

HB

257

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS HB 257 (FSH)
() Publish Date: _____

Identifier (file name): HB257CS(FSH)-DNR-AG-03-11-08 Dept. Affected: Natural Resources
Title: Transfer Aquatic Farming to DNR RDU: Resource Development
Component: Agriculture Development
Sponsor: Rep. Harris
Requester: H FIN Component Number: 455

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel	5.0		5.0	5.0	5.0	5.0	5.0	5.0
Contractual								
Supplies	6.5		6.5	6.5	6.5	6.5	6.5	6.5
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	11.5	0.0	11.5	11.5	11.5	11.5	11.5	11.5

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	11.5		11.5	11.5	11.5	11.5	11.5	11.5
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	11.5	0.0	11.5	11.5	11.5	11.5	11.5	11.5

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

CS HB 257 (FSH) will allow 45-50 active shellfish farms throughout the State to participate in the Alaska Grown program. Coordination with other state agency regulators of the shellfish industry including the Aquatic Farm Program in the Department of Fish & Game, the Aquatic Leasing Program in DNR Mining, Land & Water, and DEC, will be necessary to ensure compliance with the Alaska Grown regulations. In addition to on-site inspection, new marketing avenues for aquaculture products through regional trade groups and other federal partners will be pursued. Promotion and marketing efforts will be made to reach out to restaurants and other audiences. Marketing supplies will be produced.

Prepared by: Franci Havemeister, Director
Division: Agriculture
Approved by: Tom Irwin, Commissioner
Natural Resources

Phone 761-3867
Date/Time March 11, 2008
Date March 11, 2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS HB 257 (FSH)
() Publish Date: _____

Identifier (file name): _____ Dept. Affected: Natural Resources
Title "An Act directing the Department of Natural Resources to administer and supervise promotional and marketing..." RDU Resource Development
Component Claims, Permits, & Leases
Sponsor Representative Harris
Requester House Finance Component Number 2460

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

The passage of CS HB 257 (FSH) will have no fiscal impact on the Claims, Permits, and Leases component of the department's budget.

Previous versions of CS HB 257 did require that the transfer of two positions and associated funding would be needed for the enactment of the legislation. CS HB 257 has been substantially amended and thus, no additional costs are anticipated due to passage.

Prepared by: Suzanne Armstrong
Division: House Finance Committee
Approved by: Rep. Kevin Meyer, Co-Chairman
Rep. Mike Chenault, Co-Chairman

Phone 465-6875
Date/Time 3/18/08 10:36 a.m.
Date 3/18/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 257(FSH)
(H) Publish Date: 2/29/08

Identifier (file name): HB257CS(FSH)-DFG-CF-02-22-08 Dept. Affected: Fish and Game
Title: Transfer Aquatic Farming to DNR RDU: Commercial Fisheries
Component: Headquarters Fisheries Management
Sponsor: Representative Harris
Requester: House Resources Committee Component Number: 2171

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*

Passage of this bill would have no fiscal impact on the Department of Fish and Game.

Prepared by: Cynthia Pring-Ham, Mariculture Coordinator
Division: Division of Commercial Fisheries
Approved by: Tom Lawson, Director
Division of Administrative Services, Department of Fish and Game

Phone 465-6150
Date/Time 2/22/08 2:00 PM
Date 2/22/2008

Adopted
3/1/12

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HARRIS

TO: CS HB 257 (FSH), Version 25-LS0676\L

- 1 Page 2, line 2
- 2 After "farm"
- 3 Delete "and hatchery"
- 4
- 5 Page 2, line 31
- 6 After "farms"
- 7 Delete "and hatcheries"
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24



Alaska Mariculture Report

Alaskan Shellfish Growers Association
Newsletter

December 2007

Rodger Painter, president and editor
rodgerpainter@hotmail.com (907) 957-0704

ADF&G 'Mini-FRED' position funded in proposed budget

The Alaska Department of Fish and Game (ADF&G) convinced Gov. Sarah Palin to adopt a plan designed to boost the status of aquaculture in the department. The plan appeared to be designed as a response to legislation introduced late last session in both houses to move the mariculture program from ADF&G to the Department of Natural Resources (DNR).

