



## **FISH AND WILDLIFE TRUST FUNDS COMMITTEE**

**Chair:** Bryan Burhans (PA)

**Vice-Chair:** J.D Strong (OK)

**March 9, 2021**

**1:00 PM – 4:00PM CST**

### **86th North American Wildlife and Natural Resources Conference**

Bryan Burhans chaired the meeting. 49 participants in attendance.

- Call to Order, Introductions, Announcements, and Agenda Review – ***Bryan Burhans***

The meeting was called to order at 1:00 PM. The Committee Chair, Bryan Burhans, welcomed all the attendees and asked the participants to introduce themselves.

- Approval of the March 2021 Meeting Minutes

The committee approved the meeting minutes from September 2021.

#### **Scheduled Discussion Items**

- The Council to Advancing Hunting and Shooting Sports – ***Steve Leath, CAHSS***

Steve Leath is new to the Council. He comes from a long career in science and academic administration and still serves at the National Science Board. Steve has been interested on the conservation community. He has been a member of Boone and Crockett Club and serves as VP of the Conservation in the organization.

Some of the projects the Council working on:

You have heard of an uptick in license and participation as the result of Covid. It seems like a perfect project for the Council to put some numbers behind that to figure out if it's accurate or not. Right now, we see an increase in sales in the range of 5%. We felt this is where we would like to see if the Council can bring together partners with a common interest in something like this and be the point person on getting the study done efficiently. In January, we jumped on this and got over 40 states participating and turning around a report by the end of March.

Also, we would like to run a campaign during the Olympics this summer and fall, a national marketing campaign to promote target shooting in archery and other target shooting. This is a big idea. It would cast the shooting sports as mainstream in America, to remind and inform the non-shooters, these are Olympic sports. We are getting our storyboards together and working with the partners in the archery and shooting sports community.

Some of the challenges include getting me up to speed. We are still working on staffing. Also, funding is a challenge. It's hard for us to be fully invested and engaged in the R3 campaign when we don't have multiple-year funding, so we will look into requesting a multi-year grant. Some directors I have talked to are supportive of that.

Another challenge is how we are going to diversify our ranks. So, you will see an increase in emphasizing diversity and inclusion in shooting sports as we go forward. The national marketing campaign during the Olympics will be a step in that direction.

*Question: Are you considering any social media or traditional media for advertising strategy during the Olympics?*

These ads are mainly 30-second spots that will drive people to our partners' social media and web pages.

- Industry/Agency Progress & Fish and Wildlife Business Summit - **Jon Gasset, WMI**

The grants were affected because of the pandemic. Industry grant depends a lot on getting out and interacting with industry and state agencies. Trade Shows and most conferences have been canceled or gone virtually this year, so it has been not easy.

Because of flexibility, we could reallocate some of the funds to investigate some emerging issues by Archery Trade Association on excise tax slippage. A product coming from overseas is shipped through amazon or other common carriers indirectly to the consumers in the US and bypassing the excise tax. We contracted Southwick Association to do a preliminary review. We found some significant slippage, and we will spend some more time and resources to investigate that in the future.

This year, under the current grant cycle and Covid restrictions, we pushed significant funding towards Industry Database 2.0 version. It is in the final stages now, and we are doing data entry for all companies and individuals. It will be active shortly, and it will be much more user-friendly than in the past. It used to be only industry contacts that were available for State Directors. This time, we will have statewide contacts and NGO contacts in the system so whoever has a stake in the WSFR program can easily communicate. The database will allow companies to register as excise taxpayers so the states can identify their local taxpayers. We will also incorporate a news feed for industry and state tax issues. It will facilitate Partner with a payer who is a significant initiative that started with NSSF, and now USFWS has embraced it and taken it nationwide.

As we mentioned before, Mitch King has been contracted to work on some excise tax issues and he did a recorded presentation on excise tax for the participants.

- FET Slippage Update – **Dan Forster, ATA**

The excise tax can be very complicated. The issue is the slippage of excise taxes through the online marketplace facilitators. For US-based manufacturers, there are many regulations to follow. Still, if you are a non-US-based manufacturer selling directly to the consumer, the consumer is considered the importer, and therefore, they are responsible for paying the tax. They don't know there is a tax, and they don't know how to pay it and who knows if they knew they would pay it or not. One of the challenges we have is to try and identify how big the problem is. Several internet marketplaces facilitate archery equipment sales. And we are just trying to make this fair.

