

November 1993

# FISHERIES MANAGEMENT

## Administration of the Sport Fish Restoration Program



**RESTRICTED--Not to be released outside the  
General Accounting Office unless specifically  
approved by the Office of Congressional  
Relations.**

**RELEASED**

---

---



United States  
General Accounting Office  
Washington, D.C. 20548

---

**Resources, Community, and  
Economic Development Division**

B-253321

November 8, 1993

The Honorable Gerry E. Studds  
Chairman, Committee on Merchant Marine  
and Fisheries  
House of Representatives

The Honorable Don Young  
Ranking Minority Member, Subcommittee  
on Fisheries Management  
Committee on Merchant Marine and Fisheries  
House of Representatives

This report responds to your request that we review the administration of the Sport Fish Restoration Program. The report discusses, among other things, the extent to which funds are used to administer the program, whether states allocate the required amount of funds to freshwater and marine projects, and the extent to which states use funds to restore and enhance fish habitat.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to the Secretary of the Interior; the Assistant Secretary, Fish and Wildlife and Parks; the Director, Fish and Wildlife Service; the Director, Office of Management and Budget; and the appropriate congressional committees. We will also make copies available to other interested parties upon request.

This work was performed under the direction of James Duffus III, Director, Natural Resources Management Issues, who can be reached at (202) 512-7756 if you or your staff have any questions. Other major contributors to the report are listed in appendix VIII.

A handwritten signature in black ink, appearing to read 'J. Dexter Peach'.

J. Dexter Peach  
Assistant Comptroller General

---

# Executive Summary

---

## Purpose

A persistent decline in the quality of sport fishing in the United States during the first half of the 20th century led to the passage of the Federal Aid in Fish Restoration Act of 1950 (16 U.S.C. 777-777k), which authorized the Sport Fish Restoration Program. This program, administered by the Department of the Interior's Fish and Wildlife Service (FWS) through its Division of Federal Aid, appropriated almost \$1 billion during fiscal years 1988 through 1992 to restore, conserve, manage, and enhance the nation's sport fishery resources.

Concerned about a rapid expansion of this program and whether program funds are being used for their intended purposes, several Members of Congress asked GAO to determine (1) the extent to which FWS uses these funds to administer the program, (2) whether FWS' use of program funds for special investigations helps the agency achieve the goals of the program, (3) whether the states allocated the required amount of funds to freshwater and marine projects, and (4) the extent to which the states programmed funds to enhance fish habitat. As agreed with the requesters' offices, GAO limited its review to five coastal states—California, Florida, North Carolina, Texas, and Washington—which historically have either received one of the largest annual apportionments of Sport Fish Restoration Program funds or have funded a diverse range of sport fish projects.

---

## Background

The Sport Fish Restoration Program utilizes a “user-pays” system in which revenue collected from excise taxes on fishing and boating equipment and other sources is distributed to the states to fund freshwater and marine sport fish projects. FWS may deduct up to 6 percent of each annual appropriation to the program for administrative costs and the costs of conducting certain special investigations, or projects, to further the states' abilities to enhance sport fishing.

Generally, the states have wide latitude in selecting the projects they will fund under the program. Under the act, up to 75 percent of the cost of each project may be paid with Sport Fish Restoration Program funds, with the states contributing the remaining 25 percent in matching funds. Generally, funds apportioned to the states may be obligated during the year in which they are apportioned or in the subsequent fiscal year. In addition, the act requires each coastal state, to the extent practicable, to allocate funds between freshwater and marine projects in direct proportion to the number of resident freshwater and marine anglers in that state. However, states cannot allocate less to freshwater projects than they

---

did in fiscal year 1988. The determination concerning a state's compliance with this provision can be made over a period of time not to exceed 3 fiscal years.

---

## Results in Brief

FWS' deductions from the Sport Fish Restoration Program for administrative costs have increased significantly in recent years. Not including the cost of a major study, the annual charges for administrative costs increased from \$6.7 million in fiscal year 1989 to \$9.7 million in fiscal year 1992, an increase of about 45 percent. FWS officials could not, however, provide a basis for the increase. For example, FWS could not explain why it charges the Sport Fish Restoration Program a higher rate for certain administrative costs than the rate it charges other programs.

FWS has no assurance that its special investigations are achieving program goals. A large percentage of these investigations were approved either outside established review-and-approval procedures or over reviewers' objections. Moreover, FWS has not established funding priorities that reflect the needs of the states, and it provides minimal oversight of approved projects.

Each of the states GAO reviewed was found to be substantially in compliance with the legislative requirements regarding the allocation of funds between freshwater and marine projects. North Carolina, which was in danger of having to return to FWS almost \$1 million that was to be allocated to marine projects, ultimately provided the 25-percent matching funds required by law.

The five states GAO reviewed varied in the extent to which they used program funds to enhance fish habitat. Florida spent about 10 percent of its funds for such projects, while Texas spent less than 1 percent. However, records were not available in each state to enable GAO to precisely determine the total amount of program funding used for habitat-related projects.

---

## Principal Findings

---

### Support for Administrative Costs Is Lacking

Increases in the appropriations for the Sport Fish Restoration Program coupled with increases in the percentage of the appropriation that FWS

deducts for administering the program—from 3.3 to 5.8 percent—resulted in large increases in the deductions made for the program’s administrative costs. FWS’ administrative costs increased from \$6.7 million in fiscal year 1989 to \$12.3 million in fiscal year 1992. Although FWS officials could document that \$2.6 million of the \$12.3 million was used to fund a major study, they had little rationale or supporting documentation to justify the remaining \$3 million increase. For example, FWS could not explain why it charges the program a larger percentage for FWS-wide administrative costs than the percentage it charges other FWS programs. Also, the program appears to be funding a disproportionately large share of some initiatives that benefit other Department of the Interior or FWS programs. For example, the Division of Federal Aid paid all costs associated with the office of the FWS coordinator for the Department’s “Take Pride in America Program,” with the Sport Fish Restoration Program contributing about half of these funds.

---

### Administration of Special Investigations Needs Improvement

During fiscal years 1989 through 1992, almost \$14.6 million in program funds were used for special investigations to assist FWS in administering the program or to enhance sport fishing in the states. However, of the 42 investigations initially approved for funding during these 4 fiscal years, 21 were approved outside established review-and-approval procedures or over reviewers’ objections. For example, a project to develop a cost-sharing program between federal, state, and local governments and private organizations was funded despite reviewers’ concerns that it did not meet FWS’ basic program criteria. Also, FWS has not established funding priorities that reflect the states’ needs for special investigations, and it provides minimal oversight of investigations after they are approved. Thus, FWS cannot ensure that the intended results are achieved and disseminated to the states and others.

---

### States Generally Met Allocation Requirements for Freshwater and Marine Projects

Each of the five states was substantially in compliance with the legislative requirements relating to the allocation of funds between freshwater and marine projects. North Carolina was in danger of having \$984,000 in unobligated funds for marine sport fish restoration projects returned to FWS. However, in fiscal year 1992, the state’s legislature provided the matching funds necessary to obligate \$1.4 million for marine projects, and this enabled the state to comply with the law.

---

## States Vary in Their Emphasis on Projects to Improve Sport Fish Habitat

The act does not specify any funding requirements for projects to restore or enhance fish habitat, and financial records were not available to enable GAO to determine precisely the amount of funds expended on such projects. However, on the basis of the best available data, it appears that the five states reviewed by GAO varied in the amount of funds they used to restore or enhance fish habitat. For example, Florida spent about \$1.3 million, or 10 percent, of the \$12.8 million it obligated during fiscal years 1989 through 1991 on projects with habitat enhancement as the sole objective, while Texas spent about \$0.3 million, or less than 1 percent, of the \$32.6 million it obligated in the same period on projects that had at least one habitat-related component. Overall, GAO estimates that projects whose sole objective was habitat-related accounted for about \$3 million, or 3 percent, of the funds obligated during fiscal years 1989 through 1991 in the five states reviewed. Another 21 percent, or about \$21 million, of the obligations was used for projects that had at least one habitat-related component. The remaining 76 percent of the obligations was used to fund boating access facilities, public education activities, and other nonhabitat projects.

---

## Recommendations

To improve the administration of the Sport Fish Restoration Program, GAO recommends that the Secretary of the Interior direct the Director, FWS, to

- require that both headquarters and regional offices document and support all administrative cost charges associated with the Sport Fish Restoration Program,
- equitably allocate among all applicable programs the costs of initiatives that benefit FWS or the Department of the Interior as a whole, and
- follow established policies and procedures when selecting special investigations, consider the priority needs of the states in selecting these investigations, and monitor the investigations to ensure that their objectives are achieved and their results are disseminated.

---

## Agency Comments

In commenting on behalf of the Department of the Interior, FWS concurred with each of GAO's recommendations and indicated actions it was taking in response to them. Also, FWS offered certain technical clarifications that have been incorporated into the report.

---

# Contents

---

<b>Executive Summary</b>		2
<b>Chapter 1</b>		10
<b>Introduction</b>	Organizational Structure and Funding of the Sport Fish Restoration Program	10
	The States' Role	13
	Objectives, Scope, and Methodology	15
<b>Chapter 2</b>		18
<b>Better Basis Needed for Administrative Cost Charges to the Sport Fish Restoration Account</b>	Administrative Cost Deductions Have Increased Significantly Since 1988	19
	FWS Has Not Documented the Basis for Administrative Deductions From the Sport Fish Restoration Account	21
	Conclusions	26
	Recommendations to the Secretary of the Interior	26
	Agency Comments and Our Evaluation	27
<b>Chapter 3</b>		28
<b>FWS Does Not Always Follow Its Procedures for Approving Special Investigations</b>	Many Approved Special Investigations Did Not Undergo or Fare Well Under FWS' Review Procedures	28
	Other Concerns Regarding the Approval of Special Investigations	32
	Conclusions	33
	Recommendation to the Secretary of the Interior	33
	Agency Comments and Our Evaluation	33
<b>Chapter 4</b>		34
<b>States Reviewed Generally Met Funding Allocation Requirements for Freshwater and Marine Projects</b>	Four of the Five States Reviewed Were Able to Equitably Obligate Funds Between Freshwater and Marine Projects	34
	North Carolina Had Difficulty Meeting Obligation Requirements Until Fiscal Year 1992	36
	Conclusions	37

<hr/>		
<p><b>Chapter 5</b>  <b>Some States Devote a Small Percentage of Sport Fish Restoration Program Funds to Enhance Fish Habitat</b></p>	<p>States' Use of Program Funds to Improve Habitat Varies            Research Is Primary Objective of Nonhabitat Projects            Conclusions</p>	<p>38            38            40            42</p>
<hr/>		
<p><b>Appendixes</b></p>	<p>Appendix I: Sport Fish Restoration Program Apportionment of Funds Fiscal Years 1989 Through 1991            Appendix II: Summary of Special Investigations Funded During Fiscal Years 1989 Through 1992            Appendix III: Special Investigations Proposed, Fiscal Year 1989            Appendix IV: Special Investigations Proposed, Fiscal Year 1990              Appendix V: Special Investigations Proposed, Fiscal Year 1991            Appendix VI: Special Investigations Proposed, Fiscal Year 1992            Appendix VII: Comments From the Department of the Interior            Appendix VIII: Major Contributors to This Report</p>	<p>44            45            52            54              56            58            60            67</p>
<hr/>		
<p><b>Related GAO Products</b></p>		<p>68</p>
<hr/>		
<p><b>Tables</b></p>	<p>Table 1.1: Sport Fish Restoration Account Appropriations and Distribution, Fiscal Years 1988-92            Table 2.1: Sport Fish Restoration Account Administrative Deductions as a Percent of Appropriations, Fiscal Years 1988-92            Table 2.2: Obligations of Administrative Funds From the Sport Fish Restoration Account, Fiscal Years 1989-92            Table 2.3: Staffing and Administrative Funding of the Sport Fish Restoration Program, Fiscal Year 1992            Table 3.1: Summary of Review-and-Approval Results for New Special Investigations, Fiscal Years 1989-92            Table 5.1: Summary of Program Obligations for Habitat- and Nonhabitat-Related Projects in Five States, Fiscal Years 1989-91</p>	<p>13            20            21            25            30            39</p>
<hr/>		
<p><b>Figures</b></p>	<p>Figure 1.1: Map of FWS' Regions</p>	<p>11</p>

---

Figure 4.1: Obligations of Sport Fish Restoration Program Funds Between Freshwater and Marine Projects for California, Florida, Texas, and Washington, Fiscal Years 1989-91	35
Figure 5.1: Percent of Program Obligations Used for Habitat- and Nonhabitat-Related Projects in Five States, Fiscal Years 1989-91	39
Figure 5.2: Objectives of Nonhabitat Projects in Five States, Fiscal Years 1989-91	41

---

**Abbreviations**

FWS	U.S. Fish and Wildlife Service
GAO	General Accounting Office
IAFWA	International Association of Fish and Wildlife Agencies



# Introduction

---

A persistent decline in the quality of sport fishing in the United States during the first half of this century led to the passage of the Federal Aid in Fish Restoration Act of 1950 (16 U.S.C. 777-777k), also known as the Dingell-Johnson Act. The purpose of the act is to fund projects designed to restore, conserve, manage, and enhance the nation's sport fishery resources and to provide for public use and benefits from these resources.<sup>1</sup>

It is estimated that more than 58 million people in the United States pursue sport fishing as an avocation. The Sport Fish Restoration Program, which was established under the act, seeks to strengthen the partnership between the federal government and the states in conserving and restoring sport fisheries.

