



Creating the model natural resources agency for Illinois

A report by the McGraw Center
for Conservation Leadership

Updated January 2019



McGraw Center for Conservation Leadership

Creating the model natural resources agency for Illinois

The mission of this report is to provide a vehicle of transformation for the Illinois Department of Natural Resources, elevating the department to its rightful place of leadership, respect and trust in the eyes of the citizens of Illinois, the department's professionals and the nation.

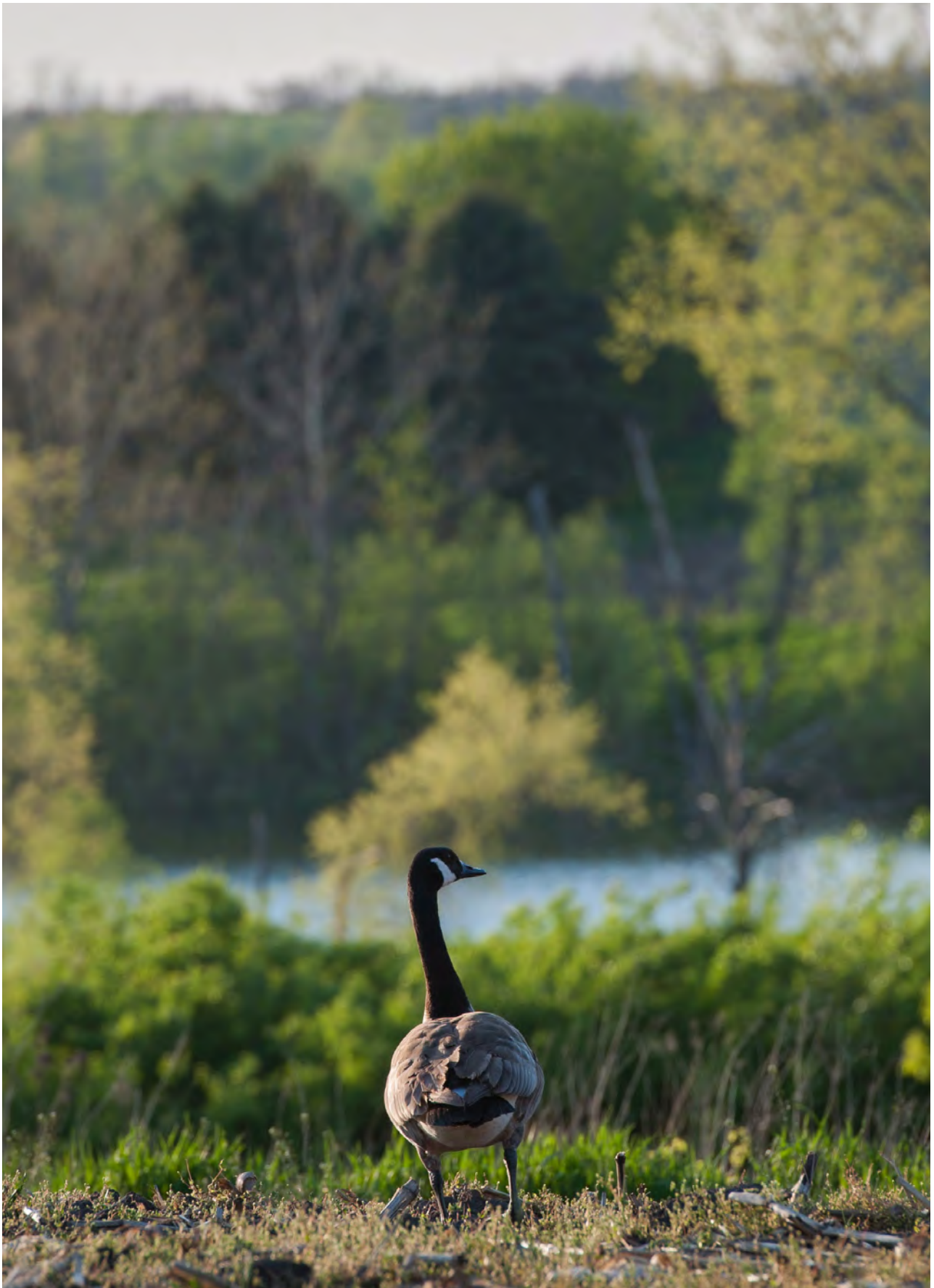


Table of contents

Executive summary	6
Major recommendations	7
Introduction	10
The case for a commission	13
How to do it	15
How it might work	15
Dedicated funds	18
Why dedicated funds are necessary	20
OSLAD	23
Bonding projects	23
Salaries and dedicated funding	24
Other recommendations	26
Hunter education and recruitment	29
Modernizing hunter education	31
Integrating technology, licensing and recruitment/retention	32
Other governance recommendations	34
About the McGraw Center for Conservation Leadership	43

All photos by Alex Garcia for McGraw

Executive summary

In 2016, the Max McGraw Wildlife Foundation's Center for Conservation Leadership delivered a comprehensive blueprint to make the Illinois Department of Natural Resources the best agency of its kind in the United States. The team that assembled this report consisted of some of the most respected natural resource and wildlife professionals in the country, as well as conservation and business leaders from the private sector.

The department was in dire shape. The departure of many seasoned professionals to retirement or other jobs created a lack of leadership felt across many areas of responsibility. A dearth of financial resources, aggravated by continual raiding of critical dedicated funds earmarked for conservation, forced the closure of popular parks and facilities. Morale among employees plummeted.

Three years later, little has changed.

The department implemented only one of the major recommendations in the McGraw report—to modernize hunter education in Illinois by providing an online-only safety course. Over the governor's veto, the General Assembly in 2018 again "swept" funds earmarked for natural resources and used them for other purposes—breaking a promise made to the state's taxpayers. The dwindling of professional staff continued as employees sought better opportunities.

With the advent of a new administration, the team that wrote the original McGraw report produced this updated and revised version to reflect the current situation. Most of the problems outlined in the original report persist. Many have gotten worse.

The report's leading recommendation remains the same: Illinois should begin a transition from its current management structure to a professionally led, constituent-responsive commission dedicated to sustaining and promoting the state's natural resources. This would be in line with the management structures of the most admired and accomplished state natural resource agencies, and would significantly increase the department's efficiency. Though it would take the most work to achieve—including the passage of authorizing legislation—this action would reap the greatest benefits for the state and its citizens. A detailed explanation of the commission form of management is contained in this report.

Major recommendations

- 1 Institute a commission-based management structure for the Department of Natural Resources**
- 2 Protect dedicated funds for natural resources**
- 3 Modernize hunter education and other outreach programs via technology and improved customer service, ensuring vibrant participation and funding for years to come**

If implemented, the recommendations in this report will foster:

- Economic efficiency and growth
 - Scientifically driven policy
 - Increased and improved outdoor recreation opportunities
 - Greater constituent participation, representation and satisfaction.
-

The second recommendation is to protect the dedicated funds that are crucial to the department's operations. Without this commitment, which would not require legislative approval, the department's funding woes will only worsen.

While the implementation of an online hunter education course was a welcome improvement, the department still can do more to encourage the recruitment, reactivation and retention of hunters and anglers. As the ranks of hunters and anglers dwindle, so do the license fees and federal excise tax revenues that flow back to the state treasury, creating a potential funding shortfall in the years to come.

This report explains each of these recommendations in further detail.

Illinois once was a national leader in natural resource management. The state presented ideas and programs to Congress and provided the stimulus for revising the Migratory Bird Act Treaty with Canada and Mexico, leading an effort to rewrite federal baiting laws in response to criticism from all corners of the country.

Illinois presented the nation's first comprehensive Conservation Reserve Enhancement Program, led national decision-making in waterfowl management and set an example of cooperation with federal agencies, including the Fish and Wildlife Service, the Department of Agriculture and the Environmental Protection Agency.

Today, the people of Illinois do not trust their Department of Natural Resources. It suffers from political nepotism, a downgrading of state parks, a lack of professional responsiveness and deservedly negative press. The professionals in the department no longer believe they can advance on a career ladder. Our national reputation is poor, and as a result, Illinois can no longer recruit the best managers.

We do not remember President Theodore Roosevelt for his dealings with Congress. Instead, we revere his memory for the changes he made through his strong will and leadership for the benefit of America's natural resources. Illinois deserves that type of leadership.

The recommendations in this report came from some of the best minds in conservation. They will transform the Illinois Department of Natural Resources, deliver economic and program efficiencies and transcend politics, placing Illinois back on course to the pinnacle of natural resource management.

The McGraw Center for Conservation Leadership stands ready to help with the implementation of any and hopefully all of these recommendations.



A world-class Department of Natural Resources will improve the quality of life for Illinois residents

Smarter investment in these resources can drive economic growth.

