

HOUSE FINANCE COMMITTEE
March 6, 2018
10:08 a.m.

10:08:00 AM

CALL TO ORDER

Co-Chair Seaton called the House Finance Committee meeting to order at 10:08 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Steve Thompson
Representative Cathy Tilton
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Carol Petraborg, Director of Administration Services,
Department of Fish and Game.

PRESENT VIA TELECONFERENCE

Bruce Dale, Director of Wildlife Conservation, Department
of Fish and Game.

SUMMARY

HB 285 APPROP: MENTAL HEALTH BUDGET

HB 285 was HEARD and HELD in committee for
further consideration.

HB 286 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 286 was HEARD and HELD in committee for further consideration.

AMENDMENTS

#hb285

#hb286

HOUSE BILL NO. 285

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

HOUSE BILL NO. 286

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

[10:08:44 AM](#)

^AMENDMENTS

[10:08:47 AM](#)

Co-Chair Seaton reviewed the agenda for the meeting. He reported that in the previous day the committee had taken up 28 of 96 amendments for the operating budget. He pointed to two new documents in member packets. They were replacement amendments for H DFG 18 and H HSS 18. They were also posted on the legislative website.

Representative Wilson MOVED to ADOPT Amendment H DFG 9 (copy on file):

Commercial Fisheries
H DFG 9 - 4005: Building Materials
Offered by Representative Wilson

FY17 Actuals \$26.0 and FY19 Governor \$227.2. A decrease of \$100.0 leaves \$127.2 for building materials.

Representative Ortiz OBJECTED for discussion.

Representative Wilson read the amendment (see above).

Co-Chair Seaton reviewed the list of people available for questions.

Representative Ortiz began by providing some background information. He reported that in FY 18 the Department of Fish and Game (DFG) eliminated the state facility rents allocation and reallocated \$2,125,000 undesignated general funds (UGF) for various divisions. The amount was transferred from the fish and game state facilities rent allocation to the service line in the following allocations: Commercial Fisheries Statewide Fisheries Management \$1,025,000; Wildlife Conservation \$540,000; Sport Fisheries \$560,00. He believed the representative putting the amendments forward was concerned about increasing certain line items. However, they were the result of fund shifts that took place when a statewide funding policy was eliminated for DFG statewide facilities rent that had been distributed to different departments. He concluded that the distribution explained the reasons for the increases in funding. He countered that they were not actual increases but transfers of money. His same argument would apply to the amendments heard the prior day: H DFG 5, H DFG 6, H DFG 7, and H DFG 8. It would also apply to the amendments that would be heard in the present meeting: H DFG 9, H DFG 10, H DFG 11, H DFG 12, and H DFG 13. He hoped his information helped to clarify the reason for the increase in funds. He encouraged the department to provide additional details.

[10:13:28 AM](#)

CAROL PETRABORG, DIRECTOR OF ADMINISTRATION SERVICES, DEPARTMENT OF FISH AND GAME, explained that the change was made in order have expenditures reflected in the correct division. The expenditures used to be reflected in administrative services. The total amount moved was just over \$2.5 million. She reported that about \$1 million went to the Division of Commercial Fisheries. She reiterated

that the purpose of the change was to have the revenue reflected in the division for which it belonged.

Representative Wilson rebutted that the amount of \$1.025 million could be seen on page 10 as a separate line item and not reflected in her amendments. However, she suggested that the money was in a different part of the budget for the Division of Commercial Fisheries. She agreed that the money had been distributed as Representative Ortiz had indicated. However, she argued that the monies were not a part of the increases within the division's budget. Building materials were not affected or other services that had been discussed in the previous day. Instead, it was reflected separately as an increase in services.

Ms. Petraborg responded that it was difficult to see what revenues would be used for the projected expenditures without comparing expenditures to revenues. It would also be difficult to identify line item transfers after the fact. It was difficult to address the issue. She continued that what was not reflected were line item transfers at the end of the fiscal year when unexpected things arose. She reported that members were looking at low-level details. Sometimes adjustments were made at a higher level of detail not reflected in the lower level accounts. She surmised it would be difficult to understand without having a detailed understanding of the accounting system. She relayed that the department was very confident that expenditures were recorded at a high level of accuracy. She provided some additional details of accounting practices. She reported that the department did several transfers between the contractual line and personal services line in both directions.

Co-Chair Seaton asked about the listing under Alaska Yukon-Kuskokwim (AYK) Region Fisheries Management. He asked Representative Wilson a clarifying question about the building materials.

Representative Wilson responded that she was talking about \$1 million in rent and the \$1 million for commercial fisheries as a whole. She clarified that when the department went to allocate rent, the money went from state facilities to commercial fisheries, wildlife conservation, sport fisheries, and administrative services. She stated that for commercial fisheries, the money went into its own line. It did not get added into a certain portion of

detail. She thought what she was hearing from the department was that it had the option of moving funds around. She was concerned that when hundreds of thousands of dollars were moved around, it was difficult to determine what missed the mark. She wondered how the state would know whether it was spending more money in certain areas than anticipated. She did not propose reductions to FY 17 actual levels because there were too many unknowns and it would not be fair to the department. In determining reductions, she ensured that personnel would not be affected. She did not touch any general fund matching dollars either. However, she was concerned about the disparity of the numbers. She did not believe rent would be affected by her two proposed changes.

