

HB

370

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: January 30, 1998

FURTHER REFERRALS:

Date of Committee Action: 3/5/98

The FINANCE Committee considered:

HB 370

HOUSE BILL NO. 370

APPROPRIATION: 1997 FISHERY DISASTER

"An Act making an appropriation for relief of the 1997 fishery disaster in Bristol Bay and on the Kuskokwim River; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 370 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____
 zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>[Signature]</i>	Therriault			X	
<i>[Signature]</i>	Martin			X	
<i>[Signature]</i>	Kohring		X		
<i>[Signature]</i>	J. Davis	X			
<i>[Signature]</i>	Grussendorf	X			
<i>[Signature]</i>	Moses	X			
<i>[Signature]</i>	G. Davis			X	
<i>[Signature]</i>	Kelly			X	
<i>[Signature]</i>	Foster	X			
<i>[Signature]</i>					

CO-CHAIR'S SIGNATURE *[Signature]* *[Signature]*
 Therriault Hanley

Adopted
8/4/98

0-LS1399F
Utermohle
3/4/98

CS FOR HOUSE BILL NO. 370(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$1,480,634
	Other Funds	<u>7,394,366</u>
		\$8,875,000

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for relief of the 1997 economic disaster in Bristol
 2 Bay and on the Kuskokwim River; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1. FINDINGS AND PURPOSE.** (a) The legislature finds that the following
 5 communities were adversely affected by the 1997 economic disaster in the Bristol Bay and
 6 Kuskokwim River regions:

7 (1) Bristol Bay region: Aleknagik, Chignik, Chignik Lagoon, Chignik Point,
 8 Clarks Point, Dillingham, Egegik, Ekuk, Ekwok, Igiugig, Iliamna, Ivanof Bay, King Salmon,
 9 Kokhanok, Koliganek, Levelock, Manokotak, Naknek, New Stuyahok, Newhalen, Pedro Bay,
 10 Perryville, Pilot Point, Port Alsworth, Port Heiden, Portage Creek, South Naknek, Togiak,
 11 Twin Hills, and Ugashik;

12 (2) Kuskokwim River region: Akiachak, Akiak, Aniak, Atmautluak, Bethel,
 13 Chefornak, Chuathbaluk, Crooked Creek, Eek, Goodnews Bay, Kasigluk, Kipnuk, Kongiganak,
 14 Kwethluk, Kwigillingok, Lower Kalskag, Napakiak, Napaskiak, Nunapitchuk, Oscarville,

1 Quinhagak, Red Devil, Sleetmute, Stony River, Tuluksak, Tuntutuliak, and Upper Kalskag.
 2 (b) The purpose of this Act is to appropriate federal money that is anticipated to be
 3 received under the disaster declaration portion of the Magnuson-Stevens Fishery Conservation
 4 and Management Act (16 U.S.C. 1801 - 1883) applicable to the Bristol Bay and the
 5 Kuskokwim River regions.

6 * **Sec. 2.** The sum of \$1,866,667 is appropriated to the disaster relief fund (AS 26.23.300)
 7 for loans to fishermen affected by the 1997 Bristol Bay and Kuskokwim River economic
 8 disaster from the following sources:

9	Commercial fishing revolving loan	
10	fund (AS 16.10.340)	\$ 394,367
11	Federal receipts	1,472,300

12 * **Sec. 3.** The sum of \$7,008,333 is appropriated to the Department of Community and
 13 Regional Affairs, division of municipal and regional assistance, for relief for the 1997 Bristol
 14 Bay and Kuskokwim River economic disaster from the following sources:

15	General fund	\$1,480,634
16	Federal receipts	5,527,699

17 * **Sec. 4.** The appropriations made by this Act lapse June 30, 1999.

18 * **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).

3/5/98

NO OBJ

AMENDMENT |

By Rep. Moses

CS for House Bill 370 (FIN)

Page 1, line 7, remove "Chignik Point"

Insert "Chignik Lake"

Page 1, Line 9

Insert "Nondalton"

0-LS1399\B-1
Utermohle
2/25/98

CS FOR HOUSE BILL NO. 370()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Funding Information:	General Fund	\$1,875,000
	Other Funds	<u>7,000,000</u>
		\$8,875,000

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act making an appropriation for relief of the 1997 economic disaster in
2 Bristol Bay and on the Kuskokwim River; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that the following
5 communities were adversely affected by the 1997 economic disaster in the Bristol Bay and
6 Kuskokwim River regions:

7 (1) Bristol Bay region: Aleknagik, Chignik, Chignik Lagoon, Chignik Point,
8 Clarks Point, Dillingham, Egegik, Ekuk, Ekwok, Igiugig, Iliamna, Ivanof Bay, King Salmon,
9 Kokhanok, Koliganek, Levelock, Manokotak, Naknek, New Stuyahok, Newhalen, Pedro Bay,
10 Perryville, Pilot Point, Port Alsworth, Port Heiden, Portage Creek, South Naknek, Togiak,
11 Twin Hills, and Ugashik;

12 (2) Kuskokwim River region: Akiachak, Akiak, Aniak, Atmoutluak, Bethel,
13 Cheformak, Chuathbaluk, Crooked Creek, Eek, Goodnews Bay, Kasigluk, Kipnuk, Kongiganak,
14 Kwethluk, Kwigillingok, Lower Kalskag, Napakiak, Napaskiak, Nunapitchuk, Oscarville.

1 Quinhagak, Red Devil, Sleetmute, Story River, Tuluksak, Tuntutuliak, and Upper Kalslag.

2 (b) The purpose of this Act is to appropriate federal money that is anticipated to be
3 received under the disaster declaration portion of the Magnuson-Stevens Fishery Conservation
4 and Management Act (16 U.S.C. 1801 - 1883) applicable to the Bristol Bay and the
5 Kuskokwim River regio. s.

6 * Sec. 2. The sum of \$8,875,000 is appropriated to the Department of Community and
7 Regional Affairs, division of municipal and regional assistance, for relief for the 1997 Bristol
8 Bay and Kuskokwim River economic disaster from the following sources:

9		
10	General Fund	\$1,875,000
11	Federal receipts	7,000,000

12 * Sec. 3. The appropriation made by this Act lapses June 30, 1999.

13 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box
Juneau, Alaska
99801
Fax (907)

Post-It Fax Note	7/571	Date	9/11	# of Pages	7
To	Tom	From	Tom		
Co/Dept		Ln			
Phone #	258-5915	Phone #	4842		
Fax #		Fax #	4589		

August 11, 1997

The Honorable William M. Daley
Secretary of Commerce
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Secretary:

Fishers and communities in the Bristol Bay and Kuskokwim River regions are experiencing severe economic hardship because of this year's record low runs and catches of sockeye and chum salmon. This problem is exacerbated by current low market prices for salmon. It is my belief these factors have created an economic disaster of a magnitude that warrants federal assistance. Accordingly, I have declared an economic disaster (declaration enclosed) for these regions and have committed the resources of the state in a comprehensive response. To further the assistance we are able to provide, I am formally requesting you declare a fishery resource disaster pursuant to Section 312 of the Magnuson-Stevens Fishery Conservation and Management Act (as amended through October 11, 1996), and provide such assistance as is within your power to assist the affected fishers, communities, small business owners, and employees of those businesses.

Support for my request for a disaster declaration is provided below in a summary format; additional detail will be provided as it may be needed to further substantiate current and anticipated effects. Because Section 312 of the Act is a new provision, this request is a first opportunity to implement the fishery resource disaster assistance provided for under the section. The legislative history behind Section 312 would appear to indicate that our situation is precisely the sort of fisheries disaster that was anticipated. Thus my request seems highly germane to the purpose for which the amendment was designed.

The Fisheries Situation

The 1997 sockeye salmon runs to Bristol Bay and chum salmon runs to the Kuskokwim River were dramatically lower than expected. In Bristol Bay, the commercial harvest of approximately 12 million sockeye salmon was about half of the anticipated harvest and the lowest harvest since the 1978 season. In fact, the combined price and catch in Bristol Bay this year is just 25 percent of the five-year average from 1992 to 1996. In the Kuskokwim River, where chum salmon is the primary commercial fishery, the chum salmon run was among the lowest ever recorded in the region and commercial fishing for chum salmon was closed after only one opening. The harvest of less than 14,000 chum salmon produced a total of only about \$19,000 of cash income for Kuskokwim River residents. This amounts to an

The Honorable William M. Daley
August 11, 1997
Page 2

average of less than \$55 per fishing family. The combination of low prices and weak runs has had a devastating impact on the residents of the Bristol Bay and Kuskokwim River regions. The poor salmon season follows a very poor herring season for residents of these areas.

The Socio-Economic Situation

The harvest value of the Bristol Bay fishery this year is calculated at 25 percent of the past five-year average—an expected loss of \$135 million in the gross earnings of permit holders. This represents a current year loss of income to fishermen of approximately 75 percent.

1,731 Alaska permit holders fishing in Bristol Bay are anticipated to lose \$80.3 million in income; 990 of these are resident Bristol Bay fishermen, who will lose \$32.8 million.

Bristol Bay cities and boroughs are anticipated to lose \$4.6 million in locally-generated tax revenues and an additional \$3.9 million in State Shared Fish Business taxes.

40 percent of the direct employment in the Bristol Bay region is in fisheries, not including indirect and support industries such as transportation, fabrication and repair, retail, services, and the public sector. The loss of income occurring in the region will severely affect the majority of households.

