

The Takeaway

Policy Briefs from the Mosbacher Institute for
Trade, Economics, and Public Policy

Sustainable Funding Options for Texas Wildlife Conservation



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STUDENT CAPSTONE PROJECT
Bush School of Government and Public Service

Texas has an estimated need of \$20 million in non-federal funding in order to receive \$60 million in federal funding from the proposed Recovering America's Wildlife Act. The purpose of this report is to analyze and present potential methods to fund wildlife conservation based on the criteria of feasibility and sustainability. By exploring Texas's political culture and surveying stakeholders, we gained an understanding of the best possible funding options to raise the funds needed to receive the federal match.

BACKGROUND

Conservation in the state of Texas has traditionally relied on a steadily deteriorating user-pay system where hunters and anglers fund conservation through the purchase of licenses. The Pittman-Robertson Act of 1937 and the Dingell-Johnson Act of 1950 ushered in a new era of wildlife conservation in

WHAT'S THE TAKEAWAY?

If the Recovering America's Wildlife Act passes, Texas will need to put \$20M into conservation funding annually to get \$60M in federal funds.

The most equitable, viable, and practical mechanism is a \$1 vehicle registration fee that would generate around \$25M annually.

In the long-term, Texas should consider a publicly managed, permanent, green fund to raise and hold money for conservation.

which the federal government provided matching funds for state conservation actions by collecting an excise tax on goods used for hunting or fishing.

The current user-pay system, however, has not fared well over time. Conservation initiatives and efforts in Texas—and therefore, expenses—are increasing at a rapid rate. This is a rate at which the Pittman-Robertson and Dingell-Johnson Acts can no longer keep up with monetarily.

If passed, [the Recovering America's Wildlife Act] will match federal funds with State funds at a rate of three to one

First introduced during the 115th Congressional session in 2017 and 2018, the Recovering America's Wildlife Act (RAWA), also known as H.R. 3742, aims to amend the Pittman-Robertson Act to make approximately \$1.3B available for management of fish and wildlife species of greatest conservation need as determined by state fish and wildlife agencies, and for other purposes. If passed, H.R. 3742 will match federal funds with state funds at a rate of three to one for conservation projects for species that are not associated with license revenues to the state. The states' matching funds must be secured from sources other than federal funding, which introduces the need for each state to obtain new sources for funding wildlife conservation.

PROCESS

Our 2019/20 Capstone team expanded on a 2018/19 Capstone project that surveyed Chambers of Commerce members to measure public perceptions of potential funding mechanisms. We also measured public perceptions, but chose to use Councils of Governments (COGs) as the experimental group instead of Chambers of Commerce, because response rates from the latter group were low in 2018/19. The Texas Alliance for America's Fish and Wildlife members served as the control for our project. Alliance members are groups that have publicly pledged their support for RAWA. For the purpose of this project, we assumed that they would be supportive of a mechanism to fund conservation in Texas. Surveys were sent to Councils of Governments and Alliance members to determine the most equitable, viable, and practical method to fund conservation. Potential funding mechanisms were an:

- Aircraft gas tax,
- Vehicle title fee,
- Vehicle inspection fee,
- Vehicle registration fee,
- Increase in sporting goods tax,
- LLC fee,
- Conservation/Wildlife fund,
- Carbon emissions tax or fine,
- National Incomes Tax, or a
- Sporting goods tax.

RESULTS

We received a survey response rate of 32% (45 of 140) from Alliance members and 42% from COGs (10 of 24). The Alliance favored the following solutions for funding conservation: state/federal tax revenue, environ-

mental pollution fine, charge on oil and gas, and hunting and fishing fees. COGs favored hunting and fishing fees, environmental pollution fee, and private partnership. We used population density to weight COG scores to assess the response of a representative vote that provided less weight to less populous rural COGs and more weight to urban COGs (proportional representation). Weighted results indicated less support for hunting and fishing fees, environmental pollution fee, and private partnership than the unweighted scores.

*[Our Capstone team]
measured public
perceptions of potential
funding mechanisms*

When comparing support in terms of equity, long-term viability, and practicality, the sporting goods tax and vehicle registration fee got the most support from both Alliance members and COGs. The wildlife conservation fund survey section had three questions ranging from general to more specific funding options. Overall, COGs and Alliance groups were slightly in favor of a public fund dedicated to conservation over a private fund.

RECOMMENDATIONS

Based on the information from the 2018/2019 Capstone report and our own survey findings, we recommend a vehicle registration fee to expand conservation

funding in Texas. In terms of practicality, long-term viability, and equitability, Alliance members and COGs ranked vehicle registration second highest. Our findings are also supported by the 2018/2019 survey of chambers of commerce. An additional \$1 fee on all vehicle registrations in Texas would yield the desired \$20 million annually. Furthermore, the framework for adding an additional fee to vehicle registration will be the easiest to implement because the Texas Legislature already has a system in place to impose fees on registrations. When considering the short turnaround time that the Texas Legislature will have to get the necessary funding to be eligible for the RAWA matching funds, vehicle registration is the best avenue to raise \$20 million annually to support conservation. This method is also believed to be the most sustainable for the future because private transportation will continue even if multimodal public transportation grows.

While vehicle title and inspection fees scored similarly, these mechanisms are not recommended. Since title fees are not annually recurring, they do not produce as high a yield as vehicle registration fees. Additionally, the future of required vehicle inspections in Texas is uncertain because mandatory testing has been discontinued in other states.

Although the sporting goods tax scored the highest on the survey, our Capstone group does not recommend advocating for an increase in the tax. The 2019 passage of Proposition 5 in the Texas Legislature dedicated all allocated revenue from the sales tax on sporting goods to the Texas Parks and Wild-

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life Department and the Texas Historical Commission. While the comptroller could increase the allocation from the sporting goods tax by classifying more items as sporting goods, an increase in the price of goods would result. Ultimately, this could reduce sales and thus, revenues in Texas, so it is not recommended that Proposition 5 be altered further.

A more long-term solution could lie in the development of a wildlife fund. COGs and Alliance groups both scored this as a favorable potential funding mechanism. However, the time it would take to establish such a

fund combined with determining logistics and investors, makes this an option better suited for the future by following established funding mechanisms for water development and transportation in Texas. Therefore, it is recommended Texas proceed with implementing a \$1 fee on vehicle registrations and consider the future establishment of a wildlife fund.

This Takeaway is from a 2020 Bush School student capstone report, *Sustainable Funding for Conservation in Texas*, by **Taimoor Alvi, Colton Haffey, Mary Huddleston, Emily Parks, Bill Prieto, Austin Reed, Hamza Sadiq, Carolyn Smith, Matthew Vathauer, and Maheen Zahid**. Their faculty advisor was **Dr. Cole Blease Graham**. Their academic sponsor was **Dr. Peregrine Barboza**. The report was done for **The Boone and Crockett Club**.

A link to their full report can be found in the Capstone Policy Projects section at <https://wfsc.tamu.edu/drreduke/research/>.

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The Mosbacher Institute was founded in 2009 to honor Robert A. Mosbacher, Secretary of Commerce from 1989-1992 and key architect of the North American Free Trade Agreement. Through our three core programs—Global Markets and Trade, Energy, and Governance and Public Services—our objective is to advance the design of policies for tomorrow’s challenges.

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