John Hilsinger, director of ADF&G's division of commercial fisheries, said both ADF&G and DNR oppose the identical bills introduced by House Speaker John Harris and Sen. Lesil McGuire. Hilsinger told growers at the ASGA annual meeting in November that the department believes the hiring of an aquaculture program manager with the same status as regional managers would give the problems of growers and salmon hatchery operators more attention.

ADF&G was able to convince Gov. Palin to insert funding for the new program manager in her proposed operating budget. Some of the support staff requested by the department failed to make the cut, though.

Patti Nelson, assistant Comm/Fish director, is confident the reorganization can be successful even at the reduced funding level. She pledged to work with shellfish growers during the transition.

ASGA later sent Nelson a list of preferred qualifications for the new

Continued on Page Four

PSP Funding not in Budget

ASGA asks governor to reconsider

Governor Sarah Palin's proposed operating budget would implement user fees of \$125 for each PSP sample tested by the state lab beginning July 1, 2008. ASGA believes the fees would force most existing Alaska oyster growers out of business and put an end to the development of family shellfish farms.

ASGA has asked the governor to reconsider the decision not to cover the \$75,000 program cost with state funding. (The letter is reprinted on page two.) Regardless of the governor's response, ASGA is planning to pull out all stops to head off the funding crisis.

With the release of the governor's proposed Fiscal Year 2008-2009 operating budget, attention now shifts to the legislature, which is scheduled to meet Jan. 15-April 13. The advent of the 90-day legislative session limit imposed by voters, continuing drama over corruption in the legislature, election year politics and a huge influx of surplus revenues create a very uncertain climate in the Capitol as the session approaches.

While the response of legislators to the looming PSP crisis over the past several years has been positive, the problem has been subjected to a series of one-session fixes. A long term solution has remained elusive despite very strong support for the funding from many lawmakers, particularly those from coastal districts.

ASGA is convinced that the crisis must and can be resolved during the upcoming session, but it will require plenty of grassroots effort.

Continued on Page Four

An open letter to Governor Palin

Dear Governor Palin:

Considering the high cost of energy, lack of infrastructure, limited labor pool and very high cost of operation, running a business in rural Alaska can be quite a challenge. This is particularly true in emerging industries where new obstacles are encountered around every corner. The last thing a rural entrepreneur needs is the state government pushing their heads under water.

Unfortunately, the "mom and pop" operations comprising the membership of the Alaskan Shellfish Growers Association find themselves in the position of being put out of business by the same government that is promising to help us develop one of Alaska's most promising opportunities to create new year-round businesses and employment. The state constitution even supports development of a responsible aquaculture industry, but that's not what we're feeling as we face state-imposed user fees that will put us out of business.

If the State of Alaska wants to help rural coastal communities strengthen economies battered by the loss of the timber industry and shrinking fishing and seafood processing opportunities it shouldn't work to foreclose promising new economic opportunities before they even get off the ground.

For the past five years we have been trying to convince the state to resume funding tests on shellfish for presence of paralytic shellfish poisoning (PSP), but we've only been successful at temporarily keeping the program funded. But, these fixes are about to expire and we're looking at funding PSP testing through user fees that are so high that they will put at least half of existing shellfish farms out of business.

This includes my own farm, Tenass Pass Shellfish Company, which has been in business for the past 20 years. If the fees were in place this summer, I would have had to pay \$250 per week to the DEC lab to sell \$1,000 worth of oysters and clams, or 25 percent of my gross revenues. No small rural Alaska business can survive if the state takes one-fourth of its gross receipts before bills are paid for labor, fuel, freight, and materials, etc. For us it is as simple as looking at our already red bottom line and seeing the new fees would have doubled our losses last year.

