

# LFD Informational Paper 21-4: Pittman-Robertson Funds

*A Legislative Research/Legislative Finance Collaboration*

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## Overview

In 1937, the U.S. Congress passed the Wildlife Restoration Act ([16 U.S.C. Chapter 5B](#)) which was then signed into law by President Franklin D. Roosevelt. The intent of the Act was to fund conservation efforts including harvest management and restoration. Many game and wildlife species had become threatened or driven to extinction by the early 20<sup>th</sup> century due to human pressures such as overharvesting and habitat degradation, and the Wildlife Restoration Act (WRA) provided a mechanism to direct an existing excise tax to states to assist with wildlife conservation and management. The primary sponsors of the legislation were Senator Key Pittman and Congressman Absalom Willis Robertson, whose names lend themselves to the term *Pittman-Robertson (P-R) funds*. The WRA redirected an existing federal excise tax of 11% on purchases of firearms and ammunition to the [Wildlife Restoration Program](#), administered by the U.S. Fish and Wildlife Service (USFWS) under the Secretary of the Interior. From 1951 to 2005, Congress [amended](#) the WRA to expand its scope in various ways.

At present, excise taxes on firearms, ammunition, archery equipment, are collected under the WRA. The amounts are 11% for firearms and ammunition (pistols and revolvers are assessed at 10%) and 11% on archery equipment. The proceeds are directed to the Wildlife Conservation Fund under the purview of the Secretary of the Interior and the US Fish and Wildlife Service. These funds are then apportioned out to states through multiple mechanisms, and are designated for the restoration, conservation, management, and enhancement of wildlife and their habitat. The funds may also be used for hunter safety and education, firing ranges, and hunter access

projects. The USFWS describes it as "[a successful user pay, user benefit program](#)" for states and visualizes the process as a "[Cycle of Success](#)."

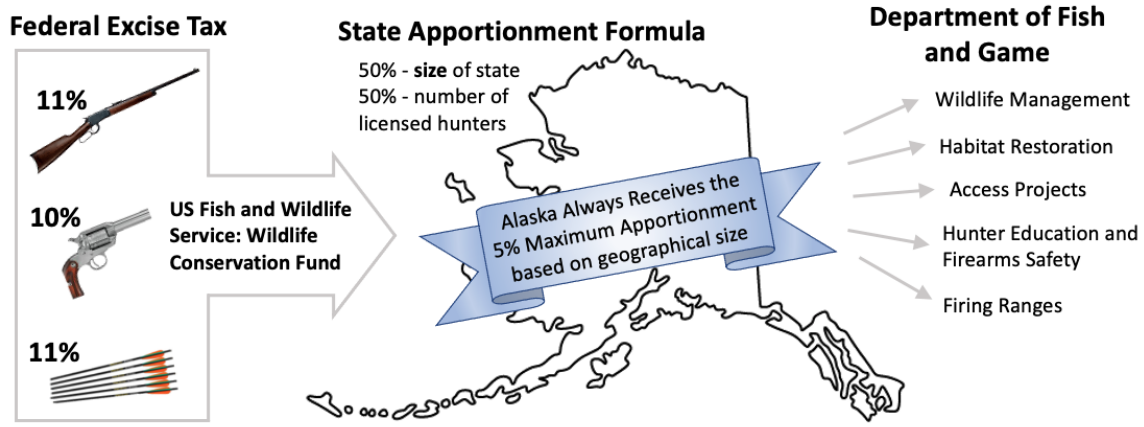
### [Apportionment to Alaska](#)

The annual apportionment of Pittman-Robertson funds by the Secretary of Interior to eligible states is based on the [Fish and Wildlife Service Apportionment Formula](#), which is calculated based on the geographical area of a state and the number of hunters licensed therein. The USFWS provides a detailed visual explanation of the apportionment process at: [Wildlife Restoration Program Apportionment Formula](#).

There are three mechanisms by which Pittman-Robertson funds are distributed from the Wildlife Restoration Fund, in accordance with the Wildlife Restoration Act:

- First, \$3 million is set aside each year for Multi-State Conservation Grants for projects identified by the Association of Fish and Wildlife Agencies that benefit regions or the entire country.
- The second mechanism pertains to a set distribution amount of \$8 million *plus* 50% of the excise tax revenues collected from the sale of pistols, revolvers, and certain bow hunting supplies which is set aside for hunter education. States receive a portion of this funding based on their total population.
- The third mechanism (illustrated below), is provided from the remaining available balance of the Wildlife Restoration Fund. This distribution is apportioned to US states and territories based on a formula that takes into account both the states' land mass, and the number of licensed hunters. The amount that states can receive through this third mechanism is capped at 5% of the total distribution amount, and due to their considerable land mass, Alaska and Texas are the only states that receive the maximum apportionment every year. Further analysis of apportionment among states, including relevant figures for Alaska for FY2015 through FY2019, may be accessed in "[Pittman-Robertson Wildlife Restoration Act: Understanding Apportionment for States and Territories](#)," a 2019 report by the Congressional Research Service.

