

DEPARTMENT OF FISH AND GAME
FY2018 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT
February 23, 2017

SUBCOMMITTEE MEMBERS:

Rep Chenault	Rep Eastman	Rep Fansler	Rep Kreiss-Tomkins
Rep Neuman	Rep Ortiz	Rep Stutes	Rep Tarr

SUBCOMMITTEE MEETINGS:

The House Finance Budget Subcommittee for the Department of Fish and Game held eight meetings with the department during the review of the FY18 budget request.

RECOMMENDATIONS:

The Chair of the House Finance Budget Subcommittee for the Department of Fish and Game recommends that the House Finance Committee accept the Governor's FY18 budget with the amendments indicated on the attached spreadsheet and proposal packet.

The budget with these amendment totals:

Fund Source: (dollars are in thousands)

Unrestricted General Funds (UGF)	50,516.4
Designated General Funds (DGF)	14,897.5
Other State Funds	68,903.1
Federal Funds	67,019.5
Total	\$201,336.5

The Unrestricted General Fund difference from FY15 Management Plan to the FY18 Governor's Amended budget is a reduction of \$28,871.4 (36.4%).

Positions:

Permanent Full-time	837
Permanent Part-time	641
Temporary	23
Total	1,501

The following budget amendments are submitted by the subcommittee chair to the House Finance Committee for consideration:

1. Decrement funding to reflect reductions in CFEC's workload: (317.2) CFEC Rcpts
2. Add back CFEC receipts as an IncOTI: 142.0 CFEC Rcpts
3. Add the following projects: PWS Pink Salmon Recovery, Upper Cook Inlet Offshore Test Fish GF: 150.7 CFEC Rcpts
4. Add projects: Coghill River Weir: 41.6 UGF (1004)

5. Add projects: Togiak Tower: 60.0 UGF (1004)
6. Add projects: Igushik Tower: 50.0 UGF (1004)
7. Add projects: Yukon River Fall Season TF, Kodiak Salmon Weir Support, Chignik Management Support: 57.2 UGF (1004)
8. Add SE Partial Salmon Aerial Surveys project: 94.7 UGF (1004) & 24.5 CFEC Rcpts
9. Replace \$50.0 SDPR funding from SARDFA with 50.0 of F&G Funding to maintain Dive Fisheries Assessments: (50.0) SDPR, 50.0 Fish/Game (1024)
10. Add Kuskokwim River Projects: 51.9 UGF (1004)
11. Delete all UGF from the Commissioner's Office: (172.8) UGF (1004)
12. Reduce UGF in Administrative Services: (182.6) UGF (1004)

OTHER INFORMATION:

Representative Tarr voiced the importance of sport fishing to Alaska's culture and economy.

I have not put forward for consideration by the House Finance Committee a proposal which would have utilized \$50.0 from the Fish and Game Commercial Fishing subfund for Amount Necessary for Subsistence household surveys in non-subsistence areas. The committee votes ended in a tie after substantial discussion.

Several subcommittee members voiced support for reformation of the sport guide logbook process. Representative Stutes also noted that there is no freshwater sportfish guide vessel registration fee, and no freshwater sport fish guide fee.

GOVERNOR'S AMENDMENTS

The subcommittee chair recommends that the House Finance Committee consider approval of the following attached amendments:

1. Coho Salmon and Dive Fisheries Projects
2. Bristol Bay Science Research Institute Watershed Projects
3. Stock Assessment Projects

All of these amendments from the Governor are receipt authority for potential funding if a third party is able to raise the funds.

ATTACHED REPORTS:

Transaction Detail – House Structure Amendments Recommended by the ADFG Subcommittee
Allocation Summary – House Structure

Respectfully submitted,



Representative Dan Ortiz, Chair

House Finance Budget Subcommittee for the Department of Fish and Game

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Department of Fish and Game

Commercial Fisheries

Southeast Region Fisheries Management

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
GA 7 2/15 Coho Salmon and Dive Fisheries	IncOTI	191.0	116.0	7.0	35.0	33.0	0.0	0.0	0.0	0	0	0

Research Projects

This will allow support from private industry to support various escapement, stock assessment, and survey projects. This is a new request for FY2018. It was not included in the FY2018 Governor's budget because the scope of the projects were still being identified.

