

**02-01-16
OVERVIEW:
FISCAL EFFECTS
OF COMMERCIAL
FISHING, MINING
AND TOURISM,
BOB LOEFFLER,
ISER**

<TARGET><BILL></BILL><SUBJECT>02-01-16 OVERVIEW FISCAL
EFFECTS OF COMMERCIAL FISHING, MINING AND TOURISM, BOB
LOEFFLER, ISER</SUBJECT><COMM>HRES29</COMM></TARGET>

Fiscal Effects of Commercial Fishing, Mining & Tourism

*What does Alaska receive in revenue?
What does it spend?*

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House Resources Committee
February 1, 2016



Acknowledgments



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University of Alaska
Institute of Social and Economic Research



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Community and Economic Development; Division of Economic Development

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from the Council of Alaska Producers.



Conclusions represent those of the author's not UAA,
ISER, DCCED, or the Council of Alaska producers



Economist-speak

Fiscal effects =

- State Revenue
- State Expenditures to manage or promote the industry

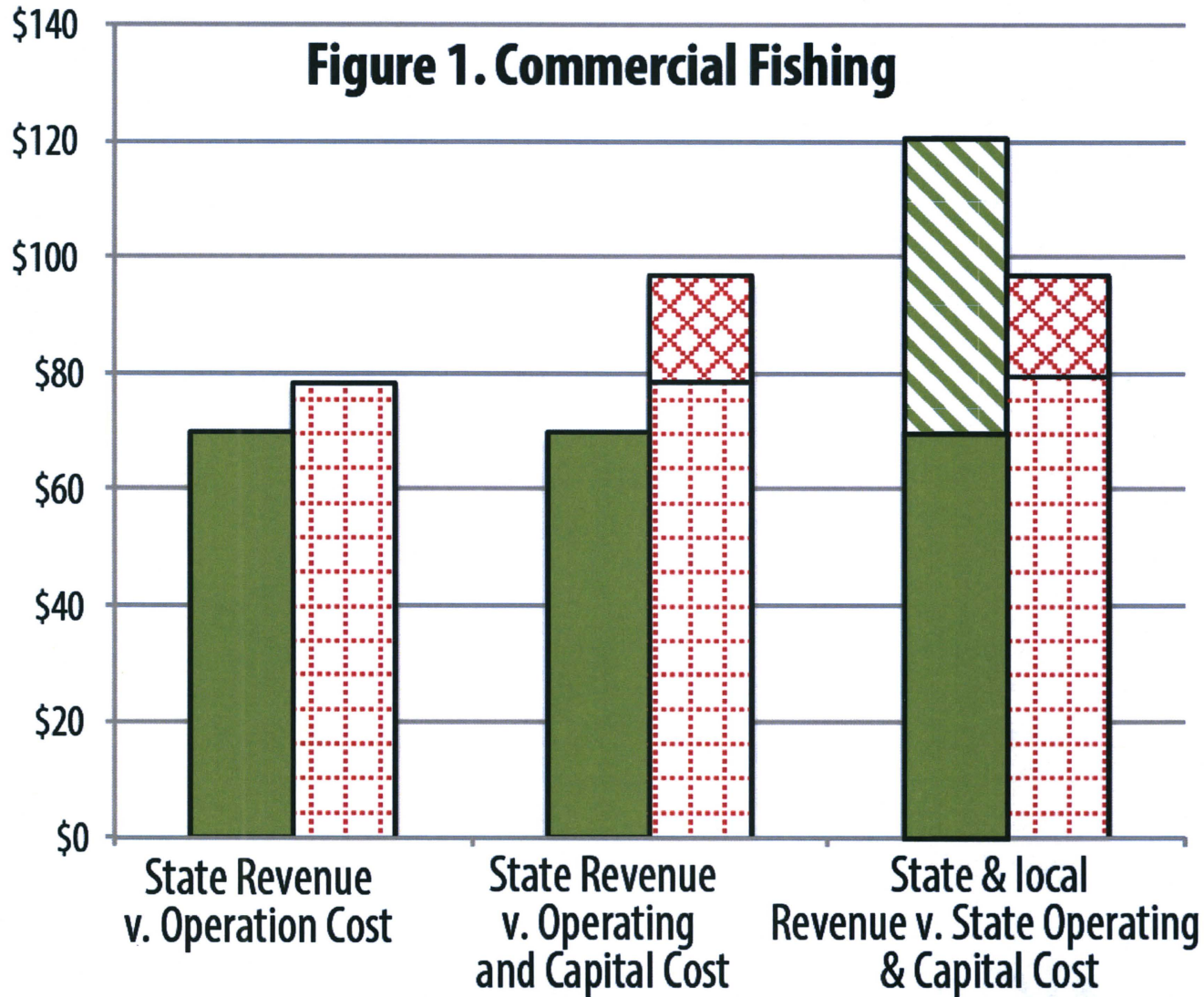
Does not include economic effects

- Jobs & income
- Revenue to businesses

Commercial Fishing



Figure 1. Commercial Fishing



Revenue

- Local
- State

Expense

- Capital
- Operating

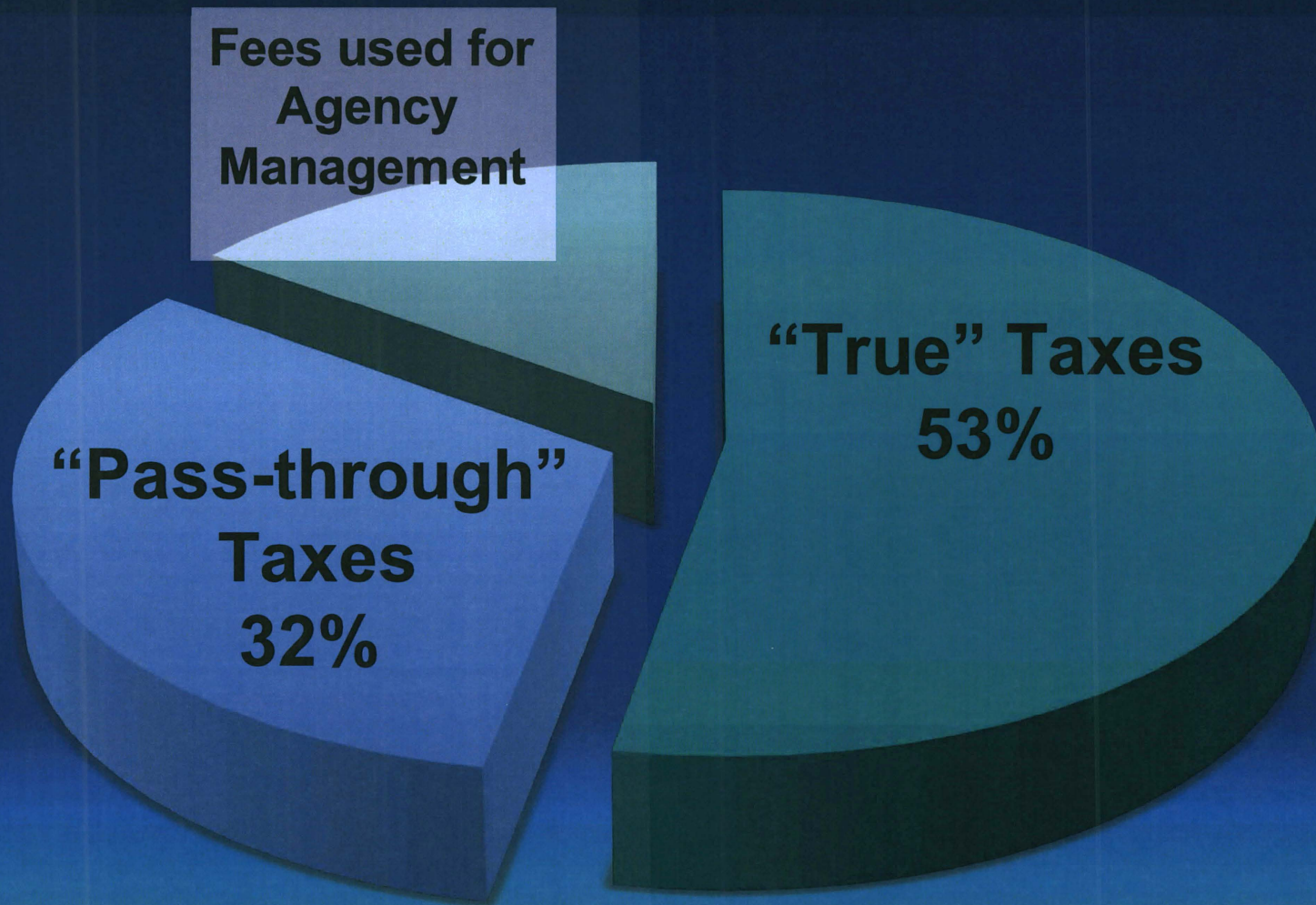
Details...

Fishing Mining Tourism

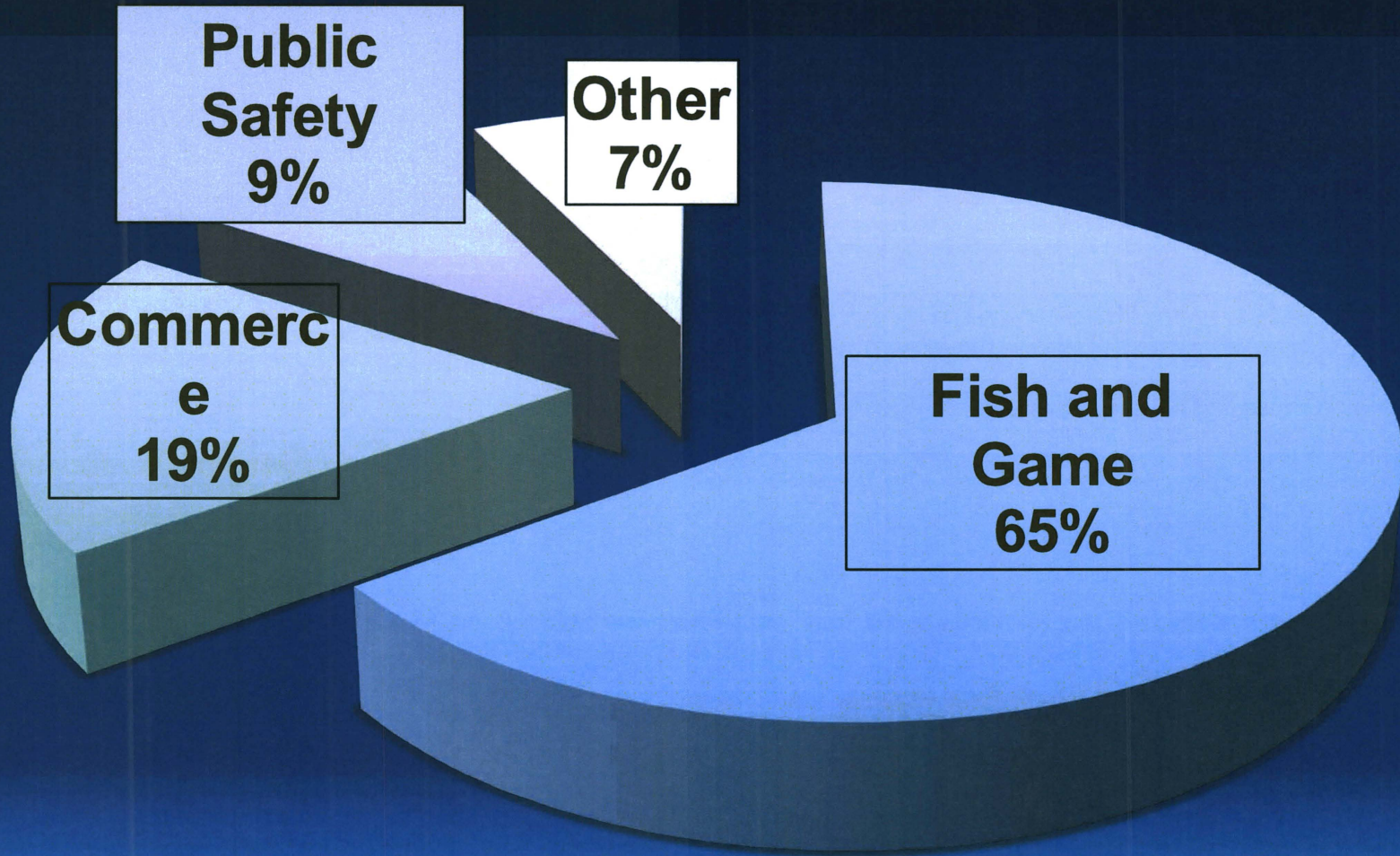
70.2 96.4 54.3

			Real 2014 dollars (millions)			Nominal dollars (millions)			
			Average	2012	2013	2014	2012	2013	2014
			avg_cap_2012_ca_2014\$	2012_ca_2014\$	2013_ca_2014\$	2014_ca_2014\$	2012_ca_2014\$	2013_ca_2014\$	2014_ca_2014\$
			p	p	p	p	p	p	Data_ source
			0.0000	0.0000			0.0000		11
			0.1397	0.4192			0.4000		11
			0.2445	0.7336			0.7000		11
			0.7773	2.3319			2.2250		11
			0.0129	0.0388			0.0370		11
			0.0000	0.0000			0.0000		11
			0.0000	0.0000			0.0000		11
			0.2620	0.7860			0.7500		11
			0.0629	0.1886			0.1800		11
			0.0367	0.1100			0.1050		11
			0.2271	0.6812			0.6500		11
			0.2620	0.7860			0.7500		11
			0.0339		0.1016			0.1000	11
			0.2202		0.6605			0.6500	11
			0.0677		0.2032			0.2000	11
			0.1694		0.5081			0.5000	11
			0.3387		1.0161			1.0000	11
			0.2371		0.7113			0.7000	11
			0.6141		1.8422			1.8130	11
			0.1524		0.4573			0.4500	11
				6.3	9.1	2.8	6.6	5.6	7.1
				9.6	8.6	9.2	10.2	9.7	10.2
				1.2				1.3	1.1
				2.3	2.8	1.7	2.0	2.0	2.8
				7.5	7.2	7.2	7.9	7.7	7.6
				2.9	2.7	2.9	2.9	2.7	3.2
				2.0	0.7	1.5	3.0	2.9	

State Commercial Fishing Revenue: \$70.2 million



State Commercial Fishing Operating Budget: \$78.3 million



Capital Budget: \$18.5 million

- FY 2012-2014
- Portions of 51 projects (over 3 years)
- Average = \$18.5 million/year



Municipal Revenues: \$50.8 million

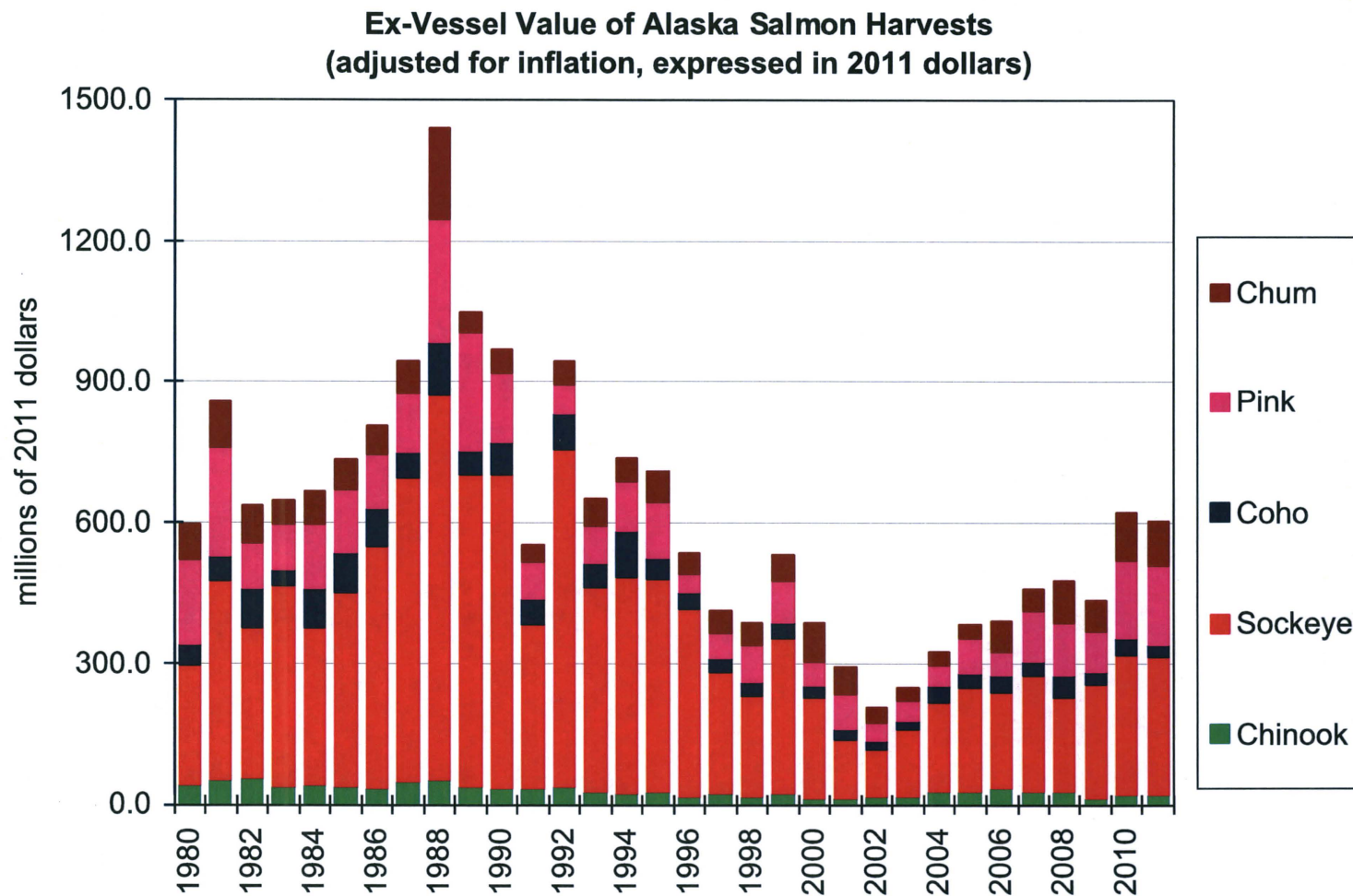
Average Revenue 2010-2014	
Fisheries Business Tax, municipal share	25.2
Fishery Resource Landing Tax, municipal share	5.8
Municipally imposed fisheries taxes	19.9
Local government revenue total:	\$50.80

- Revenue not comprehensive
- Costs not included (but much smaller than state)

Now the Caveats

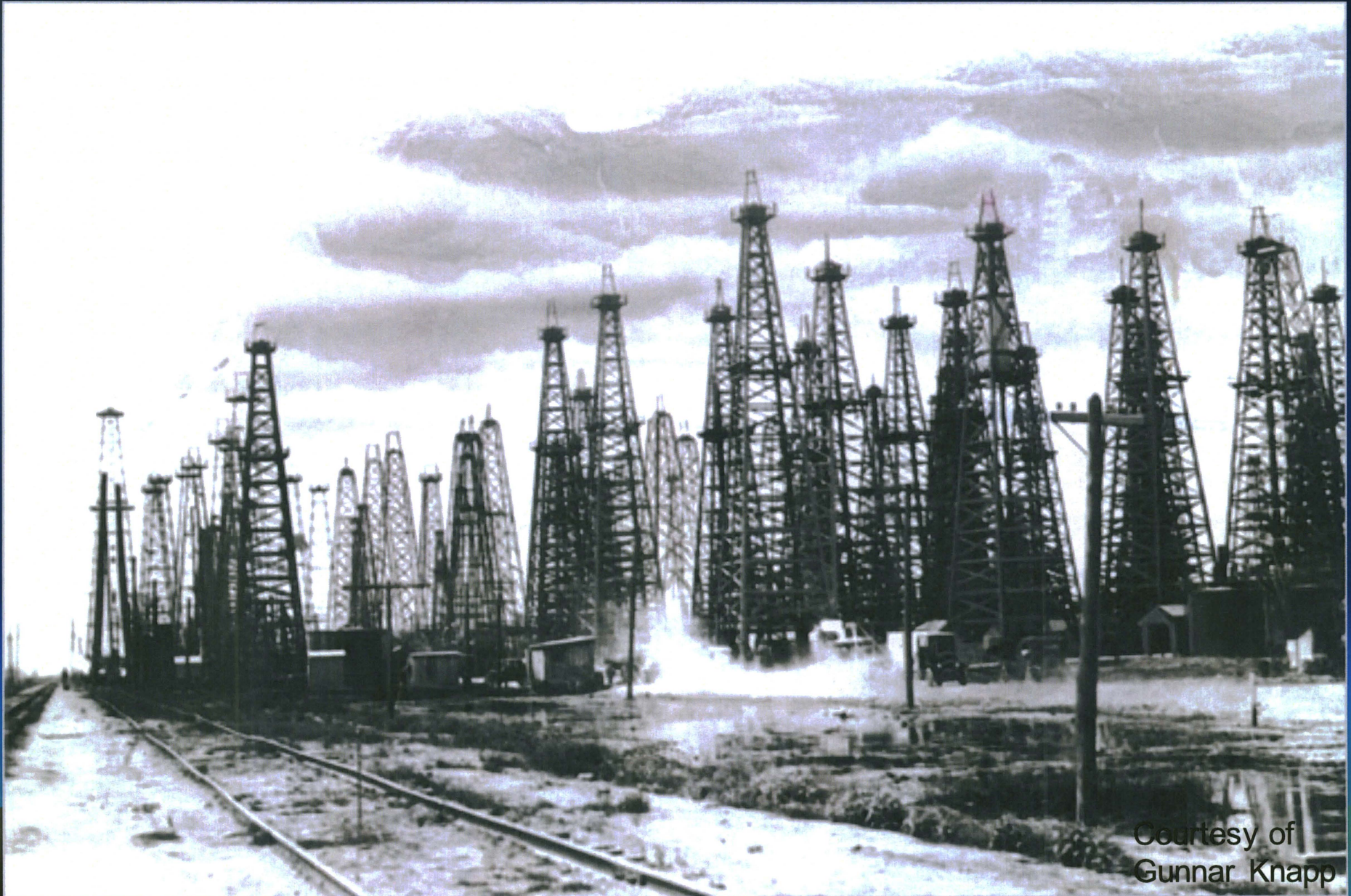
- Values are estimates
- Conclusions not necessarily accurate for any segment (e.g., state does not manage federal fisheries, but receives taxes)
- Revenues change with changing prices
- Management goal for fishing not to maximize revenue

Harvests, prices, value, and therefore revenue fluctuate widely by year



Courtesy of
Gunnar Knapp

Alaska mandates unitization of oil fields to prevent this.



Courtesy of
Gunnar Knapp

We do not mandate unitization of fisheries to prevent this.

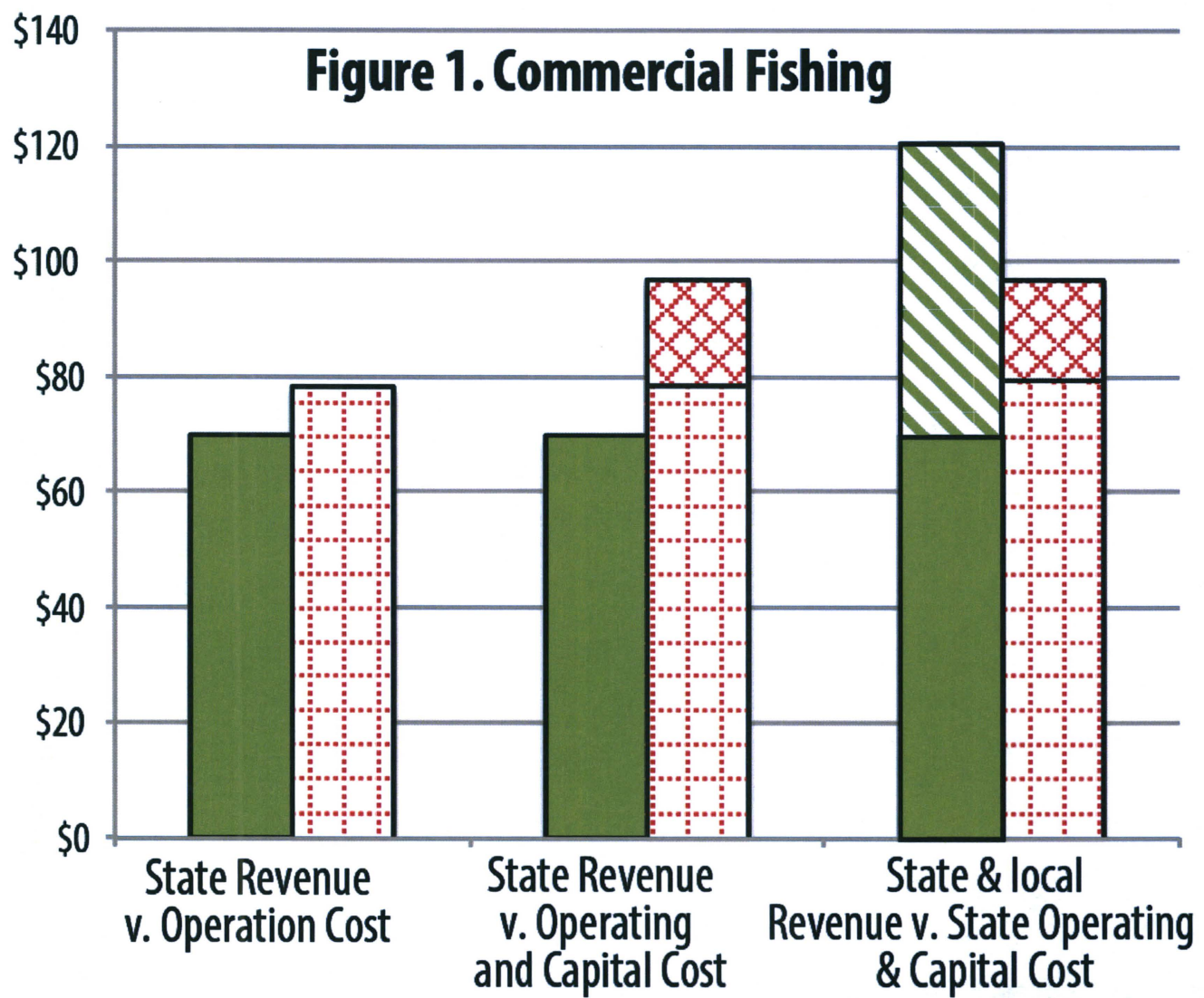


Photographs by Bart Eaton



Slide courtesy of Gunnar Knapp

Figure 1. Commercial Fishing



Revenue

- Local
- State

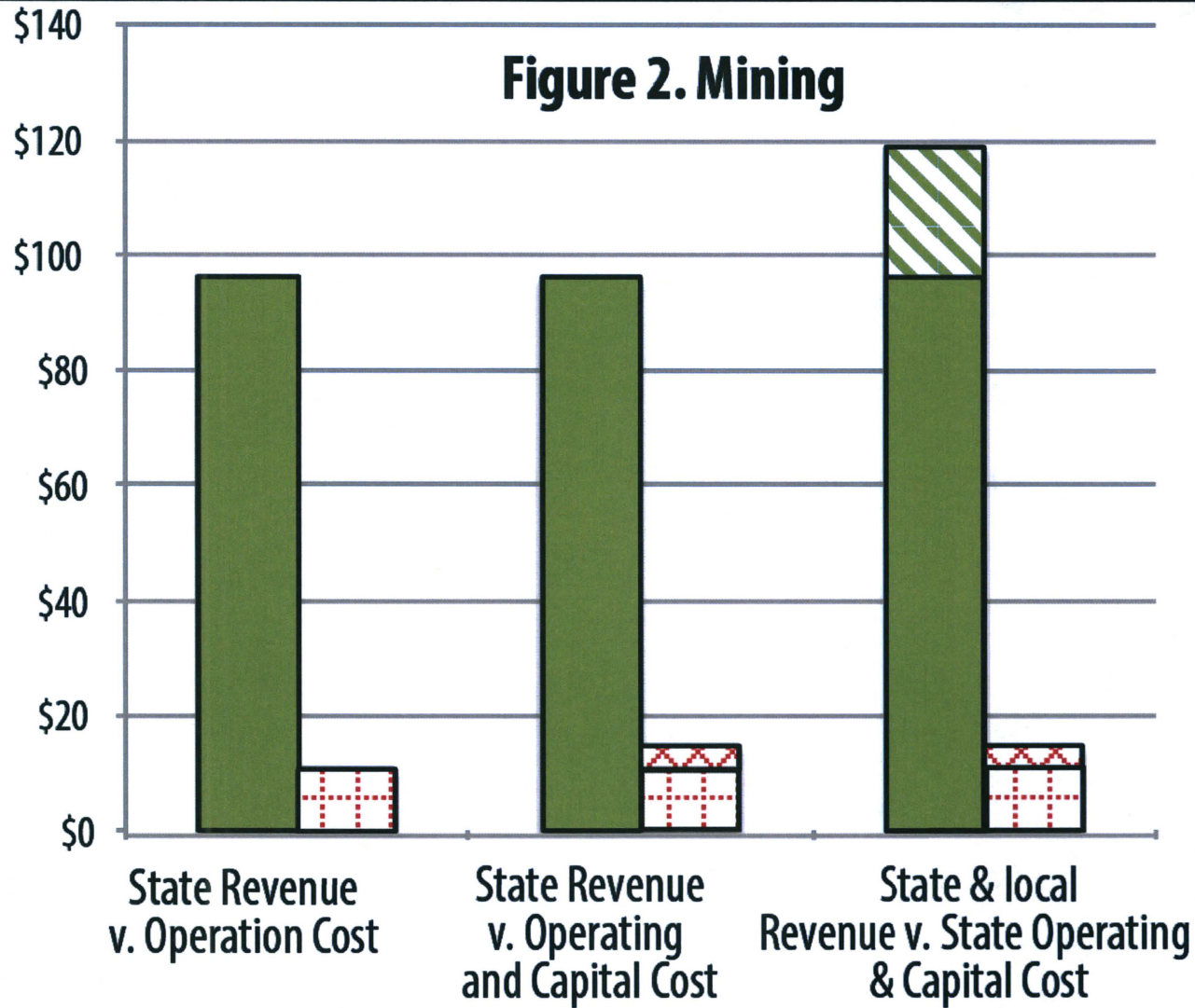
Expense

- Capital
- Operating

Mining



Figure 2. Mining



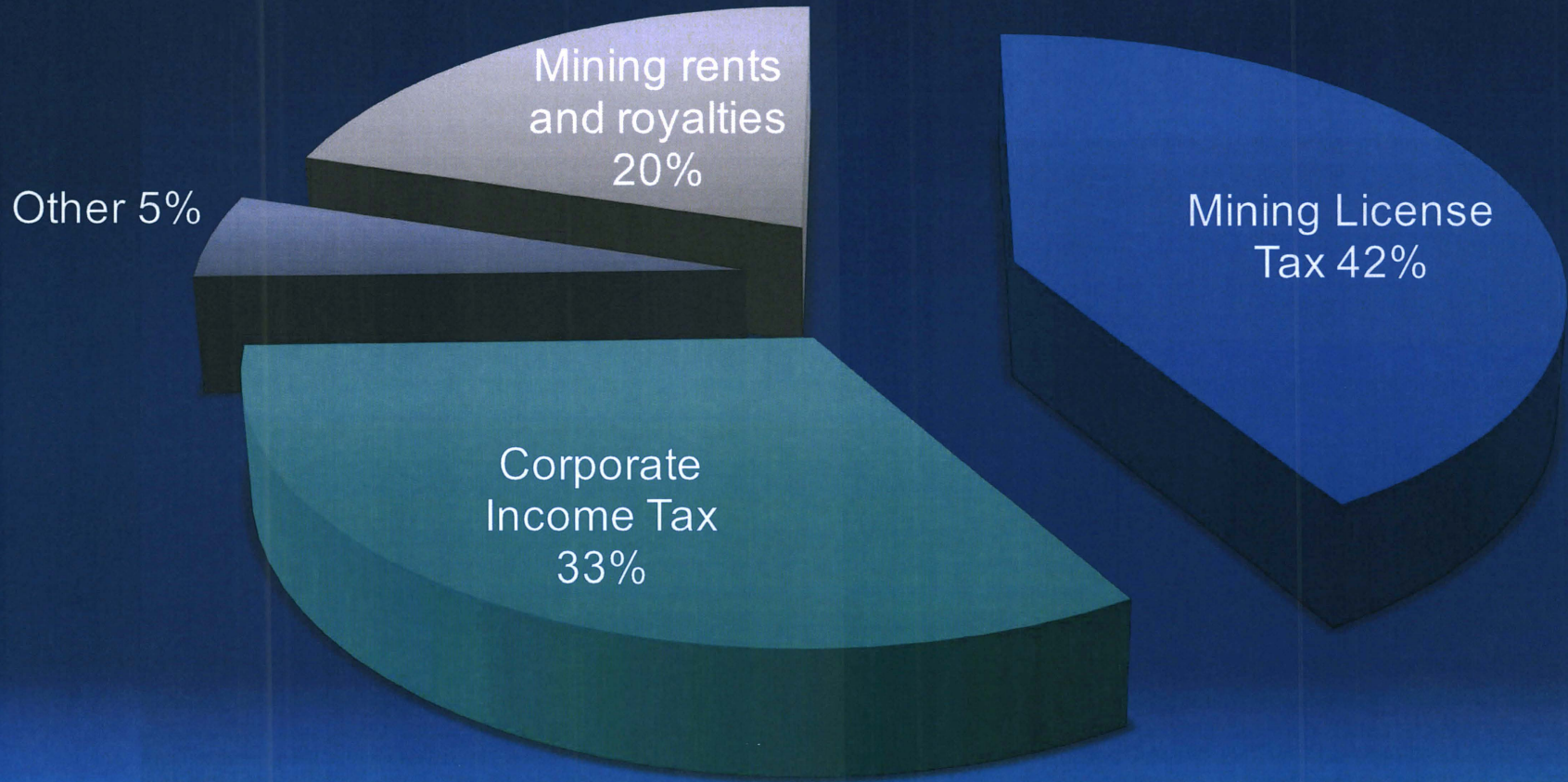
Revenue

- Local
- State

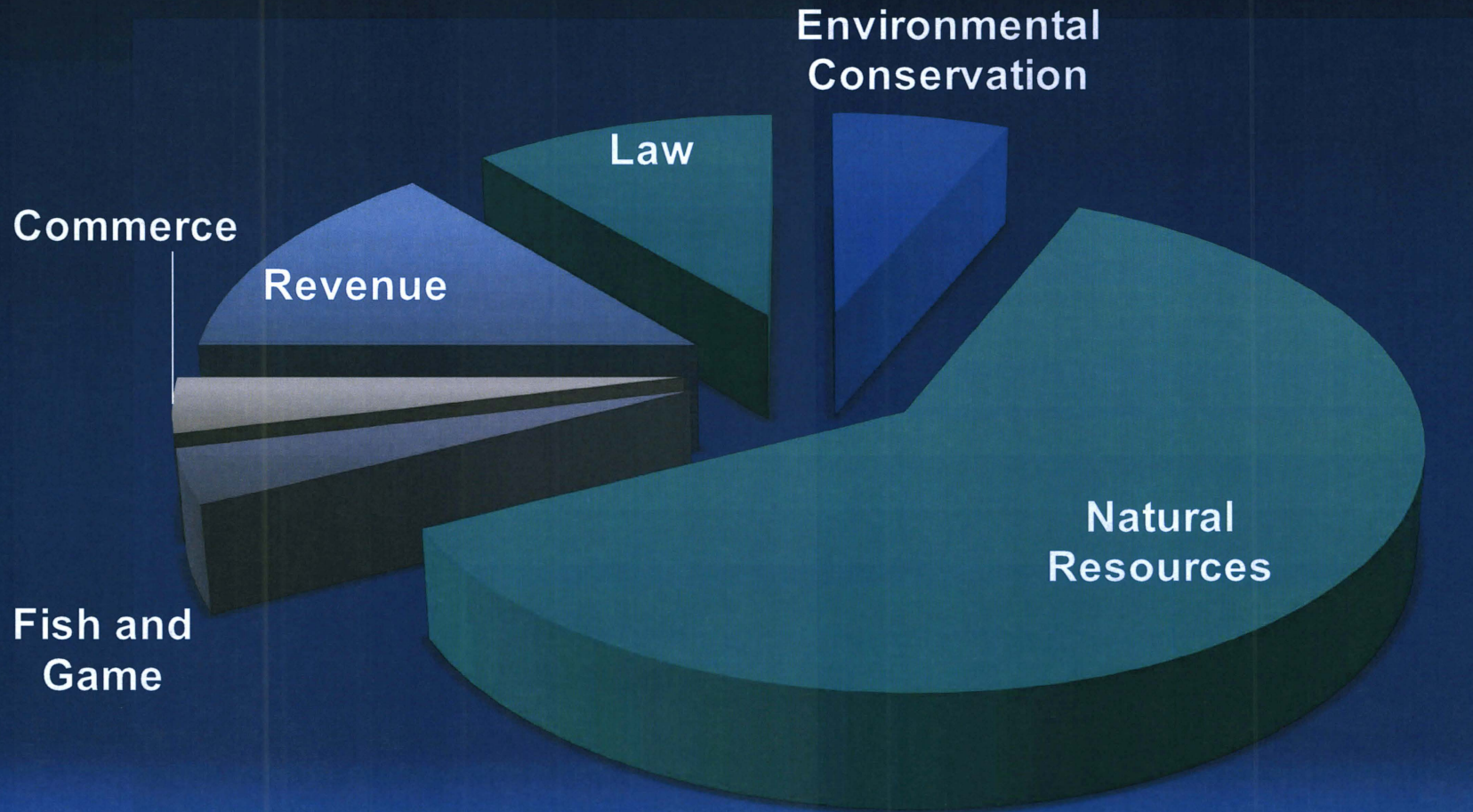
Expense

- Capital
- Operating

State Mining Revenue: \$96.4 million



State Mining Operating Budget: \$10.7 million



Capital Budget: \$4.0 million

- 5 projects (2 projects spread over 5 years)
 - Ambler Mining District Road Study
 - Strategic and Critical Minerals Assessment
- Average = \$4.0 million/year

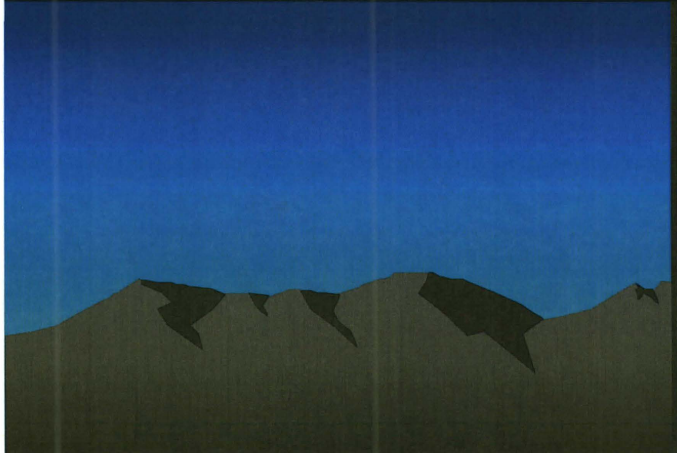


Municipal Revenue: \$22.5 million

- Red Dog - largest taxpayer in Northwest Arctic Boro
- Fort Knox – payment to Fairbanks Boro
- Greens Creek & Kensington – 1st & 2nd largest taxpayer in Juneau
- Usibelli Coal Mine - payment to Denali Boro



Mining Caveats: averages don't represent all segments



Revenue dependent on prices

Figure 14. Gold Price (\$/oz)

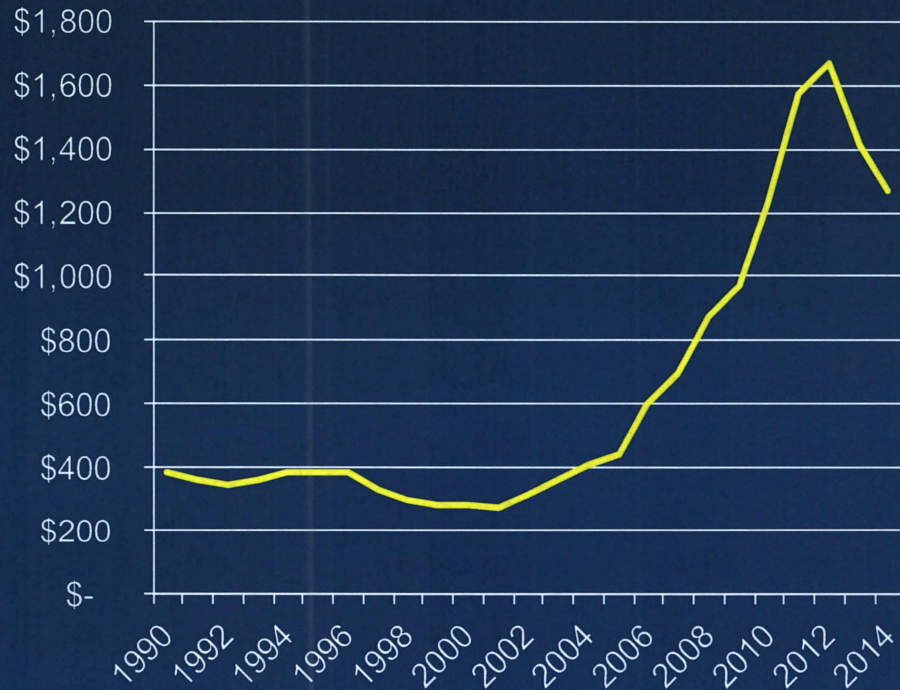
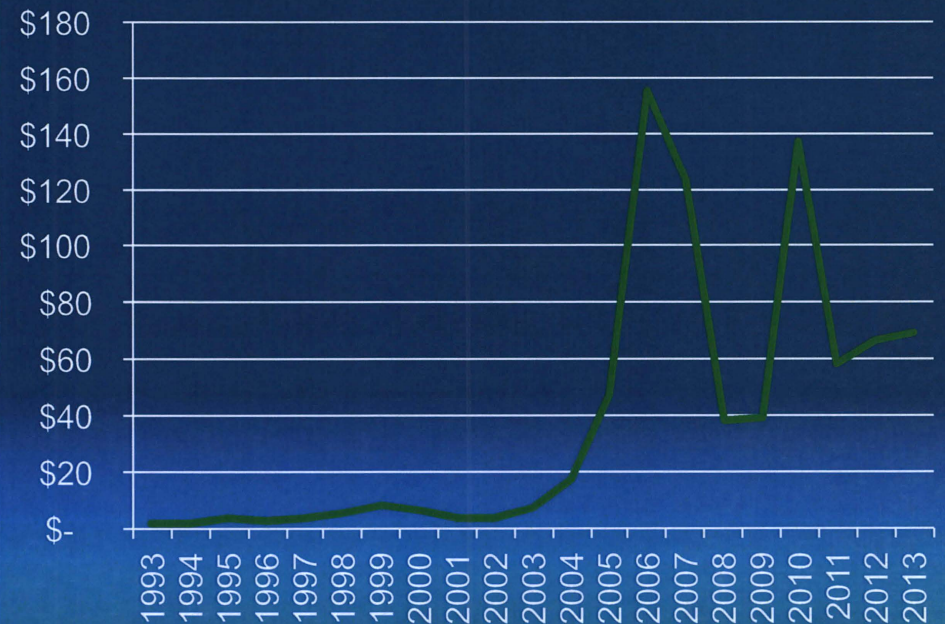


Figure 15. Historical Mining Revenue (Million \$)



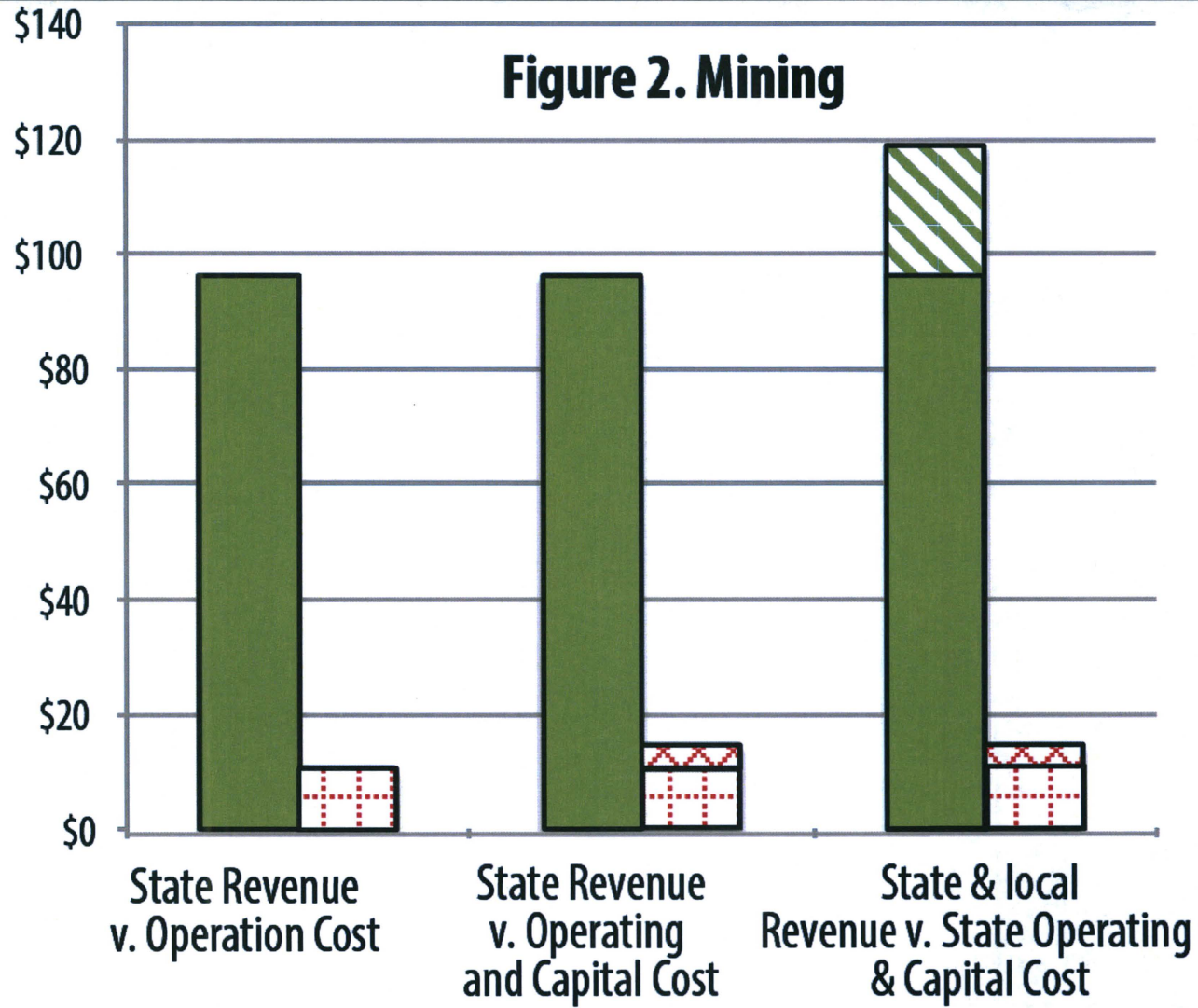
Revenue *not* Included

Alaska Railroad:
\$18.9 million in 2013



Payments to AIDEA:
\$12 million in 2013

Figure 2. Mining



Revenue

- Local
- State

Expense

- Capital
- Operating

Tourism

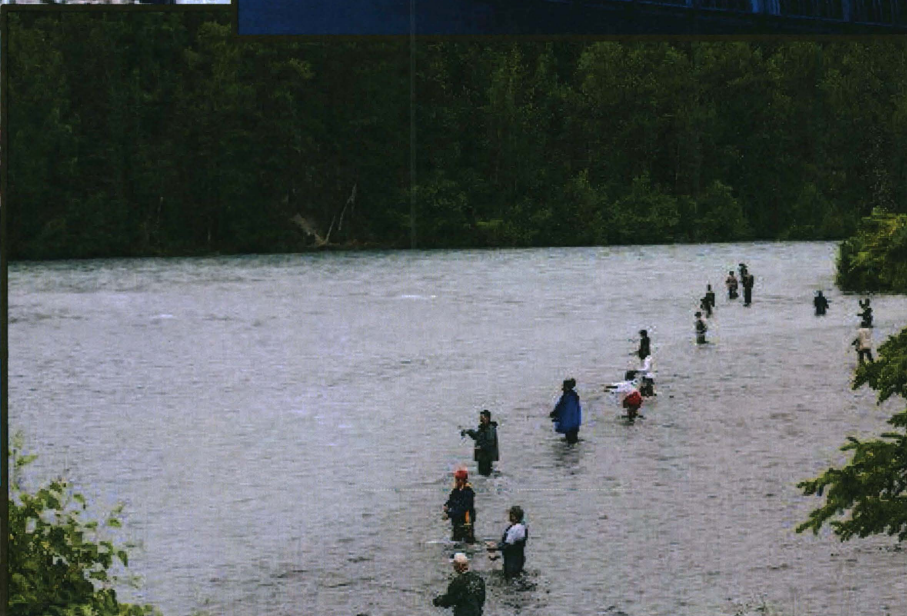
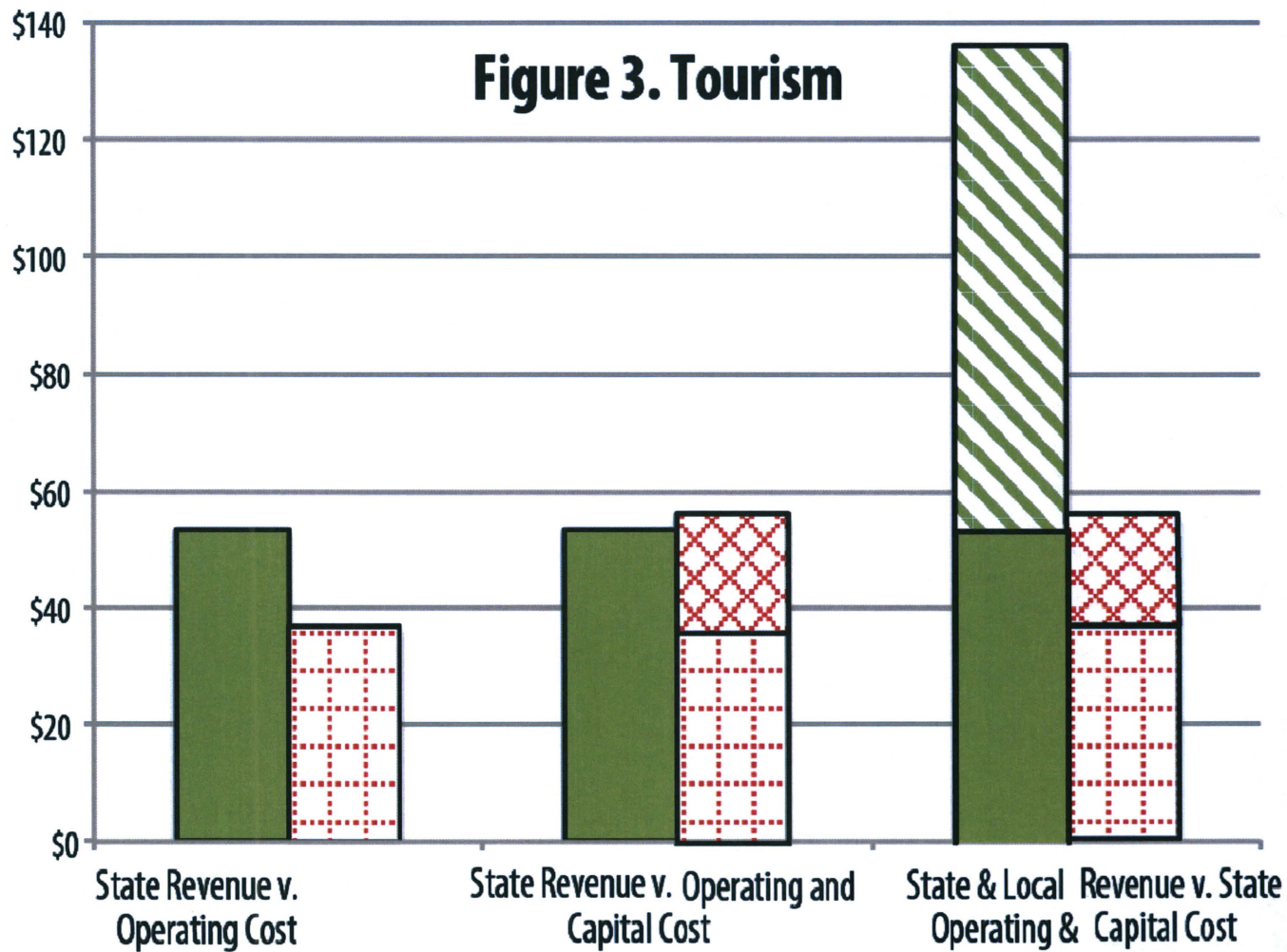