Assistance for Individuals, Families, and Communities

The state is already engaged in a comprehensive effort to provide assistance and services to affected residents of the region. State efforts to date have included the following activities:

- Governor Knowles declared an economic disaster for Bristol Bay on July 18 and set up the Coordinated Response Partnership (CRP) with Commissioner Mike Irwin of the Alaska Department of Community and Regional Affairs (DCRA) as the cabinet lead.
- Commissioner Irwin appointed DCRA staffer Jim Sanders to coordinate the CRP activities, directed Bethel and Dillingham staff (two positions) to act as local CRP liaisons, and mobilized Juneau staff for additional assistance.
- Commissioner Irwin conducted public meetings in Dillingham, Naknek, and Bethel to gather information on the impacts of the fishing disaster on local residents, communities, and fishers.
- As a result of the public meetings, the CRP agencies, which can respond to the immediate needs of the regions, have been identified. On July 23 the CRP team was identified and the first meeting was held (two additional meetings have been since held). The CRP consists of representatives from:

The Honorable William M. Daley
August 11, 1997
Page 3

- Alaska Department of Health and Social Services,
Division of Public Assistance
- Alaska Department of Commerce and Economic Development,
Division of Investments
- Internal Revenue Service (IRS)
- Alaska Department of Labor
- DCRA, Division Of Energy
- DCRA, Municipal and Regional Assistance Division
- DCRA, Job Training Partnership Act, Rapid Response Team

- The Alaska Department of Labor's, Rapid Response Team attended the Dillingham/ Bristol Bay Economic Development Council's Job Fair held on July 30.
- The CRP developed an Information Sheet (July 29) for Bristol Bay fishermen and communities. The information sheet includes a description of the programs that can assist with essential issues (food, fuel, power costs, jobs, and fishing related debts), agency travel schedules are provided, and contact phone numbers for assistance are listed.
- In coordination with state agency efforts, the IRS will be traveling to all Bristol Bay communities to assist with payment problems.
- The Division of Investments will be traveling to eight of the largest Bristol Bay communities, Petersburg, and Homer to work with fishermen on loan repayments.
- The Division of Public Assistance will be traveling to most of the Bristol Bay communities to provide assistance with food stamps, Energy Assistance Grants, and Low Income Housing Energy Assistance Program block grants.
- The Job Training Partnership Act (JTPA) Rapid Response identified resources to place temporary staff in Dillingham and Naknek. There will be two planning positions to help communities identify the affects of the disaster on local economies and to develop local mitigation plans. A JTPA in-take worker will be in place in Dillingham to assist residents with training and relocation needs.
- The Department of Health and Social Services allowed two parent welfare recipient families to receive the full amount of assistance for summer months (normally reduced to half in summer).
- The CRP coordinator and regional liaisons identified and set up local CRP participants. The Bristol Bay CRP and the Kuskokwim CRP will be charged with developing a strategic plan for assisting with the short- and long-term impacts of the fishing disaster. These plans will become guides for the mobilization and coordination of state and federal resources responding to the disaster.

Our response thus far, as well as our request for assistance to you, is based on firsthand knowledge of the situation from several fact-finding trips to the region and extensive interaction with local residents. The crisis for individuals, families, and communities results directly from loss of income and the subsequent difficulties in satisfying basic obligations

The Honorable William M. Daley
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Page 4

such as fishing vessel loans; mortgage payments; winter purchases for fuel and food supplies; utilities; and recovery of costs for boat fuel, nets, and insurance. Many families and individuals relied on anticipated fisheries earnings this year to satisfy prior debt for basics such as food and fuel, and now face the fall and winter season in a precarious financial condition. While it is an estimate only, and will no doubt increase along with our increasing knowledge of the situation, the assistance we seek will equal at least \$10 million. This is only a fraction of the \$80 million we anticipate in lost income to Alaska fishers, and would, together with state assistance, provide an effective immediate and near-term response. We are working closely with the Alaska delegation in this regard, but recognize at the same time that assistance from new and/or existing funds within the U.S. Department of Commerce will be crucial in developing a comprehensive and well-organized response.

A variety of federal programs will be needed in order to respond effectively to the impacts resulting from the dramatic economic losses suffered by fishers and others. Some of these programs fall directly under your authority in agencies such as the Small Business Administration and the Economic Development Administration. Other programs fall outside of your direct purview, but appear to be highly relevant and could constitute part of the core of the federal assistance effort. These include programs typically offered under a Stafford Act designation such as Disaster Unemployment Insurance; the Individual and Family Grant Program; the Community Disaster Loan Program; and Economic Injury Disaster Loans. Where these programs, and others like them, fall outside your jurisdiction, there may be a valuable role your office can play in coordinating the involvement of other federal agencies and bringing their programs and resources into play. A model for accomplishing this, based on our experience with the state's CRP and the establishment of a federal Community Disaster Response Program, is more fully explained below.

Organization of the Response

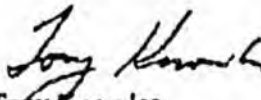
The idea of the CRP was developed in response to pulp and sawmill closures in Southeast Alaska. The CRP provides a format for responding to economic distress that is both organized, accessible to residents, and responsive to local conditions. In Southeast Alaska, for example, the CRP was used in responding to mill closures and significant employment loss in Wrangell, Sitka, Ketchikan, and Prince of Wales Island. In fact, the Southeast Alaska effort has expanded in scope to include the recent authorization by the U.S. Department of Agriculture to establish a federal CERT, like those established in the Pacific Northwest, to oversee and coordinate all public agency assistance to stricken communities in the Southeast Alaska region. This effort is being designed and administered in a way that brings state and federal agencies, and local partners, together to promote efficiency and expediency in the delivery of both immediate and longer-term assistance. While I am not at this juncture

The Honorable William M. Daley
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Page 5

proposing the formal designation of a CERT for these regions, I believe the CERT, like the CRP, provides an excellent model for designing an organized, efficient response. In essence, you and Commissioner Irwin would act as co-chairs for the agencies in your respective branches of government, and work together to ensure the smooth delivery of services into the region. Organizing a response along these lines will provide a forum for regular meetings, for sharing information, resources and ideas, for involving local residents and organizations, and it will involve a discrete group of individuals with a common identity based on Bristol Bay and Kuakokwim River recovery efforts.

Thank you for your careful consideration of our request. I will forward any additional information you may require.

Sincerely,


Tony Knowles
Governor

Enclosure

cc. The Honorable Ted Stevens
The Honorable Frank Murkowski
The Honorable Don Young



Official Business

Alaska State Legislature

State Capitol

Juneau, Alaska 99801-1182

HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

SPONSOR STATEMENT-HOUSE BILL 370

House Bill 370 appropriates \$2.3 million in general funds as a match for the \$7 million in Magnuson-Stevens federal funds. These state and federal funds will provide for programs designed to assist communities and fishermen in the Kuskokwim and Bristol Bay regions that were declared economic disaster areas by the administration. This declaration was issued in response to the poor fishing returns that occurred in both areas.

The total amount of the state share is \$2.3 million. However, with in kind contributions by the communities and the Department of Community and Regional Affairs, the amount actually needed for the state's share is \$1.875 million.

The allocation within the regions is based on input from the Coordinated Response Partnership teams from both areas.

The following programs will be funded from this appropriation:

- Community Grant Program for projects that are of direct or indirect benefit to the fisheries, that sustain the economic viability of communities, help diversify the economy or assess the economic or social effects of the commercial fisheries failure. These grants will provide jobs to fishers, benefiting them as well as communities affected by the disaster.
- Loan program to Bristol Bay, Chignik and Kuskokwim permit holders that are in financial crisis. This program will be administered by the Division of Investments for DCRA. This program is based on need and should be used to pay past or future expenses. At least 51% of earned family income must be derived from commercial fishing in one of the above mentioned fisheries.

- Economic planning in the Kuskokwim region. These funds will be used to enhance economic planning capability and/or continue economic planning process and procedures.
- Fisheries education, training and reserach such as smolt outmigration, salmon escapement counts and selected resource management issues. Awards will be made on a competitive basis. DCRA will seek proposals from the two regions and a grant review committee will determine grant awards.

A portion of the funds will be used by the DCRA for administrative costs associated with administering the program.

**Alaska Division of Investments
1-800-478-LOAN
1-907-465-2510**

Bristol Bay/Kuskokwim Disaster Loan Application

Applicant's Name	Social Security Number
Permanent Mailing Address	Date of Birth
Permit Number	Home Phone Number

Collateral

All loans must be secured by collateral acceptable to the Division of Investments. If you are qualified to receive permanent fund dividends and are willing to pledge a portion of your 1999 and 2000 dividends to repay this loan your application can be processed quickly without additional collateral information and no fees will be required. You simply need to complete this application form and the promissory note on the back; fill out the attached "Assignment of Rights to Alaska Permanent Fund Dividend" forms; have these forms notarized or witnessed by two individuals and return the assignment forms and completed application to the Division.

1. Do you anticipate receiving Alaska Permanent Fund Dividends in 1999 and 2000? Yes ___ No ___
2. Do you want to secure this loan with a portion of these dividends? Yes ___ No ___

If you are not eligible to receive permanent fund dividends, have already assigned your dividend for other purposes, or do not want to pledge a portion of your 1999 and 2000 dividends, you will need to complete and sign the Assurance Statements at the bottom of the page, have those statements witnessed by two individuals, return the completed form (Do not complete the Promissory Note on the back), and contact the Division no later than April 15, 1998, to discuss the documentation and any fees necessary to complete the loan.

