



The Rendezvous

The Official Bulletin of the Idaho Outfitters & Guides Licensing Board

Fall 2010

FEE INCREASE UPDATE

The following has been prepared to help members of the outfitting and guiding industry understand the Board's current initiative for an increase in fees that was first proposed over two years ago; what has happened during this time and why this increase is necessary.

Last year after receiving authorization from the Governor's Division of Financial Management (DFM) and support from the Idaho Outfitters and Guides Association (IOGA), the increase was withdrawn during the legislative session due to matters unrelated to the increase itself. Up to that time, there had been reluctance on part of the Board to move forward due to the economy; so, by January when a question surfaced over the fee setting process, the Board's decision to wait until this year was easy.

The current proposal is a five year stepped increase for outfitter, designated agent and guide license fees that would be implemented beginning July 1, 2011. It is very similar to the stepped fee increase implemented in 2004 and to the concept considered last year. There is also a two year stepped increase for the fees associated with the administration of big game tag allocation and a onetime increase for new outfitter applications and major amendments. All other fees will remain the same although the Board will no longer refund unused fees for new applications and amendments once the licensing staff begins processing them.

The concept of moving the fee setting process from statute to rule over which questions surfaced in January has been dropped.

No other legislation is planned, although there has been discussion to clarify rules pertaining to back country ski operations, rock and mountain climbing and to boating limits on several rivers. No decision is expected until early next year. The industry will be notified as these rule changes move forward.

Attached is a fee schedule that outlines the increase along with financial projections with the increase and without it.

WHY ADDITIONAL FUNDING IS NEEDED?

How Fees Are Handled:

The Board is a dedicated fund agency – meaning it operates only on money it generates from its licensees. Like other dedicated fund agencies, the Board does not receive state “general funds” which are generated from state taxes. Funds dedicated to this agency cannot be used by other state agencies.

All license fees, fines and cost recovery fees are revenue and are subject to the State's fiscal appropriation process. The state “fiscal” year is June 30 to July 1.

Annually, each state agency submits a “budget” request to the Governor via his Division of Financial Management (DFM), the Governor then proposes his budget to the Legislature at the beginning of each legislative session; and then, during the session, the Governor and Legislature agree on a budget “appropriation” for each agency from which the agency can operate. This is known as the agency's “spending authority”. Essentially, “spending authority” is the amount of money the Governor and the State Legislature give to the agency in which to operate based on their review of the agency's funding needs regardless of how many funds the Board may possess in its dedicated account.

Once the budget is approved, the Board can spend money out of its “dedicated” account up to the amount appropriated. At the end of the fiscal year, unspent funds will remain in the Board's “dedicated” account.

Dedicated fund agencies are expected to maintain a “fund balance” in their “dedicated” account that is in excess of 50% of the balance of their annual appropriation. This is done to address revenue

fluctuations and emergencies. The Board is having a difficult time maintaining a 25% this balance.

The Financial Dilemma:

The Board's operational costs over the last five (5) years have increased on an average of 4.3% annually while revenues have increased only on an average of 2%. In the future, revenue is likely to remain flat or decrease due to fewer licenses being issued.

Operational costs might slow down but are not projected to remain flat or decrease. It is important to recognize that most of the Board's operational costs are fixed. Approximately, 65% of the Board's appropriation is dedicated to personnel with salaries and benefits being largely set by the Governor and Legislature. Another significant percentage is dedicated to costs such as office space, computer services, telephones, postage, or for payment of services that other state agencies are mandated to provide to the Board. The Board has little control over these costs.

Additionally, in response to an industry survey conducted in 2008, the Board has taken an increasingly aggressive approach to enforcement of unlicensed and third party activities. This is being limited by existing funding. Essentially, the more active enforcement becomes, the more staff and legal costs rise. Although fines and cost recovery fees are likely to increase, they will do so disproportionately and will not offset actual costs. It is also not the purpose of enforcement to become a self funding mechanism.