Northern Fund Pacific Salmon Commission is providing \$87.1 for the Boundary Area Coho Escapement project. This project proposes to sample chum releases from the Canadian area 3 commercial seine and gillnet fisheries.

Northern Fund Pacific Salmon Commission is providing \$54.0 for the Hugh Smith Coho project. The primary purpose of this project is to maintain an indicator stock assessment program for Coho salmon in the northern boundary area. The operation of the smolt weir is to enumerate and coded-wire tag Coho salmon smolts emigrating from Hugh Smith Lake to generate total population estimates, including total smolt production, marine survival, exploitation rate, and catch by area, time, and gear type.

Southeast Alaska Regional Dive Fisheries Association is providing \$50.0 for the cucumber and geoduck dive fisheries surveys. These surveys must be done in order to have a fishery.

1108 Stat Desig (Other) 191.0

H DFG 1 - Replace \$50.0 SDPR funding	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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from SARDFa with F&G Funds to maintain Dive Fisheries Assessments

Offered by Representative Ortiz

This fund change will allow Commercial Fisheries to continue to administer Dive Fishery Stock Assessments without having to increase the Southeast Alaska Regional Divers Association's fees by 48% (from \$103,900 to

\$153,900).

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Department of Fish and Game

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Commercial Fisheries (continued)												
Southeast Region Fisheries Management (continued)												
H DFG 1 - Replace \$50.0 SDPR funding from SARDFA with F&G Funds to maintain Dive Fisheries Assessments (continued)												
The F&G Funding used comes from the Commercial Fisheries portion of the F&G Fund.												
1024 Fish/Game (Other)		50.0										
1108 Stat Desig (Other)		-50.0										
H DFG 2 - Add SE Partial Salmon Aerial Surveys project	Inc	119.2	25.0	4.2	90.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Ortiz Utilize savings from Administrative Services, the Commissioner's Office and CFEC to fund the SE Partial Salmon Aerial Surveys: 119.2												
1004 Gen Fund (UGF)		94.7										
1201 CFEC Rcpts (DGF)		24.5										
* Allocation Total *		310.2	141.0	11.2	125.0	33.0	0.0	0.0	0.0	0	0	0

Central Region Fisheries Management

GA 8 2/15 Bristol Bay Science Research Institute Watershed Projects (FY18-FY19)	IncT	800.0	450.0	14.8	275.2	60.0	0.0	0.0	0.0	0	0	0
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This will allow support from Bristol Bay Science and Research Institute (BBSRI) to support various escapement and test projects. This is a new request for FY2018. It was not included in the FY2018 Governor's budget because discussions on the agreement were still ongoing.

Bristol Bay Science and Research Institute (BBSRI) has entered into a memorandum of agreement with the Alaska Department of Fish and Game (ADF&G) to provide a framework upon which (ADF&G) and BBSRI may jointly plan, fund and accomplish mutually beneficial projects and activities within the Bristol Bay watershed. Such activities and projects will complement the missions of ADF&G and BBSRI and be in the best interest of the fishery resources and communities within the Bristol Bay watershed.

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Department of Fish and Game

Commercial Fisheries (continued)

Central Region Fisheries Management (continued)

GA 8 2/15 Bristol Bay Science Research
Institute Watershed Projects (FY18-FY19)
(continued)

The following are the anticipated projects to be funded with the FY2018 \$800.0 revenue contract. The project listing will be updated in FY2019 and are anticipated to cost \$800.0.

