

# Mason Mountain WMA: A Case Study in Financial Self Sufficiency

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*Abstract:* Mason Mountain WMA was established as Texas' first financially self-sufficient wildlife management area. While maintaining the ecological health of Mason Mountain WMA is top priority, several programs have been initiated to generate revenue to fund Area operations. The Texas Exotic Safari, a lottery-type hunt for African big game, netted \$33,762 in its first year of operation. Other public hunting activities generated a profit of \$114,000. Grazing rights to Mason Mountain WMA are leased for \$10,152 per year and exotic wildlife sales brought in \$129,000 between January 1997 and April 1998. All profits and interest are retained by Mason Mountain WMA. The eventual goal is to generate enough revenue through exotic animal based programs to support the management of the native ecosystem once the exotics have been removed. Valuable economic lessons have been learned which can be applied to other Agency programs in order to reduce pressure on overburdened budgets.

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The political landscape of Texas has changed considerably in recent years. Constituents demand more fiscal responsibility and accountability from government agencies, and natural resource agency budgets, traditionally funded by license fees and sporting goods excise taxes, have not kept pace with increased demands. New sources of revenue and new management philosophies must be explored if the source of resource management programs is to continue into the next century. The Wildlife Division of the Texas Parks and Wildlife Department is addressing these challenges on its newest Wildlife Management Area, Mason Mountain WMA, using an innovative management style to achieve financial self-sufficiency.

## Background

The Texas Parks and Wildlife Department's Wildlife Division administers 52 wildlife management areas, totaling nearly 304,000 ha. Thirty-two areas, comprising approximately 121,500 ha, are owned by the Department, having been acquired through purchases, donations, mitigation, and trades. The remaining areas are managed

under lease or license agreements with other government agencies, primarily the U.S. Army Corps of Engineers and the U.S. Forest Service (Kenny et al. 1997). All areas are managed for research, conservation, and public use.

In 1995, Mr. C. G. Johnson offered to the Texas Parks and Wildlife Department and the Parks and Wildlife Foundation of Texas, Inc. (a private, non-profit organization) his 2,530 ha Mason Mountain Ranch, located in Mason County, as a donation for use as a Wildlife Management Area. The Department and the Foundation agreed in principle to the arrangement, and action was initiated to make the transfer. The Foundation was to receive the property in 2 parcels, and then transfer it to the Texas Parks and Wildlife Department. In December 1995, approximately one-half of the Mason Mountain Ranch was deeded to the Foundation, and the Texas Parks and Wildlife Department began limited operations under a management agreement.

On 24 January 1997, the Texas Parks and Wildlife Commission took action regarding the transfer of the ranch into Department ownership. Concerns arose over the ability of the Wildlife Division's budget to support operation of another WMA, especially one with the staffing and operational requirements of Mason Mountain WMA, so the commission dictated that Mason Mountain WMA not be an additional financial burden to the Department's budget. All operational and maintenance expenditures were to be paid from revenue generated by Mason Mountain WMA. In essence, Mason Mountain WMA was mandated to pay for its own operations or close down. Mason Mountain WMA became the first Texas Parks and Wildlife Department property charged with financial self-sufficiency.

Wildlife Division staff responsible for Mason Mountain WMA operations immediately went to work formulating a management strategy for Mason Mountain WMA. Mason Mountain WMA had no operation and maintenance budget, and the commission forbade assigning any personnel to Mason Mountain WMA as full-time staff. Instead, Mason Mountain WMA was to be operated on a limited manpower budget by biologists and technicians assigned to the Edwards Plateau Wildlife Regulatory District. Mason Mountain WMA was not simply raw land, but was extensively developed with 5 residences, 3 barns, a maintenance building, 80 km of 2.4-m high game fence, 113 km of roads, and 3 sets of capture and working pens for exotic ungulates. In addition to the native population of white-tailed deer, the WMA was populated with 14 species of exotic game animals and a herd of feral goats. These animals required not only extensive management to prevent overpopulation and concomitant animal loss, but had been supported on an *ad libitum* supplemental feeding program, which needed to be continued until the exotic population size was reduced to a level sustainable on native range.