Assurance Statements

To qualify for a loan you must agree to the following:

1. I hereby certify that the loan I am requesting is necessary to pay past or future expenses.
2. I hereby certify that at least 51% of the income earned by my family in 1995 and 1996 was derived from fishing in the Bristol Bay, Kuskokwim or Chignik fisheries.
3. I authorize the Division of Investments or its designee to obtain information from, or release any information contained in this application to any State or Federal Agency, and I agree to provide my personal records as needed to verify the assurances contained here.
4. I certify under penalty of perjury that all the information provided in this application and attachments are true, accurate and complete. I am aware that the maximum penalty for perjury, a Class B felony under AS 11.56.200(c), is a fine of up to \$50,000 (AS 12.55.035(b)(2)) and imprisonment for up to 10 years (AS 12.55.125(d)).

Please sign and date below to verify that you agree to the above referenced statements.

Applicant Signature

Witness Signature

Witness Signature

Applicant Printed Name

Witness Printed Name

Witness Printed Name

Date

Date

Date

PROMISSORY NOTE

\$1,000.00

FOR VALUE RECEIVED, the undersigned (hereinafter referred to as the 'Borrower'), severally and jointly promises to pay to the order of the STATE OF ALASKA, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT, DIVISION OF INVESTMENTS (hereinafter referred to as the 'Lender'), its successors or assigns, the principal sum of *One Thousand Dollars (\$1,000.00)*.

The principal is payable at the office of the Lender at PO Box 34159, Juneau, Alaska 99803-4159, or any other place the holder of this note may designate in writing. Payments shall be made in equal annual installments of \$500.00, **principal due on the first day of December, commencing December 1, 1999 and continuing until paid in full.**

The final payment is due and payable no later than the first day of December, 2000. Payments under this note will be applied first to costs, expenses, and late fees, due under the terms of the Loan Agreement, this note, modifications to this note, or an instrument securing this note, (hereinafter referred to as 'Loan Documents'), and then to principal.

This note may be prepaid in whole or in part at any time without penalty. A prepayment will be applied as a principal reduction unless otherwise agreed to by the lender. A prepayment will not affect the amount or due date of any subsequent payments due pursuant to the Loan Documents.

If an installment of the note is not paid when due, or in case of failure to perform a covenant or agreement contained in the Loan Documents, then, at the option of the Lender, the entire principal sum due pursuant to the Loan Documents shall become immediately due and payable without notice at the option of the Lender. If a payment is received by the Lender more than fifteen (15) days after the date prescribed above for payment, the Borrower agrees to pay a late charge of five percent (5%) of the payment.

If suit, action, or effort is instituted or undertaken to collect, enforce, or preserve the note, or part of this note, or security for this note, including but not limited to an action or effort arising from bankruptcy or similar proceeding, then the Borrower promises and agrees to pay all expenses and costs, including actual attorney's fees and legal expenses, reasonably incurred by the Lender in such suit, action, proceeding, or endeavor. The Borrower agrees that venue of a suit on this note may, in the Lender's discretion, be in the First Judicial Court of Alaska.

This note is secured by assignment of Alaska Permanent Fund Dividend for the years 1999 and 2000. PFD applications must be filed for both of these years. If the dividend is not received by the Division, an equal amount will be due by December 1 of that year.

Borrower Signature

Date

Borrower Name (Print)

Information below to be completed by Division of Investments staff only:

Loan number _____	Document number _____
Approval _____	Date ordered _____
Date approved _____	Certified _____
Loan Closer _____	LOIS/Collateral _____
	Initial _____ Date _____
	Final Review _____
	Initial _____ Date _____

STATE OF ALASKA

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF INVESTMENTS

TONY KNOWLES, GOVERNOR

P.O. BOX 34159
3032 VINTAGE BLVD.
JUNEAU, ALASKA 99803-4159
PHONE: (907) 465-2510
FAX: (907) 465-2103
TDD: (907) 465-5437

Dear Applicant:

February 20, 1998

Enclosed is an application package, which may be used to apply for a loan under the Bristol Bay, Kuskokwim Disaster Loan Program. Individuals that held limited entry permits in the Bristol Bay, Kuskokwim or Chignik fisheries as of December 31, 1997, may apply if at least 51% of the income earned by their family was derived from fishing in one of these fisheries. Loans are for \$1,000 and may be used to cover past or future expenses. Each qualified individual is eligible to apply for only one loan. Funding for this program is limited and, as a result, individuals are encouraged to turn in their applications as soon as possible. If there are insufficient funds to cover all requests, applications will be processed on a first come, first served basis. **ALL APPLICATIONS MUST BE RECEIVED BY THE DIVISION OF INVESTMENTS CENTRAL OFFICE AS NOTED ABOVE NO LATER THAN APRIL 15, 1998.**

All loans must be secured by collateral acceptable to the Division of Investments. If you are eligible to receive permanent fund dividends and are willing to pledge a portion of your 1999 and 2000 dividends to repay this loan, your application can be processed quickly without further collateral information and no fees will be required. If you are not eligible to receive permanent fund dividends, have already assigned your dividend for other purposes, or do not want to pledge a portion of your 1999 and 2000 dividends, you will need to complete the Assurance Statements portion of the enclosed application and then contact staff at the Division (**NO LATER THAN APRIL 15, 1998**) to discuss the documentation and fees necessary to complete the loan.

Please use the checklist on the back of this letter to insure that you have included all of the information necessary to process your loan quickly. If your application is approved, a check will be sent as soon as funds for this Program are received from the U.S. Department of Commerce, which we estimate to be the end of March.

CHECKLIST

Applicants offering **PERMANENT FUND DIVIDENDS** as collateral:

1. Fill in all of the information at the top of the Loan Application form, including Social Security Number, Date of Birth, and Phone Number.
2. Answer the two questions under the Collateral section.
3. Sign, print your name, and date the Assurance Statements at the bottom of the application form.
4. Have two witnesses sign, print their names, and date the Assurance Statements at the bottom of the Application form.
5. Sign, print your name, and date the Promissory Note on the back of the Application form.
6. Fill in the Assignor information (Date of Birth, Social Security Number, Name, Address and Phone Number) at the top of **BOTH** "Assignment of Rights to Alaska Permanent Fund Dividend" forms. Sign and date the forms (Assignor's signature). Have the forms notarized **OR** have two witnesses sign and complete the witness boxes at the bottom of the forms.
7. Return the completed Application page/Promissory Note and **BOTH** Permanent Fund Dividend Assignment forms to the Division in the enclosed envelope.

Applicants NOT offering Permanent Fund Dividends as collateral:

1. Fill in all of the information at the top of the Loan Application form, including Social Security Number, Date of Birth, and Phone Number.
2. Answer the two questions under the Collateral section.
3. Sign, print your name, and date the Assurance Statements at the bottom of the Application form.
4. Have two witnesses sign, print their names, and date the Assurance Statements at the bottom of the Application form.
5. Return the completed Application page to the Division in the enclosed envelope.
6. Call the Division of Investments at 1-800-478-LOAN (within Alaska) or 1-907-465-2510 to discuss the collateral you want to offer, any fees involved, and the documentation necessary to complete the loan. **YOU MUST CALL THE DIVISION PRIOR TO THE APRIL 15, 1998 DEADLINE.**

ASSIGNMENT OF RIGHTS TO ALASKA PERMANENT FUND DIVIDEND

SEND TO:
Alaska Department of Revenue
P.O. Box 110463
Juneau, Alaska 99811-0463

**ASSIGNMENTS MAY NOT BE ACCEPTED BY
THE PERMANENT FUND DIVIDEND DIVISION
BEFORE APRIL 1 OF THE DIVIDEND YEAR**

The Above Space is for Office Use Only

IMPORTANT! PLEASE READ

- If you want to assign all or part of your permanent fund dividend, complete this form and send the original to the address shown above. Incomplete Assignment of Rights forms will NOT be processed.
- This department will NOT implement an assignment of a permanent fund dividend unless the assignee named is a federal, state, or municipal agency or a court. (AS 43.23.069)
- The Department of Revenue will NOT implement an assignment of a permanent fund dividend for a child support court ordered restitution, a court ordered fine or for court appointed attorney fees. (15 AAC 23.203(a))
- Only one assignment may be made for each dividend. (15 AAC 23.203(c))
- Once an assignment has been submitted to the Department of Revenue, it may NOT be changed or revoked. (15 AAC 23.203(c))
- The Department of Revenue will NOT accept a photocopy of the completed Assignment of Rights form.
- The Department of Revenue will NOT accept an Assignment of Rights with any alterations or corrections on the form.

ASSIGNOR'S SIGNATURE REQUIRED

This assignment must be signed in the presence of EITHER a notary public OR two witnesses. In addition, the assignor must identify the obligation to which the assignment relates by checking only one of the following boxes:

The assignment is

- A. for child support required by court order or a decision of the Child Support Enforcement Division.
- B. for court ordered restitution under AS 12.55.045 -- 12.55.051 or AS 12.55.100.
- C. to the Alaska Commission on Postsecondary Education.
- D. for a court ordered fine.
- E. to another State of Alaska agency.
- F. to another federal or municipal government agency or to a court.