10:19:48 AM

Representative Ortiz asked about the concerns that inspired the maker to bring the amendment forward. He wondered if it had to do with a lapse in UGF funding. Representative Wilson did not believe her concerns had to do with a lapse in funding. She thought the department spent every penny the legislature appropriated. Representative Ortiz interjected that the department did not spend all of its appropriated funds. It gave back \$17,800.

Representative Wilson had talked to several accounts in the prior 24 hours because of having concerns after hearing from the Office of Management and Budget about the legislature getting too far down into the details of the budget. She disagreed with the notion that the legislature had no business delving into the details. She wondered about the necessary level of accuracy when exploring details. She was told by the accountants that when \$100,000 or more was moved, it was time to inquire with the department as to the reason for moving funds into other areas. Her message to the departments was that she wanted more accuracy within certain areas. She suggested that when and if the legislature imposed additional taxes or took from people's dividends, she wanted to be able to explain to constituents why it was necessary to do so. She had been told by the chair that he did not want to see unallocated cuts. She thought it was necessary to look at the detail in order to find out whether money was being reflected accurately. She was trying to follow the wishes of the chairman and to find out where money had been spent by the departments.

Co-Chair Seaton conveyed that it was not his intention for her to delve into a particular line item. He did not want unallocated cuts across agencies or across departments. He thought Representative Wilson was saying that in 2017 the department did not build a building. Rather, it did maintenance. In 2019, the department allocated \$227,000 rather than \$26,000 because it wanted to construct a building. Her amendment would take away building materials that were needed to complete construction. Her reason for the reduction was because two years prior the department did not build a building. He argued that from year-to-year different things were done within a department. He provided an example. He was trying to better understand her reasoning.

[10:25:28 AM](#)

Representative Wilson indicated she did not take all of the money. She reported that the department did not convey its intent to build a building, it reported the money had to do with rent. She left \$127,000 in the line item. She argued that for each line item in the budget the department had included the same amount of money from year-to-year. At the end of the year the department trued-up accounts. She wondered where the \$227,000 amount was derived. She had not heard there was a building in the works.

Vice-Chair Gara commented that there was a house fire going on in each one of the agencies and people were wondering what kind of coffee they were going to have in the coffee shop. He conveyed that DFG's budget had been reduced by \$27 million since 2013, a 35 percent reduction. He argued that the department was trying to decide how it could address its needs most efficiently. The departments wrote their budget 1.5 years prior to the fiscal year. He continued that any business would attempt to budget. However, an agency might have an increase in insurance and would need to cut back in another area. The legislature had allowed the agencies to operate in a flexible way. He detailed that the legislature assigned money to an appropriation and within that appropriation the department could move things around. Vice-Chair Gara compared a rigid plan to a Soviet Union 5-year plan. He argued that a department should be allowed to run like a business with some flexibility. He commented that he had not heard about the impact of the amendment on the department. The Yukon Kuskokwim fisheries

management allocation was down \$1.3 million since 2015. He argued that the departments should be allowed some elasticity.

10:28:53 AM

Representative Pruitt could understand the argument that had been made if the representative had only identified one drastic difference in the amount being requested. He provided an example of needing a new battery for a forklift. He conveyed that there were several places in the department's budget where there was substantially less funding utilized than was being requested. However, it was not a single instance of disparity from one year to the next. He thought the representative had identified a systemic challenge that had to be addressed. He reported that the reductions on one page equaled \$700,000, which equated to \$1 of everyone's permanent fund dividend (PFD). Co-Chair Seaton asked if Representative Pruitt was referring to Amendment H DFG 9.

Representative Pruitt responded that he had to reference more than Amendment H DFG 9 because the conversation had gone beyond just the one amendment. He was talking about the fundamental reasons for why the maker offered the amendment. She had also offered several amendments on the same page. He thought the committee was talking about a systemic issue. He opined it was important to look at the department's habit of asking for more than needed. He argued that the representative had a point. He urged members to listen to the information.

Co-Chair Seaton responded that the point would be well taken if the legislature also looked at requested appropriations that had decreased adding money back in. He stated that the amendments only addressed increased line items, cutting them in half, rather than also accounting for any decreases. He suggested looking at both sides of the equation. He relayed that the point raised by Vice-Chair Gara was that there had been a substantive downward utilization of money in the department. He reiterated the importance of looking at both sides of the equation.

10:36:00 AM

Representative Pruitt replied that the committee had heard, in multiple cases, there was a lapse. He thought the

committee should address lapsed funds. He suggested looking at the lapsed amounts. He relayed that when he was in the private sector, his budget had to reflect a balance. He continued to argue that departments should be looking for potential savings. He suggested offering a conceptual amendment to change the numbers to what the chair thought they were. He thought the public wanted the legislature to recognize and control government spending because the state did not have money.