---

## Organizational Structure and Funding of the Sport Fish Restoration Program

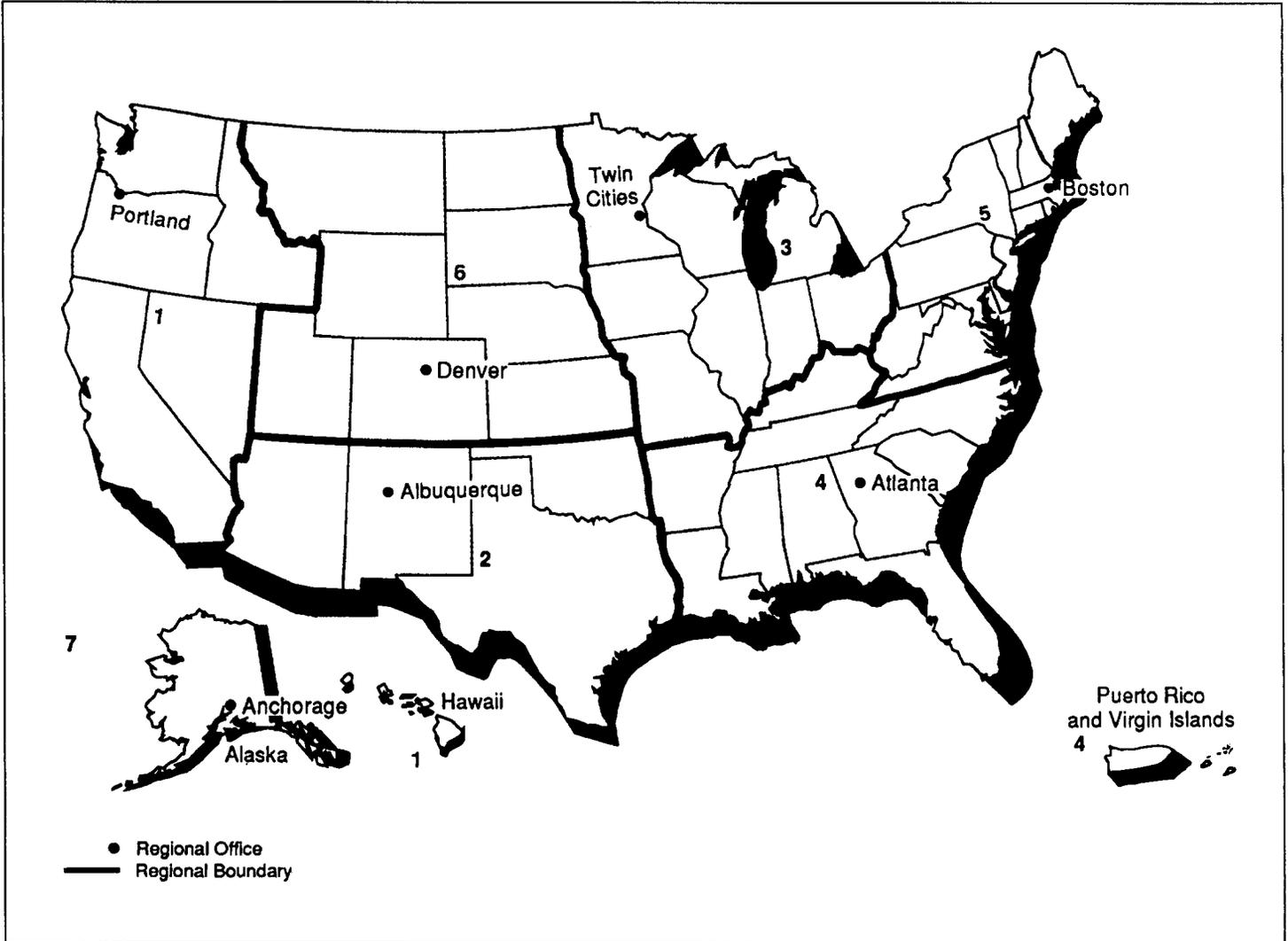
The Director of the U.S. Fish and Wildlife Service (FWS), as a representative of the Secretary of the Interior, directs and oversees the Sport Fish Restoration Program. The Director is assisted by an Assistant Director-Ecological Services, who oversees the Division of Federal Aid. The Division provides overall program support and direction for implementing the Federal Aid in Fish Restoration Act, and it has offices at both FWS' headquarters and its seven regional offices. The Division of Federal Aid is also responsible for administering a program that is similar in nature to the Sport Fish Restoration Program; namely, the Federal Aid in Wildlife Restoration Program, which was authorized by the Pittman-Robertson Act (16 U.S.C. 669-669b, 669c-669i). This latter program provides grants to states and territories for restoration, conservation, management, and enhancement of wild birds and mammals, and other activities.

At the regional level, FWS' seven offices—each headed by a Regional Director who is assisted by an Assistant Regional Director—administer the Sport Fish Restoration Program. The offices are responsible for ensuring that states adhere to the law, reviewing and approving states' sport fish projects, providing technical assistance, and monitoring states' progress in completing projects. Figure 1.1 shows FWS' seven regional offices.

---

<sup>1</sup>Sport fish are aquatic, gill-breathing, vertebrate animals that bear paired fins and have material value for sport or recreation.

Figure 1.1: Map of FWS' Regions



Source: Prepared by GAO from an FWS original.

The Federal Aid in Fish Restoration Act funds authorized activities under a “user-pays” system, in which a 10-percent federal excise tax is applied to fishing equipment, including fishing rods, reels, creels,<sup>2</sup> artificial bait, lures, and flies. The tax is paid by fishing equipment manufacturers. The Deficit Reduction Act of 1984 (P.L. 98-369) contains provisions (commonly

<sup>2</sup>Creels are wicker baskets for carrying newly caught fish.

referred to as the Wallop-Breaux Amendment) that extended the excise tax to sporting equipment that had not been taxed previously—such as tackle boxes and other types of recreational fishing equipment—and imposed import duties on fishing tackle and pleasure boats. In addition, a 3-percent tax was applied to electric trolling motors and flasher-type sonar fish finders. This amendment also established the Aquatic Resources Trust Fund, known as the Wallop-Breaux Trust Fund. Each month, the Department of the Treasury estimates the revenues expected to be collected from the above revenue sources and then transfers that amount to the trust fund.

The Wallop-Breaux Trust Fund consists of two accounts—the Boat Safety Account administered by the U.S. Coast Guard, and the Sport Fish Restoration Account administered by FWS. The Boat Safety Account receives specific authorized appropriations for each fiscal year. The account is funded by a portion of the monies collected by Treasury from the federal tax on nationwide sales of motorboat fuel that is paid by the producers and importers of gasoline. The Wallop-Breaux Amendment requires that any funds in excess of the amounts authorized for the Boat Safety Account are to be transferred to the Sport Fish Restoration Account.

During fiscal years 1988 through 1992, appropriations to the Sport Fish Restoration Account totaled almost \$1 billion. Table 1.1 shows the total appropriations to the Sport Fish Restoration Account and their distribution for these 5 fiscal years.

**Table 1.1: Sport Fish Restoration Account Appropriations and Distribution, Fiscal Years 1988-92**

Dollars in thousands

	Fiscal years					5-year total
	1988	1989	1990	1991	1992	
<b>Total appropriation</b>	\$161,073	\$186,663	\$190,191 <sup>a</sup>	\$209,051 <sup>b</sup>	\$215,314	\$962,292
<b>FWS deduction for administrative costs and special investigations</b>	5,373	7,163	10,391	12,541	12,514	47,982
<b>Apportionment to states, territories, and the District of Columbia</b>	155,700	179,500	179,800	196,510	202,800	914,310

<sup>a</sup>Sequestration requirements under the Gramm-Rudman-Hollings Act limited the amount available for obligation in fiscal year 1990 to \$190,191,000, although receipts deposited in the Sport Fish Restoration Account totaled \$205,639,046.

<sup>b</sup>Funds withheld from the fiscal year 1990 appropriation under the Gramm-Rudman-Hollings Act were available for obligation in fiscal year 1991, which increased the total amount available for obligation from \$193,603,234 to \$209,051,280.

Source: Statistical Summary for Fish and Wildlife Restoration, U.S. Fish and Wildlife Service, Division of Federal Aid, Fiscal Year 1992.

Under the Federal Aid in Fish Restoration Act, as amended, FWS may deduct up to 6 percent of the annual appropriation that is transferred from the Treasury to the Sport Fish Restoration Account for administrative costs and the costs of conducting special investigations designed to enhance sport fishing. These funds may be spent in the year in which they are appropriated or in the subsequent fiscal year. After FWS makes its administrative cost deduction, the remaining funds are apportioned to the states. Sixty percent of each state's share is based on the number of paid sport fishing license holders in that state in relation to all the paid fishing license holders in the United States; 40 percent of each state's share is based on the state's land and water area in relation to the total land and water area of the United States. No state may receive more than 5 percent or less than 1 percent of the total apportionment in each year. Puerto Rico receives 1 percent of the total apportionment, and the U.S. Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the District of Columbia each receive one-third of 1 percent.

## The States' Role

The states use their Sport Fish Restoration Account funds for a variety of project activities, including research on fishery problems, surveys and inventories of fish populations, restoration and enhancement of fish

habitats, acquisition of land, improvements to boating access facilities, and programs for aquatic education. Each state selects projects for funding on the basis of its own assessment of the problems and needs associated with its management of sport fish resources. Over 500 projects throughout the nation are funded each year under the program.

Up to 75 percent of the cost of each project may be paid with funds from the Sport Fish Restoration Account, with the remaining 25 percent paid with matching funds from the state—primarily revenues from the sale of sport fishing licenses. States must first pay the costs of approved sport fish projects and then seek reimbursement from FWS.

Although the states have wide latitude in selecting projects to be funded under the Sport Fish Restoration Program, the act requires that they must spend at least 10 percent of their annual apportionment to improve access facilities for public boating.<sup>3</sup> In addition, no more than 10 percent of a state's apportionment may be spent on aquatic education to increase public understanding of water resources and associated aquatic life forms. Funds that are apportioned to the states must be obligated during the fiscal year in which they are apportioned or the subsequent fiscal year.<sup>4</sup> Funds that are not used by the states during this 2-year period return to FWS for use in the agency's sport fish research program.

Also, each coastal state, to the extent practicable, shall equitably allocate funds between freshwater and marine projects in direct proportion to the number of resident freshwater and marine anglers in that state.<sup>5</sup> However, the act stipulates that the amount allocated to freshwater projects cannot be less than the amount allocated to those projects during fiscal year 1988.

Certain activities are ineligible for funding under the Sport Fish Restoration Program. They include

- activities to promote the state agency,

---

<sup>3</sup>The percentage of its annual apportionment that each state must allocate toward access facilities for public boating was generally increased by the Congress in 1992 from 10 percent to 12-1/2 percent. States within an FWS region, however, may allocate more or less than 12-1/2 percent in a given fiscal year, provided the total regional allocation averages 12-1/2 percent over a 5-year period. (Clean Vessel Act of 1992, P.L. 102-587, Title V, section 5604(b).)

<sup>4</sup>An exception is made for funds allocated by a state for public boating access facilities. Such funds that remain unexpended or unobligated at the close of a fiscal year are authorized to be made available for public boating access purposes during the succeeding 4 fiscal years. (Clean Vessel Act of 1992, P.L. 102-587, Title V, section 5604(b).)

<sup>5</sup>A resident angler is a person who fishes within the same state that his or her legal residence is maintained.

- activities that only produce revenues,
- activities that provide services or property to individuals or groups for their sole benefit or for commercial purposes, and
- activities to publish or enforce game and fish laws or regulations.

---

## Objectives, Scope, and Methodology

Because program funding increased by over 33 percent from fiscal years 1988 through 1992, and because of other concerns, the Chairmen and Ranking Minority Members of the House Committee on Merchant Marine and Fisheries and its former Subcommittee on Fisheries and Wildlife Conservation and the Environment asked us to determine (1) the extent to which FWS uses Sport Fish Restoration Program funds to administer the program, (2) whether FWS' use of funds for special investigations helps it to achieve program goals, (3) whether the states allocated the required amount of program funds to freshwater and marine projects, and (4) the extent to which the states programmed funds to enhance fish habitat.

As agreed with the requesters' offices, we limited our review to five coastal states that have freshwater and marine sport fisheries; two of them, California and Texas, are among the three states (Alaska being the third) that historically receive the largest annual apportionment of Sport Fish Restoration Program funds. Florida, North Carolina, and Washington receive smaller amounts, but they still fund a diverse range of sport fish projects. As requested, we limited our review of FWS' administrative fund deductions to the 4 fiscal years that ended September 30, 1992, and we generally limited our review of the states' allocation of funds to freshwater and marine projects and fish habitat to the 3 fiscal years that ended September 30, 1991. During fiscal years 1989 through 1991, the five states we reviewed received about \$89 million in sport fish restoration funds (see app. I) and obligated about \$100 million for sport fish restoration projects. More funds were obligated than received during these fiscal years because of the multi-year period in which funds can be obligated.

To evaluate FWS' distribution and use of administrative funds, we contacted officials at the headquarters and regional offices of the Division of Federal Aid and reviewed financial and project records at FWS' headquarters and at the three regional Federal Aid offices—Albuquerque, New Mexico; Atlanta, Georgia; and Portland, Oregon—responsible for overseeing the program in the five states. To determine how FWS was using funds for special investigations, we reviewed files on such funding for fiscal years 1989 through 1992. We also interviewed project officers responsible for these investigations to determine how they monitored the

progress of the investigations and how the results of the investigations were disseminated to the states.

To determine whether the five states in our review were obligating the appropriate amount of funds for freshwater and marine projects, we reviewed financial data from FWS' regional Division of Federal Aid offices. For purposes of this report, we used the obligations shown in FWS' Federal Aid Project Accounting and Ledger System, which FWS uses to, among other things, track states' obligations of funds to freshwater and marine projects. The system, which generates periodic status reports on federal obligations and payments, is used by FWS' regional offices to monitor the program and to determine if states are meeting program criteria. Various data edits and validity checks ensure the accuracy of the system's data, and, at least annually, regional Division of Federal Aid staff analyze the amount of freshwater and marine project obligations that states in their region apportioned between the two types of projects. We did not use state obligation or expenditure data for our analyses because of inconsistencies in fiscal years among the states and the federal government. Also, because the expenditures of funds can occur after they are obligated, the amount of obligations and expenditures in a particular year may differ.

To determine the extent to which the five states in our review were funding projects related to the protection and restoration of sport fish habitat, we interviewed fisheries biologists and managers at FWS to arrive at a suitable description of the types of projects that could be considered as having fish habitat components. We subsequently decided to use FWS' objective coding scheme, which these officials said included the following types of habitat-related projects:

- Fish passage facility development, maintenance, and renovation. Includes projects to construct, maintain, or renovate fish migration structures, such as fish ladders or screens in irrigation ditches.
- Stream, river, reservoir, and lake habitat improvement. Includes projects associated with creating or improving the placement of physical structures such as boulders, logs, or large debris to create pools in streams, rivers, reservoirs, and lakes for fish habitat.
- Marine habitat improvement. Includes projects associated with creating or improving placement of physical structures, such as artificial reefs or kelp forests, in the marine environment.

- 
- Fish impoundment improvements. Includes projects for major improvements to existing dams or similar structures resulting in ponds or reservoirs for fish habitat.
  - Habitat investigation. Includes research projects focused on habitat quality, physical inventories, and monitoring.

To verify the coding accuracy and reliability of data collected from the three regional Division of Federal Aid offices for these objective codes, we reviewed the classification of federal obligations for a sample of sport fish projects for each of the locations.

To obtain additional perspectives on the administration of the Sport Fish Restoration Program, we accompanied regional officials on visits to projects and met with officials in the five states to discuss state administration of the Sport Fish Restoration Program. We also contacted several sport fishing industry and other organizations to obtain their views on the program. These organizations included the American Fisheries Society, American Fishing Tackle Manufacturers Association, Bass Anglers Sportsman Society, California Trout, Center for Marine Conservation, International Association of Fish and Wildlife Agencies, Sport Fishing Institute, States Organization for Boating Access, and United Anglers of California.

We conducted our review between March 1992 and May 1993 in accordance with generally accepted government auditing standards. FWS, on behalf of the Department of the Interior, provided written comments on a draft of this report. These comments are summarized and evaluated in chapters 2 and 3 and are reproduced in appendix VII.