These same factors also provided staff with the resources to make Mason Mountain a success. The buildings and fencing system facilitated management of the resources and were viewed as a tremendous asset to future management and research. Most of the exotic species found on the WMA carried high market values and were seen as a prime source of income. Initial estimates placed the market value of the exotics on the WMA at over \$1 million. In addition to sales revenue, the large and diverse population of native and exotic game presented excellent hunting opportunities.

## Management

### Goals

Wildlife Division staff formulated 4 prioritized goals for Mason Mountain WMA:

1. Maintain and improve the ecological health,
2. Using both native and exotic wildlife based programs, generate sufficient revenue to sustain current operations, as well as profits which would be placed in interest bearing accounts to help fund operations once exotic programs have been phased out,
3. reduce the exotic wildlife population over an 8-year period, eventually eliminating exotics in 2006 with an associated phase-out of exotic based programs,
4. provide research, conservation, demonstration, and public access opportunities.

Projects were then designed to address these goals, organized into 2 broad categories: 1) those which could be undertaken with little or no modification to existing facility, manpower, operational, or administrative structure ("Phase 1" projects), and 2) those which would require substantial modification of these elements ("Phase 2" projects). Phase 1 projects were undertaken immediately, while Phase 2 projects were deferred pending a feasibility review by Division staff on a case-by-case basis.

### Projects

*Mason Mountain WMA Endowment.* When the property was transferred to the Department, approximately 400 ha were retained by the Parks and Wildlife Foundation of Texas, Inc. This acreage was sold, with the revenue used to pay administrative costs involved with the donation and to establish a permanent endowed fund administered by the Foundation. The goal was to have sufficient interest accrued in the account to assist Mason Mountain WMA with operations. The Foundation continually seeks financial support for the endowment from private sources.

*Mason Mountain WMA Operating Fund.* Because the Mason Mountain WMA Endowment is administered by the Parks and Wildlife Foundation, any revenue generated by the WMA cannot be placed in the Endowment. Texas law prohibits the investment of state money in private funds. Any revenue generated by the WMA operation must remain in the State Treasury.

Traditionally, most projects within the Wildlife Division of the Texas Parks and Wildlife Department have operated under the "use it or lose it" budget system, which did not allow the carryover of surplus funds from one fiscal year to the next. This system worked satisfactorily where revenues for project operations came mainly from outside sources (license revenues, PR funds, etc.), but was unsuited for projects such as Mason Mountain WMA. Mason Mountain WMA was required to generate a profit to fund operations, needed to carry this money over to subsequent fiscal years, and needed to retain any interest accrued.

Thus, the Department's Chief Financial Office established an account for Mason Mountain WMA which allowed surplus carryover between fiscal years and retained any interest accrued in the account. All money generated from activities conducted solely on Mason Mountain WMA was deposited directly into the Mason Mountain account, while money generated jointly by the WMA and other programs was apportioned between Mason Mountain WMA and participating programs.

Once the mechanism was in place to deposit and retain funds generated by Mason Mountain WMA, 4 Phase 1 projects were initiated: The Texas Exotic Safari, inclusion of Mason Mountain WMA in the Texas Parks and Wildlife Department Public Hunting Program, the development of a grazing program, and the establishment of an exotic wildlife sale program.

*Texas Exotic Safari.* The wide variety of exotic game species on Mason Mountain WMA provided the resources for the cornerstone of Mason Mountain's activities, the Texas Exotic Safari. Modeled after the popular and successful "Texas Grand Slam," the safari is a lottery type hunt, offering hunters nationwide a once-in-a-lifetime opportunity to pursue African big game. An archery, blackpowder, and modern rifle hunt are offered annually. Applicants apply for a specific category of hunt, and may apply as often as they wish and in multiple categories. There is a fee of \$10 per application, but there is no charge for the hunt itself. Each winner is awarded a 5-day, 4-night guided hunt. Meals, lodging, on-site transportation, and \$1,800 in taxidermy services are provided by the Department. Winners may hunt axis deer, blackbuck antelope, and 2 of 6 other species: greater kudu, sable antelope, scimitar-horned oryx, gemsbok, waterbuck, and impala. Winners may also bring along a hunting companion, who is allowed to pursue feral goats and axis deer.