[10:38:14 AM](#)

AT EASE

[10:39:58 AM](#)

RECONVENED

Representative Ortiz appreciated Representative Pruitt's comments. However, fundamentally, the issue was that the department had seen significant reductions since 2015. It had experienced a 35 percent reduction and was forced to deal with them. The department had managed Alaska's fisheries to the best of its abilities and was known around the world for its success. He continued that the legislation needed to allow the department to make appropriate reductions using their expertise in managing the department.

Representative Wilson wrapped up her argument. She asserted that her constituents had sent her to delve into the details. She believed in flexibility but wondered about the appropriate amount of flexibility. She continued to provide a recap of her argument in support of the amendment.

Representative Wilson MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Thompson, Tilton, Wilson

OPPOSED: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Seaton, Foster

The MOTION to adopt Amendment H DFG 9 FAILED (4/7).

[10:46:03 AM](#)

Representative Wilson MOVED to ADOPT Amendment H DFG 10 (copy on file):

Commercial Fisheries
Westward Region Fisheries Management
H DFG 10 - 3010: Equipment/Machinery
Offered by Representative Wilson

FY17 Actuals \$114.0 and FY19 Governor \$389.3. A decrease of \$100.0 leaves \$289.3 for equipment rental and maintenance services and equipment operator charges.

Representative Ortiz OBJECTED for discussion.

Representative Wilson presented the amendment (see above).

Vice-Chair Gara asked if she had spoken with the department about the impacts of the amendment. Representative Wilson responded in the negative.

Representative Ortiz MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Thompson, Tilton, Wilson, Pruitt
OPPOSED: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Foster, Seaton

The MOTION to adopt Amendment H DFG 10 FAILED (4/7).

Representative Wilson MOVED to ADOPT Amendment H DFG 11 (copy on file):

Commercial Fisheries
Westward Region Fisheries Management
H DFG 11 - 3011: Other Service
Offered by Representative Wilson

FY 17 Actuals \$943.6 and FY 19 Governor \$1,578.7. A decrement of \$400.0 leaves \$1,178.7 for printing, copy, transportation and consulting services.

Representative Ortiz OBJECTED for discussion.

Representative Wilson read the amendment (see above).

Representative Ortiz asked if Representative Wilson had spoken with the department about the amendment. Representative Wilson responded, "No."

Representative Thompson commented that the devil was in the details. He provided an example as the mayor of Fairbanks. He indicated small savings added up. Applying a number of small savings to the budget turned the Fairbanks Borough's budget around. He agreed with Representative Wilson that looking at the small stuff added up to savings. He reiterated that the devil was in the details. The legislature needed to be cognizant of what it was doing and how it was increasing budget line items.

Representative Grenn liked looking into the details. He also thought it was important to know the impacts of the departments. He opined that not knowing the impacts made it difficult to understand whether the decrements were sound. He wanted to hear more.

[10:51:12 AM](#)

Representative Tilton explained that legislators were appropriators. She stated that it was their constitutionally mandated job to produce a budget. She continued that doing a budget required looking at the details. She pointed out that in the particular allocation being discussed there was an increase from FY 17 in every funding source. She did not think that the particular amendment would be detrimental to the department.

Vice-Chair Gara suggested having a discussion like what Representative Thompson had talked about where efficiencies could be found to make a department run better at less cost. As mayor, Representative Thompson found a way for the police department to work just as well at a lower cost and knew the impacts of the budget changes. He argued that legislators were not just appropriators but policy makers as well. He liked the idea of working with the departments on their budgets. He could not relate to talking about a number without understanding its impacts.

Co-Chair Foster thought everyone was right. He would defer to the chair of the DFG subcommittee and assumed the issues had already been addressed. He would be opposing the amendment.

Representative Wilson suggested that if her decrements were so devastating, the department should have responded to her inquiries. However, the department had been unresponsive.

Representative Ortiz MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Tilton, Wilson, Pruitt, Thompson

OPPOSED: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Seaton, Foster

The MOTION to adopt Amendment H DFG 11 FAILED (4/7).

[10:56:17 AM](#)

Representative Wilson MOVED to ADOPT Amendment H DFG 12 and H DFG 13 (copies on file):

[H DFG 12]

Commercial Fisheries
Statewide Fisheries Management
H DFG 12 - 3003: Information Technology
Offered by Representative Wilson

FY17 Actuals \$108.1 and FY19 Governor \$413.2. A decrease of \$200.0 leaves \$213.2 for information technology training and consulting, software licensing and maintenance.

[H DFG 13]

Commercial Fisheries
Statewide Fisheries Management
H DFG 13 - 3011: Other Services
Offered by Representative Wilson

FY17 Actuals \$619.3 and FY19 Governor \$2,227.0. A decrease of \$1,000.0 leaves \$1,227.0 for printing, copy, Transportation and Consulting Services. Environmental conservation and economic development fees.

Representative Grenn OBJECTED for discussion.

Representative Wilson presented the amendment (see above).