# Better Basis Needed for Administrative Cost Charges to the Sport Fish Restoration Account

Under the Federal Aid in Fish Restoration Act, as amended, up to 6 percent of the annual appropriation to the Sport Fish Restoration Account may be deducted for FWS' administrative and special investigation costs. The annual appropriation has increased over 33 percent, from \$161 million in fiscal year 1988 to \$215 million in fiscal year 1992. During this time frame, the percentage deducted for such costs has increased from 3.3 percent in fiscal year 1988 to 6.0 percent and 5.8 percent in fiscal years 1991 and 1992, respectively. The actual amount of funds deducted for administrative and special investigations costs correspondingly increased from about \$5.4 million in fiscal year 1988 to about \$12.5 million in each of fiscal years 1991 and 1992.

FWS officials told us that the increase in deductions for administrative costs was due, in part, to instructions issued by the Director, FWS, to take the maximum allowable 6 percent deduction in fiscal year 1991. These instructions contrasted with FWS' policy suggesting that, in an effort to maximize the amount of funds apportioned to the states, FWS take a conservative approach when deducting funds from the program for administrative costs. Even though the instructions applied to fiscal year 1991, the percentage deducted in fiscal year 1992 was 5.8 percent, which is close to the 6.0 percent maximum.

FWS officials told us that part of the increase in deductions for administrative costs was used to pay for the costs of two major studies over the past several years. However, even when the cost of the study that was ongoing in fiscal year 1992 is excluded, obligations for administrative costs still increased about 45 percent, from \$6.7 million in fiscal year 1989 to \$9.7 million in fiscal year 1992. FWS officials had little rationale or supporting documentation to justify this \$3 million increase. In this regard, it appears that the Sport Fish Restoration Program was being used to fund a disproportionately large share of the costs related to initiatives or projects that address the overall mission of the Department of the Interior or FWS. In addition, until recently, FWS has been shifting funds from its operating programs, including the Sport Fish Restoration Program, to pay for higher than anticipated regional administrative costs, a practice that did not have the prior approval of the House Appropriations Committee.

## Administrative Cost Deductions Have Increased Significantly Since 1988

Increases in the appropriations to the Sport Fish Restoration Account have occurred in recent years as a result of increases in excise taxes and other revenue sources. The annual appropriation increased from about \$161 million in fiscal year 1988 to about \$215 million in fiscal year 1992, or over 33 percent. With regard to the costs to administer the program, Section 4 of the Federal Aid in Fish Restoration Act, as amended (16 U.S.C. 777c),<sup>1</sup> provides the following:

“So much, not to exceed 6 per centum of the balance . . . as the Secretary of the Interior may estimate to be necessary for his or her expenses in the conduct of necessary investigations, administration, and the execution of this Act and for aiding in the formulation, adoption, or administration of any compact between two or more States for the conservation and management of migratory fishes in marine or freshwaters . . . and such sum is authorized to be made available therefore until the expiration of the next succeeding fiscal year.” [underline added]

The administrative cost deductions are used by FWS to pay the costs of the program at its headquarters and regional offices, the costs of FWS-wide administrative expenses, and the costs of certain special investigations designed to further FWS’ ability to administer the program and the states’ abilities to enhance sport fishing. Because FWS’ deduction against the annual appropriation and the portion of that deduction used for FWS-wide administrative activities are both calculated on a percentage basis, these amounts automatically increase if the total appropriation to the account increases.

In order to apportion the maximum amount of funds to the states to allow them to further their sport fish programs, FWS’ guidance has historically advocated a conservative approach when deducting funds from the Sport Fish Restoration Account for administrative costs. However, the Division of Federal Aid received instructions from the Director, FWS, to deduct the maximum 6 percent from the account for such costs in fiscal year 1991. No rationale was provided to Division of Federal Aid officials for this changed approach. The percentage deducted for administrative costs increased from about 3.3 percent in fiscal year 1988 to 6 percent in fiscal year 1991 and 5.8 percent in fiscal year 1992. The increase in annual appropriations coupled with the increase in the percentage of the appropriation deducted for administrative costs resulted in an increase in the deduction of over

<sup>1</sup>In 1990 and 1992 legislation, the Congress provided for an initial distribution, and for specific uses, of portions of the funds made available under the act. Initially, 18 percent of each annual appropriation made under the act is to be distributed for the purposes of the Coastal Wetlands Planning, Protection, and Restoration Act (P.L. 101-646, Title III.) The Clean Vessel Act of 1992 (P.L. 102-587, Title V, Subtitle F) requires—from fiscal year 1993 until fiscal year 1998—that certain amounts are used for state recreational boating safety and vessel sewage discharge programs.

**Chapter 2**  
**Better Basis Needed for Administrative Cost**  
**Charges to the Sport Fish Restoration**  
**Account**

131 percent—from approximately \$5.4 million in fiscal year 1988 to about \$12.5 million in each of fiscal years 1991 and 1992. Table 2.1 shows the growth in administrative cost deductions from the Sport Fish Restoration Account and in the percentage for administrative costs charged to the appropriation.

**Table 2.1: Sport Fish Restoration Account Administrative Deductions as a Percent of Appropriations, Fiscal Years 1988-92**

Dollars in millions		
Fiscal year	Administrative deduction	Percent of appropriation
1988	\$ 5.4	3.3
1989	7.2	3.8
1990	10.4	5.5
1991	12.5	6.0
1992	12.5	5.8

Source: Statistical Summary for Fish and Wildlife Restoration, U.S. Fish and Wildlife Service, Division of Federal Aid, Fiscal Years 1988-92.

Table 2.2 shows the amount of funds obligated from fiscal years 1989 through 1992 for various categories of FWS administrative support costs. Of the approximately \$41.9 million obligated by FWS to pay for its costs to administer the Sport Fish Restoration Program during fiscal years 1989 through 1992, about \$9.8 million, or 23 percent, was attributable to the costs of an FWS-supported National Survey of Fishing, Hunting and Wildlife-Associated Recreation funded in fiscal years 1990, 1991, and 1992, and a fuel tax survey funded in 1990. However, even when the \$2.6 million obligation for the National Survey in fiscal year 1992 is excluded, obligations for FWS-wide administration, special investigations, and headquarters and regional office administration increased from \$6.7 million in fiscal year 1989 to \$9.7 million in fiscal year 1992, or about 45 percent.

**Chapter 2**  
**Better Basis Needed for Administrative Cost**  
**Charges to the Sport Fish Restoration**  
**Account**

**Table 2.2: Obligations of Administrative Funds From the Sport Fish Restoration Account, Fiscal Years 1989-92**

Dollars in millions

Cost category	Fiscal year				Total
	1989	1990	1991	1992	
FWS-wide administrative support	\$2.32	\$2.93	\$3.23	\$3.39	\$11.87
Special investigations	1.19	5.51 <sup>a</sup>	3.72 <sup>b</sup>	4.15 <sup>b</sup>	14.57
Federal Aid - administrative costs at Washington	.68	.86	.92	1.15	3.61
Federal Aid - administrative costs at regional offices	2.48	2.68	3.12	3.62	11.90
<b>Subtotal</b>	<b>6.67</b>	<b>11.98</b>	<b>10.99</b>	<b>12.31</b>	<b>41.95</b>
Funds returned to FWS by states <sup>c</sup>	0	.21	.53	.72	1.46
<b>Total<sup>d</sup></b>	<b>\$6.67</b>	<b>\$12.19</b>	<b>\$11.52</b>	<b>\$13.03</b>	<b>\$43.41</b>
Unobligated balance	\$1.55	\$(.04) <sup>e</sup>	\$1.55	\$1.73	n/a

<sup>a</sup>This special investigations funding includes \$2.1 million for a fuel tax survey and \$2.5 million for the National Survey of Fishing, Hunting and Wildlife-Associated Recreation.

<sup>b</sup>This special investigations funding includes \$2.6 million in each of these fiscal years for the National Survey of Fishing, Hunting and Wildlife-Associated Recreation.

<sup>c</sup>Generally, program funds that are not used by the states during the year of apportionment or the succeeding fiscal year are returned to FWS and used for fishery research projects.

<sup>d</sup>Obligations of administrative funds may be greater than annual deductions from the Sport Fish Restoration Account because such funds are generally available for expenditure in the year of appropriation or the succeeding fiscal year.

<sup>e</sup>In fiscal year 1991, the Coast Guard reimbursed the Sport Fish Restoration Program \$366,000 for Sport Fish Restoration funds expended in fiscal year 1990. This reimbursement eliminated the shortfall shown for fiscal year 1990.

Source: Appropriation Fund Status Reports, Department of the Interior's Denver Finance Center.

**FWS Has Not Documented the Basis for Administrative Deductions From the Sport Fish Restoration Account**

Although FWS' deductions for administrative costs have been within the allowable amounts authorized under the Federal Aid in Fish Restoration Act, FWS officials could not provide supporting documentation or otherwise substantiate the basis for certain administrative costs. For example, although the Sport Fish Restoration Program employs less than 1 percent of FWS' total staff members, it was assessed 8 percent of all FWS-wide administrative support costs for fiscal year 1992. In addition, it appears that the deductions are being used to fund a disproportionately high portion of the costs related to initiatives or projects that address the overall mission of the Department of the Interior or FWS.

Administrative costs of the Division of Federal Aid at FWS headquarters and its regional offices have not undergone extensive FWS review, and FWS officials agreed that some charges against the Sport Fish Restoration Account for the administrative costs of these offices—including costs for staffing, office equipment, telephone service, and other purposes—have been inappropriate and not in accordance with FWS' guidance.

---

### FWS-Wide Administrative Support Cost Assessments Appear High

After FWS determines the overall annual deduction for administrative costs of the Sport Fish Restoration Program, it calculates the amount to be used for FWS-wide administrative costs by taking 10.88 percent of the overall deduction and then taking 1 percent of the total amount remaining in the account for apportionment to the states. Of the approximately \$12.5 million deducted for administrative costs in each of fiscal years 1991 and 1992, over \$3 million, or about 26 percent, was directed each year to FWS-wide administrative support costs.

According to an FWS budget official, the same percentages have been used to calculate FWS-wide administrative costs for at least 9 years, but officials are unable to explain the basis for them or support the resulting charges as reasonable. The 1 percent deduction against the states' apportionment of funds, which represents about 60 percent of the charge, is unique to the programs administered by the Division of Federal Aid. No similar charge for costs related to administrative support is made against other permanently appropriated activities of FWS, such as the National Wildlife Refuge Fund, the Cooperative Endangered Species Conservation Fund, and the North American Wetlands Conservation Fund.

The FWS-wide administrative support cost deduction helps to pay costs for things such as space, postage, telephone service, printing and reproduction services, training programs, and Equal Employment Opportunity investigations. However, this deduction against the Sport Fish Restoration Account appears to be disproportionately high compared to the deductions made against other FWS permanently appropriated activities. For example, according to FWS' Full-Time Equivalent Usage Report, the Sport Fish Restoration Program used 76 full-time-equivalent staff members in fiscal year 1992. This represents less than 1 percent of the approximately 8,332 staff members used by FWS in that fiscal year to administer all of its programs as shown in Interior's Full-Time Equivalent/Employment Status Report for September 1992. However, the Sport Fish Restoration Account provided over 8 percent, or about \$3.3 million, of the total FWS-wide administrative support costs of

---

\$40.7 million for fiscal year 1992, rather than the \$0.5 million that the account would provide if that contribution was based solely on the above staffing levels. FWS officials were unable to explain why the program provides such a high share of these costs, nor could they identify specific cost items associated with the program that would justify this large deduction.

In May 1993, we were advised by FWS officials that the agency was considering certain changes to the manner in which the Sport Fish Restoration Account is charged for administrative costs. The modifications under consideration could result in an estimated \$1.3 million to \$1.5 million reduction in such charges in fiscal year 1994, according to various FWS estimates.

---

**Sport Fish Restoration**  
**Program Funds**  
**Agencywide Initiatives**

In addition to the usual administrative cost items outlined above, the Sport Fish Restoration Program appears to be funding a disproportionately high share of a variety of FWS and Interior initiatives that are not entirely related to the Division of Federal Aid's activities. For example, costs associated with the coordinator of FWS' involvement in the "Take Pride in America Program" were paid by the Division of Federal Aid, about half of which was charged annually to the Sport Fish Restoration Program.

The Take Pride in America Program was national in scope and administered by the Department of the Interior for the purpose of (1) informing Americans about the need to preserve and enhance the nation's natural and cultural public resources and (2) promoting grassroots involvement and partnerships through outreach, volunteer service, donations, and an annual awards program. The goals of the program were broad, and almost all of Interior's land-use management programs fell under its scope. In addition to the coordinator's annual costs, FWS also provided an additional \$110,000 per year from its FWS-wide administrative support account to support the Department's Take Pride In America Program. In commenting on a draft of our report, FWS told us that the Take Pride in American Program had been terminated and the individual who coordinated the program was transferred out of the Division of Federal Aid.

The Sport Fish Restoration Program also helps fund a Management Assistance Team located in Fort Collins, Colorado, which provides state and Division of Federal Aid staff with "people and business management skills." The team also provides services to other FWS programs. However, a

December 1992 report issued by FWS' Federal Aid Subactivity Analysis Team on the activities of the Division of Federal Aid stated that the team could not verify whether any of the Management Assistance Team's estimated annual costs of \$484,000, which were initially borne entirely by the Division of Federal Aid's Sport Fish and Wildlife Restoration Programs, were reimbursed by any other FWS programs.

---

Reprogramming of Sport  
Fish Restoration Account  
Funds Has Occurred  
Without Appropriations  
Committee Approval

Under certain circumstances, FWS may reprogram funds for uses other than those for which they were designated by the House and Senate Committees on Appropriations. Under the current procedures of the House Appropriations Committee, FWS should obtain the Committee's approval prior to any reprogramming of funds specifically designated in Appropriations Committees' reports if the reprogramming (1) exceeds \$250,000 annually or (2) increases or decreases a program's annual funding by more than 10 percent.

According to the Chief of the Budget Formulation Branch in FWS' Division of Budget, for the past 2 or 3 years the agency has funded higher than anticipated regional administration costs by shifting funds to the regional administration area from each of FWS' operating programs, including the Sport Fish Restoration Program, without seeking reprogramming approval as requested by the House Appropriations Committee. The Federal Aid Subactivity Analysis Team report referred to above confirmed that the regions had shifted funds to regional administration, and the report also stated that most regions have charged direct costs to the Sport Fish Restoration Program that should have been specifically budgeted for under regional office administrative budgets. Such costs included charges for office equipment, telephone service, and health units. The team also determined that the program was being charged excessive amounts for directorate level staff in the regions.

The reprogramming of funds occurred despite instructions in February 1992 from the Deputy Director, FWS, stating that FWS regions were to cease supplementing funds appropriated for regional office administration with assessments against agency operating programs unless such action was approved by the House Appropriations Committee. According to the instructions, any needed increases in regional office administrative funds were to be specifically budgeted for each year.