Applications for the Texas Exotic Safari are offered through the Texas Outdoor Connection, the Texas Parks and Wildlife Department's electronic license sale system. The Texas Outdoor Connection is available at over 1,200 license vendors throughout the state, at both retail outlets and Texas Parks and Wildlife Department offices, and through a nationwide toll-free number. Each \$10 application sold by retail outlets is subject to a 5% commission. No commission is paid on applications sold through Department offices.

In 1997, 4,672 applications for the Texas Exotic Safari were sold to a total of 3,098 applicants, an average of 1.51 per applicant. Sixteen percent (741) were for the blackpowder category, 15% (693) were for the archery category, and 69% (3,328) were for the modern rifle category. Sale receipts totaled \$44,384.

Mason Mountain WMA pursued a diverse marketing strategy for the Texas Exotic Safari. The bulk of advertising was through the distribution of posters and flyers to hunting license outlets. Promotional material was distributed by direct mail to hunters that participated in previous Texas Parks and Wildlife exotic hunts. Materials were also included with other information provided to the public by the Department at outdoor shows throughout the state. Information regarding the program was released through standard Department public information channels. In conjunction with the media releases, WMA staff hosted a media tour resulting in several positive

articles being printed in various newspapers and outdoor magazines. Finally, limited advertising was purchased in outdoor publications with both in-state and nation-wide distribution.

Promotional costs for the program totaled \$5,221.82, 54% (\$2,814.82) of which was related to poster distribution and direct mail, 38% (\$1,997.40) was for paid advertising, and 8% (\$409.60) was miscellaneous cost for other promotional materials. Expenses associated with media releases were negligible and borne primarily by the Department's Conservation Communications Division as standard news items.

Little demographic data are available concerning the motivation of individual purchasers to apply for the Safari, so few conclusions can be drawn regarding the effectiveness of specific promotions. However, some inferences can be made regarding the effectiveness of magazine advertising by comparing out-of-state magazine circulation and ticket sales.

In July 1997, the Department spent \$1,623 to purchase an advertisement for the Texas Exotic Safari in *Game and Fish Magazine*, with an average nationwide circulation of approximately 550,000. Average monthly circulation within Texas totaled approximately 6,200 (1%). With such a small portion of the circulation being within Texas, we consider this to be an out-of-state promotion. No other promotional efforts were targeted directly at out-of-state consumers.

An estimated 291 applications were purchased by out-of-state residents, for total receipts of \$2,910, a profit of \$1,287 over the \$1,623 cost for the advertisement. Although the promotion paid for itself, we questioned its effectiveness in comparison to other marketing strategies. To address this issue, we looked at the number of out-of-state purchasers as a percentage of total purchasers, and compared it with the percentage of advertising expenditures dedicated to out-of-state promotions.

Of the 3,098 applicants, 193 (6%) were out-of-state residents. However, the \$1,623 directed at out-of-state consumers represented nearly 31% of the \$5,221.82 in total promotional costs. These non-resident applicants were gained at a cost of \$8.31 per applicant while the 2,905 resident applicants were attracted at an individual cost of \$1.24. Further, if we assume that a portion of out-of-state applicants (albeit an unknown number) would have applied regardless of the magazine advertising, the efficiency decreases farther. We can, therefore, infer that while out-of-state advertising did produce a profit, this money probably could have been spent more efficiently elsewhere.

It should be emphasized that the low number of out-of-state purchasers may not be due entirely to the advertising method. Other factors, such as increased travel costs to participate in the hunt, difficulty in applying out-of-state in the absence of Texas hunting license vendors, and differing interest in hunting exotic game may have contributed. Regardless of the reasons, initial experience suggests that the vast majority of potential customers for the Texas Exotic Safari are Texas residents and that advertising money appears to be most efficiently spent on in-state promotions.

The Texas Exotic Safari winners were selected through a random computerized drawing in December 1997. The hunts were conducted in January and February

1998. Guiding services were provided by professional guides, on behalf of the Texas Outfitters and Guides Association. A total of 7 adult male animals were taken by the hunters.