Nush Sonar- \$50.0
Togiak Tower- \$60.0
Igushik Tower- \$50.0
Kvichak inside test- \$40.0
Egegik River inside test- \$43.0
Ugashik inside test - \$47.0
District Catch Sampling- \$100.0
Port Moller test- \$120.0
Management Biologist trainee west side- \$60.0
Catch allocation genetics- \$80.0
Togiak Aerial Herring (forecast model)- \$50.0
Alagnak River Escapement- \$40.0
Nush Sonar for Coho and Pink- \$60.0

1108 Stat Desig (Other) 800.0

H DFG 3 - Add Projects: PWS Pink Salmon Recovery, Upper Cook Inlet Offshore Test Fish GF	Inc	150.7	100.0	4.0	46.7	0.0	0.0	0.0	0.0	0	0	0
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Offered by Representative Ortiz
Increment of funding from CFEC receipts for the following CEN programs:
PWS Pink Salmon CWT Recovery: 106.6
Upper Cook Inlet Offshore Test Fish GF: 44.1

1201 CFEC Rcpts (DGF) 150.7

H DFG 4 - Add Coghill River Weir Project	Inc	41.6	33.0	0.5	4.1	4.0	0.0	0.0	0.0	0	0	0
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Offered by Representative Ortiz
Utilize UGF reductions from the Commissioner's Office and Administrative

2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column

Numbers and Language

Agency: Department of Fish and Game

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Commercial Fisheries (continued)												
Central Region Fisheries Management (continued)												
H DFG 4 - Add Coghill River Weir Project												
(continued)												
Services for Central Region fisheries management projects.												
CEN Coghill River Weir: 41.6												
1004 Gen Fund (UGF)		41.6										
H DFG 5 - Add Togiak Tower project	Inc	60.0	40.0	0.3	15.7	4.0	0.0	0.0	0.0	0	0	0
Offered by Representative Ortiz												
Utilize UGF from Commissioner's Office and Administrative Services for CEN												
Fisheries Management Project:												
CEN Togiak Tower (FM-20416): 60.0												
1004 Gen Fund (UGF)		60.0										
H DFG 6 - Add Project: Igushik Tower	Inc	50.0	34.0	0.0	12.0	4.0	0.0	0.0	0.0	0	0	0
Offered by Representative Ortiz												
Use UGF savings from reductions in the Commissioner's Office and												
Administrative Services to fund:												
Igushik Tower: 50.0												
1004 Gen Fund (UGF)		50.0										
* Allocation Total *		1,102.3	657.0	19.6	353.7	72.0	0.0	0.0	0.0	0	0	0
AYK Region Fisheries Management												
H DFG 7 - Add Kuskokwim River Projects	Inc	51.9	35.0	5.0	11.9	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Ortiz												
Add funding for the following projects:												
Fishery Monitoring Kuskokwim River: 26.0												
Kuskokwim River Run Assessment: 10.0												
Kuskokwim River Subsistence Monitoring: 10.0												
Fishery Monitoring Kuskokwim Bay (AYK: FM-30521): 5.9												
1004 Gen Fund (UGF)		51.9										
* Allocation Total *		51.9	35.0	5.0	11.9	0.0	0.0	0.0	0.0	0	0	0
Westward Region Fisheries Management												

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Department of Fish and Game

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Commercial Fisheries (continued)												
Westward Region Fisheries Management (continued)												
H DFG 8 - Add projects: Yukon River Fall Season TF, Kodiak Salmon Weir Support, Chignik Salmon Management Support Offered by Representative Ortiz Use UGF savings from reductions in the Commissioner's Office and Administrative Services to fund: Yukon River Fall Season TF: 5.5 Kodiak Salmon Weir Support: 34.8 Chignik Salmon Management Support: 16.9 1004 Gen Fund (UGF) 57.2	Inc	57.2	23.0	0.0	10.0	24.2	0.0	0.0	0.0	0	0	0
* Allocation Total *		57.2	23.0	0.0	10.0	24.2	0.0	0.0	0.0	0	0	0

Statewide Fisheries Management

GA 9 2/15 Stock Assessment Projects	IncOTI	183.0	73.0	0.0	28.8	81.2	0.0	0.0	0.0	0	0	0
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This will allow support from private industry to support stock assessments. This is a new request for FY2018. It was not included in the FY2018 Governor's budget because the scope of the projects were still being identified.