In accordance with AS 43.23.069 and 15 AAC 23.203, I hereby assign to the agency named (Assignee), all rights to the current permanent fund dividend to which I may be entitled, limited to the amount stated, and I certify that the assignment is to satisfy an obligation as identified above.

Assignor's Signature X	Date
----------------------------------	------

ASSIGNOR (Dividend Assignor)

Your Date of Birth Month Day Year	Your Social Security Number
Your First Name	M.I. Last Name
Your Mailing Address	
City, State, Zip Code	
Your Home Telephone Number	Your Work Telephone Number

You are not required to provide your Social Security number. If provided, it may be used to verify the correct permanent fund dividend application.

ASSIGNEE (Rights Assigned To)

Current Permanent Fund Dividend Year 1999	Amount to be Assigned (if full amount, write 100%) \$500
Full Name of the Government Agency to Which You Are Assigning Your Dividend Alaska Division of Investments	
Mailing Address P.O. Box 34159	
City, State, Zip Code Juneau, Alaska 99803-4159	
Daytime Telephone Number (if known) (907)465-2510	Case Number (if applicable)

NOTARY PUBLIC

This assignment was subscribed and sworn to before me on this _____ day of _____ 19____.

Signature of Notary _____
My Commission Expires _____

SEAL

TWO WITNESSES

The assignor named above has shown me proof of his or her identification. This assignment was executed freely and voluntarily in my presence. I am a disinterested witness who will not benefit from this assignment.

Signature of Witness X	Date	Signature of Witness X	Date
Printed Name of Person Who Signed Above		Printed Name of Person Who Signed Above	
Mailing Address		Mailing Address	
City, State, Zip Code		City, State, Zip Code	
Daytime Telephone Number		Daytime Telephone Number	

ASSIGNMENTS MAY NOT BE ACCEPTED BY THE PERMANENT FUND DIVIDEND DIVISION BEFORE APRIL 1 OF THE DIVIDEND YEAR

ASSIGNMENT OF RIGHTS TO ALASKA PERMANENT FUND DIVIDEND

SEND TO:
Alaska Department of Revenue
P.O. Box 110463
Juneau, Alaska 99811-0463

**ASSIGNMENTS MAY NOT BE ACCEPTED BY
THE PERMANENT FUND DIVIDEND DIVISION
BEFORE APRIL 1 OF THE DIVIDEND YEAR**

The Above Space is for Office Use Only

IMPORTANT! PLEASE READ

- If you want to assign all or part of your permanent fund dividend, complete this form and send the original to the address shown above. Incomplete Assignment of Rights forms will NOT be processed.
- The department will NOT implement an assignment of a permanent fund dividend unless the assignee named is a federal, state, or municipal agency or a court. (AS 43.23.069)
- The Department of Revenue will NOT implement an assignment of a permanent fund dividend for a child except for court ordered restitution, a court ordered fine or for court appointed attorney fees. (15 AAC 23.203(b))
- Only one assignment may be made for each dividend. (15 AAC 23.203(a))
- Once an assignment has been submitted to the Department of Revenue, it may NOT be changed or revoked. (15 AAC 23.203(c))
- The Department of Revenue will NOT accept a photocopy of the completed Assignment of Rights form.
- The Department of Revenue will NOT accept an Assignment of Rights form with ANY changes or corrections on the form.

ASSIGNOR'S SIGNATURE REQUIRED

This assignment must be signed in the presence of EITHER a notary public OR two witnesses. In addition, the assignor must identify the obligation to which the assignment relates by checking only one of the following boxes.

This assignment is:

- A. for child support required by court order or a decision of the Child Support Enforcement Division.
- B. for court ordered restitution under AS 12.55.045 - 12.55.051 or AS 12.55.100.
- C. to the Alaska Commission on Postsecondary Education.
- D. for a court ordered fee.
- E. to another State of Alaska agency.
- F. to another federal or municipal government agency or to a court.

In accordance with AS 43.23.069 and 15 AAC 23.203, I hereby assign to the agency named (Assignee), all rights to the current permanent fund dividend to which I may be entitled, limited to the amount stated, and I certify that the assignment is to satisfy an obligation as identified above.

Assignor's Signature X	Date
----------------------------------	------

ASSIGNOR (Current Assignor)

Your Date of Birth Month: <input type="text"/> Day: <input type="text"/> Year: <input type="text"/>		Your Social Security Number <input type="text"/>	
First Full Name		MI	Last Name
Your Mailing Address			
City, State, Zip Code			
Your Home Phone Number		Your Work Telephone Number	

You are not required to provide your special services number. If provided, it will help to identify the correct permanent fund dividend application.

ASSIGNEE (Rights Assigned To)

Current Permanent Fund Dividend Year 2000	Amount to be Assigned (if full amount, enter 100%) \$500
Full Name of the Government Agency to Which You Are Assigning Your Dividend Alaska Division of Investments	
Mailing Address P.O. Box 34159	
City, State, Zip Code Juneau, Alaska 99803-4159	
Daytime Telephone Number (if known) (907) 465-2510	Case Number (if applicable)

NOTARY PUBLIC

This assignment was subscribed and sworn

to before me on this _____ day of _____

_____ 19 _____

at _____

SEAL

Signature of Notary _____

My Commission Expires _____

TWO WITNESSES

The assignor named above has shown me proof of his or her identification. This assignment was executed freely and voluntarily in my presence. I am a disinterested witness who will not benefit from this assignment.

Signature of Witness X	Date	Signature of Witness X	Date
Printed Name of Person Who Signed Above		Printed Name of Person Who Signed Above	
Mailing Address		Mailing Address	
City, State, Zip Code		City, State, Zip Code	
Daytime Telephone Number		Daytime Telephone Number	

ASSIGNMENTS MAY NOT BE ACCEPTED BY THE PERMANENT FUND DIVIDEND DIVISION BEFORE APRIL 1 OF THE DIVIDEND YEAR

**STATE OF ALASKA
GRANT APPLICATION
TO THE
U.S. DEPT. OF COMMERCE
NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION**

**BRISTOL BAY / KUSKOKWIM RIVER
FISHERIES DISASTER PROJECT**



SUBMITTED BY

**ALASKA
DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS**

GOVERNOR TONY KNOWLES

COMMISSIONER MIKE IRWIN

APPLICATION FOR FEDERAL ASSISTANCE	2. DATE SUBMITTED February 4, 1998	Applicant Identifier
1. TYPE OF SUBMISSION <i>Application</i> <i>Preapplication</i> <input type="checkbox"/> Construction <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction <input type="checkbox"/> Non-Construction	3. DATE RECEIVED BY STATE	State Application Identifier
	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name: State of Alaska	Organizational Unit: Dept. of Community & Regional
Address (give city, county, state and zip code): 333 West 4 th Ave., Suite 220 Anchorage, AK 99501-2341	Name and telephone number of the person to be contacted on matters involving this application (give area code): James C. Sanders (907) 269-4591
6. EMPLOYER IDENTIFICATION NUMBER (EIN): <u>92-6007773</u>	7. TYPE OF APPLICANT: (Enter appropriate letter) <u>A</u> A. State H. Independent School District B. County I. State Controlled Institution of Higher Learning C. Municipal J. Private University D. Township K. Indian Tribe E. Interstate L. Individual F. Intermunicipal M. Profit Organization G. Special District N. Other (Specify): _____
8. TYPE OF APPLICATION <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es): _____ A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration E. Other (specify):	
10. Catalog of Federal Domestic Assistance Number: 11-477 TITLE: Magnuson-Stevens Act	9. NAME OF FEDERAL AGENCY: U.S. Department of Commerce National Oceanic and Atmospheric Administration
2. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.): State of Alaska	11. DESCRIPTIVE TITLE OF APPLICANTS PROJECT: Bristol Bay / Kuskokwim River Fisheries Disaster Project

13. PROPOSED PROJECT: **14. CONGRESSIONAL DISTRICTS OF:**

Start Date March 1, 1998	Ending Date February 28, 2001	a. Applicant Ted Stevens, Senator Frank Murkowski, Senator Don Young, Representative	b. Project Ted Stevens, Senator Frank Murkowski, Senator Don Young, Representative
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15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$7,000,000	a. YES THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE _____
b. Applicant \$2,333,333	b. NO <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372
c. State \$	____ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
d. Local \$	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
e. Other \$	____ Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No
f. Program Income \$	
g. TOTAL \$9,333,333	

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Typed Name of Authorized Representative Mike Irwin	b. Title: Commissioner, Alaska Department of Community and Regional Affairs	c. Telephone Number (907) 465-4701
. Signature of Authorized Representative		e. Date Signed

KEY CONTACTS

AUTHORIZED REPRESENTATIVE - This is the individual who has the authority to sign the Application for Federal Assistance (SF-424) and execute the Agreement on behalf of the applicant.

NAME: Mike Irwin

TITLE: Commissioner

Alaska Department of Community & Regional Affairs

TELEPHONE: (907) 465- 4701

PROGRAM/PROJECT MANGER - This is the individual who is responsible for the management of the project for the applicant.

NAME: James C. Sanders

TITLE: Regional Offices Manager

TELEPHONE: (907) 269-4591

FINACIAL REPESENTATIVE - This is the individual who has been assigned responsibility for the maintenance of the accounting and financial management system for the applicant.

