

**Senate Finance Budget Subcommittee  
Alaska Department of  
Fish & Game**

**Fiscal Year 2025**



## **1: Legislative Fiscal Information**

# **The Fiscal Year 2025 Budget:**

## **Legislative Fiscal Analyst's Overview of the Governor's Request**

---



*Legislative Finance Division*

[www.legfin.akleg.gov](http://www.legfin.akleg.gov)

## UGF Short Fiscal Summary - FY24/FY25 Budget

(\$ Millions) (Unrestricted General Funds)		FY24 Budget	FY25 Governor	Change, FY24 to FY25
<b>Revenue</b>		<b>6,526.4</b>	<b>6,308.4</b>	<b>(218.0)</b> <b>-3.3%</b>
1 UGF Revenue (DOR Fall 2023 Forecast)		2,959.5	2,651.2	(308.3) -10.4%
2 POMV Draw		3,526.0	3,657.2	131.2 3.7%
3 Misc/Adjust		40.9	-	(40.9)

<b>Appropriations</b>		<b>6,127.2</b>	<b>7,285.4</b>	<b>1,158.3</b> <b>18.9%</b>
<b>Operating Budget</b>		<b>4,880.5</b>	<b>4,676.6</b>	<b>(203.9)</b> <b>-4.2%</b>
Agency Operations		4,411.1	4,311.6	(99.5) -2.3%
Statewide Items		346.8	365.0	18.2 5.3%
Energy Relief Payment*		110.6	-	(110.6) -100.0%
Supplemental Appropriations		12.0	-	(12.0)
<b>Capital Budget</b>		<b>365.2</b>	<b>305.2</b>	<b>(60.0)</b> <b>-16.4%</b>
Current Year Appropriations		360.2	305.2	(55.0) -15.3%
Supplemental Appropriations		5.0	-	(5.0)
<b>Permanent Fund</b>		<b>881.5</b>	<b>2,303.7</b>	<b>1,422.2</b> <b>161.3%</b>
Permanent Fund Dividends		881.5	2,303.7	1,422.2 161.3%

<b>Pre-Transfer Surplus/(Deficit)</b>		<b>399.2</b>	<b>(977.0)</b>	<b>Reserve Balances (EOY)</b>	
Constitutional Budget Reserve*		110.6	-	<b>FY24</b>	<b>FY25</b>
American Rescue Plan Act (ARPA)		(10.6)	-	<b>SBR</b>	19.8
Other Fund Transfers		23.8	5.3	<b>CBR</b>	3,205.8
<b>Post-Transfer Surplus/(Deficit)</b>		<b>275.4</b>	<b>(982.3)</b>	<b>ERA</b>	7,470.5
					7,220.3

\*Revenues exceeding DOR's Spring 2023 forecast are split between between the CBR and a deposit into the dividend fund. The dividend fund appropriation is capped at \$318.3 million and would be distributed as an energy relief payment in FY25.

January 9, 2024

State of Alaska Detailed Fiscal Summary - FY24 and FY25 (Part 1)

(\$ millions)

	FY24 Budget					FY25 Governor					Change in UGF	
	Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds	Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds	\$	%
<b>REVENUE</b>												
1 Unrestricted General Fund Revenue (Fall 2023 Forecast) (1)	6,526.4	1,088.0	927.0	6,205.4	14,746.8	6,308.4	1,074.7	887.1	6,522.3	14,792.5	(218.0)	-3.3%
2 POJW Payout from ERA	2,959.5	-	-	-	2,959.5	2,651.2	-	-	-	2,651.2	(308.3)	-10.4%
3 Adjustments, Carryforward, Repeals, and Reappropriations (2)	3,526.0	55.0	40.0	605.0	3,526.0	3,557.2	-	-	-	3,557.2	131.2	3.7%
4 Restricted Revenue (3)	40.9	1,033.0	887.0	5,600.4	7,520.5	-	-	887.1	6,522.3	8,484.1	(40.9)	-100.0%
<b>APPROPRIATIONS</b>												
<b>TOTAL OPERATING APPROPRIATIONS</b>	<b>4,980.5</b>	<b>897.3</b>	<b>855.2</b>	<b>4,056.7</b>	<b>10,689.7</b>	<b>4,676.6</b>	<b>887.0</b>	<b>804.6</b>	<b>3,531.3</b>	<b>9,899.5</b>	<b>(203.9)</b>	<b>-4.2%</b>
<b>Agency Operations</b>	<b>4,423.1</b>	<b>782.7</b>	<b>796.5</b>	<b>3,957.7</b>	<b>9,960.1</b>	<b>4,311.6</b>	<b>794.3</b>	<b>733.5</b>	<b>3,447.2</b>	<b>9,286.6</b>	<b>(111.5)</b>	<b>-2.5%</b>
8 Current Fiscal Year Appropriations	4,411.1	782.7	796.5	3,955.0	9,945.3	4,311.6	794.3	733.5	3,447.2	9,286.6	(93.5)	-2.1%
9 Agency Operations (Non-Formula)	2,202.1	716.1	747.9	1,760.9	5,427.0	2,245.7	727.7	682.5	1,233.7	4,895.6	(43.6)	-2.0%
10 K-12 Foundation and Pupil Transportation (Formula)	1,300.8	0.4	32.7	20.8	1,354.3	1,181.3	-	35.5	20.8	1,237.6	(119.5)	-9.2%
11 Medicaid Services (Formula)	700.0	66.1	15.5	2,092.3	2,718.2	703.9	0.4	15.5	2,090.7	2,800.5	3.9	0.6%
12 Other Formula Programs	208.2	-	0.5	170.2	444.5	180.6	66.1	-	112.1	358.9	(27.6)	-13.2%
13 Revised Programs Legislatively Approved (RPLs)	-	-	-	0.9	1.4	-	-	-	-	-	-	-
14 Duplicated Authorization (non-additive) (4)	-	-	-	903.9	903.9	-	-	892.3	-	892.3	-	-
15 Supplemental Appropriations (Agency Operations)	12.0	-	-	2.8	14.7	-	-	-	-	-	-	-
16 Supplemental Appropriations	12.0	-	-	2.8	14.7	-	-	-	-	-	-	-
<b>Statewide Items</b>	<b>457.4</b>	<b>114.7</b>	<b>58.7</b>	<b>99.0</b>	<b>701.8</b>	<b>365.0</b>	<b>92.7</b>	<b>71.2</b>	<b>84.1</b>	<b>612.9</b>	<b>(92.4)</b>	<b>-20.2%</b>
18 Current Fiscal Year Appropriations	457.4	114.7	58.7	99.0	701.8	365.0	92.7	71.2	84.1	612.9	(92.4)	-20.2%
19 Debt Service	147.5	13.5	21.3	4.8	187.2	138.1	13.1	37.6	4.9	193.7	(5.4)	-5.4%
20 Fund Capitalizations	59.0	15.1	0.3	49.4	123.9	40.5	53.0	0.3	79.2	173.1	(18.3)	-31.1%
21 Community Assistance	-	-	-	-	-	2.2	27.8	-	-	30.0	2.2	3.3%
22 REAA School Fund	27.9	-	-	-	28.4	27.0	-	-	-	27.0	(0.9)	-3.3%
23 Oil and Gas Tax Credit Fund	28.4	-	-	-	28.4	-	-	-	-	-	(28.4)	-100.0%
24 Other Fund Capitalization	2.7	15.1	0.3	49.4	67.6	11.5	25.2	0.3	79.2	116.1	8.7	32.0%
25 State Payments to Retirement Systems	140.3	-	-	-	140.3	186.3	-	-	-	186.3	46.0	32.8%
26 Energy Relief Payment (5)	110.6	-	-	-	110.6	-	-	-	-	-	(110.6)	-100.0%
27 Shared Taxes	-	32.5	37.1	-	69.6	-	-	33.2	-	59.8	-	-
28 Alaska Comprehensive Insurance Program	-	53.5	13.1	44.7	98.2	-	-	10.0	-	10.0	-	-
29 Duplicated Authorization (non-additive) (4)	-	-	-	-	-	-	-	-	-	-	-	-
30 Supplemental Appropriations (Statewide Items)	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL APPROPRIATIONS</b>	<b>365.2</b>	<b>73.5</b>	<b>71.5</b>	<b>2,138.1</b>	<b>2,648.3</b>	<b>305.2</b>	<b>76.2</b>	<b>82.3</b>	<b>2,991.0</b>	<b>3,454.6</b>	<b>(60.0)</b>	<b>-16.4%</b>
31 Current Fiscal Year Appropriations	365.2	73.5	71.5	2,138.1	2,648.3	305.2	76.2	82.3	2,991.0	3,454.6	(60.0)	-16.4%
32 Project Appropriations	360.2	73.5	71.5	2,138.1	2,643.3	305.2	76.2	82.3	2,991.0	3,454.6	(55.0)	-15.3%
33 Duplicated Authorization (non-additive) (4)	-	-	-	-	-	-	-	-	-	-	-	-
34 Supplemental Appropriations (Capital)	5.0	-	-	-	5.0	-	-	-	-	-	-	-
35 Capital Projects	5.0	-	-	-	5.0	-	-	-	-	-	-	-
36 Money on the Street (includes all fund sources) (6)	365.2	73.5	190.4	2,138.1	2,767.2	305.2	76.2	172.4	2,991.0	3,544.8	-	-
<b>Pre-Permanent Fund Authorization (unduplicated)</b>	<b>5,245.7</b>	<b>970.9</b>	<b>926.8</b>	<b>6,194.8</b>	<b>13,338.1</b>	<b>4,981.7</b>	<b>963.2</b>	<b>886.9</b>	<b>6,522.3</b>	<b>13,354.1</b>	<b>(263.9)</b>	<b>-5.0%</b>
38 Revenue less operating and capital appropriations	1,280.7	-	-	-	-	1,280.7	-	-	-	-	-	-
<b>Permanent Fund Appropriations</b>	<b>881.5</b>	<b>76.4</b>	<b>-</b>	<b>-</b>	<b>957.9</b>	<b>2,303.7</b>	<b>82.0</b>	<b>-</b>	<b>-</b>	<b>2,385.7</b>	<b>1,422.2</b>	<b>161%</b>
40 Permanent Fund Dividends (5)	881.5	76.4	-	-	957.9	2,303.7	82.0	-	-	2,385.7	1,422.2	161.3%
41 Non-Mandatory Royalty Deposit to Principal	-	-	-	-	881.5	-	-	-	-	-	-	-
42 Transfer to Principal from Earnings Reserve Account	1,413.0	-	-	-	1,413.0	1,468.0	-	-	-	1,468.0	55.0	3.9%
43 Transfer from Earnings Reserve Account to Principal	(1,413.0)	-	-	-	(1,413.0)	(1,468.0)	-	-	-	(1,468.0)	(55.0)	-3.9%
<b>Pre-Transfers Authorization (unduplicated)</b>	<b>6,127.2</b>	<b>1,047.3</b>	<b>926.8</b>	<b>6,194.8</b>	<b>14,236.0</b>	<b>7,285.4</b>	<b>1,045.2</b>	<b>886.9</b>	<b>6,522.3</b>	<b>15,739.8</b>	<b>1,158.3</b>	<b>18.9%</b>
45 Pre-Transfer Surplus/(Deficit) (7)	398.2	-	106.5%	of Appropriations	-	977.0	Revenue =	86.6%	of Appropriations	-	-	-

State of Alaska Detailed Fiscal Summary - FY24 and FY25 (Part 1)

	FY24 Budget				FY25 Governor				Change in UGF	
	Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds	Unrestricted General Funds	Designated General Funds	Other State Funds	Federal Receipts	All Funds
<b>Fund Transfers (8)</b>	<b>123.8</b>	<b>40.7</b>	<b>0.2</b>	<b>10.6</b>	<b>175.4</b>	<b>5.3</b>	<b>29.5</b>	<b>0.2</b>	<b>-</b>	<b>35.0</b>
47 Current Fiscal Year Transfers	123.8	24.7	0.2	10.6	159.3	5.3	29.5	0.2	-	35.0
48 Renewable Energy Fund	7.5	-	-	-	7.5	5.0	-	-	-	5.0
49 Alaska Capital Income Fund (non-additive) (9)	16.0	23.0	-	-	39.0	-	-	-	-	-
50 Other Fund Transfers	0.3	1.7	0.2	-	2.2	0.3	1.3	0.2	-	1.8
51 General Fund Deposit from American Rescue Plan Act (ARPA)	(10.6)	-	-	10.6	-	-	-	-	-	-
52 Constitutional Budget Reserve (5)	110.6	-	-	-	110.6	-	-	-	-	-
53 Supplemental Appropriations (Fund Transfers)	-	16.0	-	-	16.0	-	-	-	-	-
54 JOLI & Hazardous Substance Fund	-	16.0	-	-	16.0	-	-	-	-	-
55	-	-	-	-	-	-	-	-	-	-
<b>Post-Transfer Authorization (unduplicated)</b>	<b>6,251.0</b>	<b>1,088.0</b>	<b>927.0</b>	<b>6,205.4</b>	<b>14,471.4</b>	<b>7,290.7</b>	<b>1,074.7</b>	<b>887.1</b>	<b>6,522.3</b>	<b>15,774.8</b>
56										
57 <b>Post-Transfer Surplus/(Deficit) (10)</b>	<b>275.4</b>	<b>Revenue =</b>	<b>104.1%</b>	<b>of Appropriations</b>	<b>Revenue =</b>	<b>(982.3)</b>	<b>Revenue =</b>	<b>85.5%</b>	<b>of Appropriations</b>	<b>1,039.7</b>
<b>FISCAL YEAR SUMMARY</b>	<b>6,251.0</b>	<b>1,088.0</b>	<b>927.0</b>	<b>6,205.4</b>	<b>14,471.4</b>	<b>7,290.7</b>	<b>1,074.7</b>	<b>887.1</b>	<b>6,522.3</b>	<b>15,774.8</b>
58 Agency Operations	4,423.1	782.7	796.5	3,957.7	9,960.1	4,311.6	794.3	733.5	3,447.2	9,286.6
59 Statewide Items	457.4	114.7	58.7	99.0	729.7	365.0	92.7	71.2	84.1	612.9
60 Permanent Fund Appropriations	881.5	76.4	-	-	957.9	2,303.7	82.0	-	-	2,385.7
61 Total Operating	5,762.0	973.8	855.2	4,056.7	11,647.7	6,980.3	969.0	804.6	3,531.3	12,285.2
62 Capital	365.2	73.5	71.5	2,138.1	2,648.3	305.2	76.2	82.3	2,991.0	3,454.6
63 Transfers	123.8	40.7	0.2	10.6	175.4	5.3	29.5	0.2	-	35.0
64										

Notes:

(1) The Department of Revenue's (DOR) Fall 2023 Revenue Sources Book forecast for FY25 is 471,200 barrels per day total Alaska production at \$76 per barrel.

(2) Carryforward is money that was appropriated in a prior year that is made available for spending in a later year via multi-year appropriations. Repeals increase revenue by reducing prior year authorization. Resappropriations to operating budget funds are counted as UGF revenue.

(3) Restricted revenue equals spending for each category. Designated general funds include 1) program receipts that are restricted to the program that generates the receipts and 2) revenue that is statutorily designated for a specific purpose. Other funds have stricter restrictions on usage, and federal funds originate from the federal government and can be used only for a particular purpose.

(4) Duplicated authorization is in the budget twice, such as when funds flow in and out of a holding account or one agency pays another for services provided. Duplicated authorization also includes the expenditure of bond proceeds when debt service on bonds will be reflected in future operating budgets.

(5) The FY24 Enacted budget includes a provision that if revenues exceed DOR's Spring Revenue Forecast, excess revenues will be split in half between the CBR and a deposit into the dividend fund. The dividend fund appropriation would occur at the end of FY24 and would be distributed as an energy relief payment in FY25 in addition to the FY25 PFD. The dividend fund appropriation is capped at \$318.3 million (of excess revenue), and any further revenues would entirely flow into the CBR.

(6) Including duplicated fund sources in the amount of capital spending provides a valuable measure of "money on the street" because it includes projects funded with bond proceeds and other duplicated fund sources.

(7) The "Pre-transfer Surplus/(Deficit)" indicates if projected state revenue is sufficient to pay for the budget before using money from savings or non-recurring revenue sources. If projected state revenue is projected to be insufficient indefinitely, it is often referred to as a "structural deficit."

(8) "Fund Transfers" refer to appropriations that move money from one fund to another within the Treasury. Although transfers are not true expenditures, they reduce the amount of money available for other purposes so must be included in the calculation of the surplus/deficit. For reserve accounts, a positive number indicates a deposit and a negative number indicates a withdrawal. When money is withdrawn and spent, the expenditure is included in the operating or capital budget, as appropriate. For example, the appropriation to transfer court filing fees from the general fund to the civil legal services fund.

(9) In FY24, the amount necessary for the Alaska Capital Income Fund (ACIF) to have an unobligated balance of \$0, estimated to be \$16 million, is appropriated from the general fund to the ACIF.

(10) No appropriation from the CBR to cover a general fund deficit was enacted for FY24. The Governor's FY25 budget proposal contains language appropriating from the SBR and CBR to cover a general fund deficit.

January 9, 2024

## (\$ millions)

\*\*\*The FY24 Enacted Budget appropriates the amount necessary to bring the Alaska Capital Income Fund balance to zero at the start of the year.

## Overview

## Executive Summary

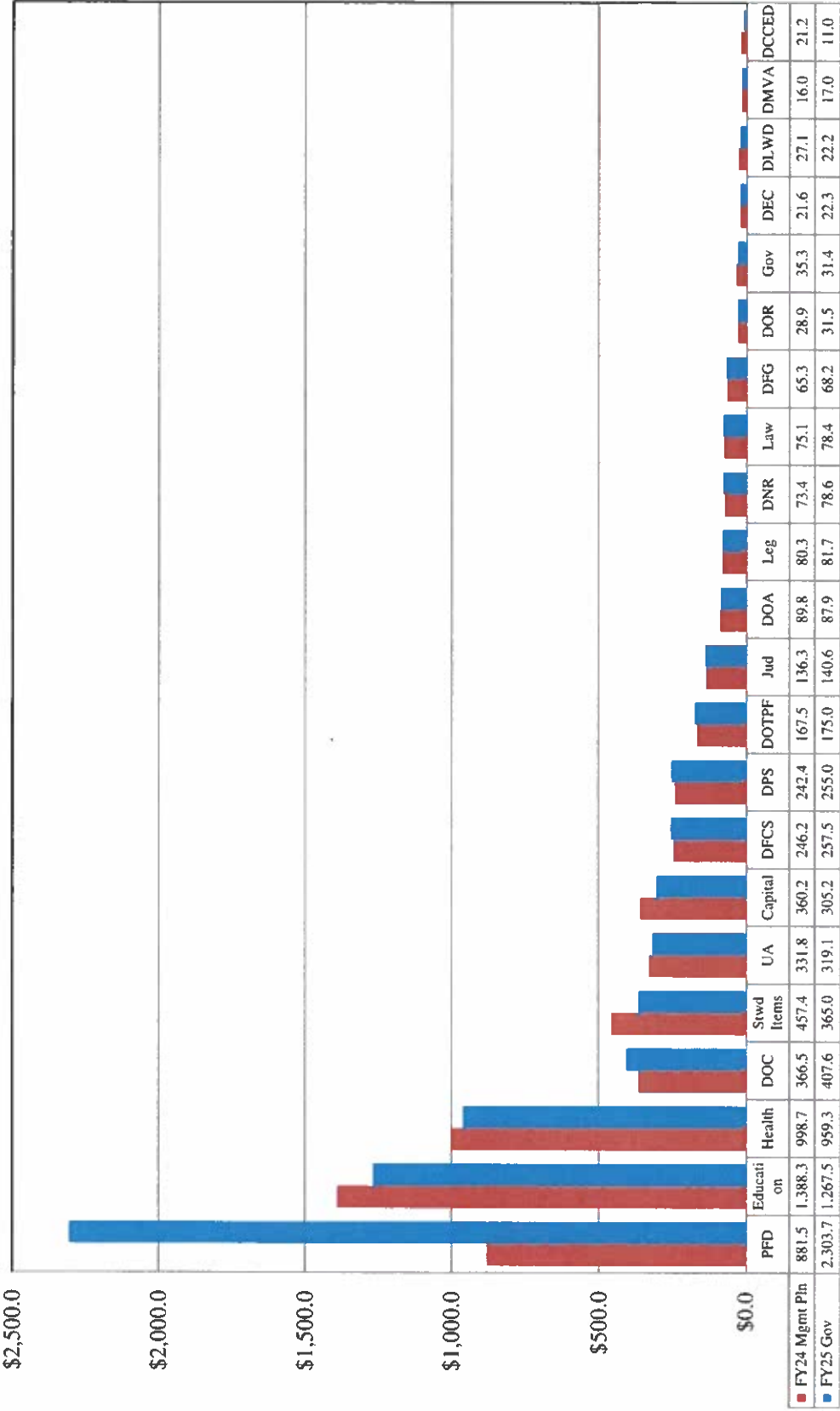
As required by law, the Governor released his FY25 budget proposal to the public and the legislature on December 14, 2023. The Legislative Finance Division prepared this Overview of the Governor's Budget and "Subcommittee Books" for each agency in accordance with AS 24.20.211-.231.

The Overview provides a starting point for legislative consideration of the Governor's proposed budget and revenue plan. It does not necessarily discuss the merits of budget plans, but focuses on outlining the fiscal situation and presenting the budget in a way that provides objective information to the legislature.

The first chapters in this publication primarily refer to Unrestricted General Funds (UGF). These are the state revenues with no constitutional or statutory restrictions on their use. The statewide fiscal surplus or deficit is calculated using this fund source group. Later in the publication, individual agency narratives account for significant changes in all fund sources. The first chapters also primarily use figures in the millions of dollars, with the decimal indicating hundreds of thousands, while agency narratives generally use figures in the thousands of dollars, with the decimal indicating hundreds.

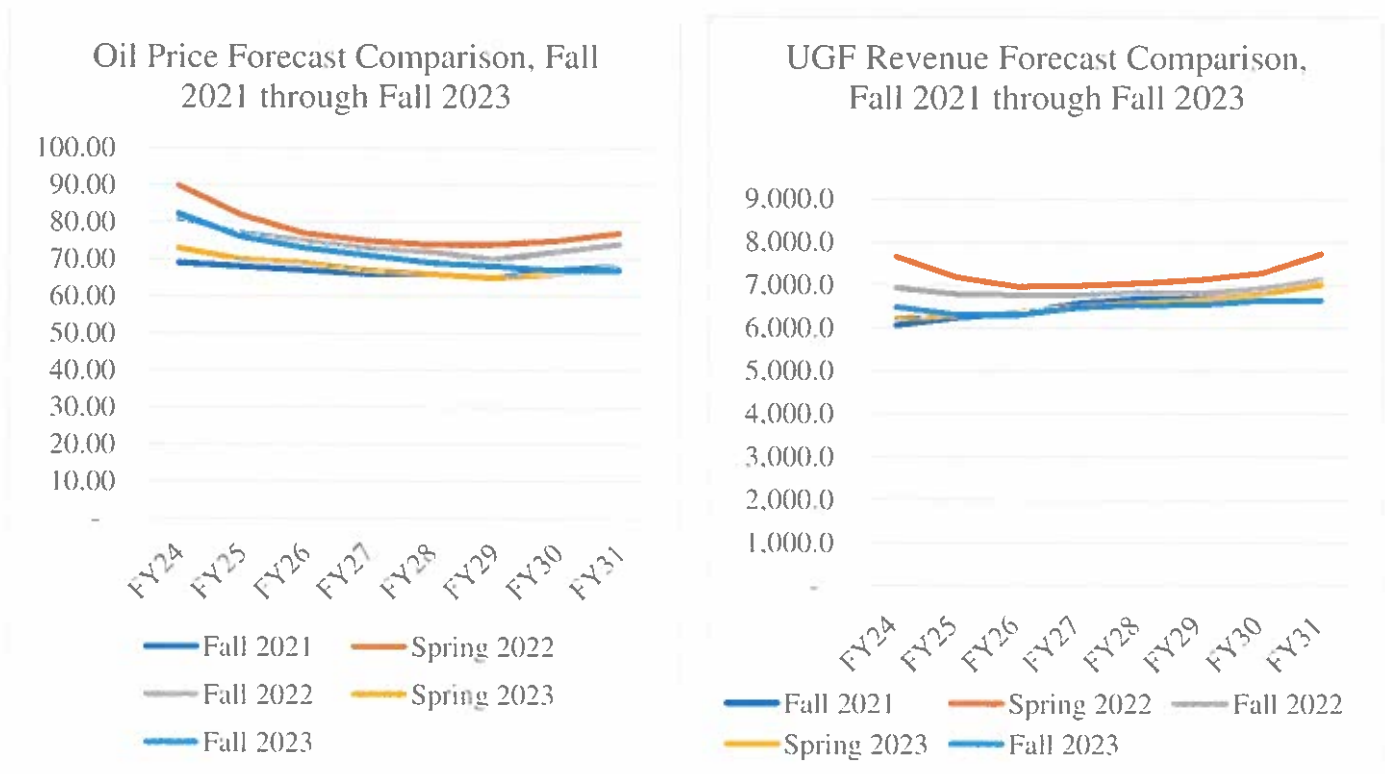
Despite oil price and investment market volatility, the State's long-term fiscal situation is much the same as it has been for a decade: there is a gap between the statutory spending and revenue structures at expected oil prices and financial market projections. The Enacted budget in FY24 left a surplus of several hundred million dollars, but the Governor's FY25 budget relies on nearly a billion-dollar draw from savings.

