

State of Alaska
FY2003 Governor's Operating Budget

Department of Fish and Game
Habitat and Restoration
Budget Request Unit Budget Summary

Habitat and Restoration Budget Request Unit

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BRU Mission

The mission of the Habitat and Restoration Division is to protect, maintain, enhance, and restore habitat for fish and wildlife consistent with sound conservation and sustained yield principles.

BRU Services Provided

Work conducted in the Habitat and Restoration BRU complements the efforts of other ADF&G divisions that primarily engage in fish and wildlife population management and enhancement. The Habitat and Restoration Division reviews applications and issues permits for activities affecting fish-bearing waters, state game refuges, sanctuaries, and critical habitat areas and participates in other land management agencies' permitting and planning activities to ensure that fish and wildlife needs are addressed as required by statute. The division also develops and conducts a wide variety of natural resources injury assessment, monitoring and restoration projects and develops comprehensive restoration plans that will help govern the use of Exxon Valdez settlement funds through the year 2003.

The Habitat and Restoration BRU consists of three components. The Habitat component provides staff review of applications and issuance of permits for activities affecting fish-bearing waters, and the 33 legislatively designated state game refuges, sanctuaries, and critical habitat areas. This review is the state's primary tool for protecting salmon and other anadromous fish habitat, as well as fish and wildlife habitat and public use in the 33 legislatively designated areas. This component includes review and maintenance of the Anadromous Waters Catalog and its conversion to a more public-friendly digital format. It also provides for coordination with other divisions to provide technical fish and wildlife expertise during review of forest practices activities, mining, land management planning, transportation projects, land conveyances and disposals, coastal zone project reviews, and project reviews for oil and gas leasing, exploration, and development.

The Special Projects component provides the state's fish, wildlife, and habitat expertise on a variety of cooperative projects with other agencies, the public or industry. Most projects are of limited scope and duration with the exception of the component's two largest projects: The Kachemak Bay Research Reserve located in Homer, and the Alaska Access Defense program. The latter protects and maintains access for Alaskans to state and federal public lands and waters in the state. Both are ongoing programs.

The Restoration component supports the work of the EVOS Trustee Council that focuses Exxon Valdez settlement funds on restoration, replacement, rehabilitation, recovery monitoring, and enhancement of the natural resources injured by the Exxon Valdez oil spill. The program develops and conducts a wide variety of injury assessment and restoration projects and develops comprehensive restoration plans. It will continue through the year 2003.

BRU Goals and Strategies

The Habitat and Restoration Division developed a regional project-based budget for FY02 to accurately reflect expenditures by funding source in each component. As part of this effort, the former Title 16 Permitting component was merged into the Habitat Component in the FY02 budget in order to reduce budget complexity and unnecessary administrative workload. Previously there were over 100 funding sources spread across four components. Merging components was viewed as essential given the increased workload expected in FY02 with the gas pipeline, increased oil and gas exploration on the North Slope and Cook Inlet, expansion of the state's transportation system, increased mining activity, expansion of culvert inventory, monitoring and assessment for fish passage programs, and implementation of the Southeast Sustainable Salmon habitat assessment, research, and monitoring programs.

Key BRU Issues for FY2002 – 2003

The greatest challenge the Habitat and Restoration Division faces is maintaining important habitats for fish and wildlife while facilitating responsible development of Alaska's resources. Ensuring adequate staff time to work with development interests during project planning phases is the most cost-effective method for protecting Alaska's resources and

providing for economic growth and development.

Reauthorization of the Trans Alaska Oil Pipeline lease; design, permitting and construction of a gas pipeline from Prudhoe Bay; expansion of the state's transportation system; increased oil and gas leasing, exploration and development of the Cook Inlet Basin and the North Slope including NPRA; and escalating exploration and development of hardrock ore deposits in Interior Alaska continue to pose significant challenges for the division's project review and permitting staff. Maintaining a solid core of experienced permitting staff to work on the projects above is also becoming a serious challenge. Almost half the division's senior staff, much of it with extensive permitting and/or planning expertise, retired in 2001; a number of other senior employees will be eligible for retirement in the next two years and eroding state wage scales make long-term retention of new hires and remaining seasoned staff less certain. Committing the time needed to hire and train new staff will remain a high priority for the next several years.

