

HB

257

ALASKA STATE LEGISLATURE
House Resources Committee

Carl Gatto, Co-Chair

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Rep. Carl_Gatto@legis.state.ak.us



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**COMMITTEE RECOMMENDATION/LETTER OF INTENT
CS HB 257 (FSH)**

To: Representative Mike Chenault and Representative Kevin Meyer
Co-Chairs, House Finance Committee

From: Representative Carl Gatto, Co-Chair
Representative Craig Johnson, Co-Chair

Date: March 7, 2008

A handwritten signature in black ink, appearing to be "Gatto", written over the "From" line.

OFFERED BY THE HOUSE RESOURCES COMMITTEE

After taking public testimony on CS HB 257 (FISH) and considering the major differences between the original bill version and the Fisheries Committee Substitute, the committee unanimously urges the sponsor to work with the administration to determine the existing regulatory oversight of the mariculture industry, and to identify information-sharing methods to reduce the Division of Agriculture's fiscal note.

The Departments of Fish and Game, Environmental Conservation and Natural Resources should also work with mariculture harvesters and the bill sponsor to facilitate the development of a stronger mariculture industry throughout Alaska.

Debra Higgins

From: Rowland, Mindy B (GOV) [mindy.rowland@alaska.gov]
Sent: Friday, February 22, 2008 5:12 PM
To: Debra Higgins
Subject: RE: Fiscal Notes for House Resources

I was just getting ready to write back to you. Here's what I've learned:

Only one of the DNR notes (AG) should have reported from House Fisheries (and it is current to the Fisheries CS). The other (CPL) note was to an earlier version of the bill.

So as I understand it, you will be receiving a new fiscal note from DFG. the DNR fiscal note dated 1/14/08 is current, and the DNR fiscal note dated 2/13/08 should be set aside.

Let me know if I have sufficiently muddied the issue!

Thanks
Mindy

Mindy Rowland
Deputy Legislative Director
Office of Governor Sarah Palin
465-4021

From: Debra Higgins [mailto:Debra_Higgins@legis.state.ak.us]
Sent: Friday, February 22, 2008 4:33 PM
To: Rowland, Mindy B (GOV)
Subject: RE: Fiscal Notes for House Resources

Hi Mindy,

Thank you for the information on HB 257. I'll flag the DFG fiscal note that's in the file and wait to hear from you on the 2 from DNR.

Thanks again.

Debra Higgins
Staff to Rep. Craig Johnson
Co-Chair, House Resources Committee
907-465-3715 phone
907-465-3872 fax

From: Rowland, Mindy B (GOV) [mailto:mindy.rowland@alaska.gov]
Sent: Friday, February 22, 2008 2:51 PM
To: Debra Higgins
Subject: RE: Fiscal Notes for House Resources

Hi Debbie,

You should be receiving the fiscal note for HB 370 this afternoon.

2/26/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

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

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

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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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

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

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 257(FSH)
(H) Publish Date: 2/19/08

Identifier (file name): HB257-DFG-CF-02-12-08 Dept. Affected: Fish and Game
Title: Transfer Aquatic Farming to DNR RDU: Commercial Fisheries
Sponsor: Representative Harris Component: Headquarters Fisheries Management
Requester: House Fisheries 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	(180.7)	180.7						
Travel	(12.7)	12.7						
Contractual	(23.2)	23.2						
Supplies	(5.4)	5.4						
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	(222.0)	222.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time	(2.0)	2.00						
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This fiscal note reflects the transfer of two positions and associated funding out of 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.

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 2/12/08 2:00 PM
Date 2/12/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

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

Identifier (file name): HB257-DNR-AG-01-14-08 Dept. Affected: Natural Resources
 Title: Transfer Aquatic Farming to DNR RDU: Resource Development
 Component: Agriculture Development
 Sponsor: Representative Harris (By Request)
 Requester: House Fisheries Committee 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
OPERATING EXPENDITURES							
Personal Services	112.2		114.2	116.2	118.2	120.2	122.2
Travel	5.0		5.0	5.0	5.0	5.0	5.0
Contractual	11.5		11.5	11.5	11.5	11.5	11.5
Supplies	4.0		4.0	4.0	4.0	4.0	4.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	132.7	0.0	134.7	136.7	138.7	140.7	142.7

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	132.7		134.7	136.7	138.7	140.7	142.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	132.7	0.0	134.7	136.7	138.7	140.7	142.7

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	1		1	1	1	1	1
Part-time	1		1	1	1	1	1
Temporary							

ANALYSIS: (Attach a separate page if necessary)

One Development Specialist I and one half time Administrative Clerk II will be required to maintain this program. There are 45-50 active shellfish farms throughout the State and 12 operations are currently registered with the Alaska Grown certification program. Travel to remote locations will be necessary as well as meetings with the Department of Fish and Game and the Department of Natural Resources, Division of Mining Land and Water. Unique marketing programs that are not currently being produced by the Division of Agriculture would have to be developed.