It was not until March 1993, during our fieldwork, that the Department of the Interior sought the approval of the appropriate Subcommittees of the

**Chapter 2**  
**Better Basis Needed for Administrative Cost**  
**Charges to the Sport Fish Restoration**  
**Account**

House and Senate Appropriations Committees for FWS to permanently reprogram about \$5.3 million from operating programs to general administrative functions. FWS estimated that the net effect of this action would be to increase FWS' general administration funding by 7.2 percent. Within this amount was a 19.6 percent increase in funding for the administrative costs of regional offices. The House and Senate Subcommittees approved the reprogramming for fiscal year 1993.

Furthermore, according to FWS officials, the Sport Fish Restoration Program is inadequately staffed for the amount of work that it is involved in. Because of this, we were told that several regional offices have used more full-time-equivalent staff than the amount that FWS headquarters had estimated would be needed. For example, Region 5 was authorized 7 full-time-equivalent staff but actually used 11 staff members to administer the program in fiscal year 1992. FWS headquarters officials told us that as long as overall regional staffing levels are not exceeded, regional directors have been given the authority to assign staff to the programs and activities they deem appropriate. Obligations for the administrative costs and staffing of the Sport Fish Restoration Program at headquarters and regional offices for fiscal year 1992 are shown in table 2.3.

**Table 2.3: Staffing and Administrative Funding of the Sport Fish Restoration Program, Fiscal Year 1992**

Office location	Full-time-equivalent staff		Obligations for administration	Administrative obligations per full-time-equivalent staff used
	Authorized	Used		
	Region 1	7		
Region 2	6	6	331	55
Region 3	7	11	720	65
Region 4	7	8	504	63
Region 5	7	11	632	57
Region 6	7	9	504	56
Region 7	2	3	206	69
Region 8 <sup>a</sup>	0	9	150	17
FWS headquarters	7	13	1,147	88

<sup>a</sup>This is FWS' research component; it includes all research centers and cooperative research units.

Also, as shown in table 2.3, regional offices varied considerably in the amount of administrative funds they obligated per staff position. For

---

example, Region 2 obligated about \$55,000 per full-time-equivalent staff member from the Sport Fish Restoration Program. In contrast, Region 1 obligated about \$95,000 per full-time-equivalent staff member. FWS explained that the disparities are due to differences in (1) regional office overhead assessments, which were discussed earlier, and (2) travel required by regions to review state projects. However, a Division of Federal Aid program analyst told us that no comparisons of staffing and funding requirements of various regions have been undertaken nor has the efficiency of the operations of the various regions been assessed. Such an analysis was beyond the scope of our review.

---

## Conclusions

The annual appropriation to the Sport Fish Restoration Account has increased from \$161 million in fiscal year 1988 to \$215 million in fiscal year 1992, or over 33 percent. This increase, coupled with an increase in the percentage of the appropriation that FWS deducts to administer the program from 3.3 percent to 5.8 percent, resulted in an increase in the administrative cost deduction of over 131 percent—from approximately \$5.4 million in fiscal year 1988 to about \$12.5 in each of fiscal years 1991 and 1992. The increase in FWS' deduction reduced the amount of funds that would have been available to the states to restore, conserve, manage, and enhance the nation's sport fishery resources and to provide for public use and benefits from these resources.

On the basis of our work, it appears that FWS has taken advantage of a provision in the law that allows it to deduct up to 6 percent of the annual appropriation to the Sport Fish Restoration Account for administrative costs and the costs of special investigations to fund an inequitably high portion of FWS-wide administrative costs as well as a disproportionately high portion of FWS or Interior-wide initiatives. We believe that this practice should stop and that FWS should be required to demonstrate that its administrative costs are reasonable and directly related to the Sport Fish Restoration Program.

---

## Recommendations to the Secretary of the Interior

To improve administration of the Sport Fish Restoration Program, we recommend that the Secretary of the Interior direct the Director, FWS, to do the following:

- Require that FWS' headquarters and regional offices thoroughly document and support all costs associated with the administration of the Sport Fish Restoration Program.

- 
- Ensure that the costs of initiatives that benefit FWS or the Department of the Interior as a whole are equitably allocated among all applicable programs.

---

## Agency Comments and Our Evaluation

In commenting on a draft of this report on behalf of the Department of the Interior, FWS concurred with our recommendations and told us that it has initiated a budget review process to ensure that all headquarters and regional office budget proposals provide adequate documentation and justification for direct administrative costs. Additionally, FWS has issued a new policy for recovering indirect costs from certain appropriations, including those for the Sport Fish Restoration Program. The program will pay indirect costs, such as space and telephones, based on an FWS-wide indirect cost rate that will be reviewed on a yearly basis and matched against actual expenditures.

FWS also concurred that the costs of initiatives that benefit FWS or the Department of the Interior as a whole should be equitably allocated among all applicable programs, and stated that it has taken action to address the concerns raised in our report. For example, it has instructed the Management Assistance Team, which is discussed in this chapter, and other Division of Federal Aid programs to obtain reimbursement for assistance provided to other FWS programs. Also, as mentioned earlier, the Take Pride in America Program has been terminated and its coordinator has been transferred out of the Division of Federal Aid.

Although we did not evaluate FWS' revised budget review and indirect cost rate determination processes, we believe that FWS' actions to have Division of Federal Aid programs obtain reimbursement for assistance provided to other FWS and Interior programs is responsive to our recommendation. This action, if properly implemented, could result in more appropriate administrative cost charges to the Sport Fish Restoration Program.

# FWS Does Not Always Follow Its Procedures for Approving Special Investigations

In addition to allowing FWS to use funds from the Sport Fish Restoration Account for administrative costs, the Federal Aid in Fish Restoration Act also allows FWS to use funds for special investigations (or projects) that contribute toward achieving the goals of the program. According to FWS' procedures, special investigation funds, which totaled almost \$14.6 million, or about one-third, of the \$42 million total administrative support funding deduction for the 4 fiscal years we reviewed, pay for the costs related to a wide variety of investigations that address significant problems.

Although FWS' policies and procedures for soliciting and approving special investigations state that these projects should further the states' administration of their sport fish restoration activities, FWS does not query the states prior to approving special investigations to identify their sport fishing needs. Also, a large percentage of the special investigations did not undergo or did not fare well under FWS' review-and-approval procedures, but were still approved. Once approved, little oversight and control is exerted by FWS over the projects and, consequently, FWS often did not know if the projects achieved their intended results or if their results were properly disseminated.

## Many Approved Special Investigations Did Not Undergo or Fare Well Under FWS' Review Procedures

Of the almost \$14.6 million used to fund special investigations during the 4 fiscal years we reviewed, about \$3.8 million was used for first-year funding for the 42 investigations initially approved during this period. The remaining \$10.8 million represents second- and third-year funding for investigations that had been approved for more than a year; for recurring funding for a Library Reference Service<sup>1</sup> and for the National Survey of Fishing, Hunting and Wildlife-Associated Recreation, which is requested by the states and is conducted every 5 years; and a fuel tax survey, which was conducted in 1990.

Not all special investigations underwent FWS' normal review-and-approval procedures governing the use of Division of Federal Aid administrative funds. For example, of the 42 special investigations approved for initial funding during fiscal years 1989 through 1992, 21—costing about \$1.8 million during their first year of funding—underwent FWS' procedures for reviewing project proposals, and they generally fared well. However,

<sup>1</sup>The Fish and Wildlife Library Reference Service was started in 1965 to make available reports and publications from the Federal Aid in Fish and Wildlife Restoration Programs. The reference service is financed with administrative funds provided by FWS' Division of Federal Aid. Products submitted for inclusion are reviewed and rated to ensure that the information included is usable and pertinent to fish and wildlife investigators.

the remaining 21, which cost about \$2.0 million during their first year of funding, were either approved without undergoing FWS' review-and-approval procedures or despite objections from reviewers that they (1) did not meet FWS' basic program criteria, (2) should more appropriately be funded through other programs, or (3) were of low priority.

Each proposed special investigation must meet the following criteria:

- The problem or need addressed by the proposal is, or is likely to be in the foreseeable future, of direct concern to half or more of the states. Marine resources projects meet this standard if the problem or need is of direct concern to a majority of states on a specific coast.
- The problem or need addressed is deserving of the level of attention proposed, i.e., significant.
- The proposed objectives can be attained with the personnel, fiscal, and time resources requested.
- The expected output relative to the projected total cost of the proposal is clearly favorable.
- Funding for the proposal shall not exceed 3 years.

FWS' procedures require an initial screening of proposed projects by FWS' Division of Federal Aid. After FWS completes this initial screening, the Director, FWS, sends the proposals to FWS' regional offices for review and evaluation. After this evaluation, the Director identifies the eligible proposals to be considered by the Grants-in-Aid Committee of the International Association of Fish and Wildlife Agencies (IAFWA),<sup>2</sup> which is to evaluate the proposals on the basis of the needs of the states. The recommendations of the Division of Federal Aid, FWS' regional offices, and the IAFWA are then summarized and presented to the Director for his final decision. Table 3.1 shows how special investigation proposals fared under FWS' review-and-approval procedures during the 4 fiscal years included in our review. Further details on special investigations are included in appendixes II through VI.

---

<sup>2</sup>IAFWA provides liaison between state fish and wildlife agencies and FWS. It includes, as members, directors of state fish and game agencies and directors of Canadian province fish and game agencies.

**Chapter 3  
FWS Does Not Always Follow Its  
Procedures for Approving Special  
Investigations**

**Table 3.1: Summary of  
Review-And-Approval Results for New  
Special Investigations, Fiscal Years  
1989-92**

Review status	Fiscal Year				Total
	1989	1990	1991	1992	
Reviewed and approved without major objections	6	9 <sup>a</sup>	4	2 <sup>b</sup>	21
Reviewed and approved despite determination that the investigations did not meet criteria	0	0	1	0	1
Reviewed and approved despite objections from the majority of regions offering comments	2	1 <sup>c</sup>	5	5 <sup>d</sup>	13
Approved without going through review and approval process	4	0	1	2	7
<b>Total</b>	<b>12</b>	<b>10</b>	<b>11</b>	<b>9</b>	<b>42</b>

<sup>a</sup>Three of these projects were not forwarded to the regions for review, but were presented to the Grants-in-Aid Committee of IAFWA for consideration.

<sup>b</sup>One proposal dealing with ways to improve the National Survey of Fishing, Hunting and Wildlife-Associated Recreation was not reviewed by the Grants-in-Aid Committee of IAFWA. However, IAFWA was the grantee for the investigation. Every region endorsed the funding of this proposal.

<sup>c</sup>Only one region commented on this proposal and recommended that it not be funded.

<sup>d</sup>One of these investigations represented a project that was originally submitted as three proposals. Subsequently, they were combined into one proposal at the behest of the Director, FWS. The majority of the regions questioned the eligibility of the three separate proposals, but only one region commented on the combined proposal—and recommended approval with conditions. Once approved, the project was again treated as three separate projects for funding purposes.

The following projects were among those that were either questioned on their merits during the review process or that did not undergo a formal review.

- Copies of a bass fishing tournament handbook entitled How to Conduct (and Conduct Yourself In) a Bass Tournament were purchased by FWS for distribution in 1991 at a cost of \$250,000. This project was not reviewed or approved by any of FWS' regions or the Grants-in-Aid Committee of the IAFWA. Also, the publication had already been printed by Anglers for Clean Water, Inc. (a subsidiary of the Bass Anglers Sportsman Society), which had made it available to users free of charge prior to FWS' involvement. The decision to fund the project was made by FWS' Deputy Assistant Director, Fish and Wildlife Enhancement, according to Division of Federal Aid officials. Subsequently the Director, FWS, stated in a February 1992 memorandum that the handling of this proposal was not within accepted review-and-approval procedures; however, the project had already been

approved and the funds obligated. According to the original project manager, the project was funded to provide wider dissemination of this free publication.

- A \$150,000 grant was awarded to the FishAmerica Foundation for a 2-year project to develop cost-shared programs such as the purchase of lake aeration equipment to reduce winter kills of fish and the stocking of hybrid striped bass. The project's costs are to be shared among federal, state, and local governments and private organizations such as Berks Bassmasters in Pennsylvania and the Shabbona Lake Sportsmans Club in Illinois.

The project was funded despite concerns voiced by the Division of Federal Aid and several FWS regional offices that such a proposal cannot be judged as necessary to the continued administration of the Sport Fish Restoration Program. FWS officials believed that these types of projects would be eligible for funding under the individual states' programs or some other source of funds. Also, the Grants-in-Aid Committee of the IAFWA refused to consider the proposal because it did not meet FWS' basic program criteria.

In a letter to FishAmerica, FWS' Deputy Director stated that he was funding the project through his office. However, documentation in the project file indicates that Sport Fish Restoration Program funds were used for this project. At the conclusion of our field work, FWS was considering whether to extend the cost-shared programs beyond the originally authorized cutoff date. The Foundation was seeking an additional \$150,000 to continue the programs.

- In 1989, FWS Region 8 (FWS' research component) proposed to cooperate with state agencies to develop an inspection/certification mechanism to ensure that only grass carp (vegetation-eating fish) incapable of reproduction are distributed for the purposes of controlling weeds. The Grants-in-Aid Committee of the IAFWA and three of FWS' seven regions commented on this project and each recommended that the proposal not be funded, generally because of a perceived low priority. Despite these recommendations, FWS' Deputy Director agreed to provide \$27,000 to fund the project because he determined that it would benefit about one-third of the states. The majority of these states were located in FWS Region 4, which was one of the regions that recommended that the project not be funded.
- In fiscal year 1989, initial funding of \$50,000 was provided to the American League of Anglers and Boaters to plan and conduct a conference on the long-range goals of the Aquatic Resources Trust Fund. The grant was later

modified to include, among other things, the development of a history of the Wallop-Breaux Trust Fund and a series of public service announcements. The modifications increased the cost to \$120,075. Neither the original proposal nor the subsequent modifications, which were approved within the Division of Federal Aid, underwent FWS' normal review procedures. When we reviewed the project file in February 1993, it contained no final report, and the project manager could not tell us whether any required products were delivered. The completion date of the project was September 30, 1992.

---

## **Other Concerns Regarding the Approval of Special Investigations**

The Federal Aid Subactivity Analysis report referred to in chapter 2 discussed widespread concerns regarding the review-and-approval procedures and other matters related to special investigations. Issues raised included approval of (1) projects with low resource priority, (2) projects in which the grantees receive the primary benefits rather than having multi-state or national benefits, and (3) significant project amendments with minimal FWS review and analysis. The report stated that the review-and-approval procedures are not based on meeting predefined program priorities; the availability of funds is not widely advertised; the procedures rely on recommendations from nonfederal organizations that, in some cases, stand to benefit from the funding; and the procedures are subject to manipulation after selection decisions have been made. FWS and other officials also raised similar concerns regarding the use of special investigation funds. On the basis of our review, it appears that many of these concerns may be valid.