In its initial year of operation, the Texas Exotic Safari met or exceeded expectations. The program returned a profit of \$33,762; 218% over the cost of promoting and conducting the hunt. The outstanding success of the hunts will be featured in future promotions and should boost sales.

*Public Hunting Program.* The Texas Parks and Wildlife Department offers public hunting opportunities on 64 WMAs and state parks. Public hunting generally is offered through 3 types of permits: annual public hunting permits, regular public hunting permits, and special public hunting permits.

Annual public hunting permits are issued at a cost of \$40 and permits are valid for the current fiscal year. Permittees can enter certain public lands for the purpose of hunting migratory and upland birds, and small game. There is generally no limit to the number of annual public hunting permits issued, and permits can be purchased at any hunting license vendor.

Regular public hunting permits are issued for designated locations and time periods to hunt migratory and upland birds, and small game. These permits cost \$10 and are issued at the hunt area on a first-come first-served basis. Permits are valid only for the duration of the hunt period. The Department generally limits the number of regular public hunting permits issued for a particular hunt.

Special public hunting permits are issued to hunt big game, turkey, and alligator. Each permit is issued for a specific date, location, species, and hunting method (archery, general, etc.). Special public hunting permit fees are \$50 for 2-day hunts, and \$100 for hunt periods of 3 days and longer and are issued through a random drawing. Application fees are \$2 per applicant for most hunts. Special package hunts, which include provisions for food, lodging, transportation, and guides, require a \$10 application fee; however, no permit fee is charged for special package hunts. Special public hunting permits are made available through an annual publication by the Texas Parks and Wildlife Department which includes hunt dates, information about the hunt areas, and an application form.

The Department waives all application and permit fees for youths under 17 years of age. Additionally, certain hunts are designated youth-only, with adults allowed to participate only as a non-hunting supervisor.

In September 1997, Mason Mountain WMA began participating in the Texas public hunting program by offering special permit hunts for white-tailed deer, axis deer, blackbuck antelope, feral goat, feral hogs, and Rio Grande turkey. Prior to establishing the public hunt dates, staff conducted surveys to determine Mason Mountain WMA's white-tailed deer and exotic ungulate populations. The hunt schedules were structured to achieve an adequate harvest that would result in the desired deer and exotic density as determined by the area manager. The goal of maintaining and improving the ecological health of Mason Mountain WMA was emphasized throughout the planning process.

Nine-hundred and four special public hunting permit positions were offered on Mason Mountain WMA for the 1997–1998 hunting season. Most of the hunts were standard 2 or 3 day hunts, with a permit fee of \$50 and \$100, respectively, and an application fee of \$2. In addition to the standard hunts, 4 positions were awarded for a special package trophy axis deer hunt, which included food, lodging, and guide services.

A total of 21,524 people applied for the 900 standard special permit hunts on Mason Mountain. An estimated 750 accepted the hunt and paid the permit fees. The special package axis deer hunt garnered 2,930 applicants for the 4 positions. Total revenue from special public hunting permit hunts, including both application and permit fees, was approximately \$114,000. All of this revenue was applied directly to the Mason Mountain WMA account.

Total harvest during the 1997–1998 public hunts on Mason Mountain WMA was 45 antlered white-tailed deer, 76 antlerless white-tailed deer, 6 turkey, 44 axis deer, 6 blackbuck antelope, and 59 feral goats. Overall hunter success was 31%. While not all of the harvest goals of Mason Mountain WMA were met, acceptable strides were made toward achieving the desired animal density.

No annual public hunting or regular hunting permit activities have been conducted on Mason Mountain WMA. Excessive manpower requirements associated with issuing permits on site, little perceived interest in pursuing small game in the Texas hill country, and difficulty apportioning annual public hunting permit moneys between participating areas and the public hunting program have prevented Mason Mountain WMA from participating in these systems. However, projects under these systems are currently being considered if these issues can be resolved.