- Natural areas, open space and outdoor recreation are essential to attract and retain families and businesses.
- 90 percent of Illinois residents live near a source of fresh water
- Illinois has some of the world's most fertile soils
- Illinois prairies and woodlands are important recreational areas for residents and tourists
- Wildlife-related recreation is a \$3.8 billion industry in Illinois
- The Department of Natural Resources supports 90,000 jobs and \$32 billion of economic activity in Illinois

Source: U.S. Fish and Wildlife Service, 2011 National Survey of Fishing, Hunting, Wildlife-Associated Recreation; Illinois Department of Natural Resources.

Introduction

The Illinois Department of Natural Resources' mission is to “manage, conserve and protect Illinois' natural, recreational and cultural resources, further the public's understanding and appreciation of those resources, and promote the education, science and public safety of Illinois' natural resources for present and future generations.”

Yet in recent years, Illinois ranked 48th in per-capita natural resource spending and at the bottom of states offering outdoor recreation. The public's ability to foster a thriving outdoor-related economy based on recreation has been compromised.

Hunters, anglers and their families across the state have supported wildlife and fisheries management for years through the payment of fees and purchase of licenses. Over the years, interest in outdoor recreation has expanded well beyond hunting and fishing, and today people participate in myriad outdoor activities and support politically the idea of a healthy and wholesome environment.

Wildlife watching offers a significant economic benefit to Illinois' economy. Boaters contribute annually through boat registrations, while non-consumptive users almost uniformly believe that natural resource management is critical

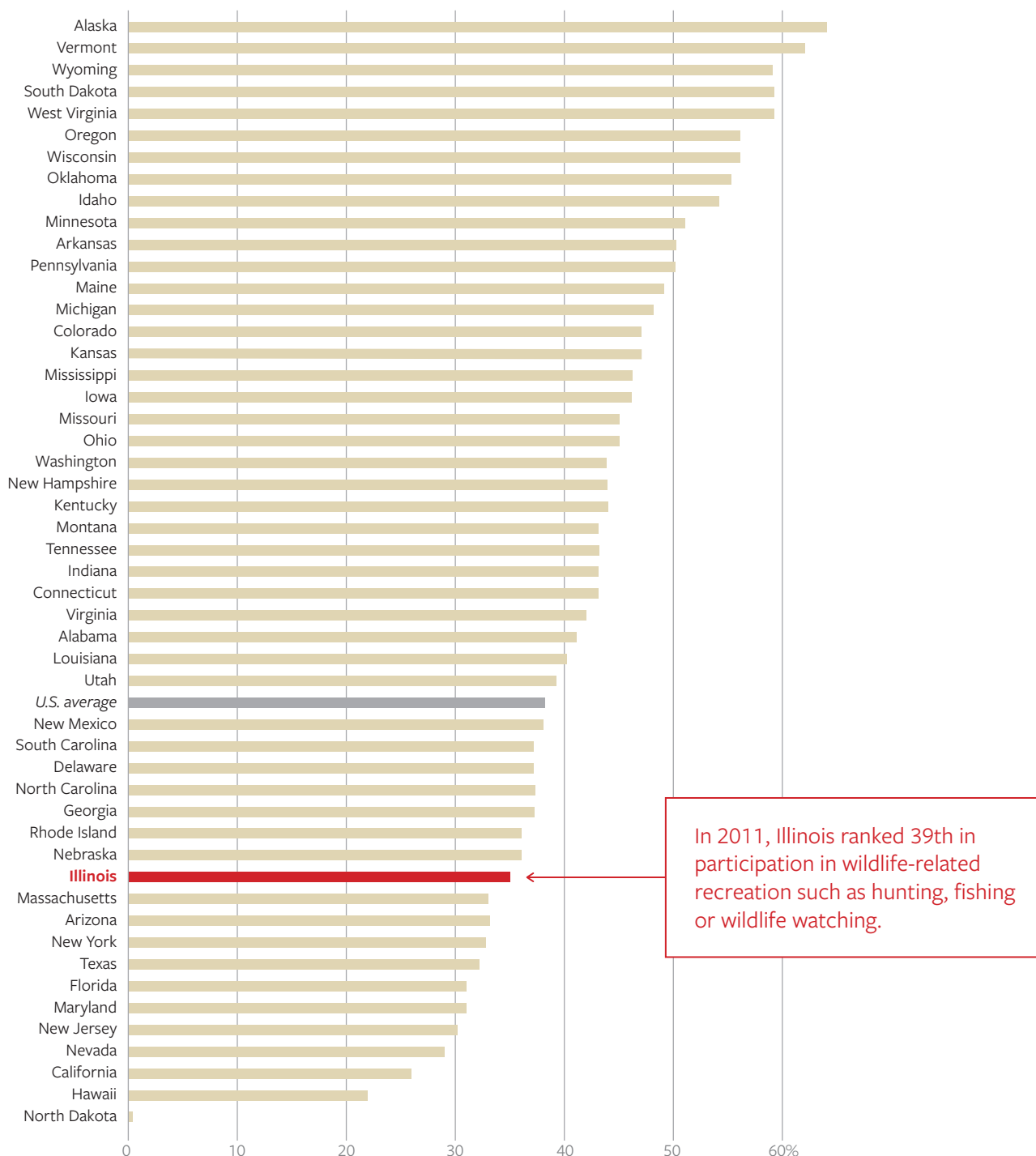
In truth, birders, cyclists, canoeists, naturalists, hikers, cross-country skiers, snowmobilers and many other citizens depend on the department to preserve and enhance the quality of life in Illinois. Study after study has shown that corporate leaders consider access to outdoor-related activities when looking to relocate a business or industry. Managed, enhanced and preserved natural resources offering an array of recreational activities are good for the financial health of Illinois and the individual well-being of its citizenry.

Yet for far too long, the department and its employees, programs and policies have been a political puppet, with untrained appointees leading a staff of trained professionals. The department must be restructured and treated with purpose and vision if it is to reach its full potential.

This report reflects the thinking of some of the best natural-resource managers in the United States. Leaders throughout the state and nation representing nongovernmental organizations, business, industry, grassroots groups and the outdoor recreation community provided valuable insight. This report is the blueprint for creating an exceptional, forward-thinking, economically efficient, resource- and constituent-driven Department of Natural Resources.