If we have to close our operation, Naukati will lose two full-time, year-round jobs and the \$50,000 a year we spend in the community. You'll see this repeated in another two dozen farms scattered between Prince of Wales and Prince William Sound. While this may not be an economic emergency, these lost jobs and future potential are painful in an area like rural Southeast that is projected to lose 25 percent of its population by 2030.

As you can see from the attached resolution of the Southeast Conference, the PSP program also is widely regarded by coastal residents as an important state service designed to help protect public health. Every shellfish-producing state in the country provides free PSP testing of commercial harvests to ensure widespread compliance with monitoring programs except Alaska. As the population the most at risk of getting sick or dying of PSP, Alaskans deserve the same level of public health protection as other states.

We respectfully request you reconsider your administration's decision to not include PSP testing as a general fund expenditure. We hope to be able to count on your administration as being supportive of shellfish farming.

We are confident the legislature will insert the \$80,000 in general funds to support this vital public health service if DEC just supports the proposal. So far, the agency has remained neutral on the issue.

While we understand your determination to hold the line on state spending, this small incremental expenditure certainly is well within the reach of the state to fund at a time when Alaska is enjoying billions of dollars in surplus revenues.

Thank you for considering this request.

Sincerely yours,
Rodger Painter
ASGA president

**A RESOLUTION OF SOUTHEAST CONFERENCE REQUESTING FUNDING
BY THE STATE OF ALASKA FOR THE PARALYTIC SHELLFISH
POISONING (PSP) TESTING PROGRAM.**

Resolution 08-05

WHEREAS, the residents of Southeast Alaska are more at risk for being hospitalized for paralytic shellfish poisoning (PSP) from eating abundant local molluscan shellfish than nearly any other coastal US residents; and

WHEREAS, PSP testing of shellfish is considered a vital state service designed to protect public health and is funded by every other coastal state except Alaska; and

WHEREAS, the only PSP testing in Alaska is conducted upon product harvested by shellfish farmers and commercial dive harvesters; and

WHEREAS, even these tests are threatened by the pending imposition of heavy user fees on oyster farmers and geoduck divers for these vital state services; and

WHEREAS, the fees will put most Southeast oyster farms out of business and hamper the growth and development of the region's important dive fisheries; and

WHEREAS, the Legislature and Administration has funded the Alaska Department of Environmental Conservation's PSP testing program for FY07 and FY08 at the level of \$75,000 to \$80,000, respectively;

NOW, THEREFORE BE IT RESOLVED that the Southeast Conference strongly requests Governor Sarah Palin and the Alaska State Legislature to fully fund the Department of Environmental Conservation's PSP testing program and prevent the agency from implementing user fees to pay for this vital state service.

This resolution is adopted by the Southeast Conference Membership on September 20, 2007.

Witnessed by:

Attest:

Jon Bolling
President

Shelly Wright
Executive Director

PSP Funding Fails to Make Palin's Budget...Continued from Page One

The battle over funding the PSP program has been ongoing over the past five years. The Department of Environmental Conservation first removed state funding for PSP testing from its proposed budget under the Murkowski Administration, shifting the cost to user fees on shellfish growers and harvesters. ASGA teamed up with the Southeast Alaska Region Dive Fisheries Association (SARDFSA) to oppose the fees and kept them at bay for a while. The legislature subsequently twice provided one-year funding, the last of which will be spent by June 30, 2008.

Key to legislative action were the letters and messages that individual growers sent to legislators. One enterprising grower, Sharon Gray, even convinced local businesses to write letters of support and concern. A long-term solution will require that kind of response and even more.

ASGA already is gearing up. An ASGA-written resolution supporting PSP funding (see Page Three) was adopted by the Southeast Conference (a regional group of communities and businesses) at its annual 2007 meeting. ASGA board member Art King and grower Eric Wyatt are planning to collect similar resolutions from communities and groups on Prince of Wales Island.