We also found that FWS has not closely monitored approved special investigations to ensure that intended results are achieved and properly disseminated. For example, although each special investigation is assigned an FWS project officer within the Division of Federal Aid, the Division has only recently begun to develop guidance outlining the duties of these project officers with respect to special investigations. Several project officers told us that, to date, their oversight has largely consisted of "paying for invoices." Many project files we reviewed did not contain copies of grantee performance reports, many projects were frequently not closed in a timely manner, and project officers often could not tell us if grantees had achieved the intended project outcomes.

In addition, the Division of Federal Aid has not initiated action to ensure that the results of all special investigations are disseminated to various states and others who might benefit from them. For example, during the 4

---

fiscal years we reviewed, we identified 13 projects and their ensuing reports that should have been submitted to FWS' Library Reference Service upon completion. Of the 13 reports, only 2 had been submitted for inclusion in the Library Reference Service.

---

## Conclusions

FWS has not consistently followed its policies and procedures for reviewing and approving special investigations. Additionally, FWS has not ensured that the highest priority sport fish restoration needs of the states are adequately considered, that projects are properly monitored, or that project results are disseminated to the states and others who might benefit from them.

---

## Recommendation to the Secretary of the Interior

To improve administration of the Sport Fish Restoration Program, we recommend that the Secretary of the Interior direct the Director, FWS, to ensure that (1) established special investigation review-and-approval policies and procedures are followed, (2) priority needs of the states are considered when selecting special investigations to be funded, and (3) a monitoring system is established to track the progress of special investigations and ensure that the intended results of such investigations are attained and properly disseminated.

---

## Agency Comments and Our Evaluation

In its comments on a draft of this report on behalf of the Department of the Interior, FWS concurred with our recommendation and stated that new guidelines have been published as a pilot program in the Federal Register, which will be finalized in March 1994. The guidelines provide for the identification of "focus areas" that unsolicited proposals need to address if they are to be considered for funding. The states, through the Grants-in-Aid Committee of the IAFWA, will be involved in the development of these focus areas. Also, a description of the special projects process—from initial selection to project officer administration and closeout—will be prepared and included in the Fish and Wildlife Service Manual, which incorporates various FWS policy issuances. Copies of products developed as a result of special projects will be entered in the Fish and Wildlife Library Reference Service, as appropriate.

We believe that FWS' actions are responsive to our recommendations and, if properly implemented, could significantly improve administration of the special projects component of the Sport Fish Restoration Program.

# States Reviewed Generally Met Funding Allocation Requirements for Freshwater and Marine Projects

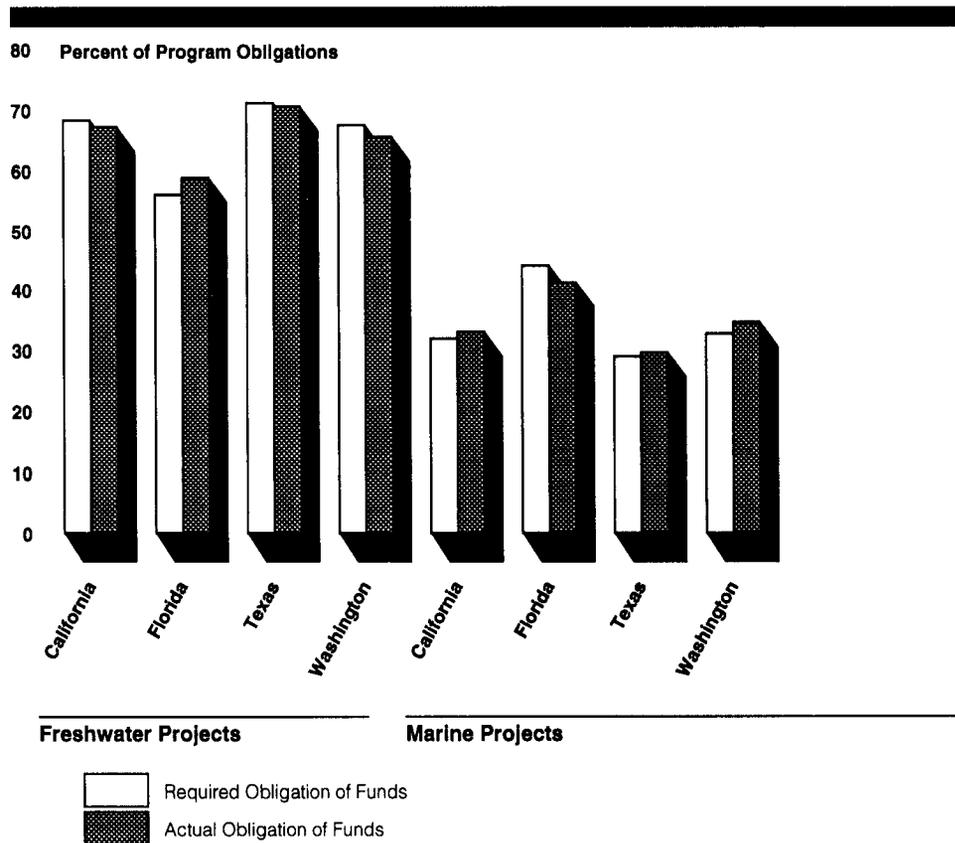
Amendments to the Federal Aid in Fish Restoration Act require that each coastal state shall, to the extent practicable, equitably allocate Sport Fish Restoration Account funds between freshwater and marine fisheries projects in direct proportion to the number of resident freshwater and marine anglers in that state. States, however, cannot allocate less to freshwater projects than they did in 1988, and the determination concerning whether a state has equitably allocated funds to freshwater and marine fisheries can be made over a period of time not to exceed 3 fiscal years.

Four of the five states we reviewed (California, Florida, Texas, and Washington) obligated funds between freshwater and marine projects in accordance with the act during the 3-fiscal-year period of 1989 through 1991. North Carolina was unable to do so, however, because it could not provide the 25-percent matching funds for marine projects that the act also requires. During fiscal year 1992, however, North Carolina's state legislature provided the matching funds required for marine projects to bring the state into compliance with the act.

## Four of the Five States Reviewed Were Able to Equitably Obligate Funds Between Freshwater and Marine Projects

FWS officials consider a state to be substantially in compliance with the act if its obligations of funds to freshwater and marine projects is within about 5 percent (+/-) of the required allocation. During fiscal years 1989 through 1991, the obligations of freshwater and marine funds were within 3 percent of the required amount in four of the five states we visited—California, Florida, Texas, and Washington. For example, in California, the required allocation of funds to freshwater projects for the 3 fiscal years we reviewed was 68.2 percent of the total allocation, and the actual obligation to such projects was 67.1 percent; the required allocation in the same period for marine projects was 31.8 percent, and the actual obligation for such projects was 32.9 percent. Figure 4.1 compares the actual and required obligation of funds between freshwater and marine projects for fiscal years 1989 through 1991 in the four states that were substantially in compliance with requirements in the act.

Figure 4.1: Obligations of Sport Fish Restoration Program Funds Between Freshwater and Marine Projects for California, Florida, Texas, and Washington, Fiscal Years 1989-91



In making their allocation of funds between freshwater and marine projects, most states use a freshwater and marine allocation percentage developed by FWS from the National Survey of Fishing, Hunting and Wildlife-Associated Recreation. Funded by FWS as a special investigation, this survey is conducted every 5 years, most recently with the cooperation and assistance of the U.S. Bureau of the Census. In complying with the act's allocation requirements, three of the states we reviewed used the FWS-developed allocation percentage derived from the Census Bureau data.

Florida did not obligate funds between freshwater and marine projects using the FWS-calculated percentage because of the statutory requirement that no coastal state reduce its allocation of funds to freshwater projects below the amount allocated to such projects in fiscal year 1988. Florida

allocated \$2.3 million to freshwater projects in 1988. On the basis of this allocation, Florida could not allocate less than \$2.3 million to freshwater projects in the years subsequent to 1988, regardless of the percentages that would result from the FWS calculation. Consequently, Florida obligated an average of about 56.4 percent of the state's total apportionment of funds for fiscal years 1989 through 1991 to freshwater projects, rather than the approximately 46.6 percent that would have been the percentage obligated to freshwater projects if the FWS-developed percentage had been used. This would have resulted in obligations to freshwater projects of \$5.7 million for the 3 fiscal years using the FWS-developed percentage, compared to the actual obligations of about \$6.9 million.

---

### North Carolina Had Difficulty Meeting Obligation Requirements Until Fiscal Year 1992

North Carolina's Sport Fish Restoration Program apportionments totaled about \$7.9 million during fiscal years 1989 through 1991. On the basis of North Carolina's approved allocation formula (which revised the FWS-developed percentage to consider only resident anglers who fished in the state), about \$2.5 million, or 31.6 percent, of the \$7.9 million should have been spent on projects associated with marine fisheries. However, North Carolina obligated less than \$1.8 million, or 22.6 percent, of its total apportionment for these projects.

North Carolina officials told us that the shortfall in marine project funding was due to the state's inability to provide matching funds equal to 25 percent of the total cost of marine projects as determined by the allocation methodology. They told us that this inability existed because there was no ready source of matching funds for marine projects; the state requires a fishing license for freshwater anglers but does not require one for marine anglers.

Generally, funds apportioned to a state can be obligated within the fiscal year in which they are apportioned or in the subsequent fiscal year. For example, funds apportioned, but not obligated, in fiscal year 1989 may be carried forward and obligated in fiscal year 1990. Because North Carolina lacked sufficient matching funds for fiscal years 1989 through 1991, in fiscal year 1992 it was in danger of having to return \$984,000 in unobligated marine sport fish restoration funds to FWS. However, in fiscal year 1992, North Carolina's legislature provided the matching funds necessary to obligate \$1.4 million for marine projects. By obligating the \$1.4 million to marine projects in fiscal year 1992, North Carolina was able to retain and use the previously unobligated funds and meet the law's compliance requirement.

---

## Conclusions

For the 3-fiscal-year period 1989 through 1991, four of the five states we reviewed allocated funds between freshwater and marine projects in accordance with the Federal Aid in Fish Restoration Act. Although three of the five states used an FWS-developed allocation percentage derived from Census Bureau data, Florida's allocation of funds to marine projects was less than what it would have been if such data had been used. However, Florida was in compliance with the act's requirement that funding for freshwater projects not fall below the amount allocated to such projects in fiscal year 1988.

In North Carolina, marine projects were not funded in amounts called for by the state's allocation formula in the 3 fiscal years 1989 through 1991. This occurred because the state could not provide the required 25-percent matching funds for such projects. However, the state legislature provided additional matching funds for marine projects in fiscal year 1992 that enabled the state to meet the law's compliance requirement.

# Some States Devote a Small Percentage of Sport Fish Restoration Program Funds to Enhance Fish Habitat

The Federal Aid in Fish Restoration Act does not specify any minimum or maximum funding requirements for projects designed to protect or restore sport fish habitat in states. However, the requesters of this review were interested in the extent to which states used funds to enhance fish habitat. In the five states included in our review, we estimated that projects whose sole purpose was habitat-related accounted for about \$3 million, or 3 percent, of the states' total obligations of about \$100 million for fiscal years 1989 through 1991. Another \$21 million, or 21 percent, of the total obligation was associated with projects that had at least one habitat-related component. We determined that the remaining \$76 million, or 76 percent, of the total obligation was for projects that were not related to restoring or enhancing habitat.

## States' Use of Program Funds to Improve Habitat Varies

In its study entitled *FY 1993 Fisheries and Wildlife Assessment: United States Fish and Wildlife Service*, dated March 1992, the National Fish and Wildlife Foundation<sup>1</sup> expressed concerns about the decline of U.S. fisheries. The report stated that almost one-third of native North American freshwater fish species are endangered, threatened, or declining, mostly due to habitat loss, and that wetlands and other habitat types are crucial to fish and wildlife resources and overall biological diversity throughout the nation. Also, FWS, in its 1991 Total Quality Management Plan entitled *Vision for the Future*, stated that the agency must work to reverse the decline of wetlands and other aquatic systems and produce an increase in these important habitats. One of FWS' strategies for accomplishing this goal is to improve the responsiveness and efficiency of the Division of Federal Aid and its programs to protect and restore fish and wildlife habitats and meet the needs of recreation users. However, most of the \$100 million in obligations of Sport Fish Restoration Program funds in the five states we reviewed were spent on nonhabitat-related projects.

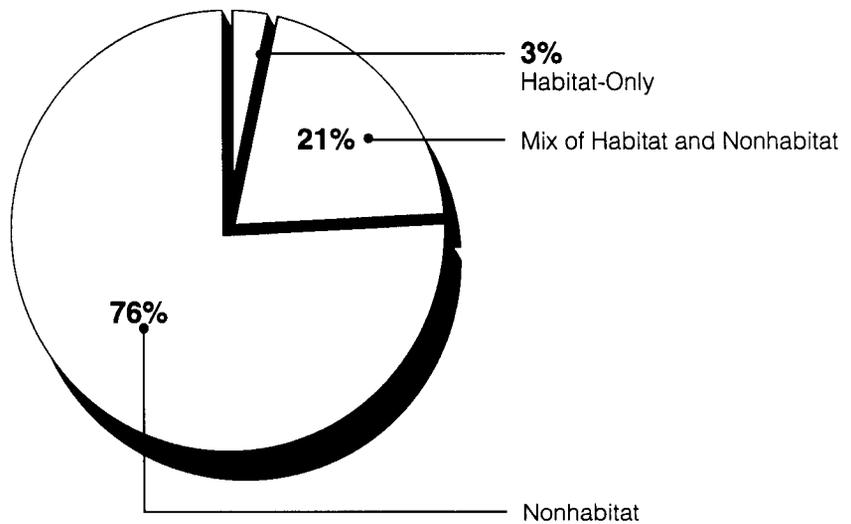
We found that during fiscal years 1989 through 1991, 4 of the 5 states we reviewed—with Texas as the exception—obligated about \$3 million, or 3 percent, of their Sport Fish Restoration Program funding total of approximately \$100 million for projects with habitat as the sole objective. Texas did not have any projects that were related solely to habitat restoration. About \$21 million was used to fund projects with mixed objectives that included at least one habitat-related component. Four of the five states in our review had such projects. Washington was the exception, with no mixed-objective projects. The remaining \$76 million (76

<sup>1</sup>The National Fish and Wildlife Foundation was established in 1984 to encourage and administer donations of real or personal property in support of activities initiated for the benefit of fish, wildlife, and plant resources. It receives federal funding through a matching grant program.

**Chapter 5  
Some States Devote a Small Percentage of  
Sport Fish Restoration Program Funds to  
Enhance Fish Habitat**

percent) of program obligations funded projects that were clearly nonhabitat related. (See fig. 5.1. and table 5.1.)