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

Phone: 761-3866
 Date/Time: January 14, 2008
 Date: January 14, 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 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services	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
Contractual	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
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	230.0	0.0	222.0	222.0	222.0	222.0	222.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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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
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

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 Lesh, 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

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
 Sponsor: Representative Harris Component: Headquarters Fisheries Management
 Requester: House Resources Committee Component Number: 2171

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
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

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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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

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



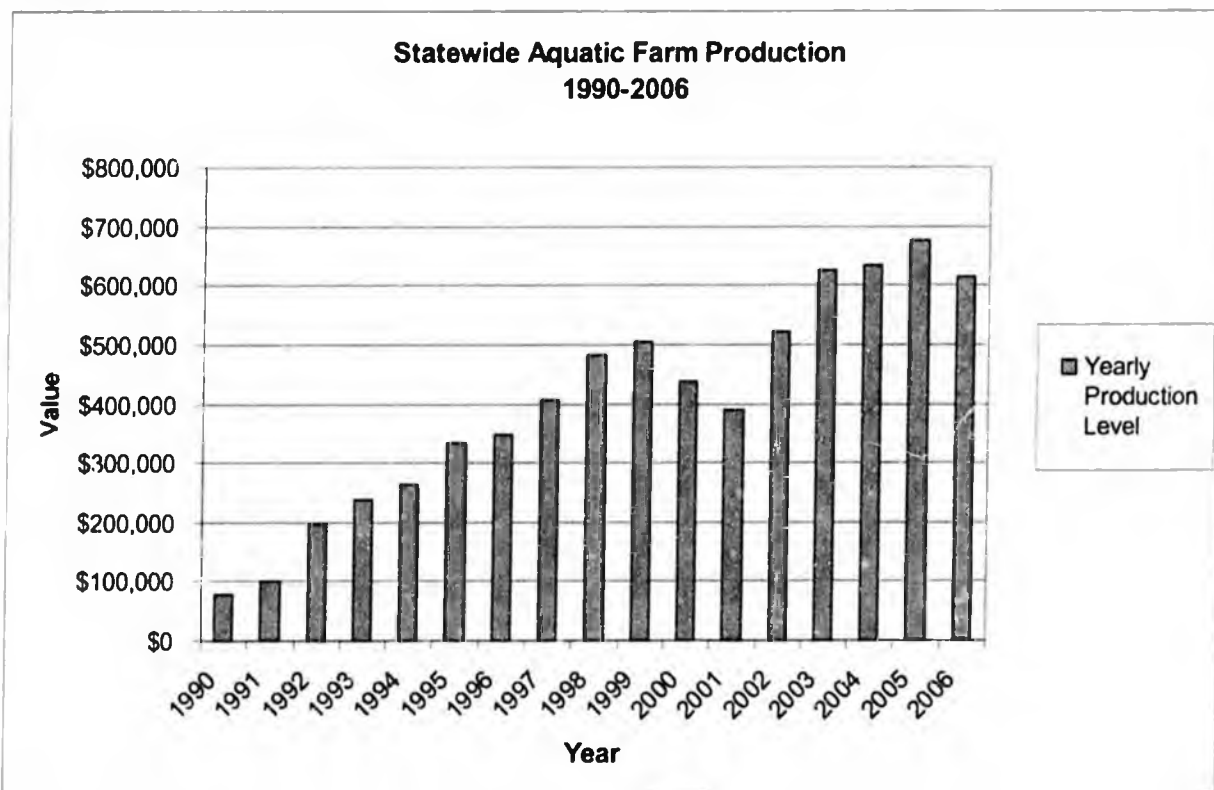
Alaska Aquatic Farm Program

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.

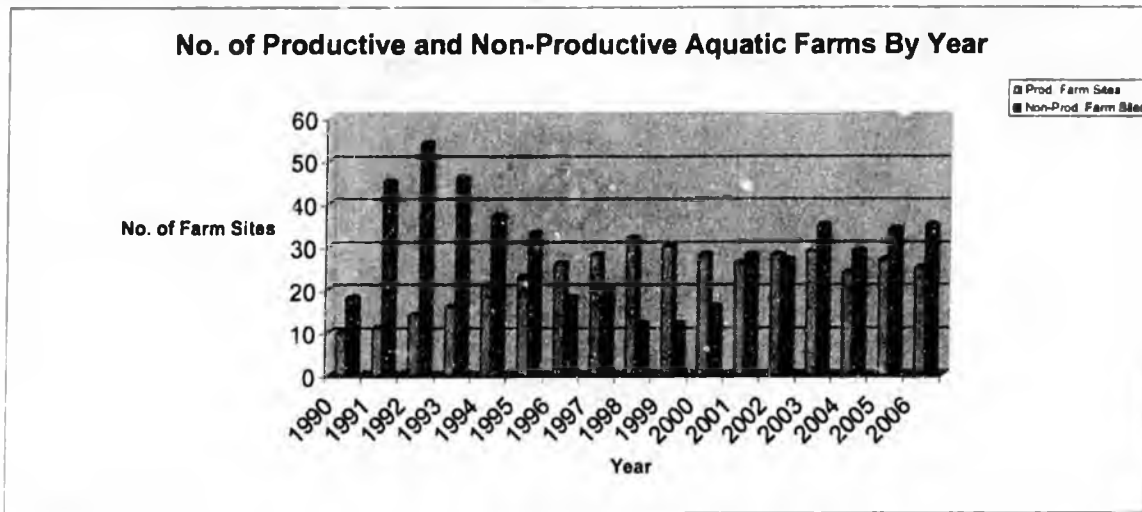
Table 1:



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.