Even more important than these efforts are messages to legislators from individual growers. Write, call or email your legislators. Lawmakers need to know that funding for PSP testing must be a major funding priority. It doesn't matter that you may have contacted them on the issue before. While many lawmakers supported the appropriation last year, the failure to get the funds inserted into the budget base (meaning they are regarded as ongoing expenditures) signals that it may not have been high enough on their priority lists.

After contacting your own legislators, you should also consider sending a message to these key legislators:

- Rep. Kevin Meyer of Anchorage, chairman of the House DEC finance subcommittee and co-chairman of the House Finance Committee. Meyer has consistently balked at including PSP funding in the budget base. He and his staff are very familiar with the issue. Meyer is the most significant person to move on this issue.
- Sen. Kim Elton of Juneau, chairman of the Senate DEC finance subcommittee and Senate Finance Committee member. The full Senate followed Elton's subcommittee recommendation last year to fund PSP testing as part of the budget base. Other subcommittee members are Senators Johnny Ellis and Gary Wilken.
- Senator Bert Stedman, co-chairman of the Senate Finance Committee, who represents Sitka, Wrangell and Juneau. Stedman has many divers and a few shellfish farmers in his district and appears to be facing a tough re-election battle.
- Representatives Bill Thomas and Paul Seaton. These coastal legislators are very active on fisheries issues and can convince other lawmakers to follow their lead. Both have been very supportive. Tell them you appreciate their efforts and stress the importance of reaching a long-term solution this year.
- Representative John Harris, speaker of the House and a key supporter last year. As House Speaker, Harris can make funding happen if he hears from enough of you. A very important contact.

The legislature is likely to have very short timelines for the budget process, and acting quickly is very important. It only takes a few minutes. Check out the easy options on the next page.

Aquatic Farm Application Process

To start an aquatic farm in Alaska, you must first apply for and receive authorizations from the State of Alaska and the U.S. Army Corps of Engineers. The Department of Natural Resources, Division of Mining, Land and Water (DMLW) currently holds an application opening every other year beginning January 1 and ending April 30. The process for aquatic farm applications takes approximately twelve months to complete after the opening ends. The applications are "batch-processed" in order to assess cumulative impacts and carrying capacity within a particular area.

The joint-agency application includes instructions, examples and guidelines to assist you in completing your application form. The application has evolved into a joint-agency application that addresses the concerns of all involved state agencies requiring some type of authorization or certification, and includes this department, the Departments of Fish and Game and Environmental Conservation. Consequently, the applicant does not have to answer the same questions on as many as five separate application forms.

DMLW accepts the applications and prepares a review schedule. Concurrent with the review of the applications for state agency authorizations, a review for consistency with the Alaska Coastal Management Program (ACMP) also begins. The Office of Project Management and Permitting (OPMP), Alaska Coastal Management Program section conducts the ACMP review and sets Day 1. Once the review period ends, OPMP makes a determination whether a proposal is consistent with the standards of the ACMP, including any enforceable policies described within an affected coastal district management plan. This determination is required before DMLW is able to authorize a lease agreement. DMLW is only able to authorize aquatic farm activities if the proposal is found consistent by OPMP.

After the applications are received and found to be complete, the agencies may hold individual application meetings to fully understand the proposal. DMLW gathers information about the area of the proposed site from documents, such as state and/or federal management plans, U.S. Coast Pilots, and coastal district management plans. State and federal agencies may be contacted for specific information. A description of the proposal and everything that is learned is included a preliminary best interest finding and decision, or "preliminary decisions" (PD). The PDs are noticed and agencies and the public are provided with a 30-day comment period. The PDs recommend approval or denial of the application based only on the information that is known at the time. It is hoped that the review period results in more site-specific information so that the involved agencies can make more informed decisions regarding their respective authorizations.

