



Scott R. Mason
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March 29, 2022

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

His Excellency Governor Christopher T. Sununu
And the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the New Hampshire Fish and Game Department (NHFGD), to accept and expend \$55,000,000 in federal funds from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), for the purpose of the design and construction of three fish hatchery systems, effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. This is an allowable use of ARP FRF funds under Section 602 (c)(1)(D) to make necessary investments in water, sewer, or broadband infrastructure. **100% Federal Funds.**

Funds are to be budgeted in FY2023 in the following account:

03-75-75-752020-24XX0000¹ NH Fish and Game Department
Water Quality and Hatchery Infrastructure Projects

Class	Description	FY23 Requested Budget
040-500800	INDIRECT COSTS	\$275,000
041-500801	AUDIT FUND SET-ASIDE	\$55,000
070-500704	IN-STATE TRAVEL	\$10,000
085-588514	INTERAGENCY TRANSFER OF FEDERAL FUNDS	\$2,750,000
103-500736	CONTRACTS FOR OPERATIONAL SERVICES	\$51,910,000
	TOTAL EXPENSES	\$55,000,000
000 400338	FEDERAL FUNDS	\$55,000,000
	TOTAL REVENUE	\$55,000,000

¹All direct program costs will be accounted for using activity 00FRF602WB7502A and all administrative and indirect costs will be accounted for using activity 00FRF602WB7502Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

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EXPLANATION

To meet the State's water quality standards, federal permit requirements, and maintain the State's hatchery program New Hampshire Fish and Game (NHFG) requests authorization to accept and expend \$55 million in ARPA SFRF funds to design, construct, and consolidate its hatchery system. This effort, when complete, would reduce the number of hatcheries managed by the State from six to four.

Taking into consideration construction costs and timelines, NHFG intends to construct a new 100,000-pound hatchery and a new 150,000-pound hatchery and design a third new hatchery of similar size. NHFG anticipates requesting funding for the construction of the third hatchery separately through the capital budget in the next biennium. These projects will be informed by an ongoing ARP-funded engineering study, previously approved.

Recreational fishing contributes an estimated \$100 million in annual spending and \$150 million in economic activity in New Hampshire, with license sales by approximately 200,000 anglers annually generating approximately \$6 million. To support angling in New Hampshire and the positive impact this activity has on the State's economy, NHFG currently operates six fish hatcheries.

To continue this support and meet the aforementioned state and federal standards, the State's hatchery infrastructure is in need of significant repair and modernization. In particular, new limits on phosphorus and other nutrient discharges at Fish and Game's largest hatchery (the Powder Mill Hatchery in New Durham) require major capital improvements to meet water quality standards; similarly strict limits are expected at the Berlin hatchery in the next few years. Together, the Berlin and New Durham hatcheries account for almost 60% of the hatchery system's total capacity. Both are part of the focus of this overall effort.

NHFG anticipates needing and is requesting flexibility to shift authorized or allocated funding between hatchery project locations in order to accommodate construction costs and timelines to meet project needs within the designated ARPA SFRF timeframes.

In addition, NHFG is requesting to expend a portion of the funds to retain a project manager and project administrator to perform ARPA SFRF compliance and reporting responsibilities.

Funds are budgeted as follows:

- Class 040 – Indirect Cost - Indirect Costs paid to SWCAP and internal cost recoveries
- Class 041 – Audit Fund Set-Aside -.001 of federal funds payable to DAS for audit fees
- Class 070 – In State Travel Reimbursement – mileage incurred for work related activities
- Class 085 – Interagency Transfer of Funds – Funding to pay DAS Bureau of Public Works for construction oversight per RSA 21-I:80 Major Projects
- Class 103 – Contracts for Operational Services - The funds within this class line will be used to retain a project manager and administrator, and eventually to hire a construction contractor.

The following information is provided in accordance with the Comptroller's instructional memorandum dated September 21, 1981:

- 1) *List of Personnel involved:*

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No new staffing requirements

2) *Nature, need and duration:*

The period of performance runs until December 31, 2026, under ARPA SFRF eligibility guidelines.

3) *Relationship to existing agency programs:*

This is a wholly new program enabled by federal funding.

4) *Has similar program been requested of the Legislature and denied?*

No

5) *Why wasn't funding included in the agency's budget request?*

It was not known that these funds would be available at the time the agency established its FY22/FY23 biennial budget.

6) *Can portions of the grant funds be utilized for other purposes?*

Not unless otherwise authorized.

7) *Estimate the funds required to continue these positions:*

N/A

8) *Geographic Area Served:*

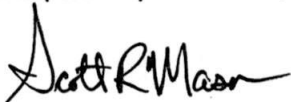
Various regions across the state.

9) *Sources of Funds:*

ARPA SFRF.

In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Scott R. Mason
Executive Director



Kathy Ann LaBonte, Chief
Business Division