Research conducted in Southeast and Southcentral Alaska on road culverts in salmon streams indicates that many are blocking fish passage to spawning and rearing areas. The department will continue its efforts to identify and prioritize problem culverts for replacement, and has already initiated fieldwork for a statewide assessment of stream crossing on the Alaska Highway system and public road system. This project was conducted in cooperation with the Department of Transportation and Public Facilities and the U.S. Fish and Wildlife Service. The division will also continue to work cooperatively with large private landowners by conducting field inventories and providing technical expertise to renovate or replace culverts that are blocking fish passage. The division will provide economical and technically feasible solutions that will improve fish passage.

A long term multi-agency ecological assessment program for log transfer facilities that was initiated in FY01 to study their effects on the marine environment, determine the most cost effective mitigation measures, and investigate potential economic uses of bark deposits associated with these facilities will continue into FY03. A comprehensive salmon habitat assessment, research, monitoring, and restoration program in Southeast Alaska that began in late FY01 will also continue for the next several years.

Protecting Alaskans' access to fish and wildlife resources on public lands remains an ongoing issue. The division will continue to review RS 2477 and 17(b) easements statewide to ensure the public's access to state lands is protected. The division will continue to address increasing pressures on the Kenai River watershed, the southern Kenai Peninsula, and selected Matanuska-Susitna watersheds, and will conduct habitat restoration projects along major salmon spawning and rearing areas associated with these fisheries.

To adequately protect Alaska's anadromous fish resources, ADF&G first needs to know what waterbodies support anadromous fish and what areas are important for spawning or rearing. In FY03 the division will continue with Year 2 of a four-year anadromous fish habitat assessment in Southcentral and Interior/Northern Alaska under a \$1million Coastal Impact Assistance Program grant. This advanced identification and assessment work focuses on areas outside Southeast Alaska believed most likely to experience development in coming years and/or where significant data gaps exist. (Advanced identification needs in Southeast Alaska are currently being addressed using Sustainable Salmon funds.) The division will also continue to conduct anadromous stream surveys in the Yukon River watershed under a five-year cooperative agreement initiated in FY02 with the Bureau of Land Management.

Major BRU Accomplishments in 2001

Restructuring of the Habitat and Restoration Division programs continued through FY01 and into FY02 to increase administrative and fiscal efficiency. Interagency receipts from multiple sources for a specific project were consolidated to the greatest extent practicable, and funds requiring match were consolidated with the match to ensure accountability. Substantial effort continues to be made to get outside funds into the budget as rapidly as possible to streamline administrative efforts.

Several new projects were started during FY01 including an ecological assessment of log transfer facilities in Southeast Alaska; road culvert assessment for efficient fish passage in the Matanuska-Susitna Valley and in portions of the Kenai Peninsula; fish habitat restoration projects in the Matanuska-Susitna Valley, Copper River Basin, and Anchorage Borough; forest practices regulations for Interior Alaska; and an assessment of ATV impacts to fish spawning and rearing habitat in lower Kenai Peninsula drainages. The conversion of the Anadromous Waters Catalog atlas data into a Geographic Information System (GIS) format for Southeast Alaska was 95 percent completed, bringing the overall conversion level to approximately 80 percent of the cataloged water bodies within the state. Conversion to GIS format will allow electronic distribution of this information to other agencies, the public and to industries that require efficient access to accurate information on anadromous waters.

In FY01 the division provided applicants with technical assistance on 3266 projects statewide, to meet project objectives while avoiding or minimizing impacts to fish and wildlife resources within regulatory deadlines. Numerous habitat restoration projects were completed in cooperation with other agencies, municipalities, and private organizations and individuals throughout Southcentral Alaska with a continued focus on the Kenai River and the Matanuska-Susitna Valley. The division successfully resolved numerous construction issues with the oil industry in the Cook Inlet Basin and on the North Slope and continued its work at Red Dog, Fort Knox and Green's Creek.

