

**Pennsylvania Fish and Boat Commission**  
**Annual Report to the Pennsylvania House of Representatives**  
**Game and Fisheries Committee**  
**Presented by Timothy D. Schaeffer, Executive Director**  
**February 27, 2019**

Good afternoon, Chairman Gillespie, Chairman Kortz, and members of the House Game and Fisheries Committee. On behalf of our Board of Commissioners, Boating Advisory Board, and staff, thank you for the opportunity to present the Pennsylvania Fish and Boat Commission's 2018 Annual Report. The report is also posted at [www.fishandboat.com](http://www.fishandboat.com).

While I have had the pleasure to work with many of you and your staff, for those of you who do not know me, my name is Tim Schaeffer. I was honored to be appointed as Executive Director in November and am grateful to Commissioners for the chance to again be part of the PFBC team as we discover even more ways to live up to our mission to protect, conserve, and enhance aquatic resources and provide fishing and boating opportunities while keeping the Resource First.

The PFBC experienced changes in 2018 in the faces you see here at the Capitol. We were fortunate to bring aboard Mike Nerozzi as Policy and Planning Director, Julie Carraghan as Legislative Liaison, and Mike Parker as Communications Director. They will likely be the Harrisburg-based staff with whom your offices interact most often, in addition to the local officers, biologists, engineers, and other Fish and Boat employees who are hard at work in your districts every day.

We are committed to timely customer service to you and your constituents and to helping make fishing, boating, and aquatic resource conservation as relevant as possible. If you ever have any questions, comments, or concerns or would like to get out to stock trout, survey a local stream or lake, or ride along with one of our officers to see them in action, please let us know.

In 2018, the Commission continued to implement goals consistent with our last strategic plan. Our staff and board are about to commence a year-long process that will result in a new strategic plan that is transparent, measurable, and aligned with budgets and that will be both realistic and aspirational.

Here are some of the highlights from 2018. The credit for these accomplishments goes to our phenomenal staff, volunteers, and partners who work tirelessly on behalf of all Pennsylvanians.

To support and enhance popular programs, the Commission established a new series of Voluntary Permits to offer anglers a way to support their favorite species. While not required to fish, these options are available to customers who already see tremendous value in four specific program areas: Bass, Musky, Habitat and Waterways Conservation, and Wild Trout and Enhanced Waters. As anglers purchase their licenses for 2019, we are explaining the ways in which we intend to use the funds, with most projects likely beginning in 2020.

In 2018, we continued down a path of innovation with the goal of reestablishing and enhancing wild freshwater mussel populations. PFBC staff received training from the U.S. Fish and Wildlife Service to begin raising mussels at one of our hatcheries for the first time. Mussel propagation will soon occur at our newly repurposed Union City State Fish Hatchery. Several species of native freshwater mussels raised there will help replace populations lost to pollution events and assist in ongoing and future clean water initiatives.

We participated in an important study that tracks fish behavior and migration patterns in Lake Erie. Funded primarily by the Great Lakes Restoration Initiative and with support of the Erie Charter Boat Association and others, this work uses a grid of underwater acoustic telemetry sensors, similar to EZ-PASS, to follow the movement of tagged fish throughout the lake. Results of this study over the next several years should reveal new information about the seasonal migration, spawning activity, catch-rate, and natural mortality of several species of fish including Lake Trout and Walleye.

Speaking of Walleye, surveys performed in 2018 showed the second highest catch rate of this popular sport fish in Lake Erie in 22 years of study, second only to the year before. This high level of consistency in back-to-back years is a testament to lake-wide cooperation among the Great Lakes Fisheries Commission's member states and the PFBC's fisheries management and law enforcement efforts to protect a thriving population and promises a world class Walleye fishery for years to come.

A recent Sea Grant study estimated the total annual economic significance of the angling industry in the Pennsylvania section of Lake Erie to be \$49.5 million dollars. For every dollar spent by locals and tourists on recreational angling, \$1.65 was generated for the Erie County economy, supporting 539 fishing-related jobs.

2018 was another notable year for our Unassessed Waters Initiative. In cooperation with universities and conservation groups across the state, the Commission surveyed 890 waters for wild trout populations. Throughout the course of the year, 396 new waters were designated as Wild Trout Streams and 90 sections of water were added to the list of Class A Wild Trout Streams. Conserving wild trout resources has been a hallmark of the agency and will continue to be a priority in 2019.