Figure 3. Tourism



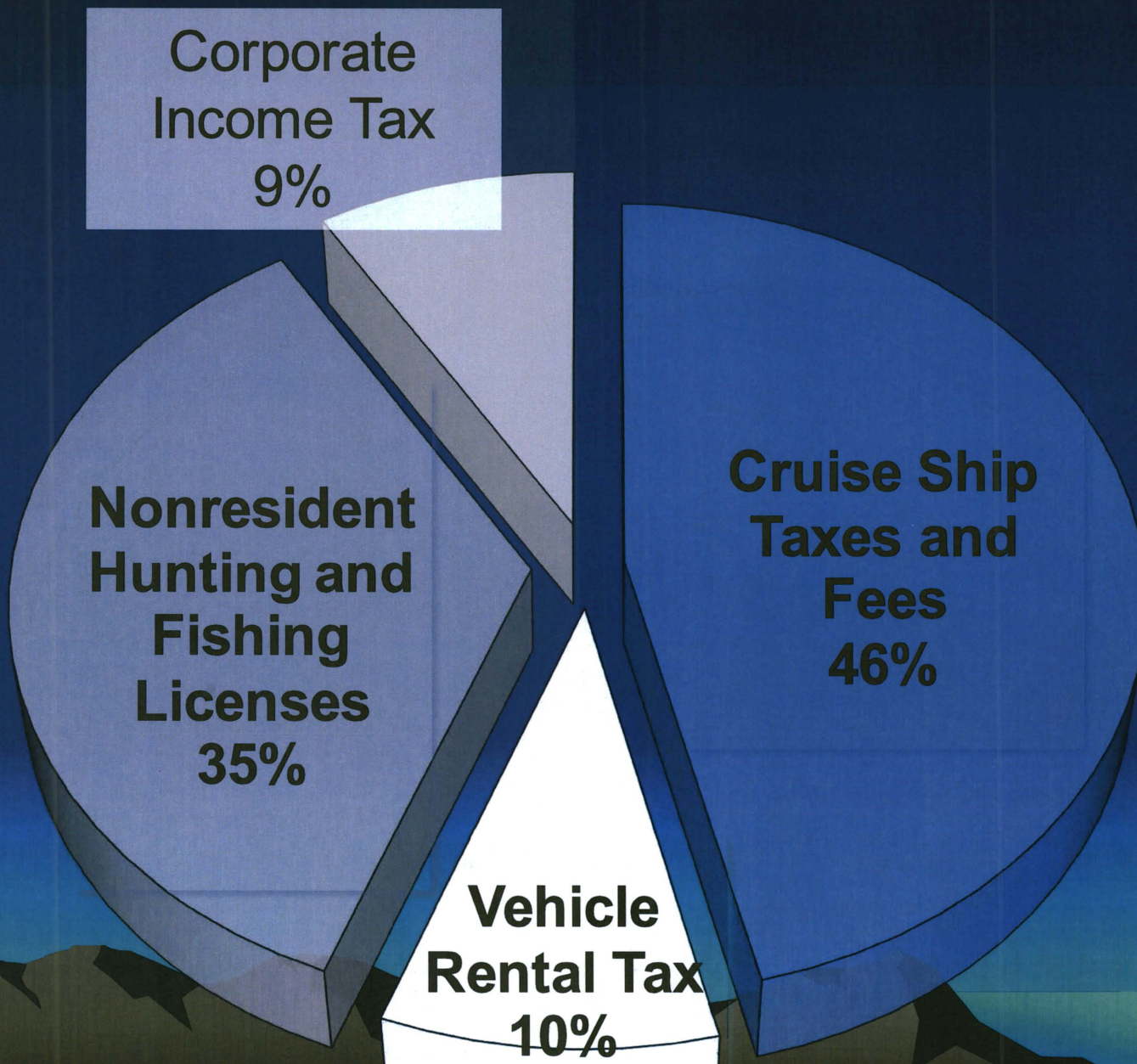
Revenue

-  Local
-  State

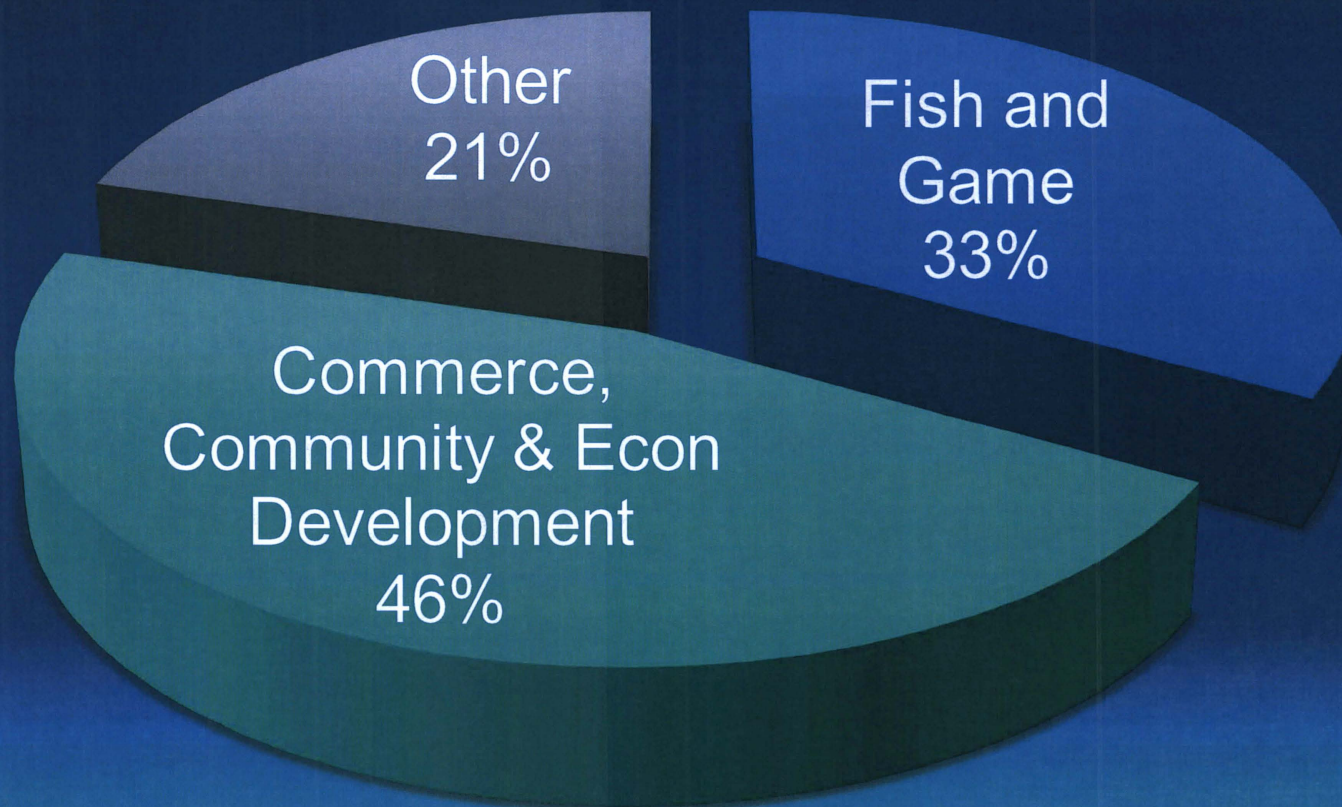
Expense

-  Capital
-  Operating

State Tourism Revenue: \$54.3 Million



Operating Budget Cost: \$35.9 Million



Operating Cost Assumptions

- 20% of DNR State Parks Budget
- 43% of DF&G Sport Fishing Budget
- 14% of DF&G Wildlife Conservation Bdgt
- 12% of DF&G Board Support Section



Tourism Capital Budget: \$19.4 million

- Same assumptions as for operating budget plus...
- 50% of CIPs to museums
- 110 Projects (partially tourism)
- Average: \$19.4/year



Municipal Revenue: \$82.6 million

Average Revenue 2010-2014	
Commercial Pass Vessel Tax, muni share	\$13.3
Visitor-related sales tax revenue	27.2
Lodging tax revenue	25.7
Dockage/moorage revenue	16.5
Local government funds total:	\$82.60

Tourism Caveats

- Tourism expenditures especially difficult to estimate
 - expenses overlap those for Alaskans
 - requires economic assumptions



Caveats continued

Averages may not represent any segment of Alaska's complex tourism industry.



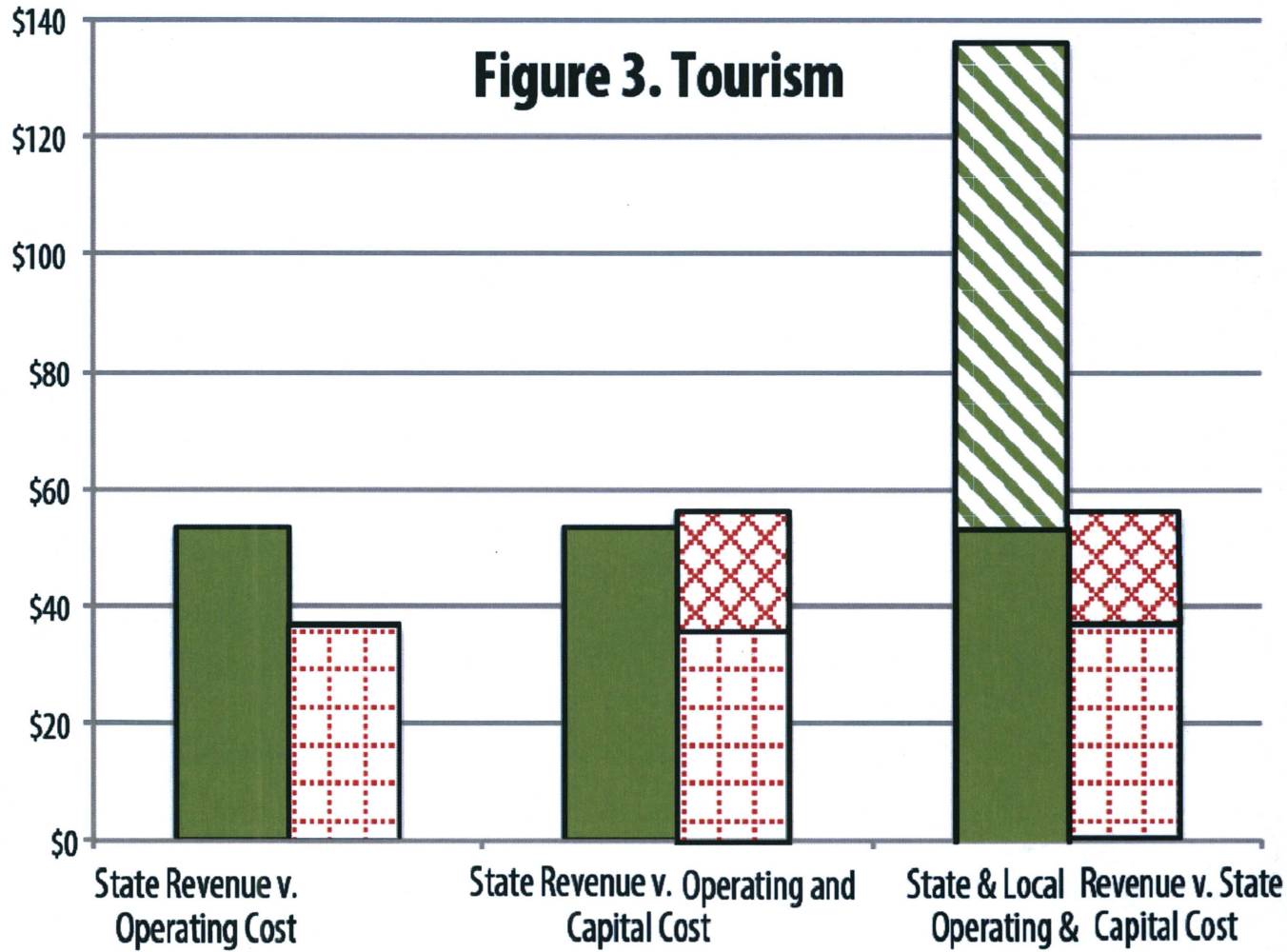
Revenue *not* Included

Alaska Railroad:
\$21.5 million



Non-resident fares on the
Alaska Marine Highway:
\$19.6 million

Figure 3. Tourism



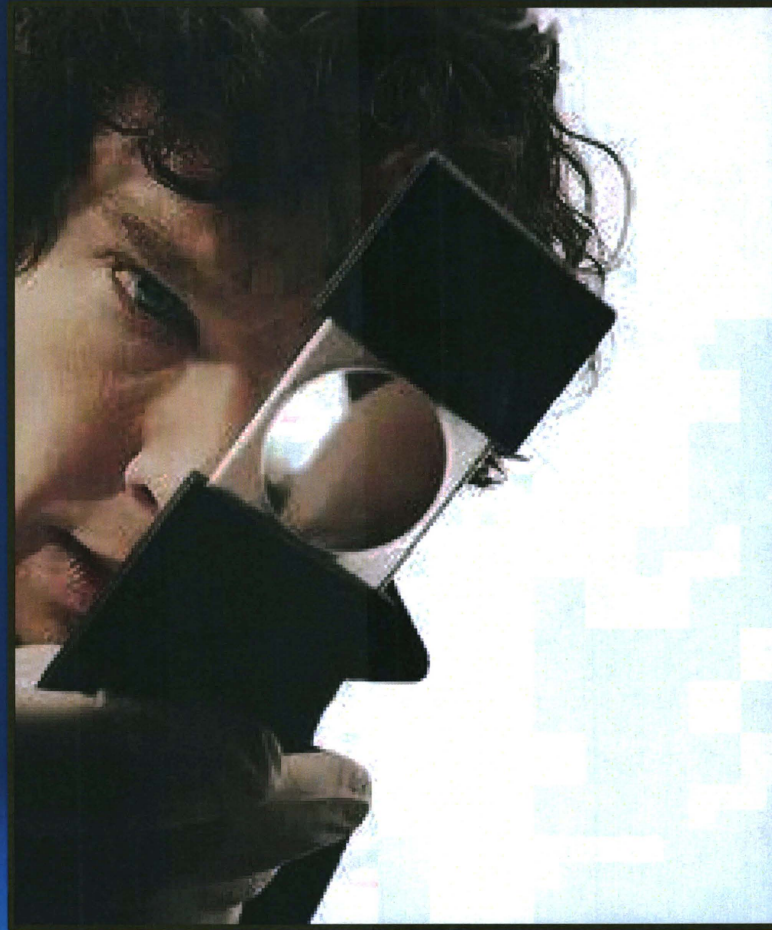
Revenue

- Local
- State

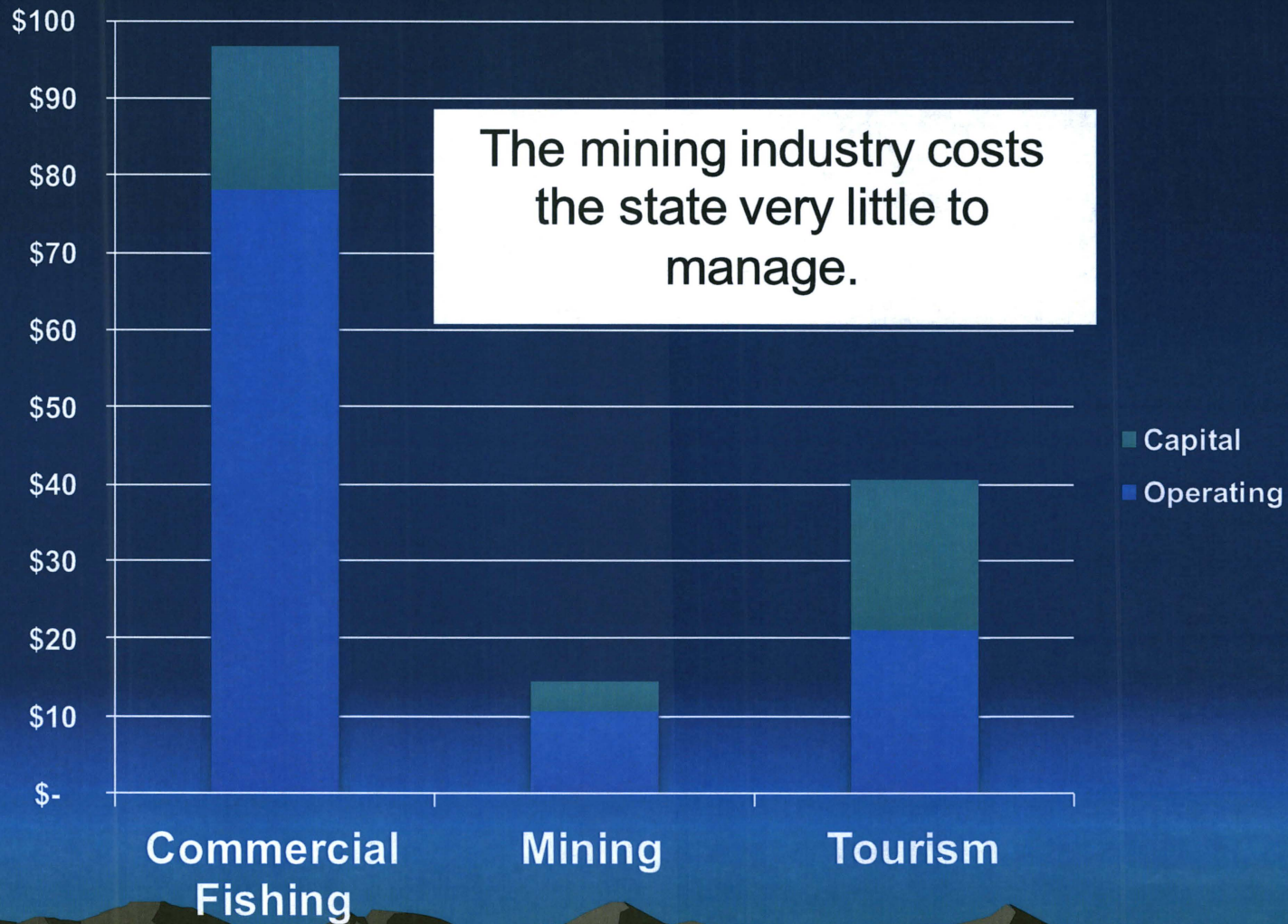
Expense

- Capital
- Operating

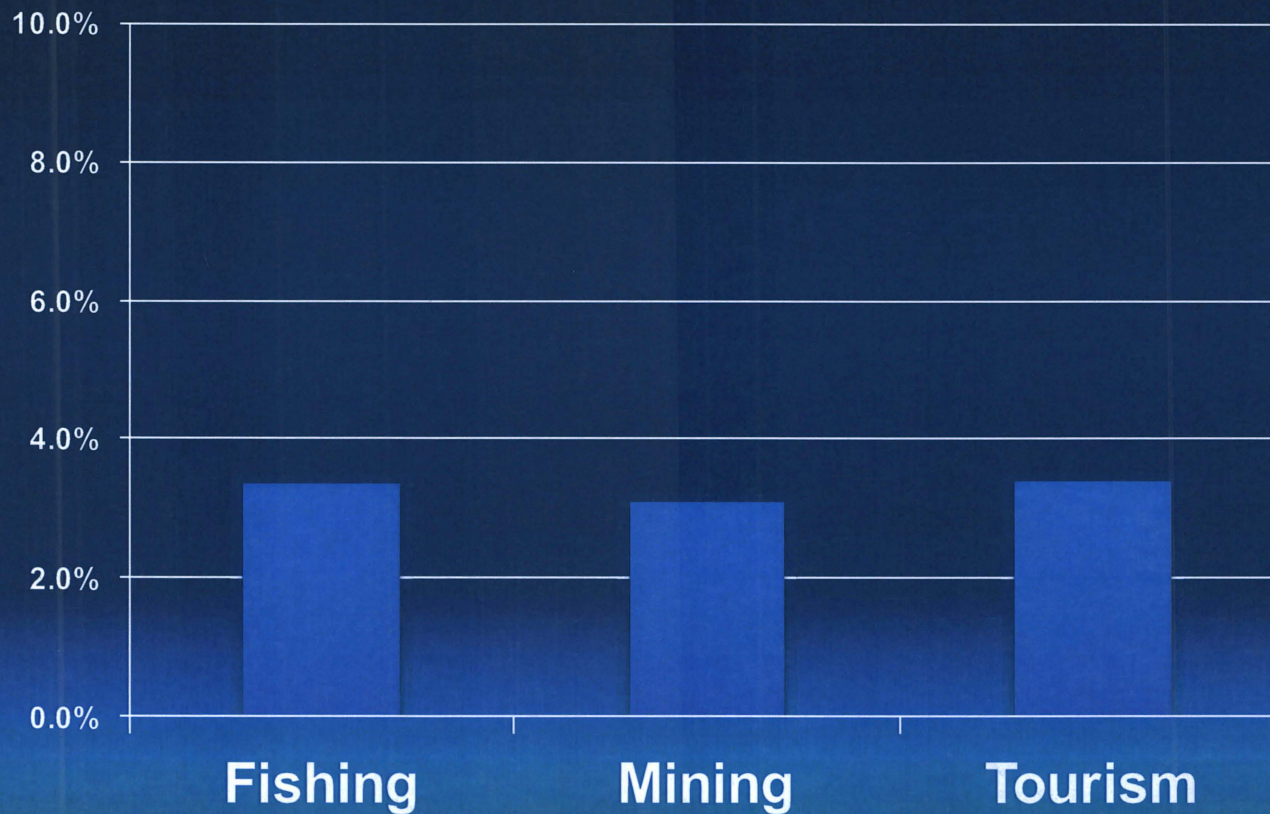
Some Observations



Some Observations: Management Cost

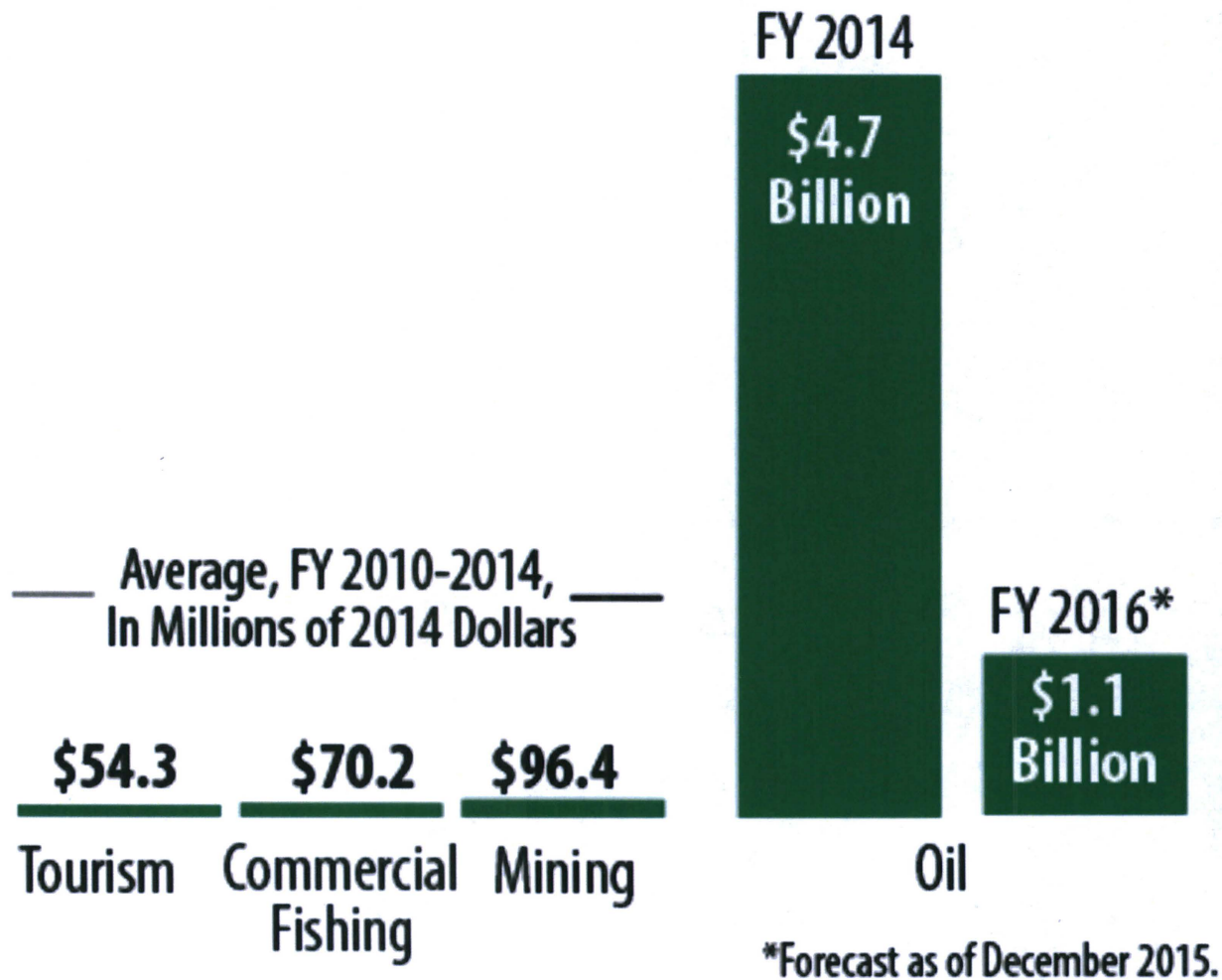


Revenue as % of First Market Value: Similar among the industries



These industry revenues do not compare to oil

Comparing Alaska State Resource Revenues

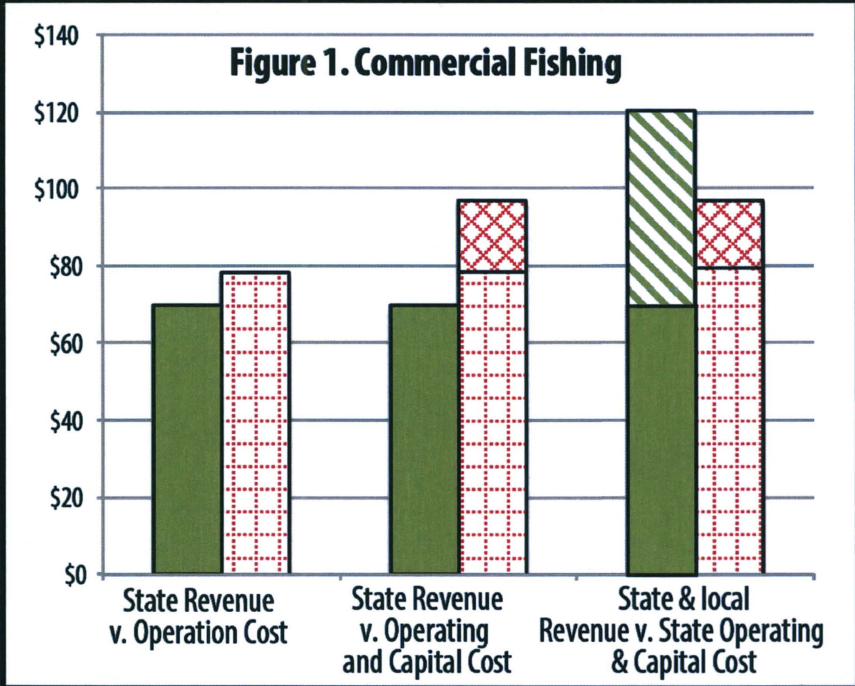


A Final Caveat...

To many people (me), these industries are most important for their economic contributions to people's well-being and communities.



4 5 6 7

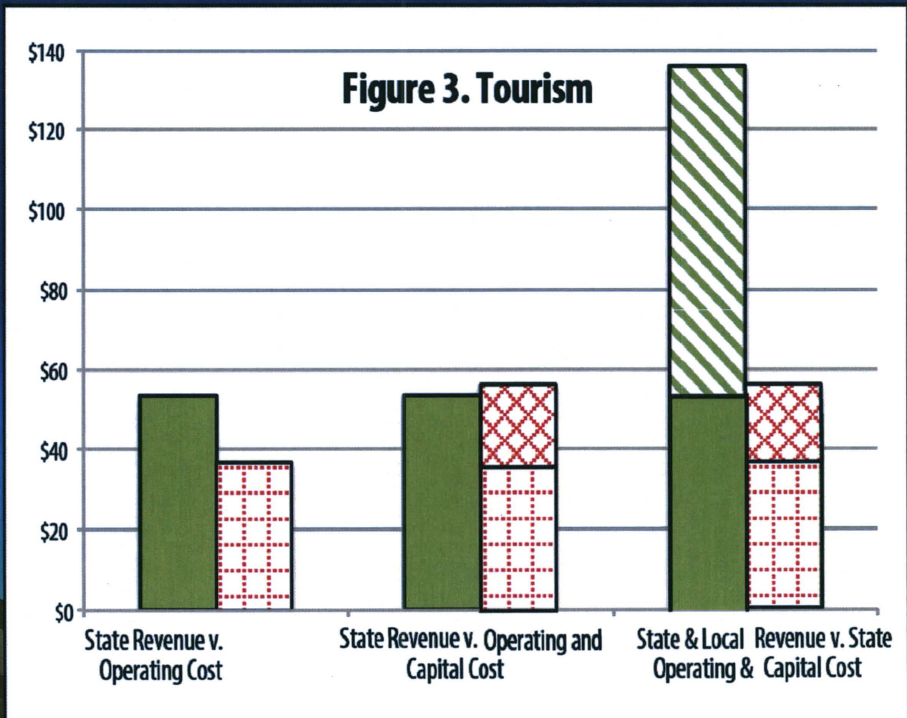
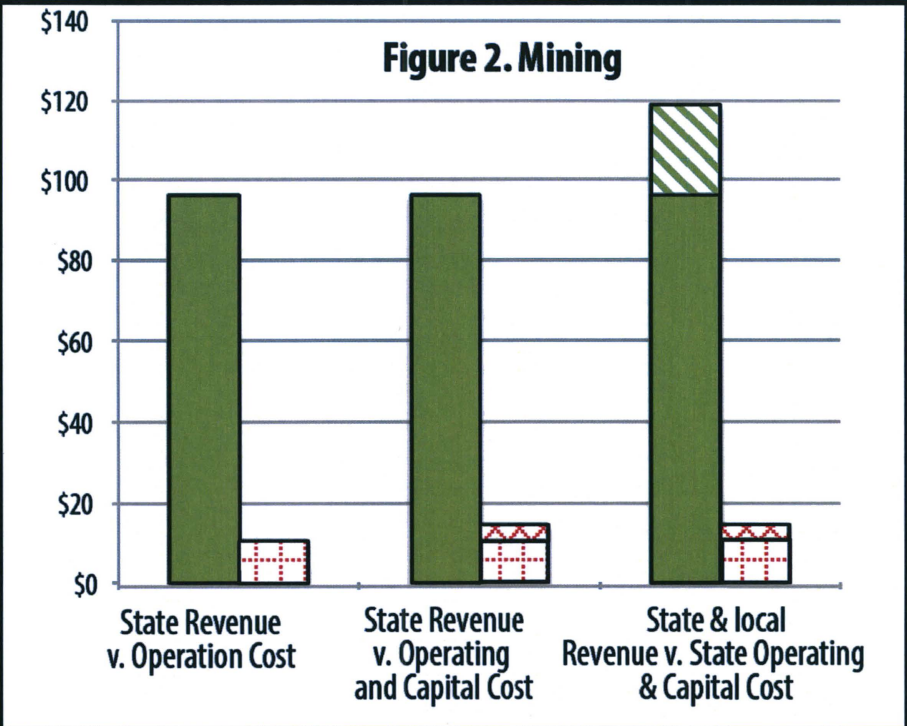


Revenue

- Local (diagonal stripes)
- State (solid green)

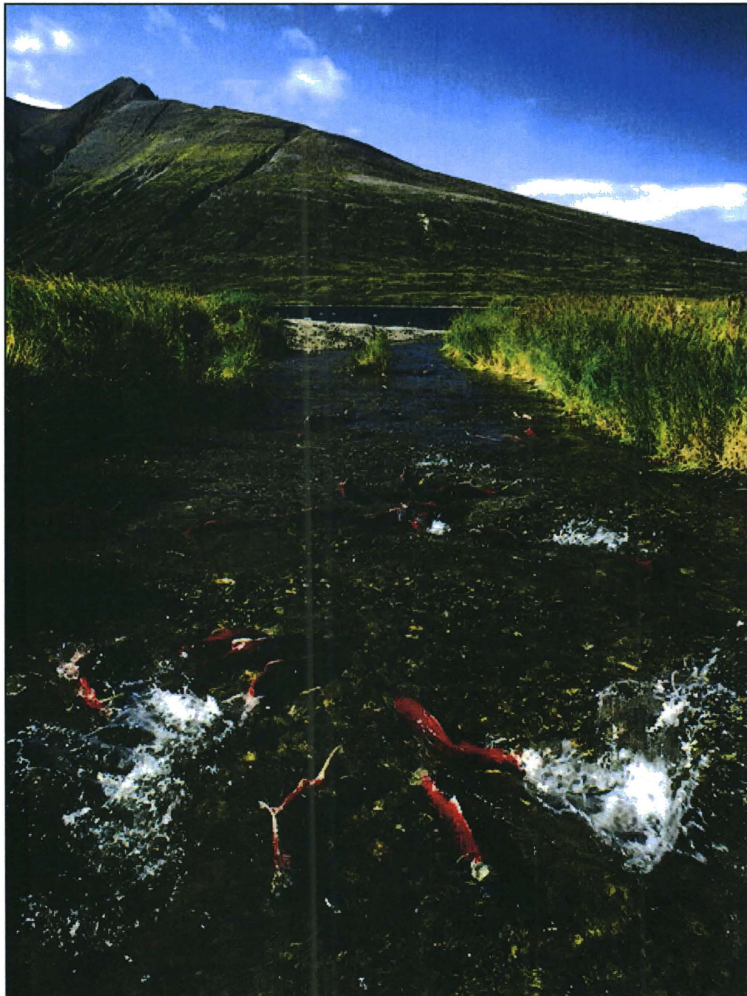
Expense

- Capital (cross-hatch)
- Operating (dotted)



Alaska's Genetics Program

Genetics applications for fisheries management



Gene Conservation Laboratory
Division of Commercial Fisheries
Alaska Department of Fish and Game



Why does ADF&G have a genetics lab?

Alaska Department of Fish and Game uses genetic information to achieve its mission to ...

protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the best interest of the economy and the well-being of the people of the state, consistent with the sustained yield principle.



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The Gene Conservation Laboratory provides 4 main services:

1. Understand the resource
2. Develop capabilities for management
3. Assess genetic risk
4. Inform/Assess management actions



Questions that use genetic information

Did exposure to oil cause genetic injury?

EVOS oiling experiments

What species of salmon is this?

Atlantic salmon escapees

Is this crab a hybrid?

Snow/tanner crab hybrids

Which broodstock are these hatchery salmon from?

DIPAC broodstock

What is the genetic structure of these populations?

Coho salmon in Cook Inlet

Where are these fish going?

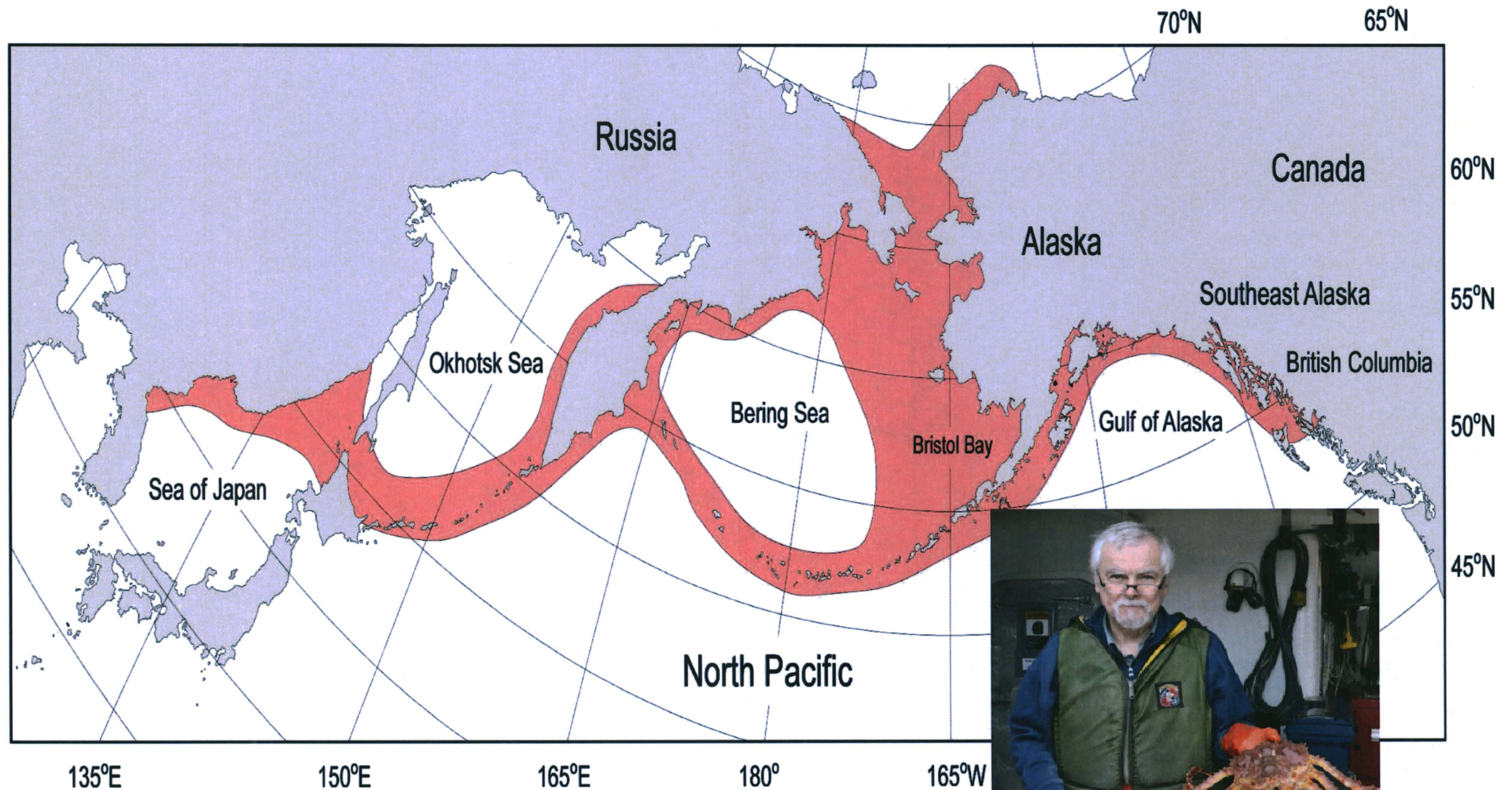
Chinook salmon in Yukon River

Who's fish are being harvested?

Chinook salmon in SE Alaska for Pacific Salmon Treaty

Applications: Understanding the Resource

Example: Red king crab population structure



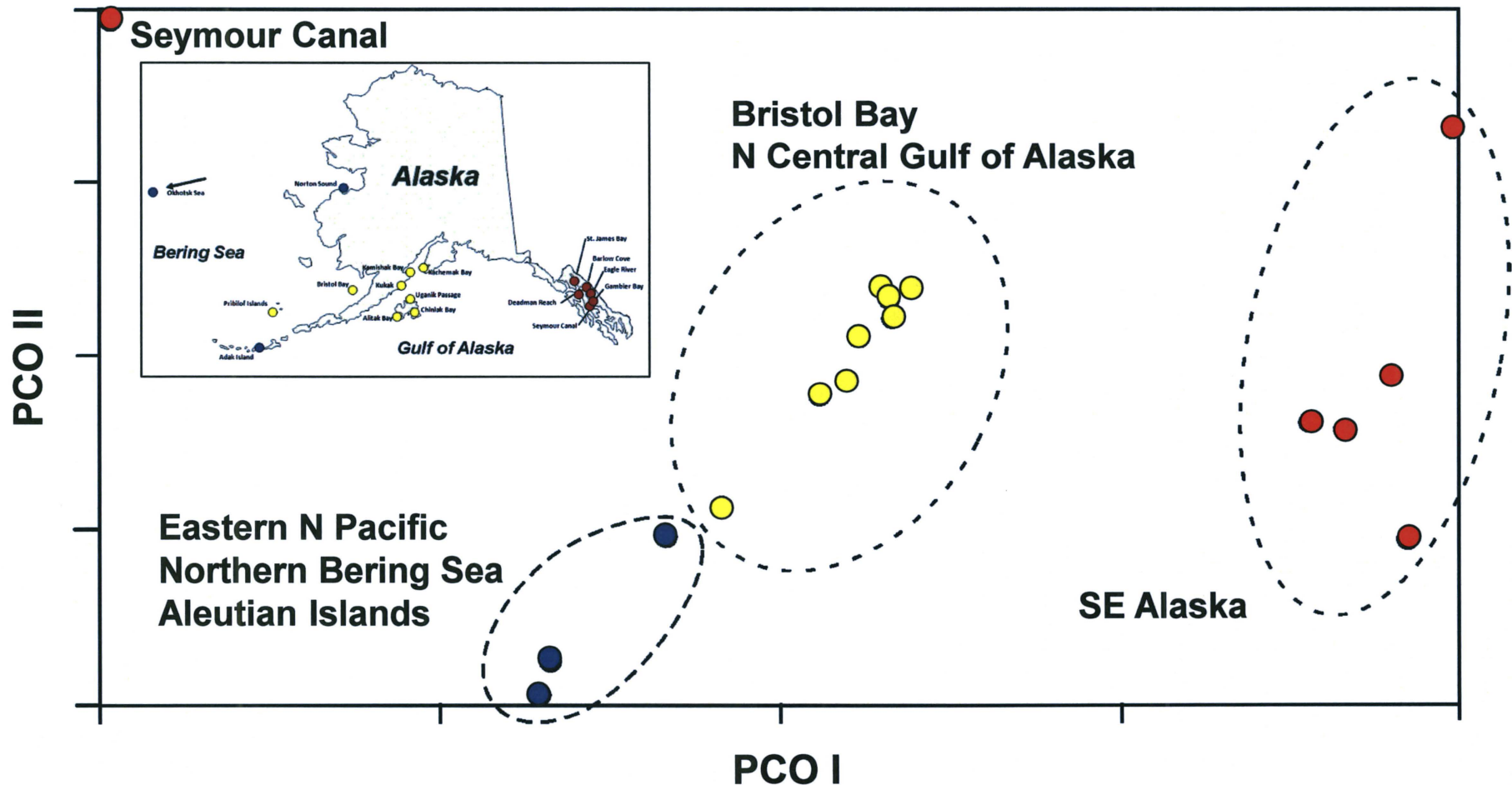
Applications: Understanding the Resource

Example: Red king crab population structure



Applications: Understanding the Resource

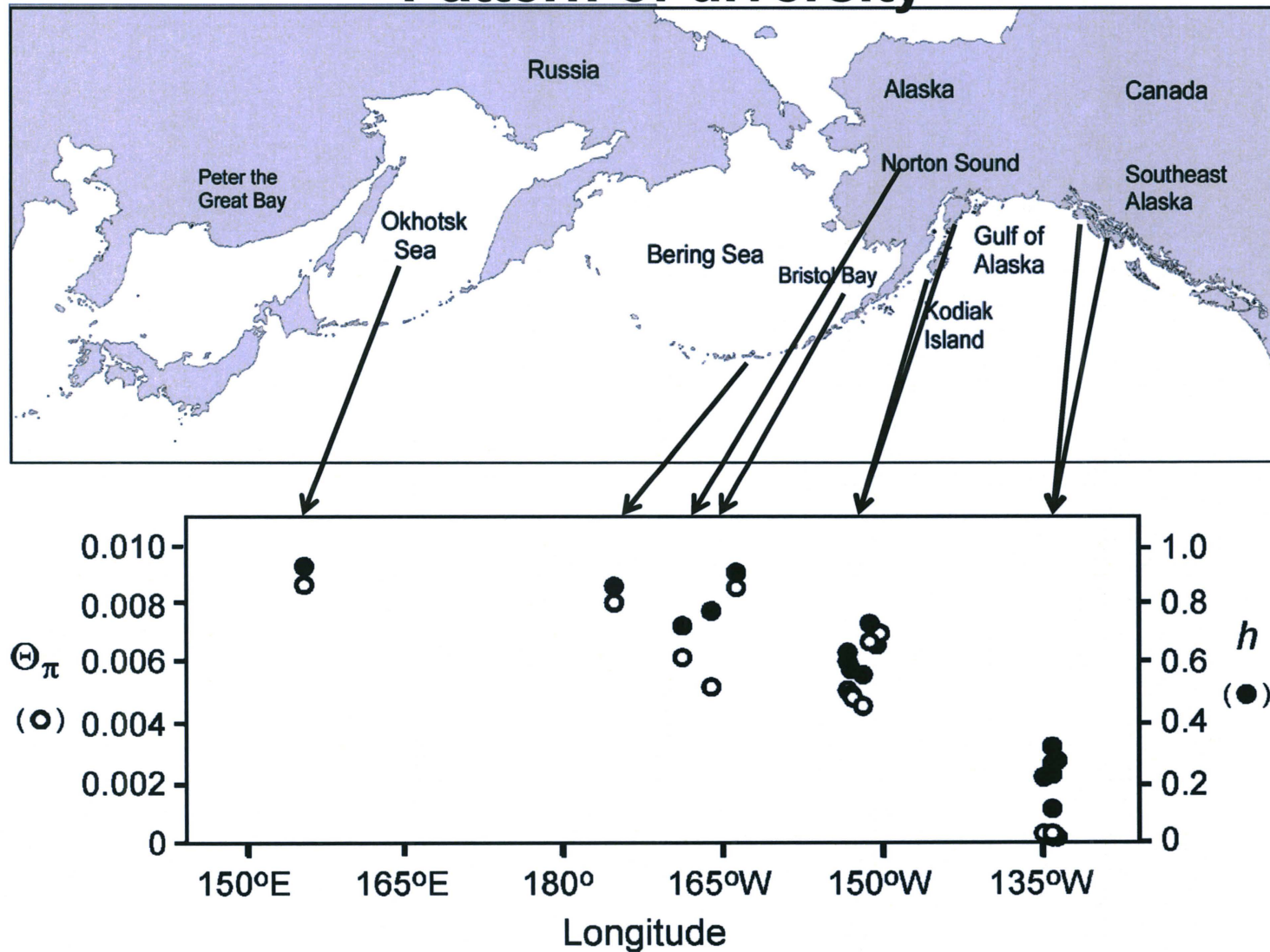
Example: Red king crab population structure



