

DEPARTMENT OF FISH AND GAME
FY19 - Summary of Significant Budget Issues

Governor's Budget Items Approved as Requested

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
1	Various Appropriations/ Various Allocations	Departmental Reductions to Align FY19 Overall Spending Plan	Total: (\$3,475.6) (\$219.2) Federal Receipts (\$501.0) DGF (\$2,755.4) Other	The legislature approved the Governor's FY19 request to reduce receipt authority throughout the Fish & Game budget to align allocations with anticipated receipts and FY19 needs. By reducing uncollectible authority, this action will “true up” individual budgets and will provide a better comparison to actual expenditures. Following are the department’s reductions: <u>Commercial Fisheries (\$2,897.4) Total</u> • Southeast Region Fisheries Management – (\$655.9) Total [(\$100.0) Test Fish (DGF)/ (\$159.9) I/A Rcpts (Other)/ (\$396.0) CIP Rcpts (Other)] • Central Region Fisheries Management – (\$901.5) Total [(\$400.0) Test Fish (DGF)/ (\$501.5) CIP Rcpts (Other)] • AYK Region Fisheries Management – (\$400.0) CIP Rcpts (Other) • Westward Region Fisheries Management – (\$340.0) Total [(\$40.0) I/A Rcpts (Other)/ (\$300.0) CIP Rcpts (Other)] • Statewide Fisheries Management – (\$600.0) Total [(\$100.0) I/A Rcpts (Other)/ (\$500.0) CIP Rcpts (Other)] <u>Statewide Support Services (\$578.2) Total</u> • Commissioner’s Office – (\$69.8) Federal Receipts • Boards of Fisheries and Game – (\$66.0) Total [(\$1.0) GF/Prgm Rcpts (DGF)/ (\$45.0) I/A Rcpts (Other)/ (\$17.1) CIP Rcpts (Other)/ (\$2.9) Stat Desig (Other)] • Advisory Committees – (\$27.4) Total [(\$23.5) Federal Receipts/ (\$3.9) I/A Rcpts (Other)] • Habitat – (\$289.1) Total [(\$89.1) I/A Rcpts (Other)/ (\$200.0) CIP Rcpts (Other)] • EVOS Trustee Council – (\$125.9) Federal Receipts

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Governor's Budget Items Approved as Requested (continued)

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
2	Commercial Fisheries/ Various Allocations	Reduce Commercial Fisheries Entry Commission Receipt Authority to Avoid Over Appropriation of Funds	Total: (\$142.0) (\$1,242.0) CFEC Receipts (DGF) \$700.0 Fish and Game Fund (Other) \$400.0 F&G CFP (DGF) IncOTI	Total revenue of the Commercial Fisheries Entry Commission (CFEC) for FY19 is estimated to be \$7,411.0. In order to avoid over appropriating CFEC Receipts, the legislature accepted the Governor's proposal in the Statewide Fisheries Management allocation to utilize one-time funding sources in FY19. Reducing the amount of CFEC receipt authority brings the total budget in line with projected revenues. <u>Statewide Fisheries Management</u> • Decrement \$1,100.0 CFEC Rcpts • One-time Increment (IncOTI) \$700.0 Fish/Game (Other) and \$400.0 F&G CFP <u>Commercial Fisheries Entry Commission</u> • Decrement \$142.0 CFEC Rcpts (DGF) Legislative Fiscal Analyst Comment: Per AS 16.05.110(b), all appropriations from the Fish and Game Fund are to be made to the divisions of Wildlife Conservation or Sport Fisheries with one exception--about \$100,000 of revenue received annually from fisheries fines or forfeitures in settlement of a claim or loss caused by damage to the fish resources of the State may be appropriated to the Division of Commercial Fisheries. For FY19, the legislature appropriated \$700.0 of fines/forfeitures for one-time operating expenditures and \$500.0 for capital projects. These expenditures reduce the carry-forward balance in the Commercial Fisheries portion of the Fish and Game Fund (about \$1.5 million at the beginning of FY19) to about \$450.0 at the beginning of FY20. In order to continue the FY19 level of service without depleting the balance, the department will have to replace as much as \$600.0 of F&G funds with another source of funds (presumably general funds) in FY20.

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Governor's Budget Items Approved as Requested (continued)

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
3	Wildlife Conservation/ Wildlife Conservation	Merged the Wildlife Conservation Special Projects Allocation into Wildlife Conservation Allocation	Net Zero Change TRIN/ TROUT between allocations Structural Change	The Governor's FY19 structural change transferring \$13,164.8 and 41 positions (25 PFT/ 16 PPT) from the Wildlife Conservation Special Projects allocation to the Wildlife Conservation allocation to increase efficiencies was accepted by the legislature. Currently the Wildlife Conservation (WC) component contains the bulk of Division of Wildlife Conservation activities, including administration of the base federal Pittman Robertson grant and related costs that are not eligible for that grant (fish and game and general fund monies). (The federal Pittman-Robertson Wildlife Restoration Program derives its receipts from federal excise taxes on the manufacture of guns, firearms, archery equipment, and ammunition. The federal excise taxes collected are distributed to states annually for the propagation and management of wildlife. The State of Alaska receives the maximum allocation of five percent of national tax receipts and the required match is 25 percent from non-federal sources.)
4	Wildlife Conservation/ Wildlife Conservation	Replace Unrestricted General Fund with Fish and Game Funds	Net Zero Change (\$50.0) UGF \$50.0 Fish/ Game (Other)	The legislature accepted a Governor's amendment for a fund source change that allows the Division of Wildlife Conservation to increase Fish and Game Fund authority and reduce usage of unrestricted general fund. The Division leverages these funds as match for federal grants. Increases in license fee revenues provide an adequate balance in the Fish and Game fund to support this change.