On the recreation side, we are excited about the new Gaun First Catch Center, which delivers free fishing opportunities to urban communities. In partnership with the Recreational Boating and Fishing Foundation, we piloted this program offering fishing meet-ups, educational programs, and skills clinics. Bait and tackle were provided free of charge. The program, funded by the Samuel Gaun Estate, focused on Philadelphia County, where 41% of our programs occurred. Throughout the summer, PFBC staff delivered 64 programs in 12 counties, reaching more than 6,300 anglers.

The Commission also held successful family catfish festivals in the summer of 2018. We stocked hundreds of channel catfish for these events held at North Park Lake in Allegheny County, Nockamixon State Park in Bucks County, and at the John Heinz National Wildlife Refuge in Philadelphia.

We look forward to working with members of this committee and other legislators to identify places where we can continue to introduce both children and adults to the fun of fishing close to where they live.

Our popular Mentored Youth Trout Fishing Days continued, as we look to recruit a new generation of anglers with these special days. This was the fifth year for the program, giving children under age 16 and their adult mentors the opportunity to fish prior to the regional and statewide opening days. The PFBC issued over 28,000 Voluntary Youth Fishing Licenses and Mentored Youth Permits in 2018, and more than 120,000 since the program began. The Commission receives about \$5 in federal funds for each Voluntary Youth Fishing License, helping to support agency programs to attract even more kids to fishing.

Educational youth outreach programs experienced growth in 2018. Partnerships with the Boys Scouts and Girl Scouts spread to new corners of the state, and the Trout in the Classroom

program also expanded. This partnership with Trout Unlimited chapters statewide grew to more than 350 classrooms in 282 school districts – including nearly 40% of all public school districts. Through this program, teachers and students raise Brook Trout from eggs to fingerling size fish inside 55-gallon aquariums in the classroom. The curriculum incorporates fish ecology, habitat, and conservation lessons and accounted for more than 14,000 teaching hours at the elementary, intermediate, and high school levels.

Overall, our hatchery system performed well last year. The hard-working men and women at these facilities produce the combined 3.2 million Brook, Brown, Rainbow, and Golden Rainbow trout that will be stocked annually across Pennsylvania waterways beginning later this week. As a reminder, we encourage you to post links to the stocking schedules on your own websites and to share the information via other channels. Julie will continue sharing materials with your offices to share with anglers and boaters back home.

Hatchery staff also oversaw several improvements. In addition to the freshwater mussel propagation mentioned earlier, our musky program kept getting better in 2018. We continued moving towards raising fewer but larger musky yearlings, since data suggested these future trophy game fish will have a better chance at survival. In 2018, we stocked roughly 35,000 muskies into dozens of lakes and rivers across the state, providing Pennsylvania anglers with a greater chance than ever before at encountering this “fish of ten thousand casts.”

In 2018, we relied heavily on our Bureau of Engineering, as several major infrastructure projects neared completion and many more began. An example of this is Tamarack Lake in Crawford County, where the reconstruction of two dams at this Commission-operated impoundment will wrap up this spring. PFBC staff remained engaged with local government

and community groups looking forward to refilling this lake, which has been sorely missed since it was drained in 2012 for public safety reasons.

Other notable construction and rehabilitation projects that advanced through permitting, design, or groundbreaking in 2018 included Children's Lake in Cumberland County, Donegal Lake in Westmoreland County, Kyle Lake in Jefferson County, Meadow Grounds Lake in Fulton County, Minsi Lake in Northampton County, Somerset Lake in Somerset County, and several projects in Wayne County.

We have also been prioritizing improvements and repairs at about 300 PFBC fishing and boating access areas. In Lycoming County, we are working to secure a replacement location for the former Muncy Access, which was closed due to unsafe conditions in 2016. Thank you to Representative Everett and everyone else who helped secure capital budget funding to move this project forward and eventually restore convenient public boating access to the West Branch Susquehanna.

We are happy to support Governor Wolf's Restore Pennsylvania infrastructure plan as a way to improve public safety and accessibility associated with other hazardous dams and public access areas across Pennsylvania. The PFBC has a proven track record of leveraging capital investments to repair critical infrastructure to keep downstream communities safe from increasingly strong storm events while, at the same time, maintaining signature local recreational amenities.

Last year, brave members of the Pennsylvania Helicopter Aquatic Rescue Team, or PA-HART, assisted in the aftermath of severe weather incidents. In August, PA-HART members including PFBC Waterways Conservation Officers (WCOs) successfully rescued 23 distressed

citizens, including 5 children, many of whom were stranded on rooftops amid major flooding in Benton, Columbia County.