Applications: Understanding the Resource

Example: Red king crab population structure

Pattern of diversity



Applications: Understanding the Resource

Example: Red king crab population structure

Implications

- **Gene flow and ice-age isolations**
- **Red king crab might be managed on a small geographic scale in some regions**
- **Guidance for possible stock enhancement**

Applications: Develop Capabilities

Example: Chinook salmon coastwide baseline

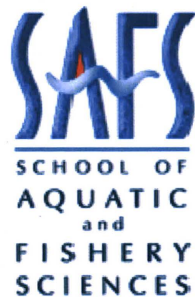
Alaska Department of Fish and Game



NOAA Fisheries

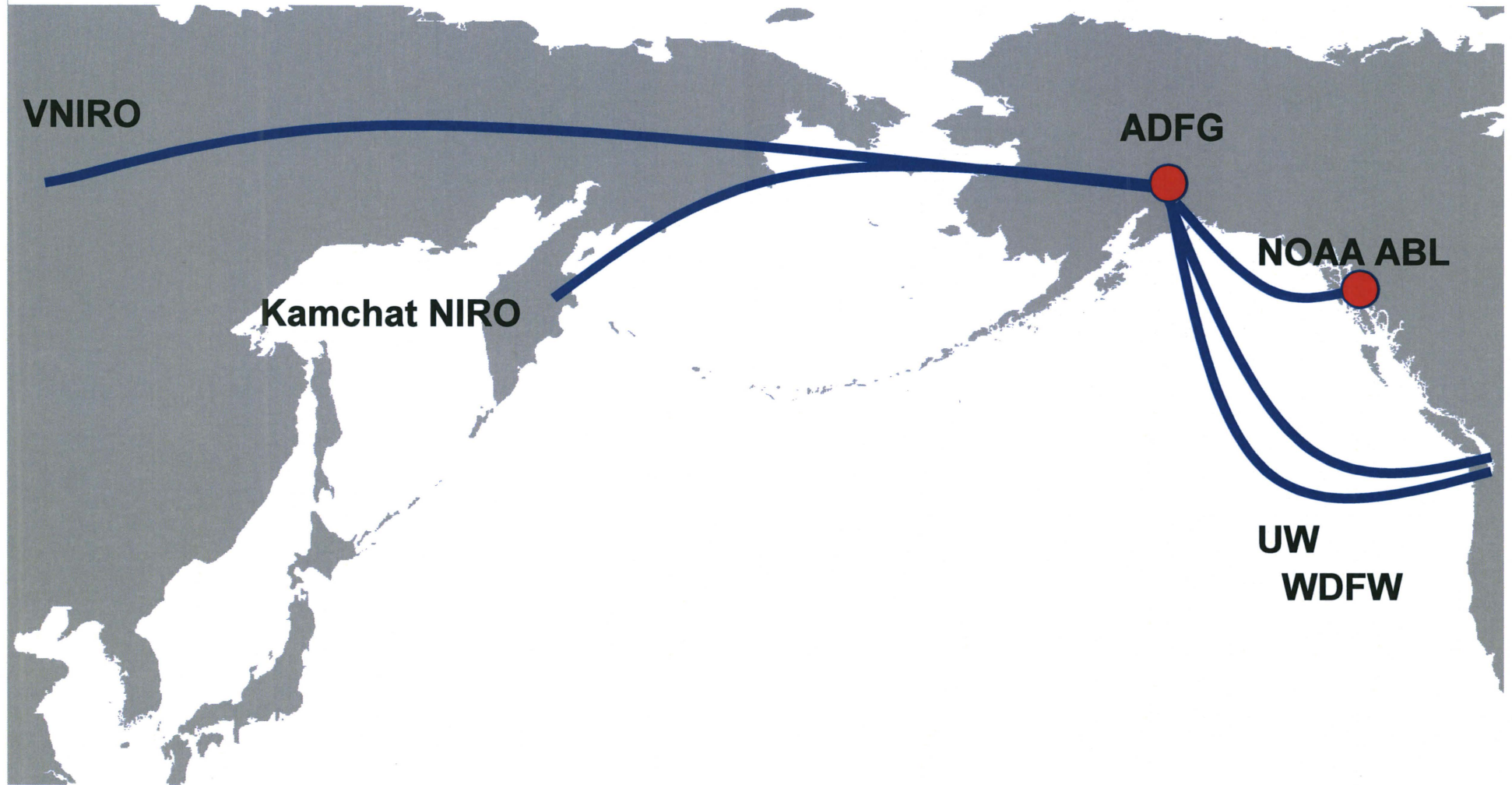


University of Washington



Applications: Develop Capabilities

Example: Chinook salmon coastwide baseline



North Pacific Anadromous Fish Commission Partners

Applications: Develop Capabilities

Example: Chinook salmon coastwide baseline

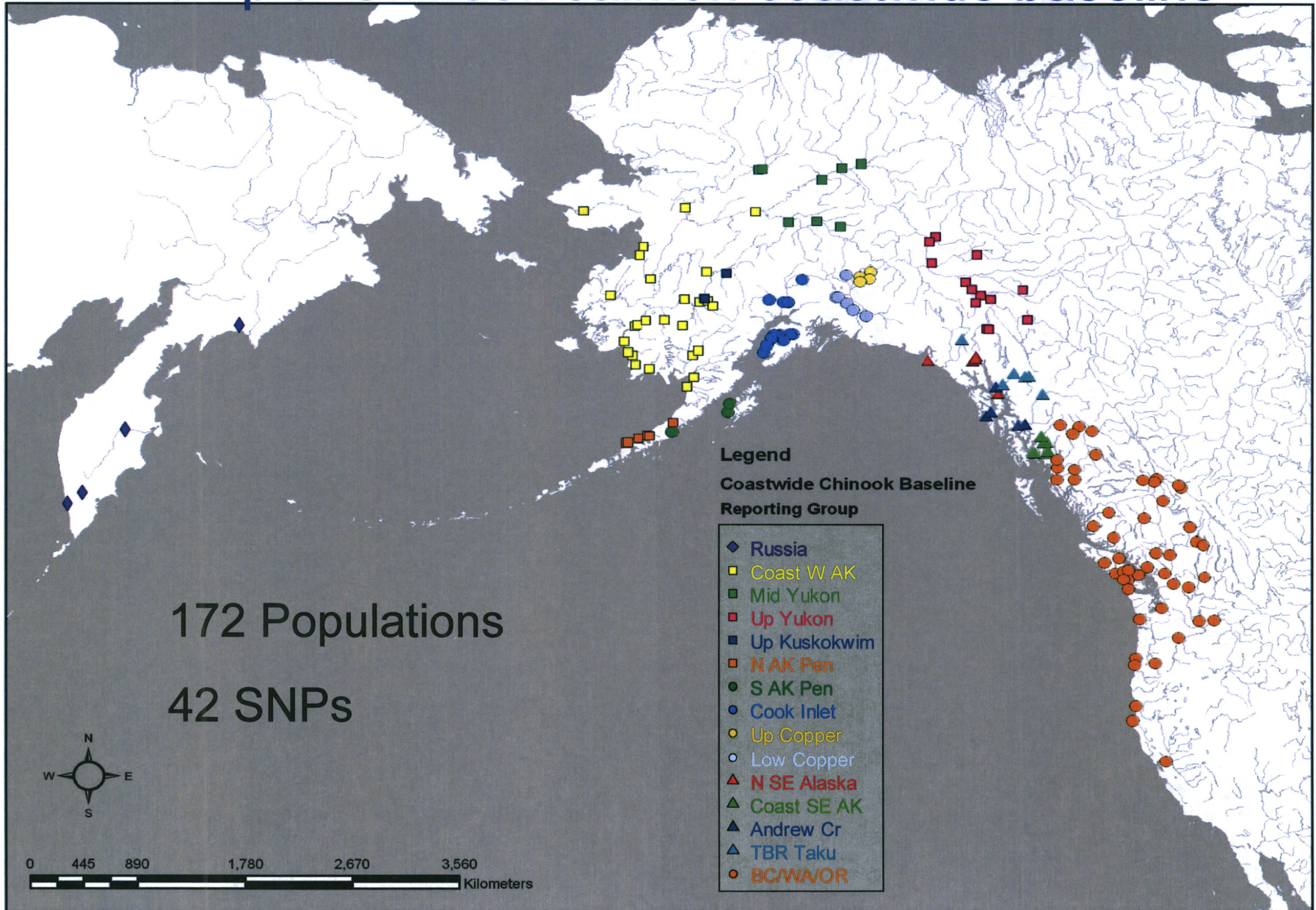


Pacific Salmon Commission Partners

- ADFG
- NOAA ABL
- UW
- DFO
- WDFW
- NOAA NWC
- CRITFC
- WSU
- USFWS
- OSU
- IDFG
- NOAA SWC

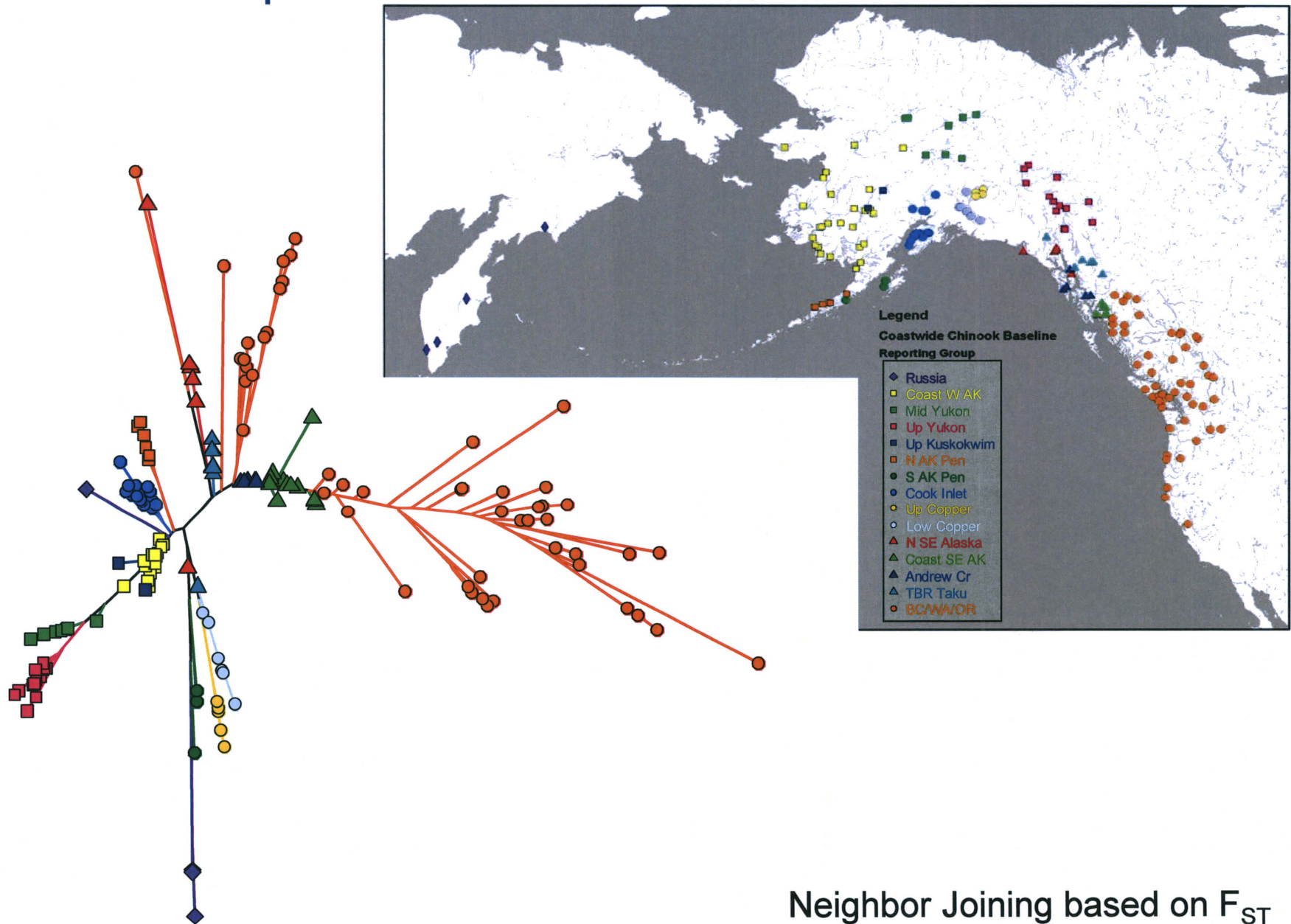
Applications: Develop Capabilities

Example: Chinook salmon coastwide baseline



Applications: Develop Capabilities

Example: Chinook salmon coastwide baseline

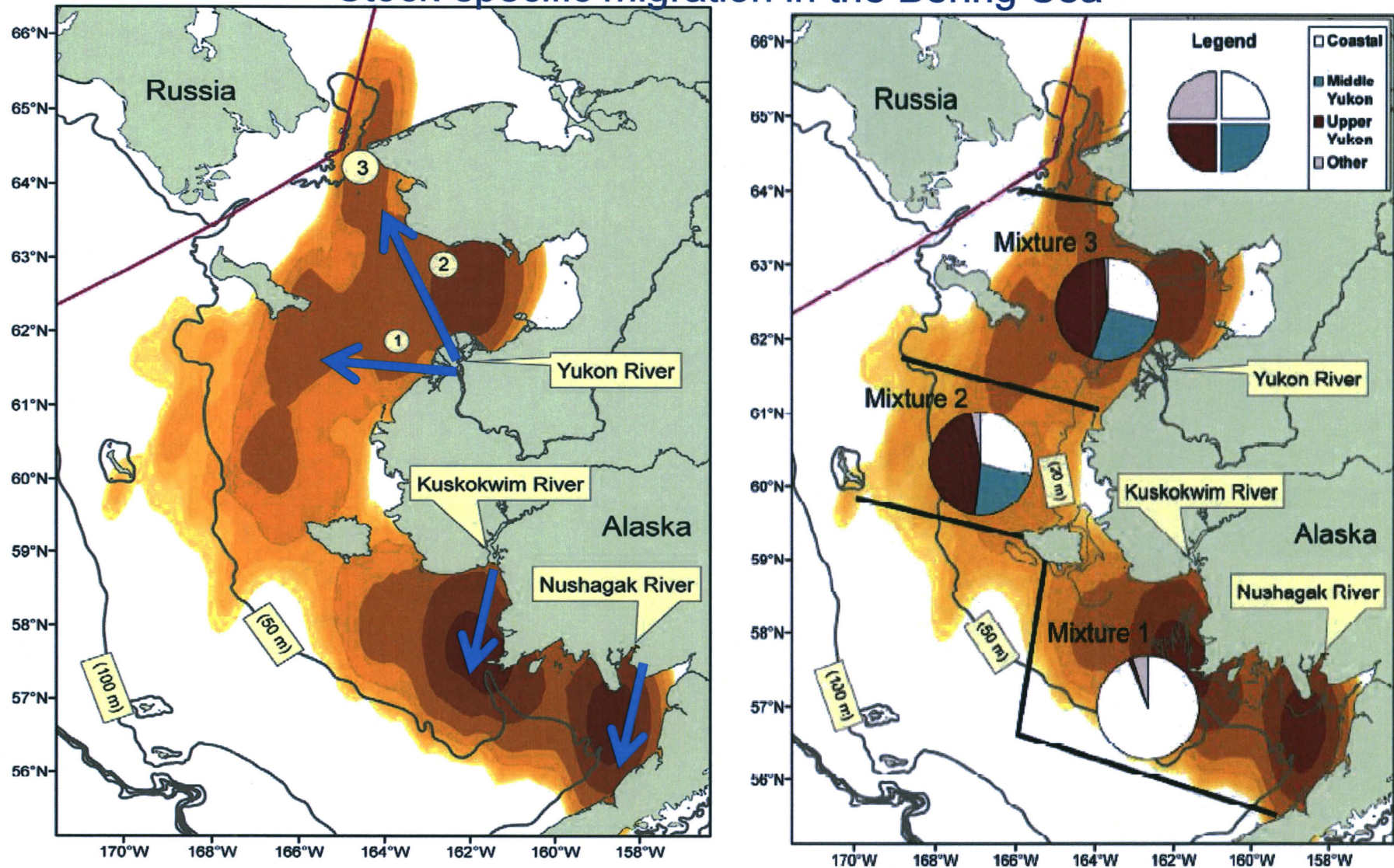


Neighbor Joining based on F_{ST}

Applications: Develop Capabilities

Example: Chinook salmon coastwide baseline

Stock-specific migration in the Bering Sea



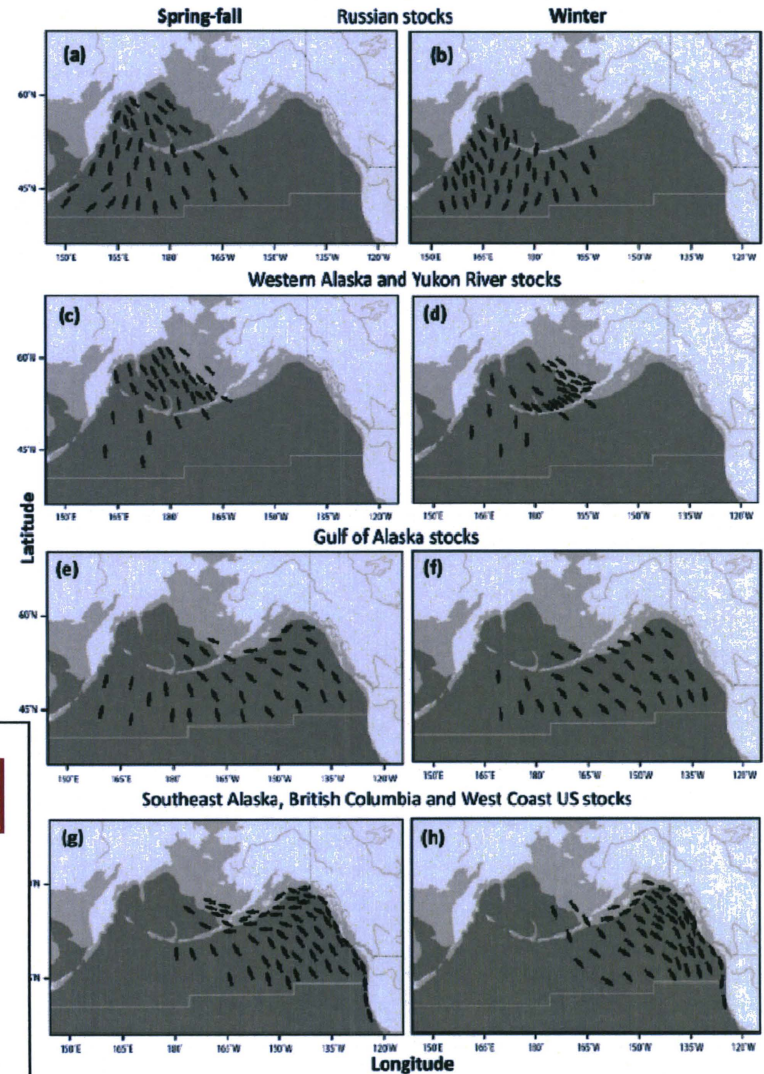
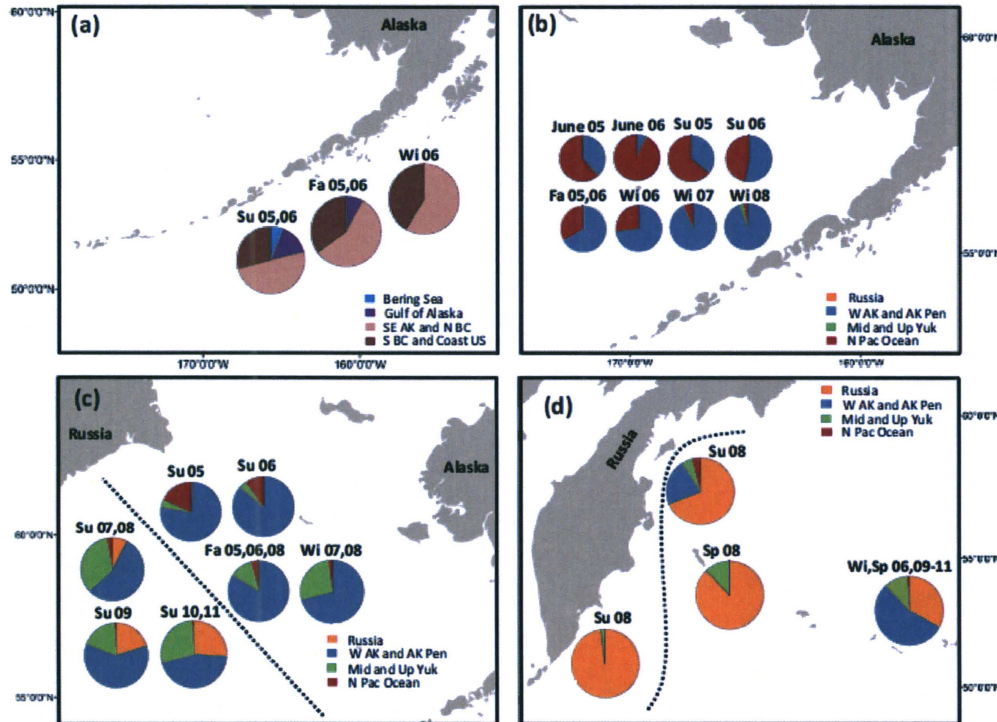
Murphy et al. 2009

Stock-Structured Distribution of Western Alaska and Yukon Juvenile Chinook Salmon from United States BASIS surveys, 2002-2007

Applications: Develop Capabilities

Example: Chinook salmon coastwide baseline

Stock-specific migration in the Bering Sea



128



ARTICLE

Single-nucleotide polymorphisms reveal distribution and migration of Chinook salmon (*Oncorhynchus tshawytscha*) in the Bering Sea and North Pacific Ocean

Wesley A. Larson, Fred M. Utter, Katherine W. Myers, William D. Templin, James E. Seeb, Charles M. Guthrie III, Alexander V. Bugaev, and Lisa W. Seeb

