



STATE OF WISCONSIN

Legislative Audit Bureau

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TO: Senator Eric Wimberger and
Representative Robert Wittke, Co-chairpersons
Joint Legislative Audit Committee

FROM: Joe Chrisman
State Auditor 

SUBJECT: Proposed Audit of the Fish and Wildlife Account—Background Information

At your request, we have gathered some background information that the Joint Legislative Audit Committee may find helpful in considering an audit of the Fish and Wildlife Account, which is administered by the Department of Natural Resources (DNR), and of DNR's expenditure of certain federal funds for purposes related to fish and wildlife.

The Fish and Wildlife Account is contained within the Conservation Fund. Typically, DNR has funded Fish and Wildlife Account expenses primarily from hunting and fishing user fees, which s. 25.29 (3), Wis. Stats., requires be used only for managing the fish and wildlife resources of the State. These fees are used to support various activities associated with hunting and fishing, such as habitat development, fish and wildlife management, law enforcement, land acquisition, research, and administration.

We conducted audits of the Fish and Wildlife Account in 2006 (report 06-6) and in 1998 (report 98-9). In report 98-9, we found that from \$50.4 million in fiscal year (FY) 1996-97 user fee expenditures, \$981,000 was spent on activities that did not directly support hunting or fishing opportunities and \$11.6 million was spent on DNR's overhead costs. In response to report 98-9, the Legislature and Governor capped the amount DNR may spend on administration at 16.0 percent of annual Fish and Wildlife Account expenditures.

In report 06-6, we found that 57.3 percent of the \$68.2 million in user fee-funded expenditures in FY 2004-05 was spent primarily for the benefit of hunters and anglers; 29.2 percent was spent for activities that benefited hunters, anglers, and other users; and 2.4 percent, or \$1.6 million, did not directly benefit hunters or anglers. User fees also funded \$7.5 million of DNR's administrative costs at the department and division levels in FY 2004-05 and represented 11.1 percent of all user fee-funded expenditures, which was less than the statutory limit of 16.0 percent.

Recently, expenditures made from the Fish and Wildlife Account have exceeded revenues to the account. 2023 Wisconsin Act 19, the 2023-2025 Biennial Budget Act, increased certain nonresident user fees and made a one-time transfer in FY 2023-24 of \$25.0 million from the Forestry Account to the Fish and Wildlife Account. However, DNR indicated the Fish and Wildlife Account will be in a deficit in 2026.

In addition to user fees and other sources that fund the Fish and Wildlife Account, DNR also receives federal funding from the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act. Under Pittman-Robertson, DNR was to expend funding from the U.S. Department of the Interior for wildlife restoration, basic hunter education, and enhanced hunter education and safety. Under

Dingell-Johnson, DNR was to expend funding from the U.S. Department of the Interior for sport fish restoration. The Schedule of Expenditures of Federal Awards we audited in report 24-3 indicated that DNR expended \$32.1 million from the Pittman-Robertson Act and \$12.7 million from the Dingell-Johnson Act in FY 2022-23.

An audit of the Fish and Wildlife Account and certain federal funding could determine:

- the portion of Fish and Wildlife Account revenues generated from user fees that was used for activities that primarily benefited hunters and anglers;
- the portion of Fish and Wildlife Account revenues generated from user fees that was used for activities that benefited multiple users or that did not directly support hunting or fishing;
- the extent to which DNR expended the federal funding it received from the Pittman-Robertson Act and the Dingell-Johnson Act only for permitted purposes and the extent to which these funds were used for activities that primarily benefited hunters and anglers, benefitted multiple users, or did not directly support hunting or fishing; and
- the administrative expenditures DNR charged to the Fish and Wildlife Account and evaluate whether these expenditures were prudent, reasonable, and compliant with state law.

I hope you find this information helpful. Please contact me with any questions.

JC/ak

cc: Senator Jesse James Representative John Macco
 Senator Howard Marklein Representative Mark Born
 Senator Robert Wirch Representative Francesca Hong
 Senator Tim Carpenter Representative Ryan Clancy

Steven Little, Deputy Secretary
Department of Natural Resources