**Swoop Graph - UGF Only**  
**FY25 Governor's Budget Compared to FY24 Management Plan**  
(\$Millions)



## Alaska's Overall Fiscal Situation

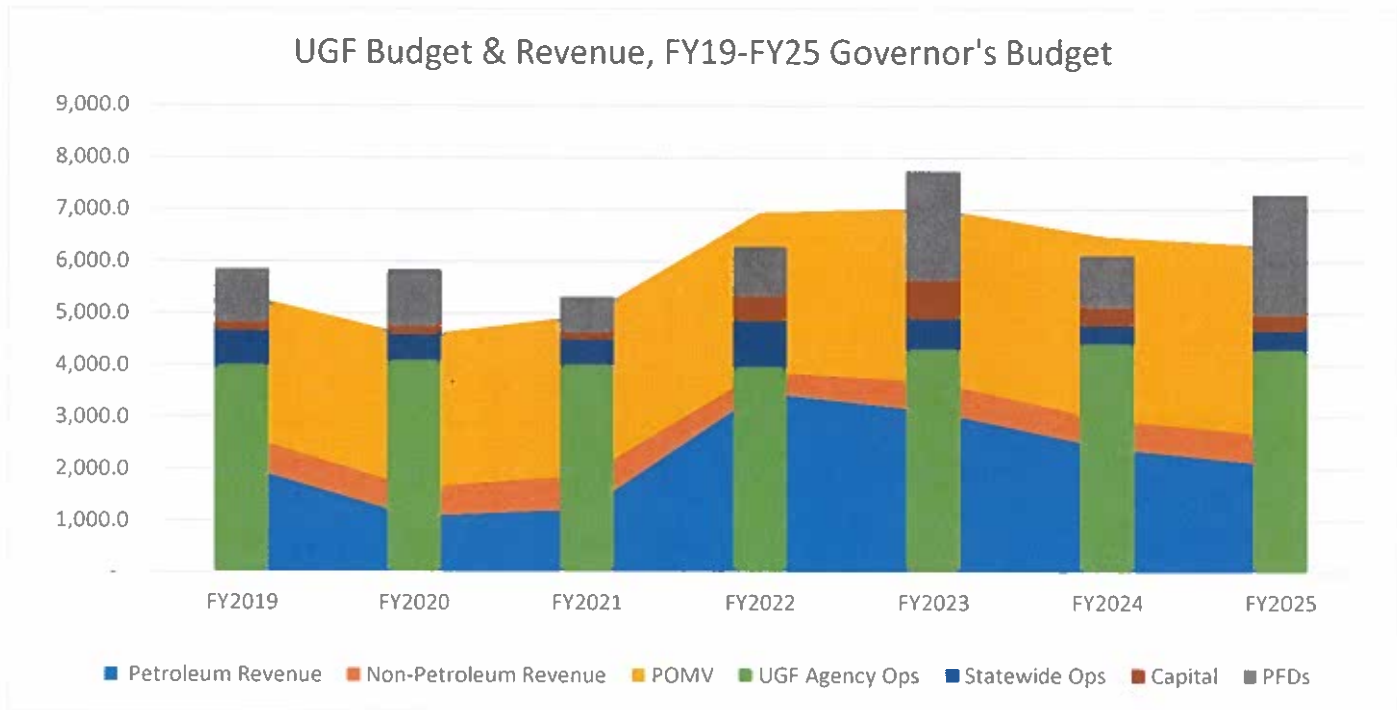
Alaska's general fund is still heavily reliant on oil revenue; though it is no longer the *largest* source of UGF revenue, it is the most volatile. In Fiscal Year 2025 (FY25), the Department of Revenue (DOR) projects that petroleum will account for 33 percent of Alaska's UGF revenue. As always, oil prices remain unpredictable, and Alaska's fiscal health appears to change as rapidly as oil prices fluctuate. Despite this short-term volatility, the long-term fiscal situation has not changed significantly; the past five revenue forecasts have shown a narrow band of prices, with \$10 or less separating the high and low forecasts for FY27 and beyond. As would be expected, the Unrestricted General Fund (UGF) revenue forecasts have also presented in a narrow band: just \$523 million separates the lowest and highest forecasts for FY27 and FY28.



Despite a relatively stable revenue forecast in the past several years, the State's fiscal situation is unsettled. Alaska still has a structural budget deficit: if all spending statutes are followed, the State would have a substantial budget deficit at expected long-term revenue. This has led to a widespread perception that Alaska is in the midst of an ongoing fiscal crisis.

Since SB 26 authorized the Percent of Market Value (POMV) transfer from the Permanent Fund to the general fund beginning in FY19, the State's fiscal stability has increased substantially. The FY19, 20, 21 and 23 budgets had deficits, the FY22 and 24 budgets had surpluses. The Constitutional Budget Reserve (CBR) and Statutory Budget Reserve (SBR), the State's main reserve funds, had a combined balance of about \$2.75 billion at the start of FY19 and is estimated to have a balance of about \$2.74 billion at the end of FY23.

The difference between the structural deficit and the actual history of relatively balanced budgets is that expenditure statutes are not required to be followed in the appropriations process; most notably, the legislature has not adhered to the Permanent Fund Dividend (PFD) statute since FY16. PFD payments and capital budgets have fluctuated with available revenue. This ad-hoc fiscal policy has stabilized the State's reserve funds, but leaves uncertainty from year to year. A durable solution to the structural deficit would allow for more meaningful fiscal planning.



## Fall 2023 Revenue Forecast Shows Shifting Alaska Oil Production Landscape

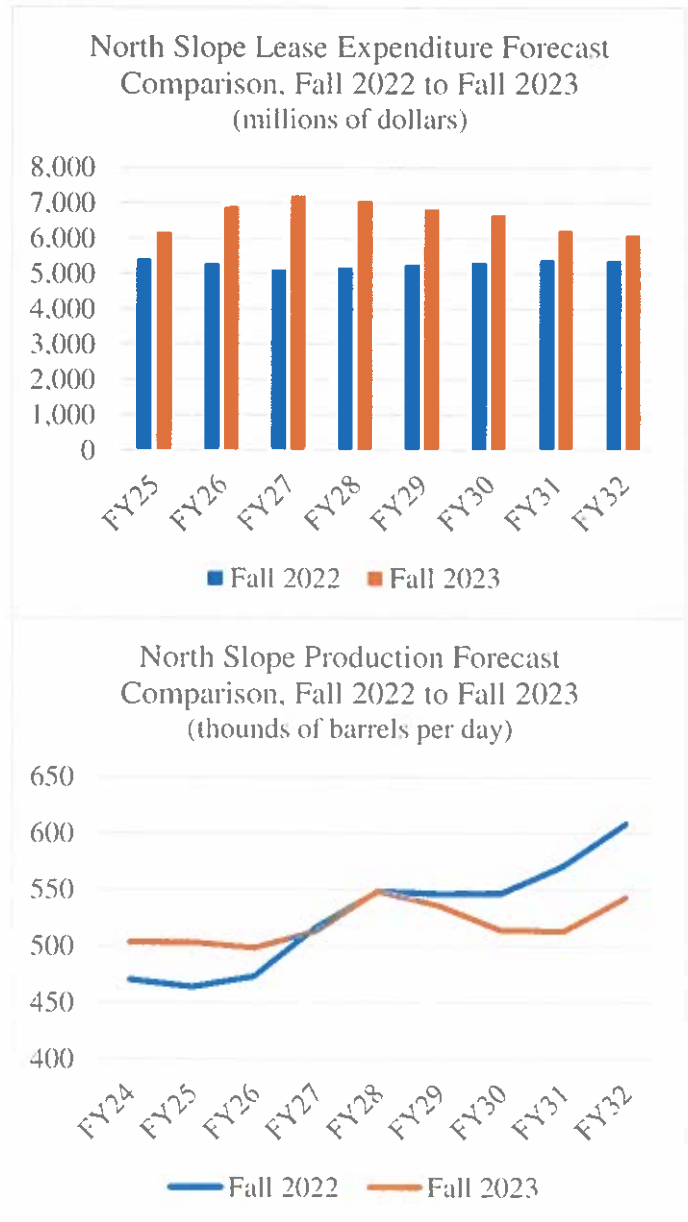
The DOR Fall 2023 Revenue Sources Book's topline revenue numbers are similar to past forecasts, but underneath the surface there are significant changes in Alaska's oil production. Oil prices for FY24 and FY25 are up significantly from the Spring 2023 forecast, but revenue increased less than a price sensitivity table would indicate. This is because oil production decreased overall, while tax-deductible lease expenditures and transportation costs increased.

The most visible reason for this change is the progress of the Willow field, which was mired in lawsuits when the Spring forecast was produced but has since been given the green light to begin development. DOR employs a risking methodology for their forecast that reduces the impact of a potential project based on how likely it is to occur. While it is still not definite that production will occur, ConocoPhillips publicly announced a \$700 million development investment for FY24 that is very certain at this point. The result is an increase in lease expenditures in FY24 and beyond, and a projected increase in production starting in FY29. In the short term, this means less revenue for the State because those lease

expenditures reduce production taxes, but in the long term, increased production should increase revenue to the State.<sup>1</sup>

The forecast also shows significant production changes in several units: increases in the Prudhoe Bay and Kuparuk satellite fields, and decreases at the main Prudhoe Bay and Kuparuk fields, as well as Greater Mooses Tooth and Point Thomson. Production from different geographical areas impacts revenue differently because of land ownership (the State receives the most royalty revenue from production on State lands) and because new fields are eligible for a Gross Value Reduction (GVR) for their first three to seven years of production. The GVR reduces production taxes by excluding 20 percent or 30 percent of gross value from tax calculations (although it also limits the per-barrel tax credit to a maximum of \$5 instead of \$8 for non-GVR production). The Fall 2023 forecast shows lower production from non-GVR fields for most of the forecast window, but higher production from GVR-eligible fields in FY25 and beyond.

Altogether, the Fall 2023 revenue forecast marks a significant shift of production to new fields and away from legacy fields. The increase in the price forecast is largely cancelled out in the near term by the shift to GVR-eligible production, but it means that lawmakers may need to reframe their expectations as to what oil prices are needed to sustain State spending. For example, the FY24 Enacted budget had an estimated \$293.2 million surplus based on the Spring forecast. It also had a provision that split the first \$636.45 million of UGF revenue received above the Spring forecast 50/50 between an energy relief payment (to be paid with the FY25 PFD) and the CBR. At the time, LFD estimated that the energy relief payment would kick in above \$73 per barrel and max out (at about \$500 per person) at \$83 per barrel. With the updated revenue forecast, those trigger points have shifted to \$78 and \$90, respectively.



<sup>1</sup> See the Department of Revenue's Willow Project Fiscal Analysis from April 2023 for more details about how this project could impact the State's finances: <https://tax.alaska.gov/programs/documentviewer/viewer.aspx?7321f>

## Building the FY25 Budget

### FY25 Adjusted Base

The FY25 budget represents a set of changes from the Adjusted Base, which the Legislative Finance Division establishes using the FY24 Enacted budget less one-time appropriations, plus current statewide policy decisions (such as salary adjustments) needed to maintain services at a status quo level.

The FY24 budget included \$165.9 million of one-time items that were backed out in the FY25 Adjusted Base. The largest of these was a one-time additional appropriation to schools for \$87.4 million, to be distributed according to the K-12 formula. Several other items (particularly in the Department of Education and Early Development) were requested by the Governor as permanent items in FY24 but were made one-time items by the legislature.

Salary adjustments in the FY25 Adjusted Base include PERS rate adjustments and health insurance adjustments for most State employees and Cost of Living Adjustments (COLAs) for members of six bargaining units. The COLAs are not automatic and must be approved by the legislature through the budget to take effect, but are in the Adjusted Base because they do not represent a service level change and cannot be taken individually.

The FY25 Adjusted Base includes \$97.0 million in total salary adjustments, of which \$44.5 million are funded with UGF. There are three bargaining units currently negotiating for FY25 that may be included in future Governor's amendments: the Supervisory Unit, the Alaska Correctional Officers Association, and the Labor, Trades and Crafts Unit. (Note that there are already salary adjustments in the budget for the Alaska Correctional Officers Association. That funding reflects a Letter of Agreement from FY24 that gave them a 2 percent increase that was not authorized in the FY24 budget.)

Item	Amount
Public Defender	(1,900.0)
Tourism Marketing	(2,500.0)
AGDC	(3,086.1)
ASMI	(5,000.0)
K-12 Foundation	(87,443.0)
Other Education Items	(17,258.8)
Child Care Benefits	(7,500.0)
Public Assistance	(9,569.9)
Statehood Defense	(5,000.0)
CDVSA	(3,000.0)
AMHS Backstop	(10,000.0)
Other Items	(13,064.3)
<b>Total</b>	<b>(165,322.1)</b>

Salary Adjustment Type	UGF
PERS/JRS Rates	11,036.0
Health Insurance	5,713.2
PSEA COLA 3%	2,548.4
ACOA COLA 2% (FY24)	2,351.5
GGU COLA 5%	16,157.3
CEA COLA 5%	184.4
AVTECA COLA 2.5%	30.8
TEAME COLA 2%	3.8
UA 2.5%	6,130.6
Misc. Adjustments	325.0
<b>Total</b>	<b>44,481.0</b>

Formula	UGF	All Funds
K-12 Foundation	(30,090.3)	(27,242.1)
K-12 Pupil Transportation	(1,973.8)	(1,973.8)
School Debt Reimbursement	(9,201.7)	(9,650.5)
Other Debt Service	(234.6)	15,769.4
State Contributions to Retirement	45,990.2	45,990.2
REAA Fund Capitalization	(919.0)	(919.0)
<b>Total Adjusted Base</b>		
<b>Formula Adjustments</b>	<b>3,570.8</b>	<b>21,974.2</b>

Additionally, changes to formula programs are also addressed in the Adjusted Base so that policy changes are more clearly distinguished from formula-driven changes in the Governor's Budget. For the K-12 Formula, while Basic Need is increased by \$0.8 million (a \$3.0 million increase due to Pre-K funding in the Alaska Reads Act and a \$2.2 million decrease due to the student count), the State's share

of funding is down by \$27.2 million because of increases to the required local contribution (\$12.2 million) and deductible federal impact aid (\$15.8 million). Retirement contributions are up due primarily to higher PERS and TRS past service costs based on June 30, 2022, valuations. School debt reimbursement continues to decline due to the ongoing (FY16 - FY26) moratorium on new debt.

## **Governor's FY25 Budget Proposal**

The Governor's FY25 budget proposal appears to be a work in progress that will develop through the amendment process. The budget as presented contains no reductions and only a few significant increases, yet significant gaps exist where future increases are likely.

1. Education – in FY24, the legislature appropriated \$175.9 million outside the foundation formula for school districts, but the Governor vetoed that in half to \$87.4 million. The Governor did not put forward a proposal to increase the education formula or additional outside the formula funding, but some amount is likely to be approved, at least matching the amount from FY24. There is also a pending issue with the federal disparity test that could cause State costs to increase by \$89.1 million.
2. Medicaid – the Governor's budget does not contain an increase to Medicaid funding, but the Department of Health stated that the projection will be trued up in a future amendment. Preliminary projections indicate the need for an additional \$22.6 million of UGF.
3. Senior Benefits – the Senior Benefits program will sunset on June 30, 2024 without legislative action. The Governor did not include funding for the program in his budget, deferring it to a fiscal note (which aligns with past legislative practice). However, this means that the final budget will likely be \$20.8 million higher in UGF with that reincorporated.
4. Alaska Energy Authority Electrical Grid Grant – the Alaska Energy Authority (AEA) received a \$206.5 million federal grant to upgrade the Alaska Railbelt electrical grid, but it requires equal matching funds. The funds may be spread over several years, but securing the grant will require a significant investment of general funds. AEA is considering multiple funding options, but the need this legislative session is likely to be \$30.0 - \$35.0 million.
5. Alaska Marine Highway – the Governor's budget request does not change funding levels or sources from the Calendar Year (CY) 24 Enacted budget, but it does not include any backstop funding if federal funding is insufficient. If a similar amount of federal grants are awarded in CY25 as the State expects in CY24, there will be a \$38.0 million shortfall in the CY25 budget.
6. Ongoing Employee Bargaining Negotiations – three unions (Alaska Correctional Officers Association, Alaska Public Employees Association Supervisory Unit, and Labor, Trades and Crafts) are currently negotiating new contracts to begin in FY25. Collectively, these units cover about 4,800 State employees. In addition, AS 39.27.011(m) indicates that the legislature shall increase the salary schedule for partially-exempt employees to match future increases for the supervisory unit. Legislation would be needed to modify the salary schedule set out in statute. This could potentially affect an additional 2,800 employees if exempt employees are included.

Collectively, these items could increase the UGF budget by hundreds of millions of dollars by the time it leaves the legislature.

The Governor's budget has a projected deficit of \$982.3 million based on the Fall revenue forecast, which is filled from a combination of the Statutory Budget Reserve and the Constitutional Budget Reserve.

### Agency Operations

The Governor's FY25 budget for agency operations is \$94.9 million above the Adjusted Base. This is a 2.3 percent increase, above the out-year assumption in the Governor's 10-year plan but below LFD's 2.5 percent inflation assumption.

The Agency Narratives section of this publication includes details on the Governor's proposed changes to agency

budgets. Overall, the Governor's budget proposes relatively few major changes to agency budgets. The Departments of Corrections, Education and Early Development, and Public Safety have the largest increases above Adjusted Base, while the Department of Health is the only agency with a UGF decrease from Adjusted Base.

Governor's FY25 Budget Compared to Adjusted Base				
	Adjusted Base	Governor	Comparison	
<b>Fall Revenue Forecast</b>	<b>6,308.4</b>	<b>6,308.4</b>		
Agency Operations	4,216.7	4,311.6	94.9	2.3%
Statewide Items	351.4	365.0	13.6	3.9%
Capital Budget	360.2	305.2	(55.0)	-15.3%
Perm. Fund Dividend	914.3	2,303.7	1,389.4	152.0%
<b>Total Budget</b>	<b>5,42.5</b>	<b>7,285.4</b>	<b>1,442.9</b>	<b>24.7%</b>
<b>Pre-Transfer Surplus/(Deficit)</b>	<b>465.8</b>	<b>(977.0)</b>		

### Statewide Items

The Governor funds statewide items to their statutory levels, including the PFD, which is estimated to be \$2.3 billion, paying about \$3,600 per recipient. The increase over the Adjusted Base (25 percent of the POMV draw from the Permanent Fund) is about \$1.4 billion; additionally, the FY24 energy relief deposit would be paid out in FY25 although the funds would be deposited at the end of FY24. That amount is estimated to be \$110.6 million, adding about \$175 per person to the FY25 PFD.

Another item of note is the Community Assistance program. The Governor vetoed a \$30.0 million UGF deposit into the fund in FY24 but is proposing a \$30.0 million deposit in FY25 (of which \$27.8 million is from the PCE Fund and \$2.2 million is UGF). Without a supplemental appropriation, the FY25 payments to local governments would be \$20.0 million (one-third of the balance at the end of FY24). With the \$30.0 million deposit in FY25, the FY26 payments would equal \$23.3 million.

More discussion of statewide items can be found in the Operating Language section of this publication.

### Capital Budget

The Governor's FY25 capital budget request totals \$305.2 million of UGF, down from \$359.8 million in the FY24 budget. Half of the UGF in the Governor's capital budget is used for federal match. For more details on the capital budget, see the Capital Budget Overview section of this publication.

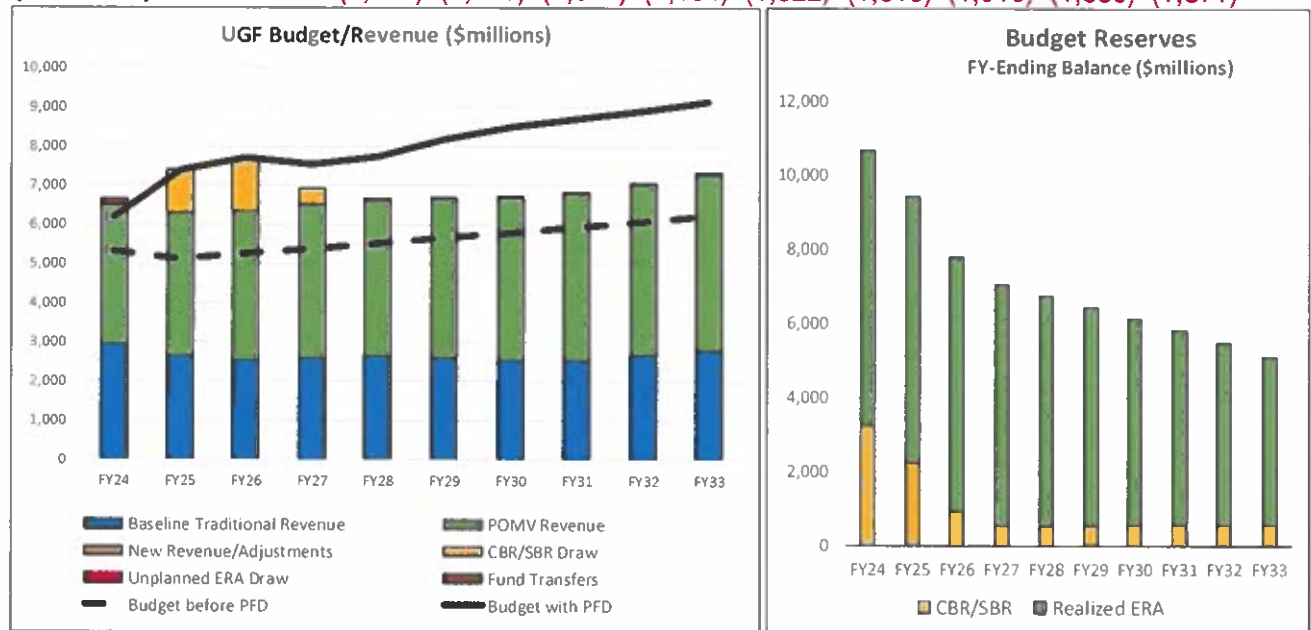
# Long-Term Fiscal Outlook

## LFD Baseline Fiscal Projections

For the long-term baseline scenario, the Legislative Finance Division's fiscal model reflects current statutes and expenditures growing with inflation. It uses the FY25 Adjusted Base, growing with inflation of 2.5 percent per year (including in FY25), with all statewide items (including the Permanent Fund Dividend) funded at their statutory level. Any policy or statutory changes can therefore be compared to this neutral baseline to see their effect on the fiscal situation.

LFD Baseline	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Agency Operations	4,322.1	4,430.2	4,540.9	4,654.4	4,770.8	4,890.1	5,012.3	5,137.6	5,266.1
Statewide Items	365.0	388.2	403.1	425.7	432.7	442.5	444.9	458.4	471.4
Capital Budget	368.8	378.0	387.5	397.2	407.1	417.3	427.7	438.4	449.3
Supplementals	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
PFDs	2,283.3	2,469.4	2,158.9	2,220.8	2,507.6	2,680.3	2,727.6	2,763.4	2,787.8
<b>Total Budget</b>	<b>7,389.2</b>	<b>7,715.8</b>	<b>7,540.3</b>	<b>7,748.0</b>	<b>8,168.1</b>	<b>8,480.2</b>	<b>8,662.5</b>	<b>8,847.8</b>	<b>9,024.7</b>

Surplus/(Deficit)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
(\$millions)	339	(1,081)	(1,388)	(1,012)	(1,134)	(1,522)	(1,813)	(1,910)	(1,880)	(1,871)

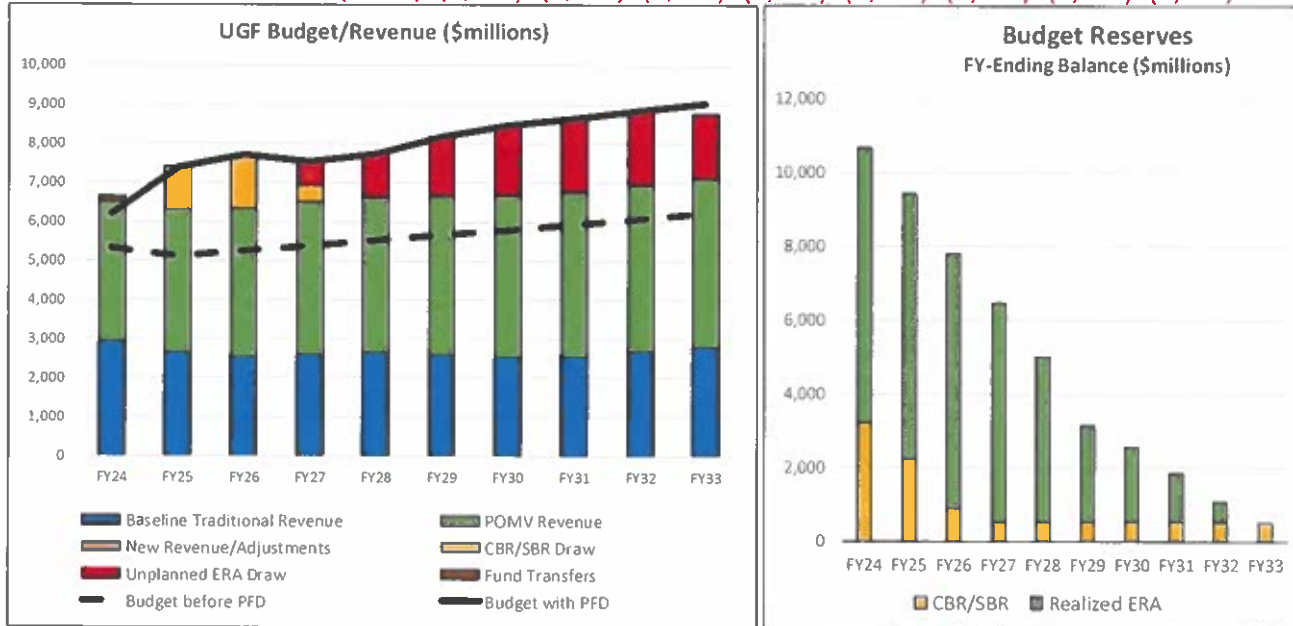


	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
<b>Effective POMV Draw Rate</b>	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
<b>PFD/Person</b>	\$1,312	\$3,654	\$3,731	\$3,241	\$3,333	\$3,772	\$4,042	\$4,140	\$4,243	\$4,352

LFD's baseline projection shows a deficit of \$1.1 billion in FY25, increasing to a peak of over \$1.9 billion in FY31. This baseline does not include any deficit-filling draws from the ERA and leaves a \$500.0 million balance in the CBR for cashflow; the gap between the revenue bars on the graph on the left and the budget line represents an unfilled deficit.

If deficits are filled from the ERA, deficits would increase from the baseline scenario due to compounding effects, and by FY33, there would not be sufficient funds in the ERA to fill the entire deficit.

Surplus/(Deficit) (\$millions)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
	339	(1,081)	(1,388)	(1,012)	(1,134)	(1,524)	(1,820)	(1,928)	(1,914)	(1,928)



	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
<b>Effective POMV Draw Rate</b>	5.00%	5.00%	5.00%	5.00%	5.77%	6.38%	6.85%	7.17%	7.26%	7.21%
<b>PFD/Person</b>	\$1,312	\$3,654	\$3,731	\$3,241	\$3,333	\$3,765	\$4,017	\$4,079	\$4,127	\$4,156

These models demonstrate that there is a continued structural budget deficit. The legislature could choose to fill this deficit from any combination of spending reductions (including Permanent Fund Dividends, as it has done in recent years) and new revenue.