While OPMP, the Department of Fish and Game (DFG) and the Department of Environmental Conservation (DEC) are reviewing issues that pertain to their respective authorities, DMLW considers such issues as whether there may be conflicts with traditional or existing uses of the site, such as commercial or sport fishing, subsistence activities, use of the site for safe boat anchorage, recreation, or tourism; how public access will be maintained; if the proposed gear or related facilities could pose hazards to navigation; or whether the proposal may impact cultural or historic sites.

Additionally, DMLW manages state owned tide and submerged lands to allow for multiple uses in accordance with the Public Trust Doctrine. The Public Trust Doctrine is applicable whenever navigable waters or the lands beneath are altered, developed, conveyed, or otherwise managed or preserved. It applies whether the trust lands are publicly owned or privately owned. The Public Trust Doctrine provides that these trust lands, waters and living resources in a State, are held by the State in trust for the benefit of all the people, and establishes the right of the public to fully enjoy the trust lands, water and living resources for a wide variety of recognized public uses, such as navigation, commerce, fishing, and other purposes. DMLW evaluates a proposal to ensure those public trust resources are protected. Specific language is included in the lease agreement that subjects it to the principles under the Public Trust Doctrine.

During the 30-day review and comment period of the PDs, both written and oral testimony may be provided. Hearings are held at the request of five or more people wishing to testify. The hearings are generally held by teleconference out of Anchorage, although depending on the number of applications, may be scheduled in a community nearest to the applications, with outlying teleconferenced locations.

With the information received, DMLW prepares and issues the final best interest findings and decisions or "final decisions" (FD). All comments received during this time are considered and addressed in the final decisions. It is important to note that only those that comment during the 30-day review period, either in writing or by public testimony on a specific proposal, will be eligible to appeal DMLW's final decision on that proposal. Anyone who provided either written or oral comments will be sent a copy of the final decision, which includes an explanation of the appeal process.

Before a lease is issued, the first year's annual payment is required. Fees for a DMLW lease are based on fair market value. Our division's appraiser has compared the values of tide and submerged lands in similar areas and has developed a fee schedule for aquatic farms. The current fee schedule sets the annual lease fee at \$450 for the first acre, or fraction, and \$125 for each additional acre or fraction. Applicants may choose not to use the fee schedule and have an independent appraisal done, at their own expense. This fee is for the DMLW lease only. There may be other fees required by the other regulatory agencies.

In addition, DMLW requires the applicant to post a performance bond of a minimum of \$2500. DMLW can raise the amount of the bond after considering such items as the remoteness of a proposal and the amount of gear and/or facilities proposed. Generally, bonds for farmsites 5 acres or less are \$2500, and farms with more than 5 acres have a bond of \$5,000 or more. It mainly depends on the amount of improvements proposed and the estimated costs for DMLW to remove the improvements or clean up and restore the site if the lessee fails to do so at lease expiration, termination, or abandonment.

At the end of year five of the ten-year lease, the farmer is required to meet a commercial use or production level set by DMLW regulations. This requirement was implemented in an effort to prevent "hobbyists" from speculating and not using an area for the commercial purposes intended. If the commercial use requirement is not met by year five of the lease and continued each year for the remaining term, the lease will be terminated. The current commercial use

requirement is \$3,000 in sales per acre, or fraction of an acre, up to \$15,000 per farm, whichever is less.

You may visit DFG's and DEC's websites for information related to their respective authorizations at:

DFG: <http://www.cf.adfg.state.ak.us/geninfo/enhance/maricult/maricult.php>

DEC: <http://www.dec.state.ak.us/eh/fss/seafood/seafood.htm>



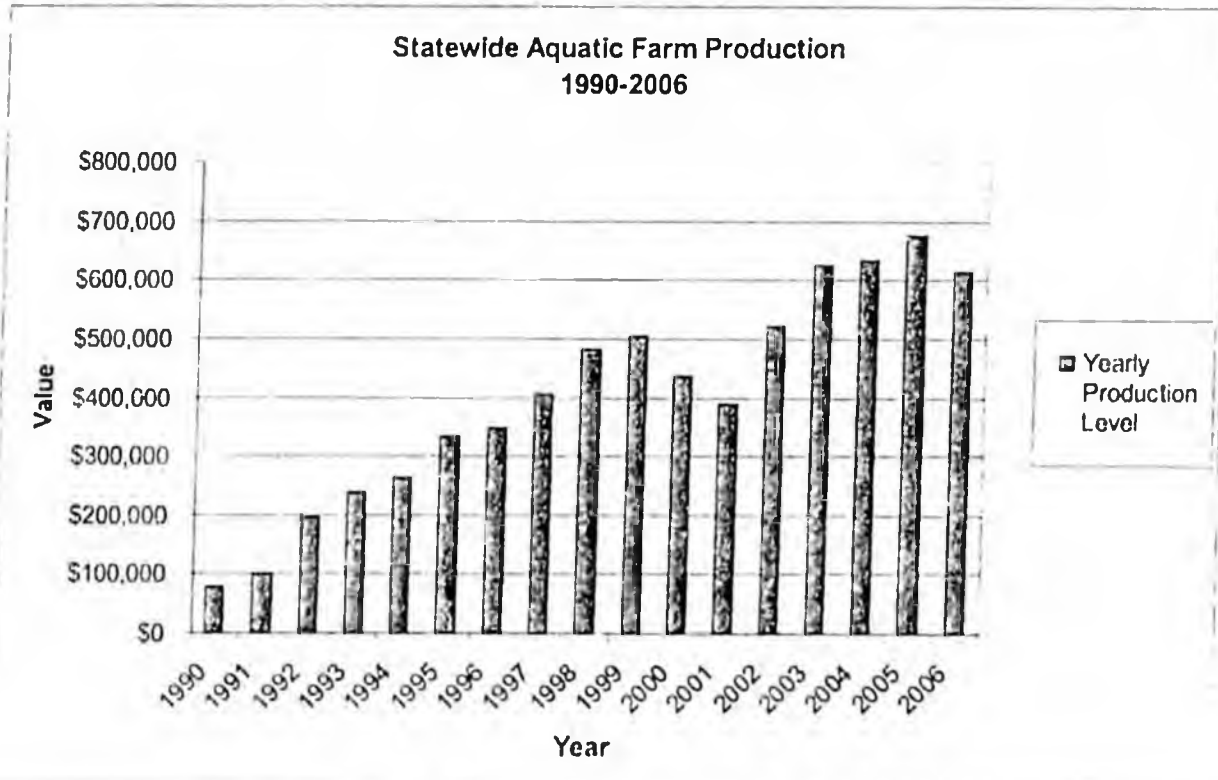
Alaska Aquatic Farm Program

Status and Production

Currently, there are 63 farm sites, one hatchery, and 4 nurseries approved to operate in the state. Total acreage permitted for aquatic farming is 330 acres, an increase from 290 acres permitted in 2006.

Table 1 shows historical statewide aquatic farm production in Alaska. Based on 2006 data which is most complete, production totaled \$614,843 with production almost evenly divided between southcentral and southeast Alaska. Peak production for the industry was in 2005 and totaled \$676,045. Over 79% of the production came from the sale of Pacific oysters and the remaining 21% was predominately for littleneck clams sales. Littleneck clam production went up 6% from FY 2005 totals.