MatSu Borough is providing \$116.0 for the Coho Salmon Genetic Stock Identification project. This project will estimate the total abundance of selected Coho salmon stocks by leveraging expiring projects estimation Coho salmon escapements. The MatSu salmon information inventory and gap analysis determined that the state of knowledge for stock abundance stock identification was only moderate for Coho salmon (available information was incomplete) so additional work was needed.

Pacific States Marine Fisheries Council is providing \$52.0 for the Northern Cook Inlet Chinook Marine Harvest Stock Composition project. This project is needed to gather information about stock-specific harvests of Chinook salmon in the Tyonek subsistence and northern district commercial mixed stock marine fisheries.

2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column

Numbers and Language

Agency: Department of Fish and Game

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Commercial Fisheries (continued)												
Statewide Fisheries Management (continued)												
GA 9 2/15 Stock Assessment Projects												
(continued)												
Pacific States Marine Fisheries Council is providing \$15.0 for the Eastside Set Net Chinook Genetic Stock Identification project. This project is needed to help better understand the trends and causes of declines in Chinook salmon abundance in the Kenai River.												
1108 Stat Desig (Other)		183.0										
* Allocation Total *		183.0	73.0	0.0	28.8	81.2	0.0	0.0	0.0	0	0	0
Commercial Fisheries Entry Commission												
H DFG 9 - Decrement funding to reflect reductions in CFEC's workload												
Dec		-317.2	-317.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Ortiz												
Two reviews of the Commercial Fisheries Limited Entry Commission (CFEC) were completed and noted that CFEC's workload had diminished over time and that the organization structure and funding level should reflect the workload changes.												
Because DFG believed it could streamline administrative and research functions while still providing appropriate support to the commercial fishing industry in the State, in FY17, the Governor submitted an amendment that reduced CFEC's funding by \$1,330.4--the legislature reduced the decrement to \$650.4. This transaction removes another \$317.2 with the understanding that DFG will be able to implement streamlining administrative functions.												
1201 CFEC Rcpts (DGF)		-317.2										
H DFG 10 - Add back CFEC receipts as IncOTI to allow time to implement efficiencies	IncOTI	142.0	142.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Ortiz												
One time only increment to CFEC allows time to implement additional efficiencies. The funding will be removed in FY19.												
1201 CFEC Rcpts (DGF)		142.0										
* Allocation Total *		-175.2	-175.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column

Numbers and Language

Agency: Department of Fish and Game

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Commercial Fisheries (continued)												
** Appropriation Total **		1,529.4	753.8	35.8	529.4	210.4	0.0	0.0	0.0	0	0	0
Statewide Support Services												
Commissioner's Office												
H DFG 11 - Delete UGF from the		Dec	-172.8	-172.8	0.0	0.0	0.0	0.0	0.0	0	0	0
Commissioner's Office to increase Fisheries Management projects												
Offered by Representative Ortiz												
UGF in Fisheries Management has decreased by 26.1% since FY15. The decreased funding has had a significant impact on the department's ability to manage its commercial fisheries, which also decreases opportunities for sport fishing, personal use, and subsistence. This proposal removes UGF from the Commissioner's Office and divisions will be charged to support the services provided by the Commissioner's Office. The decremented funding will be used to fund projects in Commercial Fisheries.												
1004 Gen Fund (UGF)			-172.8									
* Allocation Total *			-172.8	-172.8	0.0	0.0	0.0	0.0	0.0	0	0	0
Administrative Services												
H DFG 12 - Decrement UGF in Admin		Dec	-182.6	-182.6	0.0	0.0	0.0	0.0	0.0	0	0	0
Services to fund Fisheries Management Projects												
Offered by Representative Ortiz												
UGF in Fisheries Management has decreased by 26.1% since FY15. The decreased funding has had a significant impact on the department's ability to manage its commercial fisheries, which also decreases opportunity for sport fishing, personal use, and subsistence. This proposal removes UGF from Admin Services and divisions will be charged to support the services provided by Admin Services. The decremented funding will be used to fund projects in Fisheries Management.												
1004 Gen Fund (UGF)			-182.6									
* Allocation Total *			-182.6	-182.6	0.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Total **			-355.4	-355.4	0.0	0.0	0.0	0.0	0.0	0	0	0