Representative Pruitt thought that the difference between what was utilized and what was being requested in the budget was over \$1.9 million. He argued that \$1.9 million was worth exploring. He explained that the maker of the amendment was leaving in the appropriation of \$700,000 more than what the department used in the prior year. He spoke of his experience in balancing a budget. He understood the question about how a department would operate. He reminded members that legislators were the appropriators. He argued that the legislature was seating its authority to someone else. He continued that he could make an argument to his boss about funding, but ultimately it was his boss' decision. He emphasized that the department was asking for \$1.9 million more than the department actually utilized in FY 17. He wondered whether the legislature should appropriate the full amount of the department's request, or whether it should manage it. He had not heard any feedback from the department that the amendment amount was out of line. He urged support for the amendment.

Co-Chair Seaton asked if Representative Wilson had asked the department about the impacts of the particular line item being discussed. Representative Wilson had not talked to the department. She concluded that the department had an opportunity to respond but did not.

Representative Grenn MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Wilson, Pruitt, Thompson, Tilton

OPPOSED: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Foster, Seaton

The MOTION to adopt Amendment H DFG 12 and Amendment H DFG 13 FAILED (4/7).

[11:01:14 AM](#)

Representative Wilson MOVED to ADOPT Amendment H DFG 14 and H DFG 15 (copies on file):

[H DFG 14]

Sport Fisheries

H DFG 14 - 3011: Other Services

Offered by Representative Wilson

FY17 Actuals \$2,093.2 and FY19 Governor \$3,750.0. A decrease of \$100.0 leaves \$3,650.0 for contracts and cooperative agreement.

[H DFG 15]

Sport Fisheries

H DFG 15 - 4015: Parts and Supplies

Offered by Representative Wilson

FY17 Actuals \$142.6 and FY19 Governor \$368.6. A decrease of \$50.0 leaves \$318.6 for parts and supplies for repair and maintenance.

Representative Ortiz OBJECTED for discussion.

Representative Wilson presented the amendments (see above). She argued that with the passage of Amendment H DFG 14 the department would still be given over \$1.5 million additional dollars than what was spent in FY 17. She wondered who was in charge.

Representative Ortiz MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Thompson, Tilton, Wilson

OPPOSED: Grenn, Guttenberg, Kawasaki, Ortiz, Gara, Seaton, Foster

The MOTION to adopt Amendment H DFG 14 and Amendment H DFG 15 FAILED (4/7).

Representative Wilson MOVED to ADOPT Amendment H DFG 16 (copy on file):

Wildlife Conservation

H DFG 16 - 2000: In-State Employee Travel

Offered by Representative Wilson

FY17 Actuals were \$522.7 and the FY19 Governor's budget request is \$980.1. A decrement of \$50.0 will result in a FY19 budget request of \$930.1 for In-State Employee Travel, \$407.4 more than FY 17 actual expenditures.

Representative Ortiz OBJECTED for discussion.

Representative Wilson presented the amendment (see above).

Representative Pruitt wanted to hear from the department regarding the amendments. He inquired about a transferring of funds.

Co-Chair Seaton encouraged someone from the department to respond.

11:06:10 AM

BRUCE DALE, DIRECTOR OF WILDLIFE CONSERVATION, DEPARTMENT OF FISH AND GAME (via teleconference), replied that the difference in the actuals for FY 17 and the request for FY 19 was that the request for FY 19 was based on averages rather than the FY 17 request. He explained that the division's budget, like many others, was significantly variable in terms of how funding was moved around. Simple weather changes could affect hundreds of thousands of dollars. A couple of changes within a couple of weeks for things such as caribou surveys happening over the fiscal year change could make drastic changes in in-state travel from one year to the next. He argued that there was only \$100,000 UGF in the total travel amount. A decrement of \$50,000 would drastically reduce travel for things that were not eligible for fish and game funds which have to directly benefit hunter and trapper license buyers. He indicated the funds would be used for travel related to endangered species act response, non-game activities, regulations, and law enforcement. Travel related to the examples he provided would not be covered with fish and game funds.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Thompson, Tilton, Wilson, Grenn

OPPOSED: Guttenberg, Kawasaki, Ortiz, Gara, Grenn, Foster, Seaton

The MOTION to adopt Amendment H DFG 16 FAILED (5/6).

Representative Ortiz MOVED to ADOPT Amendment H DFG 17 (copy on file):

Wildlife Conservation

H DFG 17 - Add Positions for the Creation of a New Wildlife Access Program and to Review Wildlife Access Projects Offered by Representative Ortiz

Federal Pittman-Robertson (P/R) Funds are derived from an 11 percent federal excise tax on sporting arms, ammunition, and archery equipment, and a 10 percent tax on handguns. These funds are apportioned each year to the states. The funding was to 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 and for wildlife access.

An increase in the sale of firearms and ammunition has significantly increased the amount of Pittman-Robertson funding allocated to the Division of Wildlife in Alaska's Department of Fish and Game. Although there is a 3:1 match, given the state's fiscal situation, meeting this match has been challenging. In fact, the state match shortfall has resulted in Alaska reverting a total of \$3.3 million of P/R funding (\$1.9 in FY17 and \$1.4 in FY18). If other sources of match are not identified or appropriated, another \$3.9 million is expected to revert on September 30, 2018 and \$6 million in FY19.