Applications: Assess Genetic Risk

Example: Chum salmon hatchery/wild interaction

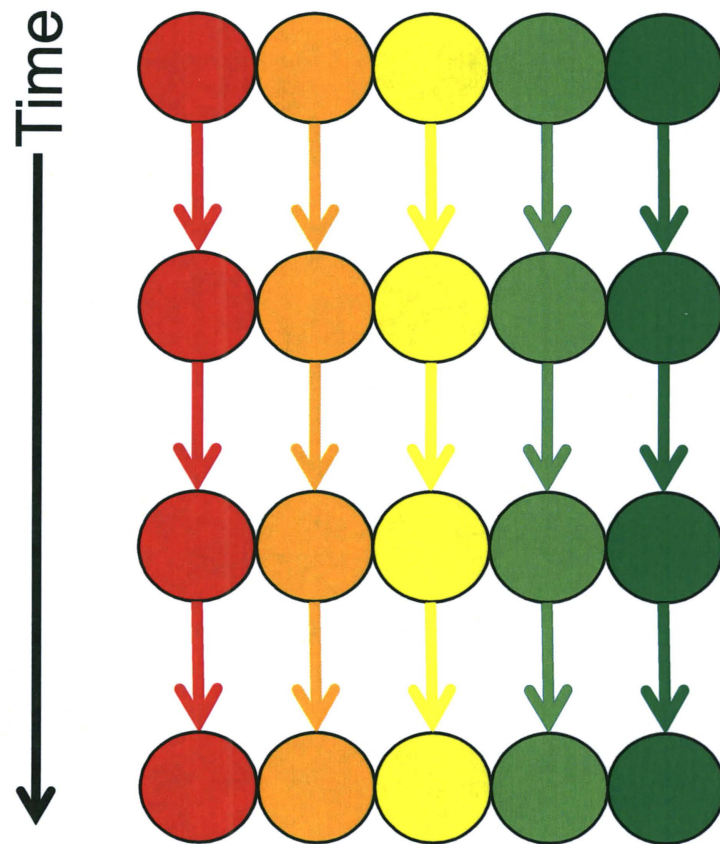


Applications: Assess Genetic Risk

Example: Chum salmon hatchery/wild interaction

Idealized natural system

No straying

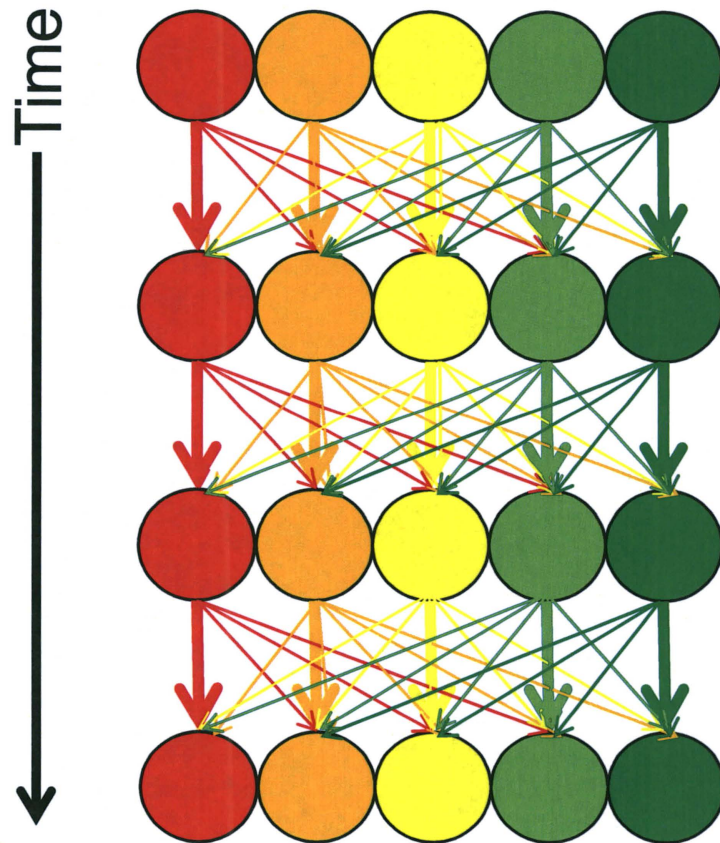


Applications: Assess Genetic Risk

Example: Chum salmon hatchery/wild interaction

Reality natural system

Straying/drift equilibrium

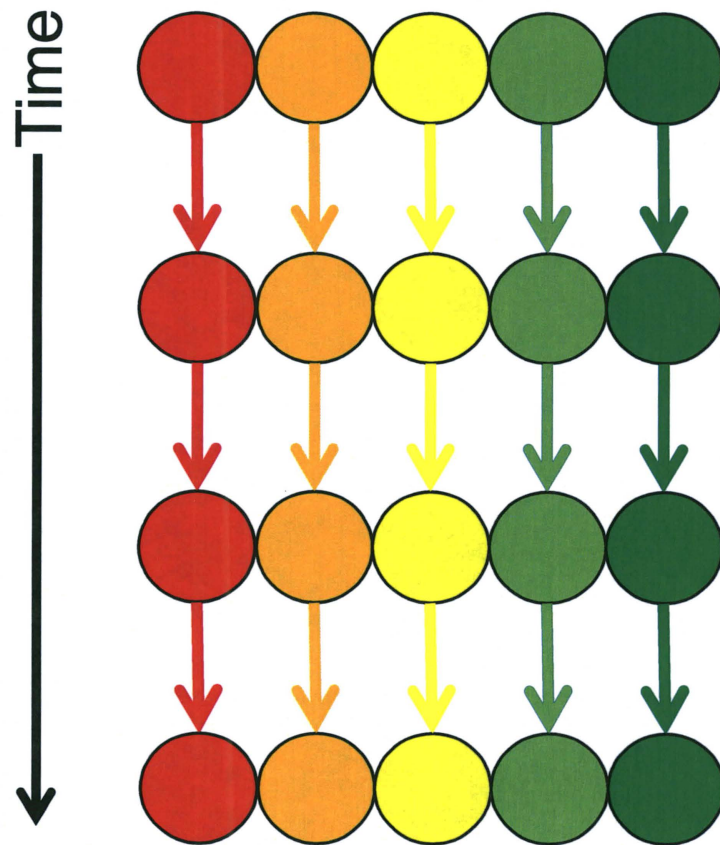


Applications: Assess Genetic Risk

Example: Chum salmon hatchery/wild interaction

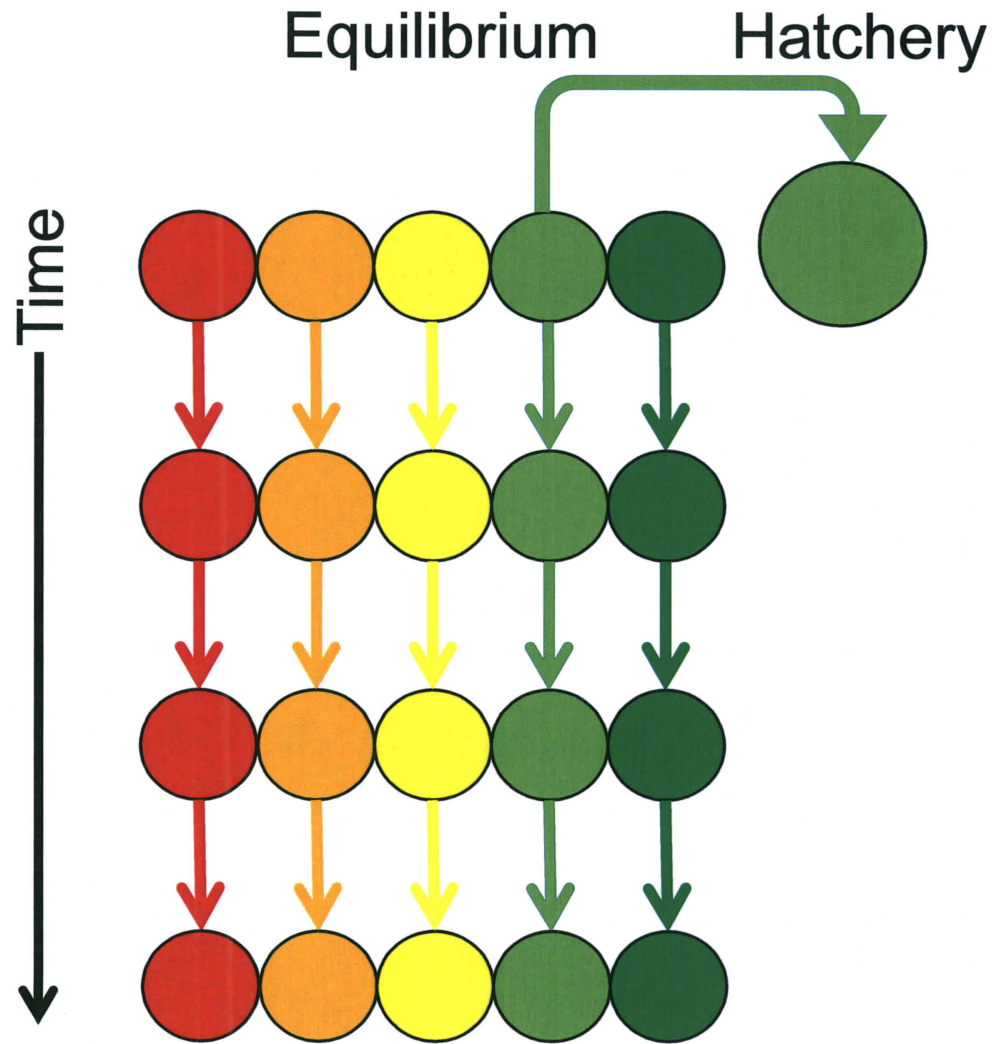
Reality natural system

Equilibrium



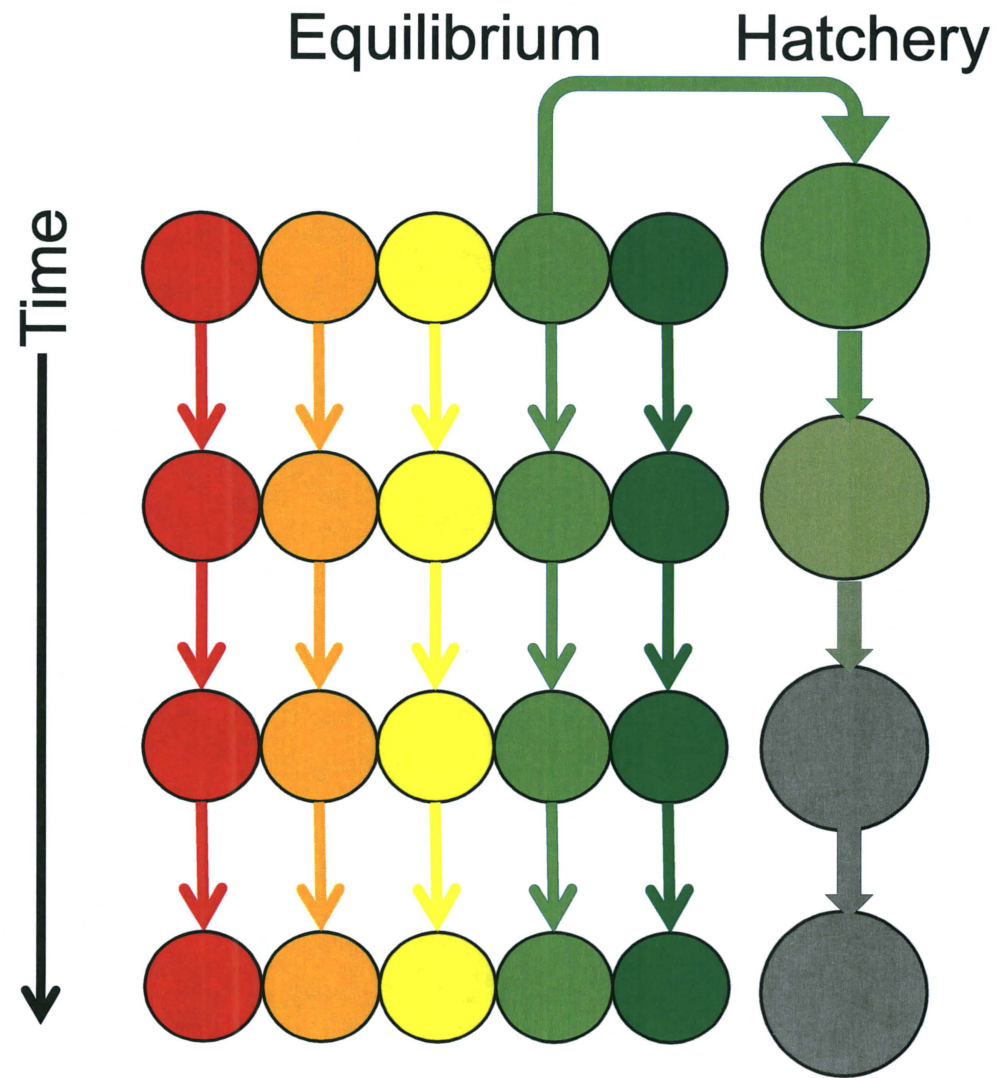
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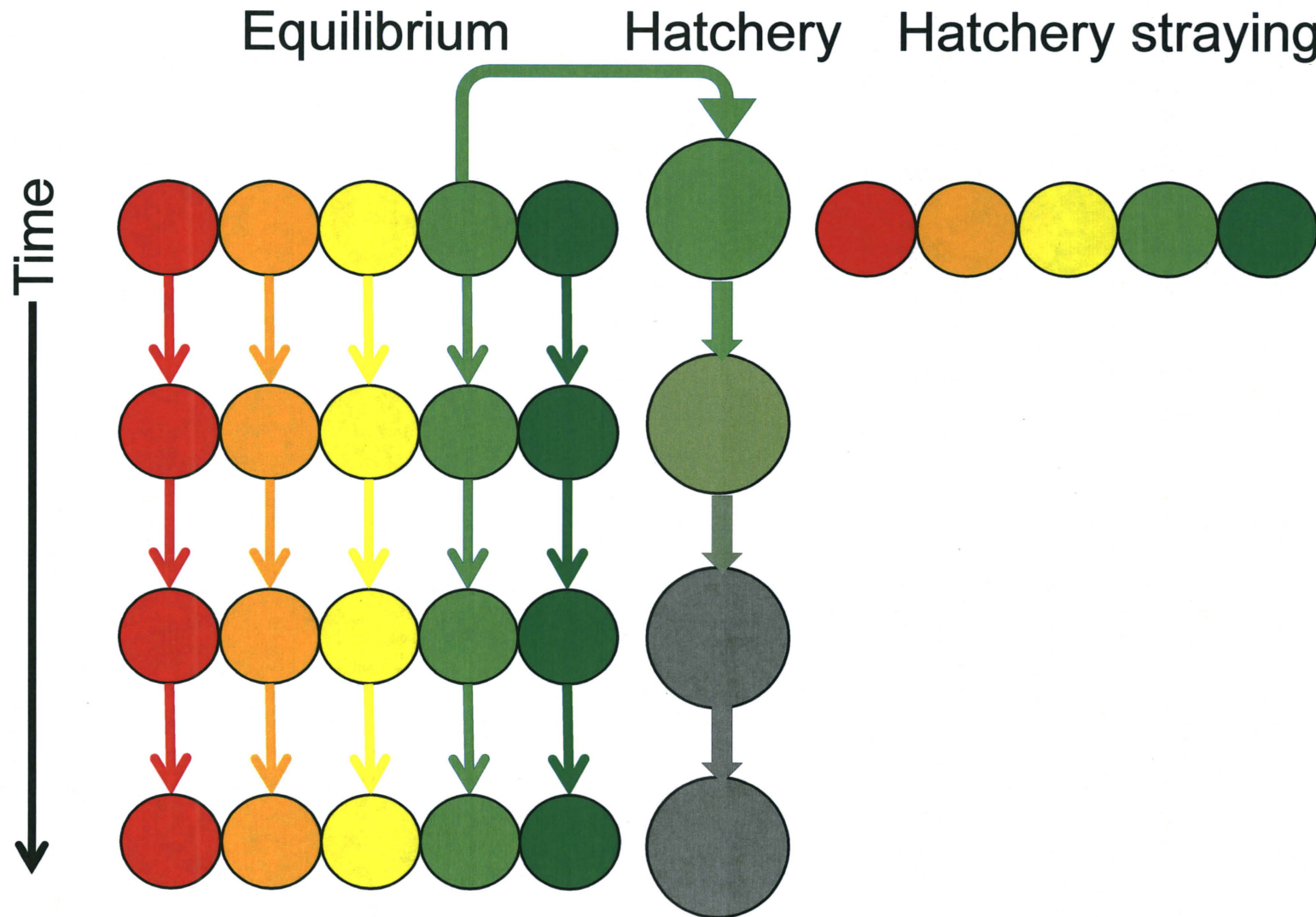
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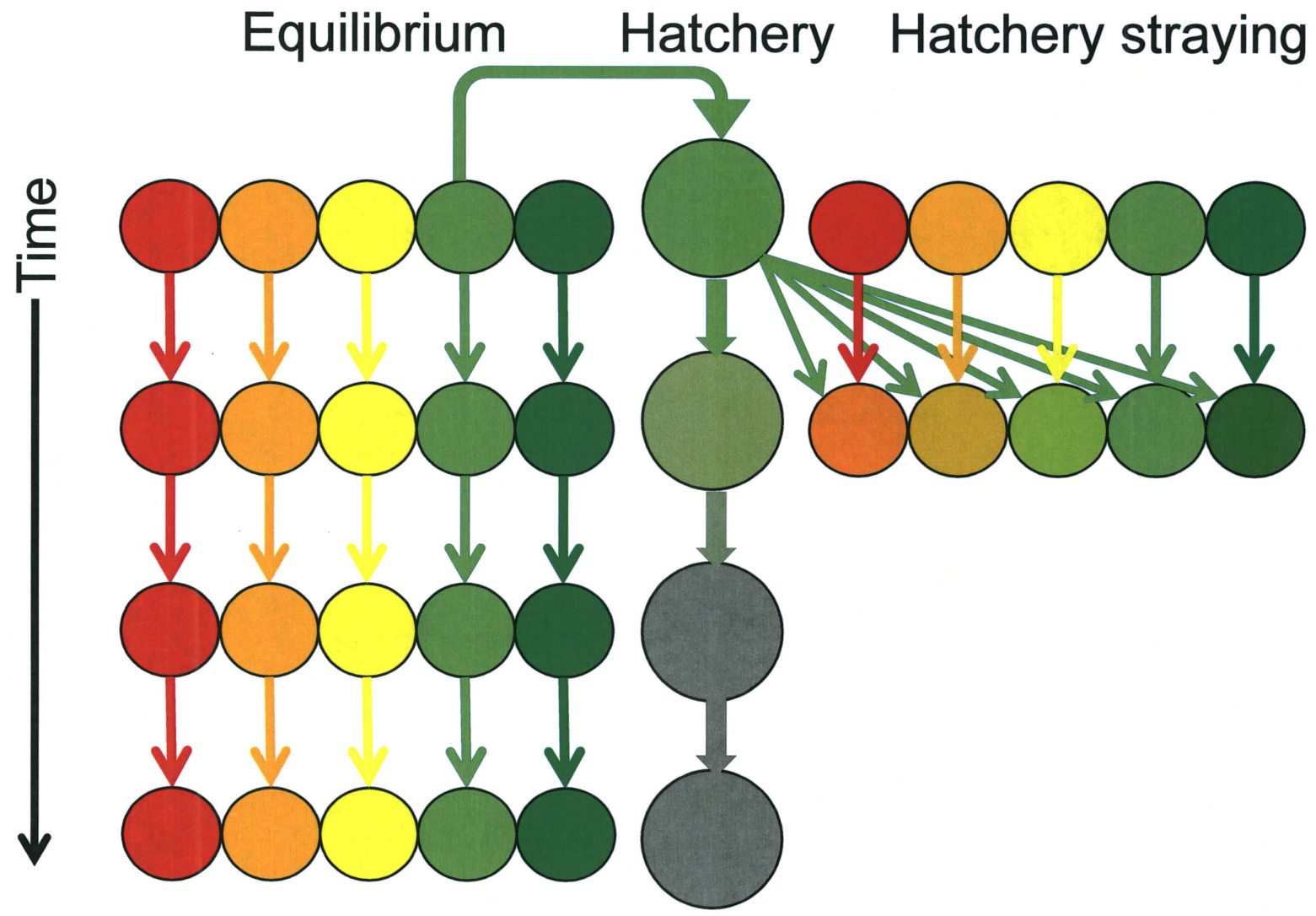
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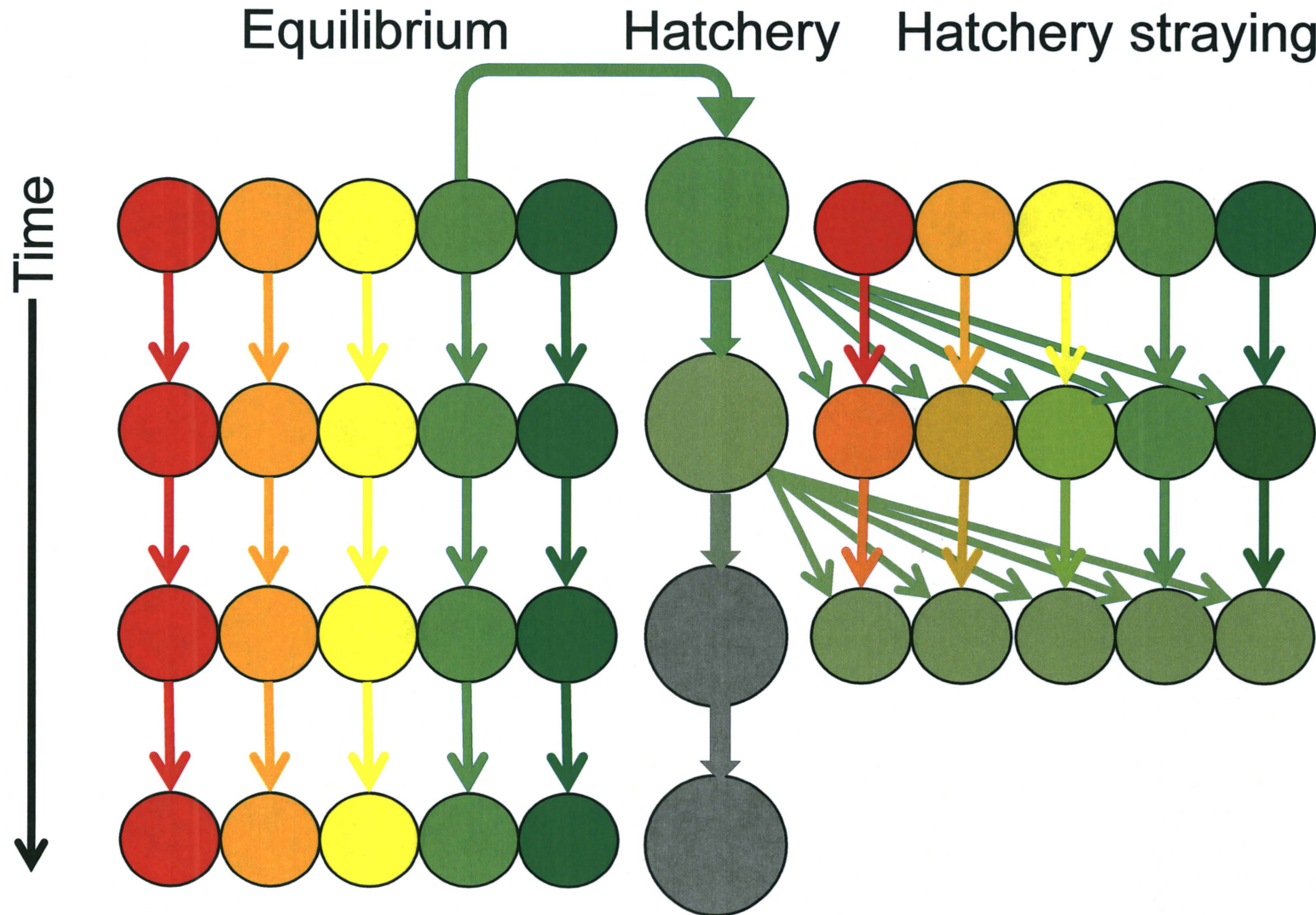
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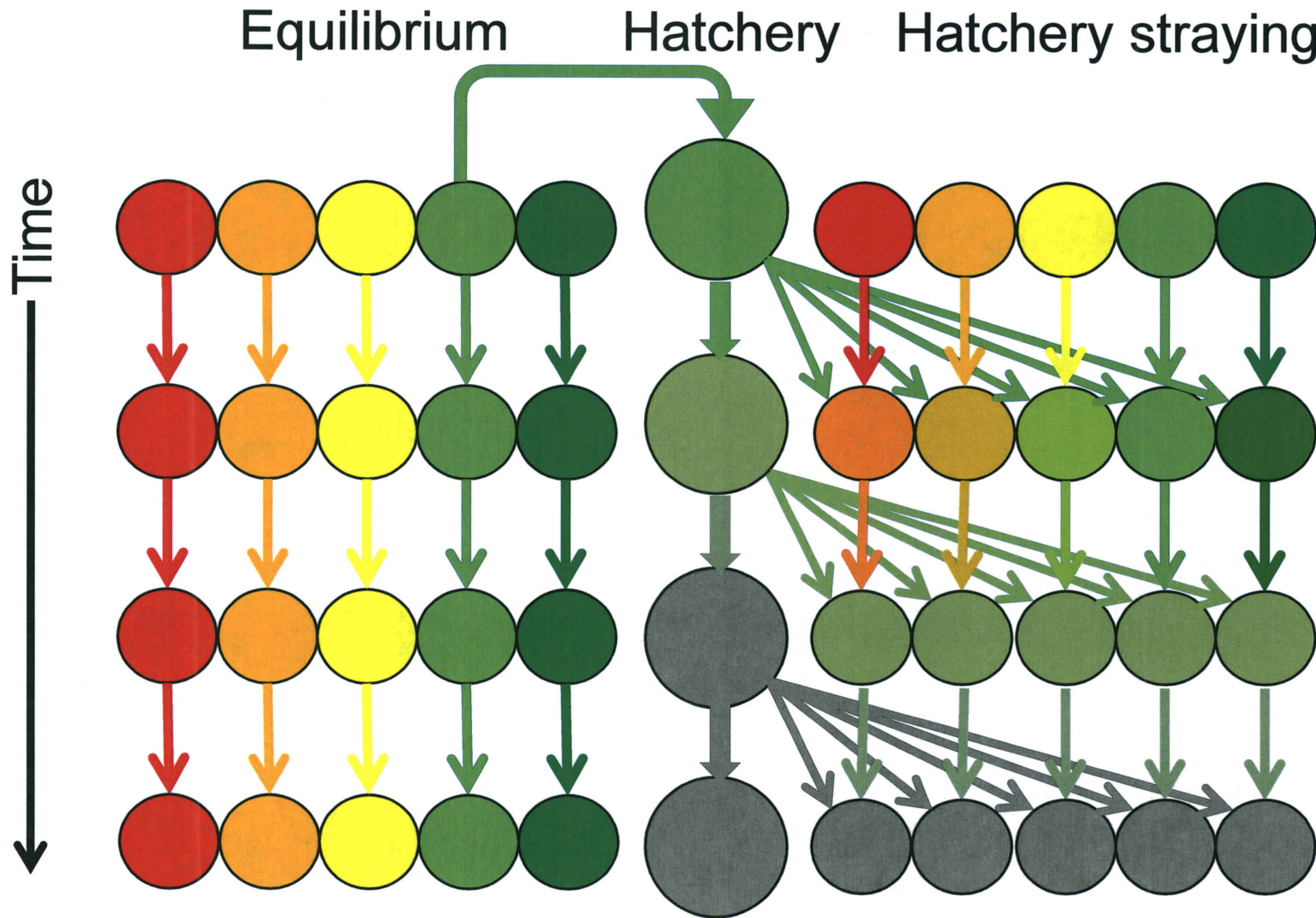
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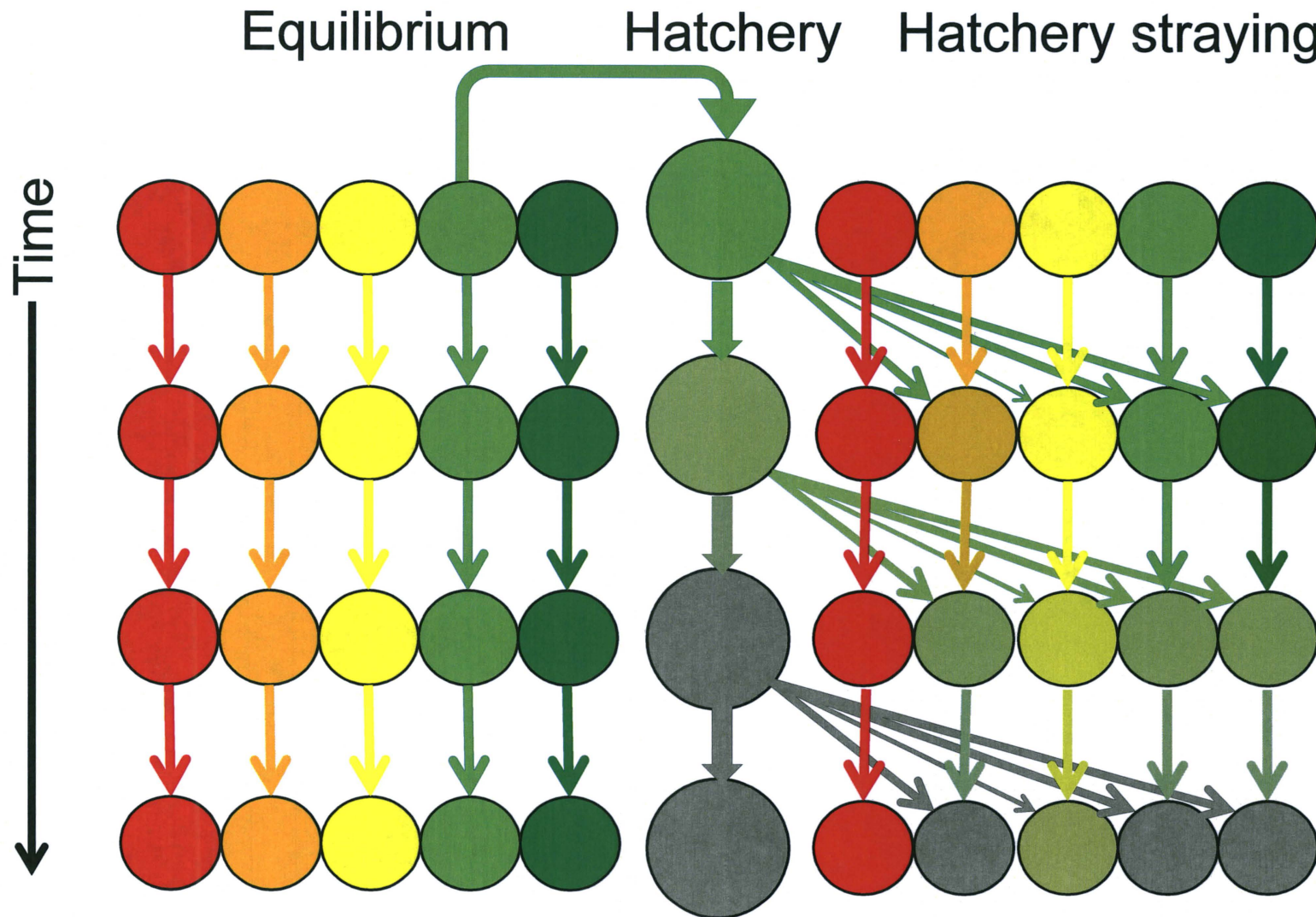
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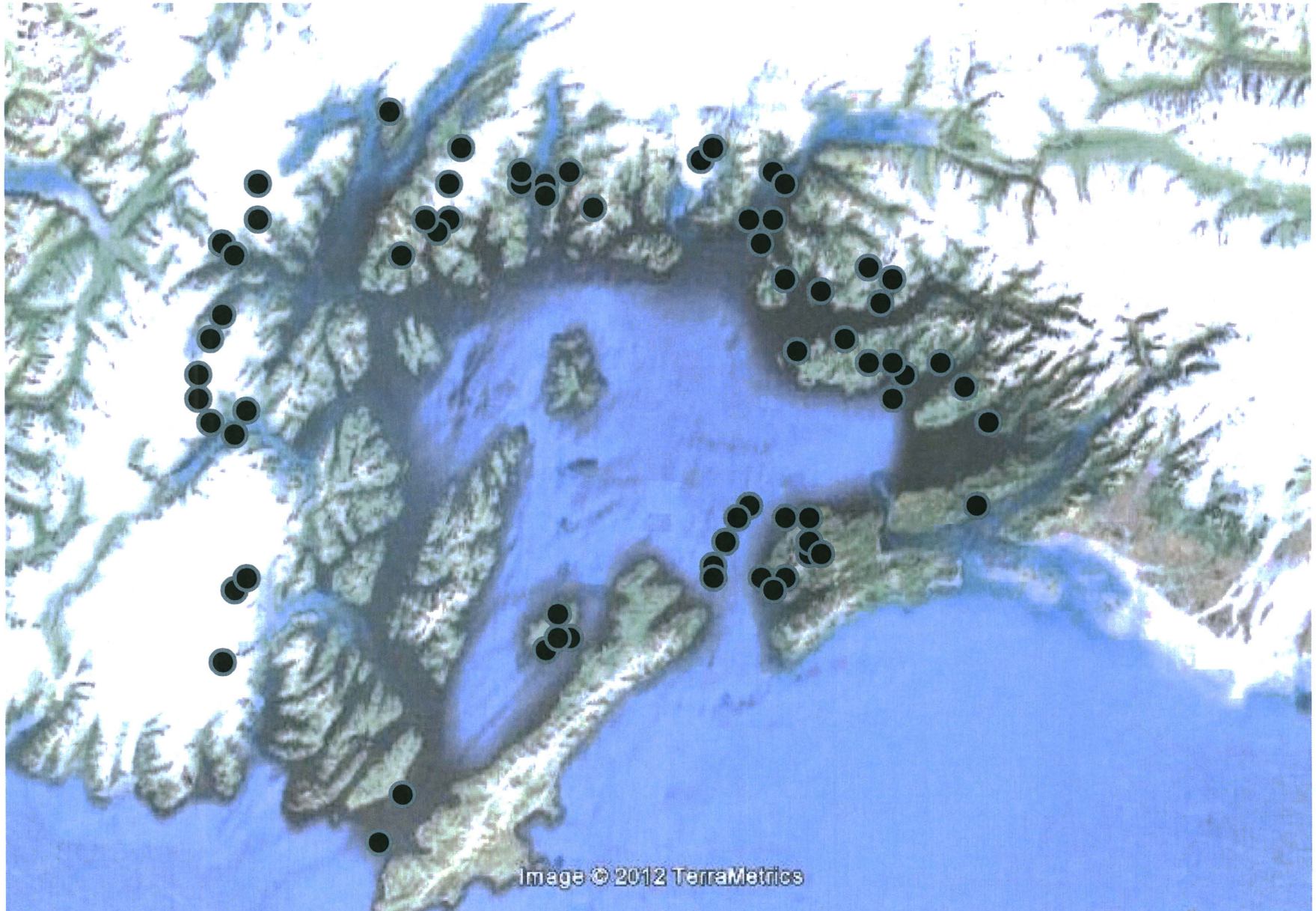
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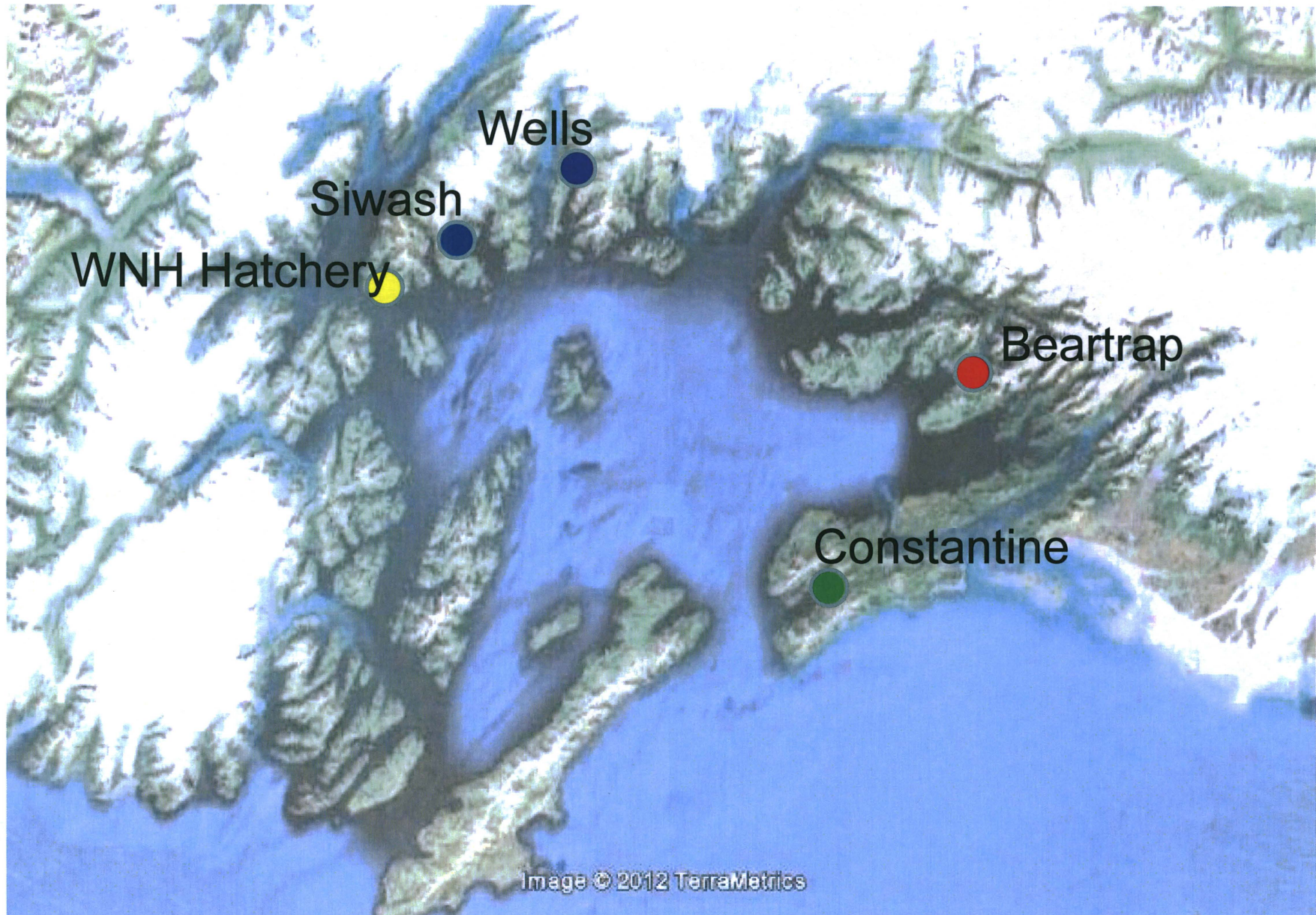
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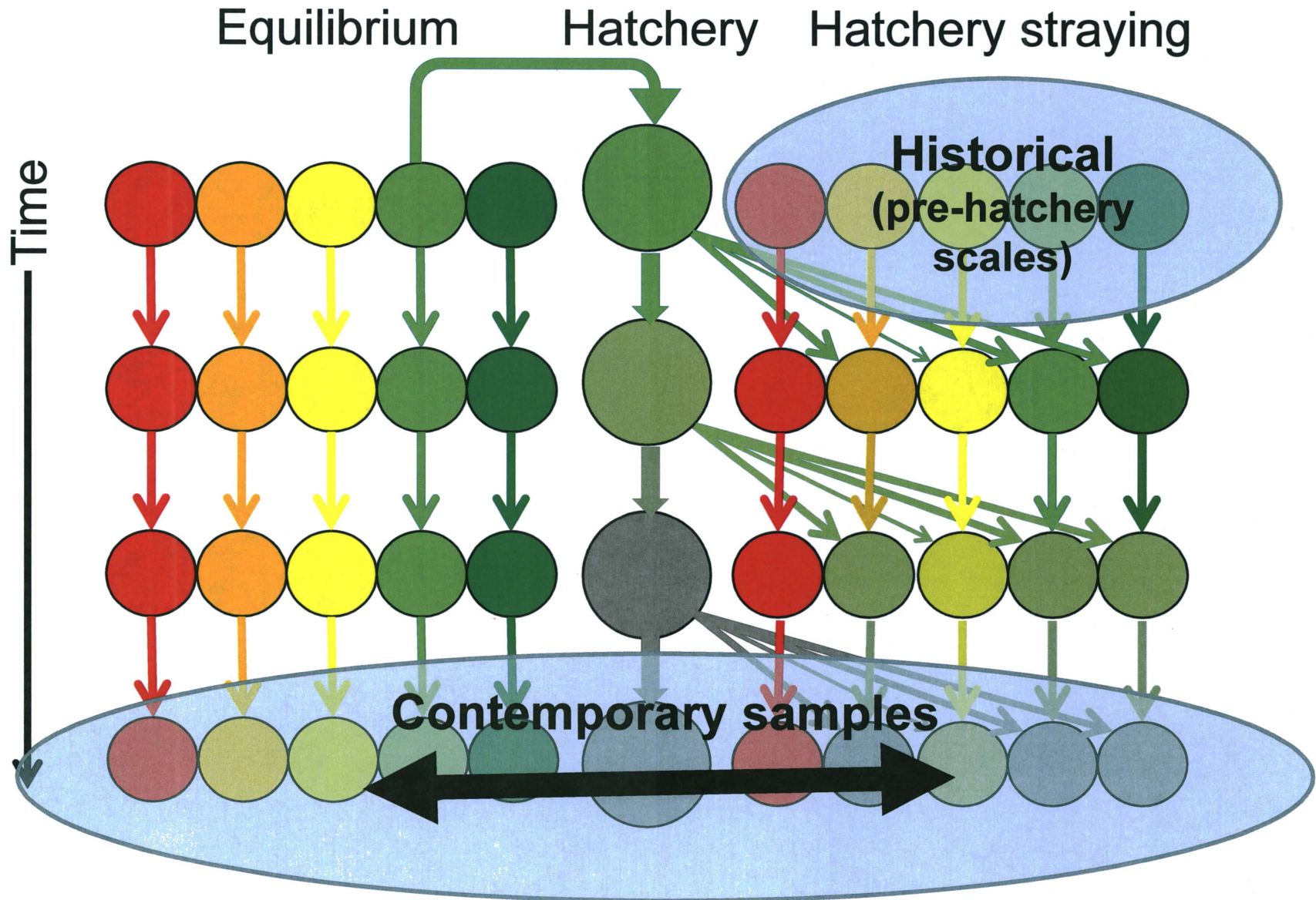
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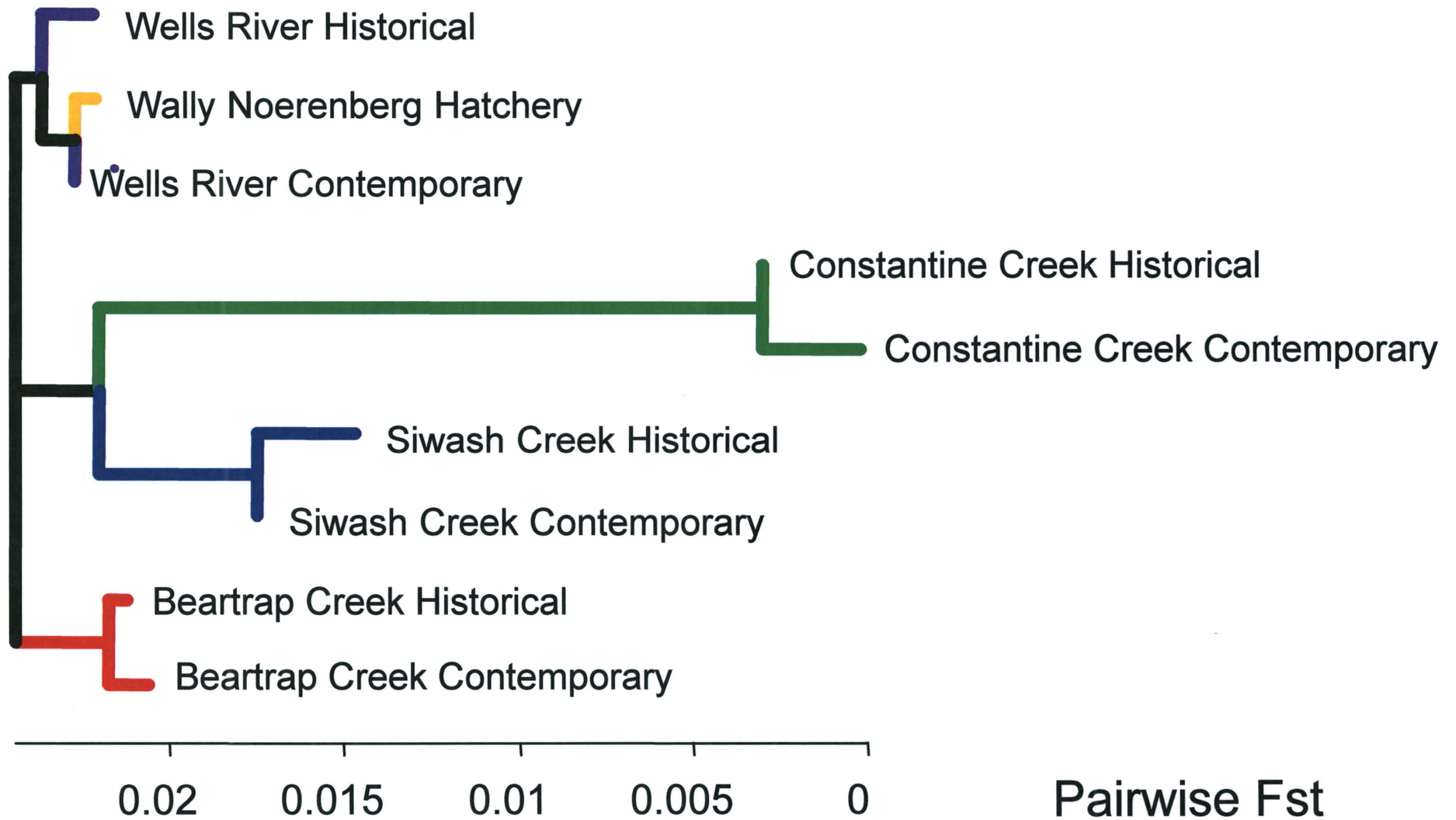
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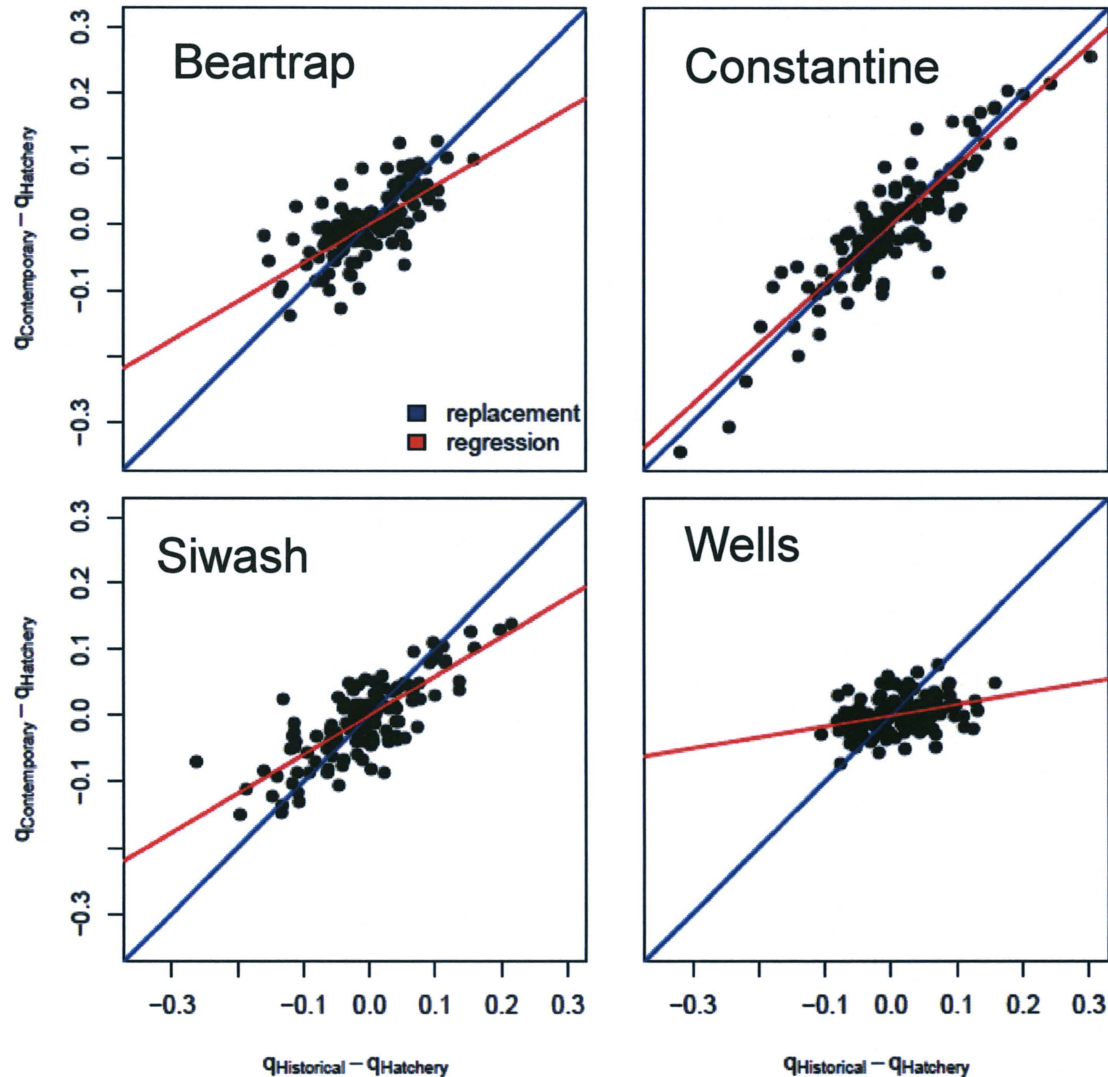
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Applications: Assess Genetic Risk

Example: Chum salmon hatchery/wild interaction



Applications: Assess Genetic Risk

Example: Chum salmon hatchery/wild interaction

Implications

- **Population structure not visibly eroded**
- **Introgression rates are highly variable among locations**
- **Both distance from the hatchery and life history can affect introgression rates**

Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program

NEWS

Bristol BayTimes & Dutch Harbor Fisherman



BULK RATE
U.S. POSTAGE
PAID
ANCHORAGE, AK
PERMIT NO. 125

50¢

January 31,

Vol. 12 No. 42

"Spawned Weekly in Southwest Alaska"

October 16, 1992

Area M fishing gutted

■ FALSE PASS: Board acts to help poor Western Alaska chum runs

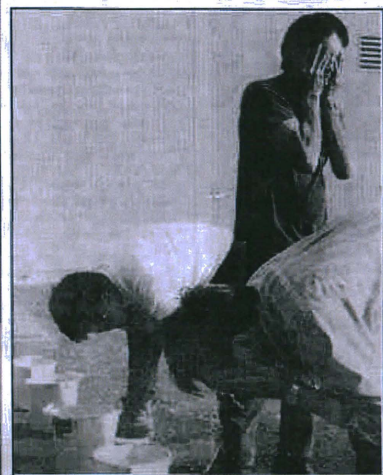
By WESLEY LOY
Anchorage Daily News

The Alaska Board of Fisheries revolutionized the controversial commercial salmon fishery near False Pass, severely reducing the fleet's fishing time to let more chum salmon swim farther north to fish-deficient Western Alaska rivers.

The action comes after three weeks of haggling at the board's marathon meeting at the Anchorage Marriott Downtown.

Gov. Tony Knowles had asked the board to stop the interception of chum salmon at False Pass to help prop up poor chum runs on Western Alaska rivers, where even subsistence needs have not been met.

The governor declared salmon disasters in three out of the past four years, triggering millions in relief funding for villagers along the



Oh, My Burning Eyes — Three local VPSO's wash the Cap-Sun from their eyes after undergoing training in the use of the self-defense spray.

Genetics may solve False Pass feud

by Jim Paulin
BayTimes Staff

Inside the hearts, liver tissue and eyeball fluid of chum salmon may lie part of the solution to the False Pass fishery dispute.

Using genetic testing, the high science of looking at the basic biological makeup of individual plants and animals, the state Department of Fish and Game hopes to find out which salmon are coming from which Alaska streams.

The sampling this summer by Ward Jones of Dillingham and his son Wesley was part of a \$270,000 state-funded project conducted by the Alaska Department of Fish and Game.

Yukon-Kuskokwim Delta-based residents claim fishermen at False Pass, located in the Aleutians East Borough, intercept too many chum en route to their region.

This summer, chum were sampled in streams on the north and south sides of the Alaska Peninsula and on Kodiak Island, said Lisa Seib, a Fish and Game geneticist in Anchorage. Only the most easily accessible streams were sampled, she said.

Technicians in Bristol Bay sampled chum in the Nushagak, Alagnak and Stiryahok rivers this summer, Seib said. The study aims to collect basic data on the much debated subject of the origin of chum at False Pass, at the tip of the Alaska Peninsula.

Findings from the study could help manage the controversial False Pass fishery but not before it can

be applied at False Pass as early as June 1993 but only on an experimental basis, she said.

Denby Lloyd, the Aleutians East Borough's chief resources analyst, cautiously welcomed the genetics study. Much of the borough's funding comes from a fish sales tax, which rose to 2 percent from 1.5 percent in July, so there is big interest in the work.

"It's not certain it can be done, but it does look promising. We welcome a good study of the origin of these fish so we can lay the data question to rest," said Lloyd, the former director of Fish and Game's commercial fisheries division.

But Lloyd questioned whether genetics sampling can be sufficiently fine tuned to apply to the False Pass fishery. While the Yukon study focuses on different chum stocks within that river system alone, the False Pass study covers fish from throughout the North Pacific, Lloyd said.

"There's some concern it may not provide enough detail. We just don't know yet. You're talking about potentially hundreds of different stocks of fish," Lloyd said.

The technique has been used on the Yukon River since 1987, when False Pass chum were traced to streams in Japan, Russia and British Columbia, Lloyd said.

In that study, 6,300 salmon were tagged near the Shumagin Islands and at the south side of Unimak Island, and 344 of the tagged fish were recovered, said Fish and Game biologist Charles Burkey in Bethel.



Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program

There was political support to fund large-scale, collaborative genetic stock identification study

IF

Stakeholders agree on necessary information, study design and results



WASSIP MOU Signatories



– Alaska Department of Fish and Game

– Aleut Corporation

– Aleutians East Borough

– Association of Village Council President

– Bering Sea Fisherman's Association

– Bristol Bay Native Association

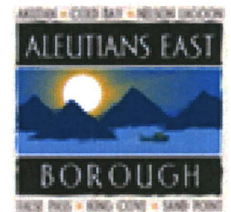
– Concerned Area M Fisherman

– Kawerak Incorporated

– Lake and Peninsula Borough

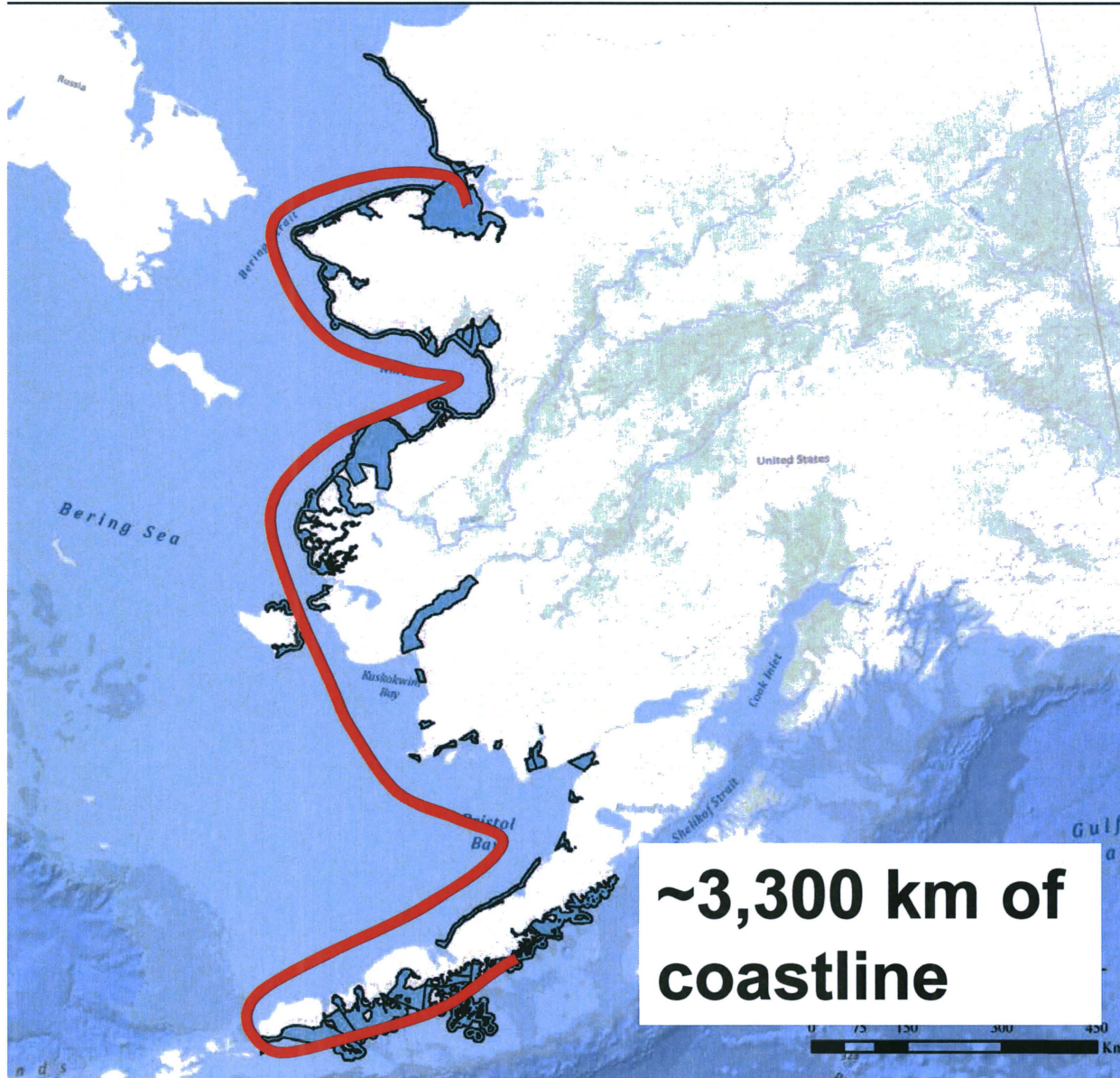
– Tanana Chiefs Conference

– Yukon River Drainage Fisheries A



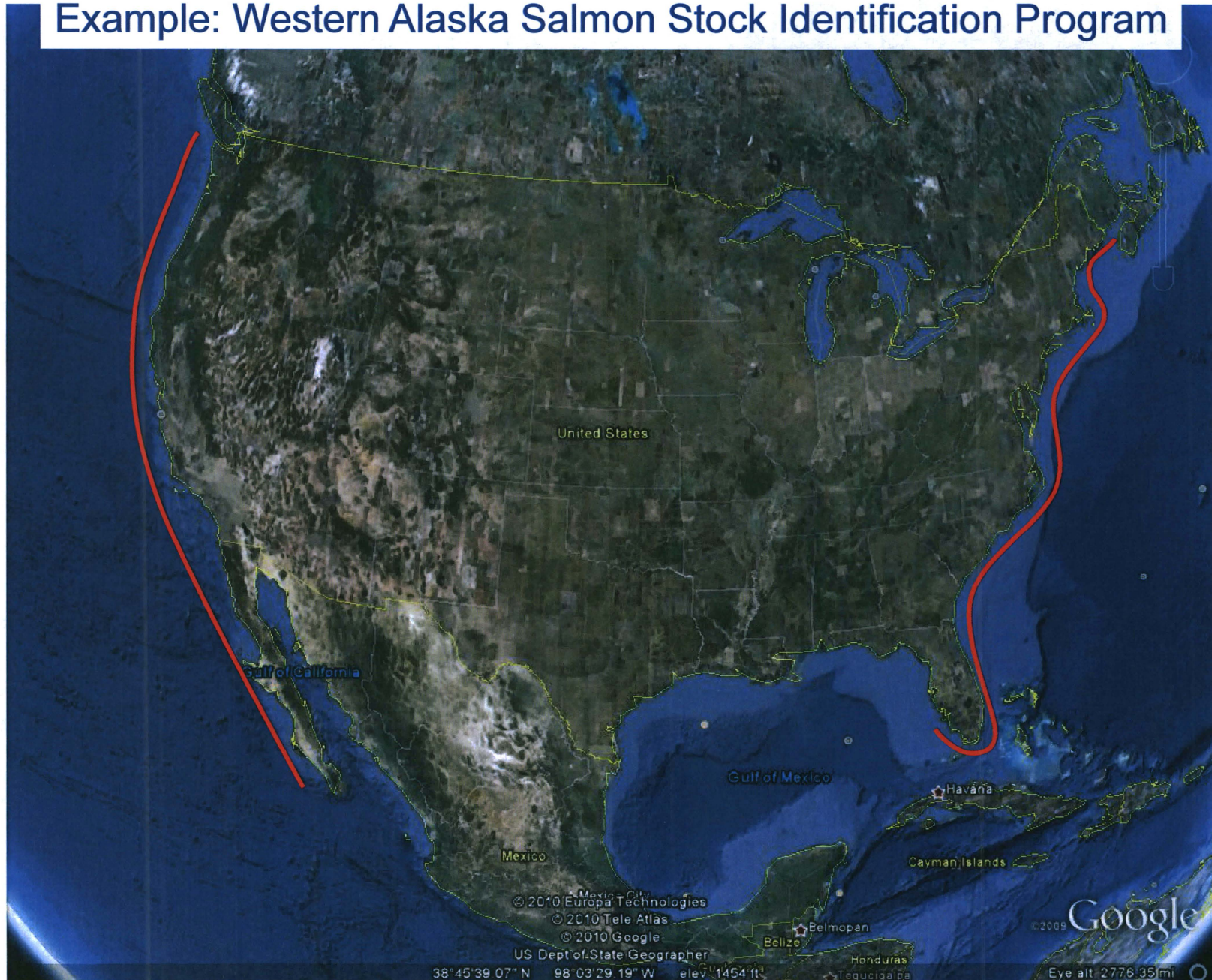
Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program



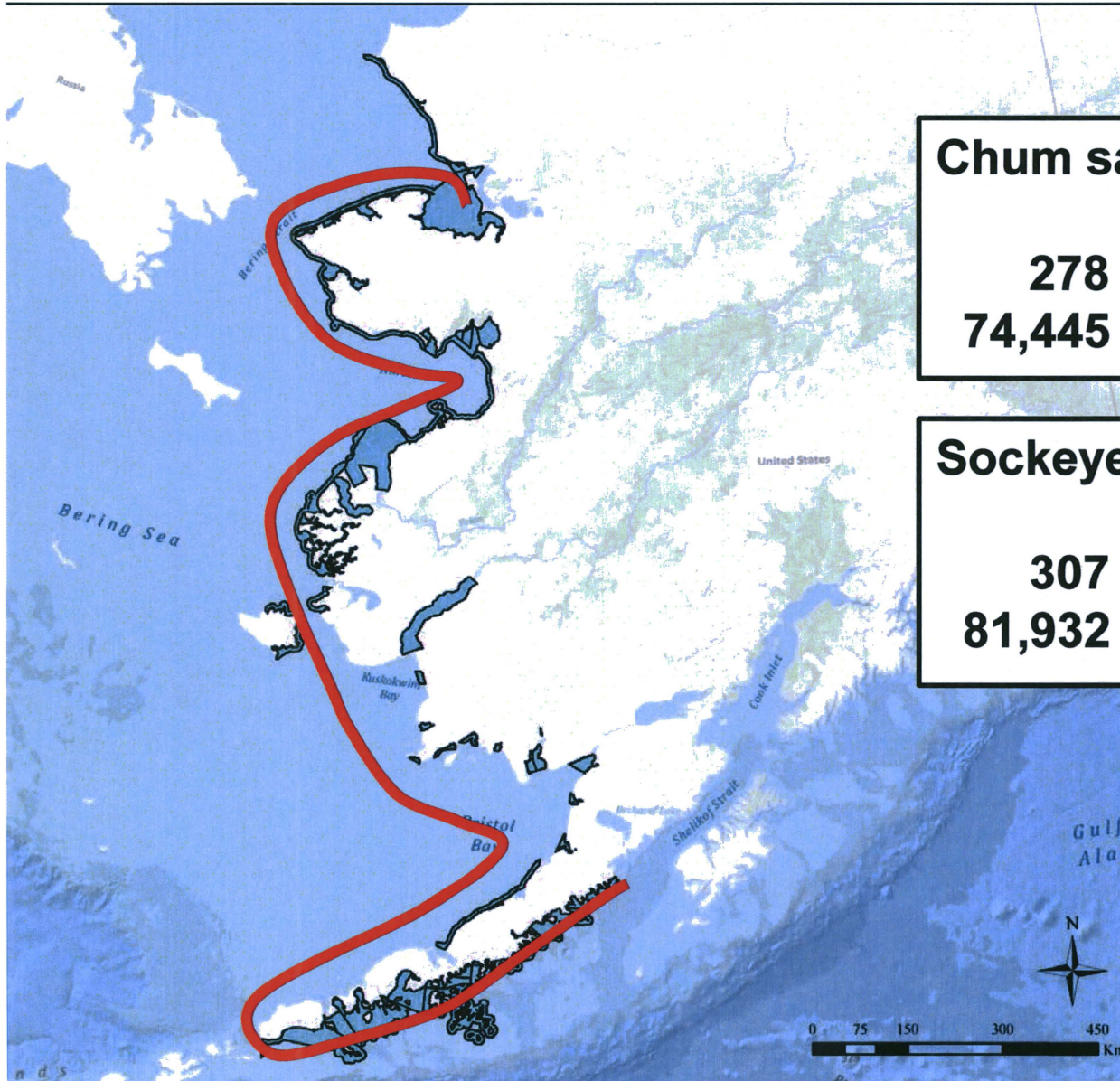
Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program



Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program



Chum salmon:

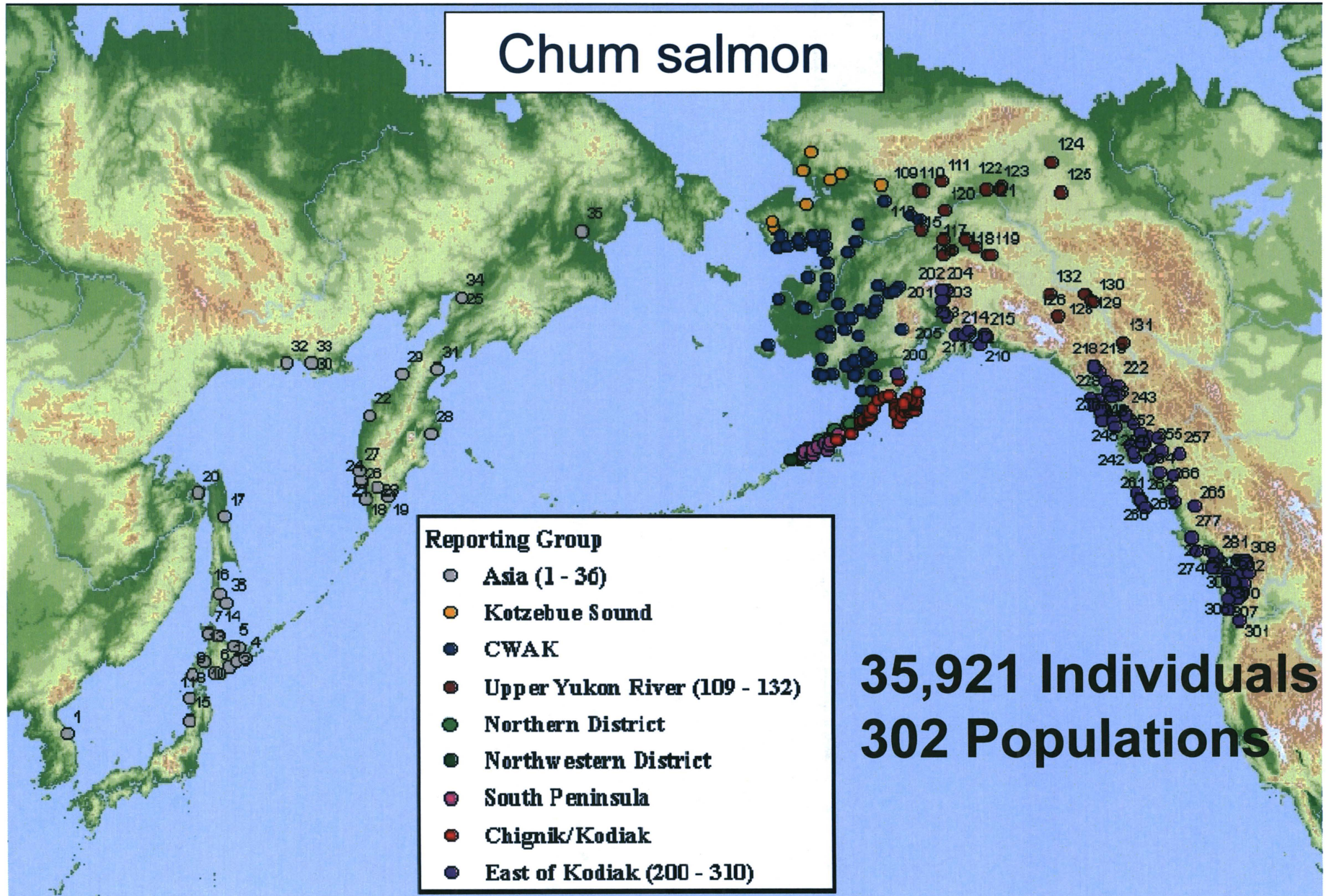
278 fishery strata
74,445 individuals genotyped

Sockeye salmon:

307 fishery strata sampled
81,932 individuals genotyped

Applications: Inform/Assess Management

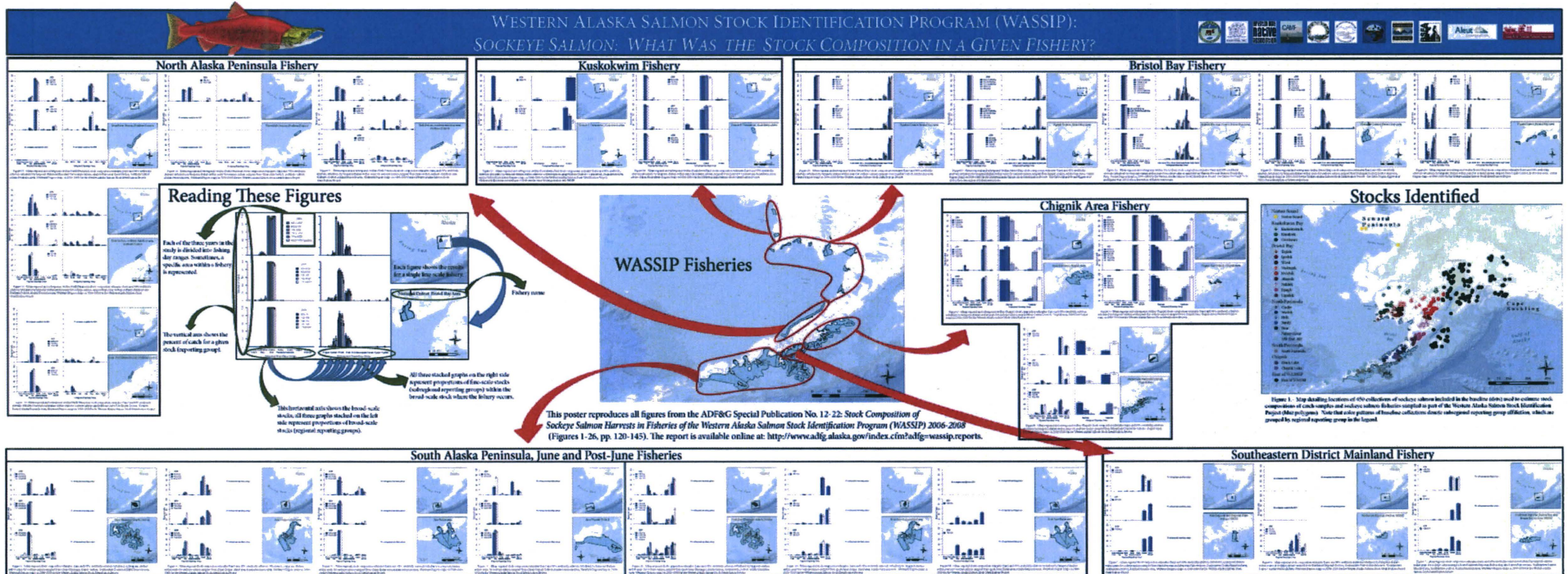
Example: Western Alaska Salmon Stock Identification Program



Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program

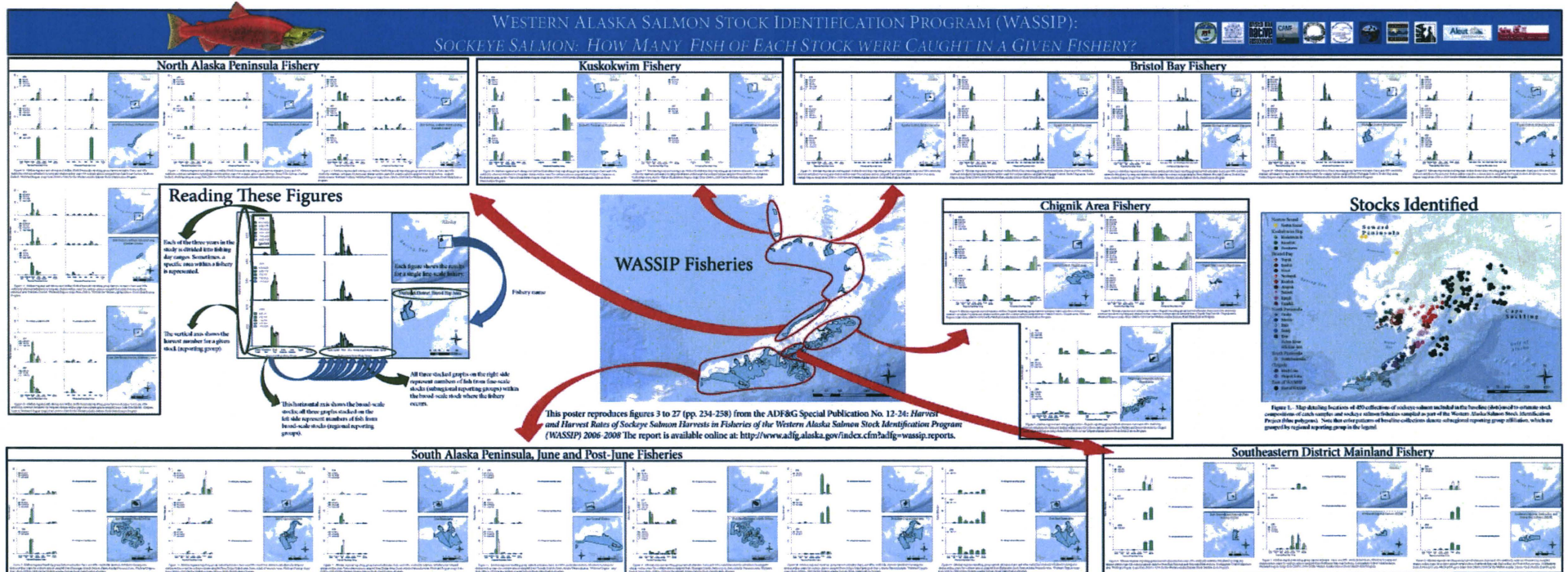
What stocks are caught in my fishery?



Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program

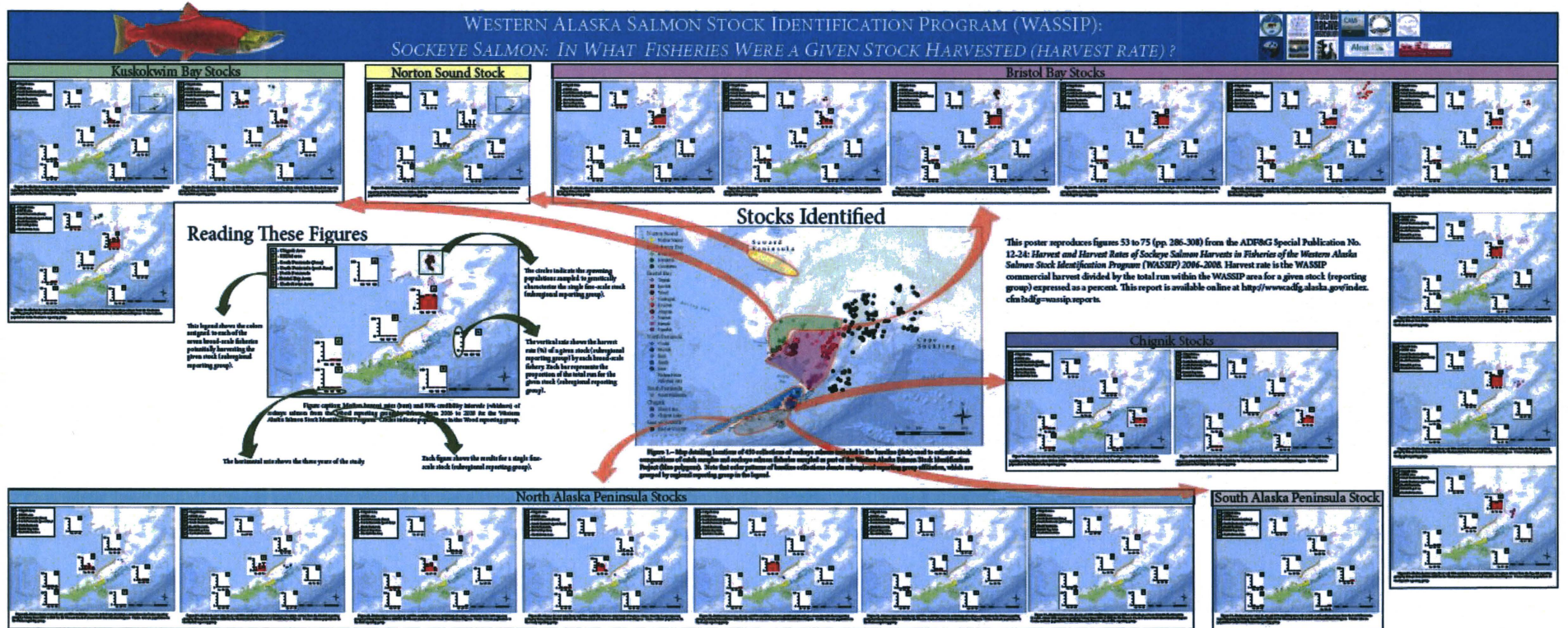
How many fish of each stock were caught in my fishery?



Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program

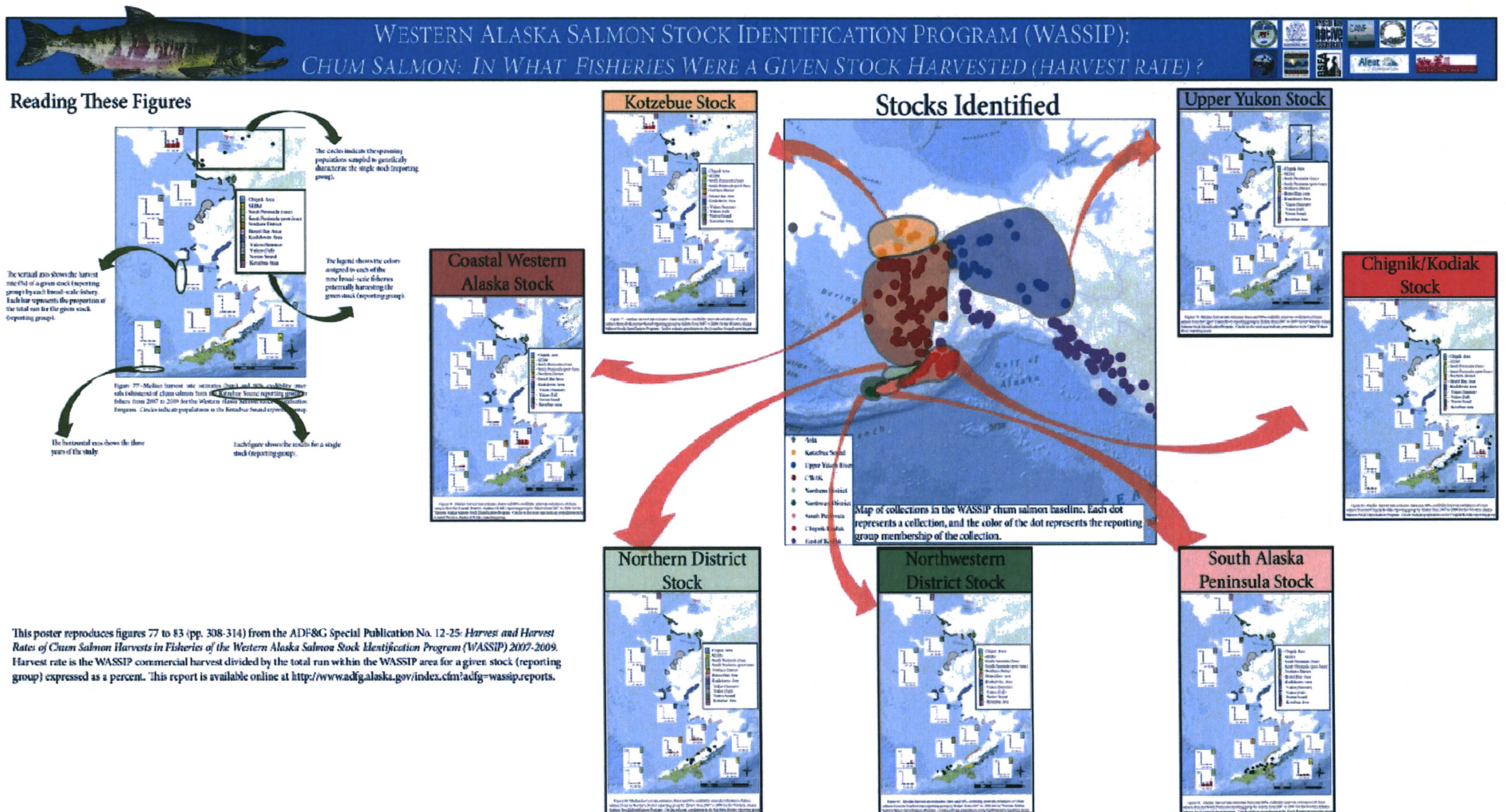
What fishery catches my stock?



Applications: Inform/Assess Management

Example: Western Alaska Salmon Stock Identification Program

Chum salmon: What fishery catches my stock?



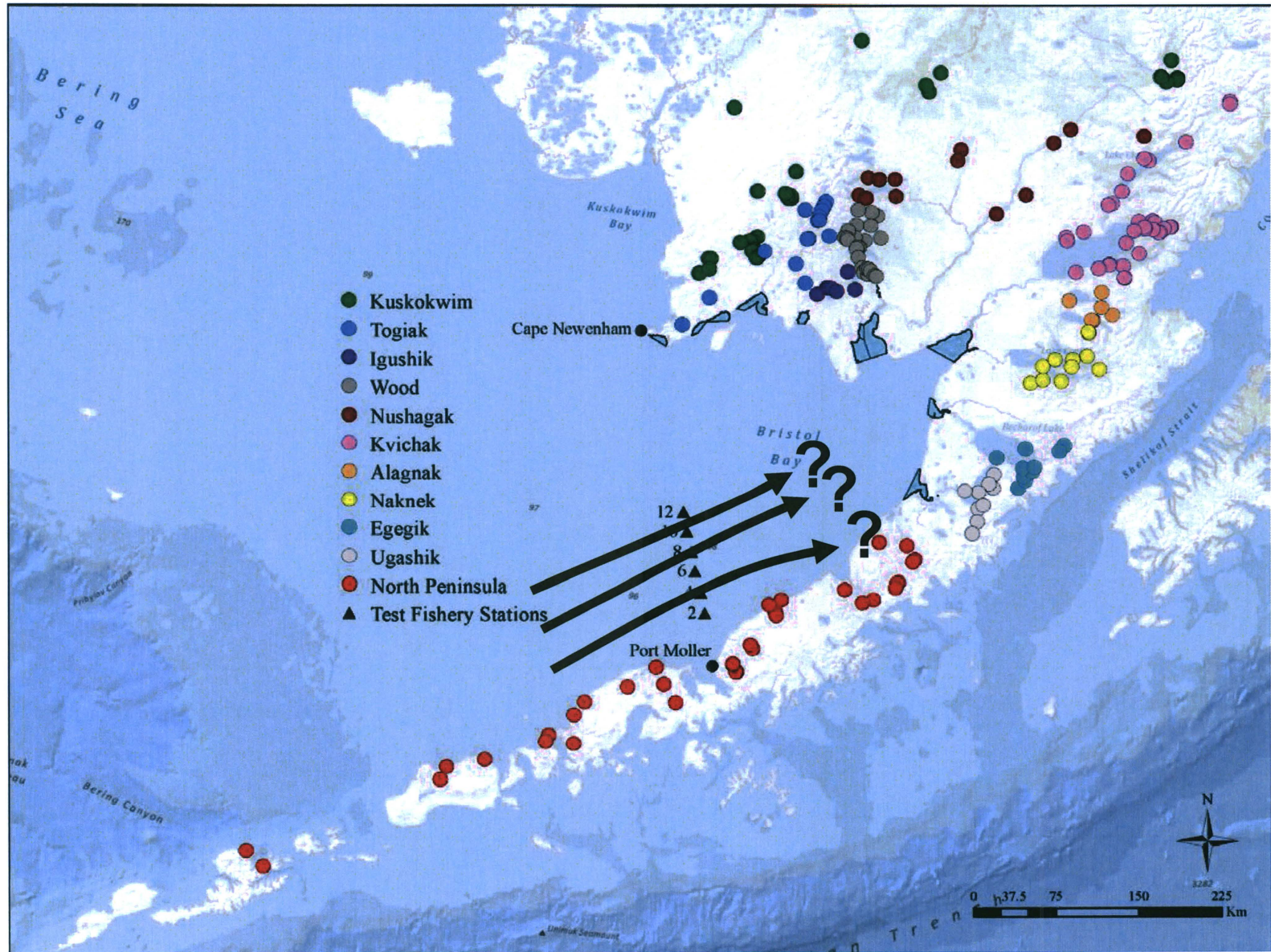
Applications: Inform/Assess Management

Example: Port Moller Test Fishery - Inseason



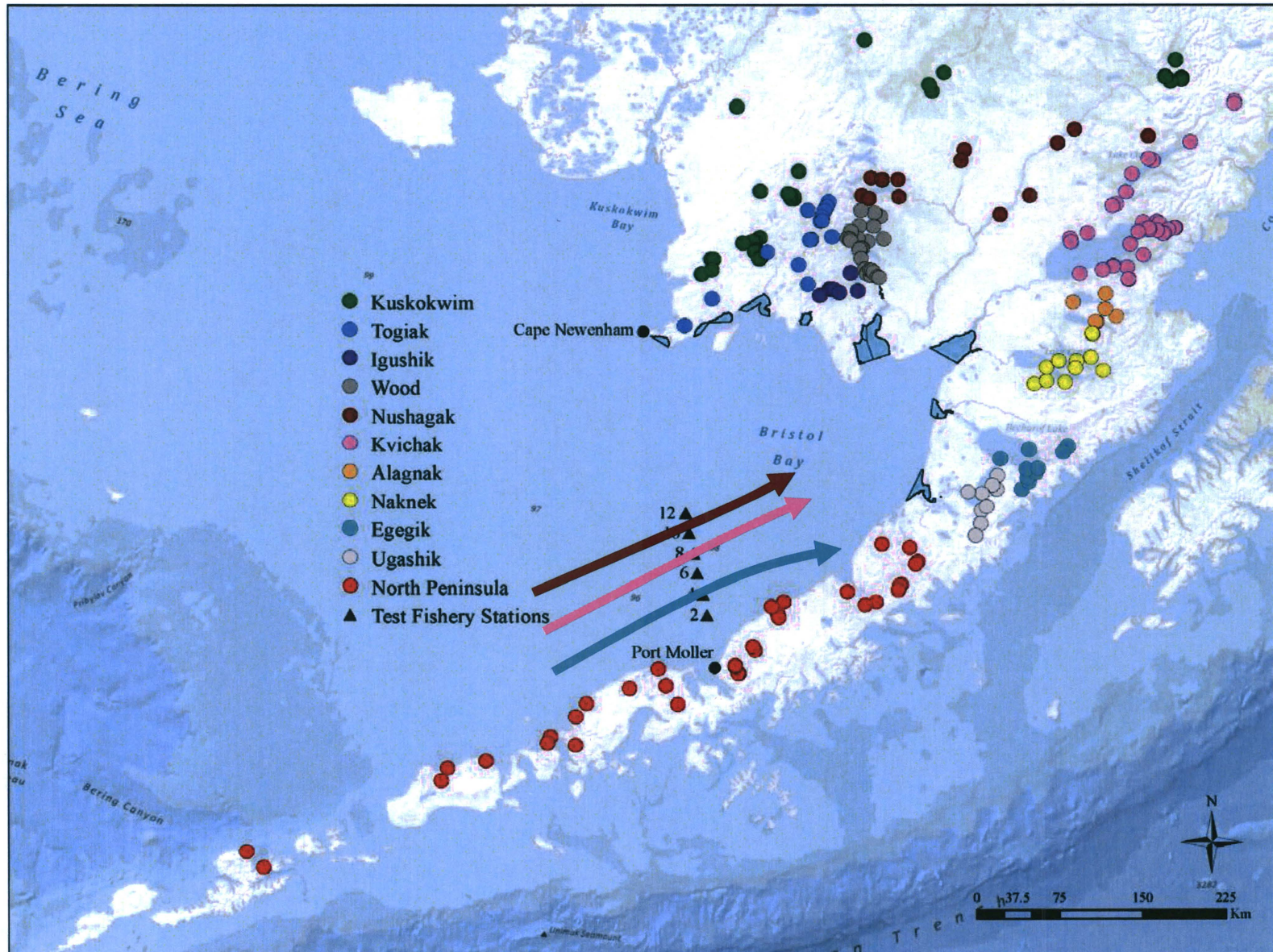
Applications: Inform/Assess Management

Example: Port Moller Test Fishery - Inseason



Applications: Inform/Assess Management

Example: Port Moller Test Fishery - Inseason



Applications: Inform/Assess Management

Example: Port Moller Test Fishery - Inseason

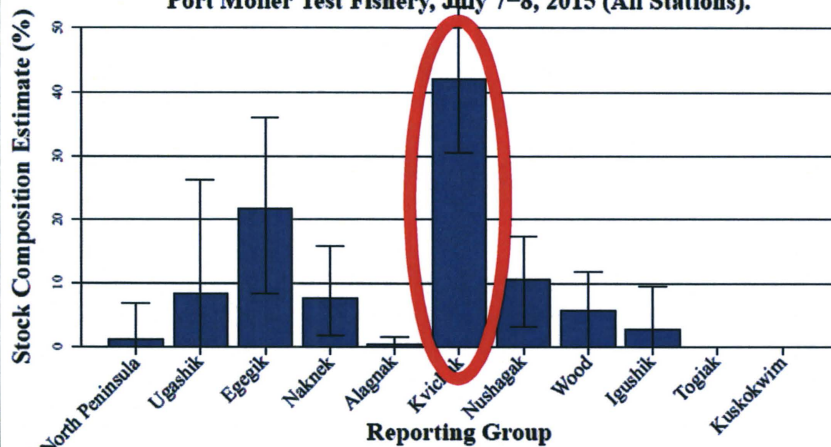
Bristol Bay Sockeye Salmon Fishery

Port Moller Sockeye Salmon Stock Composition Summary July 7-8, 2015 - All Stations

Genetic stock composition estimates for sockeye salmon from the Port Moller Test Fishery for July 7-8, 2015. A total of 722 fish were sampled and 190 were analyzed (186 had adequate data to include in the analysis).

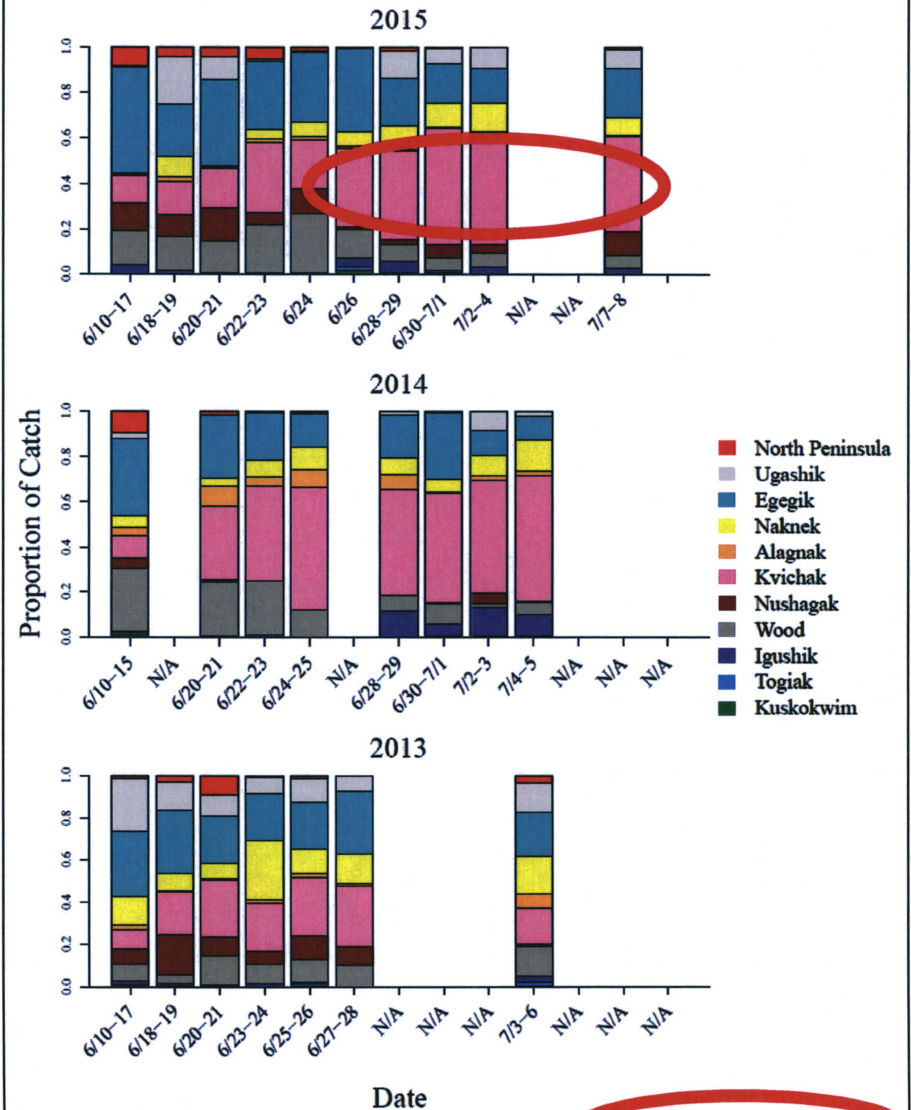
Reporting Group	Stock Composition Estimate	90% Confidence Intervals	
		Lower	Upper
North Peninsula	1.2%	0.0%	6.9%
Ugashik	8.3%	0.0%	26.4%
Egegik	21.7%	8.3%	36.1%
Naknek	7.6%	1.8%	15.7%
Alagnak	0.3%	0.0%	1.6%
Kvichak	42.1%	30.5%	53.4%
Nushagak	10.6%	3.0%	17.3%
Wood	5.5%	0.0%	11.7%
Igushik	2.6%	0.0%	9.5%
Togiak	0.0%	0.0%	0.0%
Kuskokwim	0.0%	0.0%	0.0%

Genetic Stock Composition Estimates for Sockeye Salmon Captured in the Port Moller Test Fishery, July 7-8, 2015 (All Stations).



The genetic analysis was completed by the Alaska Department of Fish and Game, Division of Commercial Fisheries, Gene Conservation Laboratory.

Historical Comparison of Stock Composition Estimates



Applications: Inform/Assess Management

Example: Port Moller Test Fishery - Inseason

Deckboss
Alaska commercial fishing news and notes

SUNDAY, JULY 12, 2015

SUNDAY, JULY 12, 2015

Bristol Bay's late rally

Gillnetters scored big on Friday and Saturday with catches of more than 2 million fish each day, and the grand total now stands at nearly 19 million fish.

The season, however, is still likely to end in disappointment as the pre-season harvest forecast of 37.6 million fish seems out of reach.

That's especially true for the boats, and heads of the fleet.

As for prices? Well, that's another story.

Have you?

Posted by Deckboss at 3:00 PM

5 comments:
Labels: Bristol Bay, rally

THURSDAY, JULY 9, 2015

Who killed the sea lions?

A commercial fishing group, Cordova District Fishermen United, is offering \$5,000 for information leading to the conviction of whomever is responsible for a Steller sea lion slaughter near Cordova.

SUNDAY, JULY 5, 2015

Bristol Bay bust?

Gillnetters in Bristol Bay have taken just over 8 million sockeye salmon through the Fourth of July.



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Forecast for Bristol Bay's Kvichak River Downgraded; Inseason Timing Charts Plot Bad News

Bristol Bay's Confused Sockeye Buyers Hold Out on Offers After Rare Mid-July Run (Fish Radio)

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News Summary July 14, 2015

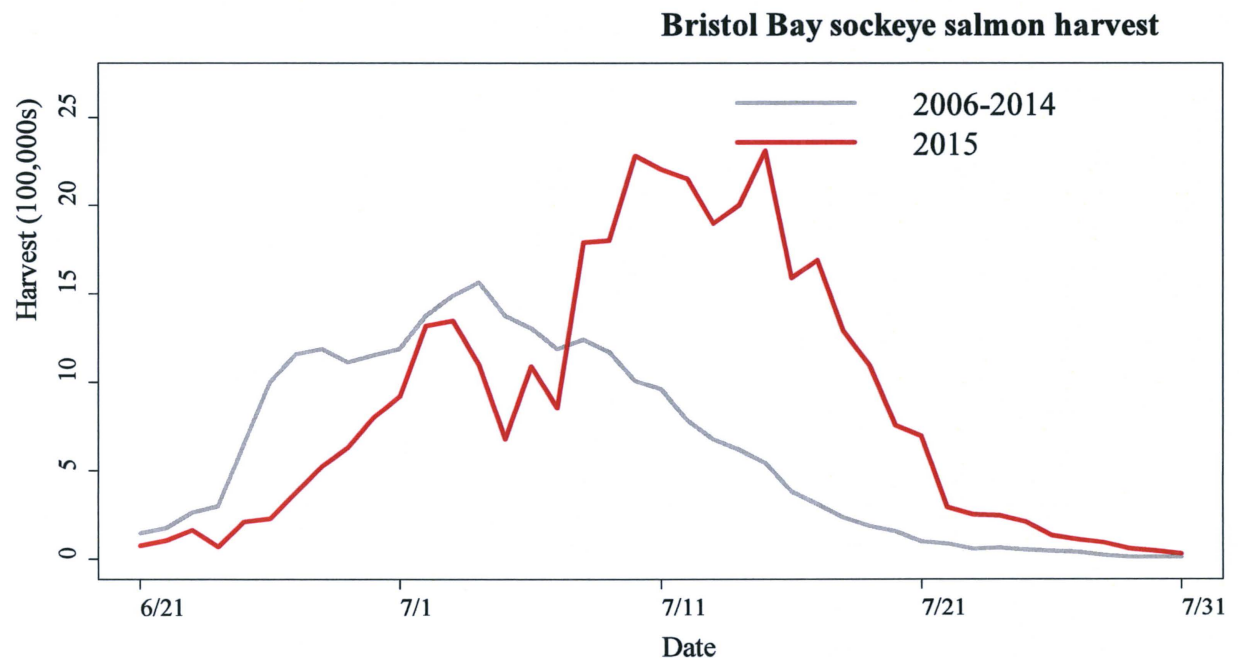
Today's Main Story: Bristol Bay's Confused Sockeye Buyers Hold Out on Offers After Rare Mid-July Run

July 14, 2015

Bristol Bay Catch Exceeds 20 Million Sockeyes With Landings

News Summary July 14, 2015

Today's Main Story: Bristol Bay's Confused Sockeye Buyers Hold Out on Offers After Rare Mid-July Run



Applications: Inform/Assess Management

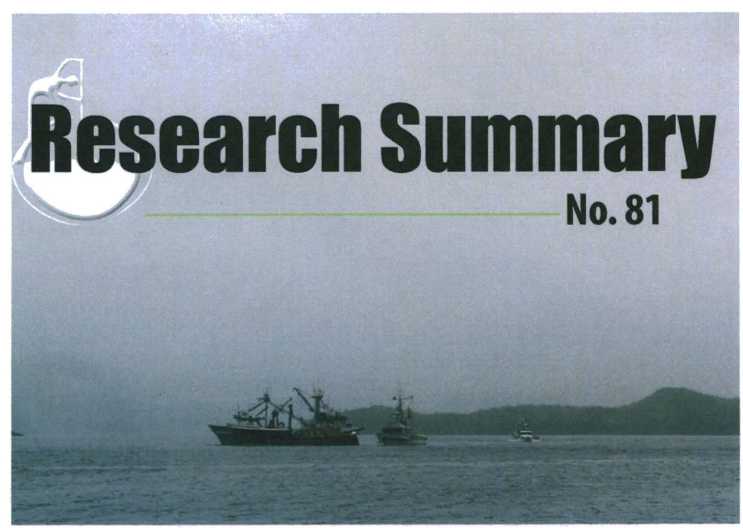
Example: Port Moller Test Fishery - Inseason

Utility

- **Provides real-time information when other sources unavailable**
- **Relative abundances among largest sockeye salmon runs in Alaska**
- **Benefits resource management and industry**
- **Global model of fisheries management tool**

Questions?





Institute of Social and Economic Research · University of Alaska Anchorage

December 2015

Commercial Fishing, Mining, and Tourism: State Revenues and Spending

By Bob Loeffler and Steve Colt

SCOPE OF THIS RESEARCH

Alaska's Division of Economic Development asked us to study a specific question: how do taxes and fees the commercial fishing, mining, and tourism industries pay the state government compare with what the state spends to manage and enhance those industries?¹

Figure 1 summarizes our estimates of revenues from and management spending for these three industries.² Our full report (see back page) details our methods. We believe these estimates will be useful for policymakers and other Alaskans, but here are a few important things to keep in mind:

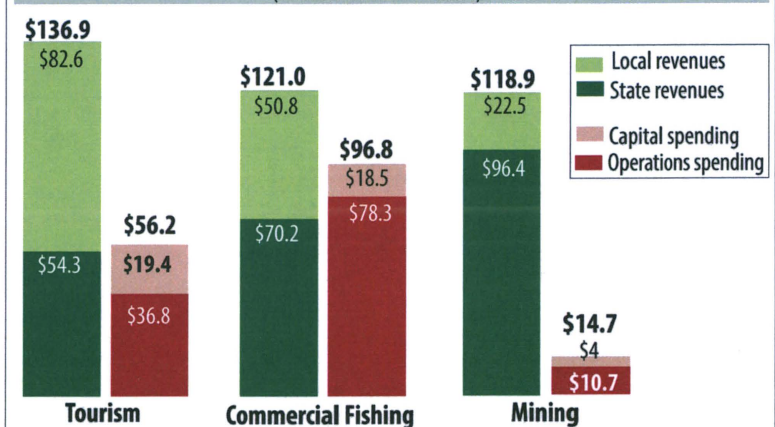
- This is not a broad analysis of all the benefits and costs of these industries. Such an analysis would weigh many other factors—including the substantial income and thousands of jobs they generate for individual Alaskans and communities.
- The state's management goals for these industries include many things besides collecting taxes and other revenues. We are not saying anything about what taxes on these industries should be.
- These industries are very important for the communities where they operate, but together they pay the state only a small fraction of what the oil industry pays, even at today's low oil prices (see Figure 2).
- We included both state and local revenues in our analysis, because both are important for Alaska. But while we looked at all state revenues and spending, we reviewed only the most important local revenues. We didn't estimate local management spending, which is generally small compared with state spending.
- Our estimates of both revenues and spending are based on what they were in recent years (see Endnote 1). But keep in mind that how much revenue these industries bring the state in any given year depends on prices for fish and minerals—which are volatile—as well as the level of mineral production, the size of fish runs, and the number of tourists who visit Alaska. Likewise, our state spending estimates are based on levels before falling oil prices created the current big budget deficit (see Endnote 4.) This year's capital budget is already far smaller, and operations spending is facing cuts as well.

SUMMARY OF FINDINGS

- Commercial fishing, mining, and tourism all generate combined state and local revenues in the same ballpark—about \$120 million to \$135 million a year.³ But the breakdown between state and local revenues, and the levels of state management spending, differ considerably.
- All three industries pay more in combined state and local taxes than the state spends to manage them. Revenues from tourism and fishing are especially important to local governments: 60% of tourism revenue and 40% of fishing revenue goes to local governments. Counting only state revenues (excluding local revenues), commercial fishing generates less than the state spends to manage it. Mining brings in about six times more than the state spends. State revenues from tourism roughly equal total state spending for operations and capital projects.
- Most of the state's management spending for these industries goes to day-to-day operations, but capital spending is also important, especially for tourism and fishing: capital projects help maintain and enhance state and local facilities and the infrastructure those industries depend on—like ports, salmon hatcheries, and museums, to name a few.⁴

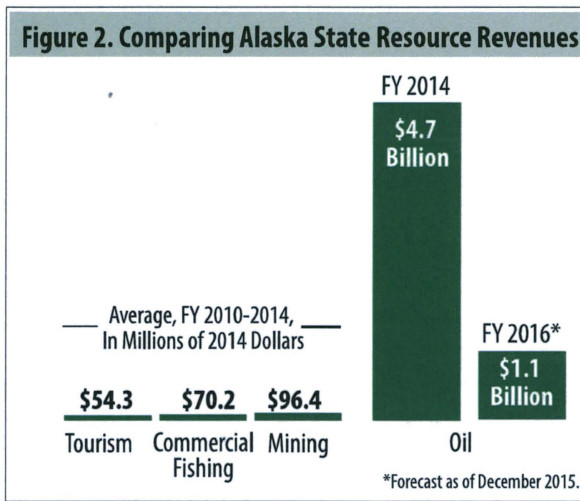
Figure 1. Average Annual State and Local Revenues and State Management Spending*

(In Millions of 2014 Dollars)



*Revenues: average FY 2010-2014; state operations spending: FY 2014; state capital spending: average FY 2012-2014

Figure 2. Comparing Alaska State Resource Revenues



OIL IS UNIQUE

We did not make any attempt to analyze the potential of the fishing, tourism, and mining industries to generate more state revenue than they do—or to assess whether they already pay too much. We were only asked to estimate how much they do pay.

But it's worth pointing out that under any conceivable conditions, none of these industries could generate state revenues anywhere close to what oil has generated for the past 30 years. Oil is unique among Alaska's resources. Its economics are much different from those of other resource industries: it has a much higher market value, compared with the costs of producing it.

Figure 2 compares annual state revenues the fishing, tourism, mining, and oil industries pay: billions of dollars from oil and about \$220 million from the other industries combined. The figure also shows the extreme volatility of oil revenues. With falling oil prices, the state's oil revenues in this fiscal year (2016) are expected to be only about a quarter of what they were in fiscal year 2014. (The state's fiscal year begins July 1 and ends June 30—so fiscal year 2016 began in July 2015 and will end in June 2016.)

ENDNOTES

1. We included only revenues the industries pay to the General Fund or the Permanent Fund. Revenues are state taxes, royalties, and fees the industries pay. Resource revenues vary from year to year, because of factors we discussed on page 1. So in estimating revenues from the three industries, we used an average from fiscal years 2010-2014.

On the spending side, state operations spending includes expenses for managing, regulating, and promoting an industry. The operating budget fluctuates less than revenues do, so for determining operations spending we used just the fiscal year 2014 budget. The state capital budget is spending for projects, rather than day-to-day operations. It fluctuates much more from year to year, so for our analysis we averaged capital spending over fiscal years 2012-2014.

To account for the effects of inflation, we converted all revenues and spending to 2014 dollars, unless otherwise specified. We excluded federal money the state receives and spends; federal funds are not a cost to the state government.

2. All our numbers should be considered best estimates. The revenue figures are mostly from government reports, but estimating the spending numbers involved making judgments and economic assumptions. State spending for tourism is especially hard to estimate, because it isn't a specific "industry" but rather a collection of products and services sold to people visiting Alaska. Also, government actions that benefit tourists also often benefit Alaska residents, and it's difficult to determine how much of various kinds of government spending to allocate to tourism. So our estimates of tourism-related spending are less precise than our fishing and mining estimates. See chapters 2, 3, and 4 of the full report for more details.

3. We define commercial fishing as both fish harvesting and processing. Mining includes the hard rock, coal, and placer portions of the industry, but not sand and gravel. Tourism includes revenues from non-residents who come to Alaska for pleasure, plus 50% of revenue from visitors whose trips combine business and pleasure. Also, these revenue and spending figures for each industry are averages and don't reflect the differences in revenues and spending for segments within an industry. For instance, state spending and revenues will be different for a fishery in Cook Inlet than for one on the Kuskokwim River—or for a hard-rock mine than for a placer mine.

4. These capital spending numbers are an average from fiscal years 2012-2014, when capital budgets were much larger than they are likely to be in the next few years, because the state now has a huge budget shortfall. But without some capital spending, the facilities and infrastructure these industries depend on could fall into disrepair. Also, a portion of capital spending for commercial fishing consists of taxes and fees fishermen have agreed to pay, for specific purposes—like hatcheries or regional seafood development associations.

The full report is *Fiscal Effects of Commercial Fishing, Mining, and Tourism*, by Bob Loeffler and Steve Colt, prepared for the Division of Economic Development, Alaska Department of Commerce, Community, and Economic Development, December 2015. The full report and this summary are available on ISER's website at www.iser.uaa.alaska.edu, under Publications.

Bob Loeffler is a visiting professor of public policy at ISER, funded by a grant to the University of Alaska Foundation from the Council of Alaska Producers. Steve Colt is a professor of economics at ISER. Both have broad experience in studying issues related to Alaska's resources.

The report findings are those of the authors, not ISER, the University of Alaska Anchorage, or the research sponsors.



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EDITOR: LINDA LEASK • GRAPHICS: CLEMENCIA MERRILL

**Fiscal Effects of
Commercial Fishing, Mining and Tourism
*What does Alaska receive in revenue?
What does it spend?***

Prepared for:
Division of Economic Development
Department of Commerce, Community, and Economic Development
State of Alaska

Prepared by:
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Institute of Social and Economic Research
University of Alaska Anchorage
3211 Providence Drive
Anchorage, Alaska 99508

December 2, 2015

This report was prepared by the authors listed and does not necessarily reflect the views of ISER or the University of Alaska. The report and its findings should be attributed to the authors, rather than to ISER, the University of Alaska Anchorage, or the sponsors of the research.



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Bob Loeffler and Steve Colt would like to thank Jennifer Schmidt, Assistant Professor of Natural Resource Management at ISER, for her work on the Capital Budget portion of the paper.

Fiscal Effects of Commercial Fishing, Mining, & Tourism
What does Alaska receive in revenue?
What does it spend?

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December 2, 2015

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Acronyms used in this report

CIP: Capital Improvement Project, a project for which money is appropriated from the capital budget

DCCED: Department of Commerce, Community and Economic Development

DEC: Department of Environmental Conservation

DF&G: Department of Fish and Game

DNR: Department of Natural Resources

DNR, Office of Project Management and Permitting (OPMP)

DOL: Department of Law

DOR: Department of Revenue

DPS: Department of Public Safety

OMB: Office of Management and Budget

We occasionally use other acronyms, but they are used solely within a paragraph or two of being introduced. They are not included here.

**Fiscal Effects of Commercial Fishing, Mining and Tourism:
*What does Alaska receive in revenue?
What does it spend?***

Chapter 1. Summary

This report summarizes the fiscal effects of the commercial fishing, mining, and tourism industries on Alaska's state government. The report calculates state revenue collected from each industry and compares it to the state's expenditures for that industry. What revenue does the State of Alaska receive from commercial fishing? From the mining industry? From tourism? What does the state pay out to manage each resource?

While the comparison between the state's revenue and expenditures is useful information, this report is *not* an economic benefit-cost analysis. It does not discuss private sector income, employment, or other important benefits and costs. It is solely concerned with state's cost to manage and enhance these industries relative to the amount of money received. Also, the report does not consider federal funds, because they are not a cost to the State of Alaska. That is, we do not include federal funds as state revenue, nor spending of those funds as a state expenditure.

In this report, commercial fishing includes commercial fish harvesting and processing. Mining includes the hard rock, coal, and placer portions of the industry but does not include sand and gravel. Tourism — also known as the visitor industry — includes revenue from nonresidents who come to Alaska for pleasure plus 50 percent of visits for mixed business/pleasure purposes. Finally, all funds in this report are expressed in 2014 dollars unless otherwise specified.

1.1 Summary of Results

Comparison of Revenue and Expense

Figure 1. Commercial Fishing

Figure 2. Mining

Figure 3. Tourism

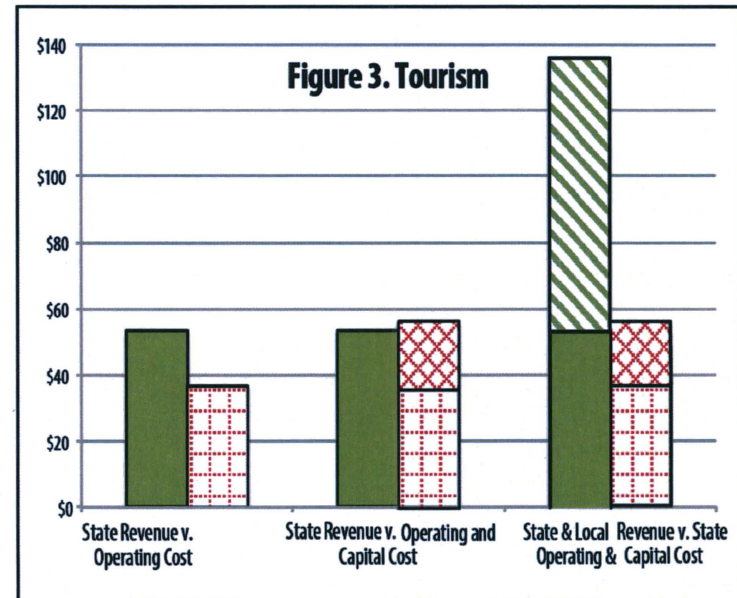
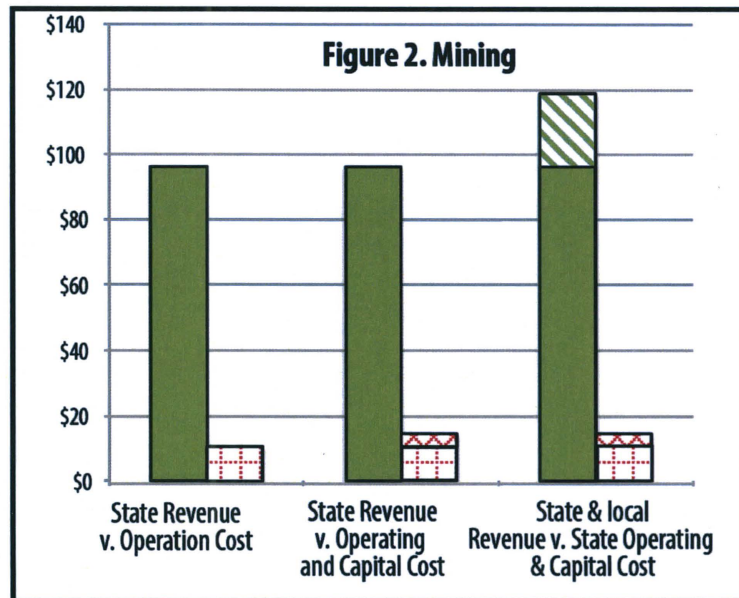
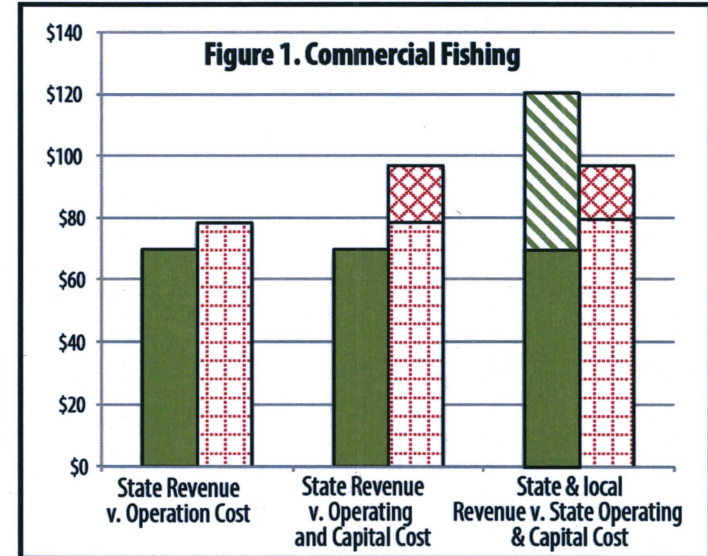


Table 1. Commercial Fishing: Comparison of Revenue and Expenditures

Commercial Fishing	Real 2014 \$ million
Average state revenue (2010-2014)	70.2
Average municipal revenue (partial, 2010-2014)	50.8
Operating expenditures (FY 2014)	78.3
Average capital expenditures (2012-2014)	18.5

Table 2. Mining: Comparison of Revenue and Expenditures

Mining	Real 2014 \$ million
Average revenues (2010-2014)	96.4
Average municipal revenues (partial, 2010-2014)	22.5
Operating expenditures (FY 2014)	10.7
Average capital expenditures (2012-2014)	4.0

Table 3. Tourism: Comparison of Revenue and Expenditures

Tourism	Real 2014 \$ million
Average revenue (2010-2014)	54.3
Average municipal revenue (partial, 2010-014)	82.6
Operating expenditures (FY 2014)	35.9
Average capital expenditures (2012-2014)	19.4

1.2 Observations and Conclusions

Revenue to the state. This report focuses on revenue that Alaska's state government receives from commercial fishing, mining, and tourism and the funds that the State of Alaska expends to manage and promote these industries. Specifically, it includes revenue to the Alaska Permanent Fund, and revenue and costs to the Alaska General Fund that the legislature controls. It excludes revenue and costs to the general fund that the legislature does not historically control. The report also includes important revenue sources to municipalities (but not municipal costs, which are generally small relative to the state's cost).

Commercial fishing

- **Considering state and municipal revenues, commercial fishing brings in more revenue than the governments expend.** Table 1 and Figure 1 show that the commercial fishing brings more to governments — state and local — than the state spends to manage and promote the industry. The average annual revenue to the State of Alaska from commercial fishing (2010-2014) was \$70.2 million; the average municipal revenue was \$50.8 million for a total of more than \$120 million. Average annual state expenditures to manage and promote the industry were \$78.3 million for the operating budget and another \$18.5 million for the capital budget for a total of \$96.8 million. This municipal commercial fishing revenue is an important source of income for municipalities with a significant fishery.
- **Not counting municipal revenue and expenditures, state expenditures are greater than state revenue.** Considering only revenue to the state, excluding local government revenue, state expenditures for commercial fishing are greater than the state revenue: state operating budget expenditures are \$8.7 million higher than state revenue; operating plus capital budget expenditures are \$27.2 million more than state revenue.

Like other figures in this report, the revenue and expenditure amounts track fiscal effects — money brought in and money spent by government. They do not include the income to Alaska's citizens from thousands of commercial fishing jobs, or purchases by the commercial fishing industry from Alaska businesses. In addition, funds collected by the state but remitted to municipalities are included as a municipal, not a state, revenue.

Mining

- **State mining revenue is more than six times the amount the state spends to regulate and promote the industry** (including both the capital and operating budgets). Average mining revenue to the state is \$96.4 million. Operating budget expenditures are a small fraction of that amount: \$10.7 million. Capital budget expenditures are also relatively small: \$4.0 million.
- **Municipal Revenue adds an additional \$22 million from mining.** The majority of municipal revenue comes from four hard rock mines: Fort Knox within the Fairbanks Northstar Borough; the Greens Creek and Kensington mines in the City and Borough of Juneau; and the Red Dog Mine in the Northwest Arctic Borough. For these boroughs, the mine is the borough government's largest private revenue source.

In addition, mining generates important revenue for independent state authorities — the Alaska Railroad Corporation and the Alaska Industrial Development and Export Authority. This revenue is excluded from the totals above because they are used by the railroad and AIDEA, and are not available for appropriation by the legislature.

Tourism

- **Tourism brings in more revenue to the state than the legislature expends through the operating budget to manage and promote the industry.** The state government receives \$54.3 million in revenue from the tourism industry, and expends \$35.9 million from the operating budget. State capital budget expenditures add another \$19.4 million, which make the state's total expenditures equal to \$55.3 million. Given the various assumptions explained throughout this report, the state's total revenue is approximately equal to its capital plus operating budget expenditures.
- **Tourism revenue to municipal government is \$82.6 million.** Local governments receive more revenue from the tourism industry than does the State of Alaska: \$82.6 million versus \$54.3 million. Municipal government tourism revenue includes the municipal share of cruise ship excise tax collected by the state and remitted to municipalities, and local taxes such as bed taxes and the portion of local sales tax revenue paid by tourists. Two communities – Juneau and Ketchikan – levy fees on cruise passengers. The municipal government figures in this report do not include local property tax paid by hotels and facilities that serve tourists.
- **Tourism expenditures are especially difficult to estimate.** Tourism is a difficult industry to analyze because it is not an industry for which data is reported by statistical agencies. Rather, tourism is a collection of products and services sold to nonresident visitors to Alaska.¹ In addition, government actions that benefit tourism also benefit Alaskans. DF&G manages sport fishing for Alaskans, but nonresidents account for 43% of all sport fishing angler days. Determining the portion of sport fish expenditures that should be allocated to tourism is an economic judgment (we chose 43%). Most capital expenditures, such as an appropriation to improve a museum, similarly benefit both tourists and Alaskans. Other government activities for tourism are similar. For that reason, our estimates of tourism-related expenditures are less precise than those for commercial fishing or mining.

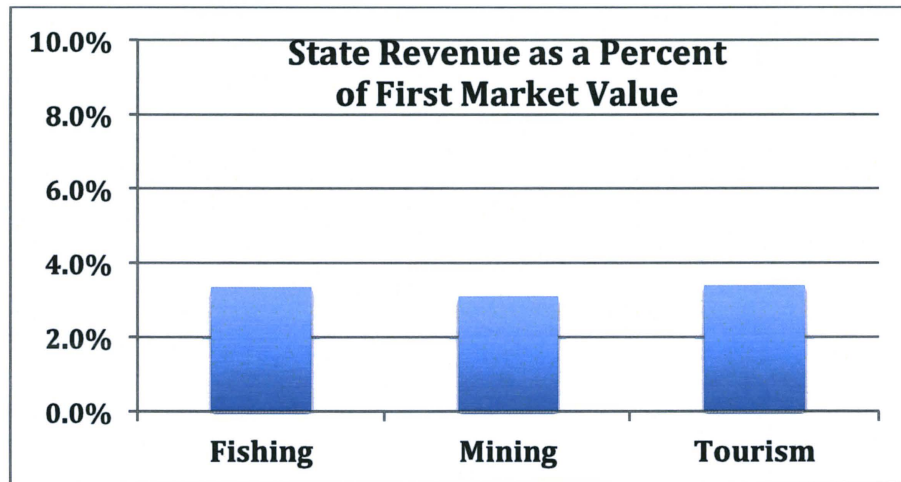
In addition to the revenue totals listed above, tourists provide an important revenue source to the Alaska Railroad Corporation and to the Alaska Marine Highway System (AMHS). The railroad revenue is excluded from the tourism total for the same reason they are excluded from mining (see above). The reasons for excluding AMHS revenue are more complicated and are explained in Chapter 5.

Other

- **Revenue as a percent of first market value is similar for the three industries.** One statistic of potential interest to policymakers is the percent of the “first market value” that the government receives in revenue. That is, what percent of the ex-vessel value of fish goes to the state? What percent of the mineral first market value does state government collect? And what percent of tourism expenditures by visitors are collected by the state? Figure 4 shows that the proportion of first market value collected by the state is remarkably similar for the each of the three industries.

¹ We recognize that intrastate tourism also brings in revenue to local governments via bed taxes and sales taxes. However, this revenue does not provide a net injection of money into the Alaska economy.

Figure 4. State Revenue as a Percent of First Market Value

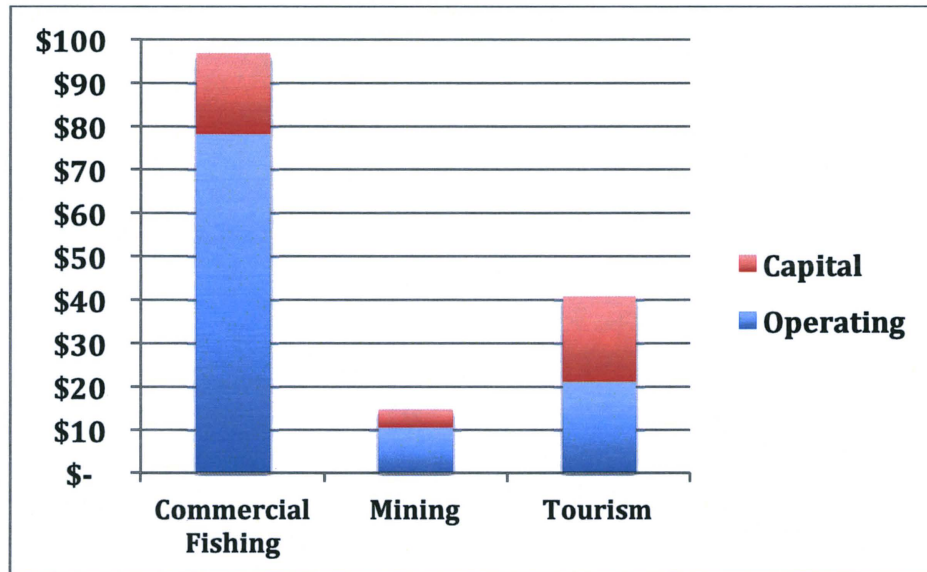


The numbers all fall in the relatively narrow range of 3.1% to 3.4%. That is, state revenue from commercial fishing is 3.4% of the ex-vessel value of fish harvested. State revenue from mining is 3.1% of the value of the minerals produced in Alaska. State revenue from tourism is 3.4% of tourism expenditures in the state.

