP is proposing to move to a 4-year funding cycle, whereas the Legislature could establish a smaller license fee increase but on a more frequent basis.
- The information provided in these documents can be used to help assess the need for, and use of, \$5.7 million in new general license revenue each year beginning FY17 in order to maintain existing FWP programs with no growth.
- \$5.7 million is the amount of additional general license money needed each year for a 4-year funding cycle in order for the department to maintain current operating budgets without growth (operating expenses include non-payroll items such as gasoline, supplies, communications, etc.)
- **The calculations are based on no increases in operating budgets, which means that the agency's buying power will erode over time due to the impacts of inflation.**
- **FWP's expenditure projections would allow the agency to maintain current programs as they exist today (the agency would not restore the \$1.25 million in reductions imposed by the FWP Director in FY14).**
- **FWP's expenditure projections are based on the agency not hiring any additional staff (new FTE) or implementing future broad band pay increases.**
- **FWP's expenditure projections reflect potential increases in employee pay, which the agency does not control but must anticipate and plan for (pay increases are determined by negotiations among the unions, the Governor, and the Legislature).**

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