NAME: Mary Stovall

TITLE: Administrative Manager

TELEPHONE: (908) 269 - 4512

**STATE OF ALASKA
BRISTOL BAY AND KUSKOKWIM
FISHERIES DISASTER PROJECT NARRATIVE**

The Bristol Bay and Kuskokwim Fisheries Disaster Program consist of four project components designed to address the commercial fishery failure declared in the two regions under the Magnuson-Stevens Fishery Conservation and Management Act. There will be; a community grant program; a loan program to Bristol Bay, Kuskokwim and Chignik permit holders; economic planning grants and fisheries' education, training and research grants.

The Department of Community and Regional Affairs will administer the grants funds through sub-grants with local municipalities, tribal councils and non-profit entities in the regions. Mike Irwin, Commissioner of Community and Regional Affairs, will be the principle investigator and responsible for the program.

Total funding available will be \$9,333,333. This figure is derived from \$7 million in federal funds and a required one-for-three match by the State of Alaska. Alaska's matching share will be \$2,333,333. Twenty percent of the \$9,333,333 is set aside for the individual loan program. Of the remaining allocation, the percentage distribution will be as noted below. (The figures cited beside the heading in each grant category reflect these percentages.)

<u>Kuskokwim</u>		<u>Bristol Bay</u>	
Grants	84%	Grants	98%
Fisheries Research	10%	Fisheries Research	2%
Economic Studies	6%		

Allocations between the two regions and their communities are based on the number of individuals holding salmon permits and the residents who fished commercially as crew members. A table with the funding allocation is shown below. It is based on 1997 permit holders and the current available crew license data.

PROGRAM COMPONENT	BRISTOL BAY REGION (58%)	KUSKOKWIM REGION (42%)	TOTAL
Loan Program	1,082,667	784,000	1,866,667
Community Grants	4,137,951	2,568,384	6,706,335
Fisheries Research	84,448	305,760	390,208
Economic Planning		183,456	183,456
DCRA Program Support	108,267	78,400	186,667
TOTAL	5,413,333	3,920,000	9,333,333

The table reflects tentative dollar amounts that would be available in the two regions. The programmatic allocation within the regions is based on input from the Coordinated Response Partnership Teams in Bristol Bay and Kuskokwim.

COMMUNITY GRANT PROGRAM (\$6.706.335)

The State of Alaska will issue grants for projects that are of direct or indirect benefit to the fisheries, that sustain the economic viability of communities, help diversify the economy, or assess the economic or social effects of the commercial fisheries failure. The community grants will provide jobs to fishers, benefiting them as well as communities affected by the disaster.

There are 54 communities eligible for grants in the declared disaster area. (List attached) Populations range from 20 to 800 and average a few hundred people. Only Dillingham and Bethel exceed 2,000 residents. These are remote communities in southwest Alaska, accessible only by airplane to the major population center of Anchorage or to each other. Mail service is limited and dependent on weather. Mail to and from Anchorage may take two weeks to arrive in a village, one of a number of factors that will affect the timetable of this grant program.

Residents are dependent upon commercial fishing for cash income. Subsistence fishing and hunting is a critical part of the overall economy. A delicate balance of commercial and subsistence fishing has maintained these villages since the early 1900's. After the peak of each salmon season, commercial fishers turn to subsistence activities to provide food for the winter. There is limited tourism based on fishing and hunting but almost all of those working in the industry live outside the region. There is increasing interest in local involvement in tourism. Projects related to tourism and diversification of the economy would be acceptable under the program. Tribal and municipal governments maintain and operate basic services such as water and sewer, electric utilities, landfill, shoreline docking and staging areas, and harbor and boatyard facilities. In these remote communities, facilities serve multiple purposes. The community dock, for example, is used by fishers but is also necessary to off-load food, fuel and supply barges. The sports fishing industry, tourists and subsistence boaters use the boat harbor facilities. Projects that maintain or improve infrastructure are necessary to assist the community affected and prevent another failure.

A Community Disaster Grant application will be sent to eligible Bristol Bay and Kuskokwim communities in the declared disaster area. Communities must have residents with crew licenses or permits to be eligible to apply. The Department of Community and Regional Affairs will advise all communities of their maximum funding allocation. A minimum amount of \$5,000 would be available to all eligible communities. The remaining funds will be allocated to each community based on the number of resident crew license and permit holders. Request for proposals will be mailed to city,

tribal, and borough governments and to community and regional non-profit associations. The government or organization within the community or region best suited or able to design, apply for and administer the grant will be determined locally. In each community, a joint resolution must be submitted that identifies the desired recipient/administrator of any community. Grant applicants will submit a project narrative, budget and timeline. Each proposed project must describe how it meets the goals of the Magnuson-Stevens Disaster Act. A community grant may be one or more projects.

Examples of eligible projects include but are not limited to:

*Projects that diversify or strengthen the economy of the community including development, repairs and/or improvement of public facilities such as sanitation and health care facilities, flood and drainage facilities, fuel and gas storage and distribution systems, washeterias, fuel and watering points, fire protection facilities and landfills. Projects such as docks, harbors, bulkheads, ramps and haul-out areas and beach and airport access are acceptable only if they demonstrate the facilities provide support to community development or economic diversification.

*Community improvements that sustain or improve economic viability such as maintenance of basic infrastructure (roads and trails, access to river fronts, water/sewer, solid waste), or projects that promote or diversify the economy (community owned cooperatives, visitor industry services or facilities, for example).

*Studies or surveys that assess the economic or social effects of the commercial fisheries failure.

Administrative costs reimbursed by the grant are limited to 10 percent. There will be 6.3% required cash or in-kind match. The amount of the match requirement will be provided by the Department of Community and Regional Affairs. All other expenditures must be directly related to the project. Wages will be set according to established community wage rates.

Community Grant applications will be submitted to the Department of Community and Regional Affairs. Applications will be reviewed for eligibility, completeness and assurances that proposed projects meet the established criteria under the Act. Department grants are administered on a cost reimbursement system, though limited advance payments may be provided.

Grantees will be required to submit quarterly narrative and financial reports. Financial reports will include expense receipts or invoices and payroll documentation. DCRA staff will be monitoring progress through these reports and may make on-site visits.

Community Grant Timeline:

Week 1	Verify permit and crew license holders and complete funding allocations by region and community
Week 2	Request for Proposal applications mailed to communities
Week 3-7	Technical assistance to communities
Week 4-12	Review and approval of applications
Week 8+	Notification of proposal acceptance
Week 8+	Grant agreements with communities
Week 9+	Community Projects begin

LOAN PROGRAM (\$1,866,667)

Loans will be available to Bristol Bay, Chignik and Kuskokwim permit holders that are in financial crisis due to the commercial fisheries failure. The State Department of Commerce and Economic Development, Division of Investments will administer the program for the Department of Community and Regional Affairs. The Division currently manages a loan program that provides loans to Alaskan residents for the purchase of boats and permits. Division staff would be reassigned to work on the disaster loan program in an effort to expedite these loans to affected fishermen. Applications will be mailed to all permit holders of the affected fisheries.

The loan program is based on need. The loan should be used to pay past or future expenses. An income criteria will be used that assures,

At least 51% of earned family income is derived from commercial fishing in the Bristol Bay, Kuskokwim or Chignik fisheries.

Permit holders will be informed of the criteria.. Collateral will be required. Applicants will have the option of using their Alaskan Permanent Fund Dividend or any other appropriate collateral.

The program will not attach interest, and loans can be paid back over a maximum of four years. Loan payments will become part of a revolving loan fund for use by Bristol Bay, Chignik and Kuskokwim fishers. The total amount available for loans will be allocated between Bristol Bay and Chignik permit holders and Kuskokwim permit holders based on the number of permits and crew licenses in each region.

Loan funds not used in the region will be reprogrammed into approved project activities occurring in that region based on the Coordinated Response Partnership's allocation.

Loan Program Timelines:

Week 1	Loan application mailing completed
Week 10	Loan application submission deadline
Week 3	Checks dispersed as applications approved

ECONOMIC PLANNING (\$183,456)

Funds will be used for an economic development planning grant in the Kuskokwim area. Assistance under this program enhances economic development planning capability, continues economic development planning processes and procedures. Grant funds may be used for preparing an overall community economic development plan(s). Activities may include collecting data, preparing analyses, preparing plans and identifying actions which will implement plans, conducting marketing and feasibility studies, preparing community land use plans, preparing capital improvement plans; or, conducting updates of any of the above. Planning activities do not include engineering, architectural, and design costs related to a specific project activity. The grant period is twelve months. Eligible applicants include municipal or tribal governments and regional non-profit associations. A joint resolution (city and tribal) must be submitted from each participating community that identifies the desired recipient/administrator of the economic planning grant.

A request for proposal will be distributed, reviewed and approved by the Department of Community and Regional Affairs. A project description, budget, staffing description and timeline will be required. Grantees must submit quarterly narrative and financial reports and the final plan document. Financial reports will include expense receipts or invoices and payroll documentation. Department of Community and Regional Affairs staff will monitor progress through these reports.

The Economic Planning Grant is operated on a cost reimbursement system with limited advance payments if necessary.