The requested positions and funding will allow for the establishment of 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 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 the following:

- Flexibility in the types of projects that can be funded by federal P/R funds; and
- Additional opportunities for obtaining match. Communities and non-profits may be willing to leverage their funding to obtain federal funds for eligible projects (such as trails or cabins).

UGF is requested because the funding source provides the maximum flexibility for the types of projects the employees will be able to pursue. Use of Fish and Game funding is limited to projects that benefit hunters and trappers.

Representative Tilton OBJECTED for discussion.

Representative Ortiz explained that in the subcommittee process there was a substantial discussion about how to better leverage and access newly available Pittman-Robertson funds. The conversation was instigated from the Member from Big Lake. He thought he had made a good point in bringing up the topic. In response, he was offering the amendment. He read the amendment (see above).

11:10:47 AM

Representative Tilton relayed that the Pittman-Robertson funds were created with the idea of creating a better hunting experience for people through habitat management and hunter education. The funds come through the tax sales of guns and ammunition. She argued that to expand the scope to wildlife access could be detrimental to hunting, which was the purpose of the funds. She thought the amendment might actually violate the intent of the Pittman-Robertson funding. She iterated that hunting was a way of life for Alaskans. She did not believe the intention of the funds were for wildlife access. She also did not believe a new position was necessary for communities to come forward.

Representative Wilson asked for comments from the department about the Pittman-Robertson Funds. She wanted to make sure the funds would be used correctly. Mr. Dale responded that the Pittman-Robertson fund was originally set up to restore wildlife across the United States. The funds were from an 11 percent excise tax on guns, ammunition, and hunting equipment. The use of the funds had to be broadly related to wildlife, with specific exceptions. The funds could not be used for: law enforcement; regulations; the creation, dissemination, or publication of regulations; or compensation for wildlife damage management. There were other restrictive subcategories, but he had listed the primary categories for which the Pittman-Robertson funds could not be used. He responded to the question about the requested position. The

majority of the duties of the position would center around hunter access projects. However, the flexibility of the position would enable the person to be involved with wildlife projects such as trail projects. The department had other entities providing matching funds including the Mat-Su Borough. The matching funds allowed the department greater flexibility to work with communities on things that were only partially hunting related.

Co-Chair Seaton asked if wildlife viewing was specifically allowed. Mr. Dale responded positively.

Representative Wilson asked Mr. Dale if he could provide that information to her. She had done research on an effort made to change the sideboards to the use of Pittman-Robertson funds to include wildlife viewing and trails. However, she could not find anything that confirmed that the parameters had changed. Mr. Dale responded that he would provide the information.

[11:15:10 AM](#)

Representative Pruitt was under the impression that the Pittman-Robertson fund was available for wildlife access. He brought up the question as to whether the use of the money should be expanded from hunter access to wildlife access. He had heard that the state had returned money. He thought the money was funding in which Alaskans had participated in generating. He suggested the hunting community had encouraged the legislature to increase its tag and license fees. He thought it would be easy to find projects identified to help with hunter access. One of the communities that had advocated for additional fees suggested shifting from hunter access to wildlife access. He thought if the legislature started down the path of increasing the parameters to include wildlife access it would lead to less of an emphasis on hunter access. He suggested the issue was a policy call. He was hesitant to support the amendment based on the potential shift in focus from hunter access to wildlife access. He opined that the amendment might erode the original intent of the legislation that passed concerning an increase in fees for tags and licenses.

[11:18:08 AM](#)

Representative Kawasaki spoke to the notion of wildlife access. He reported using access points just west of Minto to view wildlife and to hunt ducks. He thought access to wildlife and access to hunting was really the same thing. He asked about the request of \$41,000 GF match through the fish and game fund and \$124,000 from the Pittman-Robertson fund. He wondered if the state could use Pittman-Robertson funds to hire a person to utilize the funds.

Co-Chair Seaton clarified that the funds were not fish and wildlife funds. Rather, they were general fund match funds. Fish and wildlife funds could only be used for certain portions under state statute. There were more Pittman-Robertson funds available and more communities interested in having projects. However, there was no one to coordinate and administer the grants. The amendment created the position.

Representative Kawasaki misspoke about Fish and Game funds. His question was whether the federal money from the Pittman-Robertson fund could be used to utilize Pittman-Robertson funds. Mr. Dale replied that the match had to be non-federal. Representative Kawasaki asked where the federal receipts were coming from. Mr. Dale responded that the federal portion would be Pittman-Robertson funds.

Representative Kawasaki asked if the Pittman-Robertson funds could be used with the state match to request Pittman-Robertson funds to be used in the state. Mr. Dale did not understand the question. Co-Chair Seaton tried to clarify Representative Kawasaki's question.