Participation in wildlife-related recreation

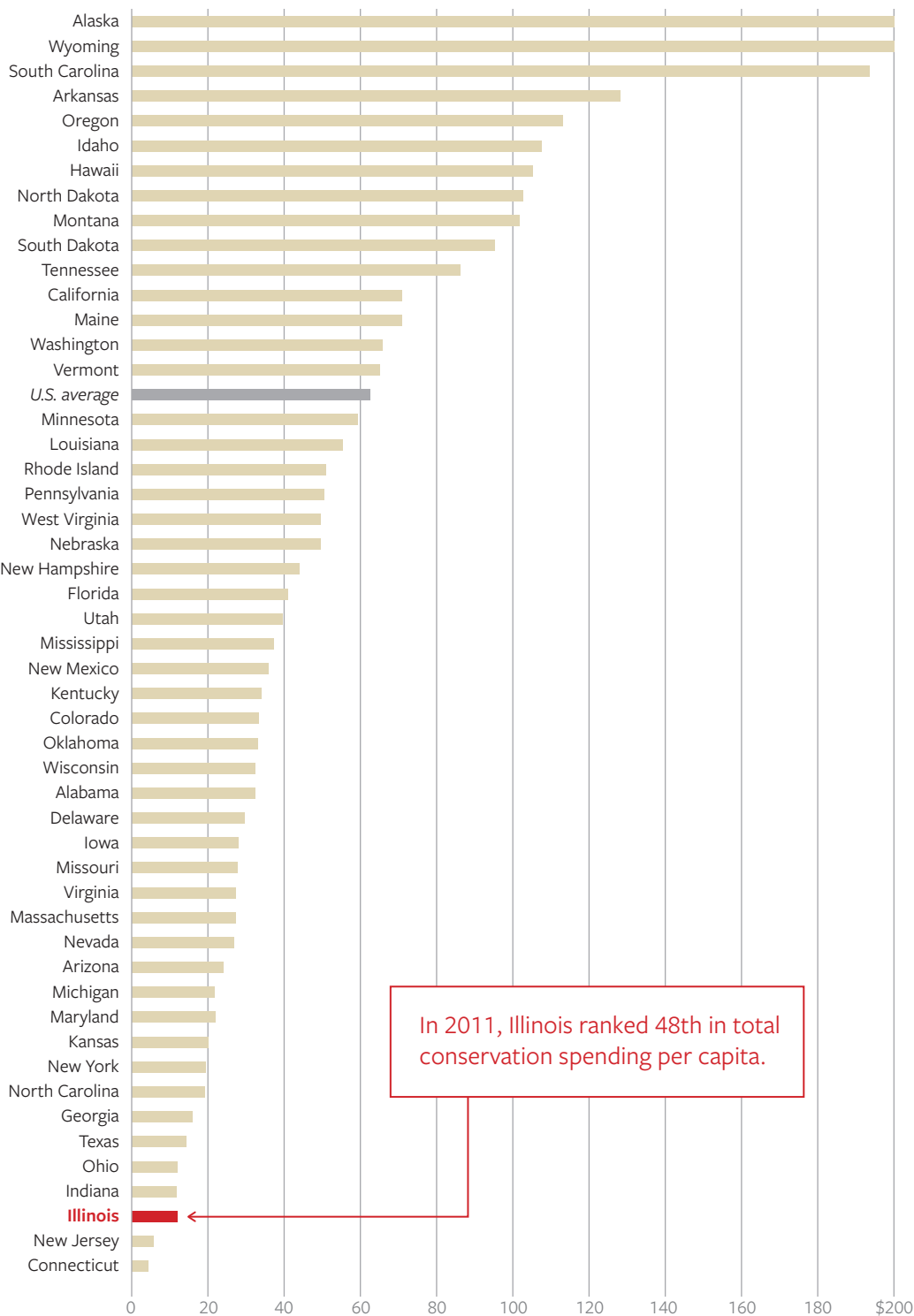
BY PERCENTAGE OF TOTAL POPULATION



In 2011, Illinois ranked 39th in participation in wildlife-related recreation such as hunting, fishing or wildlife watching.

Source: Southwick Associates for the McGraw Center for Conservation Leadership, 2015

Per capita state conservation spending



Source: Southwick Associates for the McGraw Center for Conservation Leadership, 2015

The case for a commission

In producing the original report on the Illinois Department of Natural Resources, one recommendation rose above all others: The conversion of the agency to a commission form of governance.

This conversion would reduce the role of politics in the management of the state's natural resources. Leadership selection would rely on professional qualifications instead of political expediency, subject to change with every gubernatorial election. The department no longer would be vulnerable to chicanery, such as appointing an untrained legislator as a "director" for a month and increasing his/her state pension by more than 25 percent.

Instead, a citizen-based commission would give the governor recommendations for the department's top executive positions, ensuring professionalism, continuity and consistency in these vital roles. The commission also would approve the department's budgets, strategic plans, licenses and user fees, oversight of seasons and bag limits and land acquisition, among other responsibilities.

This fundamental change would foster better constituent service and ensure that the department's policies are rooted in science, economic efficiency and sustainability rather than politics. It would streamline the decision-making process and make better use of taxpayer dollars.

By their very nature, commissions are able to plan strategically, addressing long-term goals and objectives. This is the proper method of managing fish, wildlife and land. Wildlife populations do not change overnight, and ecological changes in existing or planned critical habitat can take decades. Our current management system looks ahead only so far as the next election—an approach that is totally inappropriate and inadequate.






Commissions govern the nation's most respected and recognizably best natural-resource agencies. Of these, Wyoming, Missouri and South Dakota are especially notable. Their commissioners make decisions that are in the best interests of the resources while reflecting sound science and accommodating interested citizens and constituencies.

The team that produced this report includes former top executives of commission-run and non-commission-run natural resource agencies. They found that the commission system of governance was far more inclusive, productive and successful.

Moreover, reviewers of this report have served as presidents of the century-old International Association of Fish and Wildlife Agencies, now known as the Association

Guiding principles of premier natural resources management

A transformation of the IDNR must address governance, funding, professional leadership, constituent representation and resource enhancement and stewardship.

	Governance	Funding	Professional leadership	Constituent representation	Resource enhancement and stewardship
<i>Definition</i>	Natural resource agencies need to be able to respond rapidly to emerging situations (disease, invasive species, etc.) and excessive legislative oversight can severely limit the ability of a natural resource management agency to adapt.	Ecosystem restorations require extended periods of time (up to 40 years or more). Funding sources must be available to support long-term investments that result in economic growth.	Natural resource management requires a strong understanding of best practices and the science that support key decisions. Effective natural resource management agency leaders are professionals in the field.	There are many organizations across the country acquiring funds and implementing natural resource management initiatives. An effective natural resource management agency will leverage the expertise and support of the base of these organizations.	A department of natural resources should go beyond sustaining resources to enhancing a state's natural resources for recreation, economic development, and conservation of threatened species and landscapes.
<i>Examples</i>	 <p>The Florida Fish and Wildlife Conservation Commission has the authority to enact rules and regulations.</p>	 <p>In 2008 the citizens of Minnesota approved a $\frac{3}{8}$ percent increase in sales and use tax to improve water quality, drive outdoor recreation and advance the arts.</p>	 <p>Wisconsin Natural Resources Board must include among its members backgrounds in agriculture and individuals who have held hunting, fishing or trapping licenses.</p>	 <p>The IDNR's Conservation Congress would allow constituent expertise to be leveraged.</p>	 <p>The mission of the Colorado Department of Natural Resources is to develop, preserve and enhance Colorado's natural resources for the benefit and enjoyment of current and future citizens and visitors.</p>

of Fish and Wildlife Agencies. Based on their experiences, they believe that those few state agencies with politically appointed directors cannot function at the same high levels of professionalism and competency as those managed by commissions. Staffs from states with politically appointed directors are frequently in “survival mode,” while those managed by commissions can follow a logical career track based on performance, responsibility and rewards.

Illinois has a rich tradition of citizens who are active in and concerned about the future of our outdoor heritage. Those citizens deserve the best possible system of managing the state’s natural resources. They deserve a commission.

HOW TO DO IT

The transition from politically appointed leadership to a commission will require strong leadership from the governor’s office, political fortitude and a willingness to take some of the authority away from legislators who view the Department of Natural Resources as a patronage-placement agency or a means to further their own agendas.

An ad hoc committee appointed by the governor should lead the transition.

A theoretical makeup would include:

- A representative from the governor’s office
- Two members of the existing Department of Natural Resources advisory board
- One or two highly respected retired department employees
- One or more representatives of the business community

Major constituency groups as well as liaisons from the Illinois House and Senate should advise the group. The committee would:

- Determine the logistics of the transition.
- Determine the selection process for commissioners.
- Identify and describe fully the duties and responsibilities of the commissioners.
- Identify the statutory changes needed to put a commission in place.
- Put together a timeline for that transition.

HOW IT MIGHT WORK

Executive Structure

a. Governance

Several methods of selecting commissioners are possible, either in combination or as stand-alone protocols. They include but are not limited to direct gubernatorial appointments; selection through a constituent-run Conservation Congress; appointment based on geographical distribution; and select representation of major nongovernmental organizations.

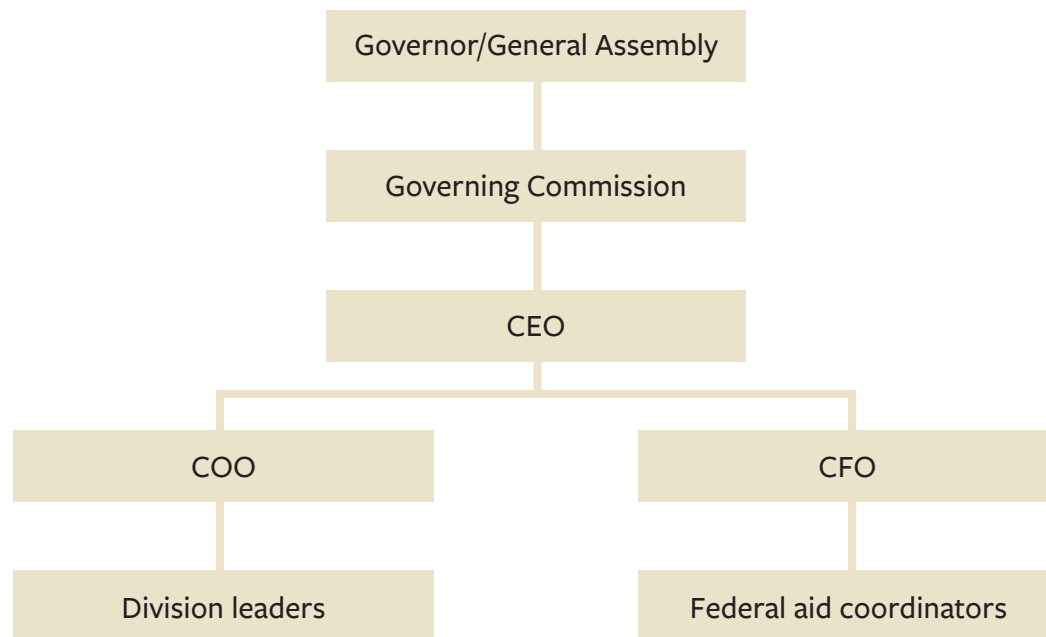
- The commission should have 10 to 12 members, a manageable number that allows for broad representation.
- Commissioners should serve no more than two terms not exceeding four years each, with staggered terms that transcend election cycles.
- The commission should meet at times and places conducive to constituent attendance and participation.
 - The department’s professionally trained managers would present ideas and concepts at these meetings, in a process open to all.
- The commission’s oversight duties would include the approval of budgets, strategic plans, license and user fees, oversight of seasons and bag limits and land acquisition, and the selection of nonpolitical, professional candidates for the department’s chief executive officer.
- The governor would make the final selection for chief executive officer.
 - The chosen candidate would enter into a performance-based five- to seven-year contract. The chief executive’s performance would be reviewed annually with the option of renewal.
- Recommended requirements of commission membership:
 - A majority of gubernatorial appointees should have held a hunting and/or fishing license for the previous three years, ensuring representation for crucial constituent groups.
 - Elected or appointed commissioners should be involved in conservation and or management of natural resources as a part of their business or philanthropic background.
 - People who have been a state employee or lobbied state government in the previous five years should be ineligible to serve on the commission, as should paid staff members of any nongovernmental organization that may seek agency funding.
- Subcommittees: Discipline-related subcommittees consisting of commission members and select constituents should make recommendations on those issues as assigned by the commission chair.