Economic Planning Grant Timelines:

Week 1	Request for Proposal mailed
Week 6	Grant applications due
Week 6-7	Review of proposals
Week 8	Notification of Award
Week 9-12	Grant agreement developed

FISHERIES EDUCATION, TRAINING AND RESEARCH (\$390,208)

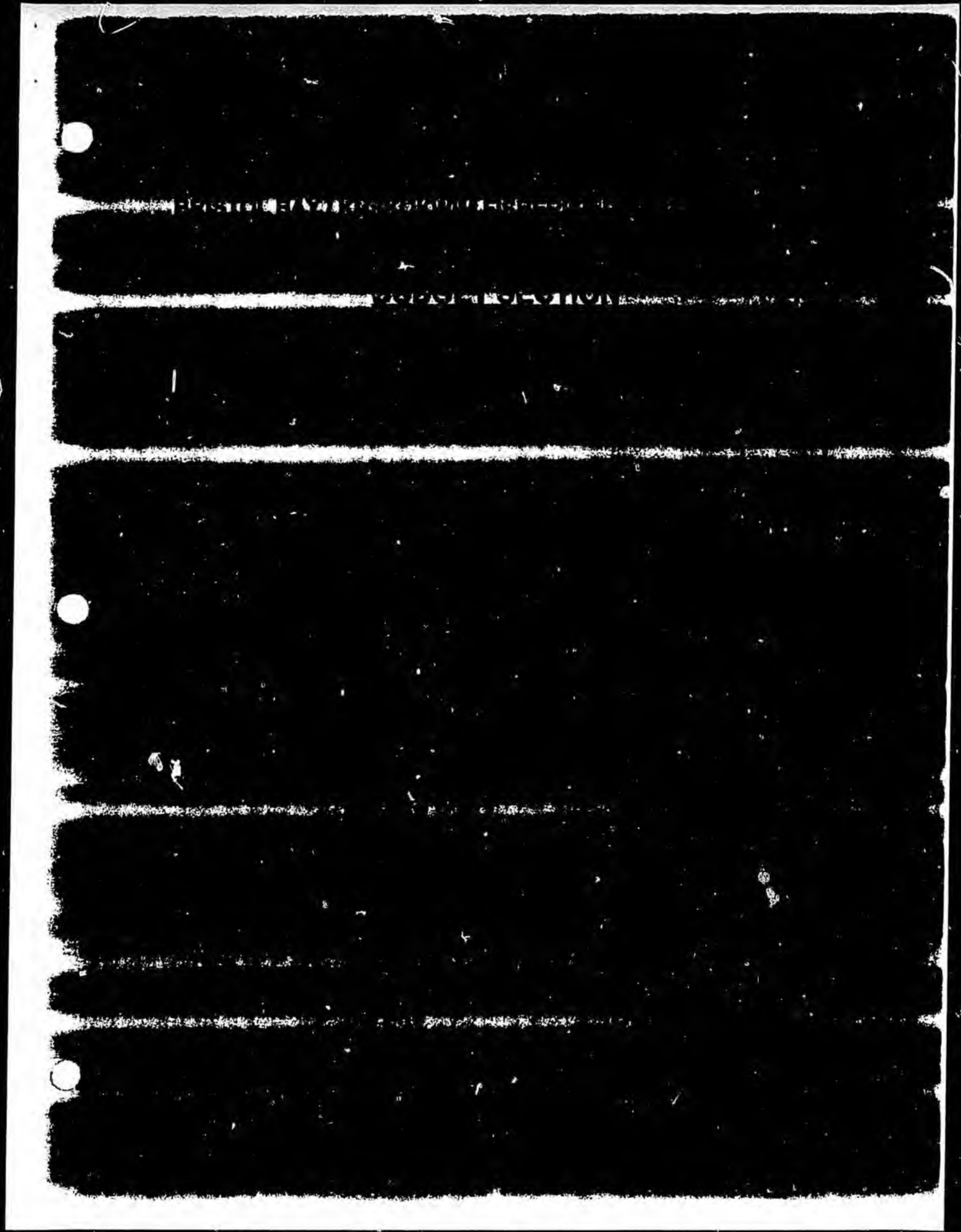
Funds will be used for fisheries education, training and research such as smolt out-migration, salmon escapement counts, and selected resource management issues. Awards will be made on a competitive basis. The grant review committee will consist of representatives of Department of Community and Regional Affairs, the Alaska Department of Fish and Game. Department of Community and Regional Affairs will solicit proposals from the two regions.

Fisheries Research Grants Timelines:

Week 1	Request for Proposal mailed
Week 6	Grant applications due
Week 6-8	Review of proposals
Week 9	Notification of Award
Week 9-12	Grant agreement developed

DCRA PROGRAM SUPPORT (\$186,667)

The DCRA Program Support cost have been held to 2% of the total grant (\$186,667). Of this total, twenty-five percent is State match (\$46,667). These costs are used to cover the additional expense of setting up the loan program, administering a community grant program for 54 communities, and administering three competitive bid contracts. A budget break down of these cost can be found in the Budget Narrative.



BUDGET INFORMATION - NON CONSTRUCTION PROGRAM

Bristol Bay / Kuskokwim River Drainage Disaster Assistance Program

SECTION A. BUDGET SUMMARY						
Grant Program (a)	Federal Catalog No (b)	Estimated Unobligated Funds ¹		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
Community Grants	11-477			\$5,029,752	\$1,676,583	\$6,706,335
Fishermen Loan Program	11-477			1,400,000	466,667	1,866,667
Research & Studies	11-477			430,248	143,416	573,664
DCRA Program Ccsts	11-477			140,000	46,667	186,667
6. TOTALS				\$7,000,000	\$2,333,333	\$9,333,333
SECTION B. BUDGET CATEGORIES						
7. OBJECTIVE CLASS CAT.	Grant Program, Function or Activity					(4) TOTAL
	(1) Federal	(2) State of Alaska	(3)			
a. Personnel	\$ 79,275	\$ 26,425			\$ 105,700	
b. Fringe Benefits	33,975	11,325			45,300	
c. Travel	19,250	6,417			25,667	
d. Equipment	3,750	1,250			5,000	
e. Supplies	700	300			1,000	
f. Contractual	1,833,048	611,283			2,444,331	
g. Construction						
h. Other (Community Grants)	5,029,752	1,676,583			6,706,335	
i. Total Direct						
j. Indirect						
k. TOTALS	\$7,000,000	\$2,333,333			\$9,333,333	
B. Program Income						

SECTION C NON-FEDERAL RESOURCES

Grant Program	(b) Applicant	(c) State	(d) Other Sources		(e) TOTALS
State Cash Match		\$1,875,000			\$1,975,000
State In-Kind Match		46,500			46,500
Community Grants In-Kind			41,833		411,833
TOTALS (Sum of lines 8-11)		\$,1921,500	411,833		\$2,333,333
Federal	Total of 1st Year	1st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Non-Federal					
TOTAL (Sum of lines 13-14)					
FUTURE FUNDING PERIODS (YEARS)					
		(b) First	(c) Second	(d) Third	(e) Fourth
TOTALS (Sum of lines 16-19)					
Direct Charges:		22 Indirect Charges			
Remarks					

BUDGET NARRATIVE

COMMUNITY GRANTS - \$6,706,335

The Community Grant programs will be distributed to each of the communities (53) included in the Governor's July 18th Bristol Bay and Kuskokwim River Drainage Economic Disaster. This following is a budget for this component:

Grant Activity Costs	\$5,613,203
Administrative Costs	670,633
Community In-Kind	<u>422,499</u>
TOTAL	\$6,706,335

Grant Activity Costs - These are the costs of completing the community projects. Such costs can include wages, fringe benefits, materials, transportation, equipment rental, supplies, and contractual expenses.

Administrative Costs - These are the costs that are directly attributable to cost of administering the community projects. Each community will have a 10% maximum administrative costs that can be covered by grant funds (70% federal and 30% state). Administrative costs exceeding 10 will be covered by the community and considered an in-kind contribution.

Community In-kind - Each community will need to identify a minimum of 6.3% in-kind costs. These costs can be identified as grant activity or administrative costs. The aggregate of all community in-kind contributions will be used as a part of the State match to the grant.

CONTRACTUAL COSTS (\$2,444,331)

The contractual costs include the Fisheries loans program, Fisheries Research & Studies and the postage (\$4,000) associated with these programs.

FISHERMEN LOANS - \$1,866,667

The Department of Community & Regional Affairs will have the fishermen loan program administered by the Alaska Department of Commerce & Economic Development, Division of Investments. The entire \$1,860,000 will be made available for loans to Bristol Bay and Kuskokwim River Fishing Permit holders. Administrative costs for this program activity are accounted for in the DCRA Program Support Activity budget.

FISHERIES RESEARCH & STUDIES - \$573,664

These funds will be used for research and studies in the Bristol Bay and Kuskokwim regions. These funds will be expended in 3 separate competitive bid contracts:

Kuskokwim

Fisheries Research	\$305,760
Economic Studies	183,456

Bristol Bay

Fisheries Research/Education	<u>\$84,448</u>
------------------------------	-----------------

TOTAL \$573,664

DCRA PROGRAM SUPPORT (186,667)

This costs are associated with general State administration of the grant program activities.

