



Montana Fish, Wildlife & Parks

MEMORANDUM

TO: Representatives Carl Glimm, Nancy Ballance, and Kelly Flynn
FROM: M. Jeff Hagener, Director *Jeff Hagener*
SUBJECT: Federal Pittman-Robertson & Dingell-Johnson Grant Funding
DATE: January 23, 2015

Montana Fish, Wildlife and Parks (FWP) has participated in the US Fish and Wildlife Service's (FWS) Pittman-Robertson Wildlife Restoration Program (PR) since 1941 and the Dingell-Johnson Sport Fish Restoration Program (DJ) since 1952. The agency depends heavily on these two historic grant programs in order to help fund and administer its fish & wildlife management programs across the state.

For the past several years, the amount of PR funds made available to the 50 states has increased significantly due to an unprecedented rise in the sale of firearms and ammunition on a national level. As PR balances continue to grow, it is important to remember that there are many specific requirements that state fish & wildlife agencies must meet in order to remain eligible to receive and spend PR and DJ funds each year.

Initially, each state was required to adopt "assent legislation" through its legislative process before it could participate in the PR/DJ programs. Montana's assent language sections can be found in MCA 87-1-701 & 708, and both include language mirroring the famous 29-word quote from the 1937 Wildlife Restoration Act:

"...and which shall include a prohibition against the diversion of license fees paid by hunters for any other purpose than the administration of said State fish and game department..."

PR/DJ funds are only made available to FWP once a detailed grant has been submitted to and approved by the FWS - and then in the form of reimbursements for a share (usually 75%) of the eligible costs paid in-full by the agency. Detailed narrative and financial reports must be submitted to the FWS every 12 months for all active grants, and the agency's grant program is regularly subjected to both state and federal audits.

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For any grant-funded work that includes a capital component (land acquisition, easements, construction, etc.), the acquired asset becomes encumbered through the use of federal funding. This means that a federal attachment or "nexus" is placed on the asset, which insures that the funded investment is protected. This nexus is perpetual for land acquisitions and easements, and extends for the useful life of any capital development or improvements.

Title 50 of the Code of Federal Regulations (CFR) was promulgated to provide specific regulatory requirements that govern the PR/DJ programs. In its current version (amended on August 1, 2011), two key directives are found in 50 CFR 80.10 requiring that, in order to remain eligible to receive PR/DJ grant funds, revenues from the sale of hunting licenses be:

1. *Controlled only by the State fish & wildlife agency; and*
2. *Used only for administration of the State fish & wildlife agency, including only those functions required to manage the agency and the wildlife resources for which the agency has authority.*

It is important to note that these same requirements apply equally to the PR/DJ funding received by State game & fish agencies. FWP is audited regularly by the US Office of the Inspector General (OIG) on the administration of its PR/DJ programs, and these two requirements are the foundation for every test of expenditures conducted by the auditors.

If a state agency is found to be in violation of the rules that govern participation in the PR/DJ programs, either for expenditures of federal funds or license revenues, then the FWS will declare the state to be "in diversion" with regard to the respective program. Once a diversion has been declared, the State fish & game agency becomes ineligible to receive any further grant funding until such time as the program violation has been corrected (which may include returning questioned funds to the USFWS).

FWP is committed to complying with federal requirements in order to maintain our PR/DJ program eligibility. In this way, we can insure that this important funding source is available to help manage Montana's invaluable fish & wildlife resources long into the future.

c: Tim Baker
Dan Villa
Sue Daly
Adam Brooks