b. Management

The department should have a chief executive officer, a chief operating officer and a chief financial officer.

- The CEO would be responsible for the department’s vision and should be a strategic-minded individual with the ability to think in the long term. This person must be a strong communicator, marketer and relationship builder with deep ties to

Proposed governance of the Department of Natural Resources



the conservation community as well as the outdoor recreation and land management arenas.

- The CEO must have a strong natural resource and management background and be dedicated to the future of hunting, fishing, land stewardship and outdoor recreation. The CEO should be a well-known conservation leader—nationally, in this state or in the state of his or her previous employment.
- The COO must have a natural resource background and be a strong, proven administrator.
- The COO and CFO must have a close relationship with the CEO. Their positions require a sound background in financial management, familiarity with special funds and knowledge of governmental and nongovernmental funds that complement the agency's mission.

Beyond these three key leadership positions, the department needs an accomplished federal aid coordinator who is an expert in the process that sends federal dollars to states to protect their natural resources.

Dedicated funds

The Department of Natural Resources has used honest yet outdated systems to spend public funds. There are many ways to provide greater efficiencies, including specific strategic planning, innovative financial programs and eliminating the General Assembly's role in the allocation of the real estate transfer tax.

One particularly necessary improvement would be to ensure the efficient and prudent use of dedicated funds, which are earmarked for specific purposes. With proper management and fiduciary planning, dedicated funds can be the catalyst for growing financial resources, maintaining critical habitats and fostering strategic programs and initiatives.

The General Assembly created many of these funds at the behest of constituents, who asked to pay additional fees to ensure financing for their favorite programs such as waterfowl and upland hunting. Yet the General Assembly also frequently "sweeps" end-of-year balances from these dedicated funds and redirects them to other programs and projects. This is nothing less than a broken promise to the taxpayers who poured the money into the funds.

Beginning an open, strategic planning process with department staff and constituents, focusing on the appropriate and expedient utilization of dedicated funds, will set an example for all of state government.

The McGraw Center for Conservation Leadership asked five well-known and highly respected natural resources and accounting professionals with direct experience in dealing with state financing and dedicated funds to review, analyze and suggest improvements for dedicated funds. This report reflects their opinions and input.

The four funds they reviewed represent significant constituencies and expenditures. They are:

- 1. The Migratory Waterfowl Stamp Fund,** created at the behest of waterfowl hunters and authorized by the General Assembly in 1975. The current price of the state's annual waterfowl stamp is \$15. Stamp sales have generated approximately \$22.5 million since inception, and between 2005 and 2015 generated about \$870,000 a year. State statute requires a committee of department employees and constituents to award grants from the fund.
- 2. The Habitat Stamp Fund,** created in 1992 at the behest of Illinois upland game hunters and trappers. Since inception, stamp sales have generated more than

Key findings on dedicated funds

- | | | | |
|---|---|---|--|
| 1 | Dedicated funds foster efficiency, ensure long-term management objectives and directly account for services to the constituency. | 4 | The state does not pursue innovative funding techniques such as bonding of funds, philanthropic partnerships and private-sector funding. |
| 2 | “Sweeps” of dedicated funds are shortsighted and detrimental to the natural resources and quality of life in Illinois. | 5 | Project reporting for implementation and performance is antiquated and needs modernization. |
| 3 | Because the state has shifted personnel expenses from General Revenue to dedicated funds, constituents do not receive the expected benefits from “user pay” funds such as the Illinois waterfowl stamp. | 6 | There is nothing prohibiting staff or board members of nongovernmental organizations eligible to receive grants from being members of committees that administer grants, creating the potential for blatant conflicts of interest. |
-

\$20 million. The revenue is allocated by statute: 64 percent goes to the Habitat Stamp Fund, 30 percent to the State Pheasant Stamp Fund and 6 percent to the Furbearer Fund. If stamp revenues in a given fiscal year do not reach a defined threshold, the shortfall must be made up in the following year by additional transfers from the Habitat Stamp Fund. This ensures that habitat work is completed. A statutorily defined committee of department employees and upland game constituents adjudicates grants.

3. The Natural Areas Acquisition Fund, established as part of the Open Space Lands Acquisition and Development Act of 1990. As defined by the Act, 50 percent of the revenue from the real estate transfer tax goes to the Illinois Affordable Housing Trust Fund, 35 percent goes to the Open Space Lands Acquisition and Development Fund and 15 percent to the Natural Areas Acquisition Fund. From 1998 through 2015, \$169.5 million was generated for the natural areas fund. Between 2005 and 2015, appropriations from the fund averaged about \$12.4 million annually, while expenditures averaged about \$9.5 million a year. The differential is the result of delayed hiring and land acquisition.

4. Open Space Lands Acquisition and Development Fund: Financed through real estate transfer taxes, beginning with the 1986 Build Illinois bond initiative. The fund

proved so popular that the state reauthorized it in 1990 via the Open Space Lands Acquisition and Development Act. From FY1998 through FY2015, real estate transfer taxes have generated more than \$400 million for the fund. Between 2005 and 2015, fund transfers averaged \$22 million a year and awards averaged nearly \$19 million annually. State statute requires annual progress reports to the governor and General Assembly.

These funds are important biologically and sociologically. The Waterfowl and Habitat Stamp Funds as well as the Natural Areas Acquisition Fund not only benefit natural resources as a whole but the economy and our overall well-being. The rewards are obvious: Direct habitat protection and improvement for migratory waterfowl, upland birds and threatened and endangered species.

There are less obvious but equally critical returns. By providing a robust environment where industry, development and natural resources can co-exist, the state can keep plants and animals off the threatened and endangered species list.

In addition, hunting and fishing provide direct benefits to local economies. In the late 1990s, the U.S. Fish and Wildlife Service estimated that every dollar spent by a hunter or angler generated an additional \$8 for the economy – a figure that has likely grown. The economic impact of these activities is understated and undervalued, particularly in rural areas.

Updating the procedures that control these funds would be a significant service to all Illinois constituents, not just outdoor enthusiasts.

Further, the department should launch a thorough review and audit of all dedicated fund accounts, including but not limited to Fish and Wildlife; Open Space Lands Acquisition and Development; Pittman-Robertson/Dingell-Johnson; Migratory Waterfowl Stamp; and Habitat Stamp funds.

This review should go back at least a decade and determine if fund expenditures matched the purpose of the enabling legislation and if the state received the required reports from grantees.

WHY DEDICATED FUNDS ARE NECESSARY

From the beginning of the American conservation movement, dedicated funds have been a key means of financing hunting, fishing and outdoor recreation programs. Governments use them to address their constituents' needs or wishes without tapping general revenue funds. Dedicated funds are the "user-pay, public-benefit model of conservation."