# How Pittman-Robertson Funds Reach Alaska



States maintain federal eligibility for Pittman-Robertson funds by upholding "laws for the conservation of wildlife which shall include a prohibition against the diversion of license fees paid by hunters for any other purpose than the administration of departments of fish and game management, as required under [16 U.S.C. 669](#). Alaska directs these receipts to the Fish and Game fund (fund code 1024, fund source Other), and Alaska Statute restricts the use of these funds to activities that specifically benefit license holders. Relevant Alaska laws are codified at AS 16.05.130-140.

Sec. 16.05.130. Diversion of funds prohibited; separate accounts.

(a) Except as provided in (c) of this section, money accruing to the state from sport fishing, hunting, and trapping licenses, tags, or permit fees may not be diverted to a purpose other than the protection, propagation, investigation, and restoration of sport fish and game resources and the expenses of administering the sport fish and game divisions of the department.

## Agency Use of Pittman-Robertson Funds

The Alaska Department of Fish and Game works with the Fish and Wildlife Service to submit grant applications that demonstrate appropriate use of the funds for everything from regular agency operations to special surveys and access projects. In past years, the Department has published a [list of projects that use Pittman-Robertson grants](#). Federal regulations maintain strict requirements for the usage of these funds, with the intent that they may benefit the users who pay in to the excise tax. The [Alaska Department of Fish & Game describes these requirements](#), stating that "Wildlife Restoration grants are approved only if they provide for public use and benefit from restoration, conservation, management, and enhancement of wildlife resources, or the education of responsible hunters and archers." Ineligible uses include enforcement of fish and game laws and regulations, the establishment,

publication or dissemination of regulations, or printing and distributing wildlife harvest licenses and permits.

For decades, Pittman-Robertson apportionments have been the [primary source funding](#) for ADF&G's Division of Wildlife Conservation, providing for nearly two thirds of the division's operating budget. In addition, the funds are leveraged for capital projects throughout Alaska for activities eligible under the law.

Recent increases in federal apportionments to Alaska have driven the agency to expand its use of the funds by partnering with other entities to identify appropriate projects. This also allowed the State to leverage other revenue sources to meet the sharp increase in state match requirement without overcommitting license revenues. As highlighted in ADF&G's [Alaska Fish & Wildlife News](#), "A few years ago, Americans were buying unprecedented numbers of guns and ammunition, creating an unusual boost in federal PR funds. This boost allowed ADF&G Division of Wildlife Conservation to begin funding a new type of wildlife conservation project in Alaska, enhancing hunter access." Accordingly, Alaska has partnered with the Department of Natural Resources as well as local organizations and non-profits to provide grants for various hunter access projects.

An interactive state map of such grants, along with respective lists of completed and in-progress projects, appears in the [Hunter Access Grant Program Overview](#) by ADF&G. To learn more about the application and selection process, including FAQs, see the [Hunter Access Grant Program Application](#).