## Comparison of Governor's 10-Year Plan to LFD Baseline

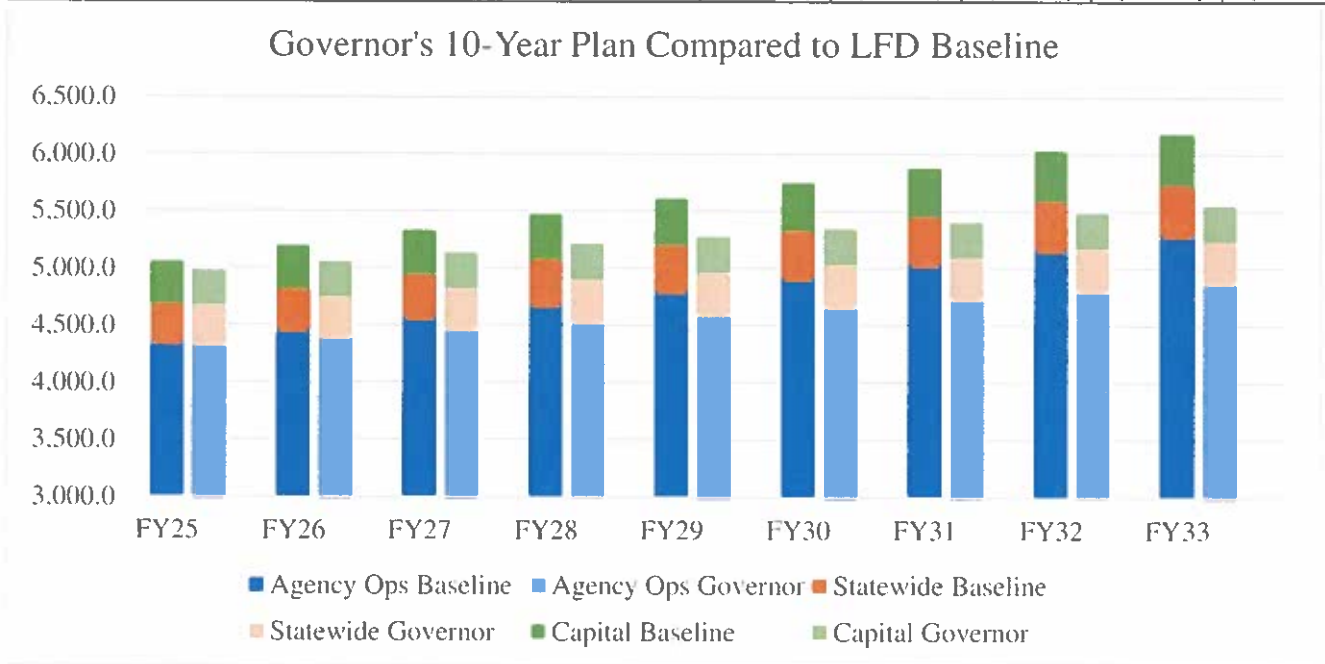
The Governor is required by AS 37.07.020(b) to "submit a fiscal plan with estimates of significant sources and uses of funds for the succeeding 10 fiscal years." The plan "must balance sources and uses of funds held while providing for essential state services and protecting the economic stability of the state," among other requirements.

The 10-Year Plan submitted by the Governor on December 14, 2023, does not comply with this statutory requirement: the CBR is drawn below zero in FY27 and down to *negative* \$10.6 billion at the end of the 10-year window in FY34.

The Governor's 10-Year Plan does make two policy changes compared to LFD's modeling baseline: agency operations and the capital budget grow at 1.5 percent per year instead of with inflation. Second, Community Assistance is not funded with UGF, while LFD projects that an average of \$13.6 million of UGF would be needed in combination with PCE funds to make the statutory \$30.0 million annual deposits.

The Governor's 10-Year Plan also has three non-policy choice assumption differences from LFD's modeling. The Governor assumes zero supplemental appropriations (net of any lapsing appropriations), while LFD assumes \$50 million per year based on historical averages. The Governor also assumes that no new school debt will be authorized even after the program resumes in 2025, while LFD assumes that \$7.8 million per year of new debt will be added annually based on historical averages. This assumption also influences the REAA Fund deposit, which changes proportionally to school debt payments. Finally, the Fall 2023 Revenue Sources Book uses draft numbers from the Alaska Permanent Fund Corporation that do not match their current projections; LFD uses figures from the November 2023 History and Projections Report, which show higher POMV draws than the Governor's 10-Year Plan.

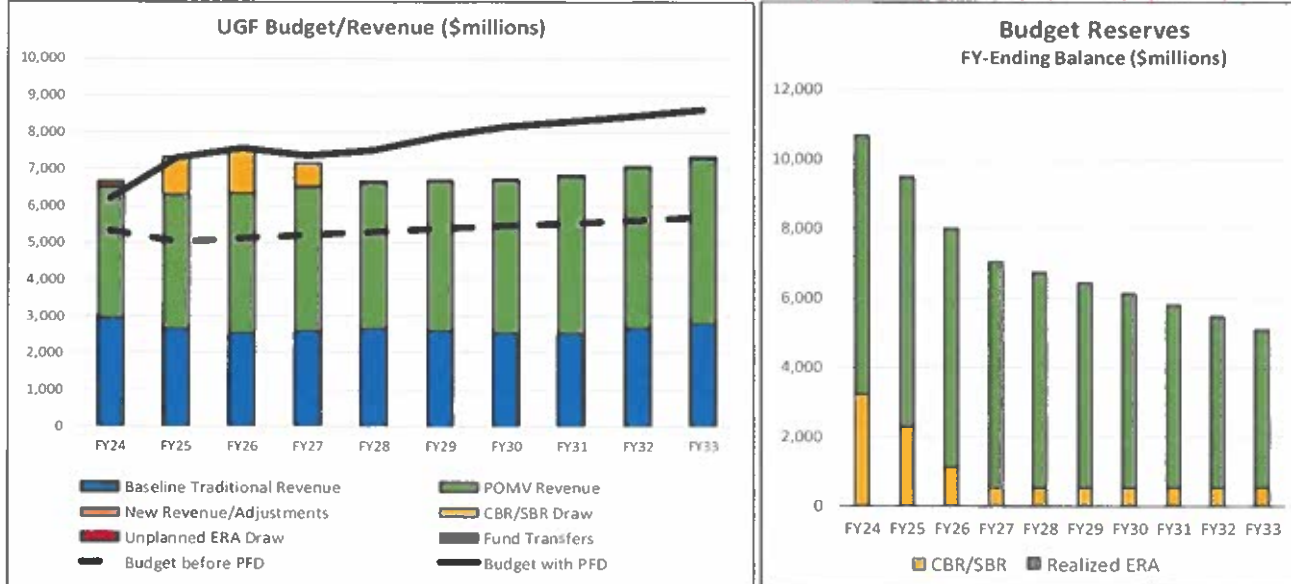
Comparison of Governor's 10-Year Plan Budget Figures to LFD Baseline									
	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline	5,105.9	5,246.4	5,381.5	5,527.3	5,660.5	5,799.8	5,934.9	6,084.4	6,236.8
Governor	4,981.8	5,054.7	5,135.4	5,216.7	5,279.0	5,347.8	5,409.1	5,492.1	5,553.1
Difference	(124.1)	(191.7)	(246.0)	(310.6)	(381.5)	(452.0)	(525.8)	(592.2)	(683.7)



This model shows the policy proposals in the Governor's 10-Year Plan (the lower growth rates and partial funding of Community Assistance) in LFD's model, without any deficit-filling draws that would draw the CBR below zero. Despite the assumption differences, the policy choices in the Governor's 10-Year Plan result in a similar outcome in LFD's model as in the plan itself: persistent deficits and a depleted CBR in FY27. This model shows unfilled deficits of \$1.0 billion in FY25 increasing to over \$1.5 billion in FY31.

## Legislative Fiscal Analyst's Overview of the Governor's FY2025 Request

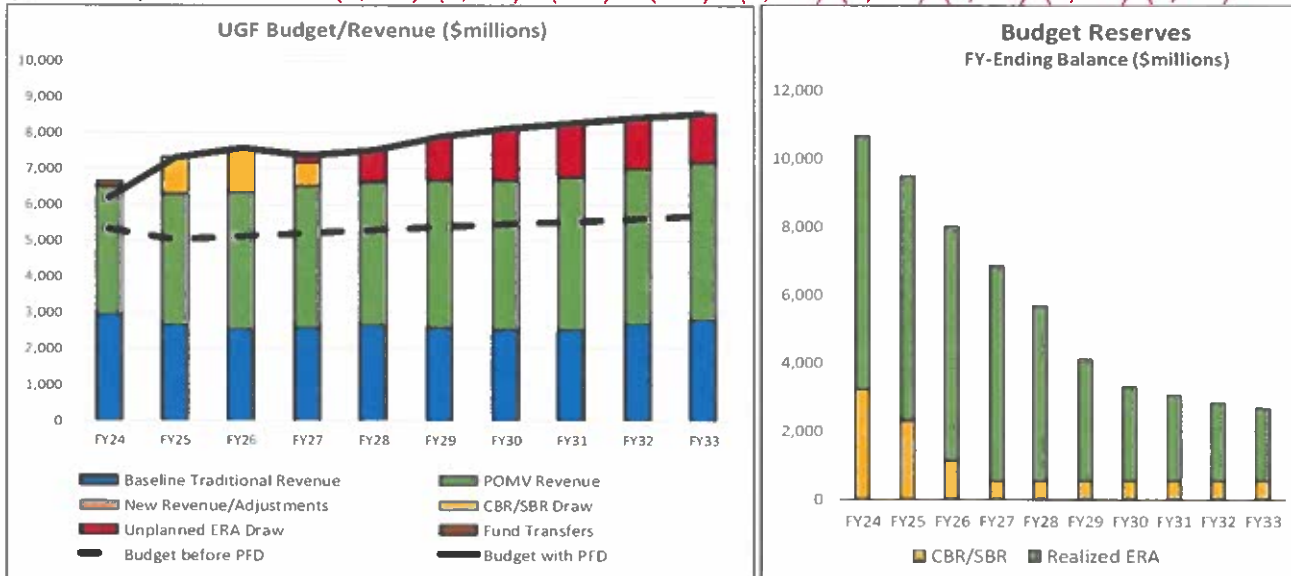
Surplus/(Deficit) (\$millions)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
	339	(1,007)	(1,250)	(823)	(893)	(1,227)	(1,463)	(1,503)	(1,413)	(1,341)



	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
<b>Effective POMV Draw Rate</b>	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
<b>PFD/Person</b>	\$1,312	\$3,654	\$3,731	\$3,241	\$3,333	\$3,772	\$4,042	\$4,140	\$4,243	\$4,352

The Governor's 10-Year Plan shows continued draws on the CBR even after the balance goes negative. If the deficits are made up from the ERA instead, the compounding effect of those overdraws would result in larger deficits.

Surplus/(Deficit) (\$millions)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
	339	(1,007)	(1,250)	(823)	(893)	(1,228)	(1,467)	(1,514)	(1,436)	(1,382)



	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
<b>Effective POMV Draw Rate</b>	5.00%	5.00%	5.00%	5.00%	5.25%	6.08%	6.48%	6.74%	6.76%	6.64%
<b>PFD/Person</b>	\$1,312	\$3,654	\$3,731	\$3,241	\$3,333	\$3,769	\$4,029	\$4,101	\$4,164	\$4,214

## Constitutional and Statutory Appropriation Limits

Alaska has two appropriation limits: a limit in Article IX, Section 16 of the Alaska Constitution, and another in AS 37.05.540(b). Both limits factor in changes in inflation and population that can only be estimated ahead of time, so these figures may change when actual inflation and population changes are known.

The constitutional limit is binding, but the statutory limit can be (and has been) exceeded through the appropriations process.

### Expenditures Subject to the Limits

Article IX, Section 16 and AS 37.05.540(b) both set out exclusions from the limit that are both *sources of money* and *uses of money*. Excluded sources are:

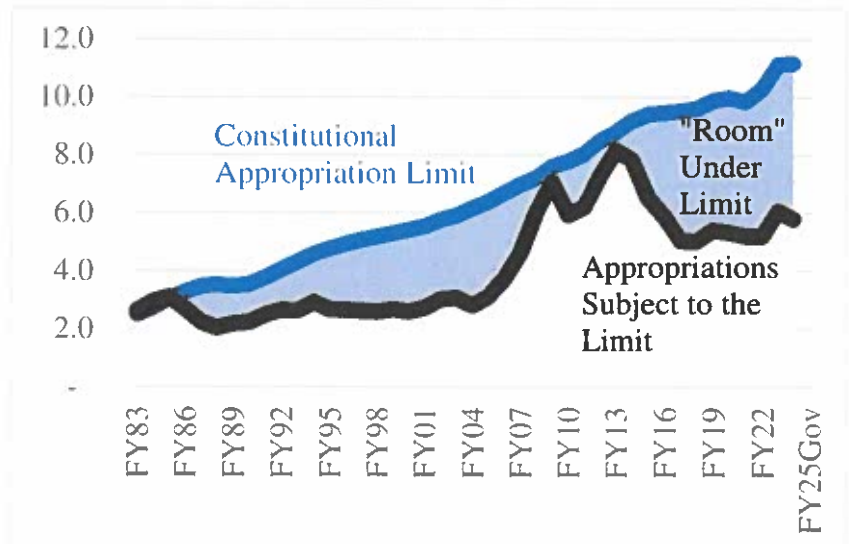
- Proceeds of revenue bonds
- Money held in trust for a specific purpose (this includes all federal funding and most "Other" funds)
- Corporate revenues

Excluded purposes are:

- Permanent Fund Dividends
- General obligation and revenue bond interest
- Appropriations to the Permanent Fund
- Appropriations to meet a state of disaster

### Calculating the Constitutional Limit

The constitutional appropriation limit is equal to \$2.5 billion times the cumulative change in population and inflation since July 1, 1981. Based on the way the limit has been calculated by the executive branch in the Annual Comprehensive Financial Report (ACFR), we estimate that in FY24 the limit will be \$11.2 billion and in FY25 the limit will be \$11.5 billion.<sup>2</sup> This is based on actual changes in inflation and



<sup>2</sup> This ACFR calculates the adjustment for inflation and population by multiplying the two factors together; an alternative approach would be to add the changes together (the Anchorage tax cap is worded identically to the State limit but is calculated in this way, for example). Under this alternative calculation, the limit would be \$8.3 billion in FY24 and \$8.5 billion in FY25.

population through FY23, a 2.5% inflation assumption, and the Department of Labor's population growth assumption.

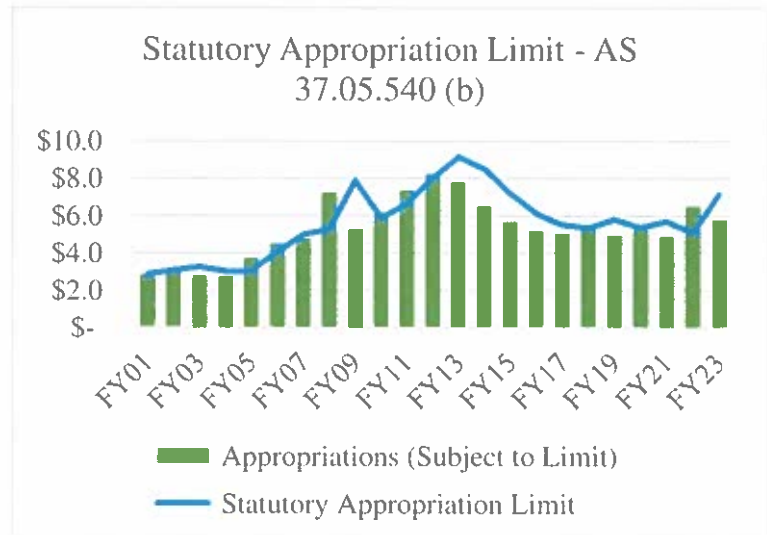
The enacted FY24 budget subject to the limit was \$5.8 billion, \$5.4 billion below the estimated appropriation limit. The Governor's proposed FY25 budget subject to the limit is \$5.5 billion, \$6.0 billion below the estimated appropriation limit.

## Calculating the Statutory Limit

While the constitutional limit applies to expenditures *for* a fiscal year, the statutory limit applies to appropriations *made in* a fiscal year, regardless of what year they were effective (essentially, it compares appropriations from one session to the next). Appropriations in a fiscal year may not exceed the appropriations made in a previous fiscal year by more than 5% plus the change in inflation and population.

Appropriations made in FY23 subject to the limit were \$5,817.3 million. Based on the same inflation and population assumptions used for the constitutional limit, that would allow for appropriations of \$6,610.2 million in FY24.

The Governor's proposed budget subject to the limit totals \$5,565.9 million, but that does not yet include supplemental appropriations (which are due on the 15<sup>th</sup> legislative day) or amendments. This means that \$1,044.3 million remains under the statutory appropriation limit.



## Revenue Requirements of the State

AS 24.20.231(2) provides that the Legislative Finance Division analyze the revenue requirements of the State. As the above sections indicate, Alaska still faces a structural budget deficit, and increasing revenue is one option to close that deficit. The following section provides a brief analysis along with potential revenue sources and any issues therein.

### New Revenue Options

To introduce additional revenue, the State could increase existing taxes or impose new ones. Alaska is the only state without a statewide broad-based tax, so existing taxes are primarily resource-based taxes or excise taxes on certain consumer items such as motor fuels, alcohol, and tobacco. Increasing existing taxes may cause Alaska to have higher rates than other states, but increases could bring in revenue quickly with minimal administrative costs. New taxes would take longer to set up and would require additional administrative costs. However, significant revenue could be generated with new broad-based taxes.

The following options are reflective of common practice in other states, and do not constitute a policy recommendation. Equity, economic impacts, efficiency, and other considerations are not presented here but should be addressed if the legislature chooses to explore revenue options.

### Modify Existing Taxes

#### *Oil and Gas Production Tax*

Alaska's oil and gas production tax is projected to bring in \$642.4 million in FY25. Oil prices are highly variable, and the production tax's complex structure adds further volatility. The tax features a two-tiered structure, with a net tax and an alternative gross tax "floor." Proposals aimed at only one component may not impact revenue at all price levels. For instance, DOR estimates that capping the per-taxable barrel credit at \$5 would increase revenue by roughly \$450 million at \$80/barrel but would have no revenue impact at \$40/barrel. Past proposals to increase this tax have included raising the tax "floor" from 4% of gross revenue to 5% or higher; eliminating the per-taxable barrel credit; or more complex changes proposed in Ballot Measure 1, which failed to pass in 2020.

The revenue impact of production tax changes is highly dependent on oil prices. At low oil prices, increasing the minimum tax would have a positive revenue impact but modifying the per-taxable barrel credit would have no impact. At higher prices, the reverse is true. The legislature should be mindful of this impact when assembling a fiscal plan to ensure that the plan can survive lower oil prices.

#### *Corporate Income Tax*

The petroleum and non-petroleum corporate income taxes are projected to bring in a combined \$460.0 million in FY25. Alaska's 9.4% top marginal rate is the fourth highest in the nation. Alaska is one of two states with a corporate income tax but no individual income tax (along with Florida), which results in C-Corporations paying taxes but S-Corporations not paying taxes (as their income flows through to the owners and personal income is not taxed). The Department of Revenue (DOR) estimates that taxing S-Corporations at the same rates as C-Corporations would raise \$131 million in the first full year administered. Another potential change would be to decouple Alaska's tax code from the federal code, which would eliminate unanticipated shifts in revenue due to changes in federal tax law (such as

provisions in the federal CARES Act which allowed taxpayers to carryback losses against past tax liabilities).

#### *Other Resource Taxes*

Alaska's Mining License Tax is estimated to bring in \$29.1 million in FY25. The Fisheries Business and Fishery Resource Landing taxes are estimated to bring in \$23.3 million in UGF revenue and an additional \$25.0 million that is shared with municipal governments. National comparisons for these taxes are difficult.

#### *Excise Taxes*

Alaska imposes excise taxes on several consumer goods. The largest of these are:

- Tobacco taxes: Estimated FY25 revenue is \$47.3 million, of which \$32.2 million is UGF and \$15.1 million is DGF. Alaska's cigarette tax of \$2 per pack ranks 19th nationwide. The tax on other tobacco products is 75% of the wholesale price, which ranks 8th nationwide.
- Alcoholic beverage tax: \$42.6 million, split equally between UGF and DGF. Alaska's tax is designed to tax all alcoholic beverages equally on a per-drink basis. The \$12.80 per gallon tax on liquor ranks 9th nationwide. The \$2.50 per gallon tax on wine and \$1.07 per gallon tax on beer are both second highest in the country.
- Motor fuel tax: \$33.5 million, all DGF. Alaska's \$0.08 per gallon tax on highway fuel ranks 50th nationwide. Tripling Alaska's tax to the national median of \$0.24 would bring in an additional \$66 million.
- Marijuana taxes: \$27.7 million, of which \$6.9 million is UGF and \$20.8 million is DGF. Alaska taxes \$50/ounce for flowers, \$15/ounce for stems and leaves, and \$25/ounce for immature flowers/buds. National comparisons are challenging because many states have a mix of per-ounce and excise taxes. Twenty-four states either have in place or are implementing permitting and taxation of recreational marijuana.

## New Taxes

#### *Income Tax*

Income is taxed in 41 states (not including New Hampshire or Washington, which only tax income from specific sources). Of these, 30 have progressive income taxes, and the remaining 11 have flat taxes. Alaska had an income tax from statehood until 1980, when it was repealed. At the time of its repeal, Alaska's income tax brackets ranged from 3% to 14.5% and brought in \$117 million in FY79. Adjusted for inflation and population, that is the equivalent of about \$700 million in 2022.

DOR estimates an individual income tax levied at 10% of federal income tax liability would generate \$350 million in the first full year administered. Using federal income tax liability would be consistent with Alaska's existing corporate income tax. However, most other states levy individual income taxes based on federal Adjusted Gross Income (AGI). LFD estimates an individual income tax based on 3% of AGI, with no exemptions or deductions, would generate roughly \$1 billion in the first full year administered.

### *Sales Tax*

Statewide sales taxes exist in 45 states, while four states have no state or local sales tax. Alaska is the only state that has no statewide sales tax but allows for the collection of local sales taxes. Of the 45 states with a statewide sales tax, 37 have additional municipal sales taxes. In Alaska, sales taxes may be levied at the city or borough level. As of 2022, 107 of Alaska's 129 taxing municipalities imposed sales taxes, at rates ranging from 1% to 7%.

DOR estimates a broad-based 4% sales tax including all services and business to business exempting only prescription drugs, medical equipment, and business-to-business purchases to resale, would generate \$1.28 billion in the first full year administered. DOR estimates that a 4% sales tax styled on Wyoming's sales and use tax would generate \$619 million in the first full year administered. This tax would exempt groceries, prescription medicine, medical equipment, and some business-to-business sales and services.

### *Property Tax*

All 50 states have property taxes that are applied by either state or local governments. Alaska has a statewide property tax for oil and gas property, but other property is taxed only at the municipal level. Fifteen of Alaska's nineteen boroughs levy personal property taxes. Additionally, nine cities located outside of boroughs levy a property tax. Some boroughs rely very heavily on property tax revenue, and Alaska's average property tax burden ranks 21st nationwide despite not being universally applied.

Alaska could impose a statewide property tax that excludes oil and gas property. Implementing such a tax would be administratively challenging because property values would have to be determined in any area of the state that does not already have a property tax. Unlike most states, Alaska does not require that real estate sale prices be reported publicly to ensure accurate assessments, although some municipalities do.

DOR estimates that a tax on all in-state property of 0.1% (10 mills) of assessed value would generate \$117.5 million in the first full year administered.

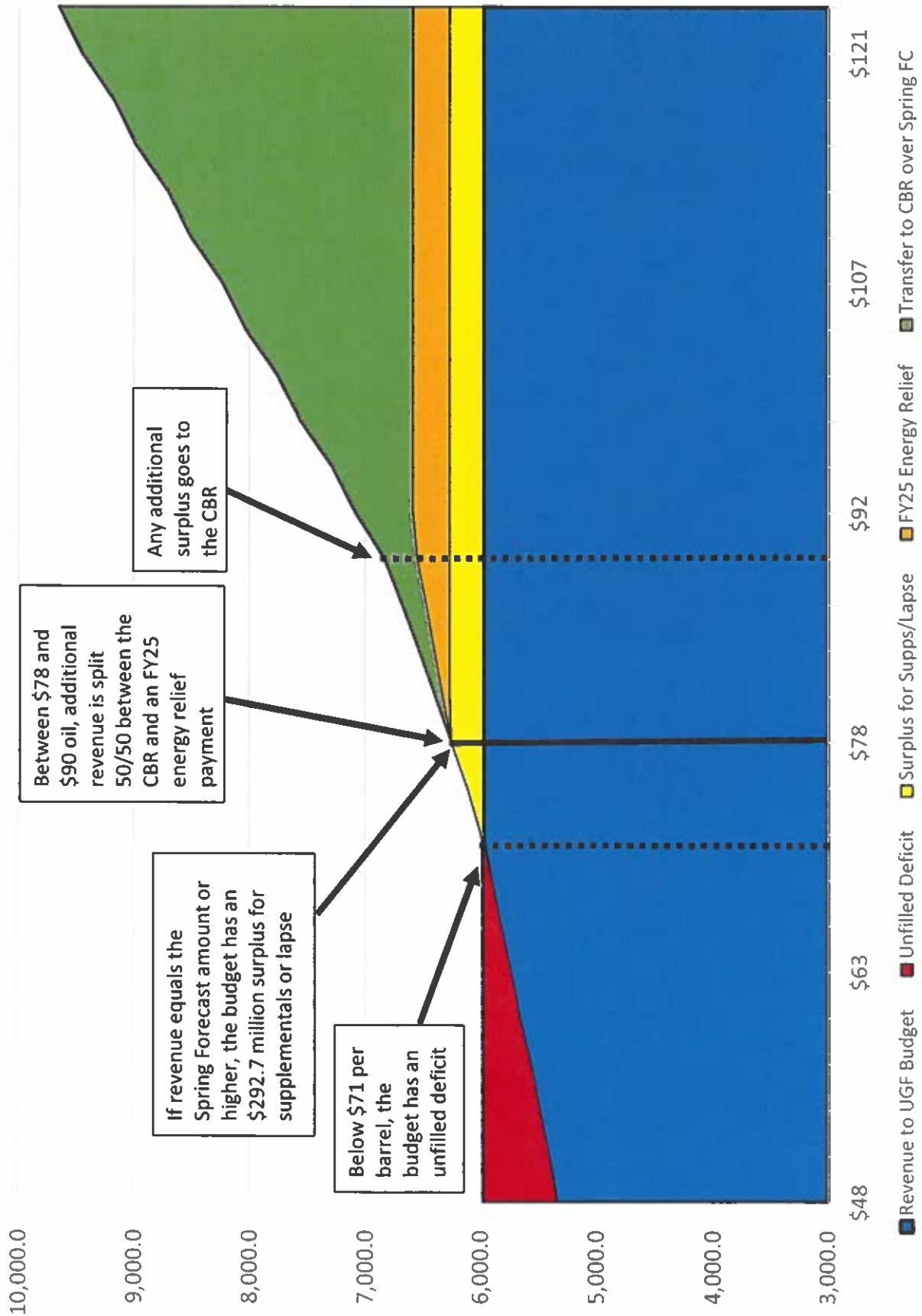
### *Payroll Tax or Head Tax*

Alaska had a \$10 per worker "head tax" to pay for a portion of the education budget until its repeal in 1980. Such taxes are a flat amount per person rather than a percentage of income. No other state currently imposes a head tax.