Governments developed dedicated funds in response to citizen requests to address

Recommendations for dedicated funds

- 1 Continue and modernize the use of dedicated funds, including an audit to identify inefficiencies and overlap.
- 2 Prohibit staff or state- or national-level board members of nongovernmental organizations eligible to receive grants from being members of committees that administer grants. Ideally, the legislature would accomplish this by amending the statutes governing dedicated funds.
- 3 Remove Open Space Lands and Development (OSLAD) funds from the state's annual budgeting process and allocate them directly to the Department of Natural Resources, expediting funding and efficiency.
- 4 Pursue bonding of projects, allowing them to be "front-loaded," more timely and cost-effective.
- 5 Pay all full-time-equivalent employees working on dedicated fund projects out of General Revenue, allowing dedicated funds to be used for their intended purpose.
- 6 Allow no more than 15 percent of the total project cost for overhead, either internally or externally. Because the Migratory Waterfowl Stamp Fund and Habitat Stamp Fund allocations are competitive in nature, we recommend a weighted scoring system favoring organizations that operate at less than 15 percent overhead.
- 7 Require initial reports upon the substantial completion of all projects, followed by a 1-, 5- and 10-year performance analysis.
- 8 Develop a matrix to track projects using current and additional metrics. Make future funding competitive and linked to ranked performance and financial accountability.
- 9 Create a preselection/prioritization process for the Migratory Waterfowl Stamp Fund, the Habitat Stamp Fund and the Natural Areas Acquisition Fund, with the OSLAD fund as a possible model.
- 10 Pursue test projects using nongovernmental organizations for implementation, maintenance and oversight.
- 11 Require the Illinois Conservation Foundation's executive director to attend and, where appropriate, participate in dedicated fund meetings, committee deliberations and executive staff meetings.
- 12 Focus on recruitment and retention of volunteers at any area controlled by the Department of Natural Resources, not solely those areas funded or developed through dedicated funds.

a specific need or a perceived void in the necessary funding for authorized programs or projects. For example, governments earmarked proceeds from fishing and hunting licenses for the benefit of game species.

The federal duck stamp, launched more than 75 years ago, began the dedicated fund effort. As time progressed, many more user-driven projects or programs were recognized and established, including some of the most successful conservation programs in U.S. history. Anglers and hunters drove their creation because they believed the nation's fish and game populations were dwindling and needed help. Only those most invested in the programs were required to pay for them.

Seeing those successes – and mindful that governments have a ravenous appetite for general revenue funds to finance politically expedient projects – other bodies followed suit. Across the country, parks, park districts, conservation districts and forest preserve districts saw the need for dedicated funds that would remain intact if the political winds shifted.

While the protection afforded by dedicated funds is a prime reason for their continued existence, there are other reasons, including economic efficiency, accountability and responsiveness to constituents:

- The expenditures from dedicated funds should be easy to track, preventing crucial dollars from being lost in the government morass.
- Efficiency and impact are similarly easy to judge.
- Because dedicated funds address specific interests, they encourage and foster constituency participation in expenditures, such as the selection of projects.
- By their very design, dedicated funds address constituent needs and desires.
- Dedicated funds have also evolved as a form of mitigation for commercial or industrial activities, with the attorney general assigning revenues from fines to specific dedicated funds.

As governments across the nation struggle to find more dollars, dedicated funds ensure that crucial, popular programs continue to receive adequate funding and serve the constituents who depend on them. Ending dedicated funding – or worse, “sweeping” the funds for other purposes – cheats the taxpayer.

The following examines some of McGraw's recommendations in detail.

OSLAD

Recommendation: *Remove Open Space Lands Acquisition and Development funds from the state's annual budgeting process and allocate them directly to the Department of Natural Resources, expediting funding and efficiency.*

Illinois launched the Open Space and Lands Acquisition and Development program in 1986 to help local governments buy and develop land for parks and open space. The state underwrites the program with non-General Revenue dollars generated by the real estate transfer tax. The Illinois Natural Resources Advisory Board administers the grants, and park districts and other local governments provide matching funds totaling at least half of the project costs.

Nearly every county has a park and recreation agency that has benefited from this funding. These grants improve the quality of life within Illinois communities. The parks, trails and open spaces foster community activities and healthy lifestyles. Local architects, engineers and construction workers design and build the facilities, and local citizens provide staffing and maintenance. The funding provides a significant economic stimulus.

It is also a great investment because local communities must provide at least half of the project cost and the state is guaranteed a 100 percent return on its investment via local match.

The OSLAD fund is included in the annual Illinois appropriations process. If the budget is derailed, then project completion and expenditures are delayed. Funds from this unique and dynamic program should be allocated directly to the department to expedite efficiency.

BONDING PROJECTS

Recommendation: *Pursue bonding of projects, allowing them to be “front-loaded,” more timely and cost-effective.*

At a time when governments struggle to find dollars, innovative funding techniques are imperative. The state should consider using its bonding authority to stretch the dollars available through specific identified funds. This would offer the opportunity to “front-load” projects, reducing delays that might increase costs.

For example, the state could use dedicated Natural Areas Acquisition monies to retire debt, thereby creating an avenue to expedite projects while avoiding fund sweeps and inflationary cost creep. The price of conservation is not going down; it likely costs less today to acquire land or develop wetlands than in the future.

After consulting the Illinois Capital Development Board, we determined that using Build Illinois bonds would offer much more flexibility in choosing and executing projects. Build Illinois funds are taxable, so the state would pay higher debt service; however, the flexibility of use would be worth it.

Special language would be needed linking Natural Area Acquisition funds to debt service and increasing the bond limit of Section 4(d) of the Build Illinois Bond Act.

The Capital Development Board provided the following examples of types of projects and their eligibility for financing through Build Illinois.

Project	Can it be bonded?	Source of funding
Pumps	Yes	Waterfowl Stamp Fund
Equipment	Yes	Waterfowl Stamp Fund, and other specific applications in other funds
Levee repairs	Yes	Waterfowl Stamp Fund, and other specific applications in other funds
Fuel for construction equipment on a specific project	No	
Rip rap	Yes	Waterfowl or Habitat Stamp Fund
Contracting repairs	Depends on nature or repair	
Dredging	Yes	
Land acquisition	Yes	
Land access	Yes, if the term extends beyond the life of the bonds	

Based on conversations with federal officials, it may also be possible to bond for Pittman-Robertson and Dingell-Johnson funds.

SALARIES AND DEDICATED FUNDING

Recommendation: *Pay all full-time-equivalent employees working on dedicated fund projects out of General Revenue, allowing dedicated funds to be used for their intended purpose.*

In fiscal year 2002, the Illinois Department of Natural Resources spent \$130 million on personal services with a total head count of 2,091 employees. In fiscal 2015, the department spent \$141 million on personal services for a head count of 1,265. This means the department spent \$11 million more on personal services in FY15 despite losing 800 employees.

Year	Personal services expenditures	Head count
FY 2002	\$130 million	2,091
FY 2015	\$141 million	1,265
<i>Change</i>	<i>+ \$11 million</i>	<i>-826</i>

In fiscal year 2002, the average bargaining unit employee cost the department \$58,476 (salary \$39,965, Social Security \$3,015, retirement \$3,996 and insurance \$11,500). By fiscal year 2015, the average had leapt to \$133,170 (salary \$69,595, Social Security \$5,341, retirement \$31,734 and insurance \$26,500).

Bargaining unit only	FY02 average	FY15 average	Difference
Salary	39,965	69,595	29,630
Social Security	3,015	5,341	2,326
Retirement	3,996	31,734	27,737
Group insurance	11,500	26,500	15,000
<i>Total</i>	<i>58,476</i>	<i>133,170</i>	<i>74,694</i>

This means the cost of an average employee grew by almost \$75,000 more per year over that 14-year period – an increase of 127 percent. The increase can be attributed to two main pressures – union contracts/increased membership and drastic cuts to the department's general revenue funding.

In fiscal year 2002, the department received \$137.6 million in general revenue funds. By fiscal 2015, that funding had dropped to \$39 million, forcing the department to shift more employee costs to dedicated funds.

This has serious consequences. When an employee is paid out of general revenue, the General Revenue fund pays for benefits. When an employee salary is moved to a dedicated fund, the cost of the benefits must come out of the fund as well, increasing expenses substantially. As an example, an employee making \$100,000 a year paid from General Revenue costs the department \$107,000. That same employee costs the department \$179,500 if the salary comes from a dedicated fund.

This means that far fewer dollars from dedicated funds make their way to actual projects. This is a broken promise to the supporters and providers of dedicated funds. Today, in the case of in-house waterfowl stamp projects, only 8 percent of dedicated funds go to projects. The rest pays staff salaries associated with projects. This is true of other funds as well.

It is the duty of the department's professionals to see that projects are completed with dedicated fund dollars. The current funding process is crippling their ability to do so.

Shifting more employee costs to general revenue would constitute a vastly needed reform.

OTHER RECOMMENDATIONS

Standard project overhead: Overhead is a legitimate cost associated with delivering a quality project, but it should be controlled.

Recommendation: Allow no more than 15 percent of the total project cost for overhead, either internally or externally. Because the Waterfowl Stamp Fund and Habitat Stamp Fund allocations are competitive in nature, we recommend a weighted scoring system favoring organizations that operate at less than 15 percent overhead.

Routinized reporting: A review of project reports submitted by external and internal organizations found a significant disparity in quality and timing.

Recommendation: Require initial reports upon the substantial completion of all projects, followed by a 1-, 5- and 10-year performance analysis.

Project prioritization: Grant applicants that have had past grants should be assessed on their history of providing matching funds, maintaining low overhead, successfully completing projects and following reporting standards.

