

Permanent Budget Reductions for FY15-16 (Starting July 1, 2015 – reductions from state appropriations)

Loss of Funds:

\$ 108,537	Marine Patrol renting vehicle reduction
\$ 52,203	Fisheries Management office lease, travel and postage reductions
\$ 23,244	Habitat and Enhancement contract services, travel, and office supplies reductions
\$ 17,300	License and Statistics travel, postage and office supplies reductions
\$ 8,876	Director's Office, Maintenance Services and Public Affairs travel, postage and office supplies reductions
\$ 3,127	Marine Fisheries Commission travel, postage and office supplies reductions
<u>\$ 3,053</u>	Information Technology office supplies reduction
\$ 216,340	Total Budget Reductions for Division FY15-16

Represents 1.92% reduction to the division's state appropriated budget for FY15-16

FY2009-10, FY2010-11, FY2011-12, FY2012-13, FY2013-14, FY2014-15, FY2015-16 Permanent Budget Reductions (Summary of Seven Fiscal Years)

Loss of Funds:

\$1,179,648	Total state appropriated budget reductions in FY09-10 (6.54%)
\$ 317,876	Total state appropriated budget reductions in FY10-11 (1.88%)
\$3,363,236	Total state appropriated budget reductions in FY11-12 (20.32%)
\$ 191,484	Total state appropriated budget reductions in FY12-13 (1.20%)
\$ 555,339	Total state appropriated budget reductions in FY13-14 (4.24%)
\$ 989,219	Total state appropriated budget reductions in FY14-15 (8.08%)
<u>\$ 216,340</u>	Total state appropriated budget reductions in FY15-16 (1.92%)

\$6,813,142 Total reductions in seven fiscal years (44.18%)

The DMF has lost 44.18% of state appropriations since the FY09-10 base budget. *Note: for the summary, the transfer of funds from the Shellfish Sanitation and Recreational Water Quality Section is not included.*

Loss of Positions (Includes Fund Shift):

0.0	Total positions eliminated from state appropriations in FY15-16 (<i>The division is proposing eliminating two positions to use the monies for the operating budget reductions taken.</i>)
5.5	Total positions eliminated from state appropriations in FY14-15 (3 fund shifted)
2.0	Total positions eliminated from state appropriations in FY13-14 (1 fund shifted)
2.0	Total position eliminated from state appropriations in FY12-13 (1 fund shifted)
15.0	Total positions eliminated from state appropriations in FY11-12 (9 eliminated; 6 fund shifted)
11.0	Total positions eliminated from state appropriations in FY10-11 (10 eliminated; 1 fund shifted)
<u>3.0</u>	Total positions eliminated from state appropriations in FY09-10 (0 eliminated; 3 fund shifted)
38.5	Total positions eliminated from state appropriations in seven fiscal years; 15 of these positions were fund shifted

Impact Summary:

Reduction and fund shifting staff and operations limit the division's ability to meet many mandates, needs, new initiatives and Fishery Management Plan research needs. The division must ensure core mission functions are prioritized. This will affect the division's ability to address core mission functions, non-core mission functions, operations, programs, etc. by being reduced or eliminated through reprogramming available resources to meet these core functions.

Other Concerns from Budget:

- Section 6.25 of S.L. 2015-241 2015 Appropriations Act allows agencies to abolish positions and budget the monies in operating accounts if the position was vacant for 12 months. The division is trying to use this part of the budget bill to abolish two positions to use the monies to cover the operating budget reductions. If the division is unsuccessful in this endeavor, mission critical work will be at risk from being completed.
- Marine Patrol will not be able to cover their required patrol areas if the division is not successful in abolishing positions and putting reduction of \$108,537 back into renting vehicles. If they cannot meet specific polluted shellfish patrol requirements, the Food and Drug Administration will remove shellfish dealers from the interstate shellfish dealers list thus eliminating interstate shellfish sale of oysters and clams harvested from North Carolina waters. This is a huge economic impact to the state while at the same time North Carolina is trying to promote shellfish production and harvest (wild and aquaculture) as an economic benefit.
- The division has closed and consolidated offices, Columbia and Nags Head, over the past six fiscal years meeting mandated budget reductions. In addition, meal and mileage rates have increased over the past four fiscal years without any increases in the budget for travel. This is causing staff to travel more to complete statutorily required job requirements such as sampling, compliance monitoring, required meetings, transferring samples to other laboratories, etc. Now we are required to cut the travel budget by \$132,428. The division may have to reduce some sampling areas and frequency (i.e., reduce services) to meet this mandate, permanently close some temporary shellfish harvest areas (i.e., parts of Lockwood's Folly and Newport River) from shellfish harvest (see comments above on the economic impact of shellfish harvest – this is another

interconnected program) and reduce fish samples, tagging, etc. used to help determine and monitor fish stocks.

- Division costs for rented facilities has increased without any budget increase and there has been substantial increases in Regional Office Rent. The division is required to reduce 12.42% (\$26,817) of its office rent budget and represents 49% of the total department's rent reductions. The division has incurred increased costs although there has been diligent negotiations to try and reduce costs. The costs of the Washington and Wilmington Regional Offices have continued to increase substantially with operating costs rising more than the Consumer Price Index annually. This reduction may require the division to consider moving staff out of the regional offices and allow them to work at home in order to implement such a reduction.
- Commercial receipt budget is in a deficit situation with the loss of the Advance License Sales receipts. New fee increases go directly to the At Sea Observer Program leaving some historical programs short-funded. The division is still trying to identify ways to reduce the commercial receipt over-obligated budgets.
- \$450,000 goes through Marine Fisheries budget directly to UNC-W for oyster research. However, this inflates the divisions' budget when it comes to taking mandated budget reductions based on the divisions' total budget. The division will have to take a reduction based on this total, but will not be able to cut this amount for the reduction.