These percentages vary as mineral and fish prices increase and decrease, which they can do quite dramatically from year to year. (The annual variation is provided in Chapter 8.) When prices are high, the industries will bring in a significantly higher portion of the first market value. When prices are low, the opposite occurs (especially for mining). If we had chosen a different five-year stretch of revenue to analyze, the results might have been somewhat different, depending on the level of tourism, and on fish and mineral prices.

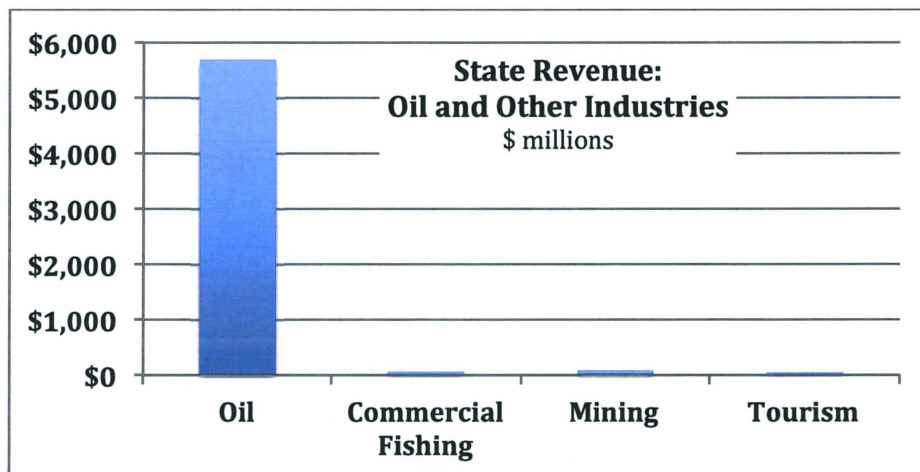
- ***The state spends relatively little to manage the mining industry.*** Total state spending to manage the mining industry is \$14.7 million. This is a relatively small amount for an important Alaska industry. It is much less than the amounts to manage and promote commercial fishing or tourism. See Figure 5.

**Figure 5: State Management Costs:
Commercial Fishing, Mining, and Tourism**
(figures in million \$)



Commercial fishing, mining, and tourism are important revenue sources for the communities in which they operate, but the fiscal impact on state government (revenue minus cost) pales in comparison with state oil revenue. The three industries profiled in this report employ thousands of Alaskans and are important for Alaska's economy in many ways. However, the oil industry is unique. When discussing revenue from commercial fishing, mining, and tourism, one can lose sight of the fact that the state revenue from these industries is extremely small — individually or collectively — when compared with oil industry revenue to Alaska. Figure 6 makes this point visually.

Figure 6. FY 14 State Oil Industry Revenue Compared with State Revenue from Commercial Fishing, Mining, and Tourism



1.3 Cautions and Caveats

- **All amounts in this report are estimates.** Numbers in this report should be considered best estimates. Revenue figures are mostly taken from government reports, but the cost numbers involve judgment and economic assumptions. In the chapters that follow, we outline the data sources used and the assumptions made. In Chapters 2, 3, and 4, we discuss revenue and expenditures that we excluded because we determined they were inappropriate to include. Others may make different, defensible assumptions. Therefore, the comparisons should be considered estimates. However, we believe that although realistic judgments about including or excluding certain amounts might result in slightly different totals, such changes would not significantly affect the overall conclusions.
- **All of the industries have various segments. The “averages” in this report do not represent all segments or any one segment.** Each of the industries in this report has different segments. Alaska benefits from federal fisheries that are managed by the federal agencies without significant state expenses. However, these fisheries pay Alaska taxes just the same. Even for the state-managed part of the industry, different fisheries have different economic characteristics. The state’s cost and revenue will be different for, say, a fishery in Cook Inlet than they will be for a fishery on the Kuskokwim. Some fisheries may pay more in revenue and need less state management attention. Others are the opposite.

The mining and tourism industries also have different segments that may not reflect the averages in this report. Placer mines are different from coal mines, which are different from hard rock mines, which are individually different from each other. The cruise ship segment of the tourism industry is different from remote bear guiding. Each of these segments may need more or less management and generate more or less revenue. Therefore, the industry totals in this report may not accurately portray any particular part of each industry.

- **The management goals for some or all of these industries may not be to maximize revenue to the state.** Alaskans are used to thinking of taxes on the oil industry. None of the industries in this study have similar economic conditions. The return to investment, profit, and management costs are different for each industry and all differ from oil. In addition, the state appears to have other management goals, besides revenue to the state, for all of the industries. For commercial fishing, the main goals appear to be maximizing employment, individual fishing incomes, community health and other social objectives. For that reason, a low ratio of state revenue to state expenditures is not necessarily a sign that something is wrong with state tax policy or regulation. We have no opinion on whether current tax rates are right or wrong for any of these industries. In particular, we are not suggesting that if state revenue is less than costs then state policy is therefore wrong.
- **This report does not analyze the potential revenue-generating capacity of these industries.** Whether state revenue from an industry is lower or higher than the amount the state expends for that industry says nothing about what funds the state could or should collect from the industry, or what the economic and social implications of changing the level of revenue collected might be.

Chapter 2. Methodology

2.1 State and Municipal Revenues

Revenues are taxes, royalties, fees or any other money received by the state from an industry. For the most part, state revenue is tracked and reported by the Department of Revenue, or by the state agency that collects it.² In a few instances, some interpretation is needed to allocate revenue to one of the industries, but generally revenue is compiled using existing government statistics. In addition, the DCCED tracks most of the standard revenue sources collected by Alaska's Municipalities.³ Finally, a series of reports by the McDowell Group provide a variety of information for all the industries. These sources -- Department of Revenue, McDowell Group reports, DCCED, and state agencies -- are the source for revenue figures in this report.

Revenue can fluctuate significantly from year to year. Revenue based on mining company profits changes with mineral prices, which can change quickly. Much of the important commercial fishing revenue varies directly with changing fish prices. Therefore, to get at representative revenue figures, we used a five-year average of revenue from 2010-2014. Revenue numbers from before 2014 were adjusted to 2014 dollars using the Anchorage consumer price index published by the Alaska Department of Labor.⁴ The annual average of those five years revenue was used to compare with costs.

In this report, revenue to the State of Alaska includes revenue to the Alaska Permanent Fund. The report considers revenue and costs to the Alaska General Fund that the legislature historically controls. For example, it excludes loans and loan repayment from funds that are theoretically under legislative control but are functionally managed as independent loan funds. It identifies but does not include revenue to the Alaska Railroad, because the railroad is managed as an independent corporation and does not transfer its profits to the general fund or receive operating appropriations from the legislature. It does not include workmen's compensation because the revenue and costs are not under legislative control: they are a basic cost of employing labor. Finally, it does not include funds that the law indicates are collected by the state for local municipalities, when the legislature has historically appropriated them for that purpose. As an example, the portion of fisheries taxes collected by the state but remitted to local governments is included as a municipal, not a state revenue.

2.2 Operating Budget

Operating expenditures are funds that state agencies expend from the operating budget to manage, regulate, or promote an industry. Our analysis of the operating budget began

² See especially the Alaska Department of Revenue Annual Reports, and bi-annual Source books: e.g., Alaska Department of Revenue, Tax Division 2014 Annual Report.

³ Alaska Taxable 2014, and previous years. Department of Commerce, Community and Economic Development. January 2015.

⁴ <http://laborstats.alaska.gov/cpi/cpi.htm>

with the budget component documents published by the Alaska Office of Management and Budget (OMB).⁵ The analysis uses the FY 14 budget as passed by the legislature and accounting for reductions made by governor's veto. It is the final agency FY 14 budget.

Funding for each state department is made up of numerous budget components. For example, the Department of Natural Resources budget contains 27 components; the Department of Fish and Game budget contains 21 components. Divisions within a department have at least one and sometimes four or five budget components.

Only one year of operating budget data was analyzed -- FY 14. The reason for using only one year is that the state's operating budget fluctuates less than revenue or the capital budget, and because of the large amount of work involved to gather and analyze operating budget data.

Certain funding categories in the budget documents are excluded from the analysis. We exclude federal funds because federal revenue and the corresponding expenditures are not state funds. This report focuses on state revenue and costs. The spending analysis excludes operating expenditures that agencies are authorized to make using funds from a capital appropriation. These expenditures are excluded from the operating budget analysis because they are accounted for in our capital budget analysis. Finally, our analysis excludes most expenditures funded by inter-agency transfers (noted in the documents as I/A funds) because they are difficult to track, typically not a large part of an agency's expenses, were usually accounted for in another agency's budget, and because the work involved was often a specific project unrelated to regulation of the three target industries. In a few places the expenditures of I/A funds were included, because they were an important cost not accounted for elsewhere.

The majority of state management costs for commercial fishing, mining, and tourism are within Alaska's resource departments: the Department of Environmental Conservation (DEC), Department of Natural Resources (DNR), and the Department of Fish and Game (DF&G), and within the Department of Commerce, Community and Economic Development (DCCED). For each of these departments, ISER personnel identified the divisions with potential management costs and interviewed division personnel, usually the Division Director or Deputy-Director. The interviews often included that division's chief budget officer. Sometimes, interviews occurred with the personnel from a division's office, such as the Public Information Center within DNR. The interviews helped identify the division's costs attributable to commercial fishing, mining, or tourism. Most interviews occurred by phone; some were in person. Most lasted 10-15 minutes. We also contacted the overall department budget officer (usually the director of the Support Services or similar division) to confirm that the omitted divisions lacked programs and costs that should be included. This interview sometimes identified programs in divisions that we had originally omitted. In these cases, we gathered the omitted data in subsequent interviews with those divisions or offices.

⁵ The information is available on the OMB website. It is the FY 2014 Enacted Budget, Component Detail for each department.

The Department of Public Safety (DPS) had only one relevant division. The budget chief for the Department of Law (DOL) prepared numbers for ISER, and we did not interview individual section chiefs within the department. Finally, the costs of collecting taxes are listed in the Department of Revenue (DOR) annual report and so no interviews with DOR personnel were needed. Overall, we reviewed 94 budget components among the seven departments, and determined that 35 had costs relevant to one or more of the industries.

Some budget categories do not reflect actual funding but are authorizations to collect and spend money. The money is not spent if it is not collected. In the language of the budget, these are typically labeled program receipts. In these categories, the legislature authorizes the agency to use those funds *if* it collects them. In the case of program receipts, we confirmed what amount the agency actually collected and spent.

This report focuses on the state's direct management costs for each agency. For example, we did not allocate to commercial fishing a portion of the DF&G Commissioners' Office on the assumption that DF&G will have a Commissioner and staff even if there is a notable change in Commercial Fishing. Similarly, we did not allocate to mining a portion of the Director's staff for the DNR Division of Mining, Land and Water. The Division would have a Director even with a notable decrease in mining. For similar reasons, we did not allocate a portion of each agency's administrative staff, computer specialists, etc. The analysis focused only on the direct management costs.

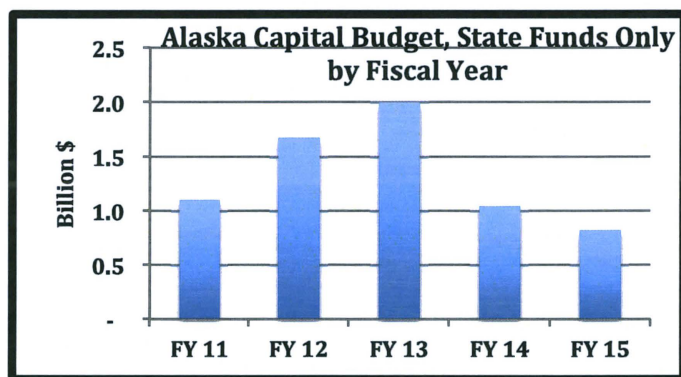
Detailed information about the specific costs from each division or office is contained in Chapter 6.

2.3 Capital Budget. Alaska's capital budget changes more from year to year than the state's operating budget. The capital budget shows a much greater change in response to elections, political decisions by the legislature, and fiscal conditions. (See Figure 7.) To get a realistic sense of recent capital budget expenditures, we reviewed three years of capital budget data: FY 12, FY 13, and FY 14.

The capital budgets from these three years cumulatively included over 3,800 separate appropriations. The first task was to focus on appropriations most likely to be relevant. To do this, we created a list of all capital projects appropriated to the DF&G, DNR, and DEC. A quick review of Capital Improvement Projects (CIPs) appropriated to DEC showed that none of them were relevant to the industries, and DEC projects were excluded from the list for analysis.

Due to the large number of projects in the DCCED capital budget, we searched for relevant projects by finding all projects with any of the

Figure 7. Alaska Capital Budgets



following terms in the title: tourism, park, museum, zoo, histor*, cultur*, sealife, heritage, oyster, salmon, fair, fish, restroom, mine, mining, mineral. Note that "*" is a wildcard term. Thus, histor* and cultur* are wildcard terms that pick up, for example, history, historical, historic.

Finally, we added the Ambler Road project, which is a Department of Transportation Project, because we were familiar with it. The cost of this project was allocated to mining.

The result of this process was a list of 333 projects spread over three fiscal years. ISER staff read each of the 333 project descriptions and either dismissed a project as irrelevant to the industries or allocated all or a portion of the project's cost to an industry according to assumptions and criteria explained in Chapter 7.

For the FY 12 and FY 13 projects, the nominal cost in that year was adjusted to FY 14 dollars using the Anchorage Consumer Price Index. Then, one-third of the project costs attributable to each industry were summed to calculate the average annual capital budget, in FY 14 dollars, that could be compared to the FY 14 operating budget and to corresponding average revenue in FY 14 dollars from each industry.

Chapter 3. Commercial Fishing Industry

In this report, the commercial fishing industry includes commercial fish harvesting and processing.

3.1 Commercial Fishing Revenue to the State of Alaska

The commercial fishing industry provides 15 sources of revenue for the State of Alaska. These revenue sources include taxes imposed by the state, voluntary assessments collected by the state to promote the fishing industry, fees, and other payments. This section describes this revenue. Section 3.4 describes some revenue collected by local government. The report does not discuss federal revenue or expenses.

Most commercial fishing taxes are assessed as a percentage of the value of the fish landed – known in the industry as the ex-vessel value. This tax revenue is dependent on the strength of the fish runs around Alaska and on the price for that year's fish. As a result, revenue varies significantly from year to year. For example, since 2000, the price per pound of Bristol Bay Sockeye has varied from a low of \$0.42/pound to a high of \$1.61/pound.⁶ For that reason, a single year's analysis of revenue is less likely to give an accurate picture than a longer-term analysis. This analysis uses the average revenue from the five years from 2010 through 2014. Table 4 shows average commercial fishing revenue, 2010-2014. All revenue is adjusted to 2014 dollars.

⁶ Alaska Department of Fish and Game:
www.adfg.alaska.gov/index.cfm?adfg=commercialbyfisherysalmon.salmoncatch_exvessel

**Table 4. State of Alaska Commercial Fishing Revenue
Average of 2010-2014; Figures in Million 2014 Dollars**

	Average Revenue 2010-2014	% of Total
"True" Taxes	Fisheries Business Tax, state share	\$22.00 31%
	Fishery Resource Landing Tax, state share	6.3 9%
	Motor Fuel Tax, marine fuel	2.5 4%
	Corporate Income Tax, fisheries sector	2.0 3%
	CFEC Revenue in excess of operations (Fee & Vessel Lic)	3.1 4%
	Loan Funds Interest Retained in the General Fund	1.3 2%
"Pass-through" Taxes	Seafood Marketing Assessment	9.6 14%
	Salmon Enhancement Tax	9.1 13%
	Seafood Development Tax	2.0 3%
	Common Property Fishery Assessment	1.2 2%
	Dive Fishery Management Assessment	0.7 1%
Fees used to pay for agency management	CFEC Revenue applied to operations (Fee & Vessel Lic)	4.4 6%
	Seafood Processor and Similar Fees	0.6 1%
	Commercial Fishing Crewmember Licenses, total	2.9 4%
	Test Fishery Receipts	2.3 3%
	DNR Shore Fishery Lease Payments & Mariculture Fee	0.4 1%
Total funds received:		\$70.2 100%

"True" Taxes. The first six taxes in the table are "true" taxes in that they are collected by the state, deposited in the General Fund, and used by the legislature for any purpose. Of these the **Fisheries Business Tax** is by far the largest tax and is levied on all businesses that process fish or export unprocessed fish. Approximately half of the total tax receipts are remitted by the legislature to municipalities where the tax is collected. The **Fisheries Resource Landing Tax** is levied on "fish resources processed outside of and first landed in Alaska." It is primarily levied on factory trawlers and floating processors which operate outside the state's 3-mile limit but land fish in Alaska for transshipment. Like the Fisheries Business Tax, approximately 50% of Fisheries Resource Landing Tax is remitted to local government.

Table 4 shows only the state's 50% (approx.) share of these two taxes. We recognize that others may consider the entirety of both taxes to be revenue to the state. However, Alaska law indicates that the legislature is expected to appropriate those funds back to municipal governments. The municipal governments expect their share of the tax revenue, receive it, and rely upon it. The Alaska Legislature has not treated it as revenue sharing, to be increased and decreased depending upon fiscal circumstances. As described by the Legislative Research Agency,⁷ "The portion of the fishery business tax returned to local government in whose jurisdiction these taxes were collected is not a general municipal

⁷ State Revenues and Expenditures for Fisheries and Wildlife in FY 94; Research Request 95.089; March 31, 1995. Legislative Analyst, Maria Gladziszewski, page 3.

revenue sharing program of the state. The fishery activity that generates this revenue is both a local and a statewide tax resource. The purpose of sharing fisheries business tax revenue with local governments where the tax is imposed is to compensate those governments for fisheries-related impacts.” The authors believe that it is more accurate to consider the portion of the tax remitted to municipal governments as local government revenue. For that reason, we include only the state share as revenue to the state—it is the portion included in Table 4.

The **Marine Motor Fuel Tax** is equal to five cents per gallon. For this analysis, we assume that 50% of this tax revenue is from fishing industry activity. Because this tax is only 4% of commercial fishing revenue, an error in this assumption does not introduce a large error in the overall result.

The **Corporate Income Tax** is the portion of Alaska’s corporate income tax that the Department of Revenue determined to be from the fishing industry.

CFEC Revenue in excess of operations includes fees collected by the Commercial Fisheries Entry Commission (CFEC). The commission collects more revenue than the legislature appropriates for its use. That is, the CFEC collects fees for commercial fishing permits and licenses. The fees are deposited in the general fund. The legislature appropriates some of those fees back to CFEC for use by the Commission. Those that remain in the general fund, after the appropriation back to CFEC, are used for whatever purpose the legislature determines. Therefore, while not titled a “tax,” the portion in excess of operation is effectively used by the legislature as a tax on the industry.⁸

DCCED, Division of Economic Development oversees four revolving loan funds to help commercial fishermen, hatcheries, and other parts of the industry. The division lends money, which is repaid into the fund. There is also loan interest, some of which is used by the Division to administer the funds, some of which is returned to the loan funds, and some of which remains in the General Fund to be used for any purpose by the legislature. The only revenue that we included in this report is the interest payments that remain in the General Fund. In Table 4, this revenue is labeled **Loan Fund Interest Retained in the General Fund**. Otherwise, we treated the fund as a separate unit that is functionally outside the state’s General Fund. Also, we did not include the Division’s cost to manage the fund as a cost allocable to the commercial fishing industry, because the cost is paid for by interest payments generated by the fund.

“Pass-Through” Taxes. The next five revenue sources might be termed “pass-through” taxes. For these taxes, a majority of permit holders in a fishery or region elects to impose a tax on themselves to fund a specific purpose. The funds flow through the state treasury and are paid out to specific groups within the industry. Constitutionally, a tax cannot be legally dedicated to a specific purpose. For that reason, these “pass-through” taxes are collected and deposited in the General Fund, but the industry relies on the legislature to

⁸ Alaska ADF&G. 2015. CFEC Program Review. (“Lawson Report.”)
http://www.adfg.alaska.gov/static-f/home/pdfs/cfec_program_review_final_report.pdf

appropriate the collection for the purpose it was collected. To date, the legislature has respected that intent in its annual budgets.

The ***Seafood Marketing Assessment*** is paid by fish processors and partially funds the Alaska Seafood Marketing Institute (ASMI). The ***Salmon Enhancement Tax*** is an elective tax in that it is only levied in areas where it is approved by a majority of fisheries permit holders, who also vote on the amount of the tax. The tax is used to provide financing for qualified regional aquaculture associations (i.e., hatcheries). The ***Seafood Development Tax*** is similar in that it is an elective tax but is used for regional seafood development associations. Three fisheries have elected to use this tax: the Prince William Sound drift gillnet fishery, the Prince William Sound set gillnet fishery, and the Bristol Bay drift gillnet fishery. The ***Common Property Fisheries Assessment*** is used to fund the operation of fish hatcheries. It is a cost-recovery fisheries assessment, authorized by the legislature in 2006, and allows hatcheries to recoup costs through an assessment on fish caught in the terminal harvest area (the area to which hatchery fish return, usually adjacent to the hatchery itself). The ***Dive Fishery Management Assessment*** is another elective assessment. It only applies to designated dive management areas and species and is assessed at a rate elected by a vote of permit holders. It applies to the geoduck, sea urchin, and sea cucumber dive fisheries in Southeast. Funds are deposited in the general fund with the expectation that the legislature will appropriate them to the Department of Fish and Game to fund the regional dive fishery development association.

We recognize that some people might consider these funds to be a cost of doing business for the seafood industry, rather than revenue to government to support public services. It is important to be consistent; it would be inappropriate to consider these “pass-through” taxes as revenue to the State of Alaska without also considering the related appropriation an expenditure. In this analysis, we have included the tax and appropriation as a revenue and expenditure. However, it would also have been reasonable to exclude them, as long as the analysis excluded both.

Agency Fees and Other Revenue. The final four revenue sources are fees on the commercial fishing industry used, after appropriation by the legislature, to fund agency management activities or other General Fund purposes. ***The Commercial Fisheries Entry Commission (CFEC)*** collects fees for commercial fishing permits and vessel licenses. This portion of Table 4 includes the portion of CFEC receipts that the legislature appropriated back to the agency for its use. The remaining portion, which remains in the general fund and is appropriated for other purposes, is included as a “True Tax” and explained above.

Seafood Processors and other parts of the industry pay a total of \$554,919 to the Department of Environmental Conservation in FY 14 for inspection and certifications of food safety. These are labeled ***Seafood Processor and Similar Fees*** in Table 4.

Fishing ***Crewmember Licenses*** are collected by DF&G. They are deposited in the General Fund. ***Test Fishery Receipts*** are sales of fish harvested in “test fisheries” established by DF&G. The DF&G Commissioner has authority to “to sell fish caught during commercial fisheries test fishing operations.” The legislature appropriates test fishery revenue back to DF&G as a program receipt authorization. That is, the Department may keep the test fishery sale revenue up to the authorization limit given by the legislature. These receipts

are used to offset the cost of operating the test fisheries and to manage the fishery. In FY 14 and most other years, the authorization limit is greater than the value that the department receives from sales.

DNR Shore Fishery Lease Payments includes revenue from shore fishery leases, used by set-net permit holders. In FY 14, the legislature appropriated the funds back to DNR for management of the shore fishery lease program as a program receipt authorization.

Mariculture Fees are DNR aquatic farm permit application fees and are deposited into the General Fund.

Revenue sources excluded from the analysis. This analysis accounts for the major revenue sources paid by the commercial fishing industry. There are undoubtedly some agency fees that are missed, though we did identify and include the largest fees which are fees paid by fish processors for certifying and enforcing food safety. Also, the Alaska Marine Highway System gains revenue from shipping seafood. We were unable to estimate the amount; while it is likely significant, neither the excluded fees nor the Marine Highway System Revenue is likely large enough to change the conclusions of this report.

There are a number of significant fees paid by the commercial fishing industry that cannot be appropriated by the legislature and are excluded from this report. The industry pays many fees to the federal government. This analysis excludes both federal revenue and expenditures; rather, it focuses on fiscal effects to the state. The industry paid \$362,300 to the Fishermen's Fund in FY 14.⁹ The fund was established in 1951, pre-statehood, to provide for the treatment and care of commercial fishermen injured while fishing. Because the fund pre-dates statehood, it is grandfathered as a special revenue source; that is, payments go directly to the Fishermen's Fund without appropriation by the legislature.¹⁰ It is excluded from this analysis because it is unavailable for appropriation, and because the payments to the fund and disbursements from the fund to injured fishermen net out in the long run. Including them in this analysis would complicate tables without providing any real information. Similarly permit buybacks funded by fishermen are similarly excluded because the payments are not payments to the general fund for discretionary appropriation by the legislature. In addition, all buyback programs we identified involved payments to the federal government.

The individual taxes and fees are described in more detail in Chapter 8.

⁹ Alaska Seafood Industry Taxes and Fees. Prepared by United Fishermen of Alaska with the McDowell Group and the Alaska Seafood Marketing Institute. 2015.

¹⁰ Alaska Department of Fish and Game. CFEC Program Review. ("Lawson Report"). January 2015. Page 16.

3.2 Operating Budget Expenditures by the State

The legislature appropriates funds to manage the commercial fishing industry. This section describes the legislature's operating budget appropriations to state agencies in FY 14. The methodology for determining operating budget appropriations is explained in Chapter 2.

To estimate the part of Alaska's operating budget expenditures attributable to commercial fishing, we interviewed managers and budget analysts at the seven departments listed in Table 5.

**Table 5. FY 14 Alaska Commercial Fisheries Management Expenses
Figures in Million Dollars**

Expense by Department	\$	%	Expense by Division	\$	%
Environmental Conservation	\$3.1	4%	Environmental Health	\$1.3	2%
			Spill Prevention and Response	\$0.3	0.4%
			Water	\$1.5	2%
Natural Resources	\$0.5	1%	Mining, Land and Water	\$0.5	1%
Fish and Game	\$50.9	65%	Commercial Fisheries	\$45.9	59%
			Boards Support	\$0.7	1%
			Commercial Fisheries Entry Commission	\$4.4	6%
Commerce, Cmty & Econ Dvpt	\$14.8	19%	Corporations, Bus & Prof Lic	\$0.04	0%
			Economic Development	\$0.1	0.1%
			Alaska Seafood Marketing Institute	\$14.6	19%
Public Safety	\$7.0	9%	Alaska Wildlife Troopers	\$7.0	8%
Revenue	\$1.6	2%	Tax Division	\$1.6	2%
Law	\$0.4	0.5%	Various Sections	\$0.4	0.5%
Total, All Departments:	\$78.3	100%	Total, All Divisions:	\$78.3	100%

Table 5 shows that the state government's total operating cost to manage and promote the commercial fishing industry is \$78.3 million. The table shows that the major state expenses to manage the industry are made by DF&G's Commercial Fisheries Division, which expends 59% of the total cost. Another 19% is spent by the Alaska Seafood Marketing Institute, and the rest of the state's expenditures are spread through other departments. More detailed description and tables concerning operating budget expenditures are provided in Chapter 6.

3.3 Capital Budget Expenditures for the Commercial Fishing Industry

Alaska spends funds for the commercial fishing industry from the capital budget. Some expenditures are true discretionary appropriations from the legislature, and some are functionally pass through funds described earlier in this report.

Alaska's capital budget varies far more than the operating budget. For example, state funds in the capital budget almost doubled between FY 11 and FY 13. For that reason, this analysis used an average of three years' capital budget amounts: FY 12 through FY 14. Of

the more than 3,800 capital projects funded in those three years, we reviewed all projects appropriated to DEC, DNR, DF&G and certain capital projects appropriated to DCCED using a search methodology explained in section 2.5, above, with further details in Appendix B.¹¹ In total, we reviewed 333 capital improvement projects (CIP) appropriated during those three years. Of those 51 were related to commercial fishing.

Capital projects often benefit fishing in general. Determining the portion to allocate to the commercial fishing industry, as opposed to sport or subsistence, requires certain assumptions. For capital projects, we allocated that portion of a project's cost that represents the commercially caught share of the fish that were directly affected by the CIP project. For example, if 85% of the fish produced by a hatchery were caught by the commercial fishing industry, then 85% of the cost of a CIP benefiting that hatchery would be allocated to commercial fishing. For CIPs that fund stakeholder management discussions, one third were allocated to the commercial industry. Our analysis included only the State of Alaska funds in the capital budget; it did not include federal funds. The assumptions and methodology are explained in more detail in Chapter 7.

Capital Projects with benefits to the commercial fishing industry in FY 12, FY 13, and FY 14 are listed in Table 8. The table shows the percentage of the cost allocated to commercial fishing. It shows the amount appropriated in nominal dollars (i.e., the individual capital project appropriation is not shown in FY 14 dollars.) The average total annual cost (i.e., one-third of the total three-year cost) of these projects is \$18.5 million, in FY 14 dollars.

Many projects in Table 8 also produce benefits for tourists who sport fish. Thus, these same projects are listed in the tourism section of this report. Note that the percentage of a project's cost that is allocated to commercial fishing plus the percentage allocated to tourism never sum to more than 100%.

¹¹ The analysis also includes five capital budget appropriations to DOT. However, they are only relevant to mining. See that section of the report.

Table 6. Commercial Fishing Capital Projects FY 12-14
Figures in millions of dollars
Page 1 of 2

Agency	Year	Cost in Million \$	% of Cost Allocated to Comm Fish	Project Name
DFG	2012	\$0.04	86%	Little Susitna River Weir Relocation
DFG	2012	\$0.1	100%	Westward Region DIDSON Sonar Purchase
DFG	2013	\$0.7	95%	Crystal Lake Hatchery Deferred Maintenance
DFG	2013	\$0.7	98%	Fish Passages, Counting and Sampling Sites, and Weir Facilities Design, Repair
DFG	2013	\$1.8	86%	Kenai River King Salmon Sonar Assessment Program
DFG	2013	\$3.7	100%	Replacement of R/V Resolution
DFG	2013	\$0.6	86%	Susitna River Sockeye Salmon Migration
DFG	2013	\$0.8	86%	Upper Cook Inlet East Side Set Net Chinook Salmon Harvest Patterns
DFG	2013	\$3.5	98%	Wild/Hatchery Salmon Management Tools
DFG	2014	\$2.0	85%	Chinook Salmon Enhancement in Northern Cook Inlet
DFG	2014	\$7.5	86%	Chinook Salmon Research Initiative
DFG	2014	\$0.5	100%	Facilities, Vessels and Aircraft Maintenance, Repair and Upgrades
DFG	2014	\$2.5	86%	Salmon Research, Restoration & Enhancement Initiatives for the Susitna River System
DFG	2014	\$0.8	98%	Statewide Fish Passages, Counting and Sampling Sites, and Weir Facilities
DCCED	2012	\$0.3	100%	Ketchikan Gateway Borough - Mariculture Research Facility
DCCED	2012	\$0.7	66%	Kodiak Regional Aquaculture Association - Lake Nutrient Enrichment Project
DCCED	2012	\$0.9	61%	Cook Inlet Aquaculture Association - Trail Lakes Hatchery Maintenance and Upgrade
DCCED	2012	\$0.6	23%	Cook Inlet Aquaculture Association - Tutka Bay Hatchery Maintenance and Upgrade
DCCED	2012	\$1.3	97%	Douglas Island Pink and Chum, Inc. - Snettisham Hatchery Maintenance and Upgrade
DCCED	2012	\$1.3	100%	Kodiak Regional Aquaculture Association - Kitoi Bay Hatchery Maintenance and Upgrade
DCCED	2012	\$0.8	95%	Kodiak Regional Aquaculture Association - Pillar Creek Hatchery Maintenance and
DCCED	2012	\$1.0	99%	Northern SE Regional Aquaculture Association - Hidden Falls Hatchery Maint and Upgrade
DCCED	2012	\$0.7	96%	Northern SE Regional Aquaculture Association - Net Pens and Hatchery Deferred Maint
DCCED	2012	\$2.2	100%	PWS Aquaculture Corporation - Cannery Creek Hatchery Maintenance and Upgrade
DCCED	2012	\$0.8	72%	PWS Aquaculture Corporation - Gulkana Hatchery Maintenance and Upgrade
DCCED	2012	\$2.1	99%	PWS Aquaculture Corporation - Main Bay Hatchery Maintenance and Upgrade
DCCED	2012	\$0.4	99%	PWS Aquaculture Corporation - Nets Pens and Hatchery Deferred Maint
DCCED	2012	\$0.3	100%	Seward - Alutiq Pride Shellfish Hatchery Upgrade
DCCED	2012	\$0.4	99%	Southern SE Regional Aquaculture Association - Net Pens and Hatchery Deferred
DCCED	2012	\$0.1	100%	Alaska Oyster Cooperative - Upgrade Existing Building to a Shellfish Processing Facility
DCCED	2012	\$0.3	33%	Yukon River Drainage Fisheries Association - Yukon River Chinook Salmon Management
DCCED	2012	\$0.4	100%	Seward - CDQ Fishing Fleet Relocation Study
DCCED	2013	\$0.6	100%	Northern SE Regional Aquaculture Association - Haines/Skagway Spawning
DCCED	2013	\$0.5	99%	Southern SE Regional Aquaculture Association - Hatchery Equipment and Deferred Maint

Table 6. Commercial Fishing Capital Expenditures FY 12-14
Figures in millions of dollars
Page 2 of 2

Agency	Year	Cost in Million \$	% of Cost Allocated to Comm Fish	Project Name
DCCED	2013	\$0.1	100%	Kachemak Shellfish Mariculture Association - Oyster Remote Setting Facility
DCCED	2013	\$1.0	35%	Cook Inlet Aquaculture - Trail Lakes Hatchery
DCCED	2013	\$0.7	78%	Cook Inlet Aquaculture - Tutka Bay Hatchery
DCCED	2013	\$1.6	100%	Kodiak Regional Aquaculture - Kitoi Bay Hatchery
DCCED	2013	\$0.9	92%	Kodiak Regional Aquaculture - Pillar Creek Hatchery
DCCED	2013	\$1.2	99%	Northern SE Regional Aquaculture - Hidden Falls Salmon Hatchery
DCCED	2013	\$0.9	100%	Northern SE Regional Aquaculture - Medvejie Hatchery Maint & Facility
DCCED	2013	\$5.3	100%	PWS Aquaculture - Cannery Creek Hatchery
DCCED	2013	\$0.9	100%	PWS Aquaculture - Main Bay Hatchery
DCCED	2013	\$3.2	33%	Bering Sea Fishermen's Assoc - Arctic Yukon Kuskokwim Sust Salmon Initiative
DCCED	2013	\$0.01	100%	Alaskan Shellfish Growers Assoc - Shellfish Industry Technical Assist Grants
DCCED	2013	\$0.5	100%	Alutiiq Pride Shellfish Hatchery - Shellfish Hatchery Facilities Upgrades
DCCED	2013	\$0.3	100%	Alaska Fisheries Dvlp Foundation - Fishing Vessel Energy Audit Pilot Project
DCCED	2013	\$0.1	100%	Village of Kaltag - Fish Processing Plant Improvements
DCCED	2014	\$0.3	100%	ASMI - Canned Salmon, Herring and Protein Powder Project
DCCED	2014	\$3.3	100%	Kodiak Regional Aqua Assoc - Kitoi Bay Hatchery Deferred Maint & Upgrades
DCCED	2014	\$0.1	86%	Yakutat Regional Aqua Assoc, Inc. - Comprehensive Salmon Plan Update
DCCED	2014	\$0.5	100%	Southern SE Regional Aquaculture Assoc. - Water Supply Infrastructure

Total 3-year cost of the 51 projects in 2014 dollars: \$62.8 million
Average annual cost of the projects in 2014 dollars: \$20.9 million
Annual cost allocated to commercial fishing: \$18.5 million

The table shows that the 51 projects funded from FY 2012 through FY 2014 have an average annual cost of \$20.9 million. Of that amount, \$18.5 million is allocated to commercial fishing.

3.4 Commercial Fishing Revenue to Local Government

For the communities with a significant fishery, tax revenue from the fishery is an important funding source for local government. The state collects the Fisheries Business Tax (also known as the “raw fish tax”) and the Fishery Resource Landing Tax, and it distributes approximately 50% of the proceeds to qualifying boroughs and incorporated municipalities. DCCED publishes the amount of municipal fish taxes ultimately received by a borough or city. These are listed in Table 7.

The table does not include all municipal revenue attributable to commercial fishing. It does not include commercial-fishing-related sales taxes or property taxes. In addition, this report makes no effort to list municipal expenditures related to the industry. However,

Table 7 shows that the commercial fishing industry is an important source of local government revenue; it provides funding for schools, police, fire, and other local services in the localities where it exists. Local government expenditures are not considered in this report but are expected to be much smaller than state expenditures.

**Table 7. Local Government Revenue from Commercial Fishing Industry
Average of 2010-2014; Figures in Million 2014 Dollars**

	Average Revenue 2010-2014
Fisheries Business Tax, municipal share	25.2
Fishery Resource Landing Tax, municipal share	5.8
Municipally imposed fisheries taxes	19.9
Local government funds total: \$50.8	

The amount of local government revenue is important. The three local government revenue sources in the table, \$50.8 million, are equal to three-quarters of the value received by the state (\$69.6 million). As a measure of the importance, the \$50.8 million gained by local governments is approximately 80% of the revenue sharing amount that the legislature appropriated to local governments throughout Alaska. It is an important revenue source to the communities with a significant fishery.

3.5 Comparison of Revenue and Expenditures for the Commercial Fishing Industry

The first two figures in this section use the information described previously to compare the commercial fishing revenue with state expenditures. Looking only at state revenue and expenditures, the state spends more on commercial fishing than it receives in revenue. However, as the third figure shows, if local government revenue is included, the commercial fishing industry generates revenue that exceeds state management expenditures.

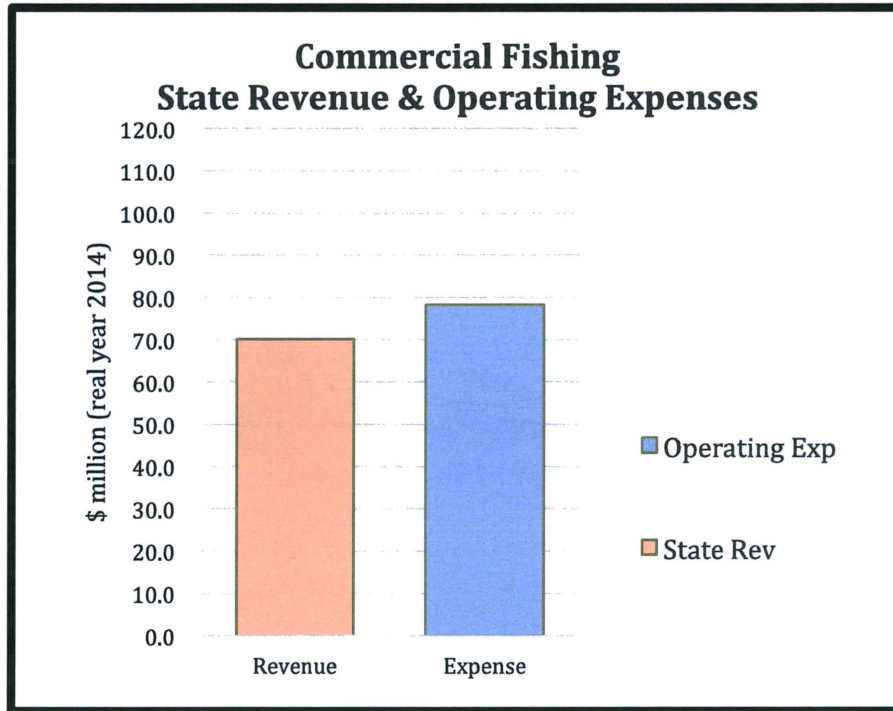
3.5.1 Comparison of State Revenue with Operating Expenditures

**Table 8. Comparison of State Commercial Fishing Revenue
with State Operating Expenditures**

Commercial Fishing	Real 2014 \$ million
Average state revenue (2010-2014)	\$70.2
Operating expenditures (FY 2014)	78.3
Surplus (Deficit)	(\$8.1)

The table shows that the State of Alaska spends \$8.1 million more on the commercial fishing industry than it receives in tax and fee revenue. Revenue is 90% of expenditures. This relationship is shown graphically in Figure 8.

Figure 8. Comparison of State Commercial Fishing Revenue with State Operating Expenditures



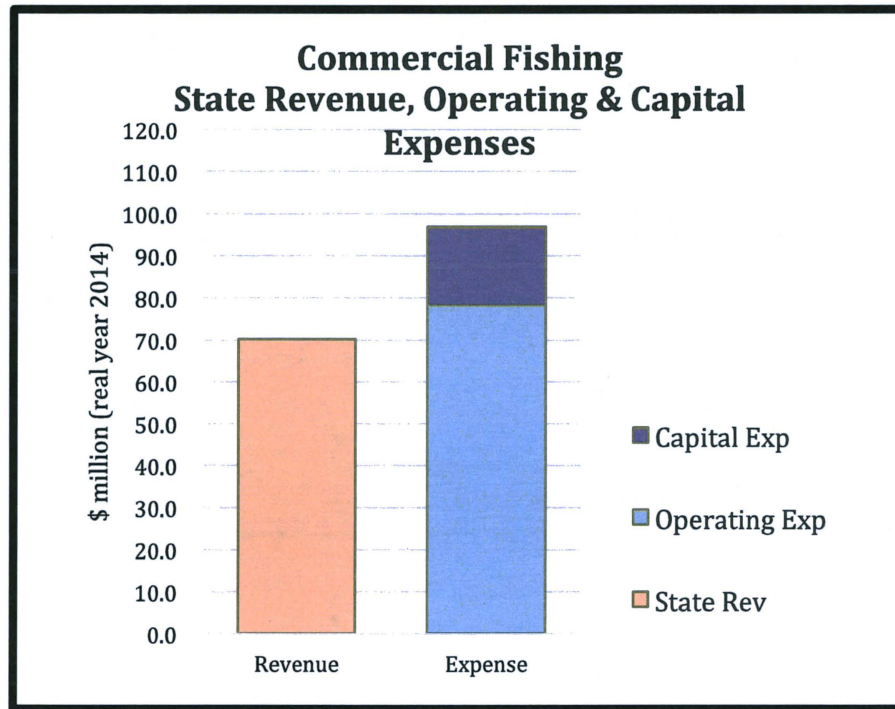
3.5.2 Comparison of State Revenue with Operating and Capital Expenditures

Including the annual average capital expenditures during 2012-2014 in the calculation increases the difference between revenue and expenditures to \$26.6 million. Including capital expenditures, revenue is 73%, of expenditures. See Table 9 and Figure 9.

Table 9. Comparison of State Commercial Fishing Revenue with Operating and Capital Expenditures

Commercial Fishing	Real 2014 \$ million
Average state revenue (2010-2014)	\$70.2
Operating expenditures (FY 2014)	78.3
Average capital expenditures (2012-2014)	18.5
Surplus (Deficit)	(\$26.6)

Figure 9. Comparison of State Commercial Fishing Revenue with Operating and Capital Expenditures



3.5.3 Comparison of State *and* Local Revenues with Expenditures

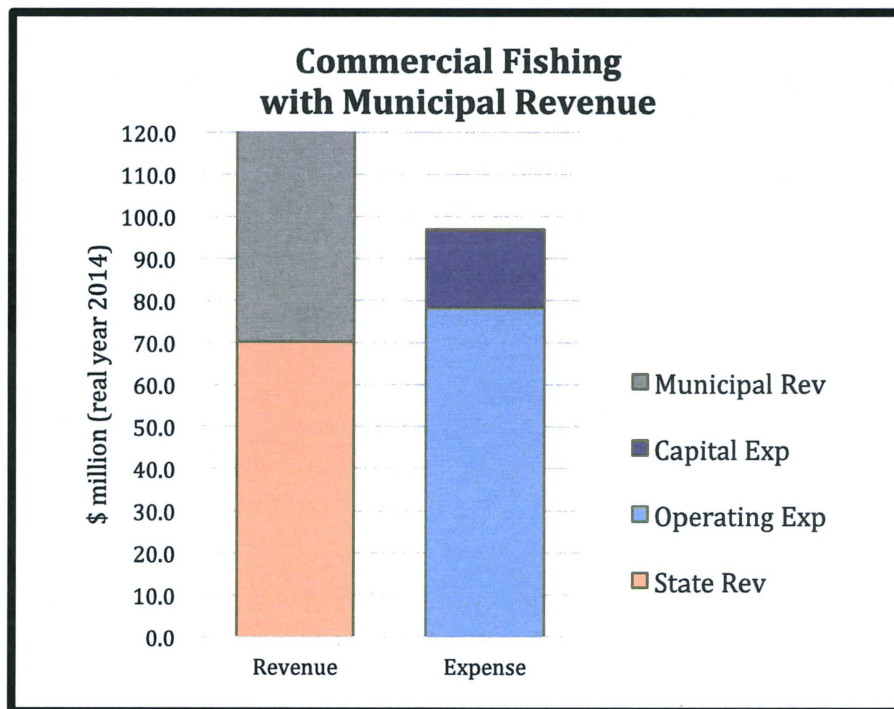
Adding local revenue to the comparison changes the conclusion dramatically. Adding the three local revenue sources included in this study to the state revenue shows that commercial fishing revenue is greater than management expenses. This study does not include local costs to service the commercial fishing industry, but these costs are expected to be much less than the state's cost and are unlikely to change the conclusion.

Considering only the state government, the fishing industry revenue to state government is less than the state's cost for the industry. When revenue to local governments is included, the opposite is true. Table 10 and Figure 10 show that taking the state as a whole, including state and municipal revenues, the commercial fishing industry generates more revenue than the state expends. The state and municipal revenue is 125% of the state's expenditures. Municipal expenditures are not included but are unlikely to be large.

Table 10. Comparison of State and Local Commercial Fishing Revenues with Operating and Capital Expenditures

Commercial Fishing	Real 2014 \$ million
Average state revenue (2010-2014)	\$70.2
Average municipal revenue (2010-2014)	50.8
Operating expenditures (FY 2014)	78.3
Average capital expenditures (2012-2014)	18.5
Surplus (Deficit)	\$24.2

Figure 10. Comparison of State and Local Commercial Fishing Revenues with Operating and Capital Expenditures



3.6 Sources of Error, and Cautions

Some of the figures cited above are reasonably exact, some are estimates, and some are based on assumptions. It is important to understand the accuracy of the conclusions. In addition, there are some cautions that the reader should be aware of.

1. “Average” conclusions are not accurate for any individual fishery.

The commercial fishing industry is not monolithic. Each individual fishery will be different from the average; it will be more or less profitable, pay more or less tax, and be more or less costly to manage. Federal fisheries are managed by the federal government. The state expends little or no money on these fisheries, but receives taxes from them. Even within the state, costs and revenue is different in different fisheries. For example, the state’s costs, revenues, and fishermen profits will be different in Bristol Bay than in the upper Yukon River.

The cost of a limited entry permit and the average revenue from that permit helps illustrate differences between fisheries. According to the Commercial Fisheries Entry Commission, between 2004 and 2008, the average price for a commercial fishing (salmon) gillnet permit in Kotzebue was \$2,500. The average price for a Chignik commercial fishing (salmon) purse seine permit was \$142,180. During that same time the average revenue per salmon permit fished varied between \$1,173 for gillnetting on the Upper Yukon to \$202,690 for a purse seine permit on the Alaska Peninsula. As one fisherman put it, “Seafood harvests come from skiffs to factory trawlers and everything in between, and target species run the whole gamut from shellfish to finfish, and even seaweed.”¹²

This study makes conclusions about the expenses and revenue for the industry as a whole. Those conclusions are unlikely to be accurate for any particular segment of the industry. Some fisheries likely pay much more than the management cost; some likely pay much less.

2. The Commercial Fishing Industry is not managed for maximum revenue to the state. There is no implication in this report that it should be managed for that purpose.

This report is *not* an economic cost-benefit analysis of fisheries management by the state. Many Alaskans may think about resource taxes by considering the oil industry. Some individuals believe that Alaska policy should maximize revenue to the state from all industries. Others understand that industries vary, with differing ability to pay, and different management objectives.

In fact, the ability of the fishing industry to pay taxes is completely unlike the ability of the oil industry. Thinking of the two in the same terms confuses the discussion. The industry return on investment, level of profit, and management costs are fundamentally different. Further, the State of Alaska has different taxing and management objectives for the commercial fishing industry than it has for other industries. For oil, the state’s objective is arguably to maximize long-term revenue. For fish, the objective appears to be to maximize employment, fishing incomes, community health, and other social objectives. Indeed, the state restricts efficiencies

¹² Fisherman Chip Treinen, “Medred fell overboard accusing commercial fishermen of not contributing,” *Alaska Dispatch News*, January 19, 2015

in the fishing industry by prohibiting boats or nets above a certain size. The goal of these restrictions appears to be to increase employment.

Our point is not that commercial fishery fees and taxes are set correctly. We have no opinion on that point. We believe an understanding of costs and revenue is useful for discussion of management of any industry, but there is no implication by the authors that because state revenue is less than state costs, state policy is necessarily wrong.

3.7 Differences with previous analyses.

The Legislative Research Agency compared state revenue and expenditures for fisheries management—including commercial, sport, and subsistence—for FY 92, FY 94, FY 95, FY 97, and FY 02. Unfortunately, these reports include commercial fisheries revenue, but expenditures were only separated in FY 94. All of the reports are helpful for considering state revenue, but the only directly comparable report is that done for FY 94.