Through Multistate Conservation Grant Program funding and WMI, we could do a quick economic analysis of the impact. That study estimated \$2 M - \$10M. That's a significant number, and it will go in only one direction unless it gets addressed.

Not only is all this money is lost to conservation, but also there is unfair play. Between us and ASA, we have initiated some discussions on the hill, and we will continue to do that. Over the last couple of months, we were offered another approach by AFWA, which included language that could be

inserted in any piece of federal legislation that would ask for a GAO study of this issue. The study would be conducted within 12 months, and they would rely heavily on the work we have done in the past with WMI, Southwick, and others.

It was put forward in the past administration through the Hunting and Shooting Sports Conservation Council. It didn't receive lots of traction. With the new administration, we have recast this issue through the Trust Fund Collection WG to the Deputy secretary. Margo has agreed to engage the administration's interior staff when they get seated. Hopefully, we will have a partner that can reach across the federal agencies with treasury in particular and help work on a solution.

- Wildlife and Sport Fish Restoration Update – *Paul Rauch/Tim Smith/Bob Curry, WSFR*
  - Biden Administration's Priorities
    - **COVID-19:** Free testing for Americans, ramped-up personal protective equipment (PPE) production while ensuring future American manufacturing of PPE, and "equitable" vaccination.
    - **The economy:** Aid to states, localities, and businesses; investing in education and healthcare; and making good on an infrastructure upgrade.
    - **Racial equity:** Ensuring access for people of color to jobs, homeownership, higher education, retirement savings, and other necessities.
    - **Climate change:** Spending on clean energy, building retrofits, and green infrastructure while helping communities with pollution brunt.
  - WSFR Administrative Charge
    - Assigned WSFR AD responsibility for Program: Administration, Management, Oversight
    - Set funding caps for administration
    - Requires biennial administrative audits
  - Shared Administrative Vision Principles:
    - Promoting efficient grant review, approval, and monitoring processes that support the effective delivery of conservation;
      - Streamlining GrantSolutions (GS) workflow to improve WSFR staff efficiency in the system
      - Adding two fiscal positions in the western regions to improve award processing
      - Developing BMPs between GS and TRACS to improve efficiency and data integrity
    - Standardizing processes in support of improved efficiency and cross-regional resource sharing;
      - Implemented GrantSolutions in May 2020
      - TRACS data-entry handoff to States in January 2021 creating consistency in performance reporting and real property and facilities inventory management (SF429 waiver)
      - Implement license certification and apportionment modules in TRACS.
    - Prioritizing program integrity and accountability through effective training, data management, financial and performance reporting, policy, and adequate capacity;
      - Increase training
      - Address high-risk processes:
        - Sub-recipient reporting
        - Real property reconciliation
        - In-kind match
          - ❖ Focus on documentation, valuation, and approvals
          - ❖ Develop job aids for State and WSFR staff
          - ❖ Develop a distance learning product

- ❖ Communicate to WSFR staff and State partners that in-kind match is a compliance focus area
- ❖ Increase the accountability resulting from in-kind audit findings.
- ❖ Adjust audit cycle from 5 to 6 years
- Providing stakeholder visibility and input on priorities and value propositions; and
  - Honor existing venues (TFC, JTF, FACWG, TWG)
  - Institutionalize communication protocol into all significant decision making, including use of joint SME teams (PR Mod/Tar Mark)
  - Report administrative expense summary at least annually
- Enhancing strategic communications.
  - Begin Strategic Communications Plan implementation
  - Expand Partner with a Payer
  - Develop TRACS Conservation Viewer requirements

## TRACS Update

- TRACS Enhancement Milestones
 

<b>Apr. 2020</b>	<b>Beta Test</b> - 30-day window available for any State/Fed users to help search for "fatal flaws" in the Live system.
<b>June 15, 2020,</b>	<b>TRACS Release Date.</b> Go Live – System formally released for use.
<b>September 15, 2020,</b>	<b>States/AFWA</b> accept January 1, 2021 handoff date.
<b>January 1, 2021,</b>	<b>Handoff Date</b> (States take on primary data entry responsibilities)
<b>March 2, 2021,</b>	<b>All grants</b> with a January 1 Start date must be entered into TRACS (within 60 days)
- TRACS Enhancement Looking Ahead
  - All 56 States, Territories, and the District of Columbia have at least one trained user.
  - Nationwide, over 700 users have been trained.
  - All legacy land acquisition records have been reconciled with States, and 30,000 of those records have been entered in TRACS.
  - DOI approved TRACS as an alternative to the SF-429 Real Property Status Report.
  - Pursuing a five-year contracting vehicle to secure long-term technical capacity.
  - Working with other grant-making/land-owning programs on the use of TRACS.
  - Developing other modules for License Certification and Apportionment; SWG Effectiveness Measures; and Audits.
- Strategic Communications Plan Looking Ahead
 