**Figure 5.1: Percent of Program Obligations Used for Habitat- and Nonhabitat-Related Projects in Five States, Fiscal Years 1989-91**



**Table 5.1: Summary of Program Obligations for Habitat- and Nonhabitat-Related Projects in Five States, Fiscal Years 1989-91**

State	Habitat only projects	Mix of habitat and nonhabitat projects	Nonhabitat projects	Total program obligations
California	\$1,151,000	\$16,778,000	\$14,460,000	\$32,389,000
Florida	1,287,000	701,000	10,852,000	12,840,000
North Carolina	381,000	3,126,000	4,968,000	8,475,000
Texas	0	277,000	32,296,000	32,573,000
Washington	561,000	0	13,729,000	14,290,000
<b>Total</b>	<b>\$3,380,000</b>	<b>\$20,882,000</b>	<b>\$76,305,000</b>	<b>\$100,567,000</b>

In Texas, the \$277,000 that was directed to two projects with at least one habitat-related component represented less than 1 percent of the state's total program obligation for sport fish restoration of \$32.6 million for the 3-fiscal-year period. The two funded projects were for inland fisheries research. In Washington, \$561,000, or about 4 percent of the total program obligation, was devoted to projects with habitat restoration or enhancement objectives. Washington's habitat-related projects included

research into habitat requirements and nutritional relationships of recreationally important marine fish and a determination of reef habitat requirements of marine fish. The nonhabitat projects that received priority emphasis in these states are discussed later in this chapter.

In contrast, in Florida, about \$1.3 million, or about 10 percent, of the \$12.8 million it obligated during fiscal years 1989 through 1991 funded projects that solely addressed habitat objectives. Such projects included the administration and transportation of materials for the construction of about 16 artificial reefs and a determination of the effects on fisheries habitat resulting from potential water management decisions. Another \$701,000 funded mixed-objective projects that included research into and monitoring of sport fish populations for the development of sport fisheries management strategies and enhancement, a study on the feasibility of using fish parasites as biomarkers of environmental and biological health and other determinations, and an evaluation of management techniques for sport fisheries of lakes and reservoirs.

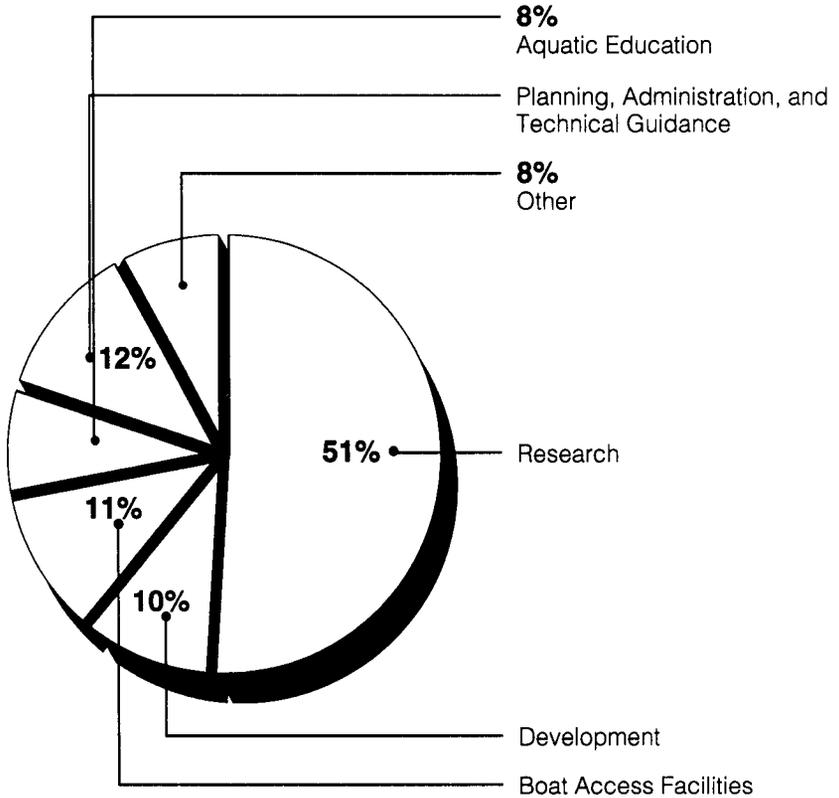
For the other two states in our review, the estimates of program obligations devoted to habitat improvement projects is less precise because financial records were not available to specifically account for individual components of projects that had mixed-objectives. For example, in California, about \$18 million was spent on projects with habitat only and mixed habitat and nonhabitat components. However, mixed-objective projects totaled \$16.8 million, or about 52 percent, of the total program obligation of over \$32 million during fiscal years 1989 through 1991. California projects included the construction and development of artificial reefs for nearshore marine habitat and restoration of kelp forests. In North Carolina, \$381,000, or about 5 percent, of the \$8.5 million in program obligations during the 3 years funded projects with habitat renovation or construction as the sole objective. These projects coordinated the construction and maintenance of artificial reefs. In addition, another \$3.1 million, or about 37 percent, was obligated for projects that included habitat as one of several objectives.

---

## **Research Is Primary Objective of Nonhabitat Projects**

Of the \$100 million total of sport fish restoration funds obligated in fiscal years 1989 through 1991, 76 percent was obligated for projects with nonhabitat objectives. We reviewed these projects to determine their objectives. Figure 5.2 shows the primary objectives for nonhabitat projects during fiscal years 1989 through 1991 for the five states in our review.

Figure 5.2: Objectives of Nonhabitat  
Projects in Five States, Fiscal Years  
1989-91



As shown in figure 5.2, research accounted for over half of the nonhabitat fisheries project objectives for the five states. Research objectives included studies to determine sport fish population levels, distribution, sex, and age; statewide catch and effort surveys; tag retention studies; and investigations into sport fish disease, physiology, nutrition, and genetics.

The following are examples of nonhabitat projects:

- In California, about \$14.5 million in program obligations during fiscal years 1989 through 1991 funded nonhabitat projects. These projects included \$4.2 million for statewide management of inland fish and anadromous fish (migratory species that spend part of their lives in freshwater and part in

estuarine and ocean waters), \$3.1 million for various new and renovated boat access facilities, \$3.3 million for the development of an information base for marine sport fish, and \$500,000 for the coordination of the state's sport fish restoration program.

- In Florida, program obligations for nonhabitat projects totaled about \$10.9 million. These projects included \$1.4 million to design and implement a marine data collection program, monitor hatchery-reared fish, and conduct angler surveys; \$1.1 million to analyze tournament catch and population data on several species (snook, tarpon, and bonefish); about \$1 million to collect and correlate biological studies; and \$400,000 to administer the state's sport fish restoration program.
- In North Carolina, program obligations for nonhabitat projects totaled almost \$5 million. Projects included \$1.1 million for the maintenance and repair of about 160 boat access facilities; \$1 million to plan and implement a comprehensive statewide aquatic education program; about \$500,000 to study sport fish harvest statistics in marine and estuarine zones; \$400,000 to study migration, aging, and reproduction of mackerel, red drum, and flounder; and \$500,000 to plan and supervise the state's sport fish restoration program.
- In Texas, program obligations for nonhabitat objectives totaled about \$32.3 million. These projects included \$19.3 million for the construction, renovation, operation, and maintenance of state fish hatcheries; \$4.6 million to develop, implement, and evaluate management strategies for inland fisheries; and \$3.3 million for the construction and expansion of boat access facilities.
- In Washington, nonhabitat projects accounted for approximately \$13.7 million in program obligations over the 3 fiscal years. These projects included \$2.6 million for improving and renovating state fish hatcheries; \$2.1 million for estimating spawning escapements and other monitoring studies of the salmon and steelhead fisheries; \$1.9 million for boat access facilities (land acquisition, maintenance, improvements, and renovations); and \$1.7 million for expanding and validating procedures for estimating the recreational salmon catch and other efforts used to develop management and harvest regulations for the state's salmon fishery.

---

## Conclusions

Overall, a small percentage of Sport Fish Restoration Program funds in the five states we reviewed was devoted solely to fish habitat protection or restoration. Two of the states—Texas and Washington—directed 1 percent and 4 percent, respectively, of their total Sport Fish Restoration Account funds to habitat only or mixed habitat and nonhabitat-related projects, while Florida directed about 10 percent of its total program obligations to

---

**Chapter 5**  
**Some States Devote a Small Percentage of**  
**Sport Fish Restoration Program Funds to**  
**Enhance Fish Habitat**

---

projects solely related to habitat improvement. For the two other states in our review—California and North Carolina—we could not determine the relative emphasis directed to habitat protection or restoration projects because funding of mixed-objective projects made up such a large percentage of the total Sport Fish Restoration Program funding in these states.

# Sport Fish Restoration Program

## Apportionment of Funds Fiscal Years 1989 Through 1991

State	Fiscal year apportionment		
	1989	1990	1991
California	\$8,975,000 <sup>a</sup>	\$8,990,000 <sup>a</sup>	\$9,825,500 <sup>a</sup>
Florida	3,905,416	3,959,174	4,347,403
North Carolina	2,576,586	2,498,071	2,869,168
Texas	8,975,000 <sup>a</sup>	8,990,000 <sup>a</sup>	9,825,500 <sup>a</sup>
Washington	4,132,746	4,344,315	4,936,390
<b>5-state total</b>	<b>\$28,564,748</b>	<b>\$28,781,560</b>	<b>\$31,803,961</b>
<b>U.S. total</b>	<b>\$179,500,000</b>	<b>\$179,800,000</b>	<b>\$196,510,000</b>

<sup>a</sup>Maximum annual apportionment allowed.

Source: Statistical Summary for Fish and Wildlife Restoration; U.S. Fish and Wildlife Service, Division of Federal Aid; Fiscal Years 1989-91.

# Summary of Special Investigations Funded During Fiscal Years 1989 Through 1992

---

Activities Manual and Information Transfer System for National Fishing Week Material—The National Fishing Week Steering Committee received \$95,000 in fiscal year 1989 to develop material and provide services related to the 1989 National Fishing Week.

Atlantic States Marine Fisheries Commission—This 3-year investigation, which began in fiscal year 1990, entails joint projects with the 15 east coast states from Maine through Florida, including Pennsylvania, for the restoration, enhancement, and management of migratory marine and anadromous sport fisheries. Total funding provided to the Commission for the 3 years was \$561,744.

Barrier-Free Handbook—In cooperation with the U.S. Coast Guard, a handbook covering the selection, design, construction, operation, and maintenance of boating facilities in order to facilitate their use by handicapped persons was to be developed. In fiscal year 1991, \$135,700 was provided for this project.

Boat Launch Ramp Workshop—The States Organization for Boating Access received \$44,000 in fiscal year 1989 to complete this investigation, which was to develop and present a workshop and produce a handbook designed to assist the states in meeting the requirement to use at least 10 percent of their annual apportionment for boating access facilities.

Certification of Triploid Grass Carp—FWS provided \$27,000 in fiscal year 1989 to its research region (Region 8) to support triploid grass carp certification. In fiscal years 1990 and 1991, FWS also used sport fish restoration funds to offset the costs associated with the inspection of grass carp prior to stocking in state waters to ensure that only sterile grass carp are stocked to control the spread of this species.

Challenge Cost-Sharing Program to Enhance Sport Fisheries and Their Habitats—This grant agreement with the FishAmerica Foundation was to support a cost-share program to enhance sport fisheries and their habitats. Under the \$300,000 program, FWS would match, on a one-to-one basis, up to \$150,000 for projects approved by the FishAmerica Foundation. Nonprofit sport fishing groups in all 50 states would be eligible to participate in the program.

Cooperative Multi-State Fish And Wildlife Information System—This system provides technical assistance to states interested in developing computerized systems for the storage and retrieval of fish and wildlife

information. Sport Fish Restoration Program funding approved for fiscal years 1989 through 1991 totaled \$180,000—\$60,000 in each year.

Demographic Change and Fishing Participation: Past, Present, and Future—In fiscal year 1992, the Sport Fishing Institute received \$71,719 to determine the impact of changing age, race, and residence patterns on fishing participation.

Developing Proactive Strategies for Fish and Wildlife Enhancement—This 3-year project, funded with monies from both the Sport Fish and Wildlife Restoration Programs, was initiated with the Animal Welfare Committee of the International Association of Fish and Wildlife Agencies. This project provided strategies that the states can use to maintain and solidify public support for fish and wildlife management and long-term conservation programs.

Development of Fish Antifungal Agents—In fiscal year 1992, FWS' Region 8 received \$150,000 to support work in the development of a substitute for malachite green as an antifungal agent for hatchery fish. Similar amounts of funding were scheduled to be provided in fiscal years 1993 and 1994.

Development of Nonresidual Fishery Anesthetics—FWS' Region 8 received \$60,000 in fiscal year 1989 to complete studies to obtain Food and Drug Administration approval for the use of benzocaine as a fish anesthetic.

Development and Use of Restricted Fragment Length Polymorphism Probes for Striped Bass Stock Identification—In fiscal year 1991, FWS provided \$65,000 to Region 4 to complete work to develop these probes to identify stocks of striped bass needed for the restoration of striped bass in the Gulf states.

Distribution of "How to Conduct (and Conduct Yourself In) a Bass Tournament"—FWS purchased copies of this manual produced by the Bass Anglers Sportsman Society at a cost of \$250,000. This manual provides guidance for organizing and conducting bass tournaments to help tournament organizers and participants enhance their weigh-in and other fish-handling procedures in order to ensure the live release and long-term survival of bass.

Donated Fishing Equipment Distribution for Aquatic Resource Education Programs—The Sport Fishing Institute received \$80,000 in fiscal year 1992 to support the collection, repair, inventory, and distribution of donated

tackle for use in aquatic education programs. An additional \$85,000 was provided for the project in fiscal year 1993.

Economic Profiles, Data Analysis, and Survey Design for Sport Fishing—FWS provided \$117,000 in fiscal year 1989 to the Sport Fishing Institute to furnish data from the 1985 National Survey of Fishing, Hunting and Wildlife-Associated Recreation, along with the necessary software, to each state to allow them to analyze the data for their purposes.

Effect of Sport Fishing License Fees and License Accessibility on Fishing Participation—In fiscal year 1990, the Sport Fishing Institute received \$54,237 to determine the effect of the cost of licenses and other factors on fishing participation.

Effects of Cartoons on Children's Perception—In fiscal year 1989, the Michigan State University received \$11,500 to study the effects of fish and wildlife cartoon characters on children.

Factors Related to Hunting and Fishing Participation—In fiscal year 1992, the Western Association of Fish and Wildlife Agencies received \$49,280 to determine the reasons people participate or do not participate in hunting and fishing. This project will continue into 1995; its total costs will be split between the Sport Fish and Wildlife Restoration Programs.

Feed Production for Intensive Fish Culture—This project, which was to support work on the development of a diet for the larval stages of fish, was proposed by the Iowa Department of Natural Resources. FWS' Fish Technology Center in Bozeman, Montana, undertook the project and received \$114,000 of Sport Fish Restoration Program funds in fiscal year 1991.

Fifth International Conference on Artificial Habitats for Fisheries—In fiscal year 1991, \$25,000 was furnished to the Natural History Museum of Los Angeles County to provide support for a conference on artificial habitats, which was held in the Fall of 1991.