The Legislative Research Agency's report for FY 94 found that commercial fishing revenue was 70% of expenditures including federal funds. If one revises the report's calculations to eliminate federal funds, the agency found that revenue was 64% of expenditures. These conclusions are similar to those of this report. There were a few differences in methodology, but the overall approach was very similar.¹³

DCCED prepared two reports, in FY 2005 and FY 2006. These reports came to different conclusions. They concluded that the seafood industry had a surplus: that there was more revenue collected than state funds expended. However, those reports included the municipal share of Fisheries Business Tax and Fisheries Landing Tax. With those included, the report found that, excluding federal funds, state revenue was 136% of state expenses in 2005 and 118% in 2006. This appears reasonably similar to the comparisons in this report that includes revenue to localities. There are two major differences between the comparisons in this report and those in earlier DCCED reports. This report includes fish taxes collected by the state and remitted to municipalities as local revenue not state revenue, and this report includes capital budget expenditures.

¹³ Some previous analyses included expenditures by the Department of Labor and Workforce Development. We have omitted them. Preparing Alaska's workforce for the mix of Alaska's jobs is education. It is a responsibility of government. We did not see a reason to look into the course make-up at AVTEC for the same reason that it is inappropriate to charge the University of Alaska's biology courses to commercial fishing (or the Geology Department to mining). The Department (and the University) have the responsibility to prepare Alaskans to work at whatever mix of employers exist in Alaska.

Chapter 4. Mining Industry

In this report the mining industry includes coal, hard rock, and placer gold mines. The information in this report does not include sand and gravel operations. Also for this report, revenue to the State of Alaska includes revenue to the Alaska Mental Health Trust, a quasi-independent state agency which funds a state function, providing mental health services to Alaskan citizens.

4.1 Mining Industry Revenue to the State of Alaska

Mineral industry revenue to the State of Alaska includes traditional taxes, such as the mining license tax or corporate income tax, and also mineral rents and royalties. Most of these taxes are a percentage of a company's net profits. Because world mineral prices can fluctuate rapidly, mineral revenue to the State of Alaska vary greatly from year to year. For example, in 2011 world gold prices fluctuated between a low of \$1,319 per ounce in late February and a high of \$1,895 at the beginning of September, a change of 44% over half a year.¹⁴ Other minerals such as coal or zinc vary greatly as well. Because of the fluctuation, a single year's analysis of revenue is less accurate than a longer picture. This analysis averages five years of revenue, from 2010 to 2014.

Table 11 shows the average annual revenue, from 2010 to 2014, adjusted to 2014 dollars. An expanded version of the table is provided in Chapter 8.

**Table 11. State of Alaska Mining Revenue
Average of 2010-2014; Figures in Million 2014 Dollars**

		Average Revenue	
		2010-2014	% of Total
These taxes and fees apply to all landowners	Mining License Tax	\$39.9	41%
	Corporate Income Tax, mining sector	31.9	33%
	State mining misc fees, total	2.5	3%
	Large Mine Projects Fees through DNR OPMP	1.9	2%
	Motor Fuel Tax, mining share	0.6	1%
State land only	Mining rents and royalties, total	19.5	20%
Total Funds Received		\$96.4	100%

The mining industry has three somewhat different segments: hard rock, coal, and placer mining. Hard rock mines are typically large mines that extract minerals from bedrock. They may be open-pit or underground. Coal mines are large mines, but the technology, economics, and some taxes are different for coal than for hard rock mines. Placer mines are typically smaller and separate free particles of gold from current or old floodplain gravels using the flow of water. Taxes affect these three segments in somewhat different ways.

The five hard rock mines and Alaska's lone coal mine, the Usibelli Coal Mine, are Alaska's large mines.

¹⁴ Kitco. http://www.kitco.com/scripts/hist_charts/yearly_graphs.plx;

- Greens Creek silver mine within the City and Borough of Juneau (underground);
- Kensington gold mine within the City and Borough of Juneau (underground);
- Pogo gold mine north of Delta Junction (underground);
- Fort Knox gold mine within the Fairbanks North Star Borough (open pit);
- Red Dog lead zinc mine within the Northwest Arctic Borough (open pit); and
- Usibelli Coal Mine within the Denali Borough (open pit).

These six large mines pay the vast majority of the taxes and fees. They are large, capital-intensive facilities with sometimes hundreds of employees.

Placer mines are much different. There are many more of them, but they are much smaller. According to a DNR estimate, 295 placer mines had some activity in 2013. The average placer mine had four workers; 27% were run by one person though there were a few significantly larger mines (50+ workers).¹⁵ Most of the income from these mines is paid out as wages or payments to individuals. While important in the areas where it occurs, placer mining production was roughly 100,000 ounces of gold in 2013, while the rest of total statewide production of over one million ounces of gold was produced mostly from Alaska's hard rock gold mines.

Like the fishing industry, the mining industry has a special tax, the ***Mining License Tax***. The tax is up to 7% of net profits of mineral production. It produces the most revenue for the state, 41% of the total for the five years listed in Table 11. The ***Corporate Income Tax*** for mining is no different than for other industries, up to 9.4% of taxable income, and provides approximately a third of the mining revenue to the state. These two taxes apply to all mines in the state, though almost all of the revenue comes from the six large mines. These taxes are a percentage of net business profits; most of the placer mine income is paid out in wages and payments to individuals who are not subject to these taxes. These two taxes apply to mines on all lands: state, Native, federal, or private.

Mining Rents and Royalties apply differently to different parts of the industry. Hard rock and placer mines on state land operate on state mining claims. Coal mines operate on a coal lease. The two categories are subject to different rent and royalty provisions. Also, mining rents and royalties apply only to mines on state land, not to those on federal, Native or private land.

Hard rock and placer mines on state land are subject to a 3% net profits royalty. While most of the placer mines are on state land, only two of Alaska's hard rock mines are on state land. Royalty, like Mining License and Corporate Income Tax, is based on net business profits.¹⁶ Rents apply to all placer and hard rock mining properties, including exploration sites and mineral properties not in production. Mining rents are charged as escalating fees that apply to mining claims on state land. They begin at \$35/year for a 40-acre claim and escalate after 11 years to \$170/year for each 40-acre claim. Despite the relatively small fee

¹⁵ Information from The Economic Impacts of Placer Mining in Alaska, October 2014. Prepared by the McDowell Group for the Alaska Miners Association. Pages 1 and 2.

¹⁶ Actually, one of them, Fort Knox, mines ore from land owned by the Alaska Mental Health Trust. However, the Trust is treated as a state agency for purpose of this analysis.

per claim, the industry requires thousands of acres of claims; the cumulative rent added up to \$7.5 million in 2013.

Hard rock and placer mines on state land are also subject to an **Annual Labor** requirement. Each year the owner of a mining claim must either perform \$100 of work per claim, or may pay \$100 to the state per claim. Revenue from the annual labor requirement amounted to approximately a half- million in 2013.

Coal Rents and Royalties are different than those for hard rock and placer mines. The economic characteristics of the coal industry are different from placer or hard rock mines and the terms are not directly comparable. Coal mines operate under a lease with the state, rather than a mining claim. The rent and royalty rates are specified in the lease. The terms of a typical coal lease have changed over time. Leases issued within the last decade require 5% payment of adjusted gross royalty (i.e., of revenue minus transportation costs internal to the mining area and a few other adjustments), plus \$3 per acre as rent.

State Mining Fees is a catch-all category that includes a number of various fees including application fees and filing fees. A significant part of these fees comes from bonus bids received from the auction of offshore leases near Nome.

Large Mine Project Fees are an unusual category. They are part of an unusual financial arrangement for mining, oil and gas, and a few other large projects. Mining-related pre-permitting review, permitting activities, and agency inspection are coordinated through DNR's Office of Project Management and Permitting (OPMP). Mines voluntarily pay for this coordinating function, and reimburse the agencies for the work involved. This arrangement requires the mining company to develop a reimbursement agreement with DNR. In turn, DNR reimburses the individual agencies and divisions that work on the mine project. In this manner, the mining industry pays for most of the permitting and regulatory compliance work accomplished by DNR, DEC, DF&G, and frequently the Department of Law. These payments totaled \$1.9 million in 2014.

The mining industry share of the **Motor Fuel Tax** is taken from the Alaska Mineral Industry Report, published by DNR and DCCED.¹⁷

Potential, Excluded Revenue Sources

- *Usibelli Coal Mine, Inc.'s Payments to the Alaska Railroad.* The Alaska Railroad's main source of income is the shipment of freight. In 2013, Usibelli Coal Mine, Inc. paid the Alaska railroad \$18.9 million in tariffs for shipping coal on the railroad. This amount was approximately 20% of the railroad's freight revenue.¹⁸ This revenue is excluded for two reasons. First, we cannot include revenue without including the related cost. The related cost is the expense that the railroad incurs to ship the coal. That cost is unknown (to us) and proprietary. Second, the Alaska Railroad Corporation acts as an independent corporation, though it is state owned.

¹⁷ <http://dggs.alaska.gov/pubs/id/29128>

¹⁸ Statewide Socioeconomic Impacts of Usibelli Coal Mine, Inc. January 2015. Prepared by the McDowell Group for Usibelli Coal Mine, Inc. Page 11.

It does not deposit revenue into the General Fund nor does it receive General Fund appropriations. It is functionally not part of state revenue and expenses that are allocated by the legislature. Therefore, we excluded the mining payments to the Alaska Railroad from the calculations in this report.

- *Red Dog Road Payments to AIDEA.* Payment by the Red Dog Mine to the Alaska Industrial Development and Export Authority (AIDEA) is often considered revenue from the mining industry to the state. The payments are significant; approximately \$12 million in 2013. However, the payments are not included in Table 11. AIDEA issued bonds to finance the road from the Red Dog Mine to the port site where Red Dog's ore is exported. AIDEA owns the road and leases it to Red Dog in return for a per-ton fee on ore shipped over the road. It is not appropriate to include revenue without also including the related cost (the bond payments), and so both were excluded from this analysis. In addition, Red Dog payments do not go to the general fund but to AIDEA, which like the railroad is a state-owned corporation. Its revenue and costs are not a part of the general fund. Periodically, some AIDEA funds are transferred to the general fund; however, we did not determine the portion of those funds attributable to the net of Red Dog Payments minus AIDEA bond payments. Thus, excluding this amount from mining revenue results in a small underestimate of the revenue.

This analysis also excludes revenue from state sand and gravel sales. Sand and gravel is not included as "mining" in this report, and so its revenue and costs are both excluded.

Individual taxes and fees are explained in greater Detail in Chapter 8.

4.2 Operating Budget Expenditures by the State for Mining

This section of the report describes Alaska's operating budget expenditures in FY 14. The operating budget was taken from budget components published on the state's Office of Management and Budget website. It does not include federal funds or most inter-agency transfers (except that large mine project fees were included to balance the project fee revenue described above). It does not include capital budget funds that are included in the next section. Finally, the authors of the report interviewed managers and budget analysts at departments listed in Table 12.

**Table 12. FY 14 State Operating Expense due to Mining
Figures in Million Dollars**

Expense by Department			Expense by Division		
	\$	%		\$	%
Environmental Conservation	\$0.7	6%	Environmental Health	\$0.01	0.1%
			Air Quality	\$0.4	4%
			Spill Prevention & Response	\$0.04	0.4%
			Water	\$0.2	2%
Natural Resources	\$6.6	61%	Office of Project Management & Permitting	\$1.6	15%
			Recorder's Office	\$0.2	2%
			Public Information Center	\$0.1	1%
			Mental Health Trust Land Office	\$0.4	3%
			Mining, Land and Water	\$2.4	22%
			Geological & Geophysical Surveys	\$1.9	18%
			Office of History and Archaeology	\$0.05	1%
Fish and Game	\$0.4	3%	Habitat	\$0.4	3%
Commerce, Cmty & Econ Dvpt	\$0.4	3%	Economic Development	\$0.4	3%
Revenue	\$1.5	14%	Tax Division	\$1.5	14%
Law	\$1.2	11%	Various Sections	\$1.2	11%
Total, All Departments	\$10.7	100%	Total, All Divisions	\$10.7	100%

The table suggests a number of conclusions. First, the total state operating cost — \$10.7 million — is a relatively small cost to manage an important Alaska industry.

Second, the majority of costs are concentrated within the Department of Natural Resources, and these, in turn, are concentrated in the Division of Mining, Land and Water, the Office of Project Management and Permitting (OPMP) and the Division of Geological and Geophysical Surveys. The OPMP costs are slightly misleading, however. While they are shown as OPMP expenditures, the office manages reimbursable services agreements by which the large mining companies agree to pay for coordination and the work performed in permitting and regulating the mines. Different divisions — primarily within DNR, DF&G, and DEC but also the Department of Law and sometimes others — charge OPMP for time spent on this work.¹⁹ OPMP, in turn, bills the mines. Therefore, while \$1.6 million is shown in the table as OPMP expenses, most is actually spent on work done by DF&G, DEC, DOL and other divisions within DNR and is reimbursed by the industry under the Large Mine Project Fees described above.

Potential Operating Budget Sources Excluded. Some previous discussions of state expenditures for the mining industry have allocated some Division of Forestry firefighting costs to the mining industry. Some have not. While the large mines are asked to defend their facilities from wildfires, isolated small placer mines are not. However, the majority of firefighting expenses related to placer mines are to defend structures that have existed for decades. These structures and the associated cost will exist whether or not the placer mining industry continues to function. Few new structures are being built. If gold prices

¹⁹ Interestingly, the Department of Law's cost for the mining industry is twice what it expends for commercial fishing and tourism combined.

drop and the number of placer mines radically decreases, firefighting expenses will only decrease marginally because the old structures will still exist. For that reason, we decided to exclude that cost from our analysis. Old analyses have sometimes included a million or two for firefighting costs, and so including this cost would not have significantly changed the conclusions of this report.

As indicated previously, we also excluded costs associated with excluded revenue: material sales (sand and gravel) and AIDEA costs related to the Red Dog Road.

More detail about operating budget expenditures is provided in Chapter 6.

4.3 Capital Budget Expenditures

This section of the report is short: There are five capital budget items that fund mining-related projects during the period FY 12 through FY 14. As explained previously, we reviewed all capital improvement projects (CIP) appropriated to DEC, DNR, and DF&G; and we reviewed capital appropriations to DCCED using a search methodology explained in section 2.5 and in Appendix B. That procedure produced three capital projects related to mining, all allocated to the DNR Division of Geologic and Geophysical Surveys. From personal knowledge, we knew that DOT and AIDEA had expended funds planning for the Ambler Mining District, and so we found the projects within the DOT capital appropriations (the 2013 appropriation information was gathered from AIDEA staff. Also, the AIDEA funds are part of a DOT CIP. AIDEA was funded through an agreement with DOT). These five mining-related projects are shown in Table 13.

Table 13 shows the amount actually appropriated (i.e., the value in nominal dollars). Over the three years, the capital project total is \$11.9 million in nominal dollars. When adjusted for inflation, the total is \$12.0 million in 2014 dollars. The average annual cost of these projects is \$4.0 million, in FY 14 dollars. All of that is allocated to mining.

Table 13. Mining Capital Projects FY 12-14
Figures in millions of dollars

Agency	Year	Cost in Million \$	% of Cost		Project Name
			Allocated to Mining		
DNR	2012	.5	100%		Rare Earth Elements and Strategic Minerals Assessment
DNR	2013	2.7	100%		Strategic and Critical Minerals Assessment
DNR	2014	2.5	100%		Strategic and Critical Minerals Assessment
DOT	2012	\$1.3	100%		Ambler Mining District Road (study)
DOT	2013	\$4.9	100%		Ambler Mining District Road (study)

Total 3-year cost of the 5 projects in 2014 dollars: \$12.0 million
Average annual cost of the projects in 2014 dollars: \$4.0 million
Annual cost allocated to mining: \$4.0 million

4.4 Mining Revenue Collected by Local Government

Large mines are capital-intensive facilities. They have significant property and are subject to property taxes in the boroughs in which they are located. These mines are generally the largest property taxpayers in those communities.

- The Red Dog mine is the only taxpayer in the Northwest Arctic Borough. In 2013, the mine paid \$11 million to Borough government, including a \$2.4 million payment directly to the school district. Between 1982 and 2013, the mine's payments have totaled \$116.4 million. These are payments in lieu of taxes — essentially an agreed-upon substitute for a property tax or other assessment.²⁰
- Fort Knox mine is a large taxpayer in the Fairbanks North Star Borough. Its 2015 property tax bill is \$7.5 million, up from \$5 million in 2011.²¹
- The Greens Creek and Kensington mines are the first and second largest taxpayers in the City and Borough of Juneau. In 2014, Greens Creek paid more than \$1.7 million in property taxes and Kensington paid more than \$1.2 million.²²
- The Usibelli Coal Mine pays a severance tax of \$0.05 per ton of coal, which results in a payment of approximately \$100,000 per year to the borough. In addition, the mine pays approximately \$25,000 per year to other boroughs in Alaska.²³

Collectively, the mines in Alaska paid an average of \$22.5 million per year in FY 14 dollars for the years 2010 through 2014. These payments are important for each community where a large mine exists. The payments to municipalities are shared only with four boroughs: Juneau, Fairbanks, the Denali Borough, and the Northwest Arctic Borough. The payments do not include other local taxes such as sales tax.

4.5 Comparison of Revenue and Expenditures for the Mining Industry.

This section uses information in the previous sections to compare the revenue for the mining industry with expenditures. In the three comparisons that follow, state mining revenue is much greater than expenditures.

²⁰ Source: NANA Development Corporation, quoted in *Economic Development Journal*, published by the International Economic Development Council. *Mining and Sustainable Communities: A Case Study of the Red Dog Mine*. R. Loeffler. Volume 14, No. 2. Spring 2015. Pages 23-31.

²¹ Fairbanks North Star Borough Property Assessor's Website.
<http://co.fairbanks.ak.us/Assessing/propacctsum.aspx?id=478318>

²² For Greens Creek: personal communication Hecla Greens Creek Mine personnel; for Kensington property information supplied by the City and Borough of Juneau personnel; millrate from the borough website.

²³ *Statewide Socioeconomic Impacts of Usibelli Coal Mine, Inc.* January 2015. Prepared by the McDowell Group for Usibelli Coal Mine, Inc. Pages 2 and 3.

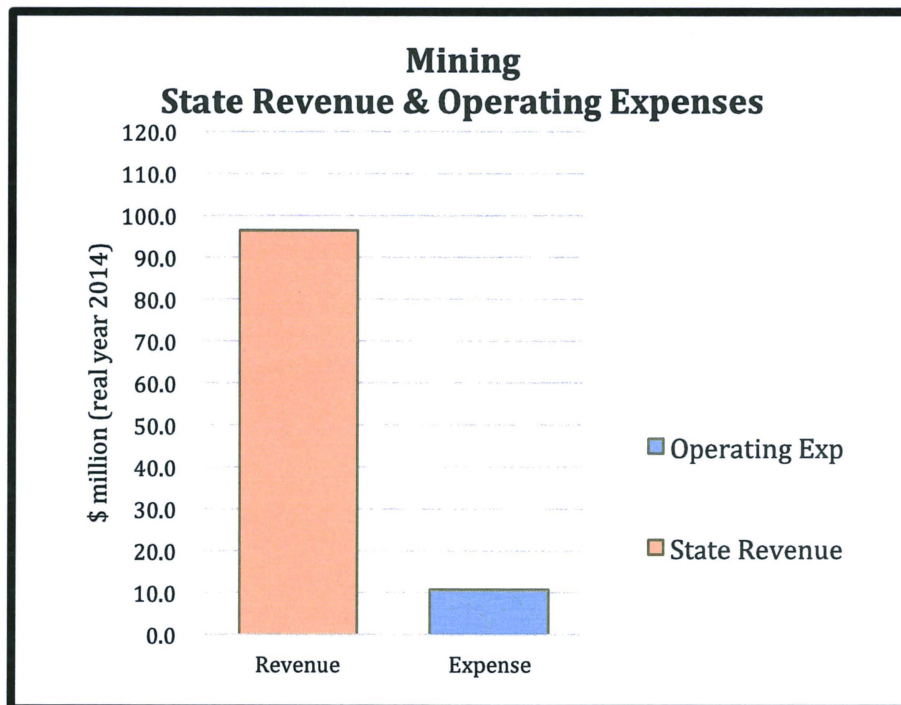
4.5.1 Comparison of State Revenue with State Operating Expenditures

Table 14. Comparison of State Mining Revenue with State Operating Expenditures

Mining	Real 2014 \$ million
Average state revenue (2010-2014)	\$96.4
Operating expenditures (FY 2014)	10.7
Surplus (Deficit)	\$85.7

Table 14 shows that the State of Alaska receives \$85.2 million more in revenue from the mining industry than it spends. State revenue is almost ten times state operating expenses.

Figure 11. Comparison of State Mining Revenue with State Operating Expenses



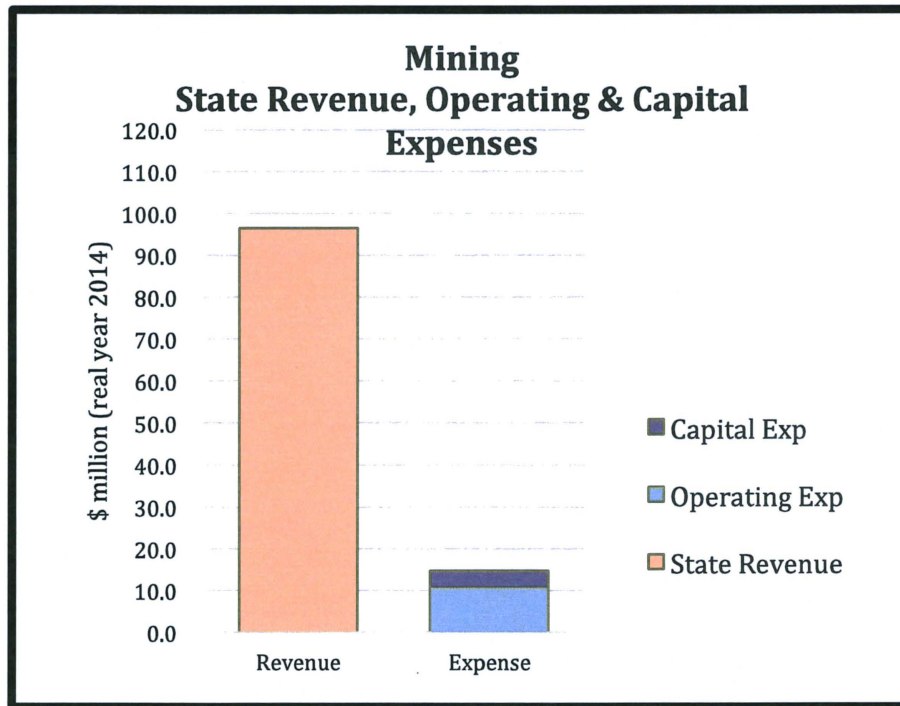
4.5.2 Comparison of State Revenue with Operating and Capital Expenditures

Table 15. Comparison of State Mining Revenue with Operating and Capital Expenditures

Mining	Real 2014 \$ million
Average state revenue (2010-2014)	96.4
Operating expenditures (FY 2014)	10.7
Average capital expenditures (2012-2014)	4.0
Surplus (Deficit)	\$81.7

The legislature has made relatively few capital appropriations for the mining industry. The additional of capital budget expenses to the operating revenue described above does not change the conclusions much. The difference between state revenue and operating plus capital expenditures is \$81.7 million. See Table 15 and Figure 12.

Figure 12. Comparison of State Mining Revenue with Operating and Capital Expenses



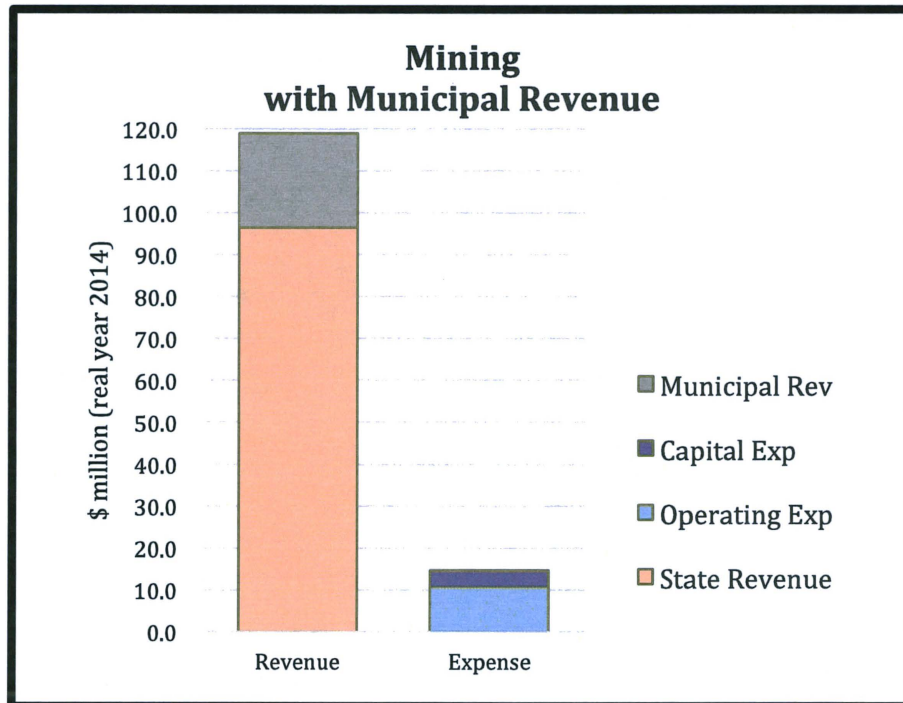
4.5.3 Comparison of State and Local Revenue with Expenditures

Adding local revenue to the comparison increases the difference between mining revenue and state expenses. This study does not include local costs to service the mining industry, but these costs are likely much lower than the state's costs and are unlikely to change the conclusion. Table 16 shows that revenue is \$104.2 million greater than the state expenses. The relationship is also shown in Figure 13.

Table 16. Comparison of State and Local Mining Revenues with Operating and Capital Expenditures

Mining	Real 2014 \$ million
Average state revenue (2010-2014)	96.4
Average municipal revenue (partial, 2010-2014)	22.5
Operating expenditures (FY 2014)	10.7
Average capital expenditures (2012-2014)	4.0
Surplus (Deficit)	\$104.2

Figure 13. Comparison of State and Local Mining Revenues with Operating and Capital Expenses



4.6 A Caution: "Average" conclusions are not accurate for any individual mine, nor for the different segments of the mining industry. The conclusions of this report are for the mining industry as a whole: hard rock, coal, and placer. The three parts of the industry

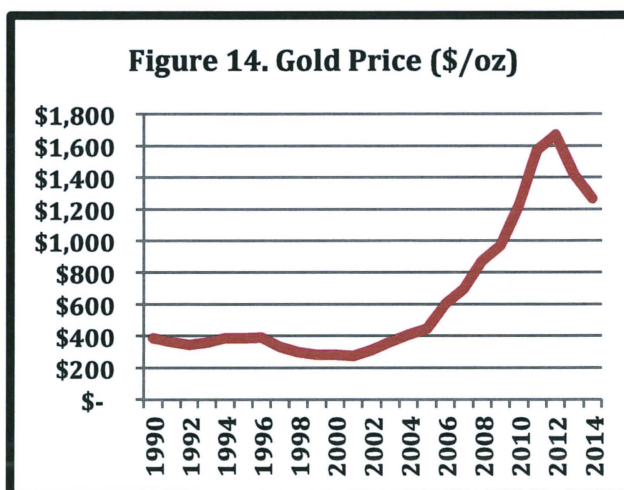
operate under different economic conditions. The figures in this report do not represent any individual segment, although Alaska's hard rock mines contribute most of the revenue, and are responsible for much of the operating budget expenditures. Half of coal mine regulatory expenses are funded by federal funds, which are not costs to the state and are excluded from the analyses. While the hard rock segment may be most responsible for the figures in this report, the conclusions do not represent any individual hard rock mine. Every mine is different. At some mineral prices, some mines may be making a significant profit, while others may be losing money. The economics of individual mines can be very different. Mineral prices do not move in lockstep. Gold prices can be increasing while zinc prices are falling sharply. Or the opposite. It is similar with lead and silver prices. Therefore, it is important not to assume that the overall payments and costs represent any individual mine.

4.7 Differences from previous analyses

Previous analyses have come to somewhat different conclusions when comparing mining industry related costs and revenue than does this analysis. Analysis completed for FY 95, FY 97, and FY 02 concluded that the state's management costs for mining were greater than its revenue. The analyses concluded that mining revenue accounted for between 49% and 58% of costs for those years. By FY 05 and FY 06, the analyses showed that mining returned significantly more than the state's cost. The FY 06 analysis showed General Fund revenue of \$44.8 million and costs of \$12.9 million.

To some extent the two sets of analyses reflect some different assumptions but most of the difference is due to an increase in mining revenue.²⁴ The increase in mining revenue is the result of higher mineral prices and opening new mines.

Figure 14 shows the change in gold prices since 1990.²⁵ The approximately \$400/ounce gold price in the early 1990s began to drop in 1996. The price hit a low of \$255.95 on April 2, 2001 before rebounding. It reached its highest price of \$1,895.00 on September 2 and 3, 2011. While gold is only part of the industry, zinc, silver and lead prices were low during the late 1990s and the first years of this century. As a result mining profits were low. Greens Creek mine actually shut down from 1992 to 1995. Fort Knox began operation in 1996, but decreased its capital valuation on its balance sheet twice in



²⁴ One of the main differences in assumptions is that the FY 06 analysis includes \$17.7 million in AIDEA revenue and \$9.5 million in cost for the Red Dog Road. These are not included in our analysis for reasons explained in Section 4.1. However, the major difference is the increase in revenue from the industry.

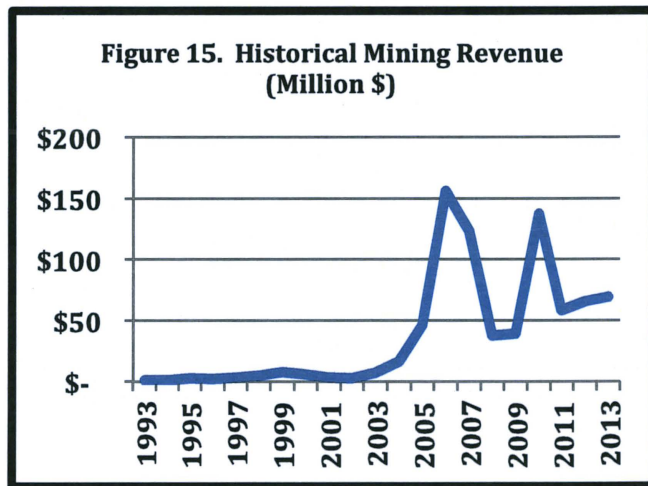
²⁵ Source for Figure 14 and the figures in this paragraph is www.kitco.com.

the late 1990s due to low mineral prices. The Illinois Creek Gold Mine went bankrupt in 1999.

The major mining revenue — mining license tax, corporate income tax, and royalty — tax business profits. When business profits are low or non-existent, these taxes yield little revenue to the state. As profits increase, revenue to the state increases.

In addition to the increase in mineral prices, there has been an increase in the number of large mines. Until Fort Knox opened in 1996, there were no hard rock mines on state land (and therefore no royalty payments to the state). The Pogo Mine began production in 2006 on state land. The Kensington Mine began production in 2010.

Figure 15 shows state revenue taken from DNR's Mineral Industry Reports.²⁶ The figure shows amounts in nominal dollars. It shows that, in general, revenue has increased along with gold



prices. Figure 15 and Figure 14 do not match more closely in part because the value of Red Dog Mine's zinc production (price not shown) was greater than that of Alaska's gold production until approximately 2011. The product with the greater statewide value including the amount mined and the price — zinc or gold — changes depending on the year, on relative mining rates, and on mineral prices.

²⁶ See Mineral Industry Report 2013 and previous years. DNR's Division of Geophysical and Geologic Surveys, frequently in cooperation with the Department of Commerce, Community and Economic Development. The figures in the report were adjusted by subtracting AIDEA use fees (which were included in 2003 and later years), and by subtracting material sale revenues, which are not included as "mining" in this report. The annual Mineral Industry Report only began including mining's share of Alaska corporate income tax for the year 2000. Therefore, previous years do not include mining's share of corporate income tax. However, mineral corporate income taxes were low during that period, and were \$400,000 or less through 2003.

Chapter 5. Tourism Industry

Tourism is a collection of products and services sold to nonresident visitors to Alaska. The industry is also commonly referred to as the visitor industry. Measurement of tourism activity is challenging because, for example, there is no simple way to know whether a given tank of gasoline is being sold to a visitor or an Alaska resident. The consumer of tourism and recreation experiences often purchases several goods and services and uses them as inputs to “produce” the experience. An angler might fly to Anchorage, rent a car, purchase gasoline and a fishing license, drive to the Kenai River, and go fishing with a licensed guide.

Similarly, many government activities that help the tourism industry are the same activities done to help Alaskans. Examples include setting hunting regulations, building museums, operating the state ferry system, and managing sport fisheries. These are all done for Alaskans — but are important for tourism as well.

The conclusions in this report are based on a number of assumptions about how to allocate tourism costs and sometimes how to allocate revenue. We believe that this report makes reasonable assumptions, but other reasonable assumptions are probably also possible. For that reason, the figures in this report should be considered general estimates. They are less accurate than those for commercial fishing and mining.

5.1 Tourism Revenue to the State of Alaska

Some tourism revenue to the State of Alaska is easy to identify such as nonresident hunting and fishing licenses, or payments made by cruise ships. Others are more difficult, such as the portion of the state’s alcohol tax due to drinking by visitors.

Table 17 shows the average annual revenue, from 2010 to 2014, adjusted to 2014 dollars. The last part of this section discusses potential revenue sources that are excluded from Table 17. Some revenue sources are excluded because it is difficult to determine what portion is allocable to tourism. Thus, the total in Table 17 may slightly underestimate tourism revenue. Revenue is also discussed in Chapter 8.

**Table 17. State of Alaska Tourism Revenue
Average of 2010-2014, Figures in Million 2014 Dollars**

		Average Revenue 2010-2014	% of Total
Cruise ship taxes & fees	Commercial Passenger Vessel Excise Tax, state share	\$14.00	26%
	Large Passenger Vessel Gambling	6.3	12%
	Ocean ranger fees	4.0	7%
	Commercial Passenger Vessel Env Compliance Fee	0.9	2%
	Vehicle Rental Tax	5.2	10%
Other	Nonresident Hunting and Fishing Licenses	19.3	36%
	Corporate Income Tax, tourism sector (per DOR)	4.8	9%
Total Funds Received		\$54.3	100%

The table shows that the largest state revenue sources are hunting and fishing licenses from visitors, approximately a third of the total. The largest source overall is taxes and fees imposed on cruise ships and their passengers. These four fees were established in 2006 by a ballot initiative.

The **Commercial Passenger Vessel Excise Tax** is \$34.50 per passenger imposed on passengers travelling on commercial passenger vessels, typically cruise ships. The tax was established by a 2006 ballot initiative at \$46 per passenger, and changed by legislation in 2010 to its present rate. A portion of that tax is shared with qualifying municipalities that are cruise ship destinations. Table 17 shows only the portion that remains with the state. While the excise tax is imposed on passengers directly, the **Large Passenger Vessel Gambling tax** is imposed on the gambling-related gross income of cruise ship operators. Specifically it is 33% adjusted gross gambling income (less the cost of prizes and other federal and state taxes). The gambling tax was also established by the 2006 ballot initiative.

Ocean Ranger Fee was also established by the 2006 ballot measure. It levies a \$4 per berth fee on cruise ship passengers to fund a DEC employee to monitor the ship's compliance with marine discharge and pollution laws. Funds from the fee are generally appropriated to DEC to fund the Ocean Ranger program. The same initiative also established the **Commercial Passenger Vessel Environmental Compliance Fee**. These fees are set based on the number of berths, starting with ships of 50 berths or greater. While the fees increase in a stair-step fashion depending on the number of berths, the fees are roughly \$1/berth. Revenue from these fees is used to support DEC's work with the cruise ship industry such as vessel permitting, oil and hazardous substance spill prevention and response.

The **Vehicle Rental Tax** is imposed by the state on those who rent or lease passenger or recreational vehicles for less than 90 days. It is collected by the rental car agency. Using

statistics from McDowell Group, we estimate that 61% of rental car revenue is due to out-of-state visitors coming all or in part for vacation.²⁷

Nonresident hunting and fishing license is the revenue gained from selling hunting and fishing licenses to visitors (nonresidents). The information is compiled by the Department of Fish and Game. **Corporate income tax** for the tourism sector is from information compiled by DOR.

Potential revenue sources excluded from this analysis. There are two important revenue sources to Alaska that are excluded from this analysis.

- ***Nonresident payments to the Alaska Marine Highway: \$19.6 million.*** Alaska Marine highway receipts paid by nonresidents totaled \$19.6 million in 2014 dollars. However, the marine highway system runs at a significant deficit, with unrestricted operating revenue of \$50.9 million, and expenses of \$166.0 million.²⁸ All of the ferries run at an operating deficit including the vessel operation, overhaul, fuel, and a few additional expenses. For example, the Columbia, which spends much of the season on the route to Bellingham and therefore is likely to have many tourists as passengers, has an annual operating cost of \$16.9 million but brings in \$12.0 in revenue. (Other ferries are similar.) It is possible that without any tourists on the route, that the Marine Highway System would run the same number of trips just for Alaskans and incur almost the same cost. If so, the nonresident revenue is “free revenue” and should be included as a large tourism revenue source. However, if one ignored the tourists, the Marine Highway System might run fewer trips, perhaps many fewer, and save money. In that case, the nonresident use of the system is a *net expense* to the system. Either assumption seems plausible.

Previous comparisons of tourism revenue and costs by DCCED and the Legislative Research Agency have included the marine highway nonresident revenue and costs — which made the Marine Highway System a net expense for tourism. We were not able to reach this conclusion. Overall, given this level of uncertainty, and the fact that the system runs at such a large deficit, it did not seem accurate to include the nonresident fares as revenue without including any costs; nor did it seem accurate to conclude that almost \$20 million in nonresident revenue resulted in a net cost. Therefore, this analysis excludes nonresident revenue to the Marine Highway System from calculations but notes the exclusion so that readers can decide for themselves.

- ***Nonresident payments to the Alaska Railroad.*** Nonresident payments to the Alaska Railroad totaled an average of approximately \$21.5 million. This revenue is more

²⁷ Economic Impact of Alaska's Visitor Industry, 2011-2012. Prepared by McDowell Group for DCCED, Division of Economic Development, February 2013. The report indicates that 70% of rental car revenue is due to out-of-state visitors (p. 27). In addition, two other McDowell Group reports estimate the proportion of visitors who come for vacation, business, business/pleasure, and visiting friends and relatives. Excluding out-of-state visitors in the business category, and half of the business/pleasure category, 87% of visitors come in part for vacation/pleasure. (Alaska Visitor Statistics Program VI, two reports, March 2012 and November 2012.). Thus, rental car income due to tourism is 61% of overall income (0.70 times 0.87).

²⁸ Alaska Marine Highway Fund Annual Financial Report, 2014. Alaska Marine Highway System, Department of Transportation and Public Facilities. Page 8 and 9.

than a third of the total in Table 17. It includes individual passenger tickets purchased by nonresidents and payments to the railroad for including railroad cars owned by large tour companies on Alaska Railroad passenger trains. It is excluded for the same reasons that payment by the Usibelli Coal Mine, Inc. to the railroad is excluded from the mining revenue. First, we cannot include revenue without including the related cost. The related cost is the expense that the railroad incurs for passenger service – the nonresident portion of the cost of the passenger train, maintaining the tracks, etc. That cost is unknown (to us) and is proprietary to the railroad. Second, the Alaska Railroad Corporation acts as an independent corporation, though it is state owned. It does not deposit revenue into the General Fund nor does it receive General Fund appropriations. It is functionally not part of state revenue and expenses that are allocated by the legislature. Therefore, we excluded the nonresident revenue to the Alaska Railroad from the calculations in this report.

- *Other Sources: some portion of the state alcohol tax, corporate income tax from restaurants and bars, and fuel tax on jet fuel.* It is certain that some of the \$400,000 in corporate income tax paid by restaurants and bars is due to profits from tourists. The state alcohol tax brings in a greater amount: \$40.6 million. We made a rough estimate of the amount due to nonresidents, about 5%. However, given the level of uncertainty, we excluded it from this calculation. If we were to include the 5%, the total additional revenue allocated to the tourism industry would be approximately \$2 million — a significant amount but not enough to greatly change the conclusions of this report. Similarly, some of the fuel tax on jet fuel is due to the transportation of tourists. The total amount of the tax on jet fuel amounts to \$3.9 million; we have no estimate of the amount due to tourists. Including any or all of these sources would not change the overall conclusions of this study.

Finally, there are a host of small fees that are not included: admission fees at the state museum, business licenses for tourism companies, etc. Including these many small fees would also not change the conclusions of this study.

5.2 State Operating Expenses for the Tourism Industry

Actions by state government to help Alaskans recreate also help tourists. To allocate the cost of these joint actions, we made several assumptions, listed below. The result of those assumptions is Table 18. The table shows that close to half of the tourism expenditures in Alaska's FY 14 operating budget were by the DCCED for their tourism marketing program. Another third was expended by the Department of Fish and Game for the 43% of sport fish management costs that we are allocating to tourism. The remainder is relatively evenly spread throughout other departments. A more detailed listing and explanation is given in Chapter 6. The assumptions are listed below:

- **DNR Division of Parks and Outdoor Recreation.** Personnel at the division told us that approximately 80% of the visitation to state Parks is by Alaska residents, 20% by nonresidents. For that reason, we allocated 20% of the cost for the Division to the tourism industry.

- **DF&G Division of Sport Fishing.** The ADF&G Sport Fishing Survey Database estimates the number of anglers and angler-days fished by residents and nonresidents. A five-year average of data from 2009-2013 indicates that nonresidents fish 43% of the angler-days.²⁹ Thus, 43% of sport fish management costs in the Division of Sport Fishing is allocated to tourism.
- **DF&G Division of Wildlife Conservation.** The division publishes the number of individuals who purchase different types of hunting licenses each year. Over the four years from 2011-2014, residents purchased 86% of hunting licenses and nonresidents purchased 14%.³⁰ Therefore, 14% of the cost of wildlife management at the division is allocated to tourism.
- **DF&G Board Support Section.** Expenses for the Board Support Section were divided up in a complex fashion that allocated proposals considered at the boards of Fish and Board of Game meetings according to whether they focused on commercial fishing, sport fishing, hunting, or other. Consistent with the assumptions for sport fishing and wildlife explained above, the percent of proposals allocated to sport fishing was multiplied by 43% to arrive at sport-fishing related tourism expense, and the percent of proposals allocated to wildlife was multiplied by 14%. The result was 12%, which represents the portion of overall Board Support Section expenses allocated to Tourism.

State operating costs allocated to the tourism industry are shown in Table 18.

**Table 18. FY 14 State Operating Expenditures due to Tourism
Figures in Million Dollars**

Expense by Department			Expense by Division		
	\$	%		\$	%
Environmental Conservation	\$1.9	5%	Water	\$1.9	5%
Natural Resources	\$3.3	9%	Support Services	\$0.02	0%
			Mining, Land and Water	\$1.3	3%
			Parks and Outdoor Rec	\$2.0	6%
Fish and Game	\$11.9	33%	Sport Fisheries	\$9.3	26%
			Wildlife Conservation	\$2.4	7%
			Board Support Section	\$0.2	1%
Commerce, Community & Econ Dvpt	\$16.6	46%	Corporations, Business & Professional Lisc.	\$0.6	2%
			Economic Development	\$16.0	45%
Public Safety	\$1.2	3%	Alaska Wildlife Troopers	\$1.2	3%
Revenue	\$0.7	2%	Tax Division	\$0.7	2%
Law	\$0.2	1%	Various Sections	\$0.2	1%
Total, All Departments:	\$35.9	100%	Total, All Divisions:	\$35.9	100%

²⁹ Provided by ADF&G personnel, with the request to cite it as: Alaska Sport Fishing Survey database [Intranet]. 1996-. Anchorage, AK Division of Fish and Game, Division of Sport Fish (July 2015). Available from: https://intra.sf.adfg.state.ak.us/swhs_est/.

³⁰ http://www.adfg.alaska.gov/static/license/pdfs/1926_2014_licenses_stamps_tags_issued.pdf

The table shows that two major costs account for more than three-quarters of the state's spending on tourism. These are the expenditures of DF&G, primarily the Division of Sport Fisheries, and the tourism marketing within DCCED.

5.3. Capital Budget Expenses

Many of Alaska's capital budget appropriations benefit the tourism industry. However, few benefit only tourism without also benefiting Alaskans in some way. Hatcheries may create fish caught by resident and nonresident sport fishers; a capital improvement project for a museum benefits the resident and nonresident museum visitors. Deferred maintenance projects in Alaska State Parks benefit resident and nonresident visitors.

We reviewed all FY 12 through FY 14 capital appropriations to DNR, DEC, DF&G, and those to DCCED tagged using a search methodology explained in Chapter 2. This review resulted in 333 CIP projects. Of these, 110 benefited the tourism industry in at least some fashion. The assumptions we used to allocate portions of the individual project costs to tourism are below. Some are the same as those used in the operating budget analysis explained previously:

- **State Parks.** Improvements to state parks are allocated 20% to tourism to reflect Division of Parks estimates that 20% of parks visitation is by nonresident visitors.
- **Local Parks and State Fairs.** Improvements to local parks (e.g., Kincaid Park in Anchorage) are assumed to primarily benefit local people and are not allocated to tourism. Improvements to the Alaska State Fairgrounds in Anchorage and in Fairbanks, or other regional fairs are treated similarly: The primary benefit is to local people and costs are not allocated to tourism.
- **Museums.** Improvements to museums are allocated 50% to tourism. We came to this allocation by phoning a number of museums. After discussion with museum staff, we estimated that, in general, roughly 50% of visitors are tourists (though it varies somewhat by museum, obviously).
- **Sport Fishing.** The few sport fish-related CIPs are allocated 43% to tourism, which is the portion of angler-days fished by nonresidents, as explained previously. Hatchery CIPs were allocated according to the published information that indicates what proportion of the fish for that hatchery were caught by commercial, sport, or personal use fishery. The sport fish proportion was then multiplied by 43% to reflect the proportion of sport-fishing due to tourism, and the resulting percentage of that CIP's cost was allocated to tourism.
- **Wildlife-related CIPs.** The few wildlife-related CIPs are allocated 14% to tourism, which reflects the distribution of hunting licenses: 86% in-state and 14% nonresidents.

- **Habitat Restoration.** Habitat restoration is, in general, not allocated to any industry. The restoration of stream-side habitat is the result of whatever process destroyed it. The only exception is a CIP for improvements to Bing's landing and restoration of habitat on the Kenai, which is the result of sport-fish damage (therefore 43% tourism).

Based on these assumptions, the list of 110 CIP projects and the proportion related to tourism is provided in Table 19. The table shows the amount actually appropriated (i.e., the value in nominal dollars). The average total annual cost (i.e., one-third of the total three-year cost over FY 12 – FY 14) of these projects is \$19.4 million, in FY 14 dollars.

This analysis could have been extended further. There is arguably a portion of CIPs for airports, roads, hospitals, etc. that are used, in part, by tourists. However, the result of this analysis seems a good first approximation of tourism-related capital budget costs.