When applicable, grants from dedicated funds should be awarded through a competitive process that rewards fiscal accountability, past performance and a high return on investment. The department should support proven entities and reinvest in phases as the work progresses. Key department employees who are accountable for results and can confirm the return on investment through meaningful reporting should monitor this progress.

Recommendation: Develop a matrix to track projects using current and additional metrics. Make future funding competitive and linked to ranked performance and financial accountability.

Preselection of projects: The advantages of prioritization are obvious, including the fact that it dissuades political attempts to override the work done by professionals and constituents to select appropriate projects. It also will help potential contractors be flexible and creative in using best construction and management practices, with resulting cost control.

As an example, in 2015 the Migratory Waterfowl Stamp Fund held more than \$4 million that could have been used for much-needed maintenance and repair on state waterfowl projects. Instead, it was locked amid the Illinois budget crisis. Had competitively bid “shovel-ready” projects been preselected, much of the money could have been at work to benefit state constituents and the resource at 2015 prices.

A project preselection/prioritization process could also lead to a more efficient annual pre-bid process in which the committee would know precisely what monies are available for future allocation. The OSLAD allocation process is effective and should be retained, but there are opportunities to improve the process for the other dedicated funds.

Recommendation: *Create a preselection/prioritization process for the Migratory Waterfowl Stamp Fund, the Habitat Stamp Fund and the Natural Areas Acquisition Fund, with the OSLAD fund as a possible model.*

NGO partnerships: There may be opportunities for nongovernmental organizations such as Pheasants Forever and Ducks Unlimited to finance and carry out species-specific projects on state land. In essence, this would provide the constituency with a turnkey project without state participation other than oversight and approval. We believe this will provide overall efficiencies in today’s climate of diminishing personnel resources.

Recommendation: *Pursue test projects using nongovernmental organizations for implementation, maintenance and oversight.*

The Illinois Conservation Foundation: In its first eight years, the foundation raised \$16 million to support the department’s programs. In recent years, that stagnated due to questionable activities and a lack of long-term vision.

The foundation now has a trusted certified professional fundraiser and a board interested in healing its reputation. This creates an opportunity for the foundation to support and drive many projects. If successful, the foundation could even provide the needed matching dollars for federally funded projects and programs.

Reconnecting the foundation with the department is a necessary first step.

Recommendation: *Require the Illinois Conservation Foundation’s executive director to attend—and where appropriate, participate in—dedicated fund meetings, committee deliberations and executive staff meetings.*



Stewardship: The Illinois Historic Preservation Agency already has a successful volunteer program that takes into account issues with public unions. The Department of Natural Resources should use it as a model for similar programs at state parks and fish and wildlife areas.

This would create a ready and willing workforce for minimal investment. There is no need to reinvent a volunteer strategy; just find ways to implement existing ones.

Recommendation: *Focus on recruitment and retention of volunteers at any area controlled by the Department of Natural Resources, not solely those areas funded or developed through dedicated funds.*

Hunter education and recruitment

One success that grew from the original McGraw report on the Illinois Department of Natural Resources was a recommendation to modernize hunter safety certification by developing and offering an online-only option. The online course, instituted in 2017, has proved popular with the state's increasingly busy constituents who struggled to find and attend traditional courses.

Yet there is still work remaining, much of which should involve the dedicated volunteers who are the heart of the state's hunter education program. Many of them have complained that the online course's popularity has made them less needed—when, in fact, the opposite is true. Online education should open the door to more and better volunteer-led instructional programs for the state's hunters, which will have concurrent benefits in maintaining the state's hunting heritage.

As hunter numbers dwindle, so do the license fees and other hunting-related funds that flow back to Illinois. To combat this growing strain on the Department of Natural Resources' budget, it would behoove the agency to further invest in the future of hunting by integrating hunter education, hands-on field activities and advanced learn-to-hunt programs into a robust strategy that embraces hunter safety as a lifelong process and keystone of successful recruitment efforts.

The hunter education experience should ensure a high level of safety from its graduates and a tailored, meaningful experience that launches new hunters into a lifetime of safe hunting and engagement with the outdoors through the Department of Natural Resources.

To achieve this, the department must build its ability to understand customer engagement strategies, participation and satisfaction rates. Doing so would make the department more efficient in recruiting new hunters and anglers while engaging existing ones.

Revitalizing and enhancing Illinois' hunter engagement programs should include:

- An overall hunter recruitment and retention strategy that embraces the existing volunteer instructor network and the many state, federal and private organizations working to recruit individuals into outdoor activities
- Emphasis on firearms safety and safe hunting practices through basic hunter education



- Support for lifelong hunter education
- A variety of advanced programs and opportunities that ensure opportunities for hands-on learning, track results and participation and demonstrate return on investment.

Taken together, these strategies not only would achieve the primary goal of creating safe hunters but also would increase customer satisfaction and foster a vibrant, healthy hunting community in the state for years to come.

There also are significant opportunities beyond hunter education to improve constituent service. Hunter education took a giant step forward, yet all outdoor education and recruitment needs a top-to-bottom overhaul. Fishing, ecological study, camping, hiking and other activities all are parts of being a well-rounded outdoor enthusiast, and the state needs modern, efficient ways to promote them.

MODERNIZING HUNTER EDUCATION

Online hunter education was a critical first step toward better engagement with the state's current and future hunters, yet it is only a stopgap toward a more comprehensive, modern approach to hunter engagement. Further, without an inclusive strategy to embrace and utilize volunteer instructors, the department risks losing this much needed and valued resource.

The Federal Aid in Wildlife Restoration Act provides the following guidance on hunter education:

- Basic hunter education intends to provide “programs for the education of hunters to develop the skills, knowledge and attitudes necessary to be responsible hunters.”
- Enhanced (Advanced) Hunter Education builds from the basic course and provides “the enhancement of basic hunter education programs through hunter and sporting firearm safety programs and hunter development programs, and to introduce individuals to the shooting sports and increase opportunities for recreational firearms and archery shooting activities.”

In accordance with that guidance, the department should supplement the basic hunter education courses with a variety of specialty hands-on experiences to teach new hunters advanced skills while reinforcing safe, ethical behavior. New hunters who have no access to the traditional mentoring networks of friends and family would especially welcome such offerings.

Some specific suggestions:

Build upon the basic online course: This course should be reviewed regularly, reflecting the best current practices in online hunter education, instruction and video production. Potentially, an expanded new approach could match course material to the age, experience level and interest of the person pursuing certification.

Refine traditional classroom offerings: With an “online only” option now available, classroom courses can be redirected at individuals who want face-to-face instruction and demonstration of basic techniques. These classes would be particularly appropriate for youth and service groups, as well as customized courses such as “Becoming an Outdoor Woman.”

Advanced offerings: These should include field, classroom and online programs that allow hunters to gain additional experiences, refresh their skills and advance their understanding of safe hunting practices and techniques. They also should be customized to appeal to hunters of all experience levels.

- Existing volunteer instructors should lead advanced programs related to field skills, firearms training, learn-to-hunt programs and other recruitment and retention projects. This takes advantage of the instructors' unique knowledge and interests and embraces their passion for teaching field skills, safety and proficiency.
- A certification process should recognize the successful completion of specific advanced courses. Participation and completion could be encouraged by awarding preferential treatment for permits, access drawing or hunt days to hunters who complete the courses.
- The department should work with nongovernmental organizations to develop a unified, well-organized approach to hunter recruitment and retention. Many of the single-species conservation groups such as the National Wild Turkey Federation and Pheasants Forever have vast local chapters and national initiatives to finance and drive hunter recruitment.

Tracking safety data: Law enforcement and hunter accident safety data should be used as an essential tool to shape future hunter safety curricula. The department should collect and analyze annual data to inform and update outreach efforts and teaching.

Together, these plans would put Illinois in the lead in implementing a modern, progressive and highly effective hunter education program.

