

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	CSHB 195(RES)
Fiscal Note Number:	5
(H) Publish Date:	4/26/2024

Identifier: HB195CS(FSH)-DFG-CFEC-04-05-24
 Title: COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK
 Sponsor: RUFFRIDGE
 Requester: House Resources

Department: Department of Fish and Game
 Appropriation: Commercial Fisheries
 Allocation: Commercial Fisheries Entry Commission
 OMB Component Number: 471

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services	66.8		66.8				
Travel	10.0		10.0				
Services	5.0		5.0				
Commodities	2.0		2.0				
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	83.8	0.0	83.8	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1061 CIP Rcpts (Other)	83.8		83.8				
Total	83.8	0.0	83.8	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary	1.0		1.0				

Change in Revenues

1061 CIP Rcpts (Other)	83.8		83.8				
Total	83.8	0.0	83.8	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

This fiscal note differs from the previous version in that it removes the need for a Paralegal but adds a Program Coordinator and removes the estimated capital funds from the previous version.

Prepared By:	Shaundy Perry, Executive Director	Phone:	(907)790-6944
Division:	Commercial Fisheries Entry Commission	Date:	04/05/2024 02:30 PM
Approved By:	Glenn Haight, Commissioner	Date:	04/05/24
Agency:	Commercial Fisheries Entry Commission		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

Analysis

This bill 1) separates the Cook Inlet set gillnet permit holder category into two new administrative areas, 2) allows all permit holders the option to enter into the buyback program, and 3) implements a buyback program for the new administrative area by allocating funds to be obtained evenly between participating permits holders.

If passed, CFEC will conduct a regulation project in the Fall of 2025 that directs the three aforementioned bill components:

Step 1 - Limit Set-Net Fishery

- By November 2024, hold an application period to determine permit holders for a new administrative area in Cook Inlet
- By January 1, 2025, determine permit holders for new Cook Inlet administrative area and remaining Cook Inlet area

Step 2 - Conduct Buyback Approval Election

- By February 2025, develop and mail election ballots to permit holders in new area
- In February, hold informational meetings in the Kenai Peninsula
- Post election notices in areawide newspaper
- By April 1, 2025, conduct election
- By early May 2025, announce election results

Assuming permit holders approve a buyback program in an election, CFEC will -

Step 3 - Administer the Buyback Program

- Receive and administer external funds for a buyback
- If funding is received, administer a buyback application period
- Adjudicate appeals for buyback applicants denied into the buyback
- Administer payments to successful applicants to the buyback
- Retire those permits that are selected through the buyback
- Report back to the Legislature on the program

Because the buyback lottery was removed, CFEC does not see a need for a Paralegal to address appeals as there will be no limit to the number of permits that can be submitted if a permit holder chooses. However, a Program Coordinator has replaced the Paralegal to allow capacity to administer the lifecycle of the program. It is anticipated the work will require this additional temporary position to assist. It is also anticipated the program will take two fiscal years to complete. Other anticipated costs include travel, advertising, publications, and office set-up.

Additionally, because the buyback per permit amount was turned into an allocation based on funds to be obtained, the amount of capital funds is unknown at this time; therefore, the \$52,000.0 in capital costs has been removed. A supplemental for FY2025 will need to be requested dependent on passage of this bill.

The bill does not determine the buyback amount but allows for administrative expenses to be paid from the external source.

Administrative costs will be funded through a capital appropriation via Capital Improvement Project (CIP) receipts.