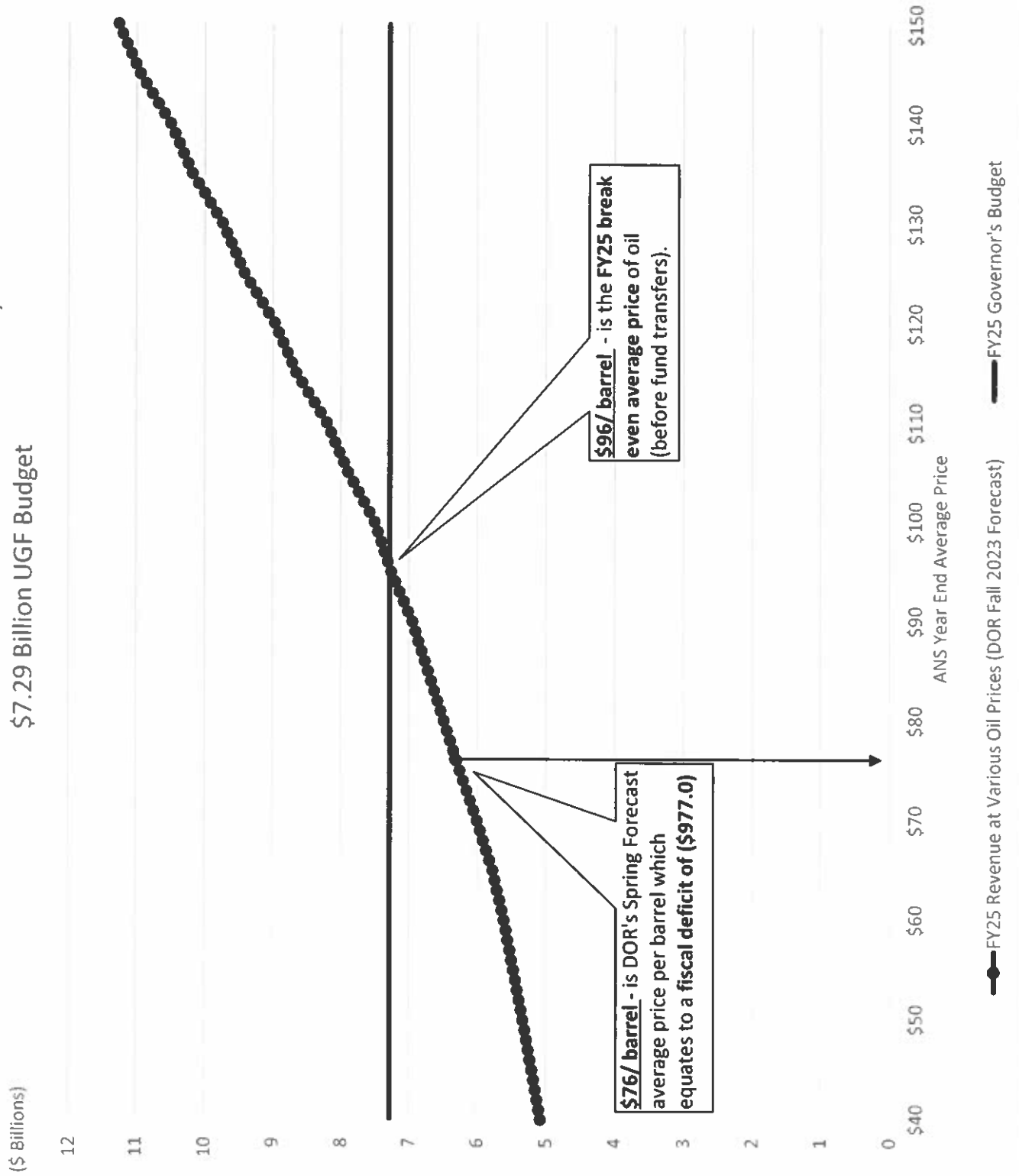
Several pieces of legislation have proposed graduated head taxes or other payroll taxes. Such taxes could build on the existing payroll tax administered for workers' compensation so they could be implemented with fewer additional resources. However, these taxes would have a narrower base than an income tax because they exclude dividend and investment income, so their revenue-raising potential is more limited.

DOR estimates a \$30 payroll tax on all resident and nonresident workers in Alaska would generate \$13.5 million in the first full year administered. DOR estimated the initial implementation cost to be \$11 million, with an additional \$0.8 million in annual administration costs.

## FY24 Budget At Various Oil Prices



# FY25 Unrestricted General Fund - Fiscal Sensitivity \$7.29 Billion UGF Budget

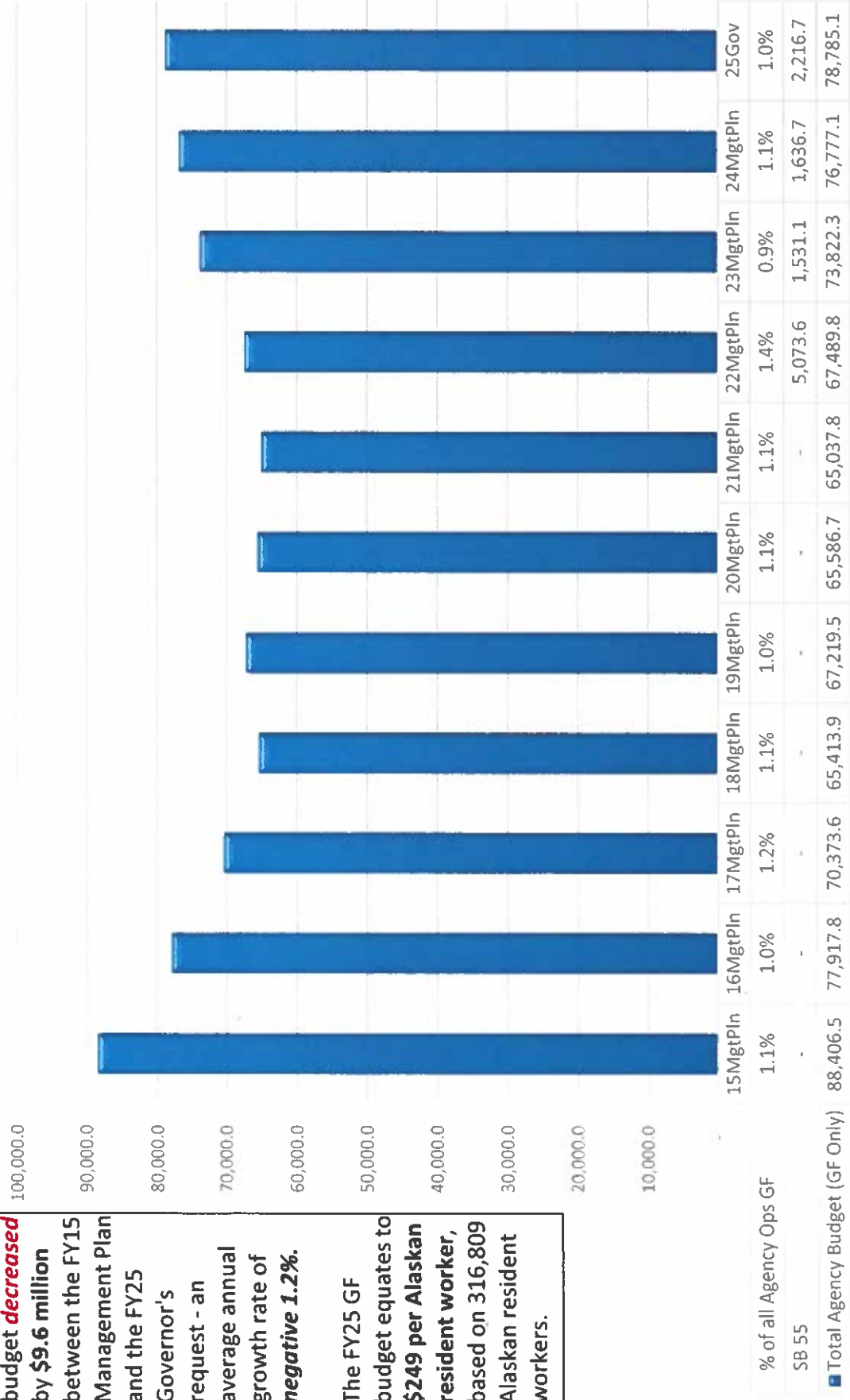


## **2: Budget History**

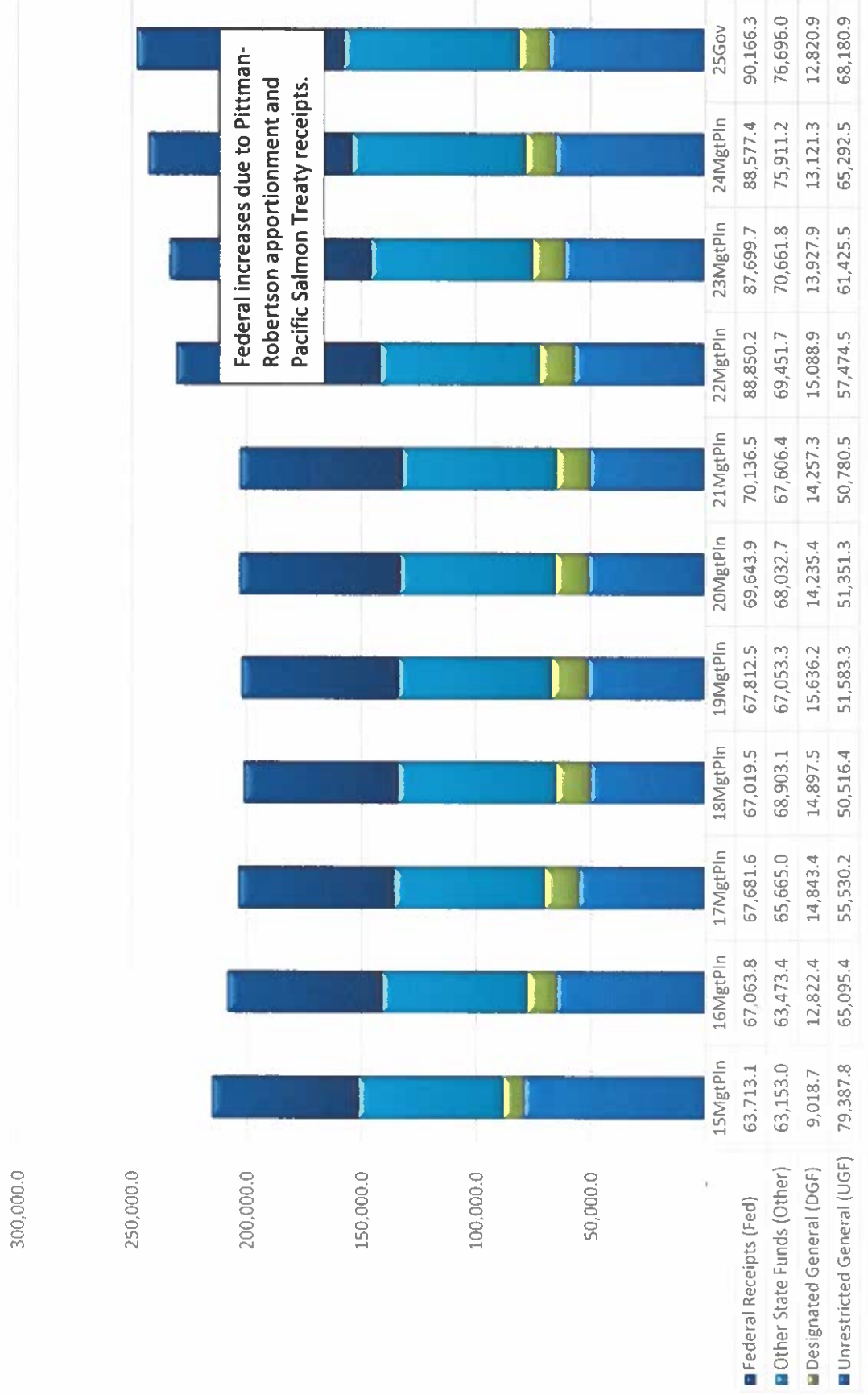
## Department of Fish and Game General Funds (\$ Thousands)

Fish and Game's general fund (GF) budget **decreased** by **\$9.6 million** between the FY15 Management Plan and the FY25 Governor's request - an average annual growth rate of **negative 1.2%**.

The FY25 GF budget equates to **\$249 per Alaskan resident worker**, based on 316,809 Alaskan resident workers.



# Department of Fish & Game Total Funding Comparison by Fund Group (All Funds) (\$ Thousands)



### The Wildlife

Conservation Division's budget is **4% GF**. It is primarily funded with Federal receipts and Fish and Game funds (Other). **Total GF funding has decreased by \$4.4 million (-59%)** from FY15 MgtPln to FY25 Gov, while the Division's budget (all fund sources) has increased by \$22.0 million (46%).

The Sport Fish Division's budget is **4% GF**. It is primarily funded with Federal receipts and Fish and Game funds (Other). **Total GF funding has decreased by \$4.8 million** from FY15 MgtPln to FY25 Gov (-72%), and total funding from all sources has increased by \$2.0 million.

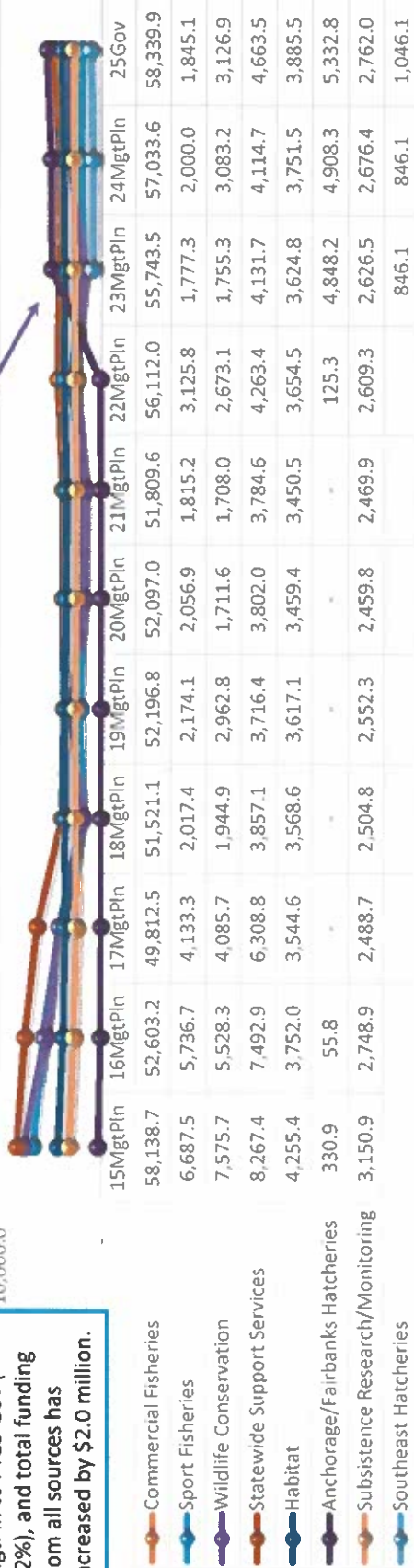
## Department of Fish and Game Appropriations - General Funds Only (\$ Thousands)

70,000.0  
60,000.0  
50,000.0  
40,000.0  
30,000.0  
20,000.0  
10,000.0

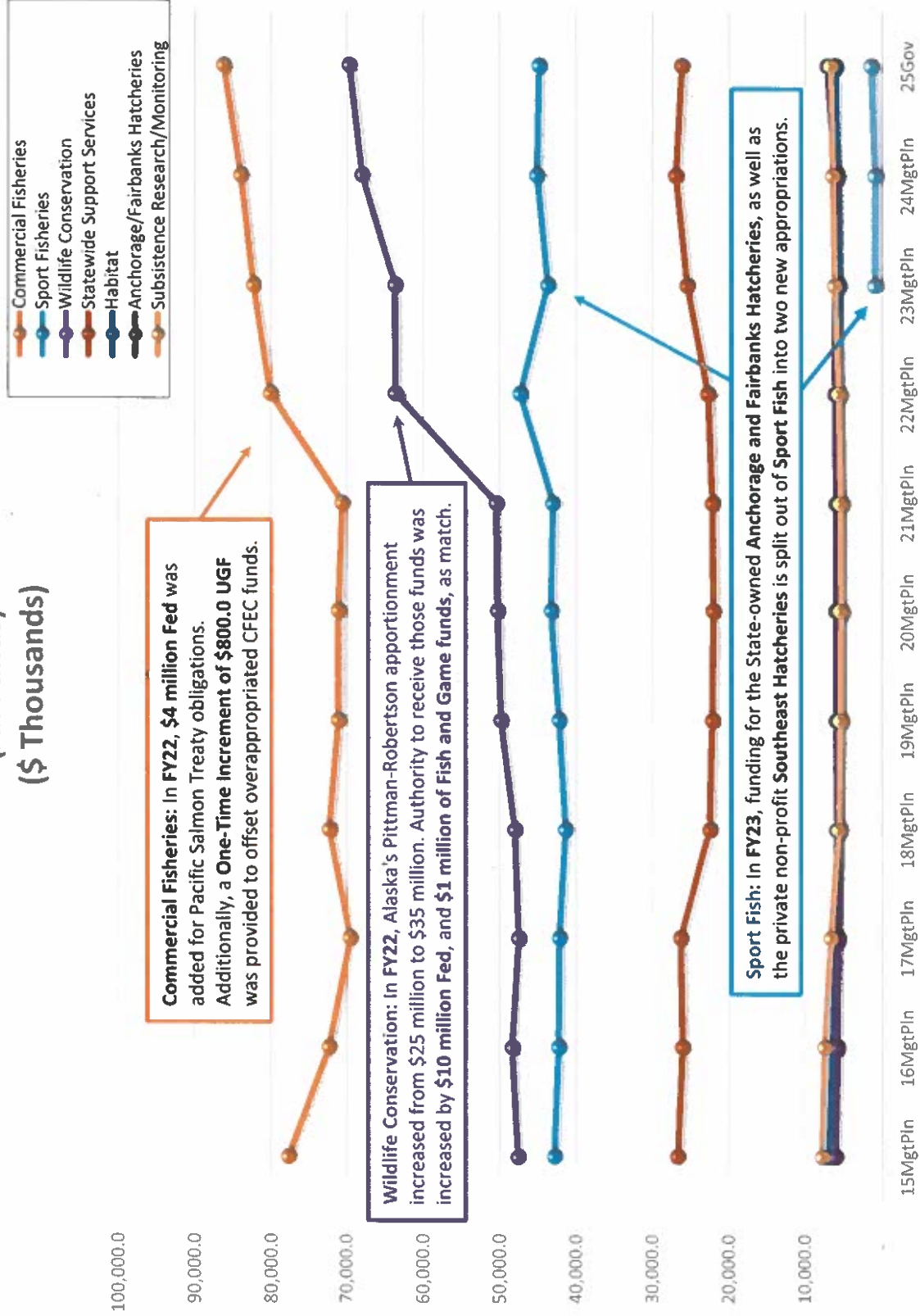


The Commercial Fisheries Division's budget is **68% GF**. Fisheries tax revenues are not tracked with a distinct fund code, but are deposited into the general fund. Commercial vessel licensing and permit fee revenues are tracked as Commercial Fisheries Entry Commission (CFEC) funds, and reflected as Designated General Funds (DGF). Changes in funding levels for this allocation reflect changes in service levels related to commercial fisheries surveys and assessments. **The GF budget has increased by \$201.2 from the FY15 MgtPln to FY25 Gov (0.4%).**

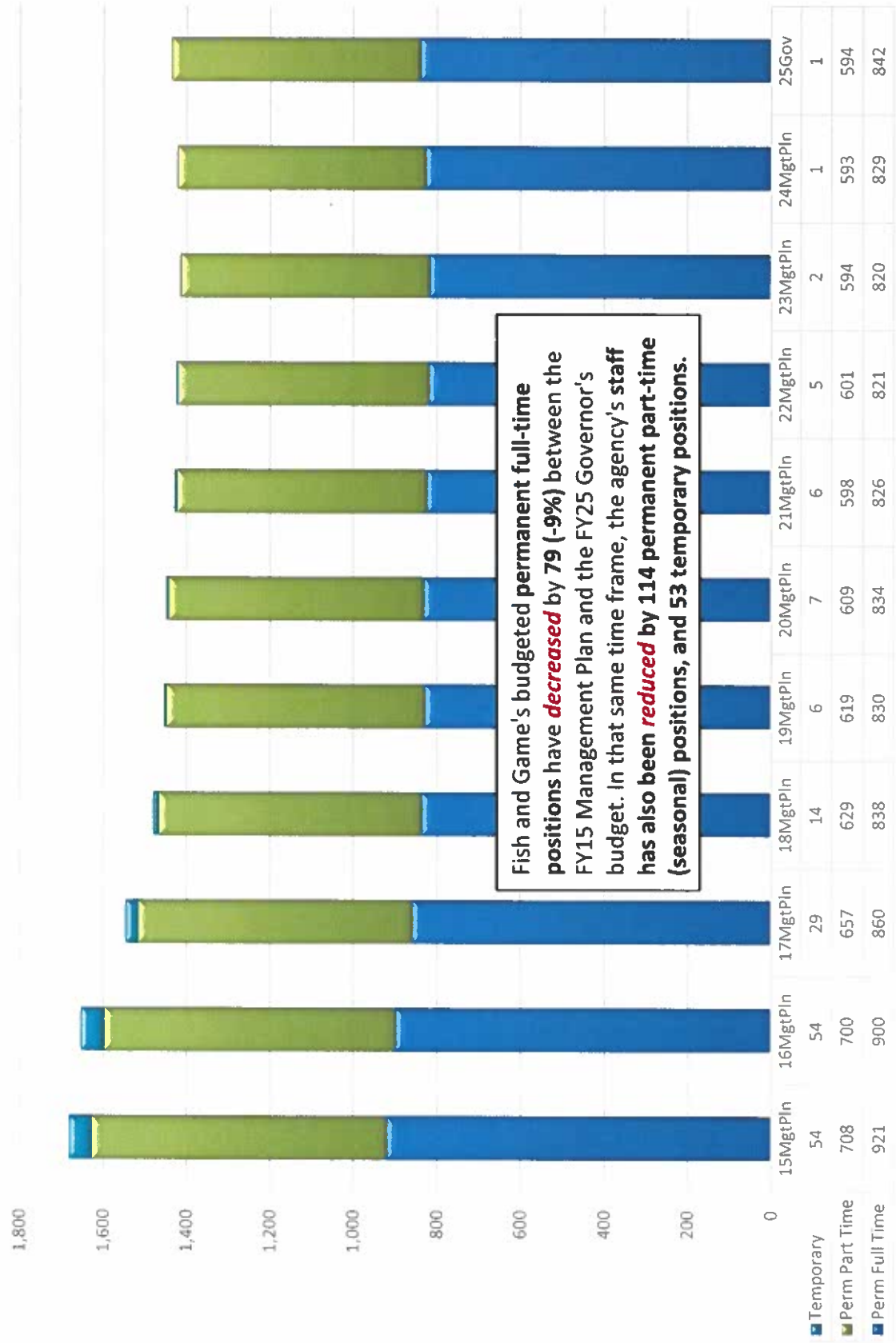
In FY23, the legislature realigned fund sources in the new Anchorage and Fairbanks Hatchery appropriation, replacing \$4.6 million of Fed and \$0.2 million FG funds with \$4.8 million UGF & GF Match.