An emerging cost has been the increased cost of attorneys needed to defend Board decisions relative to state outfitter and guide laws. For example, two years ago the Board denied an application for an outfitter's boating license on a river where no openings exist from a federal permit or state license standpoint. As a result, the applicant filed an appeal in district court. It was dismissed, but was followed by an appeal to the State Supreme Court, which has yet to be heard. The applicant has also filed a civil suit in federal district court against the Board, BLM and the USFS. They have also filed a third suit in State District Court on a procedural matter that has been heard and is pending a judicial decision. Although the financial cost to the industry has been significant, the Board, like any government agency, has no choice other than to defend its decisions in court.

Currently, the Board is generating approximately \$500,000 per year in revenue which is roughly \$50,000

less than its annual appropriation and less than its spending authority. For the past several years, the Board has worked to spend only to the level of the revenue it generates. It has simply followed the business principle, "*do not spend more that you make.*" However, as explained in this document, the Board can no longer continue to do this and meet the expectations it must achieve as a state agency.

In the future, to avoid compromising its ability to meet its legal obligations to the industry and the public, the Board must be able to spend up to the full annual appropriation that it is authorized and it needs sufficient revenue to do so.

It important that this increase be approved this legislative session in order that additional revenue can be available in FY 12. Without this increase, the Board it will be facing serious cut backs by 2013. Because staff are realistically the only remaining area where substantive cuts can occur, there will be an immediate effect on both customer service and enforcement activity if this were to happen.

HOW THE BOARD IS WORKING FOR YOU?

Customer Service

- Office staff take a CAN DO attitude; doing everything in their power to assist callers on the initial phone call.
- Office Staff are PROACTIVE. For an example, rather than providing reminder letters during license renewals, staff now makes phone calls to outfitters informing them that bond or liability certificates are not current or that additional information is needed to complete an application. This saves outfitters time and money and saves industry dollars by reduced mailing costs.
- Processes for buying and selling outfitter businesses have been streamlined and handbooks clarified and step by step assistance is available to new buyers purchasing an outfitting business.
- The Board maintains a current list of outfitters on its website.
- Permitting agency operating plans and financial statements can now be accepted by the Board, thereby eliminating duplication.
- Handbooks have been developed explaining amendment processes for current outfitters and the application process for new outfitters. Efforts are being made to further streamline, clarify and update these processes.

- The Outfitter Big Game Tag Allocation handbook and related processes have been clarified to help Outfitters understand this complex process.
- Improvements have been made to the Big Game Tag Allocation data management system to better protect historical use data and to improve accuracy with the reallocation of tags. This allows for expedited transactions. This was done with the use of a volunteer programmer at a cost savings of approximately \$75,000.00 to the industry.
- Board meeting minutes, bulletins, and information for such matters as fire emergency procedures, new business opportunities, and general information important for outfitters to conduct business such as all the Board forms, handbooks, statute and rules are kept current and are available on-line. See oglb.idaho.gov.
- The Board is working to implement a comprehensive upgrade to its licensing data system that will further expedite licensing, enable improvements to operating area management, and the administration of non-use management. Also, being developed is an automated historical record of transactions that will help sales, amendments and other business transactions.
- Earlier this year, the Board responded to the State of Montana Board of Outfitters' requirement for their applicants to have license verification forms submitted to them by other state Boards such as Idaho. Other states such as Alaska and Utah have now instituted similar requirements. To date, the Board's staff has processed over 85 requests on behalf of Idaho licensees. In order to minimize cost to the industry as a whole, the Board is charging a fee to recover the additional cost of processing these verification forms.