Key Performance Measures for FY2003

Measure:

95 percent of the Title 16 (anadromous waters) applications are approved or modified to protect, minimize, or mitigate habitat damage within an average of 20 days after receipt.

Sec 74.b.1. Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

In FY2001, 1,999 Title 16 applications were received and reviewed within an average of 17 days. 99% were approved as proposed or with project modifications.

Benchmark Comparisons:

This performance measure does not lend itself to comparisons with other states because it measures progress unique to Alaska and Alaska's project review laws.

Background and Strategies:

The division routinely tracks the status of all permit review requests it receives, and prepares an annual report summarizing such statistics as the numbers and types of permits it issues, for what industries, and in which of its three regions (southeast,southcentral/southwestern/western, and interior/arctic). This allows division management to best direct permitting effort to the regions, sub-regions, and industries with the greatest demand for project review and permitting services. To process this number of permits expeditiously, the division requires an adequate number of staff who have a good basic education in fish and wildlife biology, training in specialized areas such as bioremediation and hydrology, and many years of experience in reviewing and monitoring a wide variety of construction activities.

Measure:

80 percent of the land use plans reviewed result in consensus on habitat related issues.

Sec 74.b.2. Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The division reviewed multiple actions under ten land use plans in 2001. Over 80% of the departments recommendations to protect fish and wildlife habitat, public hunting and fishing opportunities, and access to public lands and resources were adopted.

Benchmark Comparisons:

This performance measure does not lend itself to comparisons with other states because it measures progress unique to Alaska and Alaska's land use planning laws.

Background and Strategies:

The division initiates plans for legislatively designated State Game Refuges, Critical Habitat Areas, and Sanctuaries and participates in the development of all other land use plans to ensure adequate protection for fish and wildlife, their habitats and public access to public lands and waters. Any subsequent actions under these plans are also reviewed to make certain they meet the stated goals of the plan. Approved plans, resulting from a consensus building public review process, provide guidance on future allowable land uses and compliance with all fish and wildlife habitat requirements. To achieve this objective Habitat and Restoration Division needs to have well trained and experienced staff to respond to land use actions within statutory deadlines.

Measure:

95 percent of the project reviews for industrial development, road construction, and timber harvest are completed within an average of 25 days or less or within the scheduled time frame for complex projects.
Sec 74.b.3. Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

In FY 2001, 92% of reviews involving Fish and Game permits were reviewed within the permit deadline. Average time for Fish and Game permits was 17 days. 89% of projects involving other agency permits were reviewed within the permit deadline. Average time for comments on other agency permits was 16 days.

Benchmark Comparisons:

This performance measure does not lend itself to comparisons with other states because it measures progress unique to Alaska and Alaska's project review laws.

Background and Strategies:

The division routinely tracks the status of all permit review requests it receives, and prepares an annual report summarizing such statistics as the numbers and types of permits it issues, for what industries, and in which of its three regions (southeast, southcentral/southwestern/western, and interior/arctic). This allows division management to best direct permitting effort to the regions, sub-regions, and industries with the greatest demand for project review and permitting services.

Measure:

100 percent of the third party contracted restoration projects are completed by the end of the contract period.
Sec 74.b.4. Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The division did not meet this measure for FY01. Of 28 approved projects, 21 (75%) were completed by the end of the federal contract completion date.

Benchmark Comparisons:

This performance measure does not lend itself to comparisons with other states because it measures progress unique to Alaska and Alaska's restoration funding sources.

Background and Strategies:

The Kenai River Restoration 50/50 Cost Share Project was initiated in 1995. From 1995 to date, 214 projects were contracted through the U.S. Fish and Wildlife Service (USFWS) because the department has no direct granting authority. Eight (8) projects were never initiated due to changes in landowner's health or financial condition, and the contracts were terminated. Of the 206 projects that have active USFWS Cooperative Agreements (1995-8; 1996-32; 1997-53; 1998-29; 1999-34; 2000-22; 2001-28) 198 have been completed. The 8 remaining projects will be completed during the summer 2002. Since 1995, 100 percent of the contracts have been completed prior to reimbursement.