Freshwater Habitat Enhancement Manual—In fiscal year 1989, the Sport Fishing Institute received \$35,835 to produce a freshwater habitat enhancement manual to guide both public agencies and private organizations in the construction of artificial fish habitats.

Gulf States Marine Fisheries Commission—Over a 3-year period beginning in fiscal year 1990, the Commission received \$413,950 for financial assistance relating to its activities to restore and manage gulf coast fisheries.

Handbook for Interpreting Socioeconomic Information for Fisheries Scientists—The American Fisheries Society received \$60,494 in fiscal year 1992 to produce a manual for use by fishery managers that outlines existing economic and social data and how to obtain the information.

Hooked on Fishing, Not on Drugs—The Future Fisherman Foundation received \$112,800 in fiscal year 1992 to support its program of introducing fishing as an exciting way to spend time, learn about the environment, and reduce the appeal of drug use.

Hunter and Aquatic Education for the Hearing Impaired—In fiscal year 1991, the Oregon School for the Deaf began a project to develop instructional materials and techniques for the hearing impaired to participate in hunter and aquatic education programs.

Implementation of Project WILD Aquatic Education Program—In fiscal year 1989, FWS provided \$34,000 to the Western Association of Fish and Wildlife Agencies to develop aquatic education materials, train teachers, and evaluate the program.

International Symposium on Creel and Angler Surveys—In fiscal year 1989, FWS sponsored, at a cost of \$148,000, an international symposium on techniques for use by state fishery agencies and others to conduct creel and angler surveys.

Library Reference Service—The Library Reference Service is a continuing project that provides for the cataloging and indexing of research reports produced as a result of Division of Federal Aid research. By using this service, state researchers and other users are able to determine work already done in fish and wildlife research to minimize duplication and to build on prior findings. The \$400,000 annual costs of operating this service are divided between the Sport Fish and Wildlife Restoration Programs.

Marine Recreational Fisheries Data—FWS, in cooperation with the Atlantic, Gulf States, and Pacific Marine Fisheries Commissions, collected and disseminated data to coastal states and interested federal agencies on the development and evaluation of fishery management plans related to

---

**Appendix II**  
**Summary of Special Investigations Funded**  
**During Fiscal Years 1989 Through 1992**

---

migratory fishery resources. Total project funding was \$900,000 (\$300,000 in each of fiscal years 1987, 1988, and 1989.)

Mississippi River Interstate Cooperative Recreational Fisheries Research and Management Strategic Planning Project—This proposal, funded at \$30,424 in fiscal year 1991, was submitted by the American Fisheries Society. The project was to prepare a long-range strategic plan determining the recreational fishery resources and habitat requirements needed to protect, maintain, and enhance recreational fishing of interstate fish species in the Mississippi River Basin.

Model Urban Fisheries Program Development and Evaluation—In fiscal year 1991, the Sport Fishing Institute received \$155,000 to undertake, with the District of Columbia Fisheries Management Program, a model urban fisheries program.

National Conference on Aquatic Resource Education—The Aquatic Resources Education Council received \$86,000 in fiscal year 1989 to develop, promote, and convene a national conference on aquatic resources education.

National Fishing Week—In fiscal year 1992, the National Fishing Week Steering Committee received \$147,000 to partially support its activities, including the purchase and distribution of posters and educational materials. An additional \$100,000 of Sport Fish Restoration Program funds were provided in fiscal year 1993.

National Survey of Fishing, Hunting and Wildlife-Associated Recreation—The survey, which is conducted every 5 years and is national in scope, summarizes use patterns of the American people in pursuit of fish and wildlife-related outdoor recreation and provides a comparable data base for each state. The survey currently costs approximately \$16 million. These costs are distributed between the Sport Fish and Wildlife Restoration Programs.

National Conference on Long-Range Goals for the Aquatic Resources Trust Fund—The American League of Anglers and Boaters received \$50,000 in fiscal year 1989 to plan and conduct a national conference on the long-range goals for the Aquatic Resources Trust Fund. The project was later modified to include the development of a history of the Sport Fish Restoration Program and public service announcements.

---

Pacific States Marine Fisheries Commission—The Commission received a total of \$249,245 over a 3-year period (fiscal years 1990 through 1992) for financial assistance in coordinating marine recreational fishery activities of importance to the Pacific Coast. These activities include recreational fisheries coordination and marine debris education.

Plan to Network and Develop Urban Fisheries Nationwide—In fiscal year 1990, the Sport Fishing Institute received \$83,863 to establish a communication center to assimilate and make available to the 50 states data on urban fishery development, and to publish a series of technical reports dealing with the constraints to urban fisheries development.

Production of the Proceedings of the 1991 States Organization for Boating Access Conference—In fiscal year 1992, the States Organization for Boating Access received \$7,500 to support the production and publication of its 1991 conference proceedings.

Recommendations for the National Survey of Fishing, Hunting and Wildlife-Associated Recreation—The National Survey Subcommittee of the International Association of Fish and Wildlife Agencies received \$201,960 in fiscal year 1991 to develop options and provide recommendations for minimizing the costs and improve the accuracy and timeliness of the 1996 National Survey of Fishing, Hunting and Wildlife-Associated Recreation.

Removal of Chemicals From Fish Hatchery Effluent—This investigation, approved in fiscal year 1988, provided research funds to FWS' Region 8 to determine materials and techniques for the removal of therapeutic chemicals, such as malachite green, from hatchery waste discharge. FWS' Region 8 received \$45,000 in fiscal year 1989 to complete this project.

Responsive Management Project—In fiscal years 1989 and 1990, the Western Association of Fish and Wildlife Agencies received \$114,836 and \$60,896, respectively, to develop a microcomputer-based constituency survey system for use by state fish and wildlife agencies. The Association also received an additional \$80,000 in fiscal year 1990 for implementation of the project. The costs were split between the Sport Fish and Wildlife Restoration Programs.

Revised American Fisheries Society Publication 13—In fiscal year 1990, the American Fisheries Society received \$47,053 to update information in this publication used by most state agencies to determine the replacement

---

**Appendix II  
Summary of Special Investigations Funded  
During Fiscal Years 1989 Through 1992**

---

costs when fish kills occur. At the time of the proposal, the information in the guide was a decade old and did not address marine species.

Sportfishing Promotion Council—In fiscal year 1992, the Sportfishing Promotion Council received \$270,000 to assist the states in carrying out education and other outreach projects. An additional \$270,000 in Sport Fish Restoration Program funds were provided in fiscal year 1993.

Supplemental Multi-State Project—The Multi-State Fish and Wildlife Information System Project received \$75,000 in fiscal year 1991 to expand the existing project to include marine and coastal species information.

Trout Habitat Handbook—In fiscal year 1991, the Montana Land Reliance received \$10,000 to partially support the preparation of a trout habitat handbook.

Video Support for National Fishing Week—In fiscal year 1990, the National Fishing Week Steering Committee received \$22,860 for the production and distribution of a video news release for use in conjunction with 1990 National Fishing Week activities. The Committee received \$24,000 for similar efforts in conjunction with the 1991 National Fishing Week.

# Special Investigations Proposed, Fiscal Year 1989

Grantee	Investigation title	Estimated funding	Number of regions that approved investigation	Number of regions that disapproved investigation	Number of regions with no comment <sup>a</sup>	Approval from Grants-in-Aid Committee (yes/no)	Final FWS decision
Western Association of Fish and Wildlife Agencies	Responsive Management Project	\$57,193	3	1	3	Yes	Approved
American Fisheries Society	International Symposium on Creel and Angler Surveys	\$148,000	3	1	3	Yes	Approved
FWS Region 8	Development of Nonresidual Fishery Anesthetics	\$60,000	2	2	3	Yes	Approved
FWS Region 8	Certification of Triploid Grass Carp for Use in State Conducted Aquatic Weed Control Research	\$27,000	0	3	4	No	Approved
Sport Fishing Institute	Economic Profiles, Data Analysis, and Survey Design for Sport Fishing	\$117,000	2	1	4	Yes	Approved
International Association of Fish and Wildlife Agencies	A National Conference on Aquatic Resource Education	\$86,000	2	2	3	Yes	Approved
National Fishing Week Steering Committee	Information Transfer System for National Fishing Week Material	\$95,000	1	2	4	Yes	Approved
Ann Fothergill	Cost Sharing Programs To Benefit State Fisheries	\$39,000	2	1	4	Yes <sup>b</sup>	Approved
American League of Anglers and Boaters	National Conference on Long-Range Goals for the Aquatic Resources Trust Fund <sup>c</sup>	\$50,000	N/A	N/A	N/A	N/A	Approved
Michigan State University	The Effects of Cartoons on Children's Perception <sup>c</sup>	\$11,500	N/A	N/A	N/A	N/A	Approved
Montana Land Reliance	Trout Habitat Handbook <sup>c</sup>	\$10,000	N/A	N/A	N/A	N/A	Approved
Sport Fishing Institute	Freshwater Habitat Enhancement Manual <sup>c</sup>	\$35,835	N/A	N/A	N/A	N/A	Approved
The Alliance for Environmental Education	Development of Regional Centers in Support of Aquatic Education	\$150,000	0	3	4	No	Disapproved

(Table notes on next page)

---

**Appendix III**  
**Special Investigations Proposed, Fiscal Year**  
**1989**

---

<sup>a</sup>Either the regional office did not provide comments or no written comments were available in FWS' files.

<sup>b</sup>The Grants-in-Aid Committee recommended funding, but at a lower level than was requested in the proposal. According to FWS officials, the project was never funded because the grantee failed to revise the proposal as requested.

<sup>c</sup>This project was approved outside of FWS' review-and-approval process.

# Special Investigations Proposed, Fiscal Year 1990

Grantee	Investigation title	Estimated funding	Number of regions that approved investigation	Number of regions that disapproved investigation	Number of regions with no comment	Approval from Grants-in-Aid Committee (yes/no)	Final FWS decision
Atlantic States Marine Fisheries Commission	Cooperative Interstate Fishery Management in the Territorial Sea of the United States	\$174,171	2	0	5	Yes	Approved
Gulf States Marine Fisheries Commission	Cooperative Interstate Fishery Management in the Territorial Sea of the United States	\$127,556	2	0	5	Yes	Approved
Sport Fishing Institute	Plan to Network and Develop Urban Fisheries Nationwide	\$83,863	2	0	5	Yes	Approved
American Fisheries Society	Revised American Fisheries Society Publication 13	\$47,053	2	0	5	Yes	Approved
Sport Fishing Institute	Effect of Sport Fishing License Fees and License Accessibility on Fishing Participation	\$54,237	0	1	6	Yes	Approved
Pacific States Marine Fisheries Commission	Cooperative Interstate Fishery Management in the Territorial Sea of the United States	\$96,435	2	0	5	Yes	Approved
FWS Region 4	Certification of Triploid Grass Carp	\$100,000	2	0	5	Yes	Approved
National Fishing Week Steering Committee	Video Support for National Fishing Week	\$22,860	0	0	7 <sup>a</sup>	Yes	Approved
Animal Welfare Committee of the IAFWA	Developing Proactive Strategies for Fish and Wildlife Management	\$40,000	0	0	7 <sup>a</sup>	Yes	Approved
Western Association of Fish and Wildlife Agencies	Responsive Management Implementation Project	\$40,000	0	0	7 <sup>a</sup>	Yes	Approved
American Fisheries Society	Mississippi River Interstate Cooperative Recreational Fisheries Research and Management Strategic Planning Project	\$30,400	0	1	6	No	Disapproved

(Table notes on next page)

---

**Appendix IV  
Special Investigations Proposed, Fiscal Year  
1990**

---

<sup>a</sup>This investigation was not forwarded to the regions for review, but was presented to the IAFWA for consideration.

# Special Investigations Proposed, Fiscal Year 1991

Grantee	Investigation title	Estimated funding	Number of regions that approved investigation	Number of regions that disapproved investigation	Number of regions with no comments	Approval from Grants-in-Aid Committee (Yes/no)	Final FWS decision
States Organization for Boating Access	Barrier-free Handbook	\$135,700	1	2	4	Yes	Approved
FWS Region 4	Development and Use of Restricted Fragment Length Polymorphism Probes	\$65,000	3	1	3	Yes	Approved
Oregon School for the Deaf	Hunter and Aquatic Education for the Hearing Impaired	\$45,000	3	1	3	Yes	Approved
Fish Technology Center, Bozeman, MT	Feed Production-Intensive Fish Culture	\$114,000	1	1	5	Yes	Approved
Multi-State Fish and Wildlife Information Systems Project	Supplemental Multi-State Project	\$75,000	0	2	5	Yes	Approved
American Fisheries Society	Mississippi River Interstate Cooperative Recreational Fisheries Research and Management Strategic Planning Project	\$30,424	1	3	3	Yes	Approved
Natural History Museum of Los Angeles County	Fifth International Conference on Artificial Habitats for Fisheries <sup>a</sup>	\$25,000	2	2	3	Yes	Approved
Sport Fishing Institute	Model Urban Fisheries Program Development and Evaluation	\$155,000	2	3	2	Yes	Approved
National Fishing Week Steering Committee	Video Support for National Fishing Week	\$24,000	3	0	4	Yes	Approved
FishAmerica Foundation	Challenge Cost Sharing Program to Enhance Sport Fisheries and Their Habitats	\$150,000	0	4	3	N/A <sup>b</sup>	Approved <sup>c</sup>
BASS-Anglers for Clean Water, Inc.	Distribution of "How to Conduct (and conduct yourself in) a Bass Tournament" <sup>d</sup>	\$250,000	N/A	N/A	N/A	N/A	Approved

(continued)

**Appendix V  
Special Investigations Proposed, Fiscal Year  
1991**

<b>Grantee</b>	<b>Investigation title</b>	<b>Estimated funding</b>	<b>Number of regions that approved investigation</b>	<b>Number of regions that disapproved investigation</b>	<b>Number of regions with no comments</b>	<b>Approval from Grants-in-Aid Committee (Yes/no)</b>	<b>Final FWS decision</b>
Izaak Walton League	Volunteer Water Quality Monitoring for Enhancement of Recreational Fisheries	\$200,000	0	3	4	No	Disapproved

<sup>a</sup>Initial review of this project by the Division of Federal Aid's staff indicated that this project did not meet criteria outlined in the policies and procedures governing the review-and-approval of special investigations.

<sup>b</sup>The Grants-in-Aid Committee refused to consider the project and would not comment on it because it believed that the proposal would not meet FWS' basic program criteria.

<sup>c</sup>FWS' Deputy Director decided to fund the project through his office.

<sup>d</sup>This project was not forwarded to FWS regions or the Grants-in-Aid Committee for review.