Online Licensing

- Online licensing provides the ability to license, renew and amend from anywhere in the world.
- Online licensing and the 20 day temporary authorization allow qualified guides to begin work immediately.
- Hard copy licenses are issued in 4 days on the average. Prior to online licensing there was a 30 to 45 day back log.
- The need for pull forward fees for guides has virtually been eliminated, creating a financial and time savings to the outfitter.
- First aid and training log requirements have been streamlined, saving the outfitters time and the cost of mailing.
- The Board is currently working with data base programmers to add outfitter use reports on line.

Administrative

- The Office Manager has been empowered to resolve day to day customer service related matters.
- The Board is focused on maintaining its existing staff in order to provide to the industry knowledgeable and experienced people who can easily understand questions and relate issues to solutions and who can expedite service. On the average, current staff has over five years experience.
- Staff is being cross-trained to help better assist the industry.
- The Board has clarified outfitter opportunities on the St. Joe and Coeur d'Alene Rivers and the McCall Lakes region, and in doing so have protected existing outfitter interests. One outcome was that new opportunities were created on the upper part of the Coeur d'Alene River and in the McCall Lakes region. Clarification is planned on other rivers in the future.
- In 2007, the Board's Attorney was changed to better assist the Director and Board address the changing needs of the industry.
- A Board Orientation Manual has been developed and is being provided to assist new Board members in preparing for their State assigned responsibilities. Training for the Board is being provided once or twice a year.
- The Board takes a conservative fiscal approach to agency management. For an example: (1) the Board pays \$8.14 per square foot for office space. Other state agencies in Boise on the average are paying nearly twice that rate. (2) All the Board employees are paid under the state average (policy) for employees in like positions. Of the 91 State Agency Directors, the Board's Director is next to the lowest paid and on the average is \$22,000 lower than Directors of other self governing agencies similar to the Board. (3) The Board has a history of not spending appropriated funds unnecessarily, and in turn, funds have remained in the Board's free fund account for re-appropriation by the Legislature in subsequent years.

Working With State and Federal Agencies

- The MOU with the USFS and BLM is about to be reauthorized for the fourth five year period. The MOU ensures the working relationship to maintain Idaho's unique outfitters operating area system and the recognition of limits on allocated and non allocated rivers and lands.