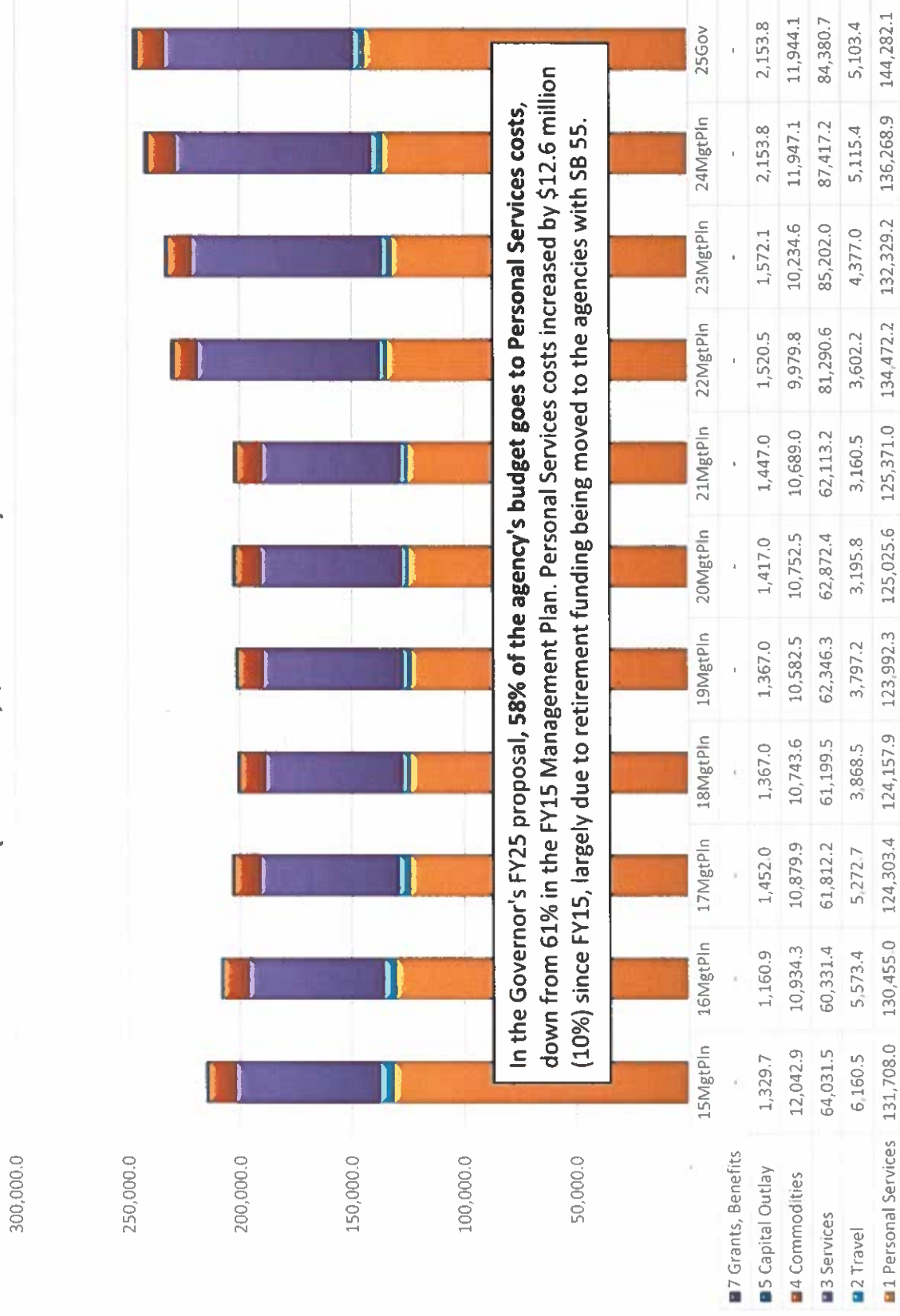
# Appropriations within Department of Fish & Game (All Funds) (\$ Thousands)



## Budgeted Positions in the Department of Fish & Game



## Department of Fish & Game Budget by Line Item (All Funds, \$ Thousands)



### **3: Program Priority Statutes**

# DFG Program Priority Table

Program	Constitutional Requirement	Federal Requirement	Statutory Req.	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness
<b>Division of Commercial Fisheries</b>							
Division of Commercial Fisheries	Article VIII § 1, 2, 3, 4, 15	Yes	Title 16 AS 16.05.020(2) AS 16.05.050 AS 16.05.251 AS 16.05.020(4) AS 16.05.050 AS 16.05.831(b) AS 16.05.251 AS 16.05.730 AS 16.05.020(4) AS 16.05.050 AS 16.05.251 AS 16.10.172 AS 16.10.173 AS 16.05.020(4) AS 16.05.050 AS 16.05.251 AS 16.10.165 AS 16.05.055 AS 16.05.735 AS 16.05.020(4) AS 16.05.050 AS 16.05.251 AS 16.10.180 AS 16.05.055 AS 16.05.632 AS 16.05.735 AS 16.05.020(2) AS 16.05.251 AS 16.05.020(2) AS 16.40.150 AS 16.05.868 AS 16.05.020(4) AS 16.10.375-480 AS 16.05.092 AS 16.05.730 AS 16.40.100-199 AS 16.05.020(2) AS 16.05.050(a)(7) AS 16.05.020(4) AS 16.05.690 AS 16.05.815 AS 16.05.050(a)(4) and (10) AS 16.05.671	92902		Critical	Highly Effective
Salmon	Article VIII § 1, 2, 3, 4, 15	Yes		82134		Critical	Highly Effective
Herring	Article VIII § 1, 2, 3, 4, 15	Yes		2813		Critical	Highly Effective
Groundfish	Article VIII § 1, 2, 3, 4, 15	Yes		4697		Critical	Highly Effective
Shellfish	Article VIII § 1, 2, 3, 4, 15	Yes		3174		Critical	Highly Effective
Genetics	Article VIII § 1, 2, 3, 4, 15	No		13233		Important	Highly Effective
Pathology Lab	Article VIII § 1, 2, 3, 4, 15	No		13233		Important	Highly Effective
Aquaculture Planning and Permitting	Article VIII § 1, 2, 3, 4, 15	No		3533		Important	Highly Effective
Core Services Support	Article VIII § 1, 2, 3, 4, 15	No		13233		Important	Highly Effective
Data Resource Management and Information Services	Article VIII § 1, 2, 3, 4, 15	Yes		2867		Important	Highly Effective
<b>Division of Sport Fish</b>							
Division of Sport Fish	Article VIII § 1, 2, 3, 4	No		All		Critical	Highly Effective

# DFG Program Priority Table

Program	Constitutional Requirement	Federal Requirement	Statutory Req.	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness
<b>Fisheries Management</b>			AS 16.05.020 AS 16.05.050 AS 16.05.395 AS 16.10.570 AS 16.40.261-271	All		Critical	Highly Effective
Fisheries Research	Article VIII § 1, 2, 3, 4	No	AS 16.05.020 AS 16.05.050	All		Critical	Highly Effective
Fisheries Enhancement	Article VIII § 1, 2, 3, 4	No	AS 16.05.020 AS 16.05.050	All		Important	Highly Effective
Fisheries Habitat Research and Restoration	Article VIII § 1, 2, 3, 4	No	AS 16.05.020 AS 16.05.050	All		Critical	Highly Effective
Communications and Outreach	Article VIII § 1, 2, 4, 13	No	AS 16.05.020 AS 16.05.050	All		Important	Moderately Effective
Program Operations and Oversight	No	No	AS 16.05.020 AS 16.05.050	All		Important	Moderately Effective
<b>Division of Wildlife Conservation</b>							
Division of Wildlife Conservation	Article VIII § 2, 3, 4	No	AS 16.05.090	All		Critical	Highly Effective
Wildlife Research and Management	Article VIII § 2, 3, 4	No	AS 16.05.090	425000		Critical	Highly Effective
Threatened, Endangered, and Diversity Special Areas (Sanctuaries and Refuges)	No	No	AS 16.20.180	All		Critical	Highly Effective
Education and Outreach	No	No	AS 16.20	150000		Critical	Highly Effective
Marine Mammals	No	No	No	425000		Critical	Highly Effective
Access and Defense	No	No	No	425000		Critical	Highly Effective
Shooting Facilities	No	No	AS 16.55.010(3)	55000		Critical	Highly Effective
Hunter Education	No	No	AS 16.55.020(2)(A) AS 16.55.010(2) AS 16.55.020(2)(B)	150000		Critical	Highly Effective
<b>Division of Subsistence</b>							
Division of Subsistence			AS 16.05.420 AS 16.05.251 AS 16.05.255 AS 16.05.090 AS 16.05.094 AS 37.14.400 AS 16.05.420 AS 16.05.251 AS 16.05.255 AS 16.05.090 AS 16.05.094 AS 37.14.400	All		Critical	Highly Effective
Research and Analysis Program	Article VIII § 4	ANILCA FERC					
Applied Research Program	Article VIII § 4	ANILCA FERC		All		Critical	Highly Effective
<b>Division of Administrative Services</b>							
Division of Administrative Services	Article VIII § 4	ANILCA FERC	AS 16.05.420 AS 16.05.251 AS 16.05.255 AS 16.05.090 AS 16.05.094 AS 37.14.400	All		Critical	Highly Effective

# DFG Program Priority Table

Program	Constitutional Requirement	Federal Requirement	Statutory Req.	# of Alaskans Served	% Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness
Division of Administrative Services	No	No	AS 16.05.020 AS 16.05.050	All (Directly Through Licensing)		Important	Highly Effective
Director's Office	No	No	AS 16.05.020 AS 16.05.050	None		Important	Highly Effective
Finance	No	No	AS 16.05.020 AS 16.05.050	None		Important	Highly Effective
Information Technology	No	No	AS 16.05.020 AS 16.05.050	None		Important	Highly Effective
Licensing	No	No	AS 16.05.020 AS 16.05.050	All (Directly Through Licensing)		Critical	Highly Effective
Procurement	No	No	AS 16.05.020 AS 16.05.050	None		Important	Highly Effective
Small Division Administration	No	No	AS 16.05.020 AS 16.05.050	None		Important	Highly Effective
Core Services	No	No	AS 16.05.020 AS 16.05.050	None		Important	Highly Effective
<b>Division of Habitat</b>							
Division of Habitat	Article VIII § 1, 2, 4	No	AS 16.05.871 AS 16.05.841 5 AAC 95	9813		Critical	Highly Effective
Permitting and Compliance	Article VIII § 1, 2, 4	No	AS 16.05.871 AS 16.05.841 5 AAC 95	4800		Critical	Highly Effective
Project Review and Monitoring	Article VIII § 1, 2, 4	No	AS 16.05.871 AS 16.05.841 5 AAC 95	4800		Critical	Highly Effective
State Wildlife Grant	Article VIII § 2	No	5 AAC 95	213		Important	Moderately Effective
<b>Commercial Fisheries Entry Commission</b>	Article VIII § 15	Yes*	AS 16.43.010-990			Critical	Highly Effective
<b>Board Support Section</b>							
Board Support Section	Article VIII § 1, 2, 3, 4, 17	Yes	AS 16.05-16.40 AS 16.20 AS 44.62	27183		Critical	Highly Effective
Alaska Board of Fisheries and Alaska Board of Game	Article VIII § 1, 2, 3, 4, 17	Yes*	AS 16.05-16.40 AS 16.20 AS 44.62	All		Critical	Highly Effective
Advisory Committees	Article VIII § 1, 2, 3, 4, 17	No	AS 16.05-16.40 AS 16.20 AS 44.62	All		Critical	Moderately Effective
<b>Office of the Commissioner</b>	No	No	AS 16, AS 36, AS 37, AS 39, AS 44	All		Critical	Highly Effective

## **4: FY 24 Budget Issues**

# **Department of Fish and Game** **FY24 - Summary of Significant Budget Issues** (\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Commercial Fisheries / Southeast Region Fisheries Management	Dive Fisheries Assessments	n/a	\$36.0 Fish/Game (Other) IncOTI	One-time funding is appropriated from the Civil Fines and Penalties account to support dive fishery assessments and management in Southeast Alaska. These receipts are tracked under the Fish and Game Fund, though the Civil Fines and Penalties account itself is not generated through Dedicated revenues and is appropriate to expend for Commercial Fisheries management. The FY23 end-of-year balance of this account is estimated at \$108.0.  The agency maintains a contractual agreement with the Southeast Regional Dive Fisheries Association (SARDFA) to provide fisheries assessments and management services for Southeast dive fisheries using a self-assessed tax paid to the Department of Revenue, and then transmitted to the Department of Fish and Game as Statutory Designated Program Receipts. The agency has recently increased the stated costs related to management of the Southeast dive fisheries, and this one-time increment will allow SARDFA to adjust their rates accordingly to meet the higher contract rates in subsequent years.  Supplemental funding is added to meet increased operational costs in the areas of food, fuel, and charters. Air charters are averaging an additional \$100 per hour over FY21 costs. Three longline survey charters increased an additional \$27.0 over the total FY22 expenditures, and fuel and field camp food costs have also increased significantly between FY22 and FY23.
2	Commercial Fisheries / Various	Increased Cost of Commodities  <b>Supplemental</b>	\$593.0 Gen Fund (UGF)	\$593.0 Gen Fund (UGF)	<b>Fiscal Analyst Comment:</b> This funding is only provided as a one-time FY23 supplemental, and funding was not added to the FY24 base for what are likely ongoing costs. This could result in an FY24 supplemental request.
3	Commercial Fisheries / Central Region Fisheries Management	Maintain UGF Support for Bristol Bay Science and Research Institute Watershed Projects	\$800.0 Gen Fund (UGF)	\$800.0 Gen Fund (UGF)	In FY18, the Bristol Bay Science and Research Institute and other industry participants established the Bristol Bay Fisheries Collective and partnered with Fish and Game to establish a Memorandum of Agreement to fund certain priority projects that had been subject to UGF reductions. The legislature provided \$800.0 of Statutory Designated Program Receipt authority by which industry could support these projects and surveys to ensure ongoing access to key fisheries. In FY22, the legislature restored UGF funding through FY23, and the Governor's FY24 proposal maintains this UGF in the base.

# **Department of Fish and Game** **FY24 - Summary of Significant Budget Issues** (\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
4	Commercial Fisheries / AYK Region Fisheries Management	Restore Assessment and Management Projects that Were Eliminated in Prior Year Budget Reductions	\$285.0 Gen Fund (UGF)	\$285.0 Gen Fund (UGF)	Beginning in FY15, the Commercial Fisheries Division has seen a series of UGF reductions that resulted in the discontinuation of certain projects and assessments. A lack of continuity in this data leaves the division with increasingly less accurate information for the management of certain species and fisheries.  This increment will restore funding for the following projects: 1. Norton Sound crab monitoring and research - \$120.0 2. Yukon River sonar extensions - \$85.0 3. Norton Sound Red King Crab survey - \$80.0
5	Commercial Fisheries / Westward Region Fisheries Management	Alleviate Shortfall in Bering Sea/Aleutian Islands Crab Test Fishery Receipts	Net Zero \$1,000.0 Gen Fund (UGF) (\$1,000.0) Test Fish (DGF)	Net Zero \$1,000.0 Gen Fund (UGF) (\$1,000.0) Test Fish (DGF) IncOTI	UGF reductions to the Commercial Fisheries Division have resulted in an increased reliance on other fund sources, including Test Fishery receipts. The FY23 budget requires the division to derive up to 15 percent of its funding through test fish cost recovery activities. In light of fishery closures and species abundance concerns, the legislature chose to provide a one-time increment of general funds to offset what is effectively hollow authority for Test Fishery receipts. The Test Fishery receipts were eliminated, which means that the FY25 Adjusted Base for the Westward Region will be \$1 million below the FY24 Enacted budget.  A decline in Bristol Bay Red King Crab (BBRKC) abundance led the closure of the fishery in 2021, and it remains closed at the time of publication. Closure of the BBRKC fishery does not preclude the annual test fish cost recovery, however it is foreseeable that test fishery removals will no longer be practical at current levels as the stock continues to decline. Shifting test fish cost recovery to Bering Sea snow crab is also not viable. The snow crab stock unexpectedly collapsed in 2020 and is now considered overfished and may close to commercial fishing under a developing federal rebuilding plan. Beginning in FY24, Bering Sea/Aleutian Island test fish options will be limited, and the target revenue goal will need to be substantially lowered to accommodate conservation and stock rebuilding plan recommendations. Limited carryforward is currently available but will be mostly depleted after one fiscal year should test fish cost recovery not occur.

# **Department of Fish and Game** **FY24 - Summary of Significant Budget Issues** (\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
6	Commercial Fisheries / Commercial Fisheries Entry Commission	Contract Services for Tech Upgrade for In-House Applications (FY2024-FY2027)	\$150.0 CFEC Rcpts (DGF) IncT	\$150.0 CFEC Rcpts (DGF) IncT	<p>The Commercial Fisheries Entry Commission (CFEC) uses highly proprietary software applications developed in-house to manage commercial permit and licensing activity, as well as historical data. The agency will receive a temporary increment of \$150.0 (FY24-FY27) to contract for upgrades to three external-facing systems:</p> <p>1) The online permit and vessel license renewal platform (referred to as "LEON" for Limited Entry ONLINE);</p> <p>2) the public and private permit lookup database; and,</p> <p>3) the Bristol Bay District Registration program.</p> <p><b>Fiscal Analyst Comment:</b> The CFEC fund balance is currently rebuilding after being over-appropriated in FY20 and FY21, and this temporary increment will not impact the objective of reaching a sustainable fund balance.</p>
7	Sport Fisheries / Sport Fisheries	Restore Authority to Sport Fish Projects Post Pandemic	\$500.0 Fish/Game (Other)	\$500.0 Fish/Game (Other)	<p>Fish and Game Fund authority is added for programs that were reduced and/or eliminated during the pandemic due to reduced license revenues. The majority of this funding will support coho and Chinook salmon research.</p>
8	Sport Fisheries / Sport Fisheries	Maintain Chinook Enhancement at the Douglas Island Pink and Chum (DIPAC) Macaulay Hatchery	n/a	\$200.0 Gen Fund (UGF)	<p>The Macaulay Salmon Hatchery in Juneau (also known as DIPAC, which stands for Douglas Island Pink and Chum) is operated as a private non-profit facility that produces species that benefit both anglers and commercial fisheries. When the State bonded for the construction of two State-owned and operated sport fish hatcheries in Anchorage and Fairbanks, a surcharge was added to angler licenses to pay off the bond debt. The surcharge was tracked as Sportfish funds (1199) in the Alaska Sport Fishing Enterprise Account. An annual appropriation of \$500.0 of Sportfish funds was split between the Macaulay Hatchery in Juneau (\$300.0), and Crystal Lake Hatchery near Petersburg (\$200.0) beginning in FY08 (\$350.0 was appropriated in FY07). The surcharge sunset when the hatcheries construction bond debt was satisfied in 2021, and the agency then rolled the balance of the 1199 account into the corpus of the Fish and Game Fund (1024).</p> <p>In FY22, a \$650.0 Sportfish (1199) appropriation for the Macaulay and Crystal Lake hatcheries was vetoed with the Governor's explanation that the fund</p>

# **Department of Fish and Game** **FY24 - Summary of Significant Budget Issues** (\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
8	Sport Fisheries / Sport Fisheries	Maintain Chinook Enhancement at the Douglas Island Pink and Chum (DIPAC) Macaulay Hatchery	n/a	\$200.0 Gen Fund (UGF)	(continued) source was not appropriate for that purpose. In FY23, the legislature created a new appropriation called Southeast Hatcheries with \$846.1 UGF. This item adds funding to the base Sport Fisheries budget for the Macaulay Hatchery to receive an additional \$200.0 of UGF.
9	Sport Fisheries / Sport Fisheries	Funding for Rockfish Survey	n/a	\$50.0 Fish/Game (Other)	Added funding for demersal shelf rockfish surveys in Southeast Alaska will allow the Division of Sport Fish (DSF) to expand on existing Division of Commercial Fisheries (DCF) rockfish survey activity using a Remotely Operated Vehicle (ROV) that is in the process of being purchased for DCF's Southeast Region. Since the ROV used for rockfish surveys is a DCF asset, funding provided to DSF for this purpose will be directed to DCF through a Reimbursable Services Agreement.
10	Sport Fisheries / Sport Fisheries	Add Funding for the Deshka Weir, Jim Creek Weir, and Fish Creek Weir	n/a	\$121.0 Fish/Game (Other)	The legislature added funding to expand the seasonal operations of three specific Sport Fish weirs in the Matanuska-Susitna Borough:  1) Deshka Weir - \$41.0 2) Jim Creek Weir - \$55.0 3) Fish Creek Weir - \$25.0
11	Anchorage and Fairbanks Hatcheries / Anchorage and Fairbanks Hatcheries	Increased Costs of Utilities Supplemental	\$300.0 Gen Fund (UGF)	\$300.0 Gen Fund (UGF)	Supplemental funding is provided for the William Jack Hernandez Hatchery in Anchorage and the Ruth Burnett Hatchery in Fairbanks to meet increased energy costs. Both hatcheries are owned by the State and operated by the Sport Fisheries Division. The agency states that between 2020 and 2022, electricity rates increased by 50 percent, natural gas by five percent, fuel oil by 142 percent, and wastewater service by 37 percent.  <b>Fiscal Analyst Comment:</b> The FY23 supplemental is inherently a one-time item, and additional funding for energy cost increases was not requested for FY24. This could result in an FY24 supplemental.
12	Wildlife Conservation / Wildlife Conservation	State Match for Increased Pittman-Robertson Funding	\$2,080.1 Fish/Game (Other)	\$2,080.1 Fish/Game (Other)	Alaska's federal fiscal year (FFY) 2022 apportionment of Pittman-Robertson (PR) funds is approximately \$16 million greater than the previous year. These funds require a 25 percent state match, and the agency proposes to use Fish and Game funds generated by wildlife licensing and permitting activity to meet a portion of that requirement. Without sufficient match, the agency may not be

# **Department of Fish and Game** **FY24 - Summary of Significant Budget Issues** (\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
12	Wildlife Conservation / Wildlife Conservation	State Match for Increased Pittman-Robertson Funding	\$2,080.1 Fish/ Game (Other)	\$2,080.1 Fish/ Game (Other)	<p>(continued)</p> <p>able to accept the full federal apportionment, and may also fall behind in committing current year PR funds, which reduces their capacity to recapture PR funds that are lapsing from expiring projects. The legislature approved an increase in Fish and Game Fund authority to maintain that safety margin and meet the full match requirement.</p> <p>Wildlife revenue to the Fish and Game Fund was \$18.5 million in FY22, and the agency reports FY23 revenue at \$18.0 million (pre-audit actuals). In FY23, the legislature authorized \$15.4 million in expenditures from the Wildlife side of the Fish and Game Fund, and this increment brings FY24 authorization up to \$17.7 million.</p> <p><b>Fiscal Analyst Comment:</b> The State receives an annual apportionment of federal PR funds, which are receipts from an excise tax on firearms, ammunition and bow-hunting supplies. PR funds are used in the Department of Fish and Game for various activities including wildlife management, surveys, habitat restoration, hunter access, and hunter education and safety programs. These funds make up roughly two thirds of the division's operating budget, and require a three-to-one state match, meaning that the agency can apply for reimbursement of 75 percent of project costs, provided that 25 percent is funded with state funds or other funds contributed by non-profits or local and tribal governments. In the past five years, Alaska's apportionment has ranged between \$25 million and \$33 million. The FFY22 apportionment of \$46 million is a significant increase that resulted from record firearm and ammunition sales. It's possible that this spike could level off in future years.</p>
13	Wildlife Conservation / Wildlife Conservation	Restore Prior Years Level of Fish and Game Fund Authority as a One-Time Increment	\$5,000.0 Fish/ Game (Other)	\$5,001.0 Fish/ Game (Other) <b>IncOTI</b>	<p>In FY23, the legislature considered replacing \$5 million of Fish and Game Fund authority with a one-time increment of UGF. This fund source was later changed back to Fish and Game Fund, but retained the one-time increment status. The Governor proposed to restore the funding to the base in FY24, but the legislature again funded it as a one-time item. This item represents 28 percent of the total Fish and Game Fund authority for the Division of Wildlife Conservation.</p>

**Department of Fish and Game**  
**FY24 - Summary of Significant Budget Issues**  
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
14	Wildlife Conservation / Wildlife Conservation	Support and Outreach of Non-Pittman-Robertson Projects	\$1,302.0 Gen Fund (UGF)	\$1,302.0 Gen Fund (UGF) <b>IncOTI</b>	The Wildlife Conservation Division receives federal Statewide Wildlife Grant funding as well as Marine Mammal Protection Act grants, both of which require a 25 percent state match. The agency has relied heavily on third party in-kind contribution for the match component, but this reduces the agency's flexibility in managing these projects. Providing general fund as match will allow the agency to be competitive for these grants and to maintain expertise in marine mammal populations, which allows the State to participate in the creation of federal management plans for certain species.

## **5: FY 24 Mid-Year Status Report**

**Department of Fish and Game  
FY24 Midyear Status Report**

Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
1	Commercial Fisheries / Southeast Region Fisheries Management	Dive Fisheries Assessments	\$36.0 Fish/Game (Other) IncOTI	What is the current balance of the Civil Fines and Penalties subaccount of the Fish and Game fund?  Has the Southeast Alaska Regional Dive Fisheries Association (SARDFA) taken action to increase their collections?
<b>Agency Response</b>  The current balance of the Civil Fines and Penalties subaccount is \$1,107.2. The Division of Commercial Fisheries does not have information on SARDFA's actions to increase collections. The recommendation is to contact SARDFA directly.				
2	Commercial Fisheries / Various	Increased Cost of Commodities  Supplemental	\$593.0 Gen Fund (UGF)	Is the agency likely to need a similar FY24 supplemental?
<b>Agency Response</b> The supplemental budget should be released shortly and conversations are ongoing with OMB.				
3	Commercial Fisheries / AYK Region Fisheries Management	Restore Assessment and Management Projects that Were Eliminated in Prior Year Budget Reductions	\$285.0 Gen Fund (UGF)	Which projects were reinstated (or will be next season), and what is the associated level of funding for each one?
<b>Agency Response:</b> Yukon River Sonar Extensions - \$85.0; Norton Sound King Crab Research - \$97.4; Norton Sound Red King Crab Survey - \$80.0; Program Management, AYK Region - \$22.6				
4	Commercial Fisheries / Westward Region Fisheries Management	Alleviate Shortfall in Bering Sea/Aleutian Islands Crab Test Fishery Receipts	Net Zero  \$1,000.0 Gen Fund (UGF) (\$1,000.0) Test Fish (DGF) IncOTI	Does the Westward Region have any Test Fishery receipts remaining?  Does the agency anticipate any test fishery activity in the Westward Region in FY24?
<b>Agency Response:</b> Westward region does have test fishery receipts remaining. Collected revenue to date has been approximately \$600.0 resulting in a current balance of \$3,003.3. Additional revenues are expected and some of that remaining balance will be used in the upcoming season resulting in an end of FY2024 projected balance of \$2,768.6. It is anticipated that the remaining spending authority will be used by the end of the fiscal year.				