Representative Kawasaki started over with his question. He asked if Pittman Robertson funds for the positions could be used to acquire more Pittman-Robertson funds for the state. Mr. Dale responded in the affirmative. The department already had a project statement which was the grant statement allowing the use of fish and game funds matched to Pittman-Robertson funds. The position would be looking for hunter access projects and helping to develop them.

Representative Guttenberg asked a clarifying question. He suggested the state could use fish and game fund monies to access Pittman-Robertson funds but only for hunter access projects. However, if the state used general funds or other funds, the state could expand the definition beyond hunter activities. He furthered that the fish and game funds could

only be used for hunter projects. He wondered if he was correct. Mr. Dale responded, "That's correct."

Representative Tilton explained that in talking with some of the state's outdoor organizations, the concern had to do with access and the potential negative impact on hunting. She read from a bill previously enacted in 2005: "The commissioner has, but is not by way limited to, the following powers and duties: To promote fishing, hunting, and trapping, and preserve the heritage of fishing, hunting and trapping in the state."

[11:24:46 AM](#)

Representative Pruitt suggested that if the concern was to get additional Pittman-Robertson funds, removing the wildlife language might solve the issue. He thought it was a policy call. He believed a tenuous discussion could ensue with the passage of the amendment.

Co-Chair Seaton relayed that the state had been returning money to the federal government because of not having sufficient monies in the fish and game fund. The reason for expanding to wildlife was to generate needed matching funds. The amendment would allow the state to put up match funding for the employees who would be administering grants to bring in matching funds from municipalities for hunter access or wildlife viewing projects. The question was not whether the legislature could change the fund source.

Representative Pruitt thought part of the reason for a change was to have access to more projects. He thought the department had reported they were looking for more hunter access projects. He recommended removing the wildlife access language. Otherwise, he thought there would be a larger debate regarding PR funds.

Representative Thompson commented that the line item was to hire a couple of people to administer grants that communities would apply for and match. He asked if there were communities interested in putting up matching funds to facilitate projects in their area.

[11:29:14 AM](#)

Representative Ortiz understood that the department was confident there were different communities that, with the

use of these positions, would have better access to opportunities. It would provide the department with better access to Pittman-Robertson funds.

Vice-Chair Gara wanted to make an overall comment on the budget. He suggested that the legislature was trying to smartly find a way to leverage federal funds to make service costs less or was trying to replace state funds with federal funds wherever possible. He argued that until the state came up with a fiscal plan, the smartest way to fund important services was to try to leverage federal funds where possible. He supported the amendment. He thought it would improve the quality of life in Alaska.

Representative Wilson pointed out that UGF was being requested because the funding source provided maximum flexibility for the types of projects the employees would be able to pursue. If the legislature was to use fish and game funding it would be limited to projects that benefited hunters and trappers who were the individuals paying into the Pittman-Robertson fund. She suggested that it was not that the state did not have the fish and game funding. The amendment indicated that the reason the department did not want to use the fish and game funds was to have more flexibility. She argued that it was a policy call in which the state would be using general funds in order to have more flexibility. The state would be establishing a new wildlife access program. She re-read a portion of the amendment. She opined that it was a change from hunting and trapping to wildlife viewing and trails. It was a policy call. She thought the amendment reflected more than the operating budget based on its language and conveyed her concerns with the language.

[11:34:55 AM](#)

Representative Ortiz appreciated the concern about moving the amendment then in some way limiting hunting and fishing access. However, Mr. Dale had reported that moving the amendment would enhance hunter access programs and provide flexibility for wildlife viewing and access. He relayed that in his district wildlife viewing and wildlife access were critical components of the tourist economy. He thought the amendment was a win-win amendment.

Representative Tilton MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Kawasaki, Ortiz, Gara, Grenn, Guttenberg, Seaton, Foster

OPPOSED: Pruitt, Thompson, Tilton, Wilson

The MOTION to adopt Amendment H DFG 17 PASSED (7/4).

[11:37:51 AM](#)

Co-Chair Seaton WITHDREW Amendment H DFG 18 (copy on file):

Wildlife Conservation

H DFG 18 - Add one-time increment to reduce the chance of lapsing federal Pittman-Robertson funding in FY19
Offered by Representative Seaton

Federal Pittman-Robertson (P/R) Funds are derived from an 11 percent federal excise tax on sporting arms, ammunition, and archery equipment, and a 10 percent tax on handguns. These funds are apportioned each year to the states. The funding is to 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.

A surge in the sale of firearms and ammunition has significantly increased the amount of Pittman-Robertson funding allocated to the Division of Wildlife in Alaska's Department of Fish and Game. Although there is a 3:1 match, given the state's fiscal situation, meeting this match has been challenging. In fact, the state match shortfall has resulted in Alaska reverting a total of \$3.3 million of P/R funding (\$1.9 in FY17 and \$1.4 in FY18). If other sources of match are not identified or appropriated, another \$3.9 million is expected to revert on September 30, 2018, and another \$6 million in FY19.