- Several matters related to the USFS new outfitter policy have been identified and preliminary efforts have begun to address them
- Handbooks have been refined to address the buy/sell processes reducing the time frame to process the sale of the business.
- The Board is working through the Idaho Recreation and Tourism Initiative (IRTI) on an interagency funded project to clarify and digitize outfitters operating areas statewide. Through this, a GIS website has been developed that provides the Board a very useful management tool that is being used to clarify outfitter operating areas in cooperation with state and federal permit administrators and with outfitters, themselves. (fishandgame.idaho.gov/ifwis/theBoard).
- This GIS website has expedited processing the sale of businesses with the ability to review and copy the digitized operating area map with a written worded area description and activities. This makes it clear to all involved what areas and activities are involved with the business.
- Additionally using information housed in the Board's data system, plans are for all hunting outfitters to be linked to IDFG's hunt planner (fishgame.idaho.gov/ifwis/huntplanner).
- The Board has partnered with Idaho Division of Tourism through the Idaho Recreation and Tourism Initiative Program (IRTI) where the Division of Tourism has used information housed in the Board's data system to develop a web based promotion tool of all Idaho outfitter businesses. The water based outfitters have been the first to benefit. Plans are to upgrade the land based component as funding generated through tourism dollars becomes available (visitidaho.org/whitewater or visitidaho.org/thingstodo/hunting).
- The office staff directs callers to these websites which allows them to research outfitters and activities which they are inquiring about
- The Board has reciprocity licensing now with other countries (Chile) to ensure that guide licenses are compatible in each country. The Board also working with New Zealand and Costa Rica to establish the same licensing requirements. This allows guides to utilize their skills and training with no additional licensing requirements.
- An MOU has been developed with the IDFG that provides direction for greater collaboration and cooperation between the Board, F&G Commission and IDFG in the future.
- The Board, FG Commission and IDFG are working to develop and improve policies and practices for outfitting on private lands.
- In cooperation with IDFG, an Advisory Group was organized, which is currently working to resolve the long standing dispute on whether to allow additional outfitted waterfowl and turkey hunting in Idaho.
- Big Game Tag Allocation for outfitters exists largely because the legislature passed a law in 1997 proposed and supported by the IOGA from which the Board administers tags made available to the industry by the IDFG.
- The Board, the BLM and IDFG collaborate to provide a unique Special Authorization opportunity for Outfitters to provide salmon fishing opportunities in the Riggins area. This past spring this cooperation resulted in an additional opportunity to outfitters licensed on the SA8 to provide Spring Chinook fishing. This is in addition to an annual special authorization that has been allowed on the SA 7A section for several years that also came from a cooperative effort between these agencies.
- Since 2003 the Board has been working cooperatively with the USFS and IDFG administering the Clearwater Bear and Cougar Management Plan that was implemented to enable outfitters to help reduce the bear and cougar population in several IDFG units in the Clearwater and Nez Pierce National Forests, largely in order to help elk calf survival. The plan was updated earlier this year.
- At their February 2003 meeting, the Board met with officials from the Federal Highway Administration (FHA), the BLM and others to discuss the effects that a road improvement project would have on the outfitting and guiding industry up the Salmon River from Riggins. The initial plan created significant closures and delays. At the Board's November 2007 meeting, representatives from the Federal Highway Administration and the construction company committed to finding a solution that would accommodate outfitters activities. Largely, the Board and the BLM along with Grant Simonds (IOGA) helped the project representatives recognize the impact this project was going to have not only on the outfitting industry, but the public in general. These representatives agreed to hold additional meetings to understand the impact that the construction would have on the outfitters in the Riggins area, and to find better solutions. Overall, this initiative clearly lead to open better lines of communication locally and to an alternative construction plan that brought greater flexibility in the construction schedule that was of benefit to the industry and the public it serves.

- The Board has initiated discussion with federal agencies on ways to streamline use reporting with the intent of use reporting being entered only once by outfitters.

Education and Enforcement

- Priorities have been clarified so prosecuting illegal unlicensed activities, third party issues and investigating public health and safety complaints have the highest priority.
- In 2008, leadership in the Board's Enforcement Division was changed to focus on new priorities and to implement the vision and policies of the Director and Board relative to the needs of the industry.
- An enforcement strategic plan has been developed and implemented to address these priorities.
- A qualified and experienced enforcement staff is now in place working to protect the industry against non-compliance of state outfitter laws. The Board also has had difficulty maintaining its enforcement staff due to marginal training opportunities, low wages and minimal hours.
- In May, the Board Enforcement staff completed a three day training program done cooperatively with the IDFG Enforcement. This was the first training of this sort done in years.
- Activities such as high profile uniformed patrols are being minimized. These patrols are less cost effective in meeting enforcement priorities.
- The Board produces an Enforcement Newsletter annually to help educate the industry and public.
- Back-ground checks are completed on new outfitters, designated agents and guides thereby helping to insure that clients are provided with a qualified professional.
- Over the past 18 months, the Board has been working closer with other law enforcement agencies and in particular IDFG enforcement. Because most unlicensed and third party cases must be worked covertly and require criminal prosecution and a high level investigation, the Board's part time enforcement staff benefit from working with these full time law enforcement professionals.
- In 2008, there was a successful collaboration involving the Board, the IOGA (Grant Simonds) and IDFG to change existing state law, i.e., section 36-2117. This change allows increased fines and penalties to be assessed as the result of a successful prosecution of illegal/unlicensed outfitted activity. The new law now requires any person violating the provisions of section 36-2104, Idaho Code (illegal/unlicensed outfitted activity) to reimburse

the Board or other city, county, state agency for the employee costs and other costs incurred in the investigation and criminal prosecution of violations of section 36-2104, Idaho Code.