**Department of Fish and Game  
FY24 Midyear Status Report**

Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
5	Sport Fisheries / Sport Fisheries	Restore Authority to Sport Fish Projects Post Pandemic	\$500.0 Fish/Game (Other)	Which projects were reinstated, and what is the associated level of funding for each one?
<b>Agency Response:</b> The majority of the FGF increase had to cover personal service increases as well as extended projects for Fish Creek and Deshka River weirs for coho and Jim Creek weir was reinstated for coho, details listed below. No new projects were launched other than those in FY23 within the Susitna drainage. <ul style="list-style-type: none"> <li>• Fish Creek Weir: \$25.1K added; extended for 2 months</li> <li>• Deshka River weir: \$40.8K added; extended for 1 month</li> <li>• Jim Creek weir: \$55.0K; "reinstated" for 2.5 months</li> </ul>				
6	Sport Fisheries / Sport Fisheries	Funding for Rockfish Survey	\$50.0 Fish/Game (Other)	Has this funding been used to increase rockfish survey activity over prior year efforts? How is this different from prior years' work.
<b>Agency Response:</b> We are in process of developing the RSA to Comm Fish that will augment rockfish surveys in Southeast.				
7	Sport Fisheries / Sport Fisheries	Add Funding for the Deshka Weir, Jim Creek Weir, and Fish Creek Weir	\$121.0 Fish/Game (Other)	How much additional operation time did this funding provide at the affected weirs?
<b>Agency Response:</b> <ul style="list-style-type: none"> <li>• Fish Creek Weir: extended for 2 months</li> <li>• Deshka River weir: extended for 1 month</li> <li>• Jim Creek weir: extended for 2.5 months</li> </ul>				
8	Anchorage and Fairbanks Hatcheries / Anchorage and Fairbanks Hatcheries	Increased Costs of Utilities Supplemental	\$300.0 Gen Fund (UGF)	Is the agency likely to need a similar FY24 supplemental?
<b>Agency Response:</b> The supplemental budget should be released shortly and conversations are ongoing with OMB.				
9	Wildlife Conservation / Wildlife Conservation	State Match for Increased Pittman-Robertson Funding	\$2,080.1 Fish/Game (Other)	Does the agency have sufficient match and receipt authority for current levels of federal PR receipts?  Is there a list of current projects? I see the In-Progress Projects under Hunter Access on your website, but I'm guessing this isn't everything?

**Department of Fish and Game  
FY24 Midyear Status Report**

Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
<p><b>Agency Response:</b> DWC has sufficient match and receipt authority for FY24. This is due to a one-time increment from the legislature for the FY24 budget. DWC would like to maintain the increment in FY25 to ensure we maintain sufficient and match for PR receipts.</p> <p>A list of projects can be provided.</p>				
10	Wildlife Conservation / Wildlife Conservation	Support and Outreach of Non-Pittman-Robertson Projects	\$1,302.0 Gen Fund (UGF) IncOTI	Which agency projects does this funding support? Are these new projects, or regular agency work?
<p><b>Agency Response:</b> The increased GF is to support the Marine Mammals and the Threatened and Endangered Species Program as part of their efforts to decrease unnecessary federal Endangered Species Act and Marine Mammal Protection Act regulations that stymie development and other economic activities.</p> <p>The projects are a mix of both new and regular due to the nature of their funding.</p>				

## **6: FY 25 Proposed Budget Items**

**2024 Legislature - Operating Budget  
Appropriation Summary - FY25 Governor Structure**

Numbers and Language  
agencies: F&G

Appropriation	[1] 24Enroll	[2] 24Auth	[3] 24MgtPIn	[4] AdjBase	[5] Gov	[5] - [3] 24MgtPIn to Gov	[5] - [4] AdjBase to Gov
<b>Fish and Game</b>							
Commercial Fisheries	83,946.6	83,946.6	83,946.6	84,957.0	86,227.0	2,280.4 2.7 %	1,270.0 1.5 %
Sport Fisheries	45,085.5	45,085.5	45,085.5	44,855.8	44,855.8	-229.7 -0.5 %	0.0
Anchorage/Fairbanks Hatcheries	6,028.1	6,028.1	6,028.1	6,716.4	7,066.4	1,038.3 17.2 %	350.0 5.2 %
Southeast Hatcheries	846.1	846.1	846.1	1,346.1	1,346.1	500.0 59.1 %	0.0
Wildlife Conservation	67,956.7	67,956.7	67,956.7	63,080.0	69,630.2	1,673.5 2.5 %	6,550.2 10.4 %
Statewide Support Services	26,865.8	26,865.8	26,865.8	26,170.7	26,057.0	-808.8 -3.0 %	-113.7 -0.4 %
Habitat	5,850.0	5,850.0	5,850.0	6,051.1	6,051.1	201.1 3.4 %	0.0
Subsistence Research/Monitoring	6,323.6	6,323.6	6,323.6	6,530.5	6,630.5	306.9 4.9 %	100.0 1.5 %
<b>Agency Total</b>	<b>242,902.4</b>	<b>242,902.4</b>	<b>242,902.4</b>	<b>239,707.6</b>	<b>247,864.1</b>	<b>4,961.7 2.0 %</b>	<b>8,156.5 3.4 %</b>
<b>Statewide Total</b>	<b>242,902.4</b>	<b>242,902.4</b>	<b>242,902.4</b>	<b>239,707.6</b>	<b>247,864.1</b>	<b>4,961.7 2.0 %</b>	<b>8,156.5 3.4 %</b>
<b>Funding Summary</b>							
Unrestricted General (UGF)	65,292.5	65,292.5	65,292.5	64,603.0	68,180.9	2,888.4 4.4 %	3,577.9 5.5 %
Designated General (DGF)	13,121.3	13,121.3	13,121.3	13,344.4	12,820.9	-300.4 -2.3 %	-523.5 -3.9 %
Other State Funds (Other)	75,911.2	75,911.2	75,911.2	71,493.9	76,696.0	784.8 1.0 %	5,202.1 7.3 %
Federal Receipts (Fed)	88,577.4	88,577.4	88,577.4	90,266.3	90,166.3	-1,588.9 -1.8 %	-100.0 -0.1 %

**Department of Fish and Game**  
**FY2025 - Summary of Significant Budget Issues**  
(\$ thousands)

**Narrative report for significant items in the Governor's FY25 operating budget.**

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Various	Increased Cost of Services Due to Inflation	\$800.0 Gen Fund (UGF)	<p>The cost of utilities, fuel, air charters, food, and maintenance services has increased significantly in recent years. The agency received an <b>FY23 supplemental appropriation of \$893.0</b> (\$593.0 for Commercial Fisheries and \$300.0 for Anchorage and Fairbanks Hatcheries), but supplemental funding is not added to the base budget, and the Governor did not request an FY24 increment. In FY25, funding increases are requested to cover inflationary costs in the following appropriations and allocations:</p> <p><b>Commercial Fisheries Management Total: \$435.0</b>  Southeast Region - \$50.0  Central Region - \$100.0  Arctic Yukon Kuskokwim Region - \$75.0  Westward Region - \$75.0  Statewide Fisheries Management - \$50.0  -SW Pathology Laboratory - \$35.0  -Mark, Tag, and Age Laboratory - \$50.0</p> <p><b>Anchorage and Fairbanks Hatcheries: \$350.0</b></p> <p><b>Statewide Support Services, Boards of Fisheries and Game: \$15.0</b></p>
2	Commercial Fisheries / Various	Add Administrative Support in the Commercial Fisheries Division	\$175.0 Gen Fund (UGF) 2 PFT Positions	<p><b>Southeast Region: 1 PFT and \$85.0</b>  -Administrative Assistant 1</p> <p><b>Arctic Yukon Kuskokwim Region: 1 PFT and \$90.0</b>  -Accounting Technician 1  -Reclassify an existing Accounting Technician 2 to an Accounting Technician 3</p>
3	Commercial Fisheries / Various	Add Authority to Contract with Non-State Entities to Fund Agency Surveys and Projects that Would Not Otherwise Occur	\$400.0 Stat Desig (Other)	<p>Statutory Designated Program Receipt (SDPR) authority is requested in multiple allocations, which will allow the agency to receive non-State funding sources in support of specific survey and project activities. Receipts through this authority are a direct reimbursement for costs that would not otherwise be incurred by the agency in their normal course of business. Unused receipts lapse back to the non-State entity at the conclusion of the contract.</p> <p><b>Southeast Region Fisheries Management</b>  Pacific Salmon Commission Northern Fund Projects - \$200.0</p>

**Department of Fish and Game**  
**FY2025 - Summary of Significant Budget Issues**  
(\$ thousands)

Narrative report for significant items in the Governor's FY25 operating budget.

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
3	Commercial Fisheries / Various	Add Authority to Contract with Non-State Entities to Fund Agency Surveys and Projects that Would Not Otherwise Occur	\$400.0 Stat Desig (Other)	(continued)  <b>Westward Region Fisheries Management</b> Red King Crab surveys supported by the North Pacific Research Board - \$100.0  <b>Statewide Fisheries Management</b> Kelp Genetics project supported by Southeast Conference - \$100.0
4	Commercial Fisheries / Statewide Fisheries Management	Alleviate Shortfall in Commercial Crew Member License Receipts	<b>Net Zero</b>  \$783.5 Gen Fund (UGF) (\$1,500.0) GF/ Prgm (DGF) \$716.5 CFEC Rcpts (DGF)	In FY23, General Fund Program Receipt Authority was added in order to spend down the agency's balance of Commercial Crew Member License receipts, and to ease pressure on the Commercial Fisheries Entry Commission (CFEC) fund which was over-appropriated. Now that the balance of Commercial Crew receipts has been depleted, the authority is replaced again with a split of general funds and CFEC receipts.  <b>Fiscal Analyst Comment:</b> At this level of budgeted authority, the CFEC fund is projected to be over-expended again by FY30. In FY23 the Commercial Fisheries Division (including CFEC) under-spent their CFEC authority by \$859.6. The operating bill includes Carryforward language that allows the agency to carry forward unexpended CFEC receipts up to the amount appropriated for that fiscal year. If the agency continues to under-spend its authority, the fund balance projection will improve. This could also be addressed by removing hollow receipt authority if it exists.
5	Commercial Fisheries / Commercial Fisheries Entry Commission	Contract Services for Tech Upgrade for In-House Applications (FY2025-FY2026)	\$300.0 CFEC Rcpts (DGF) <b>MultiYr</b>	In FY24, the legislature approved a \$150.0 Temporary Increment (FY24 - FY27) of CFEC receipts to support a technology upgrade project. The Governor proposes to replace that funding with a \$300.0 Multiyear appropriation that can be expended between FY25 and FY26. This allows the agency to access the full appropriation at the onset of that Multiyear time-frame and reflects an updated total project cost of \$450.0; a decrease of \$150.0 from the original four-year appropriation.  <b>Items 5 and 6 are related.</b>

**Department of Fish and Game**  
**FY2025 - Summary of Significant Budget Issues**  
(\$ thousands)

**Narrative report for significant items in the Governor's FY25 operating budget.**

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
6	Commercial Fisheries / Commercial Fisheries Entry Commission	Eliminate Temporary Increment for Contract Services for Tech Upgrade for In-House Applications (FY2024-FY2027)	(\$150.0) CFEC Rcpts (DGF)	A Temporary Increment for CFEC technology upgrades is terminated early in order to fund the project as a \$300.0 Multiyear appropriation and reduce total project funding by \$150.0.  <b>Items 5 and 6 are related.</b>
7	Commercial Fisheries / Commercial Fisheries Entry Commission	Inflation and Increased Lease Costs	\$100.0 CFEC Rcpts (DGF)	The Commercial Fisheries Entry Commission has absorbed lease contract increases over the past five years, as well as other inflationary cost increases. This request would add those costs to the base budget using CFEC receipts.
8	Sport Fisheries / Sport Fisheries	Replace Unavailable Capital Improvement Project Receipts to Support Existing Programs	<b>Net Zero</b>  \$1,100.0 Fish/Game (Other) (\$1,100.0) CIP Rcpts (Other)	Fish and Game Fund authority is added to maintain the FY24 level of support for agency work related to a capital project that is otherwise funded with Federal Pacific Coastal Salmon Recovery Fund receipts. The level of Federal funding decreased by \$1 million between FY24 and FY25, in accordance with the capital project projections.
9	Wildlife Conservation / Wildlife Conservation	Add Two Natural Resource Specialists (11-#019, 11-#020) for Statehood Defense in Federal Subsistence Board Arena	\$300.0 I/A Rcpts (Other) <b>2 PFT Positions</b>	Positions are added to address an increased workload related to the review of Federal Subsistence Board proposals and statehood defense activity.
10	Wildlife Conservation / Wildlife Conservation	Maintain Agency Operations Funding in the Base	<b>Total: \$6,303.0</b>  \$1,302.0 Gen Fund (UGF) \$5,001.0 Fish/Game (Other)	In FY23 and again in FY24, the legislature converted two segments of the Wildlife Conservation Division's base operating funding to One-Time Increments. The Governor requested that the funding be restored to the base in FY24 and again in the FY25 proposed budget.  <b>General funds</b> are specifically appropriated to support the Endangered Species and Marine Mammals Programs for work that cannot be funded by Federal or Fish and Game Fund receipts.  <b>Fish and Game Fund</b> authority is used as 1:3 match to receive Federal Pittman-Robertson funds that also support agency operations.
11	Statewide Support Services / Administrative Services	Soldotna Lease Adjustment to Provide Suitable Workspace and Employee Bunkhouses	\$100.0 Gen Fund (UGF)	Funding is added to allow the agency to terminate an unsuitable lease in Soldotna, and initiate a new lease in a facility that is owned by the University of Alaska and has the added recruitment and retention benefit of providing bunkhouses for seasonal Fish and Game staff in the area. The agency reports that "the current Soldotna building has sloped flooring, plumbing and

**Department of Fish and Game**  
**FY2025 - Summary of Significant Budget Issues**  
(\$ thousands)

**Narrative report for significant items in the Governor's FY25 operating budget.**

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
11	Statewide Support Services / Administrative Services	Soldotna Lease Adjustment to Provide Suitable Workspace and Employee Bunkhouses	\$100.0 Gen Fund (UGF)	(continued) electrical issues, exposed insulation, and a roof leak," impacting both seasonal and permanent staff in that location.
12	Statewide Support Services / Administrative Services	Add Part-Time Program Coordinator 2 (11-#026) for Employee Safety Program	<b>Total: \$404.2</b> \$326.0 Gen Fund (UGF) \$78.2 I/A Rcpts (Other) <b>1 PPT Position</b>	A Program Coordinator 2 is requested with an additional \$300.0 of funding for services to establish a centralized Employee Safety Program for the Department of Fish and Game.  The agency reports that "a recent employee survey found that safety is a principal concern. Many new employees have no field experience and need training to safely operate a boat or skiff, handle firearms, respond to vessel or aircraft emergencies, and address basic first aid needs. Hundreds of staff work in remote areas that are difficult for emergency responders to reach. This position will manage the department's safety programs and ensure the use of up-to-date materials, safety technology, and coordinate access to safety classes."
13	Statewide Support Services / Administrative Services	Add Three Information Technology Positions (11-#021, 11-#024, 11-#025) for Help Desk	<b>Total: \$381.0</b> \$91.4 Gen Fund (UGF) \$289.6 I/A Rcpts (Other) <b>3 PFT Positions</b>	Three new Helpdesk positions will be supported with a mix of general funds and Interagency (I/A) receipt authority. The divisions will use existing fund sources to support this I/A increase.



# 2024 Legislature - Operating Budget Transaction Compare - FY25 Governor Structure Between AdjBase and Gov

Numbers and Language  
Differences  
Agencies: F&G

Agency: Department of Fish and Game

Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Commercial Fisheries</b>												
<b>Southeast Region Fisheries Management</b>												
Add Administrative Assistant 1 (11-#038) to Support Southeast Region Fisheries Management												
	Gov	Inc	85.0	85.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Add a full-time Administrative Assistant 1 (11-#038), range 12, located in Juneau to support the region and provide backup support to the statewide region.												
1004 Gen Fund (UGF)			85.0									
Increased Cost of Services Due to Inflation												
	Gov	Inc	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0	0	0
The Division of Commercial Fisheries has experienced increased utilities, janitorial, food, fuel, maintenance, and air charter costs. Air charters are averaging \$61 per hour over prior year costs												
1004 Gen Fund (UGF)			50.0									
Add Statutory Designated Program Receipt Authority for Pacific Salmon Commission Northern Fund Agreements Project												
	Gov	Inc	200.0	0.0	0.0	200.0	0.0	0.0	0.0	0	0	0
Additional statutory designated program receipt authority is needed for the Pacific Salmon Commission Northern fund agreements project.												
1108 Stat Desig (Other)			200.0									
<b>* Allocation Difference *</b>												
			335.0	85.0	0.0	250.0	0.0	0.0	0.0	1	0	0
<b>Central Region Fisheries Management</b>												
Increased Cost of Services Due to Inflation												
	Gov	Inc	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0	0	0
The Division of Commercial Fisheries has experienced increased utilities, janitorial, food, fuel, maintenance, and air charter costs. Air charters are averaging \$61 per hour over prior year costs.												
1004 Gen Fund (UGF)			100.0									
<b>* Allocation Difference *</b>												
			100.0	0.0	0.0	100.0	0.0	0.0	0.0	0	0	0
<b>AYK Region Fisheries Management</b>												
Add an Accounting Technician 1 and Reclassify an Existing Accounting Technician 2 to an Accounting Technician 3												
	Gov	Inc	90.0	90.0	0.0	0.0	0.0	0.0	0.0	1	0	0
These two Accounting Technicians (11-#038, 11-7019) will Support Arctic Yukon Kuskokwim Region Fisheries Management												
Full-time Accounting Technician 1 (11-#038), range 12, located in Anchorage												
Full-time Accounting Technician 3 (11-7019), range 14, located in Anchorage												
1004 Gen Fund (UGF)			90.0									
Increased Cost of Services Due to Inflation												
	Gov	Inc	75.0	0.0	0.0	75.0	0.0	0.0	0.0	0	0	0
The Division of Commercial Fisheries has experienced increased utilities, janitorial, food, fuel, maintenance, and air charter costs. Air charters are averaging \$61 per hour over prior year costs.												
1004 Gen Fund (UGF)			75.0									
<b>* Allocation Difference *</b>												
			165.0	90.0	0.0	75.0	0.0	0.0	0.0	1	0	0

# 2024 Legislature - Operating Budget Transaction Compare - FY25 Governor Structure Between AdjBase and Gov

Numbers and Language  
Differences  
Agencies: F&G

Agency: Department of Fish and Game

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TNP
<b>Commercial Fisheries (continued)</b>													
<b>Westward Region Fisheries Management</b>													
Statutory Receipt Authority to Contract with the North Pacific Research Board in Support of Agency Red King Crab Surveys	Gov	Inc	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
Additional statutory designated program receipt authority is needed for North Pacific Research Board red king crab proposals.													
1108 Stat Desig (Other)			100.0										
Increased Cost of Services Due to Inflation	Gov	Inc	75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Commercial Fisheries has experienced increased utilities, janitorial, food, fuel, maintenance, and air charter costs. Air charters are averaging \$61 per hour over prior year costs.													
1004 Gen Fund (UGF)			75.0										
<b>* Allocation Difference *</b>													
			175.0	0.0	0.0	175.0	0.0	0.0	0.0	0.0	0	0	0
<b>Statewide Fisheries Management</b>													
Pathology Laboratory Cost Increases Due to Inflation	Gov	Inc	35.0	13.0	0.0	22.0	0.0	0.0	0.0	0.0	0	0	0
Add authority to address inflation and maintain pathology laboratory services.													
1004 Gen Fund (UGF)			35.0										
Mark, Tag, and Age Laboratory Cost Increases Due to Inflation	Gov	Inc	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Add authority to address inflation and maintain the Mark, Tag, and Age Laboratory (MTAL).													
1004 Gen Fund (UGF)			50.0										
Increased Cost of Services Due to Inflation	Gov	Inc	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Commercial Fisheries has experienced increased utilities, janitorial, food, fuel, maintenance, and air charter costs. Air charters are averaging \$61 per hour over prior year costs.													
1004 Gen Fund (UGF)			50.0										
Add Statutory Designated Program Receipt Authority to Support the Kelp Genetics Project	Gov	Inc	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
Additional statutory designated program receipt authority is needed for the Kelp Genetics project.													
1108 Stat Desig (Other)			100.0										
Alleviate Shortfall in Commercial Crew Member License Receipts	Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Align authority with anticipated commercial crew member license receipts.													
1004 Gen Fund (UGF)			783.5										
1005 GF/Prgrm (DGF)			-1,500.0										
1201 CFEC Rcpts (DGF)			716.5										
<b>* Allocation Difference *</b>													
			235.0	63.0	0.0	172.0	0.0	0.0	0.0	0.0	0	0	0
<b>Commercial Fisheries Entry Commission</b>													
L Contract Services for Tech Upgrade for In-House Applications (FY2025-FY2026)	Gov	MultYr	300.0	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0	0	0
The Commercial Fisheries Entry Commission (CFEC) houses proprietary in-house software applications. Currently, three programming languages are utilized for the various applications that the agency uses. Additional programming is needed to refresh and upgrade the software with the goal of utilizing common modern platforms													

## Numbers and Language Differences

### Commercial Fisheries (continued)

**Contract Services for Tech Upgrade for In-House Applications (FY2025-FY2026)**

The amount of \$300,000 is appropriated from commercial fisheries entry commission receipts for the purpose of information technology upgrade projects for the fiscal years ending June 30, 2025, and June 30, 2026.

### Eliminate Temporary Increment for Contract

Applications (FY2024-FY2027)

Reverse temporary authority for software application upgrades. The Governor's 12/15 budget replaces this IncT with a new Multiyear for \$300.0 (FY25-FY27).

### Inflation and Increased Lease Costs

Over the next five years,	100.0
1201 CFEC Rcpts (DGF)	100.0

## Computer Refresh

1201 CFEC Rcpts (DGF) 10.0

### Allocation Difference

### Appropriation Difference

## Sport Fisheries

### Project Receipts to Support Existing Programs

Game	1024 Fish/Game (Other)	1,100.0
1024 Fish/Game (Other)	1,100.0	

**cation Difference \***

**Abstract**

## ANCHORAGE AND FAIRBANKS HATCHERIES

## Sport Fish Hatcheries Utility Cost Increases

2024-01-15 17:16:03

Page: 3

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	TPT
Commercial Fisheries (continued)												
Commercial Fisheries Entry Commission (continued)												
Contract Services for Tech Upgrade for In-House Applications (FY2025-FY2026) (continued)												
and languages across all applications. CFEC was granted a three-year temporary increase for this project and requests to combine the remaining two years to allow for flexibility within the project.												
The amount of \$300,000 is appropriated from commercial fisheries entry commission receipts for the purpose of information technology upgrade projects for the fiscal years ending June 30, 2025, and June 30, 2026.												
1201 CFEC Rcpts (DGF)	Gov	Dec	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0
Eliminate Temporary Increment for Contract Services for Tech Upgrade for In-House Applications (FY2024-FY2027)												
Reverse temporary authority for software application upgrades. The Governor's 12/15 budget replaces this IncT with a new Multiyear for \$300.0 (FY25-FY27).												
1201 CFEC Rcpts (DGF)	Gov	Inc	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0
Inflation and Increased Lease Costs Add Authority for inflation and increased lease costs. Lease costs have increased by approximately \$20.0 annually over the last five years.												
1201 CFEC Rcpts (DGF)	Gov	Inc	10.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0	0
Establish and Fund Purchasing Schedule for Computer Refresh												
The Commercial Fisheries Entry Commission's computer inventory is aged. The agency needs to adopt a purchasing schedule through the State's contract and maintain warranty coverage. This would also ensure compatibility with Office of Information Technology standards and ensure that applications are regularly patched.												
1201 CFEC Rcpts (DGF)			260.0	0.0	0.0	250.0	10.0	0.0	0.0	0.0	0	0
* Allocation Difference *			1,270.0	238.0	0.0	1,022.0	10.0	0.0	0.0	0.0	2	0
** Appropriation Difference **												
Sport Fisheries												
Sport Fisheries												
Replace Unavailable Capital Improvement Project Receipts to Support Existing Programs												
Replace unavailable capital improvement project receipts to support existing programs.												
1024 Fish/Game (Other)	Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
1061 CIP Rcpts (Other)			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
* Allocation Difference *												
** Appropriation Difference **												
Anchorage and Fairbanks Hatcheries												
Anchorage and Fairbanks Hatcheries												
Sport Fish Hatcheries Utility Cost Increases												
	Gov	Inc	350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0

**Numbers and Language Differences**  
**Agencies: F&G**

## Page: 4

[illegible]

# 2024 Legislature - Operating Budget Transaction Compare - FY25 Governor Structure Between AdjBase and Gov

Numbers and Language  
Differences  
Agencies: F&G

Agency: Department of Fish and Game

	Column	Trans Type	Expenditure	Total	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TNP
<b>Wildlife Conservation (continued)</b>														
<b>Wildlife Conservation (continued)</b>														
Add Two Natural Resource Specialists (11-#019, 11-#020) for Statehood Defense in Federal Subsidence Board Arena (continued)														
FPCN - TBD, full-time, Natural Resource Specialist (11-#019), range 18, located in Anchorage														
FPCN - TBD, full-time, Natural Resource Specialist (11-#020), range 18, located in Anchorage														
1007 IIA Rcpts (Other)	Gov	Dec	-52.8	-23.0	-2.0	-24.8	-3.0	0.0	0.0	0.0	0.0	0	0	0
Delete Statutory Designation Program Receipt Authority No Longer Needed														
The Division of Wildlife Conservation shifted statutory designated program receipt (SDPR) funded projects to capital, reducing the need for SDPR receipt authority in the operating budget.														
1108 Stat Desig (Other)	Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Align Authority for the Marine Mammals Program														
Align authority with anticipated expenditures.														
1002 Fed Rcpts (Fed)														
1061 CIP Rcpts (Other)														
<b>* Allocation Difference *</b>														
<b>** Appropriation Difference **</b>														
			6,550.2	5,680.0	48.0	625.2	197.0	0.0	0.0	0.0	0.0	2	0	0
			6,550.2	5,680.0	48.0	625.2	197.0	0.0	0.0	0.0	0.0	2	0	0

## Statewide Support Services

### Administrative Services

Soldotna Lease Adjustment to Provide Suitable Workspace and Employee Bunkhouses

This request will allow the Department of Fish and Game (DFG) to terminate the lease agreement in the current Soldotna building and move into a more suitable building owned by the University of Alaska, which will also provide bunkhouses for DFG staff in the area.

The current Soldotna building has sloped flooring, plumbing and electrical issues, exposed insulation, and a roof leak.

1004 Gen Fund (UGF)

Add Part-Time Program Coordinator 2 (11-#026) for Employee Safety Program

Add part-time Program Coordinator 2 (11-#026), range 20 located in Juneau. A recent employee survey found that safety is a principal concern. Many new employees have no field experience and need training to safely operate a boat or skiff, handle firearms, respond to vessel or aircraft emergencies, and address basic first aid needs. Hundreds of staff work in remote areas that are difficult for emergency responders to reach. This position will manage the department's safety programs and ensure the use of up-to-date materials, safety technology, and coordinate access to safety classes.