In September, PA-HART was deployed to South Carolina to assist with life-saving rescues in the wake of Hurricane Florence. The Commission is proud to support the ongoing efforts of this outstanding partnership with the PA Air National Guard and PEMA. This coming November 5-6, the PFBC will host a workshop for military and civilian personnel from across the country at Fort Indiantown Gap at which these groups will work to establish new best practices and national standards for operations, equipment, and training.

While our water rescue program continues to be a national leader, we unfortunately did see 61 recreational boating accidents that resulted in 14 fatalities. Only three victims were wearing life jackets at the time of the accidents, and alcohol or drugs was believed to have been a factor in three of the fatalities. National Safe Boating Week will be May 18-24, and we will be letting you know about ways to help keep boaters safe. We will also maintain a strong presence to keep drunk boaters off the water and will be participating in Operation Dry Water for the 7<sup>th</sup> consecutive year in conjunction with the busy Independence Day weekend.

As we begin the 2019-2020 legislative session, the Commission has several initiatives that will help us better serve the anglers and boaters of Pennsylvania. The most pressing one for our Board of Commissioners and me is securing the long-term financial future of the agency.

Although we are a government agency, the Commission operates much like a private sector business, relying on the “user pays, user benefits” model of wildlife and conservation funding. The Commission does not receive an appropriation from the General Fund – instead relying on the sale of licenses and fees that have not increased since 2005.

The Commission has two legislatively-authorized Special Funds, the Fish Fund and the Boat Fund. By far, the largest source of revenue for these funds are fees from fishing licenses and boat registrations. Since fiscal year 2005, these fees accounted for nearly 70% of total Fish Fund revenues and over 50% of total Boat Fund revenues. Over this same period, license fee revenues have remained relatively flat at about \$25 million per year, and boat registration fees have generated an average of \$7 million annually.

While our revenue has remained stagnant, costs continue to rise. Fish Fund expenditures have increased by 27% or \$8.2 million since 2005, while Boat Fund expenditures have risen by 30%, or \$3.3 million. Inflation, increased personnel costs, and aging infrastructure have all placed considerable pressure on the Commission's long-term financial picture in the absence of new or increased revenue.

The Commission has taken aggressive steps to cut costs and secure new revenue where possible. Since 2005, we have sold non-performing assets like real property, vehicles, and other equipment; marketed oil, gas, water access, and timber resources; and secured revenues through the Act 13 Impact Fee. We are also receiving the full amount of taxes paid on motorboat fuel thanks to the Act 89 Transportation Bill.

On the expenditure side, we have reduced full-time and seasonal staff positions. The Commission has also deferred investments in \$18 million of prioritized equipment, vehicles, and maintenance needs for its hatcheries, public facilities, and other operations. We intentionally took steps in recent years to maintain at least a year's worth of unrestricted reserves in both funds to help maintain core operations and services and guard against several risk factors.

At the end of last year, we took a hard look at the potential financial risks that might be posed from threats such as the loss or reduction of a major revenue source; a temporary outage of

the automated fishing license sales system during the peak license sales period around trout season; and unforeseen emergency infrastructure needs, such as a dam failure or major hatchery emergency. We also updated the allocation of staff time to the Fish Fund and Boat Fund for the first time since 1994 and anticipated increased revenues to the Boat Fund from the Oil Company Franchise Tax.

Based on cashflow needs and agency risk factors, we determined that the Commission should strive to maintain its unrestricted reserves at a level equal to 70% of prior year revenues. To that end, and with the support of the Board of Commissioners, we are beginning a multi-year process to strategically spend unrestricted reserves in excess of 70% on investments in critical infrastructure, maintenance and repairs of existing facilities, and deferred equipment and vehicle replacements. Those expenditures will be informed and driven by our next strategic plan.

To show our commitment to this plan, we are currently using unrestricted reserves to run the first class of Waterways Conservation Officers since 2016, bringing our law enforcement professionals to full complement. Other examples include replacing hatchery trucks with 250,000+ miles and law enforcement boats that are over 30 years old; installing updated oxygen alarm systems to annually save tens of thousands of fish; repairing aging and unsafe boat ramps; and restoring seasonal biologists to help collect the data that drives our management decisions.