- The hearing and disciplinary process has been streamlined and improved to bring cases before the Board in a timely manner, reducing repeat offenses and insuring public safety.
- The Board has made concerted effort in the last two years to recoup the cost of investigation and prosecution associated with an administrative action taken by the Board on individuals convicted of violating State Outfitters and Guides laws. Cost recovery helps cover the cost of the Board Attorney, Prosecutor and Enforcement staff.
- In the last year, with the help of IDFG Enforcement, several illegal operations have been successfully prosecuted along with a recent third party operation in eastern Idaho where the outfitter and the illegal guide paid nearly \$8500 in fines and cost recovery allowing the Board to reimburse IDFG \$1200 for their costs in the investigation.
- Another example is that in the last 18 months action was taken on three outfitters in response to allegations of their harassing the public or their inappropriate conduct with their clients. As a result, two outfitters are no longer conducting business in Idaho and the third is on probation. Together, they have paid more than \$1,300 in fines, nearly \$28,000 in cost recovery fees and restitution that was awarded back to clients by the Board in the amount of nearly \$14,000.

YOUR INPUT IS WELCOME

The Board welcomes your thoughts and ideas anytime.

Two Board members presented the increase to the IOGA Executive Committee in June and the Board as a whole will be available again during the annual IOGA December meeting to discuss this matter.

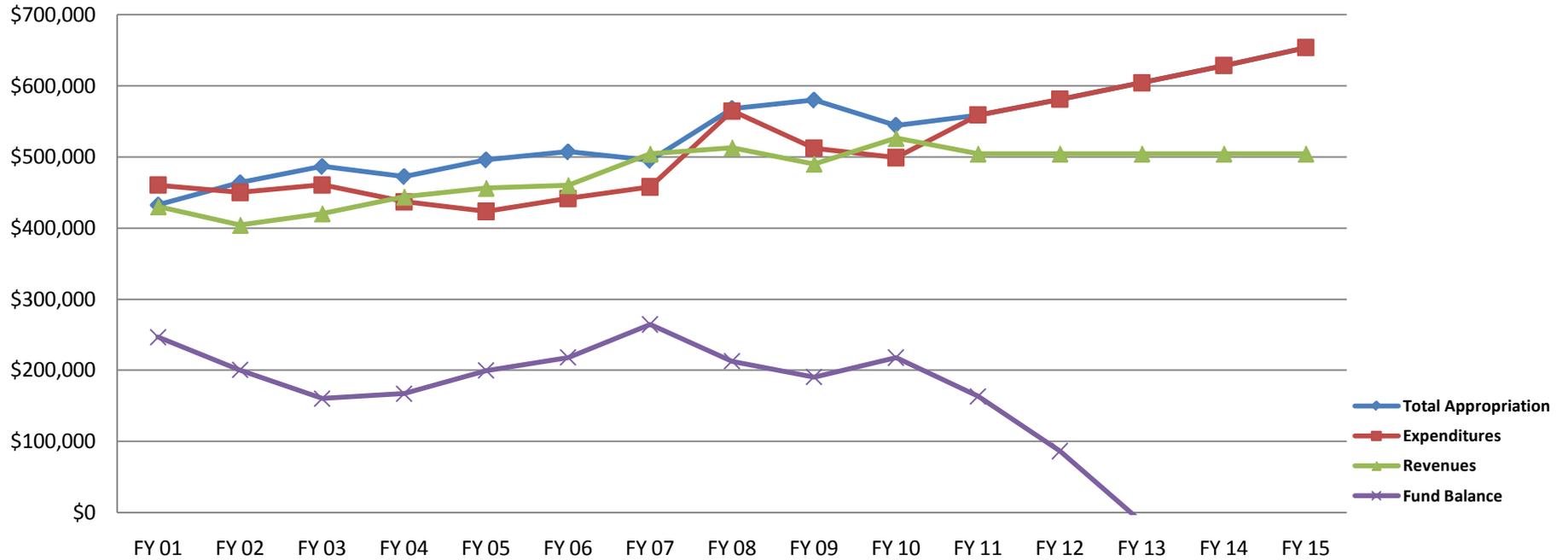
They can take input up to the time this matter will be presented to the Legislature. For planning purposes, it would be helpful to have it by the end of November.