The fund source is the rural development initiative fund. The fund has \$3.3 million in cash, 45 outstanding loans, projected loan demand of \$780.0 in FY19, and a current loan to asset ratio of 65 percent. Appropriating \$1 million from the fund will result in a loan to asset ratio of 69 percent.

This funding will be used to match available Pittman-Robertson Funding in FY19.

Co-Chair Seaton MOVED to ADOPT Amendment Replacement H DFG 18 (copy on file):

Wildlife Conservation
Replacement H DFG 18 - Add one-time increment to reduce the chance of lapsing federal Pittman-Robertson funding in FY19, Section 1, IncOTI
Offered by Co-Chair Seaton

Line Items
Personal Services: 0.0
Travel: 0.0
Services: 1,000.0
Commodities: 0.0
Capital Outlay: 0.0
Grants: 0.0
Miscellaneous: 0.0
1,000.0

Positions
Permanent Full-Time: 0
Permanent Part-Time: 0
Temporary: 0
Funding
1223 Charter RLF 1,000.0

Explanation
Federal Pittman-Robertson (P/R) Funds are derived from an 11 percent federal excise tax on sporting arms, ammunition, and archery equipment, and a 10 percent tax on handguns. These funds are apportioned each year to the states. The funding is to 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.

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The fund source is the Commercial Charter Fisheries Revolving Loan Fund. The fund has nearly \$5 million in cash, only one \$28.1 outstanding loan, projected loan demand of just \$45.0 per year, and a current loan to asset ratio of 1 percent.

This funding will be used to match available Pittman-Robertson Funding in FY19.

Representative Wilson OBJECTED for discussion.

Co-Chair Seaton read the amendment (see above).

Representative Wilson asked how the funds would be spent within DFG. Co-Chair Seaton responded that it would be matching money for FY 19.

Representative Wilson asked if Co-Chair Seaton thought the money would be for grants rather than personnel. She wondered where the general funds would come from. She mentioned the fund having excess dollars. She inquired about the use of funds the state would have access to. Co-Chair Seaton responded that the funds were anticipated to be 3 to 1 match funding for grants for one year. He hoped other matching money could be found from other communities.

[11:42:16 AM](#)

Representative Wilson understood that the amount was seed money for the amendment that just passed. Co-Chair Seaton responded in the negative. The amendment would match 3 to 1 federal Pittman-Robertson funds for projects identified by DFG. In the future, with the additional staff, he anticipated the monies would be used for the larger projects. There was a need for the positions to pursue larger projects.

Representative Wilson asked if the funds would be used by DFG rather than boroughs and non-profits. She suggested the money would be utilized for shovel-ready projects the department might have that qualified for the funds for hunter and wildlife access. Co-Chair Seaton relayed that she was correct.

Representative Wilson WITHDREW her OBJECTION.

There being NO OBJECTION, Amendment Replacement H DFG 18 was ADOPTED.

Representative Wilson MOVED to ADOPT Amendment H DFG 19 and H DFG 20 (copies on file):

[H DFG 19]

Wildlife Conservation
H DFG 19 - 3011: Other Services
Offered by Representative Wilson

FY17 Actuals were \$449.0 and the FY19 Governor's budget request is \$1,500.0. A decrement of \$100.0 will result in a FY19 budget request of \$1,400.0 for wildlife contracts with various organizations to conduct wildlife management activities.

[H DFG 20]

Wildlife Conservation
H DFG 20 - 3011: Other Services
Offered by Representative Wilson

FY17 Actuals were \$1,238.4 and the FY19 Governor's budget request is \$2500.0. A decrement of \$150.0 will result in a FY19 budget request of \$2,350.0 for charters, \$1,111.6 over FY 17 actual expenditures.

Representative Ortiz OBJECTED for discussion.

Representative Wilson read the amendments (see above).

Co-Chair Seaton asked which charters would not be able to be conducted. Representative Wilson did not know. However, the department asked for double the amount it had in FY 17.

Representative Ortiz asked for the department to comment on the impact of the amendment.

Mr. Dale reported that much of the funds were not general funds. The general fund would only be a minority fund source. Most of the funds would be fish and game fund, match funding from the Pittman-Robertson fund. He added that there was a fair amount of federal non-Pittman-Robertson money which the department used to contract other services. He relayed that with the monies available, the department contracted more-and-more to provide services.

[11:48:54 AM](#)

Representative Wilson asked how many charters the department had contracted in 2017. Mr. Dale responded that the majority of the department's wildlife work was done with fish and game fund match to federal aid money for things like moose surveys, caribou surveys, deer surveys, and all the radio tag captures. He indicated that the division's core mission was estimating the harvestable surplus of animals for hunters. Much of the division's work was done by air in Alaska. The department used very little charter monies for meetings. The surveys were done on the ground, but frequently it took air charters to get to the locations.

Representative Wilson restated her question as to how many charters the department had in FY 17. Mr. Dale replied that he was trying to determine whether it would be in the order of hundreds or thousands. It was at least several hundred charters. He suggested a charter might be a 2-hour flight to locate an animal. Another charter might be 5 Super Cubs flying for 5 days. Other times it might be a 3 weeks trip with 2 fixed wing aircraft and 1 helicopter to put out radio collars from Bethel to Cold Bay.