Habitat and Restoration
BRU Financial Summary by Component

All dollars in thousands

	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Habitat	114.8	168.7	1,322.4	1,605.9	1,950.7	380.1	2,998.0	5,328.8	2,501.5	387.1	3,046.1	5,934.7
Hab. Special Projects	105.7	310.3	833.1	1,249.1	99.0	794.9	1,807.7	2,701.6	99.4	802.3	2,411.3	3,313.0
Habitat Permitting/Title 16	1,546.9	144.9	889.6	2,581.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restoration	0.0	0.0	3,043.2	3,043.2	0.0	0.0	3,932.0	3,932.0	0.0	0.0	3,620.2	3,620.2
Totals	1,767.4	623.9	6,088.3	8,479.6	2,049.7	1,175.0	8,737.7	11,962.4	2,600.9	1,189.4	9,077.6	12,867.9

Habitat and Restoration

Proposed Changes in Levels of Service for FY2003

Efforts have been initiated to develop a trans-Alaska pipeline for North Slope natural gas. This is an enormous undertaking, begun in FY01, which will require increased staffing to evaluate route alternatives and environmental concerns associated with each alternative. Primary activities during FY03 will be the continuing collection of field data, review of project engineering designs, and issuance of permits. Although funded through SDPR sources and general funds, the ADF&G staffing requirements of the Gas Pipeline Office have a direct impact on the division, by otherwise removing experienced staff with field and permitting expertise from the available labor pool.

The division received an increment in FY02 to begin addressing an anticipated increase in oil and gas exploration and development activity on the North Slope, and to allow training of new staff prior to several key retirements. In the meantime, even greater growth in oil and gas activity both on the North Slope and in the Cook Inlet area is expected. To provide the level of timely permitting services required, the division will need to hire and train an additional permitter for both the North Slope and Cook Inlet in FY03.

A fish habitat permitting and restoration center will be established in the rapidly developing Palmer/Wasilla area in FY03. This will greatly enhance ADF&G services to residents of the 17 million acre Mat-Su Borough (MSB) and better protect valuable fish habitat resources in southcentral Alaska. Based on our experience operating the Kenai River Center, the availability of staff to provide local technical assistance will help streamline the permitting process, develop sources of funding for and public confidence in habitat restoration techniques, and improve landowners' willingness to prevent damage or restore stream banks and fish habitat in the Mat-Su Valley.

To increase efficiency and improve delivery of ADF&G services on the lower Kenai Peninsula, one permitter will be added to the staff at the Kenai River Center. The two ADF&G biologists now located at the Center work exclusively on Kenai River permitting and restoration, with permitting for the southern Kenai Peninsula currently handled from Anchorage. The explosive growth in lower Kenai Peninsula permit applications (47% from 1998-2001) means that ADF&G can better prevent additional impacts to important fisheries resources supporting the Kenai Peninsula economy if permitting services are actually located on the peninsula.

The Kachemak Bay Research Reserve staff will gradually increase as this program continues to grow, developing research, stewardship, and education programs for delivery in the Kachemak Bay and southern Cook Inlet areas. Interim facilities for the Reserve will be completed and the few remaining core administrative and project staff will be hired in FY02 and FY03. Design of the joint headquarters facility with USFWS/Alaska Maritime National Wildlife Refuge is underway with construction expected to conclude by Spring 2004.

Over the next several years, the division plans to implement a cooperative and collaborative strategy that will develop and improve information systems at the client level, to better integrate and access habitat-related functions such as improved access to the Permits Tracking System, detailed fish surveys, and the monitoring and assessment of fish passage through culverts.

Habitat and Restoration

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	2,049.7	1,175.0	8,737.7	11,962.4
Adjustments which will continue current level of service:				
-Habitat	25.7	7.0	48.1	80.8

Adjustments which will continue current level of service:				
-Hab. Special Projects	0.4	7.4	26.3	34.1
-Restoration	0.0	0.0	34.7	34.7
Proposed budget decreases:				
-Restoration	0.0	0.0	-346.5	-346.5
Proposed budget increases:				
-Habitat	525.1	0.0	0.0	525.1
-Hab. Special Projects	0.0	0.0	577.3	577.3
FY2003 Governor	2,600.9	1,189.4	9,077.6	12,867.9