This position will work closely with divisional staff and other departments while conducting audits on current safety materials, tracking improvements, and determining a timeline for staff to conduct training. Examples of courses include Aviation and Survival & Egress Training, Wilderness Survival, CPR and basic first aid. If this request is not

# 2024 Legislature - Operating Budget Transaction Compare - FY25 Governor Structure Between AdjBase and Gov

Numbers and Language  
Differences  
Agencies: F&G

Agency: Department of Fish and Game

Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	THP
<b>Statewide Support Services (continued)</b>												
<b>Administrative Services (continued)</b>												
Add Part-Time Program Coordinator 2 (11-#026) for Employee Safety Program (continued)												
approved, the department will not have coordinated oversight over safety procedures and safety training will remain at the divisional level.												
1004 Gen Fund (UGF)		326.0										
1007 I/A Rcpts (Other)		78.2										
Add Three Information Technology Positions (11-#021, 11-#024, 11-#025) for Help Desk	Gov	381.0	381.0	0.0	0.0	0.0	0.0	0.0	0.0	3	0	0
Add three Information Technology Positions to perform help desk duties.												
Full-time Micro/Network Technician 1/2 (11-#021) flex range 14/16 located in Juneau												
Full-time Micro/Network Specialist 1/2 (11-#024) flex range 18/20 located in Juneau												
Full-time Systems Programmer 1/2 (11-#025) flex range 20/22 located in Juneau												
1004 Gen Fund (UGF)		91.4										
1007 I/A Rcpts (Other)		289.6										
<b>* Allocation Difference *</b>		885.2	485.2	0.0	400.0	0.0	0.0	0.0	0.0	3	1	0
<b>Boards of Fisheries and Game</b>												
Board Support Section Travel Cost Increases	Gov	15.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Boards Support Section requests an increase for travel related to statutorily required board meetings to help offset rising costs												
Both boards operate on three-year cycles, addressing different locations around the state each cycle. In FY2025, the Board of Fisheries is scheduled to hold a two-day work session in Anchorage, a seven-day regulatory meeting in Cordova, a 13-day meeting in Ketchikan, and a six-day meeting in Anchorage. The Board of Game is expected to hold a nine-day meeting in Wasilla and a nine-day meeting in Anchorage or Fairbanks. The Boards Support Section also relies on staff presence at board meetings to fulfill additional responsibilities related to increased public participation, processing and distributing a high volume of public comments, providing multi-camera video production for live internet streaming, and facilitating digital remote participation for key participants or presenters who are unable to attend in person.												
1004 Gen Fund (UGF)		15.0										
<b>* Allocation Difference *</b>		15.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>State Facilities Maintenance</b>												
Reduce State Facilities Maintenance Receipt Authority to Align with Anticipated Collections	Gov	-1,013.9	0.0	0.0	-1,013.9	0.0	0.0	0.0	0.0	0	0	0
Align interagency receipt authority with anticipated collections.												
1007 I/A Rcpts (Other)		-1,013.9										
<b>* Allocation Difference *</b>		-1,013.9	0.0	0.0	-1,013.9	0.0	0.0	0.0	0.0	0	0	0
<b>** Appropriation Difference **</b>		-113.7	485.2	15.0	-613.9	0.0	0.0	0.0	0.0	3	1	0

2024 Legislature - Operating Budget  
Transaction Compare - FY25 Governor Structure  
Between AdjBase and Gov

Numbers and Language  
Differences  
Agencies: F&G

Agency: Department of Fish and Game

Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TWP
Gov	Inc	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Subsistence Research & Monitoring												
State Subsistence Research												
Increased CIP Authority for PR-Funded Projects												
in Collaboration with the Division of Wildlife												
Conservation												
Due to the increase in Pittman Roberts funding, the State Subsistence Research unit has increased the number of												
collaborative projects with the Division of Wildlife Conservation and requests additional capital improvement												
project receipt authority to cover future projects.												
1061 CIP Rcpts (Other) 100.0												
* Allocation Difference *												
** Appropriation Difference **												
*** Agency Difference ***												
**** All Agencies Difference ****												
		100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		8,156.5	6,503.2	63.0	1,383.3	207.0	0.0	0.0	0.0	7	1	0
		8,156.5	6,503.2	63.0	1,383.3	207.0	0.0	0.0	0.0	7	1	0

## Column Definitions

**AdjBase (FY25 Adjusted Base)** - FY24 Management Plan less One-Time Items (OTIs), plus FY25 Position Adjustments (PosAdjs), Transfers In/Out of allocations (TrIns and TrOuts), Line Item Transfers (LITs), Temporary Increments (IncTs) initiated in prior years, adjustments to formula programs in language, and additions for statewide items such as Salary Adjustments (SalAdjs). The Adjusted Base is the base to which the Governor's and the legislature's Increments (Incs), Decrements (Decs), and Fund Changes (FndChg) are added.

**Gov (Gov's FY25 Operating (12/15))** - Includes FY25 Adjusted Base plus the Governor's operating budget requests for Increments (Incs), Decrements (Decs), Fund Changes (FndChgs), and Language (Lang) transactions submitted on December 14, 2023.



2024 Legislature - Operating Budget  
Wordage Report - FY25 Governor Structure  
B=Both Bills, O=Operating Only, M=Mental Health

Agency: Department of Fish and Game

Gov

Conditional Language

The amount appropriated for the Department of Fish and Game includes the unexpended and unobligated balance on June 30, 2024, of receipts collected under the Department of Fish and Game's federal indirect cost plan for expenditures incurred by the Department of Fish and Game.

B

**Ap: Commercial Fisheries**

Conditional Language

The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2024, of the Department of Fish and Game receipts from commercial fisheries test fishing operations receipts under AS 16.05.050(a)(14), and from commercial crew member licenses.

B

**Al: Commercial Fisheries Entry Commission**

Conditional Language

The amount allocated for Commercial Fisheries Entry Commission includes the unexpended and unobligated balance on June 30, 2024, of the Department of Fish and Game, Commercial Fisheries Entry Commission program receipts from licenses, permits and other fees.

B

## **7: Intent Responses**

## **8: Department Overview**

# **State of Alaska FY2025 Governor's Operating Budget**

**Department of Fish and Game**

## Department of Fish and Game

### Mission

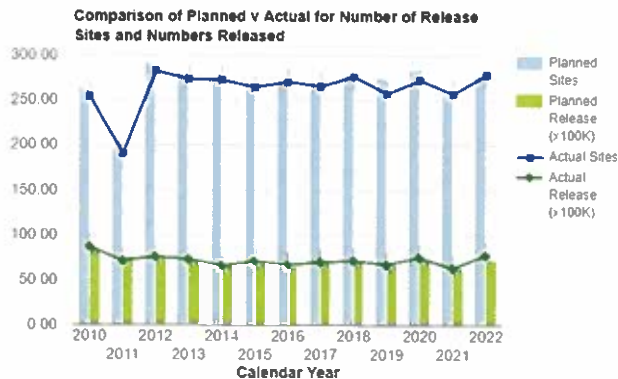
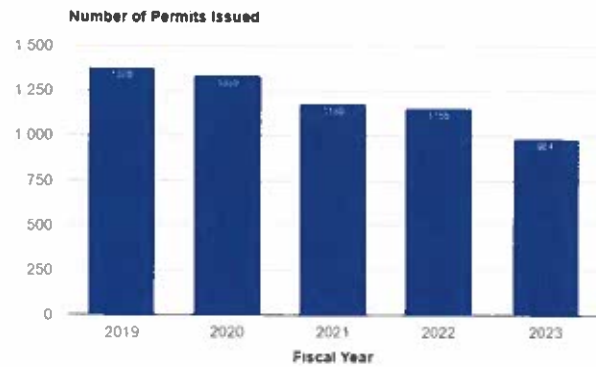
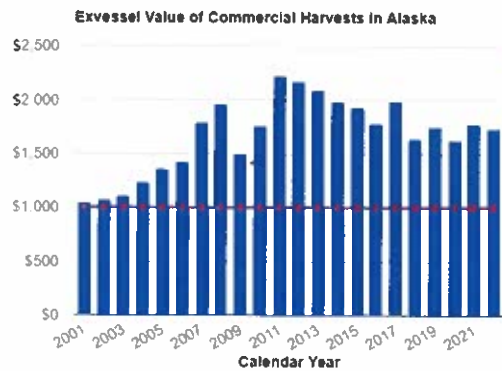
To protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the best interest of the economy and the well-being of the people of the state, consistent with the sustained yield principle. Alaska Constitution Article 8, Sec. 4; Alaska Statute (AS) 16.05.020(2)

Core Services (in priority order)	UGF	DGF	Other	Fed	Total	PFT	PPT	NP	% GF
1 Management	31,020.7	5,104.9	38,272.3	47,309.2	121,707.0	427.0	271.3	1.0	46.1%
2 Stock Assessment and Research	24,756.0	7,506.5	20,294.7	21,638.0	74,195.2	247.5	238.3	0.0	41.1%
3 Customer Service and Public Involvement	9,515.7	510.0	17,344.2	19,630.3	47,000.2	154.5	83.4	0.0	12.8%
<b>FY2024 Management Plan</b>	<b>65,292.5</b>	<b>13,121.3</b>	<b>75,911.2</b>	<b>88,577.4</b>	<b>242,902.4</b>	<b>829.0</b>	<b>593.0</b>	<b>1.0</b>	

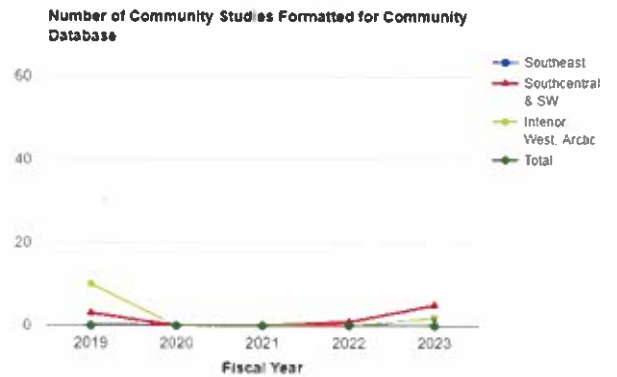
### Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results/>.)

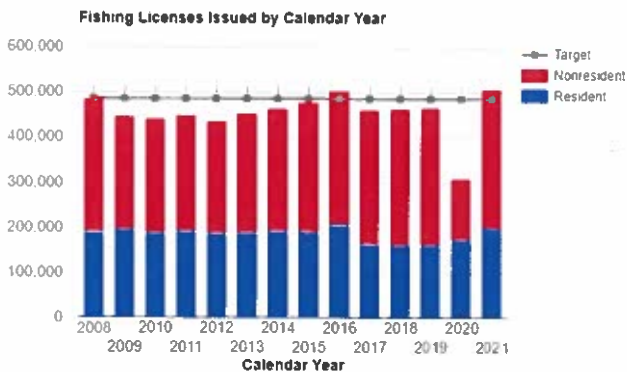
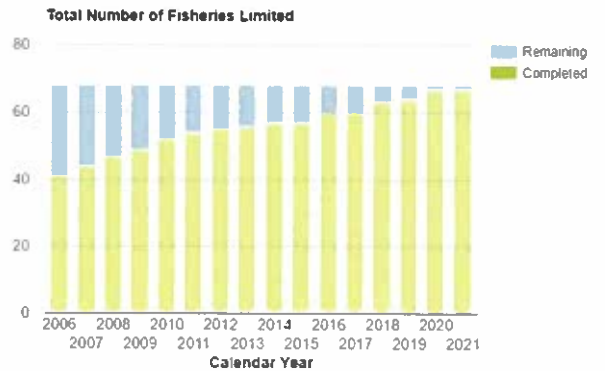
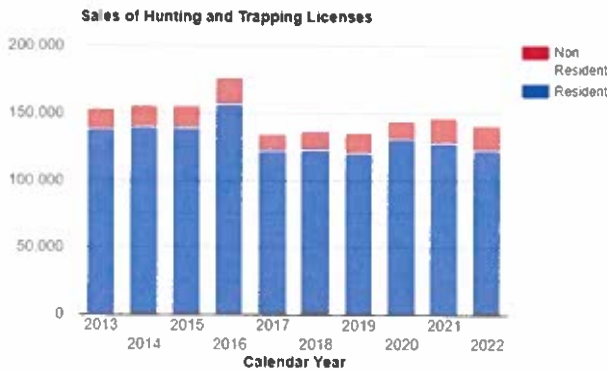
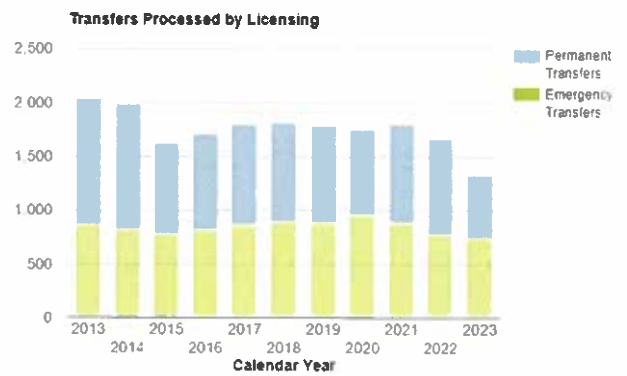
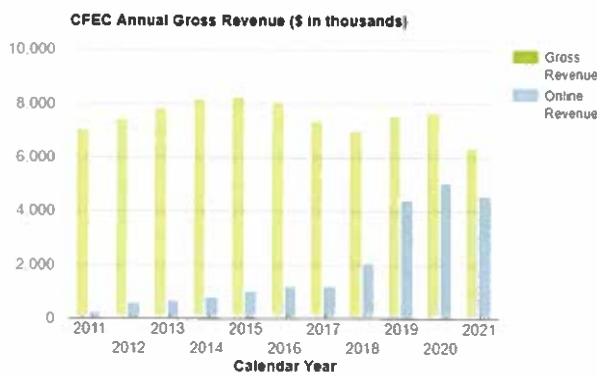
#### 1. Management



## 2. Stock Assessment and Research



## 3. Customer Service and Public Involvement



## Major Department Accomplishments in 2023

In navigating a post-pandemic landscape, the Alaska Department of Fish and Game (ADF&G) continued to diligently work to mitigate the lasting impacts on Alaskans. Despite the profound effects on Alaska's communities and the global economy, operations have nearly returned to normal. The necessary research and management infrastructure was in place to safely conduct fisheries and hunts across Alaska. Commercial fisheries, guided by sustained yield principles, were conducted across Alaska. Sport and personal use fisheries continued to operate, allowing anglers to fill their freezers, feed their families, and get outside. Subsistence fisheries and hunting also occurred, allowing subsistence harvesters opportunities to feed and support their communities while passing on traditions. Other hunts were also opened throughout the state providing various hunting opportunities for Alaskans and nonresidents and, along with charter fishing and guided hunting, provided much needed recreational opportunities and economic boosts to the state and local economies.

ADF&G's approach to management of Alaska's fish and wildlife resources continued to provide a substantial return on investment to state and local economies. The department turns a \$240 million dollar investment, of which \$65 million is general fund, into a return of over \$12.5 billion dollars annually. ADF&G manages fish and wildlife resources in a way that produces more jobs and economic value than any other sector of the economy. Tens of thousands of jobs and hundreds of small businesses rely on activities and opportunities associated with Alaska's fish and wildlife resources. These resources provide for the most valuable commercial fishing industry in the nation; are a cornerstone of our state's booming tourism industry; provide world class hunting, sport fishing, and wildlife viewing opportunities; and support an unequaled subsistence culture and economy. Harvest opportunities are critical in feeding families and preserving traditional and cultural practices vital to many Alaskans.

### Economic Value of Commercially Harvested Alaska Seafood:

Directly employs 62,000 workers annually, more than any other industry in Alaska, and is the largest private sector employer in Alaska.

Contributes \$163.2 million in taxes, fees, and self-assessments which help fund the State, local, and federal government.

Alaska seafood contributes an annual average of \$5.7 billion in economic output to state's economy.

Alaska exports over 2.2 billion pounds of seafood each year, returning over \$3 billion of new money into the U.S. economy.

### Economic Value of Sport Fisheries

15,879 jobs supported.

\$246 million in taxes contributed (adjusted for inflation, \$298.64 million in 2019 dollars).

\$545 million in income provided (adjusted for inflation, \$661.63 million in 2019 dollars).

\$1.6 billion industry output (adjusted for inflation, \$1.95 billion in 2019 dollars).

### Economic Value of Wildlife

More than 27,000 jobs supported.

\$1.4 billion in labor income (adjusted for inflation, \$1.57 billion in 2019 dollars).

\$3.4 billion spent by hunters and wildlife viewers (adjusted for inflation, \$3.87 billion in 2019 dollars).

\$4.1 billion economic activity statewide (adjusted for inflation, \$4.59 billion in 2019 dollars).

### Economic Value of Subsistence

The 2017 replacement value of the wild food harvest of communities outside non-subsistence areas is estimated between \$170-\$340 million annually. The amount for all Alaska communities is \$227-\$454 million annually.

### Economic Value Sources

- [\*The Economic Value of Alaska's Seafood Industry, January 2022\*](#)
  - Study by McDowell Reach Group – uses 2019 as the base year for economic impact numbers
- [\*Economic Impact and Contributions of Sportfishing in Alaska, 2007\*](#)
  - Professional Publication by Southwick Associates, Inc. in collaboration with ADF&G
- [\*The Economic Importance of Alaska's Wildlife in 2011\*](#)
  - ADF&G contracted with ECONorthwest on a study to quantify the economic importance of Alaska's Wildlife

- [Subsistence in Alaska: A Year 2017 Update](#)
  - ADF&G update report by the Subsistence Research Section

Resource Divisions	Annual Average Contribution to Alaska's Economy
Commercial Fisheries	\$5.7 billion
Sport Fishing	\$1.9 billion
Wildlife	\$4.6 billion
Subsistence	\$0.3 billion
<b>TOTAL</b>	<b>\$12.5 billion</b>

### Health and Safety of Employees and Customers

As a post-pandemic world began to take shape, the department continued to provide a high-level of public service and conducted research and management activities ensuring the health and safety of our employees and customers. While we continue to encourage ADF&G customers to utilize the online store and phone app, local area offices across the state remain open to serve the public in person, via email, and over the phone. Additionally, the department returned to holding in-person Board of Fisheries and Game meetings for the 2022-2023 regulatory cycle with a hybrid option in the event that key participants are not able to attend in person and to provide public access for anyone not comfortable attending the meetings in person. The department utilized this hybrid structure for Advisory Committee meetings, as well, to continue to enable remote participation in regulatory meetings.

ADF&G's unique safety concerns and protocols are inherent to the work of the department. Some employees operate machinery and lab equipment, as well as vessels and aircraft and work out of field camps with potentially dangerous wildlife and environmental conditions. Employee safety training and equipment needs have been prioritized by offering a wide range of safety trainings – some with the option to attend online courses as appropriate. Recognizing that employees face a variety of potential risks to safety and well-being, the department will continue to prioritize and identify opportunities to mitigate risk and take safety improvement-related actions this fiscal year.

### Statewide Salmon Harvest, Fishery Value, and Stock Status

The 2023 commercial salmon fishery all-species harvest was valued at approximately \$398.6 million, a significant decrease from 2022's value of \$720.4 million. A total of 230.2 million fish were harvested, a 43 percent increase from the 2022 total harvest of 160.7 million fish.

Sockeye salmon accounted for approximately 45 percent of the total value at \$181.1 million and 23 percent of the harvest at 51.8 million fish. Pink salmon comprised approximately 29 percent of the value at \$113.7 million and 66 percent of the harvest with

152.4 million fish. Chum salmon accounted for 19 percent of the value at \$74.6 million and approximately 10 percent of the harvest at 23.5 million fish. Coho salmon accounted for approximately four percent of the value at \$14.4 million and one percent of the harvest at 2.3 million fish. Chinook salmon harvest was estimated to be just under 235,000 fish with an estimated preliminary ex-vessel value of \$14.7 million. A total of 5,577 individual permit holders made commercial salmon landings in 2023, a decrease from 2022 (6,126 permits).

When compared to the long-term time-series (1985-2022), the 2023 all-species commercial salmon harvest of approximately 230.2 million fish and 919.7 million pounds was the fourth highest on record for total fish harvested and the seventh highest on record for total pounds harvested.

Alaska fisheries were impacted by market conditions this past year and these same conditions are likely in out years. The good news is that the supply of Alaska seafood does not appear to be the issue. Rather, international factors are impacting the prices of Alaskan seafood.

### Managing for Subsistence Harvest Priority

After ensuring sustainability, providing subsistence harvest opportunity is the department's highest priority. This is accomplished in several ways. When fisheries must be restricted for conservation purposes, subsistence fisheries remain the priority. In times of abundance, subsistence fisheries occur with few or no restrictions, and other fisheries continue under close management based on protection of weak stocks.

Several salmon stocks that are important for subsistence users returned in low numbers in 2023. Some stocks that had been depressed in previous years started to rebuild, including summer Yukon River chum salmon for which some subsistence opportunity was provided in 2023. The department carefully balanced sustainability and subsistence needs in managing these fisheries while ensuring sustainability of weak stocks. In some areas, subsistence needs were not met because fisheries were restricted to meet spawning escapement objectives, international treaty passage obligations, or to protect weak stocks. The department maintains open dialog with subsistence users to understand how best to meet subsistence needs and is prioritizing research on salmon stocks of importance for subsistence users to understand the cause of the declines.

The department is also working with the Alaska Board of Fisheries to better incorporate "Traditional and Ecological Knowledge" into its decision-making processes.

### **Genetic Information for Resource Management**

The Gene Conservation Laboratory (GCL) continued to harness new technologies to more efficiently and accurately collect genetic information to fulfill its mission to protect genetic resources and provide genetic information and advice to department staff, policy makers, and the public to support management of resources consistent with the department's mission. For more than 30 years, genetic information produced by the GCL has been recognized as a vital tool to inform decisions made by the Board of Fisheries, improve forecasts, refine estimates of productivity for escapement goals, inform hatchery and mariculture policy makers, and assess management decisions. This has allowed the State to maximize harvest opportunity and economic benefits from Alaska's fishery resources, while ensuring sustainable fisheries for future generations.

In 2023 the GCL began a federally funded four-year project in collaboration with the mariculture industry to support the growth of kelp mariculture in Alaska. The GCL will use this funding to examine genetic relationships among kelp beds throughout Alaska with the goal of refining transport policy. Kelp mariculture has significant potential to develop an industry that builds resilient economies and this policy refinement will help provide opportunities for the utilization and development of kelp mariculture for the maximum benefit of the people of Alaska, while ensuring conservation of wild productivity.

The GCL is one of the highest throughput fishery genetic labs in the world, genotyping approximately 100,000 samples per year. The lab continues to look at novel methodologies including genetic mark-recapture, genetic control of invasive species, and pedigree analyses to estimate relative reproductive success of hatchery versus natural-origin fish.

### **Salmon Ocean Ecology Program**

Salmon Ocean Ecology Program (SOEP) is a new program tasked with understanding the marine life of Alaskan salmon, using this information to assist fishery management decision-making, and answering pressing questions about factors that drive salmon population dynamics. The program provides support for four regional marine salmon surveys and international collaborations like the International Year of the Salmon North Pacific Winter Expedition, including operational assistance, data analysis, and development of innovative investigations and methodologies. SOEP regularly disseminates data, information, and guidance amongst department staff on a wide variety of marine salmon issues, including salmon bycatch in federally managed fisheries, competition at sea, marine heatwaves, and marine ecosystem changes.

### **Fish Health Program**

Laboratory staff received the 2022 "Best Paper" award in the Journal of Aquatic Animal Health from the American Fisheries Society for a recently published manuscript on how to determine the biological significance of molecular discoveries of new pathogens regarding ongoing management of fish and shellfish health.

Laboratory testing and surveillance is an essential management tool to control disease in hatchery fish and to protect wild salmonid stocks in Alaska. In FY2023, the pathology labs will have processed over 10,000 fish/shellfish samples and conducted over 29,000 tests for disease diagnostic purposes and statewide surveillance of shellfish and salmonid brood stocks.

For wild populations, fish pathology staff are evaluating *Ichthyophonus* associated mortality of Yukon River Canadian-origin Chinook salmon. *Ichthyophonus*-related mortality is a leading hypothesis that may have contributed to two successive years (2020 and 2021) of failure to achieve U.S./Canada border passage objectives per the Yukon River Salmon Agreement. This occurred despite adequate run sizes detected near the mouth of the Yukon River and unprecedented harvest restrictions. ADF&G is collaborating with the US Fish & Wildlife Service and the US Geologic Survey in this study.

Fish pathology staff are also collaborators with the National Oceanic and Atmospheric Administration and the Virginia Institute of Marine Science in studies regarding effects of the dinoflagellate *Hematodinium* and unrelated eyestalk pathology caused by Black Eye Syndrome on declining populations of snow crabs in the Bering Sea.

### **Rockfish Management Initiative**

Increased sport fishery catch and effort on several groundfish stocks (e.g., black rockfish) has occurred due to decreases in abundances and bag limits for halibut and salmon. This has prompted concerns regarding their sustainability.

Research projects conducted in collaboration between the Division of Commercial Fisheries and the Division of Sport Fish have helped inform the development of management strategies for pelagic and demersal rockfish in the Gulf of Alaska. In FY2023, divisions continued to host internal workshops regarding management issues and stock assessment needs for groundfish species, primarily yelloweye and black rockfish. Coordination and sharing of data across divisions has been done and several modeling projects for data poor stocks have been initiated. Given growing concerns over stock status, divisions continue to engage State and federal agency staff with rockfish management expertise, reviewing, and, if appropriate, modifying management strategies and collaboratively exploring stock assessment needs. The department anticipates that management of demersal rockfish (e.g., yelloweye rockfish) will become more conservative given their life history characteristics (e.g., long-lived) and lack of stock assessment information. Significant improvements have been made in the yelloweye rockfish assessment for Southeast and these will soon be incorporated in Westward and Central Region rockfish assessments. Additionally, new "data-poor" assessment methods are nearly ready for implementation for Westward and Central Regions' black rockfish fisheries.

The department was granted emergency order authority to restrict rockfish harvests in longline fisheries. Bycatch in halibut longline fisheries was resulting in high bycatch of rockfish and conservation concerns for rockfish in select areas of the state. The department will be working with the Board of Fisheries on a long-term strategy to address this issue.

### **Implementation of the Pacific Salmon Treaty**

2023 was the fifth year implementing the newly renegotiated Pacific Salmon Treaty, which is more data intensive than the previous Treaty agreement requires the implementation of a new monitoring program for the transboundary Alsek River. Overages are required to be paid back the following year. Preliminary data suggest that there was an underage of 3,000 fish relative to the harvest limit with regard to the Northern Boundary area and Transboundary River fisheries; hence, there will not be a payback during the 2024 fishery. The fishery was also managed to reduce interceptions of wild Southeast Alaska and Transboundary River Chinook salmon stocks identified as stocks of concern or forecasted to be below escapement goal. This strategy successfully reduced harvest rates on these stocks while focusing harvest on other more abundant Treaty stocks.