Representative Wilson asked what would cause the division to have twice as many trips in FY 19 as in FY 17. She wondered if laws or regulations had changed. She asked what caused it to be double the amount. Mr. Dale responded that favorable weather played a part. He added that with increasing fish and game funds the division had not had a full year of increased fees for licenses and tags. The division had identified several areas where there were gaps in research and management capabilities within the department in different regions. The division had brought

those to the House and the Senate when HB 137 passed [Legislation passed in 2016 - Short Title: Hunt/Fish/Trap: Fees; Licenses; Exemptions].

Co-Chair Seaton asked about the impact of cutting \$250,000. He asked if \$750,000 of federal funds from the Pittman-Robertson fund was an accurate figure. Mr. Dale replied that the representative was approximately correct. He elaborated that the marine mammal division largely used federal funds rather than Pittman-Robertson funds. The threatened, endangered, and diversity programs used general funds or other sources of match for a 2 to 1 match through the statewide wildlife grants program, a subaccount of the Pittman-Robertson fund.

Representative Ortiz summarized that if the amendment moved forward it would have a net-negative impact on hunters' ability to access wildlife. Mr. Dale responded that he was correct. The division's various core services were collecting information like population sizes and vital rates to estimate harvestable surplus for the Board of Fish to set seasons and bag limits appropriate for the resource capability.

[11:52:14 AM](#)

Representative Pruitt thought the question that needed to be answered was why there was an increase. He suggested that if there was a concern about losing federal money and the general fund was too much, the department might want to lay out what the year was expected to look like in real terms. He also advised that the department recommend GF reductions that would not affect its ability to receive Pittman-Robertson funds. He provided an example. He thought the department had over-asked and should provide suggestions.

Co-Chair Seaton asked if Representative Pruitt wanted Mr. Dale to respond. Representative Pruitt replied that anyone could respond. He urged there was a need for further discussion and input.

Co-Chair Seaton thought what the department had conveyed its justification for raising hunter fees: to be able to do an analysis, under charters, to improve wildlife management and to access more game in Alaska. It had been constrictive without numbers. The department reported they still had not

received enough funding for the necessary charters it needed. Also, the department had not experienced the full impact of increased fees to hire the charters. The charters were currently in the budget since fee monies had started coming in. He continued to elaborate that the department had already responded to Representative Pruitt's question. He noted that the department had not reached the point where the increased fee receipts were fully implemented.

Representative Pruitt relayed that, in terms of the wildlife contracts, the increase was 3 times the amount and the charters the amount had doubled. He continued to present his argument against the amendment.

Co-Chair Seaton reminded the representative that the UGF that the legislature was cutting was matched with 75 percent federal money. Therefore, it was actually quadruple the amount being cut. Representative Pruitt interjected that the state had received a match before. Co-Chair Seaton disagreed. Representative Pruitt disagreed. He did not believe Representative Wilson's question had been answered properly.

[11:58:58 AM](#)

Representative Thompson commented that with the two amendments which would eliminate \$250,000 the increase from FY 17 to FY 19 would be well over \$2 million. He thought that if the state removed \$250,000 out of the request and leaving more than a \$2 million increase to the department, it would still be able to conduct all of the surveys it needed. He argued that the \$250,000 reduction would not harm the department. He questioned all of the increases and would be voting against the amendments. Co-Chair Seaton responded that the committee would essentially be cutting \$1 million rather than \$250,000 from the budget because it was a 3 to 1 match. If, the legislature cut the UGF match, then it would be cutting \$1 million from the budget.

Representative Thompson suggested that a \$2 million increase should bring in \$6 million more dollars. He asked if the state would receive \$6 million additional dollars by increasing the budget by \$2 million. He asked for clarification. Co-Chair Seaton responded that it was not just a UGF budget. It included the match funding. If the match was removed the 3 to 1 federal match would be removed as well. The budget would be decreased by \$2 million.

Representative Wilson relayed a basic 101 budgeting concept. She explained that there was the general fund, the general fund match, and the general fund program. She continued that licensing was part of designated general funds. Increasing fees would be an increase in designated general funds rather than UGF. The amendment talked about decreasing UGF rather than general fund match. There were also general funds being utilized that were not matching fund dollars. She wanted to clarify about the different funds. The fees the department was going to use to match funds was designated general funds. She reminded members that she did not touch the match monies that would otherwise affect the Pittman-Robertson funds. She just decreased UGF in these amendments. She asked members for their support.

Representative Ortiz MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Thompson, Tilton, Wilson

OPPOSED: Ortiz, Gara, Grenn, Guttenberg, Kawasaki, Foster, Seaton

The MOTION to adopt Amendment H DFG 19 and Amendment H DFG 20 FAILED (4/7).

Co-Chair Seaton reviewed the agenda for the following meeting at 1:00 p.m.

HB 286 was HEARD and HELD in committee for further consideration.

HB 287 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

[12:04:19 PM](#)

The meeting was adjourned at 12:04 p.m.