**Milestones**

  - State and Industry audience sections completed March 30, 2020; Approved April 23, 2020
  - Internal audience section completed August 4, 2020; Approved August 27, 2020
  - Expanded Partner with a Payer initiative

**Next Steps**

  - Develop WSFR "101" materials
  - Explore options for increasing content around WSFR success stories
  - Roll-out plan details; provide training
  - Conduct baseline survey to measure plan effectiveness

- Conservation Viewer

**Structure**

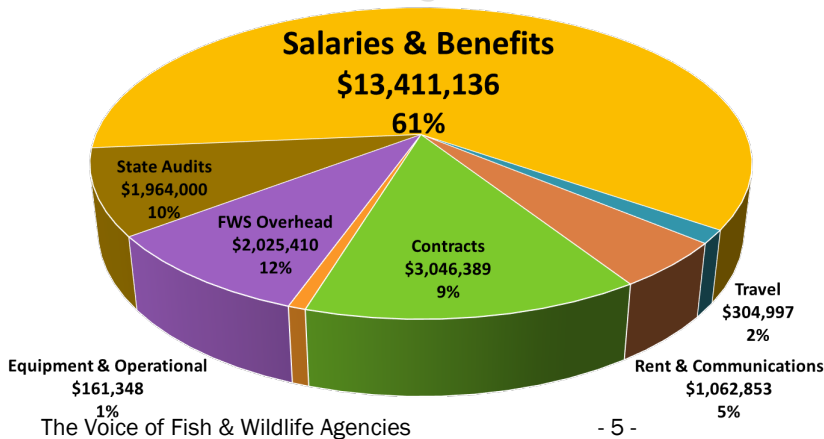
- Element 1 TRACS Data
- Element 2 State Success Stories
- Element 3 Custom Reports for Industry
- Element 4 Custom Reports by States
- Element 5 Economic Information
- Element 6 National Survey Data

**Next Steps**

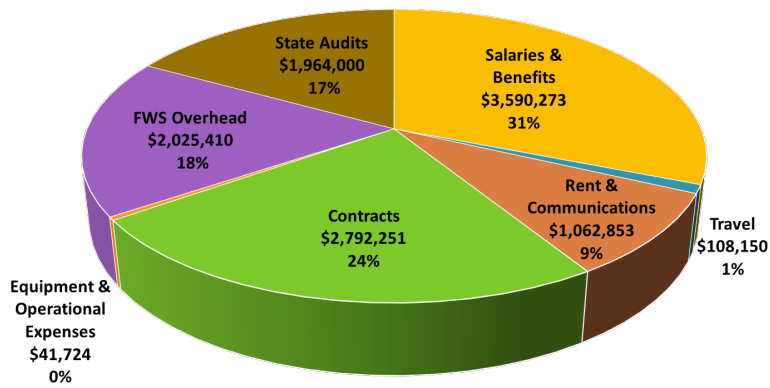
- Feb. 2021 Briefed Trust Funds Collections Working Group
- May 2021 Brief JTF; Request Comm. Protocol Review
- June 2021 Present at WMI Business Summit (tentative)
- Sept. 2021 Present to Trust Funds Committee
- Oct. 2021 Solicit comments through Comm. Protocol
- Dec. 2021 Present Wireframes to JTF
- Jan. 2022 Handoff to Development Team
- Spring 2022 "Go Live" (Approximately 12 months post initial TRACS Data Entry)