*Grazing Lease.* Grazing is considered a natural component of the central Texas ecosystem. As such, it is often implemented on state Wildlife Management Areas to promote ecosystem health and generate revenue. As a working ranch prior to donation, Mason Mountain WMA already had much of the infrastructure in place to facilitate a livestock operation. Therefore, one of the first management actions taken by area staff was the letting of a grazing contract.

The grazing plan called for 200 stocker steers, totaling 120 animal units, to be grazed on Mason Mountain WMA January through June of each year, in a 1 herd-6 pasture rotational grazing system. An animal unit is defined as a 1,000 lb (454 kg), non-lactating cow or its equivalent in animal demand or potential forage intake (Valentine 1990). The lessee was to be responsible for moving the herd between pastures and all management of the cattle, while responsibility for maintenance of all fences and watering systems fell to Department personnel.

Grazing rights for the wildlife management area were leased for \$14.10 per animal unit month. Total receipts for cattle grazing in 1998 were \$10,152.

*Exotic Wildlife Sales.* At the time of acquisition, facilities for the capture and handling of the various exotics located on Mason Mountain WMA were in place. Soon after the commencement of operations, Area staff began capturing breeding stock of various species of exotic wildlife and offering them for sale through public auction.

Sale stock included mainly females and some young males. Adult males are reserved for the Texas Exotic Safari. Only those species which offered high live market values were considered for sale (primarily the African species). Axis deer and blackbuck antelope, which do not have a live market value, were utilized in the public hunting program. To date, the sale of 78 exotic animals has generated approximately \$129,000 in revenue for the WMA. Current plans call for continued production of exotics until the herd is liquidated in 2006, and all exotic-based programs cease.

## **Conclusion**

Mason Mountain WMA's experience has proven that individual agency programs can generate operating revenue if they can offer to their constituents a valuable product. The keys to Mason Mountain's success are the same as in private enterprise: 1) offer the consumer a desirable product, 2) pursue a diverse range of intelligently marketed programs, 3) critically review all programs and be willing to modify or eliminate those which are unprofitable or marginally successful, and 4) be willing and able to reinvest profits into the operation.

Initial experience has taught us several valuable lessons:

Know your market. Where an established market exists, pursue it. This conservative approach not only utilizes an established consumer base, but ensures the most efficient use of promotional dollars. Our experience with out-of-state marketing indicates that non-resident hunters are much less likely to participate in our hunting programs than resident hunters.

Try new programs, but don't let affinity for specific projects get in the way of critical thinking. The Texas Exotic Safari was the Texas Parks and Wildlife Department's first venture into high-end exotic hunting, and has proven successful. However, modifications, such as merging the archery and blackpowder hunt categories into one primitive arms category, were made to increase profitability.

Direct revenue sources, such as permit fees, are supply driven and are limited by the resources available to the program (i.e., game population density). Indirect revenue sources such as application fees, while still influenced by resource availability, are demand driven and limited primarily by the number of consumers interested in participating in the program. In fish and wildlife recreation, where demand often far exceeds supply, the greatest economic return is often gained through indirect sources.

Revenue must not be drained from profitable programs to provide life support to less productive ones. The incentive to produce quickly collapses if a program is not allowed to retain its profits.

Finally, managers and administrators should remember that many programs are simply means to accomplish long range management goals, they are not ends unto themselves, and may not appear compatible with the goals in the short term. Projects which appear contrary to the programs' management philosophy may be vital to fulfilling its goals. For instance, the stated policy of the Texas Parks and



Wildlife Department and Mason Mountain WMA is the elimination of exotic wildlife on the WMA and continued management of native species. However, the initial exotic based programs are essential to generating sufficient revenue to facilitate management of native wildlife once the exotics are removed. While this certainly may be unpalatable, the alternative is the complete cessation of all management activities on Mason Mountain WMA. In essence, the native wildlife depend, for now, on the exotics. This situation creates another, possibly more difficult, marketing situation as a complex suite of apparently conflicting priorities must be justified to policy makers and the public.

Financial self-sufficiency is not a silver bullet. Some programs, such as research and education, cannot and should not be expected to pay for themselves. But, where profit potential exists, it should be explored. Self-sufficient programs like Mason Mountain WMA may be the key to reducing pressure on limited budgets and allowing more efficient allocation of resources.

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