This past year, Alaska's commercial troll fisheries came under attack by an outside environmental non-governmental organization (eNGO). Alaska successfully defended its right to fish last year by overturning a Washington court order prohibiting summer and winter troll fisheries from operating. This allowed fishermen an opportunity to participate in their fisheries and to contribute to the economies of Southeast Alaskan communities.

### **Southeast Alaska Chinook Salmon Mitigation Program**

The 2019 revision to the Pacific Salmon Treaty calls for a 7.5 percent reduction in Chinook salmon harvest levels in Southeast Alaska to meet the provisions of the Endangered Species Act. Subsequently, U.S. negotiators agreed that \$22.4 million in mitigation funding should be provided to offset economic consequences of the harvest reduction. The goal is to mitigate economic impacts of the 7.5 percent harvest reduction by increasing production of, and access to, hatchery produced salmon in Southeast Alaska. Primary impacts of the Chinook salmon harvest reduction are on "hook and line fisheries," which include commercial troll, sport fish, and associated interests. FY2023 investments included \$5.59 million in U.S. Departments of Commerce and Interior funding to expand hatchery infrastructure at three facilities to accommodate increases in salmon production and to purchase and install sea lion deterrents at two facilities.

### **Sustaining Sport Fishing Opportunities**

The Division of Sport Fisheries continued to conduct many quantitative stock assessment projects (weirs, counting towers, sonar, and aerial surveys) as well as fishery assessment projects (marine and freshwater creel) statewide to provide objective in-season data. This data is key to helping inform managers in making decisions to provide fishing opportunities and managing stocks for sustained yield. Area managers issued a total of 115 emergency orders and advisory announcements during 2023 that either restricted or liberalized fisheries. Opportunities for sockeye salmon sport fishing were liberalized in the Redoubt Bay/Lake; Saltery Cove; the Situk, Wood, Nushagak-Mulchatna, Alagnak, Kasilof, Kenai, and Russian Rivers; and China Poot, Fish Creek and Kenai and Kasilof Rivers personal use sockeye salmon dip net fisheries. Seward and Nick Dudiak Lagoons, Pasagshak River, and Ship Creek coho salmon; Upper Copper River Chinook salmon, and hatchery-produced Chinook salmon sport fisheries in Juneau, Ketchikan, and Petersburg/Wrangell were also liberalized for much of the 2023 run. Hatchery-produced Chinook salmon fisheries in Ship Creek, Eklutna tailrace, Kasilof and Ninilchik Rivers, and Seward and Homer areas provided the only harvest opportunities for Chinook salmon besides marine fisheries in Southcentral Alaska in 2023.

In addition to the salmon fisheries, biologists from both the Divisions of Commercial Fisheries and Sport Fish continued using stock assessment modeling tools and held virtual workshops and other meetings to discuss management issues and stock assessment needs for black and yelloweye rockfish.

### **Sport Fish Hatchery Production/Enhancement**

The Sport Fish Division's enhancement program continued support for some of Alaska's most popular and reliable fisheries by increasing fishing and harvest opportunities for anglers while reducing pressure on wild stocks. The "*Statewide Stocking Plan for Sport Fisheries, 2023*" outlined objectives that included the number of fish to be stocked and locations of the division's enhancement efforts for the next five years. In 2023, the division's hatcheries, with support from cooperating private non-profit (PNP) facilities, produced, and released nearly seven million Chinook and coho salmon, rainbow trout, and Arctic char at more than 250 locations statewide.

### **Food for Alaskans**

All five regions accomplished a significant increase in the number of aerial surveys of sheep, moose, caribou, and mountain goats. Additional management and research work is ongoing to estimate the abundance of deer across the species' range in Alaska.

The department developed and implemented an Intensive Management Plan for the Mulchatna Caribou herd. The intent of the plan is to improve neonate caribou calf survival. Preliminary reports suggest that calf abundance through summer has improved. Given this the department plans to continue this program next year.

The department is also expanding its transplant program with an aim at increasing food security. Plans on proceeding to transplant Sitka black-tailed deer on the lower Kenai Peninsula and wood bison onto the Minto Flats State Game Refuge.

Working cooperatively with members of the public, Fish and Game Advisory Committees, and the Alaska Board of Game, the department supported several proposals to provide additional, resident only, hunting opportunities, specifically for moose and muskox.

## **Defending Against Federal Erosion of State Management Authority**

The Alaska National Interest Lands Conservation Act (ANILCA), the Threatened, Endangered, and Diversity Program (TED), and Marine Mammal Program (MM) are cost effective approaches to federal management issues. The ANILCA Program asserts and defends the authority of the department for management of fish and wildlife on all lands in Alaska and maintains public access and use of federal public lands. The TED and MM programs work to conserve wildlife species before they become threatened or endangered, to recover species already imperiled, and to keep common species common. The programs administer the State's response to the Endangered Species Act (ESA) and Marine Mammal Protection Act (MMPA) by providing resources, expertise, and coordination among agencies (e.g., Department of Law and Department of Natural Resources) with the goal of conserving wildlife and avoiding unwarranted regulations.

Last year's major successes by these programs include the following:

- A third attempt to list wolves in southeast Alaska under the ESA was found not warranted by USFWS, Alaska's management of wolves is sustainable.
- An attempt to list bull kelp, which is common and thriving, under the ESA was appropriately determined to not be warranted.
- Worked with the Department of Law to:
  - Continue challenges to the federal government's refusal to consider delisting Arctic ringed seals, which number in the millions, and their expansive ESA Critical Habitat designations for ringed seals and bearded seals that put an unnecessary impactful regulatory layer across an area larger than the size of Texas.
  - Successfully defend the Incidental Take Regulations for polar bears on the North Slope that are necessary for oil and gas operations, which were upheld by the Alaska District Court but unfortunately challenged by an environmental organization in an ongoing appeal to the Ninth Circuit.
- Actively engaged on numerous ongoing issues to address federal overreach and the ability of the State to manage its resources.
- Successfully negotiated an increase in off-highway vehicle weight restriction and wheelbase restrictions to match State of Alaska policies in the Steese and White Mountains National Recreation Areas and protected overland travel for game retrieval in important areas within the Steese National Recreation Area.
- Formally commented on, and continues to negotiate with, the National Park Service on the 2023 Proposed Wildlife Rule that infringes upon the State's ability to manage methods and means of hunting that are protected by ANILCA.
- Successfully defended ANILCA access provisions by working with the National Park Service to offer free permits for the Brooks River Corridor in Katmai National Park.

## **Kuskokwim River Management Litigation**

A lawsuit filed by the federal government against the State of Alaska has forced the State into a position to defend its Constitution, Statehood Compact, and agreements made under ANILCA that guaranteed the right to manage its fisheries resources in the best interest of all Alaskans. This past year, the State of Alaska took action to defend the rights it was granted and filed a motion for summary judgment asking the U.S. District Court in Alaska to reject claims brought by the federal government that would strip Alaska of its right to manage fisheries on the Kuskokwim River, a waterbody that is clearly navigable and owned by the State. The State's defense represents all Alaskans and serves as a prime example of the importance of defending the State's management authority from federal erosion.

## **Key Department Challenges**

## **Recruitment and Retention Challenges**

The department continued to experience difficulties recruiting and retaining qualified, skilled staff this year. Increasingly, supervisors across the State have been challenged to maintain continuity of operations in the face of unprecedented difficulties recruiting and retaining employees. These challenges were seen at all levels, ranging from Fish & Wildlife Technicians (FWT) to Analyst Programmers and Biometricians, where recruitment failures were common. The message from departing employees is that our salaries and benefits are not competitive to the federal government and the private sector, and that finding housing is often a significant barrier, especially in rural Alaska.

While housing is a barrier for permanent full-time positions, it is important to note that roughly half the workforce for the Commercial Fisheries, Sport Fish, and Wildlife Conservation divisions are seasonal employees (permanent part-time). The divisions have had significant difficulties filling seasonal positions lately due to housing issues.

The department was able to maintain a relatively high level of operational continuity in 2023 despite ongoing recruitment and retention challenges. This continuity can be attributed to our dedicated staff, who consistently step up to take on responsibilities in addition to their regular workload and do whatever it takes to keep projects and programs running, providing critical support for management of Alaska's wildlife and commercial, sport, subsistence, and personal use fisheries. However, the dedication of staff and their willingness to go above and beyond has costs and limits. If extraordinary demands on staff continue unchecked, the department expects to incur more employee burnout and exacerbated retention problems.

In terms of retaining biologists and biometricians, the primary competition is federal agencies. Previous studies found that federal salaries were 37 percent higher than the State at the median level, but the pay discrepancy has grown over the past several years.

## **Vessels and Aircraft Maintenance and Replacement**

The Division of Commercial Fisheries has five research support vessels and five small aircraft which require regular maintenance and periodic overhauls. They are integral to a variety of stock assessment programs and, coupled with commercial charters, provide platforms for in-season management. Maintenance must be provided to protect this capital investment, ensure efficient operations, and meet safety requirements. One of the large research vessels, the R/V Pandalus, was declared unseaworthy and while the vessel was approaching the end of its life expectancy, most of the problems were due to inadequate maintenance funding. The vessel has been disposed of and a replacement vessel is being sought. Maintaining a high-quality aircraft program for salmon stream surveys also depends on the ability to recruit and retain excellent pilots with experience flying float planes in remote Alaska at low altitude. Adequate housing for pilots, as well as field staff, is also an ongoing challenge. At times the department is unable to complete surveys or conduct fieldwork because of the lack of available private sector pilots and aircraft.

## **Maintaining Sustainable Fisheries**

Managing fisheries for sustained yield requires close monitoring of stock status to ensure overfishing does not occur. Maximum sustained yield in commercial fisheries can only be achieved when managers have confidence in estimates of harvest and population size. Another emerging concern is the lack of aircraft available for charter in Bristol Bay and western Alaska. In most parts of the state, the department relies on chartered commercial aircraft to conduct salmon escapement surveys and support field operations. Lack of commercial aircraft available to charter has resulted in foregone harvest opportunity in these areas. The division uses a return-on-investment model when making decisions on which projects to reduce or eliminate, where monitoring projects associated with lower value fisheries are eliminated first. The impact of restricting even small fisheries to ensure sustainability directly impacts fishermen, communities, and the State's economy.

The department is exploring legislation to allow the use of electronic monitoring as a tool for ensuring sustainable fisheries.

## **Bering Sea Crab Research Funding**

The Bering Sea has experienced dramatic environmental changes in recent years which amplify management challenges related to shifting spatial distributions, fluctuations in recruitment potential, and population declines. The current harvest for most Bering Sea crab stocks is significantly lower than historic levels. The Division of Commercial Fisheries is working to better inform the federal stock assessments and State harvest strategies (e.g., minimum thresholds for opening/closing fisheries) through improved understanding of spatial distribution, seasonal movement patterns, natural mortality, and recruitment limitations relative to environmental variability and fishing.

The division also performs surveys to bolster assessments. For example, Saint Matthew Island blue king crab are not adequately surveyed by the National Marine Fisheries Service (NMFS) trawl survey because of gear limitations in nearshore rocky habitat. Thus, pot surveys provide critical supplemental information to improve stock assessments. Improved population indices, spatial distribution, and stock assessments will allow the division to maximize harvests and avoid overfishing, which is especially important to the industry during periods of low stock productivity. The division is working cooperatively with the fishing fleet to improve population assessment. The division maintains and distributes the data collected by at-sea observers and dockside samplers, which is essential for fishery management.

Federal funding to the division for Bering Sea Crab Research (BSCR) has been reduced since FY2011, to the extent that federal funds received for BSCR in FY2024 are 59 percent of what was received in FY2011. Further, the steady increase in the indirect rate on federal grant personnel costs in recent years compounds the effects of reduced federal grant amounts. The indirect rate in FY2024 is 26.99 percent, a substantial jump from FY2022 (24.82 percent) and FY2021 (22.76 percent). In addition, Bristol Bay red king crab test fisheries generate needed funds for the at-sea observer program and the Bering Sea Research Program. The extremely low population abundances for Bristol Bay red king crab (BBRKC) and Bering Sea snow crab (BSSC) make future test fishing uncertain. The BBRKC fishery was closed for the 2021/22 and 2022/23 seasons and test fish funds generated were either reduced or cancelled to reflect concerns about low stock status and lower observer deployment needs. BSSC are at historic low levels. The stock was classified as overfished in 2021/22 and subsequently closed for the 2022/23 and 2023/24 seasons.

Similarly, federal research funding from Crab Rationalization (CR) is dependent on cost recovery fees collected from fishery quota shareholders. Due to the collapse and closure of prominent Bering Sea crab stocks, funding generated from CR is unstable. These and further reductions in funds would continue to diminish the division's ability to perform at-sea research and stock assessment surveys on Bering Sea/Aleutian Islands crab stocks and would require a reduction in both seasonal and permanent staffing, which are critical for the Bering Sea and Aleutian Islands crab research and stock assessment programs and for the entry, maintenance, and distribution of data collected by the state's at-sea crab fishery observer and dockside sampling programs.

### **Coastal Western Alaska Salmon Fisheries**

The department is deeply concerned about the poor returns of Chinook, summer chum, fall chum, and coho salmon to coastal western Alaska systems. Poor returns have resulted in fishery restrictions and closures that impact food security, and subsistence and cultural activities. It is not uncommon for salmon stocks to fluctuate, impacting available yields. When there is insufficient yield to meet needs, ADF&G restricts fisheries to ensure sustainability and future yield. This has been the case with king and chum salmon stocks in coastal Western Alaska. To ensure sustainability, fishing was closed or restricted in certain areas of coastal Western Alaska. To address this challenging issue, the department has also significantly expanded our research program to understand the root causes behind the declines.

Specifically, the department has done the following:

- Initiated studies of diseases causing inriver mortalities
- Begun to assess king salmon migration patterns using radio tags in the Yukon River to inform placement of a mid-river sonar
- Began a study of fall run chum salmon in association with Canada to assess factors impacting poor returns of fall run chum salmon
- Initiated discussions with Canada on hatchery restoration efforts for king salmon
- Offered permitting for hatchery incubation boxes throughout coastal Western Alaska
- Began evaluation of the genetic compositions of chum salmon harvested in Alaska Peninsula Fisheries
- Began and annually conduct nearshore marine surveys to assess marine survival of outmigrant salmon
- Contributed money and participated in the International Year of the Salmon program

- Initiated studies to update subsistence use information
- Initiated action at the NPFMC on reducing chum salmon bycatch in Bering Sea trawl fisheries
- Implemented a new BOF action plan on South Peninsula salmon fisheries that reduced chum salmon harvest levels from 550,000 in 2022 to just under 200,000 this past year

ADF&G's salmon projects and assessments budget has increased from about \$4.9 million in FY2018 to \$5.6 million in FY2022. That amount increased for FY2023 with the approval of an additional \$285,000 in the operating budget to restore AYK assessment and management projects that were eliminated in prior year reductions. The department secured new federal money through the treaty process to support needed work, increasing from \$292,300 in FY2018 to nearly \$1.4 million in FY2022 for AYK projects and assessments. ADF&G also received additional Pacific Salmon Treaty Implementation funds for the Yukon River. Overall, significant federal and State resources are being dedicated to address the issue of poor salmon returns.

### **Bycatch**

Bycatch may be a contributor to the poor returns of salmon to western Alaska systems and crab collapses in the Bering Sea. There is also concern among resource users with the levels of halibut bycatch in a fully allocated fishery. While data do not show that bycatch in the offshore trawl can alone explain the poor salmon returns and crab collapses, the Governor established a citizen task force, the Alaska Bycatch Review Task Force (ABRT), to evaluate the issues and develop recommendations. This task force met over 40 times and presented the Governor with a report of their findings in December 2022. The report included recommendations on research, State engagement, and management measures related to bycatch.

The ABRT was established for the purpose of exploring the issue of bycatch and providing recommendations to policy makers with the goal of improving the health and sustainability of Alaska's fisheries and protecting Alaska's record as a leader of fishery conservation and sustainability. While the work of the ABRT concluded with the issuance of the final report, efforts to address bycatch continued this past year. On March 10, 2023, the Commissioner of ADF&G established the Bycatch Advisory Council to advise on ways to implement recommendations contained in the final report. The advisory council held six meetings and issued a progress report on recommendations. It is expected that a final report will be issued by the end of the calendar year.

The North Pacific Fishery Management Council (NPFMC) also continued evaluation of salmon bycatch, focusing on chum salmon. It initiated an analysis to establish a cap on chum salmon bycatch in the Bering Sea trawl pollock fisheries. These caps are intended to reduce bycatch of Western Alaska origin chum salmon with options to tie caps to expected abundance levels like is done for chinook salmon. The council also included mechanisms for the fleet to implement chum salmon avoidance measures with vessel-level accountability to minimize bycatch to the extent practicable. This issue is complicated by the fact that, on average, 82 percent of the chum bycatch is not Western Alaska chum but primarily Asian and Russian origin chum. This does not preclude action, but it makes the issue more complex.

The NPFMC also adopted regulations to reduce halibut bycatch in Bering Sea non-pollock trawl fisheries. The abundance-based management program sets allowable bycatch limits annually based on halibut abundance and will go into effect in 2024.

The NPFMC is also considering further fishing restrictions in a long-established closure area and a potential new closure area in the Bering Sea to address the recent climate-related declines in crab populations. In the Gulf of Alaska, the NPFMC is evaluating whether further protections are needed for Tanner crab through expansion of existing closure areas or other means. They also support expanded research to better understand and manage the causes of the declines.

In the coming years, the NPFMC is considering looking at gear modifications to reduce bycatch in both bottom and midwater trawls. Research is currently underway to inform such potential actions. The council will also be looking at

means to reduce bycatch in other federally managed fisheries such as rockfish in longline industry and crab discard in the directed crab fisheries.

The NPFMC is addressing bycatch of species that are immeasurably important to Alaskans and the nation using a deliberative process required by federal statute. In recent years, the NPFMC has initiated and adopted several actions in response to concerns about bycatch in federal fisheries while also providing for safe and sustainable U.S. fisheries based on the best scientific information available, unlike seafood produced by many other nations. The National Standards guidance, as currently written, has clearly not constrained the Council's ability to take meaningful action to minimize bycatch.

ADF&G will continue to take the lead in addressing these important bycatch issues through the NPFMC process and by working to implement the recommendations of the ABRT.

### **Federal Fisheries**

The North Pacific Fishery Management Council (NPFMC) has several initiatives underway that affect State managed fisheries and distribution of benefits from the harvest of federally managed fishery resources of Alaska. These include ongoing modifications to the federal groundfish observer program, including expanded use of electronic monitoring, to improve quality and utility of observer data; evaluating management measures for chum salmon bycatch in the Bering Sea pollock trawl fishery; and consideration of additional protections for Bristol Bay red king crab and Gulf of Alaska Tanner crab. Additionally, the National Marine Fisheries Service (NMFS) is working on a Secretarial Amendment to the Salmon Fishery Management Plan to manage salmon in the federal waters of Cook Inlet. State managers and researchers must work through the NPFMC process to develop programs that provide stability for fishery participants and communities, while not impacting State regulations and policies and while trying to meet NPFMC objectives and complying with the Magnuson-Stevens Fishery Conservation and Management Act. The State will only cooperate with the NMFS on management so long that it does not compromise state laws, regulations, or policies.

The department has also engaged with the International Pacific Halibut Commission to ensure that it has a voice in the management of halibut. Alaska is home to 85 percent of the North Pacific stock yet has a very limited role in management decisions. The department is concerned that some international decisions are impacting State-managed stocks such as rockfish and lingcod.

### **Upper Cook Inlet Salmon Fishery**

After federal court action that required federal management of the Upper Cook Inlet Exclusive Economic Zone (EEZ) fishery, ADF&G agreed to manage the fishery this past two years under the State's regulatory authority as defined in 5 AAC 21.353 to allow the National Marine Fisheries Service (NMFS) to develop a plan to manage the EEZ waters of Cook Inlet. Given this, ADF&G followed the Upper Cook Inlet drift management plan as adopted by the Alaska Board of Fisheries (BOF) in managing this year's fishery. Discussions are ongoing and Cook Inlet salmon fisheries will be on the BOF agenda in February of 2024. NMFS will be issuing their plan for management of the EEZ waters. Each represents an opportunity for the public to voice their concerns and be involved in crafting solutions.

### **Implementation of the Pacific Salmon Treaty**

The recently renegotiated Pacific Salmon Treaty places new obligations on the state in terms of fishery monitoring, stock assessment, and management. Treaty obligations are fundamentally a federal responsibility and funding is critical for providing the data, analyses, fishery management, and bilateral coordination essential to implement the Treaty. The state received \$7.6M in federal funds to implement the revised Treaty, however, the amounts are insufficient to cover all costs, continuing the unfunded federal mandate placed on the State of Alaska. The Division of Commercial Fisheries and the department are heavily reliant on Treaty-related soft money sources such as the Northern Endowment Fund, Coded Wire Tag Improvement Fund, and U.S. Letter of Agreement Fund for more than \$2 million annually to fulfill the promises made at the federal level and anticipate similar base grant allocations from the U.S. Department of Commerce appropriation for FY2024. However, all of these funding sources are dependent upon stable federal funding, which if decreased would significantly impact state management obligations.

The State will also continue to be engaged in ongoing litigation involving the winter and summer chinook salmon troll fisheries as well as assisting the NMFS in addressing shortcomings in their NEPA documentation that permits ITS for these fisheries.

### Endangered Species Act and Marine Mammal Protection Act Challenges

Various federal actions related to the Endangered Species Act (ESA) and the Marine Mammal Protection Act (MMPA) will continue to threaten the State's authority to manage and are impacting the state's ability to develop its resources. The department will continue its efforts to provide information, challenge unwarranted actions, and conduct needed research. In addition to the items listed previously, other major challenges include the following:

- o NMFS has decided to revise and potentially expand the area of designated critical habitat for the North Pacific right whale, which will likely result in added regulations to fisheries and the busy shipping lanes in Unimak Pass.
- o An increasing stream of petitions to list species under the ESA including a new petition to list the large marble butterfly that is common in Alaska and notice of a petition to list king salmon.

### Sustaining Sport Fishing Opportunities

Poor Chinook salmon production experienced statewide since 2007 continues to threaten sport fishing opportunity with impacts to anglers, businesses, and communities throughout the state. Poor runs were again experienced in 2023 and required increasingly severe fishing restrictions across large geographic areas in Southeast Alaska, Interior Alaska, Bristol Bay, Chignik, Kodiak, and Cook Inlet to achieve escapement goals and conserve stocks. The Kenai and Kasilof Rivers, Northern Cook Inlet rivers, and Cook Inlet marine waters, were closed to fishing for early and late run Chinook salmon for the majority of the season. Chinook salmon sport fisheries were closed for the entire season in the Yukon (including Tanana River), Kuskokwim, and Norton Sound Drainages. Despite these restrictions, many Chinook salmon escapement and hatchery egg take goals were not achieved. Chinook salmon runs in 2024 will likely remain low and will continue to challenge managers' with providing fishing opportunities while attaining adequate conservation goals. Preseason fishing restrictions will again likely be needed to ensure that Chinook salmon escapement goals are met and stocking levels are maintained. Coho salmon production was also poor in many drainages resulting in closures or restrictions in Southeast Alaska (Peterson Creek and terminal hatchery areas in Sitka and Juneau) and the Susitna and Little Susitna River Drainages, as well as closures of the chum and coho salmon sport fisheries in the Yukon (including Tanana River) and Kuskokwim Drainages.

In the ongoing efforts to reduce complex regulations, the Division of Sport Fish submitted 12 staff proposals to the Alaska Board of Fisheries to simplify confusing regulations, which will be addressed during upcoming board meetings in November/December 2023, and in January, February, and March 2024.

Chinook salmon runs to enhancement sites were marginal during the summer of 2023, but low marine survival continues to challenge the ability to meet brood collection and egg take goals statewide resulting in reduced release numbers at some locations.

There are no fishery independent assessments of State managed groundfish including lingcod and rockfish. This presents a significant data gap for these species with complex life histories that make research and stock assessment inherently difficult. However, the rockfish workshops mentioned in the accomplishments section continue to work toward prioritizing information needs and how to fund those assessments.

Research projects conducted in collaboration with Division of Commercial Fisheries will inform development of management strategies for black and yelloweye rockfish in the Gulf of Alaska. In FY2024, the department will continue to host internal discussions regarding management issues and stock assessment needs for groundfish species, primarily yellow and black rockfish. Given growing concerns over stock status, the division continues to engage state and federal agency staff with rockfish management expertise, reviewing and, if appropriate, modifying management strategies and collaboratively exploring stock assessment needs.

### Invasive Species

Invasive European green crab (EGC) (*Carcinus maenas*) was detected in Annette Islands Reserve in 2022. The Division of Commercial Fisheries and the Division of Sport Fish engaged in preliminary surveys for European green crab in Alaskan waters proximal to the known established population. A protocol was developed for shore and community-based early detection monitoring.

EGC, listed as banned invasive species in Alaska regulation 5 Alaska Administrative Code 41.075, were confirmed by the Metlakatla Indian Community's Department of Fish and Wildlife within nearshore waters of Tamgas Harbor, Annette Island Reserve, and southeast of Ketchikan, in July 2022.

In August and September 2022, the Division of Sport Fish and Division of Commercial Fish engaged in remote and roadside surveys to detect the presence or absence of European green crab and their molts. The World Conservation Union considers EGC as one of the 100 worst invasive species globally (Lowe et al. 2000). They are voracious predators, targeting benthic bivalves, mollusks, and crustaceans. Nearshore eelgrass meadows provide EGC both food and protection from larger predators. Surveys to continue monitoring for their movement northward will continue in FY25.

### Significant Changes in Results to be Delivered in FY2025

The main areas of focus for the Department of Fish and Game will continue to be:

- Restoring open communication and dialogue with Alaskans, increasing public trust.
- Protecting the State's right to manage its natural resources.
- Maximizing economic and social benefits.
- Ensuring the next generation of hunters, trappers, fishers and professionals.
- Continuing to look for budget efficiencies.

#### Contact Information

**Commissioner:** Doug Vincent-Lang

**Phone:** (907) 465-6141

**E-mail:** dfg.commissioner@alaska.gov

**Administrative  
Services Director:** Bonnie Jensen

**Phone:** (907) 465-3497

**E-mail:** bonnie.jensen@alaska.gov