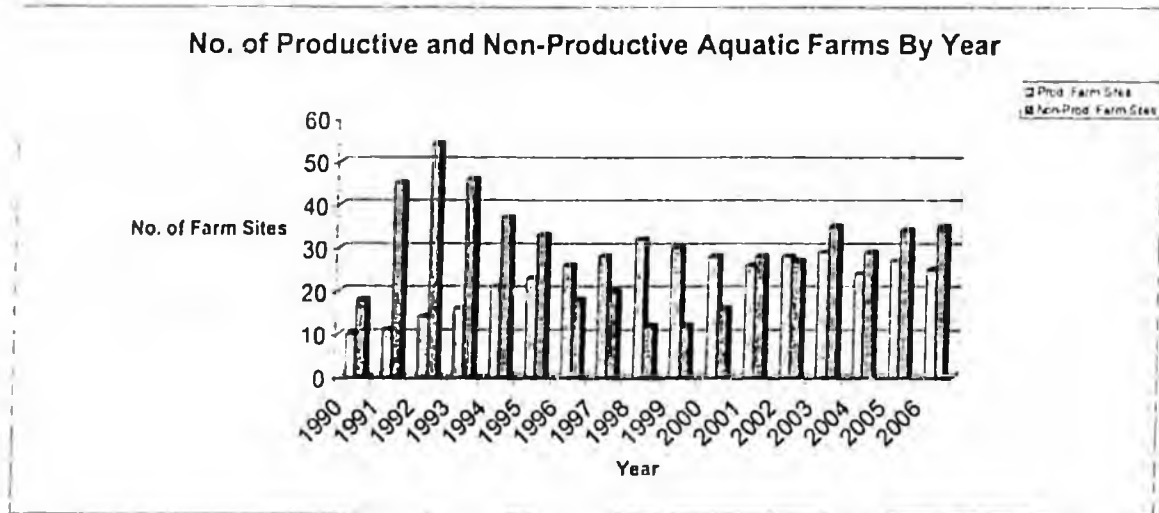
Table 1:



Based on annual reports submitted to the department thus far for calendar year 2007, the overall production estimates for 2007 are anticipated to be lower than 2006. Reports for 15 farms are still outstanding. Preliminary farm data reports for the calendar year 2007, shows 47% of the 63 permitted farms reported some level of production activity compared to 42% at the end of 2006 based on 60 permitted farms.

Table 2 shows the number of farms that had production and non-production since 1990. The percentage of active farm sites has been consistently in the 40-50% range since 2000 and peaked at 73% in 1999.

Table 2:



Note farms are required to show increases in production over a five year period. DNR requires that by the 5th year, the lease holder must meet a commercial-use requirement for production that is equivalent to \$3,000 per acreage up to \$15,000 maximum.

In water inventory for Pacific oysters at aquatic farm sites at the end of 2006 was 8,902,721 and was valued at \$3,828,170. This is 8% decrease from 2005 inventory which was 9,68,7442. The inventory estimate was based on farm gate values of an average 0.43/oyster. The reduced inventory was probably due to number of spat availability, quality of spat received, and mortalities due to hard winter.

Aquatic farm employment in 2006 showed 71 people were employed at farm sites totaling 2,848 days of work. This was an increase from the 2005 aquatic farm employment which had 60 people and 2439 days of work.

Permitting

In Fiscal Year 2007, ADF&G staff issued 3 new operation permits, 6 operation permit renewals, amended 11 operation permits, completed transfer of 1 permit to a new permit holder, and conducted 26 site inspections to determine compliance with permit conditions.

In addition, ADF&G has completed 99% of all the aquatic farm sites operating under a current aquatic farm site operation permit. In comparison, over half of the operation permits were expired in 2003. This renewal effort provided current permits for 35 farm sites.

There are currently 5 applications that are pending due to the need for more information from the applicants and the need for biomass surveys.

Staff issued 78 transport permits, 10 acquisition permits and 2 fish resource permits for enhancement research projects.

Certification

Four Pacific oyster seed suppliers were certified in 2007, three of which are in the Lower 48 (Lummi, Coast, and Kona Coast). Pacific oyster seed stock supplies were not adequate to meet demands of the farmers this last year.

Hatchery

The number one goal of the shellfish industry is the availability of high quality seed for farmers use. The Mariculture Program has been working with Jeff Hetrick, Alutiiq Pride Shellfish Hatchery Manager, for over a year to develop a Hatchery Management Plan which includes details on anticipated seed production and transport to farms, disease control measures, planned brood stock acquisition and schedule, specific and anticipated breeding practices to maintain and improve genetic fitness. This Management plan is similar to what is required of the Alaska salmon hatcheries and will help in planning for future activities the hatchery plans to do and ensures that hatchery operations are producing spat from native species with sufficient genetic diversity.