DCRA Staff Program Support

	%	Total Salary	project Salary	total Fringe	Project Fringe	Project Total
Local Government Specialist V (Anch)	55%	67.5	37.1	19.9	10.9	48.1
Local Government Specialist IV (Anch)	20%	57.0	11.4	17.8	3.6	15.0
Local Government Specialist III (Dill)	40%	62.8	25.1	19.0	7.6	32.7
Local Government Specialist III (Beth)	25%	51.2	12.8	15.1	3.8	16.6
Local Government Specialist II (Beth)	30%	46.5	14.0	15.5	4.7	18.6
Local Government Specialist III (Anch)	10%	47.4	4.7	15.7	1.6	6.3
Administrative Manager I (Anch)	12%	39.3	4.7	13.9	1.7	6.4
Secretary I (Anch)	15%	32.7	4.9	12.5	1.9	6.8
Grand Total			114.8		35.6	150.4

FRINGE BENEFITS EXPLANATION

The following is a break down of the State fringe benefits.

- SBS (Supplemental Benefits System - replaces Social Security .0613 (6.13% of salary)
- PERS (Public Employee Retirement System) .1408
- Term leave Cash In .0216
- Workman's Compensation .0055

Legal and Health costs are actually entered into each employee's record, based on their Bargaining Unit, as follows.

- XE (exempt) employees do not pay Legal; GG (General Government) and SU (Supervisory Unit) pay \$8.50/month (the formula is currently calculating at \$8.00 per month)
- GG employees pay Health at \$425.04/month; SU and XE pay \$420.34/month (the formula is actually calculating \$425.22/month for all bargaining units)

Here are the other "formulas" and conditions that are calculated from the Employee Entry layout

- XE employees do not pay Unemployment Insurance; GG and SU pay .0075 (0.75% of salary)
- If hired on or before 4/1/86, pay no medicare; all others pay .0145 (1.45%)
- SRS Max out is \$61,200/year. Employer SBS % is not paid on salaries over \$5,100 per month.
- Cost of living differences are in place for different regions of the State. Anchorage and Juneau are the base rate.

Travel

Department of Community & Regional Affairs

Project Manager	
Bethel (Kuskokwim) Trips - 8 Trips @ \$995/Trip	\$7,960
Plane Ticket - \$450	
Per Diem - \$158/Day (Average Trip - 2.5 Days)	
Taxi Fares - \$20/Day	
Dillingham (Bristol Bay) Trips - 5 Trips @ \$770/Trip	\$3,850
Plane Ticket - \$400	
Per Diem - \$138/Day (Average Trip - 2.5 Days)	
Taxi Fares - \$10/Day	
Bethel Office Staff (LGS) & Project Manager	
Kuskokwim Village Travel - 20 Trips @ \$150/Day	\$3,000
Plane Tickets - \$150 (Average Cost)	
Dillingham Office Staff (LGS) & Project Manager	
Bristol Bay Village Travel - 15 Trips @ \$200/Day	\$3,000
Plane Tickets - \$150 (Average Cost)	
Per Diem - \$50/Day	
Project Manager - 1 Juneau Trip	\$1,000
Plane Ticket - \$450	
Per Diem - \$150/Day (2.5 days)	
Car Rental - \$175 (2.5 days)	
Bethel & Dillingham Staff Trips to Juneau for Program Orientation & Assessment	
Bethel - 2 Staff members x 1 trip each @ \$825/Trip	\$1,650
Plane Ticket - \$450	
Per Diem - \$150 (2.5 days)	
Dillingham - 1 Staff x 2 trips @ \$775/Trip	\$1,510
Plane Ticket - \$400	
PerDiem - \$150 (2.5 days)	
Division of Investment Staff	
Bethel - 2 trips @ \$995/ Trip	\$1,910
Dillingham - 2 trips @ \$770/Trip & some village Travel	\$1,787
	TOTAL
	\$25,667

EQUIPMENT \$5.000

A portable computer will be purchased for the Bethel office staff. The cost for the computer and associated soft ware is \$4,200.

The Dillingham regional office will use the remainder of the equipment funds to upgrade the computer capacity.

SUPPLIES \$1.000

These funds will be used for general office supplies for the Anchorage, Bethel and Dillingham offices. These funds will be used to cover the cost of paper, pens, flip charts, markers, and other necessary supplies.

Bristol Bay Economic Development Corporation

P.O. Box 1464 • Dillingham, Alaska 99576 • (907) 842-4370 • Fax (907) 842-4338 • 1-800-478-4370

The logo for Bristol Bay Economic Development Corporation (BBEDC) features the letters 'BBEDC' in a bold, stylized font. The letters are white with a black outline and are set against a dark, textured background that resembles a map or a landscape.

February 12, 1998

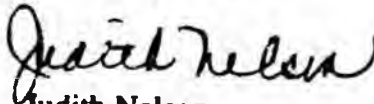
Representative Ivan Ivan
Alaska State Legislature
State Capitol
Mail Stop 3100
Room 419
Juneau, AK 99811-1182

Dear Representative Ivan:

Thank you for your efforts in getting House Bill 370 introduced into the legislature of this legislation. As you know the passage of this bill is of vital importance to the Bristol Bay and Kuskokwim regions to secure the federal disaster funding for the Chignik and Bristol Bay regions.

Bristol Bay Economic Development Corporation fully supports the passage of House Bill 370. We look forward to the programs provided by the joint federal and state disaster relief program for the regions during this economic crisis.

Sincerely,

A handwritten signature in cursive script that reads 'Judith Nelson'.

Judith Nelson,
Executive Director

cc: Senator Hoffman
Representative Moses

**NATIVE VILLAGE OF GOODNEWS BAY
TRADITIONAL VILLAGE COUNCIL**

P.O. BOX 50

GOODNEWS BAY, ALASKA 99589

Phone No. (907)967-8929 Fax No. (907)967-8330

Rep. Ivan M. Ivan
Alaska State Capitol
Juneau, Alaska 99811

January 23, 1998

Dear Rep. Ivan,

We appreciate your committee in taking time to hear our concerns via teleconference and our greatest concern is the fact that we, the community of Goodnews Bay and Quinhagak were not included in Disaster Declaration and -we don't think it is fair for our tribal members to be excluded from the Relief Funds just because these two districts (W-4 & W-5) had openings during this past season - if that is the only reason why these two communities were excluded from the Diaster Relief Funds I think they also should exclude some of the Districts or communities in Bristol Bay (no offense to the communities in the region) because they had more openings, more fish, better price and more established market than the two communities that were excluded.

You have heard from the testimony given that most of them had very poor season regardless of the openings in these two districts, so poor that some of them did not make enough to cover oil & gas for the next opening and to make it worst the price for their catch were way below what they are paying in other district. Bristol Bay and sometimes there was no buyer on the ground, when there is no buyers fishermen do not fish even if the district was open.

Most of the residents in our community are having a very hard time in keeping up with their bills, which includes house payments, electric, telephone, heating oil, gas, propane, groceries, income taxes, etc., and you very well know that the cost of living in rural community is very high and most of them do not have a year round jobs.


The majority of the resident make their living commercial fishing and the other fishery, herring fishery did not fare well, in fact some of the fishermen ended up owing the processors because of very low price and did not catch enough to cover their fishing expenses.

The residents in these two communities are very affected by the very poor fishing season and we urge you and your colleagues to convince whoever is in charge of this Disaster Relief Fund to include Goodnews Bay and Quinhagak in their distribution plan.

Quyana for your assistance.

Sincerely,

TRADITIONAL VILLAGE COUNCIL
BAVILLA MERRITT, PRES.


~~Peter R. Julius, Tribal Admin.~~



Lake and Peninsula Borough

P.O. Box 495

King Salmon, Alaska 99613

Telephone: (907) 246-3421

Fax: (907) 246-6602



January 21, 1997

Representative Ivan M. Ivan
Chair
House Community and Regional
Affairs Committee
Alaska State Legislature
State Capitol Building
Juneau, AK. 99801-1182

SUBJ: Committee Trip to Bethel and Dillingham Region

Dear Representative Ivan:

We are writing regarding the economic disaster which occurred in the Bristol Bay, Chignik, and Kuskokwim regions this year due to extremely poor fish returns. It has come to our attention that the House Community and Regional Affairs Committee will be holding a series of meetings and public hearings in your district regarding this disaster on January 22 through 24. We want to commend and thank the Committee members for taking the time to travel to Southwest Alaska to see and hear about the impacts of the disaster for themselves. Unfortunately, we will not be able to participate in the hearings either in person or by teleconference. Therefore, please accept this letter as the official written testimony of the Lake and Peninsula Borough.

We would like to begin by providing you and the other committee members with a little basic information about the Borough. The Lake and Peninsula Borough encompasses much of the Alaska Peninsula and is located entirely within Representative Moses's district. The Borough is about 300 miles long (28,000 square miles) and stretches from Lake Clark in the North to Ivanof Bay in the South. It contains the communities of Port Alsworth, Nondalton, Newhalen, Iliamna, Pedro Bay, Kokhanok, Igiugig, Levelock, Egegik, Pilot Point, Ugashik, Port Heiden, Chignik Lake, Chignik Lagoon, Chignik, Perryville, and Ivanof Bay. About 73 percent of Borough residents are of Alaska Native heritage; primarily Dena'ina, Yupik, and Aleut.

The Lake and Peninsula Borough is located in the heart of the economic disaster zone. Its residents and communities have felt the impacts of the failed fishery as strongly as anyone

you will speak with on your tour of the western half of the disaster area. The Borough contains three of the most productive and valuable commercial salmon fishing districts in the State; all of which are included in the disaster zone. These districts include the Chignik District on the south side of the Alaska Peninsula and the Ugashik and Egegik Districts on the Bristol Bay side of the Peninsula. Over the past ten years, on average, these three districts have produced approximately 20 million sockeye salmon per year. This year they produced about one half that number. The Commercial Fishing industry is by far the largest employer and revenue producer in the Borough. Any downturn in the industry has a strong ripple effect throughout the entire economy.