- *WR / SFR Program FY 2021 Apportionments*

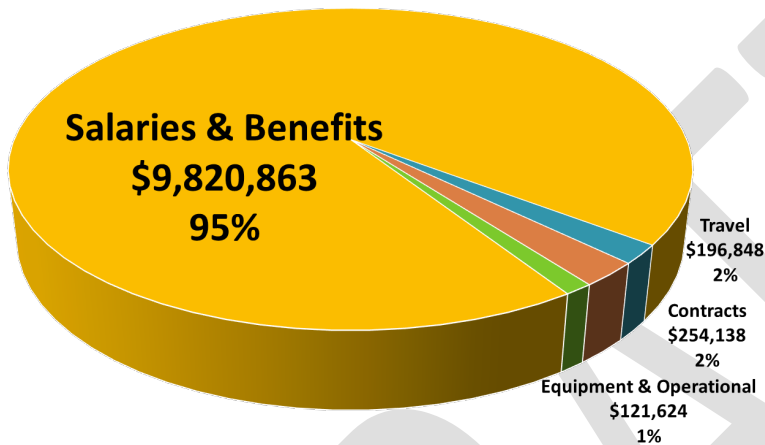
Program	FY 2020 State Apportionments	FY 2021 State Apportionments	% Increase or Decrease	FY 2021 State Matching Funds	FY 2021 TOTAL Program
Wildlife Restoration	\$601.8 M	\$678.9 M	12.8% INCREASE	\$169.7 M	\$848.6 M
Sport Fish Restoration	\$369.7 M	\$392.6 M	6.2% INCREASE	\$98.1 M	\$490.7 M



*WR/SFR Program FY2020 Cumulative Expenses*



**WR/SFR Program FY2020  
Cumulative Headquarters Expenses**



**WR/SFR Program FY2020  
Cumulative Regional Expenses**

- **State and Tribal Wildlife Grants Apportionments**

Subprogram	2018 Enacted	2019 Enacted	2020 Enacted	2021 Enacted
SWG Formula	\$53.0 M	\$54.0 M	\$55.0 M	\$59.0 M
SWG Competitive	\$6.4 M	\$6.4 M	\$7.4 M	\$7.4 M
TWG Competitive	\$4.2 M	\$4.2 M	\$5.2 M	\$6.0 M
<b>STWG Total</b>	<b>\$63.6 M</b>	<b>\$64.6 M</b>	<b>\$67.6 M</b>	<b>\$72.4 M</b>

- Modernizing PR Implementation Team - Next Steps
  - SME team finalized draft guidance recommendation consisting of 33 Q&As covering General Implementation, R3, Public Relations and Advertising, and R3-MSCGP.
  - The draft was presented to WSFR Regional Managers and Federal Aid Coordinators Working Group on February 3, 2021 – comments due by February 26.
  - Review of comments currently underway.
  - The team is working hard to complete all comment/review steps and prepare the draft guidance document for the next JTF meeting.
- Wildlife Restoration & Hunter Education Advisory Team

- Responds to grant-related questions regarding the Target Practice and Marksmanship Training Support Act and Modernizing the Pittman Robertson Fund for Tomorrow's Needs Act
- Posts advisories to provide interim advice while we develop final guidance.
- 25 advisories posted on the FA Wiki
- 2022 National Survey
  - State license information will be used to select the sample;
  - Freshwater/Saltwater split information for the Coastal States will be included;
  - Target shooting, archery, and motorized boating questions will be added;
  - The Individual States can buy in to get full reports; and
  - Contact Richard Aiken at Richard\_Aiken@fws.gov for additional information
- WSFR Policy Update
  - Known Regulatory Needs Priorities for FY 2021-2022*
  - Tar Mark/PR Mod
  - Cooperative Conservation Initiatives (CCI)
  - Clean Vessel Act (CVA)
- The Federal Aid Coordinators Working Group – **Tammy Brooks, FACWG Chair**

The Report and the new roster of the Federal Aid Coordinators Working Group was included with the documents sent in advance to the Trust Fund Committee members.

There are concerns about being able to meet match requirements for grants that use volunteer time. COVID restrictions greatly reduced the number of volunteer activities.

Also, Grant Solutions is a significant concern for the Federal-Aid Coordinators Working Group (FACWG) and Federal Aid Coordinators (FACs) in the next year. One of the concerns is about duplication of effort between TRACS and Grant Solutions and the increased burden on state FACs. The go-live date for Grant Solutions was May 18, 2020.

Grant Solutions does not currently allow States to manage their agency user access profiles resulting in access issues and delays in locating and submitting grant applications and reporting. There have also been instances of unauthorized people from different states/agencies making changes to financial reports.

These are the two main points I wanted to raise from my update.

- Joint Federal/State Task Force on Federal Assistance Policy (JTF) Update - **Paul Rauch, WSFR**

The purpose of the Task Force (composed of Service and State Fish and Wildlife agency personnel) is to provide a process for the Service and State fish and wildlife agencies to identify Program issues of national significance cooperatively and to jointly develop recommendations concerning those issues.