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Legislative Additions and Deletions

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
5	Various Appropriations/ Various Allocations	Add Commercial Fisheries Revolving Loan Fund Increments for Assessments, Projects, Surveys, and Logbook/Vessel Registration Programs	\$1,147.0 CharterRLF (DGF)	The legislature added increments to various allocations within the Commercial Fisheries and Sport Fisheries appropriations, utilizing Commercial Charter Fisheries Revolving Loan Funds. Overall, a little over \$1.1 million was added to these FY19 operating budgets as follows: <u>Commercial Fisheries \$997.0 Total</u> • Southeast Region Fisheries Management - Herring Assessment/Management and Sablefish Assessments: \$131.0 CharterRLF; • Central Region Fisheries Management - PWS Tanner Crab Survey, Togiak Herring Assessment and Alagnak Tower Projects: \$161.0 CharterRLF; • AYK Region Fisheries Management - Norton Sound King Crab Trawl Survey, Yukon Mainstem Sonar Ops Ext, Juv Chinook N. Marine Survey Projects: \$465.0 CharterRLF; and • Westward Region Fisheries Management - Kodiak Weirs, Chignik Weir, Kodiak Aerial: \$240.0 CharterRLF. <u>Sport Fisheries \$150.0 Total</u> • Sport Fisheries - Add Funding from the Commercial Charter Fisheries RLF for Sport Fishing Logbook/Vessel Registration Programs: \$150.0 CharterRLF. Legislative Fiscal Analyst Comment: Although this increment will be contained in the FY20 base budget, the balance of the Charter Revolving Loan Fund is insufficient to support these projects in FY20 and beyond. In order to continue the FY19 level of service without depleting the balance of the Charter Fisheries RLF, the department will have to replace this \$1.15 million with another source of funds (presumably general funds) in FY20.

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Legislative Additions and Deletions (continued)

Item #	Approp/Allocation	Description	Amount/Fund Source	Comment
6	Wildlife Conservation/ Wildlife Conservation	Add One-Time Increment to Reduce the Chance of Lapsing Federal Pittman-Robertson (P/R) Funding in FY19	\$1,000.0 CharterRLF (DGF) IncOTI	In an attempt to avoid reverting additional funds in FY19, the legislature added \$1,000.0 from the CharterRLF funding source as a one-time item. These funds will be used for restoration of wild birds and mammals and to acquire, develop and manage wildlife habitats, hunter training programs and the development, operation and maintenance of public shooting ranges. Legislative Fiscal Analyst Comment: Over the past ten years, an increase in the sale of firearms and ammunition increased Alaska's annual share of the federal Pittman-Robertson (P/R) allocation by 157% (from \$13 million in 2008 to \$33.45 million in 2018). While the increased revenues have been beneficial, declining state revenues have made it difficult to meet the 1:3 match requirement. As a result, the state match shortfall has resulted in Alaska reverting a total of \$3.3 million of P/R funding (\$1.9 million in FY17 and \$1.4 million in FY18). If the legislature had not appropriated additional match in the operating and capital budgets, another \$3.9 million was expected to revert on September 30, 2018 and \$6 million in FY19. P/R funding is not expected to decline in the near future, and avoiding reversion may require that money from the Charter Fisheries RLF be replaced with another source of funds (presumably general funds) in FY20 (see item 7 below).
7	Wildlife Conservation/ Wildlife Conservation	Add Positions for the Creation of a New Wildlife Access Program and to Review Wildlife Access Projects	Total: \$164.9 \$123.7 Fed Rcpts \$41.2 G/F Match (UGF) 1 PFT/ 1 Temp Positions	In an attempt to minimize the chance of reverting federal P/R funding (see comment above in item 6), the legislature also added \$164.9 and two positions to establish a statewide wildlife access program in the Division of Wildlife Conservation. These positions will work with the Department of Natural Resources, municipalities and other entities to identify wildlife access projects that qualify for federal Pittman-Robertson (P/R) funding. Up until now, the focus of the department has been on Hunter Access programs. Expanding the scope of projects to "wildlife access" projects allows for flexibility in the types of projects that can be funded by federal P/R funds and provides additional opportunities of obtaining match.

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Fiscal Notes

Item #	Bill #	Title	Amount/Fund Source	Comment
8	HB 267 (Chapter 77, SLA 2018)	Release Hunting/Fishing Records to Muni	Total: \$9.1 \$6.1 UGF \$3.0 GF/PR (DGF)	<u>Sport Fisheries/ Sport Fisheries</u> Under AS 16.05.815, logbook information from sport fishing business owners and guides is required to be collected to provide information necessary for the management or conservation of the fishery resource or regulation of the guide industry. In the past, this information has been confidential and could not be released by the department. With the passage of HB 267, certain records related to big game hunters, guided hunts, and guided sport fishing activities will be required to be released to municipalities for verification of taxes payable.
9	SB 37 (Chapter 66, SLA 2018)	Pharmacy Board/ Commercial Fisheries Comm.	(\$187.0) CFEC Rcpts (DGF) (1) PFT Position	<u>Commercial Fisheries/ Commercial Fisheries Entry Commission</u> The passage of this legislation--which reduces the membership of the Alaska Commercial Fisheries Entry Commission to two individuals (instead of three), relates to the duties of the commissioner serving as chair of the commission, and provides for commissioner compensation--reduces Personal Services by \$187.0 CFEC Receipts (DGF). The bill also reduces the salary of members to Range 25 (instead of Range 27) of the salary schedule in AS 39.27.011.