As you travel throughout your district, we expect that you will hear a great deal about the impacts of the disaster upon individuals, fishing families, businesses, and communities. Believe what you hear! Many individual families are experiencing desperate circumstances and cannot afford basic necessities such as food, heating fuel, and electricity. Many have absolutely no idea how they will be able to gear up for the next fishing season which is rapidly approaching. We want the Committee to understand that the residents and communities on the eastern side of the disaster zone are experiencing similar circumstances. Please do not conclude that there is no problem here simply because our residents were not able to attend the hearings in Dillingham and Bethel. It is difficult and expensive for us to get to those communities.

We hope the Committee will consider the impacts of the disaster upon municipalities as well. Recall that when Governor Knowles declared an economic disaster this summer, he specifically noted that municipalities which collect tax revenues from the commercial fishing industry will be particularly hard hit. Municipalities provide basic public services that residents in the disaster zone depend upon. These services include, but are not limited to, police, fire, emergency medical, hospitals and clinics, water, sewer and solid waste services, dock and harbor operations, road and airport maintenance, and so on. Most of these services are utilized by the fishing industry itself and they will now have to be scaled back significantly. In addition, providing these services translates into employment for many of our residents. Job losses in the service sector are a very significant secondary impact of the economic disaster.

The Lake and Peninsula Borough normally derives over 90 percent of its locally generated tax revenue from the commercial fishing industry. Over the past five years the Borough averaged approximately \$2.1 Million Dollars per year in revenue from its 2% raw fish tax. This year we received about \$1 Million Dollars, a reduction of about 50 percent. In addition, we anticipate that the amount of revenue we will receive from the State Shared Fishery Business Tax will be reduced from about \$300,000 Dollars to less than \$100,000 Dollars.

The Borough Assembly will therefore have to reduce its budget by approximately \$1.2 Million Dollars. Since our operating budget last year was just over \$3 Million Dollars, this translates into a 33% reduction in our budget. Our communities will suffer the most since a very significant amount of our budget (about \$ 900,000) represents direct pass through

funding that goes to local governments for the purpose of providing basic public services and necessary capital projects. It is likely that our local contribution to the Lake and Peninsula Borough School District will also be reduced significantly.

Many members of the majority in the Legislature have stated that they would like to see all of rural Alaska organized into boroughs. This is a chance for you to support an existing rural borough at a time when it really needs assistance from the State. The residents of the Lake and Peninsula Borough have willingly voted to organize into a Borough so that they could have a larger say in their own affairs, raise their own money, provide their own services, and reduce their dependence upon the State. We believe the residents of this borough have been forward thinking and responsible. We need your support. We also need your support for the commercial fishing industry, the most important industry in our region and the largest private employer in the State of Alaska.

Following are a number of steps that you can take to help the Borough and the people of this region:

**** The State must come up with a \$2.4. Million Dollar Match for the Federal Disaster Assistance being offered by the Department of Commerce under the Magnuson-Stevens Act. The Governor has requested this money in his Supplemental Budget. Please support this finding.**

**** Please support any proposals or legislation that provides for emergency tax relief for municipalities that derive revenue from the fishing industry. The Governor has stated that he will propose such legislation however, we are not aware of any specific action on this at this time.**

**** As you know, the Federal government has declined to declare a disaster under the Stafford Act (FEMA). It is our understanding that the Governor is appealing this decision. He has stated that if the appeal fails, he will ask the legislature to provide FEMA type relief for the region. This would include unemployment insurance for permit holders and crew and low interest loans. Please support this type of assistance.**

**** The commercial fishing industry; the largest private employer in the state and the backbone of the economy in Southwest Alaska needs your help. Please resist any further cuts to the Department of Fish and Game; particularly to the research and commercial fisheries budgets. Also, we look forward to talking with you further about ways to establish a partnership between the State and local governments to strengthen this extremely important but ailing industry.**

**** Economic development, diversification, and job creation in this region is very important because it will help mitigate the impacts of future fisheries disasters if they occur. Further, if the economy in rural Alaska is healthy, the economy in Anchorage and the rest of Alaska will be healthy as well. The economies of urban and rural Alaska are very closely**

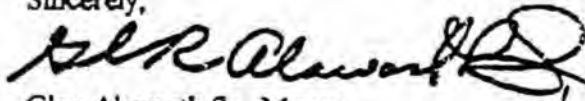
ted together. The Lake and Peninsula Borough has some very glaring and serious infrastructure needs that must be addressed before the economy can expand much further.

For example, as noted above, the Borough contains three of the State's most important fishing districts. Until the public dock was built in Egegik two years ago, none of these districts had a public dock or a public harbor. This is not acceptable. We need docks, harbors, and airport expansions. Infrastructure development in this Borough could effect the rest of the State in ways you might not think of. For example, if the new seafood processing plant is built in Anchorage, we are going to need ways to transport our fish products to Anchorage as quickly as possible. This translates into jobs for both our region and the State as a whole. Therefore, please support funding for capital and infrastructure projects that help us grow and diversify the economy and create jobs. There will be economic ripple effects in the rest of the state as well.

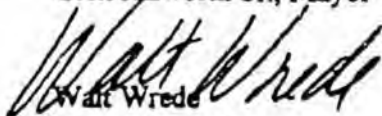
We need your support right now for the proposed Chignik Small Boat Harbor. A great deal of Federal and local funding is already secured. Part of the State's match is contained in the Governor's Supplemental Budget pursuant to agreements made last year between the Governor, Representative Moses, and the Majority leadership. We would greatly appreciate your support for this project.

Thank you very much for your time, attention, and consideration. We appreciate the opportunity to comment. Please do not hesitate to contact us if you have any questions or need additional information. We are available to provide any assistance the Committee might need as it works through this issue. We would be happy to come to Juneau to discuss this with you in person.

Sincerely,



Glen Alsworth Sr., Mayor



Walt Wrede

Borough Manager

c.

Governor Tony Knowles

Senator Lyman Hoffman

Representative Carl Moses

Reps. Dyson, Ogan, Ryan, Sanders, Joule, & Kookesh

David O. David, Chairperson
Myron P. Naneng, Sr., President
Phone (907)643-3821
Fax (907)643-3388

AVCP, Inc.
The Association of Village Council Presidents
Office of Administration
Pouch 219, Bethel, AK 99569



- Akiachak
- Akiak
- Alakanak
- Andrusofsky
- Aniak
- Atkasook
- Bethel
- Bill Moore's Nl
- Chedonak
- Chituk
- Chuathbaluk
- Chuloomniok
- Crooked Creek
- Fak
- Frankok
- Georgetown
- Goodman's Bay
- Hamilton
- Hooper Bay
- Lower Kaktovik
- Upper Kaktovik
- Kasiguk
- Kipruk
- Kongayuk
- Kotik
- Kwethluk
- Kwigillingok
- Lima Village
- Marshall
- Makoryuk
- Mtn Village
- Napainuk
- Napakak
- Nepashuk
- Newick
- Niginuk
- Nunapitubuk
- Ongumuk
- Oscarville
- Pearuk
- Pika Station
- Pika's Point
- Platinum
- Quinhagak
- Red Devil
- Russell Mission
- Scammon Bay
- Sheldon's Point
- Stednuk
- St. Mary's
- Stony River
- Tokook Bay
- Tuluksak
- Tuntutuliak
- Tununak
- Umanuk

February 26, 1998

Representative Ivan M. Ivan
Clr., House Committee on Community & Regional Affairs
Alaska State Capitol Rm. 418
Juneau, AK 99801

Dear Rep. Ivan

Thank you for your prompt response, as discussed, we at AVCP are concerned about agency administration use of a portion of the Magnuson-Stevens funds. We realize that there is a difference between the Governor's supplemental budget request of \$1.375m and the CRA Committee bill(HB370) for the full \$2.3m State match. We support HB370, because it fully satisfies the intent of Section 312 and the fishing communities impacted. We will testify as needed as the bill moves through committee.

Where our concern is, under DCRA Program Support of the project narrative, there is \$186,000 budgeted. It is our view that the agency is already funded to perform public services and should not be dipping into disaster relief funds when there is a greater need for those funds at the village level. If the agency needs additional funds it should request the need from the Administration it operates under.

We have attached a copy of the DCRA proposal, underlining our concerns. If there are any questions please contact Fred Smith at 543-7375 or Michelle Sparck at 543-7342

Sincerely,
Association of Village Council Presidents Inc

Myron Naneng Sr., President

(attachment)



Alaska State Legislature

Please enter into the record my testimony to the House Finance
committee name

committee on House Bill 320, dated March 5, 1998
bill/subject

The Legislature should find the
NORTHERN Dist. on the Cooks Inlet
a Disaster area It has been for
The last 8 yrs. Please no Preference
on AREAS I fish on the N.D. and we
Have been making less than 5,000 yearly
Look into this matter & treat people
like you want to be treated.
Please Read

Signed: Ella Ring
Testifier

Representing (Optional)
Box 10 - 3212 ANch. 99510
Address
373-2080
Phone No.

6