# Special Investigations Proposed, Fiscal Year 1992

Grantee	Investigation title	Estimated funding	Number of regions that approved investigation <sup>a</sup>	Number of regions that disapproved investigation <sup>a</sup>	Number of regions with no comment <sup>a</sup>	Approval from Grants-in-aid Committee (yes/no)	Final FWS decision
FWS Region 8	Development of Fish Antifungal Agents	\$150,000	6	1	1	Yes	Approved
Western Association of Fish and Wildlife Agencies	Factors Related to Hunting and Fishing Participation	\$49,240	3	4	1	Yes	Approved
Future Fisherman Foundation	Hooked on Fishing—Not on Drugs	\$112,800	3	5	0	Yes <sup>b</sup>	Approved
American Fisheries Society	Handbook for Interpreting Socioeconomic Information for Fishery Scientists	\$60,494	3	5	0	Yes	Approved
Sport Fishing Institute	Demographic Change and Fishing Participation: Past, Present, and Future	\$71,719	2	5	1	Yes	Approved
IAFWA-National Survey Subcommittee	Recommendations for the National Survey of Fishing, Hunting and Wildlife-Associated Recreation	\$201,960	8	0	0	Did not review <sup>c</sup>	Approved
Sport Fishing Institute, Sport Fish Promotion Council, National Fishing Week	Increased Public Awareness Combined Proposal <sup>d</sup>	\$500,000	1	0	7	Yes	Approved
States Organization for Boating Access	Production of the Proceedings of the 1991 States Organization for Boating Access Conference	\$7,500	N/A	N/A	N/A	N/A	Approved
Organization for Wildlife Planners	Strategic Plan—Fishing and Boating Outreach <sup>e</sup>	\$104,000	N/A	N/A	N/A	N/A	Approved
The Conservation Fund	Video to Protect Wildlife Corridor Greenways	\$58,000	5	2	1	No	Disapproved

(Table notes on next page)

---

**Appendix VI**  
**Special Investigations Proposed, Fiscal Year**  
**1992**

---

<sup>a</sup>Fiscal year 1992 was the first year in which Region 8 provided comments on the special investigations proposals.

<sup>b</sup>Although the Committee recommended approval of this project, it ranked another project, which it did not recommend for funding, "Video to Protect Wildlife Corridor Greenways," higher in priority than this project.

<sup>c</sup>Although the Grants-in-Aid Committee did not review this project because one of its subcommittees was the grantee, every FWS region recommended approval of it.

<sup>d</sup>This investigation originally involved three proposals that were combined into one at the instruction of the Director, FWS. The majority of the regions, in commenting on the three original proposals, questioned the eligibility of portions of the proposals. However, only one region commented on the combined project, recommending approval of the proposal with conditions. After approval, the proposal was again divided into three separate grants for funding purposes.

<sup>e</sup>According to Division of Federal Aid officials, this project was never funded.

# Comments From the Department of the Interior

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240  
September 9, 1993

Mr. James Duffus III  
Director, Natural Resources  
Management Issues  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Duffus:

Below are our comments on the recommendations contained in the proposed report entitled "Fisheries Management: Administration of the Sport Fish Restoration Program (GAO/RECED-93-166)," transmitted to Secretary Babbitt on July 29. We also had concern regarding some of the statements contained in the report and have provided clarification to these in Enclosure 1. None of these comments or clarifications impact the report's recommendations or our response.

The Fish and Wildlife Service (Service) concurs with each of the recommendations in the report. Specific actions to address these recommendations are as follows:

**Recommendation 1.** Require that headquarters and Regional Offices document and support all administrative cost charges associated with the Sport Fish Restoration Program.

**Response.** We concur with this recommendation. The Service initiated a new budget review process for Fiscal Year 1993 to ensure that all Washington Office and Regional Office budget proposals provide adequate documentation and justification for all direct administrative costs. The Service will maintain a comprehensive file that documents all Regional and Washington Office direct charges against the Sport Fish Program. Additionally, as mentioned in the draft report, the Service has issued a new policy for recovering indirect costs from certain appropriations including the Sport Fish Restoration Program. The Sport Fish Restoration Program will pay indirect costs, such as space and telephones, based on a Servicewide indirect cost rate. The Service will review the rate based on actual expenditures, including those of the Sport Fish Restoration Program, on a yearly basis.

**Recommendation 2.** Equitably allocate the costs of initiatives that benefit the Service or the Department of the Interior as a whole among all applicable programs.

**Response:** We concur in this recommendation. Three actions have been initiated that will satisfactorily address the concerns raised in the report. First, the Take Pride program mentioned in the report has been terminated, and the individual who coordinated the program has been transferred. Second, the Management Assistance Team and other parts of the Federal Aid program have been instructed to stop assisting other Service programs without receiving reimbursement for such assistance. Third, cross program initiatives involving Federal Aid will be described in the Service's Fiscal Year 1995 budget submission and subsequent years. The responsible official is the Director of the Service.

Appendix VII  
Comments From the Department of the  
Interior

Mr. James Duffus III

2

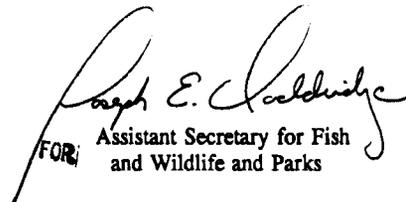
**Recommendation 3.** Follow established policies and procedures when selecting special investigations that are to be funded so that all proposals receive equal consideration, consider the priority needs of the States in the selection of these investigations, and monitor them to ensure that their objectives are achieved and their results are disseminated.

**Response.** We concur with this recommendation. New guidelines have been published as a pilot program in the Federal Register, Volume 58, Number 129, Thursday, July 8 (Enclosure 2) and will be finalized in March 1994. These guidelines provide for the identification of "Focus Areas" that unsolicited proposals need to address if they are to be considered for funding. The States, through the Grants-in-Aid Committee of the International Association of Fish and Wildlife Agencies, will be involved in the development of these focus areas. A chapter addressing the Special Project process from the Federal Register Notice of Availability, through project selection, to Project Officer administration and closeout will be prepared and included in the Service Manual. This process is currently underway. Copies of products completed will be deposited in the Fish and Wildlife Reference Service library, as appropriate.

The Director may on occasion find it necessary to initiate projects beyond those described above, provided they are necessary to carry out his or her authority as delegated by the Secretary in administering the Sport Fish Restoration Program and funding interstate fish compacts.

Thank you for providing this draft report for our comments.

Sincerely,

  
FOR: Assistant Secretary for Fish  
and Wildlife and Parks

Enclosures

Appendix VII  
Comments From the Department of the  
Interior

Clarification of statements in the GAO proposed report entitled "Fisheries Management: Administration of the Sport Fish Restoration Program (GAO/RECED-93-166)"

Now on page 19.  
See comment 1.

1. The reference, found on Page 20 of the report, to the Director instructing the Division to withhold the entire 6 percent in 1991 fails to mention that the budget planning process always starts with the maximum amounts in order to determine how much money is going to be available for operations, special projects, etc. The actual amount withheld is based on anticipated needs. Funds continue to accrue interest until expended. Funds not used by the Service are apportioned to the States in subsequent years.

Now on pages 23 and 24.  
See comment 2.

2. The report references on Pages 27 and 28, an internal Service report on the Federal Aid program, that "the Management Assistance Team (MAT) appears to have become an autonomous group without oversight and control by anyone in the Division of Federal Aid." This report fails to clarify that Federal Aid responded to the referenced report in that MAT operates as a field station under the Washington Office and has a very detailed budget which goes through the same approved process as other elements of the Federal Aid program. MAT also is subjected to review and coordination meetings by both the Washington Office and Regional Offices.

Now on page 32.  
See comment 3.

3. The report on Page 38 makes reference to "the project manager could not tell us whether any required products were delivered." The Grant in question was Chartmaker 2000 (Grant Agreement 14-16-0009-89-1209) and the project officers were Chris Dlugokenski and Gene Stephenson. Neither were contacted or queried by GAO about this grant.

The project file contains the following products:

- 1) A history of the Wallop-Breaux program.
- 2) A videotape which highlights the history of the program, its administration, and individual State accomplishments. President Bush, Senator Wallop, and Senator Breaux are featured in this production. This video was made available to public broadcasting and commercial networks through satellite uplink.
- 3) Copies of the American League of Anglers and Boaters newsletter.

The required products were delivered.

Now on page 31.  
See comment 4.

4. On Page 37, the report raises concerns about the FishAmerica Foundation Grant (Grant Agreement 14-16-0009-93-1262) not having the approval of the States. FishAmerica Foundation Grant projects are specifically required to have individual State Fish and Wildlife Agency approval prior to the commitment of Federal Aid funds. These projects are ongoing in 26 States (see enclosed map).

Now on pages 30 and 31.  
See comment 5.

5. On Pages 36 and 37 the report is critical of the grants to Anglers for Clean Water (Grant Agreement 14-16-0009-91-1250) that it did not go through the proper review procedures. This project was originally prepared for funding as a Service contract.

---

**Appendix VII  
Comments From the Department of the  
Interior**

Because of a delay in determining the appropriate funding vehicle, the project was not available for review by the full Grant-in-Aid Committee. Recommendations were verbally received from the Chairmen of the Inland Fish Committee and the Grants-in-Aid Committee of the International, prior to the purchase of the tournament handbooks. Only after this process was the project approved by the Assistant Director - Fish and Wildlife Enhancement.

The following are GAO's comments on the Department of the Interior's letter dated September 9, 1993.

## GAO Comments

1. Although the Fish and Wildlife Service's (FWS) budget planning process may initially begin by deducting the maximum allowable 6 percent to pay for the administrative costs of the Sport Fish Restoration Program, the Division of Federal Aid has historically advocated a conservative approach when deducting funds from the Sport Fish Restoration Account to pay for such costs. However, since the Director, FWS, issued his instruction in 1991, the actual deduction to pay for such expenses totaled 6 percent in fiscal year 1991 and 5.8 percent in fiscal year 1992.

In order to clarify FWS' statement that funds deducted to pay for administrative costs of the program that are not spent during the year in which they are deducted are apportioned to the states in subsequent years, we contacted the Chief, Division of Federal Aid. He told us that the comment is intended to explain that the net effect of not spending the total amount deducted for administrative costs in the year in which the deduction occurs is that in subsequent fiscal years FWS would deduct less for such costs thus making more funds available to the states. This is because the carryover of unused funds can be used by FWS for the subsequent year's administrative costs. However, as we point out in our report, FWS' deduction for administrative costs has averaged near the maximum percentage allowable under the law for fiscal years 1991 and 1992, while at the same time the amount of unobligated funds held by FWS increased to over \$1.7 million in fiscal year 1992.

2. The referenced quote from the December 1992 report of FWS' Federal Aid Subactivity Analysis Team was deleted from the final report. Our concern was that the Management Assistance Team was providing services to FWS programs outside the Division of Federal Aid without reimbursement at a time when all of the costs of the Management Assistance Team were being borne by the Division of Federal Aid's Sport Fish and Wildlife Restoration Programs. In response to our recommendation to equitably allocate the costs of initiatives that benefit FWS or Interior as a whole to all applicable programs, FWS has instructed the Management Assistance Team and other parts of the Federal Aid program to obtain reimbursement for assistance provided to other programs.

3. On February 9, 1993, we contacted Mr. Gene Stephenson, one of the named project officers for the grant in question. At that time we were told that none of the products required to be produced under the grant proposal had been received. The completion date for the project was September 30, 1992, and, on December 17, 1992, FWS' contracts office requested that the project be closed. In August 1993, we again contacted Mr. Stephenson who told us that on February 17, 1993, subsequent to our meeting, he had written to the grantee requesting a final report listing the accomplishments made as a result of the grant. On March 2, 1993, the grantee submitted the requested information.

4. We did not question the FishAmerica Foundation grant on the basis of concerns about its having the approval of the states. We described the concerns of Division of Federal Aid headquarters and regional officials who told us that such a proposal cannot be judged as necessary to the continued administration of the Sport Fish Restoration Program. Also, the Grants-in-Aid Committee of the International Association of Fish and Wildlife Agencies (IAFWA) commented that the proposal did not meet FWS' basic program criteria. FWS officials we spoke with believed that these types of projects should be considered for funding under the individual states' programs or some other source of funds.

5. Subsequent to receiving FWS' comments on our report, we contacted the two committee chairmen referred to by FWS. Neither official could recall ever having been asked to comment on the proposed grant. The Chairman of the Inland Fish Committee told us that he could find no documentation in his files to indicate that he had reviewed the proposal. Furthermore, he told us that after reviewing the bass tournament handbook that was purchased by FWS, he cannot imagine that he would have endorsed such a project.

The Resource Director, IAFWA, told us that the Grants-in-Aid Committee had not reviewed the proposal. He told us that such practices are dangerous because they set precedents for other organizations to lobby for proposals that are not going through the normal review process. He stated that this process has been designed to ensure that only those projects of the highest priority and those that will benefit a large number of states will be approved. We support this position, and note that the grant was approved only about one month before the 1991 grant proposal review process was to begin.

---

**Appendix VII**  
**Comments From the Department of the**  
**Interior**

---

We believe that this situation further supports our recommendation to adhere to special investigation review-and-approval policies and procedures that fully document the decision-making process and that consider the priority needs of the states.

---

# Major Contributors to This Report

---

Resources,  
Community, and  
Economic  
Development  
Division, Washington,  
D.C.

John H. Anderson, Jr., Associate Director  
Ralph W. Lamoreaux, Assistant Director  
Edward A. Niemi, Assignment Manager  
Sherry L. Casas, Staff Evaluator

---

Seattle Regional  
Office

Sterling J. Leibenguth, Regional Natural Resources Issues Manager  
Paul E. Staley, Jr., Evaluator-in-Charge  
Drummond E. Kahn, Staff Evaluator

---

Office of the General  
Counsel Washington,  
D.C.

John F. Mitchell, Senior Attorney

---

# Related GAO Products

---

Wallop-Breaux Trust Fund (GAO/T-RCED-88-38, Apr. 28, 1988).

Sport Fish Restoration Account (GAO/T-RCED-88-42, May 12, 1988).

Boating and Fishing: Administration of the Wallop-Breaux Trust Fund  
(GAO/RCED-89-32BR, Oct. 26, 1988).

---

## **Ordering Information**

**The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary, VISA and MasterCard credit cards are accepted, also.**

**Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.**

### **Orders by mail:**

**U.S. General Accounting Office  
P.O. Box 37050  
Washington, DC 20013**

### **or visit:**

**Room 1100  
700 4th St. NW (corner of 4th and G Sts. NW)  
U.S. General Accounting Office  
Washington, DC**

**Orders may also be placed by calling (202) 512-6000  
or by using fax number (202) 512-6061, or TDD (202) 512-2537.**

**Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.**

**For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:**

**[info@www.gao.gov](mailto:info@www.gao.gov)**

**or visit GAO's World Wide Web Home Page at:**

**<http://www.gao.gov>**

---

**United States  
General Accounting Office  
Washington, D.C. 20548-0001**

**Official Business  
Penalty for Private Use \$300**

**Address Correction Requested**

---

<p><b>Bulk Mail Postage &amp; Fees Paid GAO Permit No. GI00</b></p>
---