Last session, there was considerable momentum behind Senate Bill 30, which would have allowed the Commission, with legislative oversight and a sunset provision, to establish license, registration, and permitting fees. The bill overwhelmingly passed the Senate, but unfortunately did not make it over the finish line here in the House.

As Commissioners, Julie, Mike, and I have been meeting with legislators, we have been encouraged to hear there is still considerable interest in this legislation. This session,

Representative Mehaffie has graciously offered to sponsor the fee designation bill, and we look forward working with this Committee to try and make it a reality. We truly believe that allowing the Commission to incrementally adjust its own pricing will lessen the “sticker shock” for anglers and boaters that comes with a larger increase every 10-to-15 years.

The agency has a vested business interest in setting a fee structure that generates enough revenue to sustain its programs and services while having the least possible negative impact on participation and sales. In short, the future of our agency depends on our goods being competitively and appropriately priced, much like the private sector. The last thing we can afford as an agency is to drive away our customer base.

We project that after a 3-year gradual increase, this would generate over \$7 million in new annual revenue to help meet ever-increasing costs beyond our control. We are confident that these revenues, coupled with the plan laid out above, will put the Fish and Boat Commission in position to minimize the financial impact to anglers and boaters and maximize the benefits that we can provide to them and the aquatic resources on which our outdoor economies and healthy ecosystems are built. As I have told staff, I am eager to get back to focusing on what we can do rather than on what we can't do.

Another funding priority for the Commission is broadening the use of proceeds from the Lake Erie permit. The funds are deposited into a restricted account to be used for public fishing access or to conserve fish habitat. To date, the PFBC has secured more than 25 miles of public fishing access in the Lake Erie Watershed, helping resident anglers and tourists fish for species like Steelhead that are currently being stocked as smolts and that will return to Lake Erie tributaries offering unparalleled fishing experiences.

Bipartisan legislation recently introduced by Representatives Wentling and Harkins would expand the ways in which the Commission can use these proceeds, which average \$675,000 annually, for other projects that support public fishing. Anglers support this proposal. For example, charter boat captains, have asked for fish cleaning stations at public marinas. Under this legislation, the Commission would have the flexibility to meet the needs of those who use Lake Erie's aquatic resources and contribute to the local economy.

Since the mid-2000s, as veterans from the conflicts in Iraq and Afghanistan return home, many are finding solace and tranquility on our waters. Groups like Project Healing Waters have used fly-fishing to provide therapy to disabled veterans, including those with PTSD. We are appreciative that Chairman Kortz will be introducing legislation that would allow the Commission to offer license exemptions to anglers participating in therapeutic programs. We have been offering exemptions to these groups under another Title 30 provision, but these programs deserve their own recognition. This is not limited to veterans' organizations – breast cancer recovery groups also avail themselves of fishing as therapy.

The final priorities to mention today are matters of public safety. Forty-nine people have lost their lives in dam-related boating accidents since 1989. The incidents often involve "run-of-the-river" or low head dams – small, private, or municipal dams that span the width of a waterway, many of which were originally constructed to support a mill or other industrial operation. There are hundreds of these structures across Pennsylvania, and the Commission is charged with ensuring they are properly marked with buoys and signage.

Thankfully, Chairman Gillespie will be introducing a bill to update the definition of what constitutes a run-of-the-river dam and also allow our WCOs to issue citations to owners who fail

to mark them. If removing a dam that poses a public safety hazard is not an option, the owners must be held accountable for marking them appropriately.

Additionally, Representative Benninghoff is seeking co-sponsors for a bill that would help us address a variety of public safety concerns, perhaps most notably ensuring the penalties for boating under the influence, or BUI, are consistent with those for a DUI under the Vehicle Code. For instance, the bill ensures that a first-time DUI offender who completed the ARD program is not eligible for the program again if they are subsequently convicted of a BUI offense. The bill stiffens penalties for BUI offenses with a minor on board and provides consistency with the Vehicle Code by adding a category of aggravated assault by watercraft, among other provisions. We thank Representative Benninghoff for sponsoring this bill to keep boaters and their loved ones safe, particularly during busy summer months where we see many of our accidents.

Given the challenges our agency has faced and foresees, we have never strayed from our responsibility to conserve the resources that provide the countless memory-making angling and boating opportunities that Pennsylvanians deserve and expect. With your support and renewed partnership, we believe future generations will enjoy an even healthier resource and even greater opportunities.

Thank you again for the chance to meet with you today. I would be happy to answer any questions.