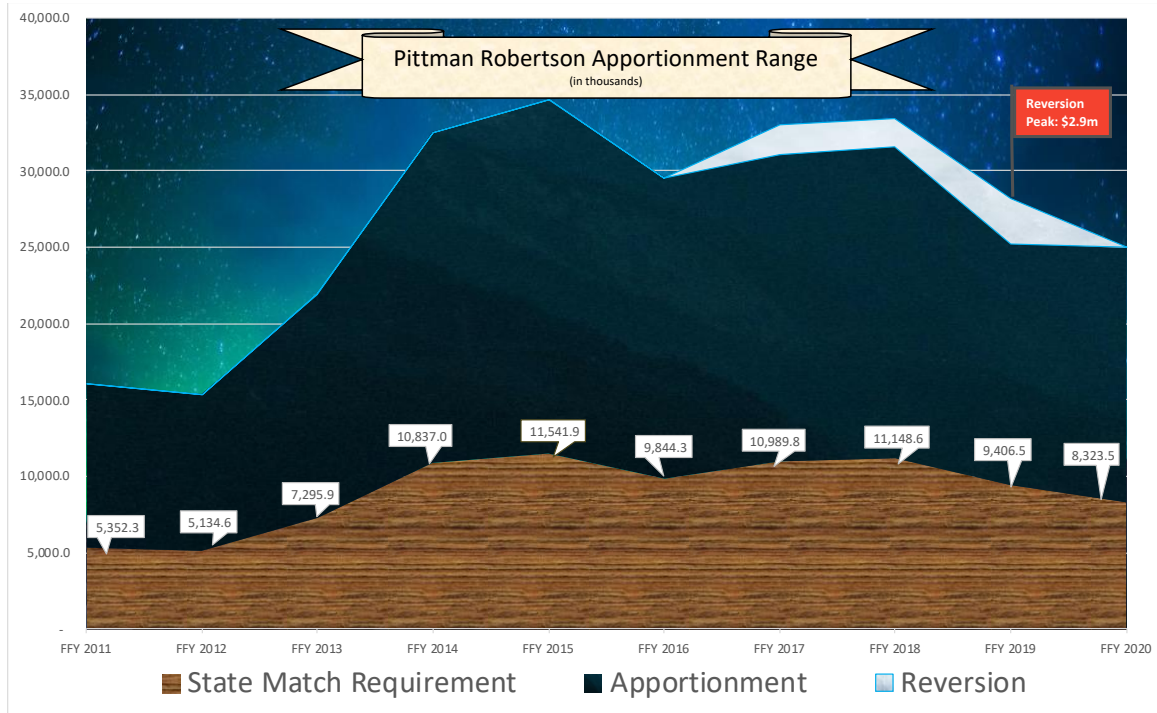
### State Match Requirement

To receive Pittman-Robertson funds, states must submit project proposals to the US Fish and Wildlife Service each year for approval. If a project meets federal criteria, a state may then submit up to 75% of the project's expenses for reimbursement. The remainder of the project costs must be covered by state, local government, tribal, or nonprofit organization funds. This federal mandate, requiring the state to fund at least 25% of each project from non-federal sources, is known as *the 3-1 match requirement*.

Alaska uses Fish and Game fund revenue for the majority of its state match. These funds are generated through the sale of hunting permits, licenses, and tag fees, furthering the user-pay aspect of this program. Increases in the federal apportionment, however have forced the legislature to supplement the Fish and Game fund match with general fund. This also helped motivate user groups to successfully lobby for increases in hunting license and tag fees have forced the legislature to supplement the Fish and Game fund match with general fund in order to access the full apportionment amount and avoid reversion of Pittman-Robertson funds. Though license and tag fees increased for calendar year 2017, many users purchased 2017 licenses at 2016 prices. The Department didn't realize full year predicted increases in revenue until calendar year 2018 and fiscal year 2019.

## Reversion

Due to sharp increases in sales of firearms and ammunition in recent years, federal apportionments of Pittman-Robertson funds to Alaska have risen to unprecedented heights. To varying degrees, these increases have found the State unprepared to meet its obligations under the 3-1 match requirement. When the State falls short of its 3-1 match and is unable to obligate funds within the two-year timeframe, the unmatched remainder of Pittman-Robertson funds reverts to the US Fish and Wildlife Service and are designated for specific purposes outside of Alaska. Reversion also occurs when grants close without fully-expending the allotted federal funds, and the State is unable to re-obligate the funds.



A significant reversion of funds has occurred in recent years, and these events have generated discussion in the legislative and executive branches toward augmenting the State's capacity to manage and match its full apportionment. This effort led to the expansion of the Department's administrative capacity in order to identify and manage a sufficient number of State or non-State (e.g., local government and non-profit-led) projects to absorb the full apportionment. As one media outlet [reported](#), "it's been a challenge for the State to come up with the required 25 percent matching funds." The Division of Wildlife Conservation at ADF&G has responded by [proposing steps](#) and taking action to reduce the risk of reversion in future years. In addition to the State's efforts, user groups also supported legislation that increased licensing fees. This generated additional revenue to the Fish and Game fund, and bolstered the State's ability to meet the state match requirement.