### **JTF Issue ID Protocol**

- **Desired Outcome:** The JTF selects a preferred ID call-for-submissions response method. Selected an online form, and a link was provided in the call for issues Memo.
- **Action Item:** WSFR will revise the submissions process based on the JTF's decision, prepare the 2021 request memo, garner Co-Chair signatures, and distribute the memo by the first week of January 2021 (distributed January 8, 2021)

## **Policy Development Protocol Update - Update from Modernizing PR Implementation Guidance Team**

- **Desired Outcome:** Provide updates to JTF and answer any questions.
- **Action Item:** NONE

## **WR/HE Advisory Team - Update on Team activities and resources**

- **Desired Outcome:** Provide update and location of Advisories
- **Action Item:** WSFR will provide a link to the Advisories, and Paul will ask Ron Regan about including the link in the Director's Line.

## **NBCI Audit Issue**

- **Desired Outcome:** Provide an update to the JTF to the audit CAP, WSFR's response status, and address any questions.
- **Action Item:** NONE

## **TRACS Update**

- **Desired Outcome:** Provide an update to the JTF on the enhancement roll-out, SWG Effectiveness Measures, and the Conservation Viewer, and address any questions
- **Action Item:** NONE

## **Trust Fund Collection Working Group: February 17, 2021**

The TFCWG was chartered in 2005, to encourage cooperation and enhance communication among parties with interests and roles in the payment, prediction, collection, management, administration and expenditures of excise taxes, and import duties that finance the Sport Fish Restoration and Boating Trust Fund and the Federal Aid to Wildlife Restoration Fund. This is a unique cycle of tax collection and disbursement which unites the manufacturers of sport fishing and hunting equipment and the anglers, boaters, hunters, and recreational shooters through their purchase of taxed items associated with the pursuit of their sports. These taxes and duties collected are the funding sources for the wildlife, sport fish, and boating programs that provide critical funds to State and Territory wildlife, fish, and boating agencies to manage the Nation's fish and wildlife resources enjoyed by millions of Americans.

## **U.S. Treasury COVID-19 Relief for Federal Excise Tax (FET) in 2020**

- The Internal Revenue Service (IRS) issued Notices 2020-48 and 2020-55, which delayed Form 720 FET filing and payment.
- Tax and Trade Bureau (TTB) issued Circular 2020-2, which allowed delayed Form 5300.26 filing/payment.

## **Imported Goods**

- IRS analyzing imports and identifying non-tax filers.
- The American Sportfishing Association and the Archery Trade Association (ATA) held a series of informational meetings with committee staffers of Senate and House committees of jurisdiction on taxation slippage.

## **Outreach and Education**

- Federal Agencies are committed to providing outreach and education at industry trade shows and events.



- In October 2020, National Shooting Sports Foundation and TTB hosted an online seminar, presented by TTB, on how to complete the Federal Firearms and Ammunition Excise Tax Return (TTB Form 5300.26).
- Partner with a Payer Initiative is a national effort to strengthen relationships between USFWS, state fish and wildlife agencies, and the manufacturers who pay excise taxes.

### **Motor Boat Registrations**

- Motorboat registrations are expected to be up approximately 1% for 2020 compared to 2019.
- Registrations tie into the formula for motorboat fuels tax.

### **Action Items**

- Imported Goods Federal Excise Tax Slippage
  - The industry will revisit the federal excise tax slippage issue with the new Congress.
  - IRS will obtain detailed information from the industry on issues and examples.
  - Communicate with DOI/FWS as new leadership gets on its feet
    - Response: On March 2, 2021, ATA requested assistance from the new leadership at FWS.
    - Response: On March 3, 2021, FWS committed to raising this issue with DOI leadership and discussing options for how FWS might help facilitate a solution.
- Continue communications between AFWA and industry on COVID match relief for states.
- Update TFCWG Charter in 2021.
  - Response: Updated charter will be shared with AFWA Trust Funds Committee for review in summer with scheduled approval by September 2021.
- Relevancy, DEI, and the Trust Fund Committee – *Bryan Burhans*

All the committees have been working during their meetings looking at the ways to integrate DEI in the work of committees to look at and evaluate barriers and how we can eliminate those barriers. So, we are opening the discussions to this committee regarding obstacles we might face that we can address.

- Wrap Up/Adjourn

The meeting adjourned at 2:30 PM CT