**2017 Legislature - Operating Budget
Transaction Detail - House Structure
HSub Amends Column**

Numbers and Language

Agency: Department of Fish and Game

*** * * Agency Total * * ***

*** * * * All Agencies Total * * * ***

<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	1,174.0	398.4	35.8	529.4	210.4	0.0	0.0	0.0	0	0	0
	1,174.0	398.4	35.8	529.4	210.4	0.0	0.0	0.0	0	0	0

Column Definitions

HSub Amends (House Subcom Amendments) - House Finance Subcommittee Amendment Proposals submitted to the House Finance Committee.

2017 Legislature - Operating Budget Allocation Summary - House Structure

Numbers and Language

Agency: Department of Fish and Game

Allocation	[1] 18Gov	[2] HSub Rec	[2] - [1] 18Gov to HSub Rec	
Commercial Fisheries				
SE Region Fisheries Mgmt.	13,357.7	13,667.9	310.2	2.3 %
Central Region Fisheries Mgmt.	10,496.2	11,598.5	1,102.3	10.5 %
AYK Region Fisheries Mgmt.	9,818.3	9,870.2	51.9	0.5 %
Westward Region Fisheries Mgmt.	14,262.8	14,320.0	57.2	0.4 %
Statewide Fisheries Mgmt.	19,204.2	19,387.2	183.0	1.0 %
Commercial Fish Entry Commiss	3,632.6	3,457.4	-175.2	-4.8 %
Appropriation Total	70,771.8	72,301.2	1,529.4	2.2 %
Sport Fisheries				
Sport Fisheries	41,370.0	41,370.0	0.0	
Sport Fish Hatcheries	5,762.3	5,762.3	0.0	
Appropriation Total	47,132.3	47,132.3	0.0	
Wildlife Conservation				
Wildlife Conservation	33,272.7	33,272.7	0.0	
WC Special Projects	13,862.4	13,862.4	0.0	
Hunter Ed Pub Shooting Ranges	913.9	913.9	0.0	
Appropriation Total	48,049.0	48,049.0	0.0	
Statewide Support Services				
Commissioner's Office	1,568.2	1,395.4	-172.8	-11.0 %
Administrative Services	11,806.7	11,624.1	-182.6	-1.5 %
Boards of Fisheries and Game	1,320.8	1,320.8	0.0	
Advisory Committees	548.4	548.4	0.0	
Habitat	5,781.2	5,781.2	0.0	
State Subsistence Research	5,565.1	5,565.1	0.0	
EVOS Trustee Council	2,518.2	2,518.2	0.0	
State Facilities Maintenance	5,100.8	5,100.8	0.0	
F&G State Facilities Rent	0.0	0.0	0.0	

2017 Legislature - Operating Budget Allocation Summary - House Structure

Numbers and Language

Agency: Department of Fish and Game

Allocation	[1] 18Gov	[2] HSub Rec	[2] - [1] 18Gov to HSub Rec	
Statewide Support Services (continued)				
Appropriation Total	34,209.4	33,854.0	-355.4	-1.0 %
Agency Total	200,162.5	201,336.5	1,174.0	0.6 %
Funding Summary				
Unrestricted General (UGF)	50,516.4	50,516.4	0.0	
Designated General (DGF)	14,897.5	14,897.5	0.0	
Other State Funds (Other)	67,729.1	68,903.1	1,174.0	1.7 %
Federal Receipts (Fed)	67,019.5	67,019.5	0.0	

Column Definitions

18Gov (FY18 Governor Request) - Includes FY18 Adjusted Base plus the Governor's operating budget bill requests for increases (increments), decreases (decrements), fund source changes, and language transactions submitted by the Governor on December 15, 2016.

HSub Rec (Subcommittee Recommendations) - House Finance Subcommittee Recommendations to the House Finance Committee.