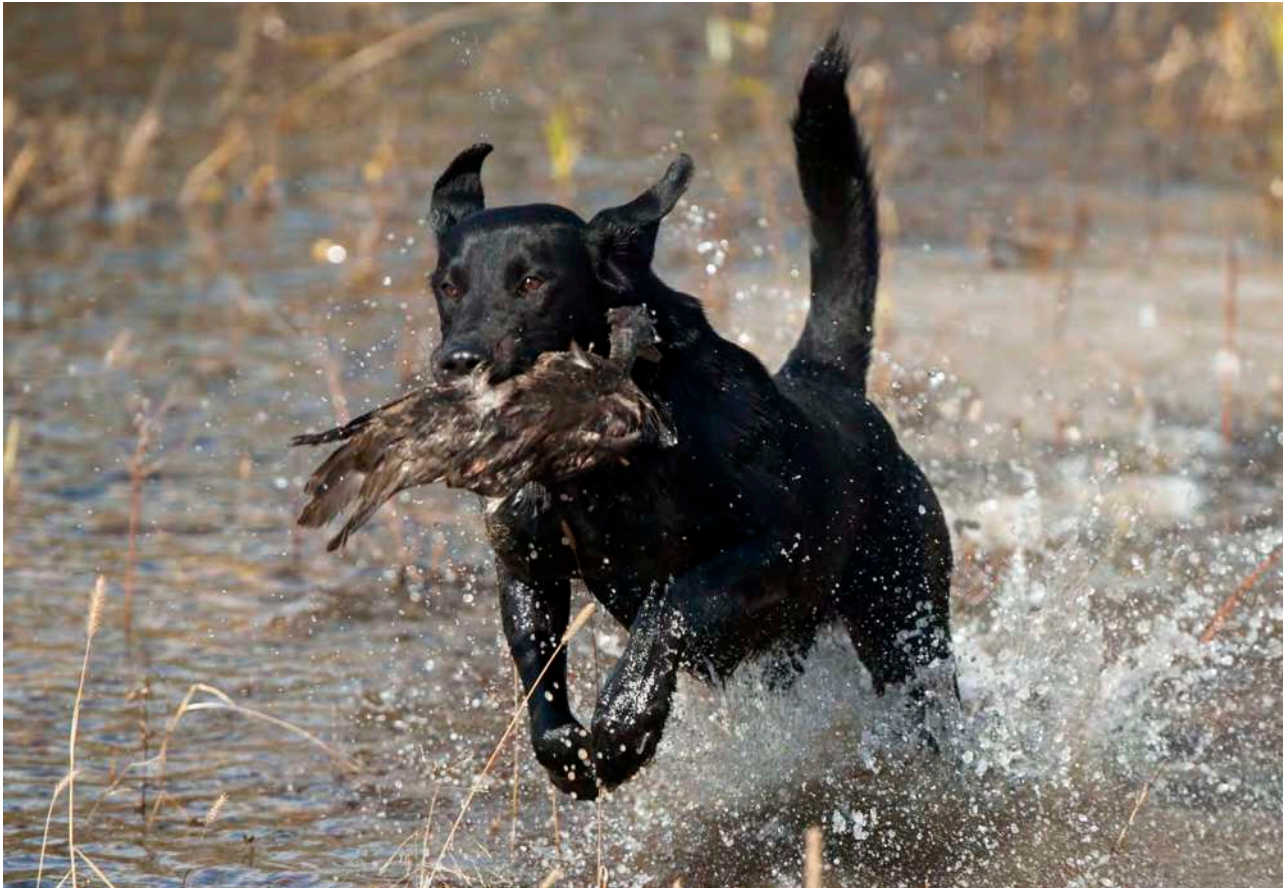
INTEGRATING TECHNOLOGY, LICENSING AND RECRUITMENT/RETENTION

The department should work to make sure that it fully understands customer engagement, satisfaction and participation rates—not just for hunters but also for all constituencies. In today's world, this would include an integrated data management and customer identification system. Several independent vendors operate these systems on the national and international levels, and the department should consider contracting with them in the interests of economic efficiency.

The department should have the technical ability to perform web analytics and redirect existing recruitment and retention budgets in a more organized manner. If not, the department should take immediate steps to address this serious deficiency.

The costs of the efforts suggested below and acquiring the necessary outside expertise range from \$90,000 to \$120,000 a year.

Identifying and tracking hunters: Individuals who buy licenses and/or complete hunter education represent the majority of current and future “customers” of hunting



and fishing. It is critical to integrate and manage these two databases to determine usage rates, engagement opportunities and programing needs and then to design effective marketing. A standardized system would greatly improve tracking and offer insight into potential program improvements.

New license options: License sales generate crucial revenue for the department through direct sales as well as federal support in the form of Pittman-Robertson and Dingell-Johnson funds. The department should review its licensing and permit system to ensure it maximizes recruitment and retention, hunter opportunity and management needs.

Improve electronic outreach, web analytics and social media: A strong web presence in the form of social media and marketing is critical to support online hunter education, license sales and permit-draw registrations. The agency should review current practices to ensure that they advance the agency's mission and provide economic efficiency.

Other governance recommendations

In the course of producing the original report on the Department of Natural Resources, the McGraw Center for Conservation Leadership developed several specific governance recommendations – not nearly as complicated as the three major recommendations in the report, yet necessary to ensure maximum efficiency. They are as follows.

State Parks

Illinois State Parks are underfunded, with a huge maintenance backlog. A State Parks and Lands Committee should oversee department lands and report on budgetary needs, management requirements and potential for privatization, public/private partnerships and the optimal management structure for each state-owned facility.

State Natural Areas

The condition of the state's natural areas should be assessed and a report drafted by a task force led by the Illinois Natural History Survey and assisted by the Nature Conservancy and Openlands. It would be charged with providing an executive overview of the natural areas' conditions; proposing budgets to return them to appropriate levels and standards of management; and prioritizing areas for protection. The task force also should suggest funding sources for the necessary work.

Fish & Wildlife Management Areas

Numerous areas designated for public hunting and fishing lack operating funds, management expertise and equipment. Each state wildlife management and public hunting and/or fishing area should be evaluated with recommendations for improving economic efficiency, user opportunity and quality of experience.

The state should solicit local user groups such as the Carlyle Lake Waterfowlers Association for input, working with state managers on review committees. Reports should be presented within a stipulated time period and should include ways in which public/private partnerships can serve each area.

As with state parks, consideration should be given to having private entities assume the management of areas or specific responsibilities in areas, including fish and game bird stocking.



Extraction Permits

The department must improve permitting review and issuance services by simplifying and expediting requests. The department should maintain appropriate staffing levels for permit issuance and empower experienced, knowledgeable individuals to make appropriate permitting decisions.

Recreational Permits

Permits should be a method of developing dedicated funds for the agency while remaining convenient for the constituency. The department should review the cost of licenses and user fees and make recommendation for change, under a deadline determined by the governor. All fees and permits should be examined as to cost, complexity, efficiency of issuance and enforcement. Fee increases should be tied to an improvement in program delivery or an adjustment due to the economy.

Operational Purchasing and Leasing

As an overriding guideline, the department should not own equipment beyond that deemed essential. Instead, equipment should be leased, preferably from Illinois companies, or the services required to operate such equipment should be contracted with third parties. Such work could include levee repair of waterfowl management areas, mowing of state parks, planting of wildlife food plots and repair of boat docks and ramps.



All equipment purchase and leasing, as well as building leasing, that is carried out through Central Management Services should be terminated immediately.

An independent Leasing and Procurement Committee comprised of individuals with experience in building leases, heavy equipment, maintenance and purchasing would help the department dramatically. Each site should conduct an economic efficiency review to determine the best management practices for that location and to identify potential local partnerships.

ENTICE

The state should revive the Environment and Nature Training Institute for Conservation Education in schools, utilizing public/private partnerships and enhancing it with a prescribed syllabus and a vigorous social media campaign.

This could be a way for the department to invite the state's urban and rural children to embrace outdoor recreation and conservation, ensuring robust participation for generations to come. Properly done, it could set an example for the rest of the nation.

Law Enforcement

In the past, game wardens dealt only with fish and game issues such as poaching,

trespassing and other violations on private properties and state facilities. They also served a significant educational role by helping citizens they encountered in the field.

Modern conservation police deal with all of those issues in addition to maladies related to today's society. Officers routinely make drug arrests and investigate accidents, robberies, rapes, homicides and gang activities on state-owned properties or on private properties in rural areas. They are first responders to hunting accidents as well as mishaps on the state's waters including Lake Michigan, and are trained to respond to terrorism-related threats. In addition, they remain the only law enforcement agency with the knowledge and ability to protect the resource.

Yet these officers are often the only representatives of the Department of Natural Resources seen by the public in the field. As more people are introduced to outdoor activities and society becomes more urban, it is vital that they continue to serve as emissaries to the department's constituents.

Therefore, a renewed emphasis should be placed on conservation education and the value of engaging the public in a non-threatening manner. Volunteer programs modeled on the successful "neighborhood watch" programs should be encouraged to bring about more eyes and ears afield in the protection of our natural resources. Management should continually emphasize and promote the concept of officer as educator, while striving to ensure that their ranks are fully staffed. Otherwise, public safety and fish and wildlife protection cannot be maintained.

Firearm Owners Identification

In recent years, the state made many positive changes to allow individuals to hunt or shoot as long as they are with someone who possesses a valid Firearms Owners Identification card. Yet it remains technically illegal for an adult who does not hold a FOID to participate in an informal target shooting session or go hunting with a FOID holder on private ground. Such outings introduced millions of Americans to hunting and the basics of the shooting sports. A simple change to the law, in the same spirit as the previous changes, would prevent hundreds of honest citizens from unintentionally breaking the law each year.