Mariculture Development Zones

Before the passage of HB 208, the ASGA and the Alaska Marine Advisory Program worked with ADF&G, ADNR, ADEC, ADGC, the Southeast Conference, the Alaska Cooperative Extension Service, and numerous other organizations, were working on designation of Mariculture Development Zones with an overall purpose of improving rural economies through the expansion of an environmentally sound mariculture industry. ADF&G is working with Ray Ralonde, Alaska Marine Advisory Program Aquaculture Specialist to resurrect this important effort in the coming years.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 255(JUD)
(H) Publish Date: 3/11/08

Identifier (file name): _____ Dept. Affected: LAW
Title An Act relating to dual sentencing of certain juvenile offenders RDU Criminal
Component 2nd Judicial District
Sponsor REP JOHNSON
Requester JUDICIARY Component Number 2199

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

HB 255 would expand eligibility for dual sentencing of minors who commit crimes that are not subject to automatic waiver to the adult system. The department does not expect a significant fiscal impact from this bill.

Prepared by: Betty Martin, Director
Division: Administrative Services Division
Reviewed by: Talis Colberg, Attorney General
Department of Law

Phone (907) 465-3673
Date/Time 1/21/08 7:30 AM
Date 1/21/08 7:30 AM

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 257(FSH)
(H) Publish Date: 2/29/08

Identifier (file name): HB257CS(FSH)-DFG-CF-02-22-08 Dept. Affected: Fish and Game
Title: Transfer Aquatic Farming to DNR RDU: Commercial Fisheries
Component: Headquarters Fisheries Management
Sponsor: Representative Harris
Requester: House Resources Committee Component Number: 2171

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Passage of this bill would have no fiscal impact on the Department of Fish and Game.

Prepared by: Cynthia Pring-Ham, Mariculture Coordinator
Division: Division of Commercial Fisheries
Approved by: Tom Dawson, Director
Division of Administrative Services, Department of Fish and Game

Phone: 465-6150
Date/Time: 2/22/08 2:00 PM
Date: 2/22/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 257(FSH)
(H) Publish Date: 2/19/08

Identifier (file name): HB257-DNR-CP&L-02-13-08 Dept. Affected: Natural Resources
Title: Transfer Aquatic Farming to DNR RDU: Resource Development
Component: Claims, Permits & Leases
Sponsor: Rep. Harris
Requester: H FSH Component Number: 2460

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	180.7		180.7	180.7	180.7	180.7	180.7	180.7
Travel	12.7		12.7	12.7	12.7	12.7	12.7	12.7
Contractual	23.2		23.2	23.2	23.2	23.2	23.2	23.2
Supplies	13.4		5.4	5.4	5.4	5.4	5.4	5.4
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	230.0	0.0	222.0	222.0	222.0	222.0	222.0	222.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	230.0		222.0	222.0	222.0	222.0	222.0	222.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	230.0	0.0	222.0	222.0	222.0	222.0	222.0	222.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	2		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This fiscal note reflects the transfer of two positions and associated funding from the Department of Fish and Game. These positions, and the duties for which they are responsible, are transferred in this legislation to the Department of Natural Resources.

DNR assumes that computers and specialized equipment required by these positions would be transferred, and that lease space costs are included in the Contractual Services line item transfer. One-time funding of an estimated \$8.0 would be required in the first year to cover costs associated with moving, phone and computer set up, and office furniture.

Prepared by: Melanie Losh, Special Assistant/Legislative Liaison
Division: Commissioner's Office
Approved by: Tom Irwin, Commissioner
Natural Resources

Phone 465-4730
Date/Time February 13, 2008
Date February 13, 2008