Funds are reverted if a project or grant concludes without fully expending the amount that was originally committed. The funds may be re-obligated for a similar purpose, pending the approval of the US Fish and Wildlife Service, and only when the agency has successfully obligated a sufficient amount of current year apportionments in the years following the origin of the grant. These buffers are commonly referred to a 'safety margin' and unexpended amounts can be recovered by netting them out against any safety margins, starting chronologically with the earliest year following the grant's origin. In years when the agency was unable to capture and commit a sufficient amount of current-year apportionments, a safety margin could not be established and so the agency would have a diminished capacity to recapture any expiring, unexpended funds. The WSFR provides the following definition of a safety margin for these purposes:

*Safety margin* means an accounting technique used by WSFR to determine the age of funds using the "first in, first out" (FIFO) method. This allows WSFR to use the most liberal interpretation of assigning an age to any funds that become available from a prior year apportionment. Safety Margins are only established at the end of the Federal Fiscal Year (FFY). The safety margin determines if de-obligated (unspent) funds have another year of funding availability to be obligated to future grants. For these grant programs, de-obligated grant funds must "pass through the safety margin" to be recovered and returned to the State grant program account. De-obligated grant funds that do not pass through the safety margin will revert to the Service to be used in accordance with grant program rules. Grant funds obligated and de-obligated during the same FFY are returned to the State grant program account and do not pass through the safety margin. WSFR Training has developed a [safety margin training video](#) to assist in understanding the safety margin process.

	FFY 2013	FFY 2014	FFY 2015	FFY 2016	FFY 2017	FFY 2018	FFY 2019	FFY 2020
<b>Apportionment</b>	21,887.7	32,511.1	34,625.8	29,532.8	32,969.4	33,445.8	28,219.6	24,970.6
<b>State Match Requirement</b>	7,222.9	10,728.7	11,426.5	9,745.8	10,879.9	11,037.1	9,312.5	8,240.3
<b>Carryover (prior year)</b>	-	-	-	31,800.0	28,100.0	32,900.0	30,200.0	23,400.0
<b>Recoveries (previous years)</b>	900.0	500.0	1,200.0	1,800.0	1,000.0	-	-	900.0
<b>Total Available</b>	30,010.6	43,739.8	47,252.3	72,878.6	72,949.3	77,382.9	67,732.1	57,510.9
<b>Grants Using Carryover</b>	-	-	-	33,600.0	28,800.0	32,900.0	30,200.0	24,300.0
<b>Grants Using CY Apportion.</b>	19,000.0	22,200.0	26,700.0	800.0	-	3,100.0	4,700.0	7,100.0
<b>Total Obligated Grants</b>	19,000.0	22,200.0	26,700.0	34,400.0	28,800.0	36,000.0	34,900.0	31,400.0
<b>Unobligated</b>	11,010.6	21,539.8	20,552.3	38,478.6	44,149.3	41,382.9	32,832.1	26,110.9
<b>Safety Margin*</b>	9,800.0	9,700.0	2,800.0	1,300.0	-	3,100.0	4,700.0	1,400.0
<b>Reversion**</b>	-	-	-	-	1,920.0	1,800.0	3,000.0	12.0
*Safety margins are established for each FFY when the agency fully obligates prior year carryover, as well as any amount of the current year apportionment.								
**Grants that were established in previous years may not fully-expend the funds that were set aside for them. These unexpended funds are returned to the feds unless the agency can net out the balance against accumulated safety margins, beginning with the year in which the grant was established.								

### Timing Considerations

The agency receives apportionments of Pittman-Robertson funds on a Federal Fiscal Year basis (renewing October 1 of each year), has two of these Federal Fiscal Years to obligate and capture the federal funds. In years when the State encountered a sudden influx of Pittman-Robertson funds, the agency struggled to commit even the carried over (second year) funds, let alone the current year apportionment. Only in committing the current year (first year) funds is the agency able to establish a safety margin, which is why reversion of expiring funds occurred in those years, along with the inability to provide sufficient match to secure the entirety of the current-year apportionment.

### Looking Forward

Alaska's Pittman-Robertson apportionment amounts have reflected a slight downturn in FFY19 and FFY20, reducing pressure on the agency to obligate federal dollars. The Department has also worked diligently to address the reversion issue through increased administrative capacity and community outreach to identify match and appropriate projects. The legislature has supported these efforts by increasing capital authority and funding for these projects. In this timeframe, however, the State continues to experience structured budget deficits, which has forced general fund reductions to most agencies, and an increased reliance on other revenue and fund sources. The Fish and Game fund has simultaneously experienced diminished licensing revenues due to the 2020 COVID-19 epidemic, the effects of which could stretch into 2021. This important source of state match for Pittman-Robertson funds is also required for certain agency operations that are excluded under Pittman-Robertson limitations. The Legislative Finance Division works with the Department to track Fish and Game fund balances and obligations to avoid unsustainable levels of spending and legislative appropriation of these funds.