Public Access

Illinois ranks near the bottom of the 50 states in public access for hunting and fishing opportunity and general outdoor recreation. The keys to public access are working with private landowners including corporations, power companies, agriculture and mining operations. Within a timeline established by the governor, the state Department of Natural Resources and Department of Agriculture should develop proposals for an access program for those who hunt, fish and watch wildlife. This would increase opportunity and provide economic benefits to landowners.

Resource Management

The state established the Department of Natural Resources to provide management of wildlife and fisheries as there were no nongovernmental organizations capable of doing so. This is no longer true.

The department should review the functions of each of its divisions and their professionals. Where possible, these responsibilities should be carried out in strong cooperation with NGOs.

Role of Legislature

Illinois is among a very few states that give the legislature authority to enact rules and regulations governing seasons for hunting, trapping and fishing and methods of take. These decisions should be reassigned to professionals in the respective fields.

Science-based management

Illinois has two of the world's most respected natural resource research agencies in the Prairie Research Institute and the Illinois State Museum. The cornerstone of good management is good science; the department should consult with both organizations before reaching critical management decisions. This would be beneficial for the agency and Illinois citizenry as a whole.

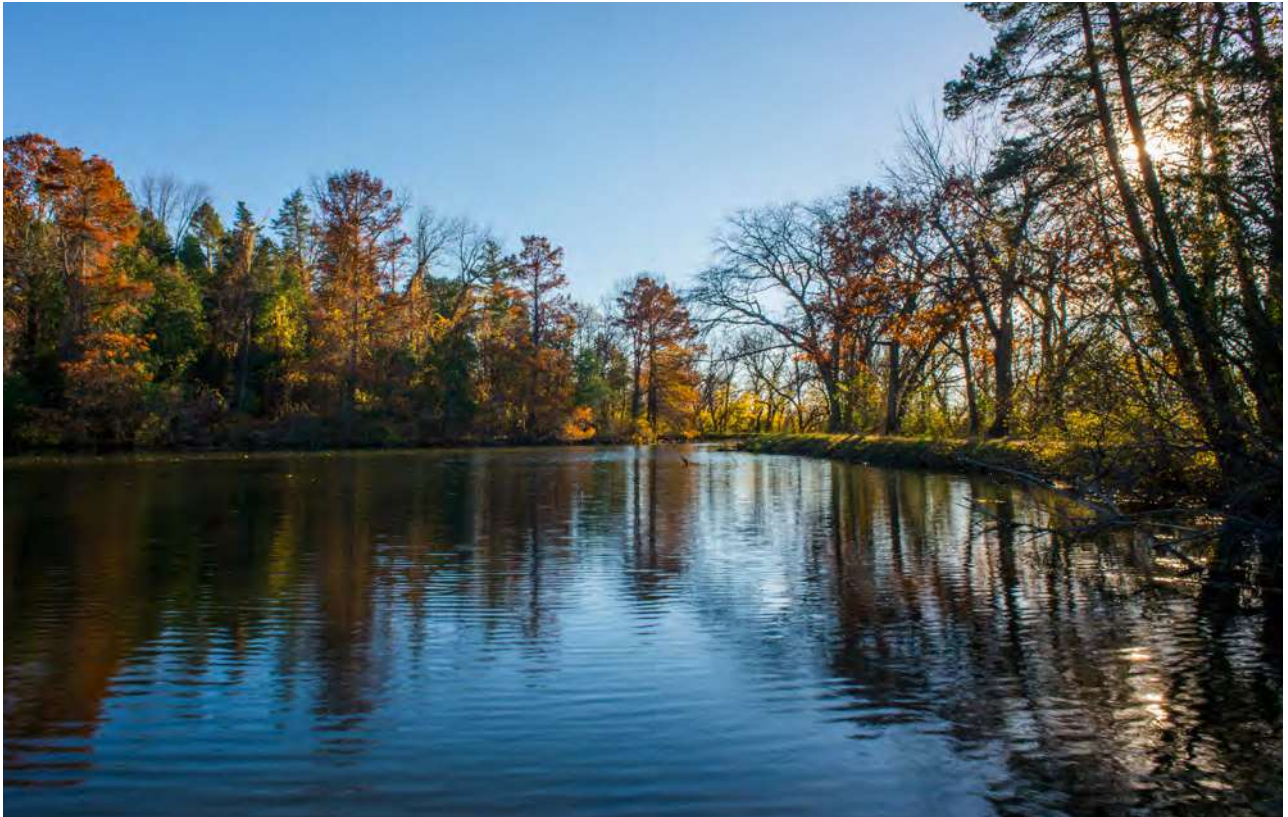
We suggest routinized consultation and a strong relationship based in science.

Clean Water

Illinois is among the nation's worst states for nitrogen and silt runoff, creating water quality issues that could lead to increased federal regulations and, potentially, serious economic harm. The state and the department must take action, leveraging available federal funds and actions from state and federal agencies to create initiatives to improve water quality and expand the state's aquatic, terrestrial and wetland habitat base to mitigate nitrogen runoff.

The governor should convene a task force comprised of the Department of Natural Resources, the Illinois Department of Agriculture, municipal interests, NGOs and all applicable federal agencies to offer solutions to improving Illinois water quality and thereby our quality of life and economic opportunity.

The state also should initiate cooperative agreements with state and federal agencies such as the U.S. Department of Agriculture, the Illinois Department of Agriculture, the Illinois Environmental Protection Agency, the Army Corps of Engineers and others including nongovernmental organizations for all-inclusive cooperative projects.



Illinois once led the nation in cooperative strategic agreements focusing on river ways and streams, and standards and protocols of already-developed proven programs exist. Federal and state agencies, nongovernmental organizations as well as landowners fully support and would welcome reintegration of sorely underutilized programs such as the Conservation Reserve Enhancement Program.

This initiative would build upon Illinois Rivers 20/20 and other historically successful programs, re-establishing the kind of leadership that once distinguished Illinois DNR.

The Conservation Congress

The Conservation Congress was an innovative means by which constituents could make a difference in the management and direction of the Department of Natural Resources. By reintroducing the successful Congresses of the 1990s, utilizing modern techniques such as social media and hastening the process, the Conservation Congress can once again provide much-needed political support, direction and advice to a well-functioning department.

Public Relations

In any modern organization, public relations and public image are integral to success. The department should revise its communication strategies and constituent outreach as well as education programs, taking advantage of technologies that provide marketing analytics to foster improved customer service, data collection and constituent input. The agency should also follow the lead of several other states by developing an app to disseminate public information and news.

Partnerships

Public/private partnerships are key to successful management of natural resources and providing recreation to the public. Across the state, there are examples of missed opportunities. Partnerships with federal agencies, nongovernmental organizations, local units of government and private landowners used to be a valuable asset in cleaning up our lakes, rivers and streams, establishing more habitat and providing more recreational opportunity. Partnership development should become a departmental priority.

Threatened and Endangered Species

Illinois should lead the nation in revision of its Endangered Species Act.

The federal Endangered Species Act and similar legislation enacted by the states incorporate a method of listing threatened and endangered species of plants and animals that does not require a recovery plan or target for recovery. In the absence of legally established delisting criteria, lawyers and activists have a field day in litigating recovery standards. The battle over the recovery of wolves is just one example.

Illinois should be the first state to require recovery criteria establishment in its protocol. Endangered species laws should not become a tool of special interests. The Illinois Natural History Survey should begin developing appropriate legislative language in conjunction with the state Attorney General's Office.

We should not measure the success of Illinois' endangered species program in the listing of species but in the recovery of those species to the point that they are delisted. It is common sense and good natural resource management to establish these benchmarks.





About the McGraw Center for Conservation Leadership

The McGraw Center for Conservation Leadership is the nation's leading advocate for creative and entrepreneurial thought in conservation. Nonpartisan and not for profit, the Center's work enables informed strategic decisions rooted in economic efficiencies and science.

The Center was born from the realization that more than \$20 billion in taxpayer and private-sector dollars set aside for conservation each year can be expended more efficiently.

It is a natural outgrowth of the Max McGraw Wildlife Foundation, created more than 50 years ago by the visionary conservationist Max McGraw, founder of McGraw-Edison Co. The Foundation, headquartered on 1,250 acres in Dundee, Illinois, aims to secure the future of hunting, fishing and land management through science, demonstration, education and communication.

LEADERSHIP TEAM

Charles S. Potter Jr.
President and CEO

Kerry Luft
Director

Stanley D. Gehrt, Ph.D..
Vice President

Zachary E. Lowe, Ph.D
Vice President

Brent Manning
Senior Advisor



McGraw Center for Conservation Leadership

P.O. Box 9, Dundee, Illinois 60118 | (847) 741-8000

info@mcgrawconservation.org