Please provide your comments to
licensing@oglb.idaho.gov.

IOGLB PROPOSED FEE SCHEDULE

| | Current FY 09, 10 & 11 | | | Beginning July 2011 FY 12 | | | Beginning July 2012 FY 13 | | | Beginning July 2013 FY 14 | | | Beginning July 2014 FY 15 | | | Beginning July 2015 FY 16 | | |
|------------------------------------------------------|---------------------------|-------|-------|---------------------------------|-------|-------|---------------------------------|-------|-------|---------------------------------|-------|-------|---------------------------------|-------|-------|---------------------------------|-------|-------|
| | O/F | DA | GU | O/F | DA | GU | O/F | DA | GU | O/F | DA | GU | O/F | DA | GU | O/F | DA | GU |
| Annual Renewal Fees | | | | | | | | | | | | | | | | | | |
| Off line Annual License Fee | \$450 | \$160 | \$115 | \$525 | \$180 | \$140 | \$550 | \$190 | \$150 | \$575 | \$200 | \$160 | \$600 | \$210 | \$170 | \$625 | \$220 | \$180 |
| On Line Annual License Fee | \$400 | \$140 | \$105 | \$450 | \$160 | \$115 | \$450 | \$160 | \$115 | \$475 | \$170 | \$125 | \$475 | \$170 | \$125 | \$500 | \$180 | \$135 |
| Amendment Fees | | | | | | | | | | | | | | | | | | |
| O/F Major Amendments | \$200 | | | \$300 | | | \$300 | | | \$300 | | | \$300 | | | \$300 | | |
| O/F Minor Amendments | \$35 | | | \$35 | | | \$35 | | | \$35 | | | \$35 | | | \$35 | | |
| DA & Guide Amendments | | \$20 | \$20 | | \$20 | \$20 | | \$20 | \$20 | | \$20 | \$20 | | \$20 | \$20 | | \$20 | \$20 |
| Cost Recovery Fees | | | | | | | | | | | | | | | | | | |
| New Application Fee | \$400 | \$50 | \$20 | \$500 | \$50 | \$20 | \$500 | \$50 | \$20 | \$500 | \$50 | \$20 | \$500 | \$50 | \$20 | \$500 | \$50 | \$20 |
| Penalty (penalty) Fee | \$150 | | | \$150 | | | \$150 | | | \$150 | | | \$150 | | | \$150 | | |
| Cost Recovery Fees | | | | | | | | | | | | | | | | | | |
| App/Amendment Resubmittal | \$100 | \$75 | \$50 | \$100 | \$75 | \$50 | \$100 | \$75 | \$50 | \$100 | \$75 | \$50 | \$100 | \$75 | \$50 | \$100 | \$75 | \$50 |
| Special Processing Expedited/Pull Forward Processing | \$100 | \$75 | \$50 | \$200 | \$75 | \$50 | \$200 | \$75 | \$50 | \$250 | \$75 | \$50 | \$250 | \$75 | \$50 | \$250 | \$75 | \$50 |
| | \$150 | \$75 | \$50 | \$150 | \$75 | \$50 | \$150 | \$75 | \$50 | \$150 | \$75 | \$50 | \$150 | \$75 | \$50 | \$150 | \$75 | \$50 |
| Allocation Cost Recovery | \$5 | | | \$20 | | | \$20 | | | \$30 | | | \$30 | | | \$30 | | |

IOGLB 2010 Financial Projections Without Fee Increase



IOGLB 2010 Financial Projections With Fee Increase

