

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE Division of Legislative Finance



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MEMORANDUM

DATE: August 30, 2022
TO: Legislative Budget and Audit Committee
FROM: Alexei Painter, Director 
SUBJECT: Preparation for the September 6, 2022 LB&A Meeting

OMB submitted the following FY23 RPLs for consideration at the September 6, 2022 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our website at <http://www.legfin.akleg.gov>.

RPL#	Agency	Allocation/Program	Amount	Fund Source
11-2023-0035	DFG	Pink Salmon Disaster – 2016 Gulf of Alaska	\$1,000,0000	Statutory Designated Program Receipts (1108) Capital

If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

**Department Of Fish and Game
Commercial Fisheries
Pink Salmon Disaster – 2016 Gulf of Alaska**

Subject of RPL: Pink Salmon Disaster – 2016 Gulf of Alaska	ADN/RPL #: 11-2023-0035
Amount requested: \$1,000,0000	Appropriation Authority: Sec 1 Ch 3 FSSLA 2019 Pg 4 Ln 9
Funding source: Statutory Designated Program Receipts (1108) Capital	Statutory Authority: AS 16.05.020(2)

PURPOSE

This project is part of the Alaska Hatchery Research Program to study the interaction of hatchery fish straying into wild systems for pink and chum salmon in Prince William Sound and chum salmon in southeast Alaska. Funds were spent out of the fiscal year (FY) 2022 budget to cover some expenditures, however, the remaining amount for FY2023 exceeds the authority granted under the current appropriation.

On January 18, 2017, the Secretary of Commerce declared the Gulf of Alaska Pink Salmon fishery disaster. This project is the first step in a four-step distribution process for the Disaster. Based on the following prioritized criteria, funds will be allocated to: 1) improve fishery information to better assess and forecast future fishery performance; 2) fishery participants directly involved and harmed by the 2016 pink salmon disaster; 3) positively affect the broadest number of people possible; and 4) address losses to primary business and infrastructure that directly support pink salmon fisheries and that incurred the greatest losses as a result of the disaster.

PREVIOUS LEGISLATIVE CONSIDERATION

The Pink Salmon Disaster – 2016 Gulf of Alaska capital appropriation was approved during the FY2020 budget process. In the FY2020 budget, \$3,630,000 was appropriated for this disaster.

TIMING ISSUES

The approval of the funding occurred in March 2022. The additional funds came from unspent direct payments and were reallocated to proposed research projects. These newly allocated funds occurred partially in FY2022 and will continue in FY2023 for genetics research. The funding has already been approved but additional authority is needed to accept it. The additional funding will lapse on 6/30/2023. Approval is needed as the projects have been initiated, including field work. If this request is disapproved, it will prevent the State of Alaska from fulfilling its obligations for the Alaska Hatchery Research Program and will impact Department hatchery permitting practices and fisheries certification.

BUDGETARY ISSUES

The project is part of the Alaska Hatchery Research Program, established in 2012 to study the interaction of hatchery fish straying into wild systems for pink and chum

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LFD Contact: Morgan Foss, Fiscal Analyst – (907) 465-5410

salmon in Prince William Sound and chum salmon in southeast Alaska. The program is funded in part by the State of Alaska, private nonprofit hatchery operators, processors, and competitive grants. The information gained from this project is critical to the mission of the Department of Fish and Game, as it will assess the impact of hatchery fish on wild production.

Funds were spent out of the FY2022 budget to cover some expenditures, however, the remaining amount for FY2023 exceeds the authority granted under the current appropriation. This project accounts for approximately 50% of throughput for the Genetics Laboratory for FY2023 and requires significant investment in people and equipment to accomplish.

The distribution of proposed expenditures is outlined in the table below:

Line	Amount	Percentage
Personal Services	\$570,000	57%
Travel	\$20,000	2%
Services	\$220,000	22%
Commodities	\$190,000	19%

If the request is not approved there will be current budgetary impacts. The measurable impacts will be seen through reduced staff time, finding other sources for pending purchases, defaulting on current contracts, and not completing the Alaska Hatchery Research Program project in a timely manner, thus affecting policy decisions and fisheries certification. Loss of this funding will create substantial impact on Genetics Laboratory staff. In FY2023, this source funds the following staff time: 45.7 man months (mm) full time regular; 10.4 mm full time seasonal; 9.7 mm short term non perm; and 8.3 mm borrowed positions (full time seasonal across regions and divisions).

The project is scheduled to be concluded by 6/30/2023 and will not have future impacts on general funds or other budgetary issues.

Legislative Fiscal Analyst Comment: The National Marine Fisheries Service (NMFS) works collaboratively with the Pacific States Marine Fisheries Commission (PSMFC) to distribute funds appropriated by Congress in response to fisheries disasters determinations made by the Secretary of Commerce. The State of Alaska receives funds through PSMFC, who serves as the administrator, to conduct specific research projects designed to create a more resilient fishery. Because PSMFC is a non-government entity, this is appropriate as Statutory Designated Program Receipts. Should the State receive the funds directly through NMFS or another federal entity, the funding would be more appropriately categorized as Federal authority. Regardless of the fund source, this added authority expands an existing appropriation for the original stated purpose of that appropriation, and is appropriate for the Revised Program Legislative (RPL) process. There are no match requirements for this funding, and no technical issues with the RPL.