Table 19. Tourism Capital Projects FY 12-14
Figures in millions of dollars
Page 1 of 3

Agency	Year	Cost in Million \$	% of Cost	
			Allocated to Tourism	Project Name
ADFG	2012	\$0.04	1%	Little Susitna River Weir Relocation
ADFG	2012	\$0.8	43%	Sport Fish Recreational Boating Access
ADFG	2013	\$0.7	2%	Crystal Lake Hatchery Deferred Maintenance
ADFG	2013	\$0.2	14%	Equipment Replacement and Upgrade for Wildlife Research and Management Statewide
ADFG	2013	\$0.7	1%	Fish Passages, Counting and Sampling Sites, and Weir Facilities Design, Repair
ADFG	2013	\$1.8	1%	Kenai River King Salmon Sonar Assessment Program
ADFG	2013	\$0.6	43%	Sport Fish Recreational Boating Access
ADFG	2013	\$0.6	1%	Susitna River Sockeye Salmon Migration
ADFG	2013	\$0.8	1%	Upper Cook Inlet East Side Set Net Chinook Salmon Harvest Patterns
ADFG	2013	\$3.5	1%	Wild/Hatchery Salmon Management Tools
ADFG	2014	\$2.0	3%	Chinook Salmon Enhancement in Northern Cook Inlet
ADFG	2014	\$7.5	3%	Chinook Salmon Research Initiative
ADFG	2014	\$2.5	1%	Salmon Research, Restoration & Enhance. Initiatives for the Susitna Drainage System
ADFG	2014	\$0.8	43%	Sport Fish Recreational Boating Access
ADFG	2014	\$0.8	1%	Statewide Fish Passages, Counting and Sampling Sites, and Weir Facilities
ADNR	2012	\$0.1	20%	Channel Islands Marine Park Debris Removal and Improvements
ADNR	2012	\$1.0	20%	Chilkoot Corridor Bear Viewing Platform, Parking Lots, and Other Site Improvements
ADNR	2012	\$0.7	20%	Chugach State Park Glen Alps Parking Improvements
ADNR	2012	\$0.1	20%	Eagle Beach State Recreation Site Campground Improvements
ADNR	2012	\$0.3	20%	Juneau Historic Sites Renovation and Habitability
ADNR	2012	\$2.0	43%	Lower Kasilof River Drift Boat Takeout, Phase 1 of 2
ADNR	2012	\$0.1	20%	Mastodon Trail
ADNR	2012	\$3.0	20%	South Denali Visitor Center Design and Construction
ADNR	2012	\$0.4	20%	Parks and Outdoor Recreation Deferred Maintenance - Chugach Area
ADNR	2012	\$0.4	20%	Parks and Outdoor Recreation Deferred Maintenance - Kenai Area
ADNR	2012	\$0.1	20%	Parks and Outdoor Recreation Deferred Maintenance - Kodiak Area
ADNR	2012	\$0.3	20%	Parks and Outdoor Recreation Deferred Maintenance - Mat-Su Area
ADNR	2012	\$0.4	20%	Parks and Outdoor Recreation Deferred Maintenance - Northern Region
ADNR	2012	\$0.4	20%	Parks and Outdoor Recreation Deferred Maintenance - Southeast Area
ADNR	2012	\$0.04	20%	Parks and Outdoor Recreation Deferred Maintenance - Wood Tikchik Area
ADNR	2012	\$0.2	20%	Parks and Outdoor Recreation Statewide Emergency Repairs
ADNR	2013	\$0.1	20%	Settlers Cove Public Use Cabin
ADNR	2013	\$1.5	10%	South Denali Area Three Phase Power Extension
ADNR	2013	\$0.4	20%	Chugach State Park Public-Use Cabins Construction and Maintenance
ADNR	2013	\$1.6	43%	Lower Kasilof River Drift Boat Takeout - Phase 2 of 2
ADNR	2013	\$0.3	20%	Mastodon Trail and Trailhead
ADNR	2013	\$0.0	20%	Oliver Inlet Tram Rehabilitation
ADNR	2013	\$0.7	20%	Olnes Pond and the Greater Lower Chatanika State Recreation Area Repair

Table 19. Tourism Capital Projects FY 12-14
Figures in millions of dollars
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Agency	Year	Cost in Million \$	% of Cost Allocated to Tourism	Project Name
ADNR	2013	\$0.6	20%	Parks and Outdoor Recreation Deferred Maintenance - Chugach Area
ADNR	2013	\$0.6	20%	Parks and Outdoor Recreation Deferred Maintenance - Kenai Area
ADNR	2013	\$0.1	20%	Parks and Outdoor Recreation Deferred Maintenance - Kodiak Area
ADNR	2013	\$0.5	20%	Parks and Outdoor Recreation Deferred Maintenance - Mat-Su Area
ADNR	2013	\$0.6	20%	Parks and Outdoor Recreation Deferred Maintenance - Northern Region
ADNR	2013	\$0.5	20%	Parks and Outdoor Recreation Deferred Maintenance - Southeast Area
ADNR	2013	\$0.1	20%	Parks and Outdoor Recreation Deferred Maintenance - Wood Tikchik
ADNR	2013	\$0.3	20%	Parks and Outdoor Recreation Statewide Emergency Repairs
ADNR	2014	\$0.04	20%	Eagle River Greenbelt Multi-Use Trail Evaluation
ADNR	2014	\$1.4	43%	Public Access and User Facilities Improvements at the Kasilof River Phase One
ADNR	2014	\$2.0	43%	River Bank Stabilization and Improvements at Bing's Landing
ADNR	2014	\$7.0	20%	South Denali Visitors Center - Phase I Completion
ADNR	2014	\$0.4	20%	Parks and Outdoor Recreation Deferred Maintenance - Chugach Region
ADNR	2014	\$0.5	20%	Parks and Outdoor Recreation Deferred Maintenance - Kenai Region
ADNR	2014	\$0.03	20%	Parks and Outdoor Recreation Deferred Maintenance - Kodiak Region
ADNR	2014	\$0.5	20%	Parks and Outdoor Recreation Deferred Maintenance - Mat-Su Region
ADNR	2014	\$0.6	20%	Parks and Outdoor Recreation Deferred Maintenance - Northern Region
ADNR	2014	\$0.2	20%	Parks and Outdoor Recreation Deferred Maintenance - Southeast Region
ADNR	2014	\$0.1	20%	Parks and Outdoor Recreation Deferred Maintenance - Wood Tikchik Region
ADNR	2014	\$0.5	20%	Parks and Outdoor Recreation Statewide Emergency Repairs
ADCCED	2012	\$0.1	100%	Tourism Economic Impact Study
ADCCED	2012	\$5.0	50%	State Library, Archives and Museum Facility Construction
ADCCED	2012	\$0.03	50%	Petersburg - Museum Expansion Site Preparation
ADCCED	2012	\$0.1	50%	Petersburg - Museum Retaining Wall Replacement
ADCCED	2012	\$0.2	50%	Alaska Museum of Natural History - Facility Renovations and Improvements
ADCCED	2012	\$2.0	50%	Alaska Native Heritage Center - Education and Administration Facilities Expansion
ADCCED	2012	\$0.0	50%	Alaska Veterans Museum - Exhibit Presentation and Restoration
ADCCED	2012	\$0.3	50%	Kodiak Maritime Museum - Harbor Gateway Project
ADCCED	2012	\$0.5	50%	Anchorage - Alaska Aviation Museum Energy & Safety Improvements
ADCCED	2012	\$6.0	100%	Homer - Cruise Ship Dock and Passenger Facility Improvements
ADCCED	2012	\$0.3	50%	Alaska Zoo - Purchase Vehicle Upgrades and Replacements
ADCCED	2012	\$0.2	50%	Alaska Zoo - Signage and Grounds Upgrades
ADCCED	2012	\$0.3	50%	Juneau Historic Sites Renovation and Habitability
ADCCED	2012	\$0.2	50%	Alaska Museum of Natural History - Facility Renovations and Improvements
ADCCED	2012	\$0.03	50%	Chilkat Valley Historical Society, Inc. - Charles Anway Historic Property Restoration
ADCCED	2012	\$0.1	50%	Kasilof Regional Historical Association - Dune Fencing
ADCCED	2012	\$0.1	50%	ROSSIA, Inc. - Repair and Restoration of Juneau Historic Site
ADCCED	2012	\$0.9	17%	Cook Inlet Aquaculture Association - Trail Lakes Hatchery Maintenance and Upgrade

Table 19. Tourism Capital Projects FY 12-14
Figures in millions of dollars
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Agency	Year	Cost in Million \$	% of Cost Allocated to Tourism	Project Name
ADCCED	2012	\$0.6	33%	Cook Inlet Aquaculture Association - Tutka Bay Hatchery Maintenance and Upgrade
ADCCED	2012	\$0.8	2%	Kodiak Regional Aquaculture Association - Pillar Creek Hatchery Maintenance and
ADCCED	2012	\$1.0	1%	Northern SE Regional Aquaculture Assoc - Hidden Falls Hatchery Maint and Upgrade
ADCCED	2012	\$0.7	1%	Northern SE Regional Aquaculture Assoc - Net Pens and Hatchery Deferred Maint
ADCCED	2012	\$0.8	12%	PWS Aquaculture Corporation - Gulkana Hatchery Maintenance and Upgrade
ADCCED	2012	\$3.5	50%	Klukwan - Jilkaat Kwaan Cultural Heritage Center and Bald Eagle Observatory
ADCCED	2012	\$5.0	50%	Sealaska Heritage Institute - Sealaska Heritage Institute Center
ADCCED	2012	\$0.3	14%	Yukon River Drainage Fisheries Association - Yukon River Chinook Salmon Management
ADCCED	2013	\$0.1	50%	Alaska Association for Historic Preservation - Nike Site Summit Tourism Development
ADCCED	2013	\$14.0	20%	Anchorage - Eklutna Bridge Replacement - Chugach State Park Access
ADCCED	2013	\$0.2	50%	Kodiak Maritime Museum and Art Center - Feasibility and Design
ADCCED	2013	\$5.0	50%	Anchorage - Anchorage Museum - Alaska History Gallery Renovation
ADCCED	2013	\$0.3	50%	Dillingham - Dillingham library And Museum building Roof repairs
ADCCED	2013	\$0.3	50%	Alaska Museum of Natural History - New Science Facility Project and Building Upgrade
ADCCED	2013	\$0.0	50%	Alaska Veterans Museum - Interactive Information System
ADCCED	2013	\$0.1	50%	Homer Society of Natural History - Pratt Museum Building Design and Construction
ADCCED	2013	\$49.0	50%	Alaska State Library, Archives and Museum Facility
ADCCED	2013	\$0.04	50%	Kasilof Regional Historical Association - Community of Kasilof - Cabin Restoration
ADCCED	2013	\$0.03	50%	Wasilla-Knik Historical Society - Furnace Replacement and Building Maintenance
ADCCED	2013	\$1.0	24%	Cook Inlet Aquaculture - Trail Lakes Hatchery
ADCCED	2013	\$0.7	9%	Cook Inlet Aquaculture - Tutka Bay Hatchery
ADCCED	2013	\$0.9	3%	Kodiak Regional Aquaculture - Pillar Creek Hatchery
ADCCED	2013	\$0.3	50%	Alaska Native Heritage Center - Mabel Pike Education center
ADCCED	2013	\$0.3	50%	Sealaska Heritage Institute - Alaska Native Brotherhood Hall Renovations
ADCCED	2013	\$3.2	14%	Bering Sea Fishermen's Assoc - Arctic Yukon Kuskokwim Sustainable Salmon Initiative
ADCCED	2013	\$0.1	43%	Homer - Fishing Lagoon Improvements
ADCCED	2014	\$0.2	50%	Alaska Museum of Natural History - Building and Lot Upgrade
ADCCED	2014	\$0.5	50%	Alaska SeaLife Center - Critical Building & Equip Repairs, Upgrades and Replacements
ADCCED	2014	\$0.3	50%	Homer Society of Natural History dba Pratt Museum - Museum Building Construction
ADCCED	2014	\$0.0	50%	Treadwell Historic Preservation and RestSociety, Inc. - Treadwell Building Preservation
ADCCED	2014	\$1.0	50%	Alaska Zoo - Polar Bear Transition Facility
ADCCED	2014	\$0.01	50%	Kodiak Historical Society - Creating Additional Museum Collections Storage
ADCCED	2014	\$0.1	50%	Northway Traditional Council - Cultural Center Project
ADCCED	2014	\$0.2	50%	Alaska Native Heritage Center - Mabel Pike Educational Center Space Addition

Total 3-year cost of the 110 projects in 2014 dollars: \$159.7 million
Average annual cost of the projects in 2014 dollars: \$53.2 million
Annual cost allocated to tourism: \$19.4 million

5.4 Tourism Revenue Collected by Local Government

Municipal revenue received by local government from the tourism industry are larger than that received by state government. Local government gains \$82.6 million as compared to the \$54.3 million received by the state. The revenue includes funds collected for local government by the state (the municipal share of the commercial passenger vessel excise tax). They also include estimates of local sales tax and lodging tax revenues paid by nonresidents as well as dock moorage fees. The McDowell Group made these estimate for DCCED, Division of Economic Development.³¹

The estimates of sales tax and lodging tax allocated to tourism were adjusted to reflect the 87% of nonresident visitors who are tourists. That estimate is from the Division of Economic Development's Visitor Statistics Program. McDowell group intensive studies in Summer 2011 and Winter 2011 and 2012, described the percentage of visitors who came for vacation, business, business/pleasure, and to visit friends and relatives. For this study, we assumed that tourism represented those who came for vacation, to visit friends and relatives, and half of those who came for business/pleasure: 87%.³²

The local government revenue is not complete. It does not include property taxes related to tourism (hotels, etc.), or tourist ticket fees at publicly owned facilities such as museums.

Local government tourism-related revenue is provided in Table 20.

**Table 20. Local Government Tourism Revenue
Average of 2010-2014; Figures in Million 2014 Dollars**

	Average Revenue 2010-2014
Commercial Passenger Vessel Excise Tax, municipal share	\$13.3
Visitor-related sales tax revenue	27.2
Lodging tax revenue	25.7
Dockage/moorage revenue	16.5
Local government funds total:	\$82.6

The table shows that tourism revenue is important to local government. In municipalities where there is a large tourism industry, the industry is an important source of funding for local government services. This analysis does not, however, attempt to quantify local government costs for tourism.

³¹ Economic Impact of Alaska's Visitor Industry, 2013-2014 Update. February 2015. Prepared by the McDowell Group. Prepared for the Alaska Department of Commerce, Community and Economic Development, Division of Economic Development. See Table 1, page 4.

³² Economic Impact of Alaska's Visitor Industry, 2011-2012. Prepared by McDowell Group for DCCED, Division of Economic Development, February 2013.

5.5 Comparison of Revenue and Expenditures for the Tourism Industry.

This section uses in the information in the previous sections to compare the revenue for the tourism industry with expenditures. The section shows that tourism revenue to the state is greater than the state's operating expenses. It also shows that the industry's greatest fiscal impact is to local government. When local revenue is included, revenue is much greater than expenses. That is, tourism's greatest fiscal impact is to fund schools, police, and other local government services around Alaska.

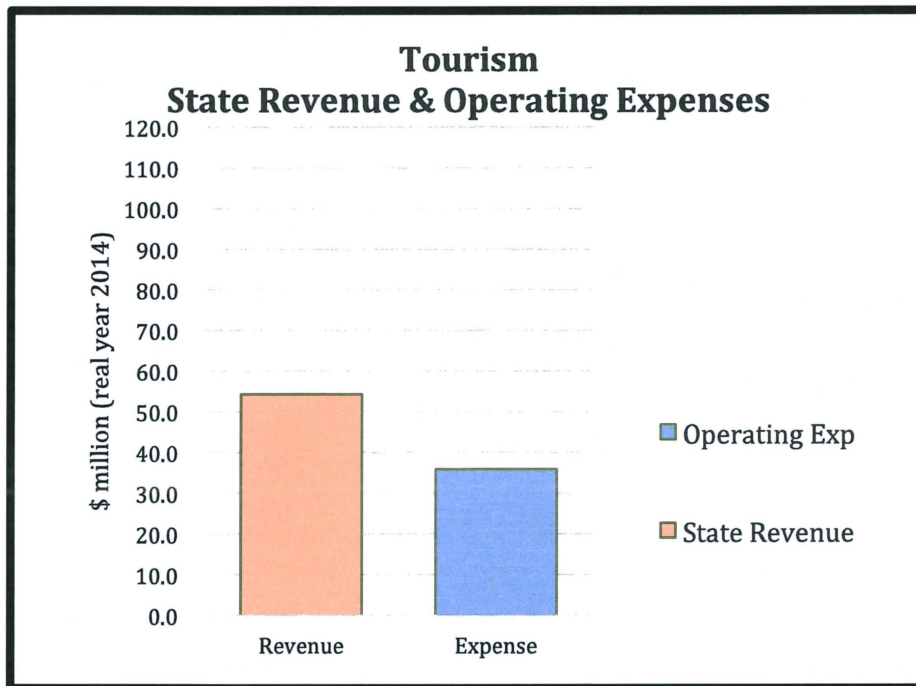
5.5.1 Comparison of State Revenue with State Operating Expenditures

Table 21. Comparison of Tourism Revenue with State Operating Expenditures

Tourism	Real 2014 \$ million
Average state revenue (2010-2014)	\$54.3
Operating expenditures (FY 2014)	\$35.9
Surplus (Deficit)	\$18.4

The table shows that the tourism industry provides the state with revenue that is approximately \$18.4 million greater than the state's operating expenditures. This relationship is shown graphically in Figure 16.

Figure 16. Comparison of State Tourism Revenue with State Operating Expenses



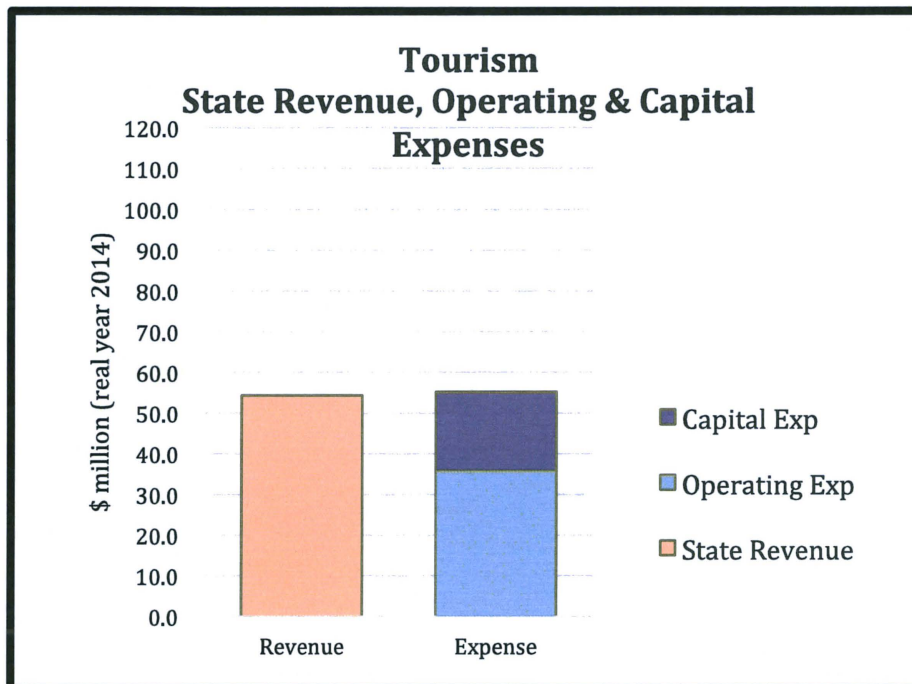
5.5.2 Comparison of State Revenue with Operating and Capital Expenditures

Including capital expenditures changes the overall conclusion: tourism revenue is approximately equal to costs. That is, while Table 22 shows that expenditures are \$1.0 million more than revenue, these estimates are dependent on many assumptions. It is more accurate to conclude that state tourism-related revenue is approximately equal to its expenditures, once capital budget expenditures are included.

Table 22. Comparison of State Tourism Revenue with Operating and Capital Expenditures

Tourism	Real 2014 \$ million
Average state revenue (2010-2014)	54.3
Operating expenditures (FY 2014)	35.9
Average capital expenditures (2012-2014)	19.4
Surplus (Deficit)	(\$1.0)

Figure 17. Comparison of State Tourism Revenue with Operating and Capital Expenses



5.5.3 Comparison of State and Local Revenue with Expenditures

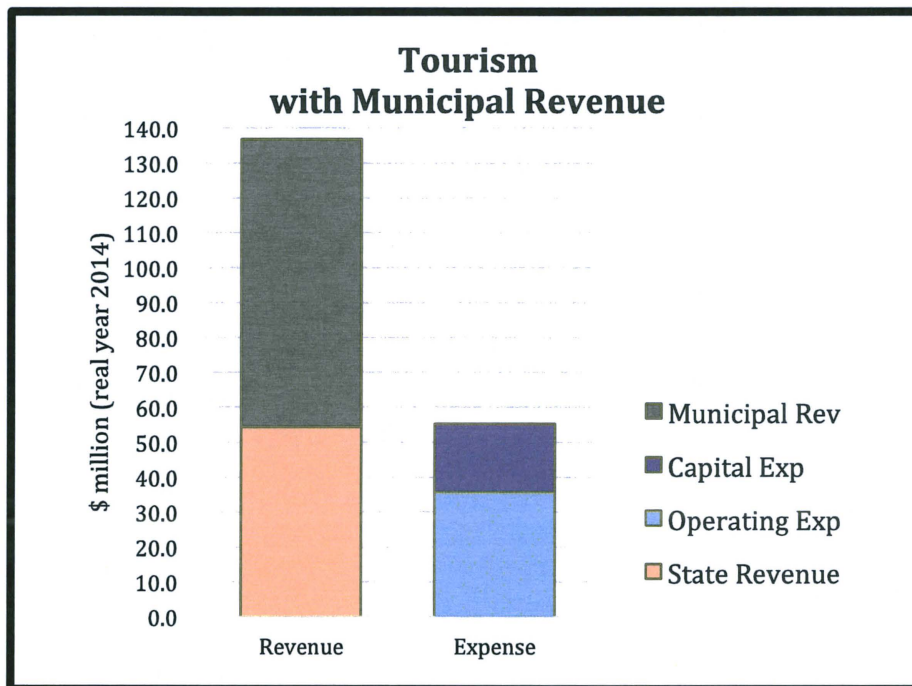
Adding local revenue to the scenario shows the most important fiscal effect of tourism: the effect on local government. Local government revenue is \$82.6 million. Local costs are not included, but they are not likely to be large or to appreciably change the situation conveyed in the table and the figure.

Table 23. Comparison of State and Local Tourism Revenues with Operating and Capital Expenditures

Tourism	Real 2014 \$ million
Average state revenue (2010-2014)	\$54.3
Average municipal revenue (partial, 2010-2014)	82.6
Operating expenditures (FY 2014)	35.9
Average capital expenditures (2012-2014)	19.4
Surplus (Deficit)	\$81.6

Table 23 able shows that local and state revenues are \$81.6 million more than state costs. It is clear that tourism is an important revenue source for municipal government. As a comparison, the \$81.6 million provided local governments by tourism is significantly greater than the approximately \$60 million that the legislature provides local governments through revenue sharing.

Figure 18. Comparison of State and Local Tourism Revenues with Operating and Capital Expenses



5.6 Cautions

1. **“Average” conclusions in this report may not be accurate for all segments of the tourism industry.** Like commercial fishing and mining, the tourism industry is not monolithic. It includes different segments. Lodges in Bristol Bay may be in a different economic situation with respect to taxes and state costs than a sport-fishing guide on the Kenai or a hunting guide in the remote Brooks Range. All may be different than the cruise ship companies with respect to taxes and management costs. Some may cost more to manage; some may cost less. Some will undoubtedly pay more in taxes, and some less. Therefore, one should not assume that the overall conclusions in this report apply to all segments of the varied tourism industry.
2. **Tourism industry costs are based on economic assumptions.** As previously indicated, many government actions that benefit the tourism industry also benefit Alaskans. We have outlined the assumptions used in this report and believe they are a useful way to analyze the industry revenue and cost. While different assumptions would result in somewhat different numbers, we believe that any plausible assumptions would not change the overall conclusions of the report. Those conclusions are that the tourism industry provides the state with significantly more revenue than it expends in its operating budget; and that the state’s tourism revenue is roughly equal to the amount spent on the operating plus capital budget. Revenue to local governments is large and important and is larger than the revenue to the state. The fiscal effects on local governments are the most important effect of tourism revenue.

5.7 Differences with previous analyses

DCCED published two comparisons of revenue and costs for FY 05 and FY 06. In FY 06, DCCED found that nonfederal revenue was 119% of costs; in FY 05, 170% of costs. It included the Marine Highway System as a net expense for tourism. In general, revenue in the current analysis is significantly higher than in the two DCCED studies. However, the studies occurred before the commercial passenger vessel excise tax, the large passenger vessel gambling tax, the ocean ranger fees, or the environmental compliance fee were established. Thus, we would expect significantly higher current and recent revenue.

The Legislative Research Agency prepared a state revenue/expense comparison for tourism for approximately 1991. The agency found that tourism revenue was only 81% of costs. The study included the Marine Highway System as a net expense. Also, at that time, there was a Division of Tourism and a state-funded Alaska Tourism Council. (Together these totaled one-third of the tourism costs in the 1991 study.) Also, the major revenue sources described in the previous paragraph had not been enacted.

Chapter 6. Operating Budget Detail

This chapter provides the detailed explanation of the allocation of costs from Alaska's FY 14 operating budget for commercial fishing, mining, and tourism. It describes the reasoning behind each of the costs. The overall methodology for the operating budget analysis is explained in Chapter 2. For some components, the allocation of funds to a particular industry was measured exactly; for others, it was estimated.

Each of the divisions or offices in Table 24 expends some funds for one of the industries being studied. That purpose of funding is described in this chapter.

Table 24. Agencies that Expend State Funds for Commercial Fishing, Mining, or Tourism in FY 14

Department	Division or Office
DNR	Division of Geologic and Geophysical Surveys Division of Mining Land and Water Division of Parks and Outdoor Recreation Offices: Office of Project Management & Permitting Office of History and Archaeology Public Information Center Recorders Office Mental Health Trust Land Office
DEC	Division of Air Quality Division of Environmental Health Division of Spill Resource and Prevention Division of Water
DF&G	Division of Commercial Fisheries Division of Sport Fisheries Division of Habitat Division of Wildlife Conservation Board Support Section Commercial Fisheries Entry Commission
DCCED	Division of Economic Development Division of Corporations, Business & Professional Licensing Alaska Seafood Marketing Institute
DPS	Division of Alaska Wildlife Troopers
DOR	Department of Revenue (Tax Division)
DOL	Various Sections (not interviewed individually)

Appendix A provides a series of tables that show all of the funding sources for each budget component within DNR, DF&G, DEC, and DCCED. It also shows the funding sources for the

single division at DPS that expends funds for these industries. It does not show funding for components in the Department of Law.

6.1 Department of Environmental Conservation

Table 25 shows the cost for each budget component within the Department of Environmental Conservation. The department includes the Commissioner's Office and five divisions, which are funded through a total of 18 budget components. The column labeled "Total, All Funds" provides the overall cost of that budget component, including all funding sources. The funds that make up the total are provided in Appendix A. The adjacent column labeled, "Total, State Op Fund Only" is the same funding excluding federal funds, excluding funds from the capital budget (CIP funds), and excluding inter-agency transfers (I/A funding). The following three columns show the percentage of the "Total, State Op Fund Only" directly attributable to commercial fishing, mining, or tourism. The last three columns show the dollar amount. Figures are in thousands of dollars.

**Table 25. Department of Environmental Conservation
FY 14 Budget Component Funding and Industry Expense**
(Figures in thousands of dollars)

Division	Budget Component	Total All Funds	Total State Op Fund Only	Percentage of the Budget:			Dollars of the Budget		
				Cm Fish	Mining	Tourism	Cm Fish	Mining	Tourism
Commissioner's Office	Office of the Commissioner	\$1,118.6	\$573.8	0%	0%	0%			
Administration	Administrative Services	\$6,213.3	\$3,114.2	0%	0%	0%			
Administration	State Support Services	\$2,552.0	\$2,119.5	0%	0%	0%			
Environmental Health	Buildings Maintenance & Ops	\$635.5	\$635.5	0%	0%	0%			
Environmental Health	Environmental Health Director	\$441.1	\$441.1	0%	0%	0%			
Environmental Health	Food Safety & Sanitation	\$4,745.0	\$3,971.3	16%	0%	0%	\$655.0		
Environmental Health	Laboratory Services	\$4,308.1	\$2,992.1	22%	0%	0%	\$649.9		
Environmental Health	Drinking Water	\$7,530.5	\$2,638.5	0%	0%	0%		\$13.0	
Environmental Health	Solid Waste Management	\$2,330.2	\$2,026.2	0%	0%	0%			
Air Quality	Air Quality Director	\$285.0	\$285.0	0%	0%	0%			
Air Quality	Air Quality	\$10,235.5	\$8,039.8	0%	5%	0%		\$400.0	
Spill Prevention & Response	Spill Prevention and Response Director	\$300.1	\$300.1	0%	0%	0%			
Spill Prevention & Response	Contaminated Sites Program	\$8,471.8	\$3,821.3	0%	0%	0%			
Spill Prevention & Response	Industry Preparedness & Pipeline Ops	\$5,091.6	\$4,356.7	0%	0%	0%			
Spill Prevention & Response	Prevention and Emergency Response	\$4,438.3	\$4,438.3	7%	1%	0%	\$310.7	\$44.4	
Spill Prevention & Response	Response Fund Administration	\$1,539.6	\$1,497.1	0%	0%	0%			
Water	Water Quality	\$18,871.4	\$13,017.7	11%	0%	15%	\$1,488.0	\$216.5	\$1,927.7
Water	Facility Construction	\$8,118.0	\$1,217.5	0%	0%	0%			
Total:		\$87,225.6	\$55,485.7	6%	1%	3%	\$3,103.6	\$673.9	\$1,927.7

6.1.1 Commissioner's Office and Division of Administration

The Commissioner's Office and Division of Administration have no funding directly attributable to any of the three industries. For example, a significant change in any of the industries would not eliminate the Commissioner, or change staffing for the office or for the other components. The State Support Services component includes only contractual funds for a lease contractor to maintain some DEC buildings.

6.1.2 Division of Environmental Health

The first component, Building Maintenance and Operations, includes a small number of staff to maintain buildings required for the Division, none of which are directly related to commercial fishing, mining or tourism. The second component is the division Director's Office, which like the Commissioner's Office has no funding directly attributable to the industries.

The third budget component with the Division of Environmental Health includes the food safety and sanitation program. In FY 14, that program expended \$655,000 for food safety inspections within commercial fish processors.

The Laboratory Services component includes costs for certifying private laboratories and food testing for contaminants. The testing related to the commercial fishing industry is primarily shellfish testing including paralytic shellfish poisoning. The cost for commercial fishing related testing in FY 14 was \$649,900. The laboratory also tests fish samples for contaminant levels, primarily mercury. These are used for State of Alaska seafood consumption advisories. These advisories are for the general public and are not allocated to the commercial fishing industry.

Drinking Water component funds are used to regulate Class A and B water systems and similar activities. There are only incidental expenditures for the three industries.

Similarly to drinking water, there are only incidental expenditures for the three industries for solid waste management. The Division of Environmental Health did spend \$13,000 from a Reimbursable Services Agreement with DNR for mining-related solid waste activities. This amount is included in the OPMP total within DNR.

Expenditures for the other important mining-related solid waste regulation, including regulation of waste rock and tailings facilities, occurs in the Division of Water.

6.1.3 Division of Air Quality

The Division of Air Quality is funded through two budget components. The first is the division's Director's Office. Like other director or commissioner offices, it has no expenditures directly attributable to the industries. The second component, labeled Air Quality, includes the remainder of the division's budget.

With respect to mining-related air permitting issues, staff at the Division estimated that the division spent approximately \$50,000 on mining-related permitting for Title 1 issues, and \$347,000 on this and Title V issues for 17 mining companies. These expenditures total approximately \$400,000. However, the companies paid for almost all of these costs through fees and reimbursements.

6.1.4 Division of Spill Prevention and Response

This division is funded in five budget components. The first funds the director's office. None of these funds are allocated to the three industries. The second funds the contaminated sites program: funding to reclaim historic (i.e., previously contaminated) sites. (Funding for contemporary spills is provided under the 4th budget component, Prevention and Emergency Response.) Federal funds in the contaminated sites component clean up sites on federal land. In addition, the division spent almost \$4 million of state funds for contaminated sites on state land. The contaminated sites database contains few commercial fishing, processing, or tourism sites. Three percent of DEC's historic database is mining sites. While 3% of the funds used would correspond to \$114,600, these are presumably all historic sites. They are not management costs for today's industry, and are not allocated to mining in this study.

The third budget component is Industry Preparedness and Pipeline Operations. The relevant portion of this component would be review of Contingency Plans for facilities that store more than 10,000 barrels of fuel. Few mining, tourism, or commercial fishing facilities qualify.

The fourth budget component provides funds for emergency response to spills. In FY 2014, there were 2,028 spills. Of these, 6% were mining-related, 7% were boats (almost all commercial fishing vessels), and 2% were canneries. A significant majority of the mining spills were process water (e.g., tailings) that was spilled inside the mine site. These required little or no cleanup by the company, and none by DEC. In addition, the large operators, including mines and fish processors, clean up any spills on their own (or would be subject to cost recovery by DEC). Thus, taking 6% of the component cost for mining or for 2% for canneries is likely an overestimate of actual costs. Costs for individual fish vessel spills are not necessarily recovered. Nevertheless, the cost of the component is \$4,438,300. Consistent with the explanation above, the analysis assumes that most mining-related spills and all cannery-related spills either require no DEC response or are cost-reimbursed by the operator. Thus, for a conservative estimate, the analysis allocates 1% of costs to mining, and 7% (i.e., the individual boat spills, but no percentage for canneries) to commercial fishing: \$44,383 to mining, and \$310,680 to commercial fishing.

The final component of the division's budget is the administrative unit for the division. No costs from this component are allocated to the industries.

6.1.5 Division of Water

The Division's work includes a wide variety of water-quality related activities including wastewater discharge permits, non-point source pollution control, stormwater, some grant

programs, etc. The division has a wide range of funding sources in its main budget component.

With respect to Tourism, the division is the primary agency regulating cruise ship effluent, partly in response to a ballot measure passed by Alaskans in 2006. The measure created the Alaska Ocean Ranger program for cruise ships. The program and other cruise ship regulation are funded through the Ocean Ranger Fund (\$1,506,532) and Commercial Vessel Fund (\$421,209). Thus, the FY 14 cost for the program was \$1,927,741.

Staff reports that commercial fishing related regulation cost the division \$1,487,971, in FY 14.

In addition, Division of water personnel complete solid waste permits for mining facilities (waste rock, tailings). They are part of the large mine team that works with DNR's Office of Project Management and Permitting. The mining companies reimbursed DEC's costs for FY 14 via an agreement with DNR's OPMP. In FY 14, the cost was \$216,503. It is included in OPMP expenditures as part of the DNR operating budget.

6.2 Department of Natural Resources

DNR is organized into the Commissioner's Office, seven divisions, and a number of offices. These groups are funded through 27 budget components, eight of which expend funds on at least one of commercial fishing, mining, or tourism. The other 21 budget components are within divisions and offices that expend only incidental time and funds on these industries.

Table 26 lists the budget components that fund DNR and the costs attributed to commercial fishing, mining, and tourism. Appendix A shows the DNR budget components in greater detail.

**Table 26. Department of Natural Resources
FY 14 Budget Component Funding and Industry Expense**
(Figures in thousand dollars)

Division (Office)	Component	Total	Total State	Percentage of the Budget:			Dollars of the Budget		
		All Funds	Op Fund Only	Cm Fish	Mining	Tourism	Cm Fish	Mining	Tourism
Commissioner's Office	Commissioner's Office	\$1,725.5	\$1,419.2	0%	0%	0%			
DNR Office	Gas Pipeline Project Office	\$3,008.9	\$3,008.9	0%	0%	0%			
DNR Office	State Pipeline Coordinator's Office	\$7,898.5	\$7,742.4	0%	0%	0%			
DNR Office	Office of Project Management & Permitting	\$8,357.0	\$6,974.4	0%	8%	0%		\$1,600.0	
Support Services	Administrative Services	\$3,270.1	\$2,323.0	0%	0%	0%			
Support Services	Information Resource Management	\$4,957.4	\$3,307.5	0%	0%	0%			
	Interdepartmental Chargebacks	\$1,611.6	\$1,233.9	0%	0%	0%			
DNR Office	Facilities	\$3,102.0	\$2,802.0	0%	0%	0%			
DNR Office	Citizen's Advisory Commission on Federal Areas	\$285.4	\$285.4	0%	0%	0%			
Support Services	Recorder's Office/Uniform Commercial Code	\$5,071.3	\$4,955.7	0%	4%	0%		\$200.0	
DNR Office	Conservation & Development Board	\$116.3	\$116.3	0%	0%	0%			
DNR Office	EVOS Trustee Council Projects	\$436.7	\$436.7	0%	0%	0%			
Support Services	Public Information Center	\$569.2	\$97.4	0%	113%	18%		\$109.9	\$17.8
DNR Office	Mental Health Trust Lands Administration	\$4,023.7	\$4,023.7	0%	9%	0%		\$363.4	
Oil and Gas	Oil & Gas	\$16,407.6	\$16,147.1	0%	0%	0%			
Oil and Gas	Petroleum Systems Integrity Office	\$849.6	\$849.6	0%	0%	0%			
Mining, Land and Water	Mining, Land & Water	\$28,247.2	\$26,231.1	3%	9%	5%	\$512.2	\$2,448.9	\$1,260.0
Forestry	Forest Management & Development	\$6,772.0	\$4,755.8	0%	0%	0%			
Geological & Geo Surveys	Geological & Geophysical Surveys	\$9,570.7	\$5,208.7	0%	36%	0%		\$1,879.4	
Agriculture	Agricultural Development	\$2,535.4	\$1,771.1	0%	0%	0%			
Agriculture	North Latitude Plant Material Center	\$2,734.9	\$2,109.1	0%	0%	0%			
Agriculture	Agriculture Revolving Loan Program Admin	\$2,530.8	\$2,530.8	0%	0%	0%			
Parks and Outdoor Rec	Parks Management & Access	\$14,129.6	\$9,904.1	0%	0%	21%			\$2,047.2
Parks and Outdoor Recr	Office of History and Archaeology	\$2,508.8	\$498.8	0%	11%	0%		\$49.9	
Forestry	Fire Suppression Preparedness	\$19,996.3	\$17,030.7	0%	0%	0%			
Forestry	Fire Suppression Activity	\$20,123.7	\$8,163.3	0%	0%	0%			
Total		\$170,840.2	\$133,926.7				\$512.2	\$6,651.5	\$3,325.0

Note: the Public Information Budget (Operation Funds Only) is listed as \$97,400 because the remainder of the funds are I/A receipts from other agencies to fund the PIC. Thus, mining costs are greater than 100% of the non-I/A budget.

6.2.1 Commissioner's Office, Division of Support Services, and most DNR Offices

The Commissioner's Office has no expenditures directly attributable to the three industries. A significant change in those industries would not result in a change in funding to the Commissioner's Office. Similarly the Division of Support Services provides general information technology services and other support functions for the department in general. Staffing and expenditures would not significantly change with a change in those industries. The Division of Support Services oversees the Recorder's Office and the Public Information Center, which are discussed further in this analysis.

Finally, the following offices have no management responsibility for these industries and expend few, if any, funds on them.

- Gas Pipeline Project Office.
- State Pipeline Coordinator's Office
- Information Resource Management
- Facilities
- Citizen's Advisory Committee on Federal Areas
- Conservation and Development Board
- EVOS Trustee Council Project

6.2.2 Office of Project Management and Permitting

The Office of Project Management and Permitting (OPMP) is an unusual organization in that it charges most of its expenditures to individual projects, which are funded by non-government project sponsors, such as a mining or oil company. The Office has no commercial fishing or recreation projects. However, it has two mining coordinators who work on numerous mining projects. The coordinators are expected to bill 90% of their time to project-related work (i.e., charged to the companies, not the General Fund). OPMP coordinators assemble and facilitate a team from permitting divisions at DNR, DEC, and DF&G for pre-permitting review, permitting activities, and agency inspections. The mining companies voluntarily pay for this function. They pay the cost of all state personnel who work on the project. They execute a payment agreement with DNR. In turn, OPMP develops agreements to reimburse the individual agencies and divisions that work on the project. The company pays DNR, and DNR transmits the payments to each agency according to what that agency bills.

In FY 14, the office charged mining companies for \$1,935,003.57. (That figure is the amount charged, not the amount authorized, which is greater). However, most of that amount was distributed to other agencies and divisions (and is accounted for in those budgets). Of the \$1.9 million received by OPMP by mining companies, \$436,603.52 was kept internally by OPMP. Assuming that OPMP actually charged 80% (including other non-chargeable staff, etc.), the cost for mining management is \$109,150.88. Including the mine management costs and deducting OPMP expenditures that were recorded in other division's budget, the remaining amount to allocate for mining in OPMP is \$1,580,000.

6.2.3 Recorder's Office

The Recorder's Office is within the Division of Support Services. Its main office is in Anchorage with satellite offices throughout Alaska. It services as the recording center for deeds and documents for all of Alaska.

A valid mining claim must be recorded within 45 days of staking. In addition, an affidavit of annual labor must be annually recorded for each claim. The Office funding source is General Fund designated program receipts of \$4,955,700, and CIP Receipts of \$115,600. In FY 14, the Recorder's office received 144,007 documents. Of those, 5,810 were mining (4.0%). There were an insignificant number of Recreation/Tourism, or Commercial Fishing Documents. Thus, the mining cost is approximately \$200,000 (i.e. 4% of \$4,955,700).

6.2.4 Public Information Center.

The Public Information Center (PIC) is the public door for DNR. It is within the Division of Support Services. The PIC provides a single location for the public to come with questions, use status plats, make payments, reserve a Division of Parks cabin, submit a permit application, submit a land sale application, etc.

The budget component for the PIC shows a budget of \$569,200 of which \$471,800 is provided by other divisions of DNR in the form of I/A funding.

PIC staff keeps track of the number and purpose of their public contacts. In FY 14, the PIC helped 15,079 people including walk-in, phone, mail, and e-mail. Mining is 19.3% of the total. Therefore, the mining cost is 19.3% of the total PIC budget or approximately \$109,900. Alaska parks are the subject of 26.0% of the PIC's public contacts. However, PIC personnel estimate that only 12% of these parks-related contacts are from out-of-state. The remaining 88% are Alaskans. Therefore the cost attributable to the tourism industry is \$17,800.

The PIC gets only a few questions related to commercial fishing, and no cost is allocated to that industry.

6.2.5 Mental Health Trust Land Office

The Mental Health Trust Land Office is an independent office housed for administrative convenience within DNR. The Trust Land Office does not report to the Commissioner of DNR; rather it reports to the Board of Directors of the Mental Health Trust, outside of DNR. The Trust Land Office manages a portfolio of land to generate income for the Mental Health Trust, which expends this and other income on mental health programs throughout Alaska.

The Office owns significant mining portfolios including the ore deposit at the Fort Knox Gold Mine near Fairbanks and is the owner of the coal leased for the proposed Chuitna Coal Mine on the west side of Cook Inlet. The Executive Director of the Trust Land Office reported that it spent \$363,400 on mining-related issues in FY 14. The Trust Land Office

has no commercial fishing or tourism developments in its land portfolio, and so no expenditures are allocated to from the Office to those industries.

6.2.6 Divisions of Oil and Gas, Forestry, Agriculture

These three divisions spend little time on commercial fishing, mining, or tourism and have only incidental expenditures for these three industries.

6.2.7 Division of Mining, Land and Water

The Division of Mining, Land and Water (DMLW) is the land manager for most state land in Alaska. The Division oversees the coal regulatory program, and the mining claim system, and has regulatory authority over placer and hard rock mines on state, federal, and private land. The Division oversees many permits and leases for tourism-related activities, and authorizes commercial shore fishery leases for the commercial set-net salmon fishery, and leases sites for the commercial mariculture (shellfish) industry. Finally, it must authorize all significant use of surface and groundwater in the state, including that for commercial fishing, mining, and tourist facilities.

The division's mining section regulates coal, maintains the state's mining claim system, and regulates placer and hard rock mines. According to the division, the section costs \$3,206,800 of which \$1,044,900 is supplied by federal funds (for the coal program within the mining section). Thus, a total of \$2,161,900 in state funds is allocated to mining from the mining section.

The water section estimates that 25% of its \$1,148,000 cost is attributable to mining-related work. That amount is \$287,000 of which \$50,000 is from the Illinois Creek Reclamation Trust Fund and is excluded.³³ Therefore \$238,000 is allocated to mining from water section expenses.

The land and other sections with the division had only incidental mining-related expenses; therefore the total mining cost from DMLW is \$2,398,900.

DMLW's southcentral regional office runs two commercial fishing related programs. The mariculture (aquatic farm program) costs the division \$100,000 (and brings in revenue of \$48,438.34 in fees). This program authorizes sites for commercial aquatic farms such as oyster farms. The office also runs the shore fishery lease program at a cost of \$326,100 in FY 14 (and brought in revenue of \$344,300). The shore fishery program authorizes set-net leases that provide dedicated sites for commercial salmon limited entry set-net permit holders. The water section estimates that it expended 7.5% of its \$1,148,000 budget on

³³ Funds within the Illinois Creek Reclamation Trust Fund were generated by reclamation of the Illinois Creek Gold Mine in 2005. Though the mine was managed by the state after its bankruptcy, the state deposited money in the trust fund from the state's lessee, which mined and reclaimed the site. The funds are a remnant of the "profit" from that effort, and are maintained in the trust fund for the sole purpose of monitoring the site. Essentially in FY 14, the legislature authorized DNR to use funds that it appropriated to the trust fund in FY 05. Thus, they are not FY 14 state funds for purposes of this analysis.

fishing related issues (\$86,100). Therefore, including the mariculture, shore fishery lease, and water expenses, \$512,200 is allocated to the commercial fishing industry.

DMLW staff estimates that the three regional offices expend roughly 35% of their time and energy on recreation and tourism issues including easements, leases, guide permits, etc. Revenue is minimal. Of that proportion, approximately 60% is spent on tourism-related actions. The total budget of the three offices is \$5,973,600. Thus, the tourism-related expenditures are \$1,255,000. The water section estimates it spends 5% of time on recreation and tourism issues, or \$5,700. Therefore, \$1,260,500 is allocated to tourism.

6.2.8 Division of Geologic and Geophysical Surveys

The Division of Geologic and Geophysical Surveys (DGGs) has six sections. In FY 14, the minerals section cost \$1,580,000. All is allocated to mining. The section works on basic research for mining and geology, which provides information to the mining industry. The geological materials center cost \$332,000. Staff estimates that 25% of their effort, or \$83,000, is mining related. The geological communication section helps scientists with their publications and the public with access to DGGs scientific materials. Staff estimates that 20% of the section's \$1,082,000 budget, or \$216,400 should be allocated to mining.

Three other sections — Energy, Volcano, and Engineering Geology — have only incidental impact on the mining industry. The cost of these three sections is not allocated to mining. Therefore, the proportion of DGGs cost allocated to mining equals \$1,879,400.³⁴ The Division had no expenditures relevant to the commercial fishing or tourism industry.

6.2.9 Division of Parks and Outdoor Recreation

This budget component funds the Division of Parks and Recreation for \$9,904,100 (excluding federal funds, CIP funds, and inter-agency transfers. Federal funds are used for the boating safety program, which is not included in this amount). The department receives an additional \$332,000 from "Dingell-Johnson" collections. The division collects receipts from Dingell-Johnson funded boat ramps, and they are sent back to DF&G. DF&G turns around and sends the amount of those receipts back to Parks the next year for use at the park they from which they were collected. Thus, they are Tourism and Recreation expenditures. These are I/A funds but because they are routinely used to maintain park facilities they are included in this analysis. The remaining I/A receipts are transferred from OPMP for work on large projects unrelated to mining or commercial fishing in FY 14.

Parks expenditures are used to maintain state parks and recreation facilities for tourism and for Alaskans. Staff estimates that statewide, 80% of state park visitation is by Alaska

³⁴ Of the \$354,600 DGGs statutory designated program receipts (Appendix A), the division only collected roughly \$219,000. Of that amount, \$55,000 involved mining. It was a request for an add-on to an aerial geophysics CIP. That is, since DGGs was flying in the area, the company requested that they add an area or analysis to the already-funded flight. Because the \$55,000 is a revenue that is not otherwise counted, and the cost was incurred specifically for that revenue, it is not included in the mining total for DGGs.

residents, and 20% is by nonresidents. Thus, of the total \$10,236,100 budget, 20% is allocated to Tourism: \$2,047,220.

6.2.10 Office of History and Archaeology

The Office of History and Archaeology (OHA) has only a limited budget of non-federal, non-directed state funds: \$15,700 of general fund appropriations, \$470,700 of required general fund match to the federal funds, and \$12,400 for work on the *Exxon Valdez* Oil Spill related habitat purchases. Staff estimates that it spends 10% of its time on mining-related issues. Therefore, \$49,880 is allocated to mining. OHA staff spends only incidental time on commercial fishing or tourism.

6.3 Department of Fish and Game

DF&G is organized into the Commissioner's Office, five divisions, and three associated offices. These groups are funded through 21 budget components, eight of which expend funds on at least one of commercial fishing, mining, or tourism. The remaining 13 budget components are within divisions and offices that expend only incidental time and funds on these industries.

Table 27 lists the budget components that fund DF&G and the costs attributed to commercial fishing, mining, and tourism. Appendix A shows the DF&G budget components in greater detail.

Expenditures for sport fishing and hunting are made for Alaskans, but also to manage fish and wildlife for tourists. The same activity (the same cost) serves both groups. The extent to which these expenditures are described as tourism expenditures is an important assumption for this analysis. The Department of Fish and Game annually conducts a survey to determine numbers of residents and nonresident who fish, and the total number of angler-days fished by residents and nonresidents. For purposes of this analysis, nonresidents are considered tourists; residents are not. Over the most recent five years with data (2009-2013), nonresidents fished 43% of the angler days. For this analysis, 43% of the relevant sports fishing expenditures were allocated as tourism expenditures.

Wildlife expenditures were distributed similarly. Wildlife hunting or watching days are not available by residents and nonresidents, but the Department tracks the number of hunting licenses purchased by residents and nonresidents. Over the most recent four years with data (2010-2014), nonresidents purchased 14% of hunting licenses; therefore, 14% of the relevant wildlife conservation expenditures are allocated as tourism expenditures.

**Table 27. Department of Fish and Game
FY 14 Budget Component Funding and Industry Expense**
(Figures in thousand dollars)

Division (Office)	Component	Total All Funds	Total State Op Funds Only	Percentage of the Budget:			Dollars of the Budget		
				Cm Fish	Mining	Tourism	Cm Fish	Mining	Tourism
Commercial Fisheries	Southeast Region Fisheries Management	\$9,743.1	\$9,651.1	84%	0%	0%	\$8,131.9		
Commercial Fisheries	Central Region Fisheries Management	\$9,744.5	\$9,744.5	84%	0%	0%	\$8,188.2		
Commercial Fisheries	AYK Region Fisheries Management	\$8,603.5	\$8,603.5	85%	0%	0%	\$7,277.5		
Commercial Fisheries	Westward Region Fisheries Management	\$10,322.4	\$10,322.4	82%	0%	0%	\$8,501.8		
Commercial Fisheries	Headquarters Fisheries Management	\$11,748.0	\$11,748.0	85%	0%	0%	\$9,951.8		
Commercial Fisheries	Commercial Fisheries Special Projects	\$23,555.0	\$9,565.3	40%	0%	0%	\$3,824.6		
Sport Fisheries	Sport Fisheries	\$44,979.6	\$23,223.2	0%	0%	39%			\$9,038.4
Sport Fisheries	Sport Fish Hatcheries	\$5,963.7	\$586.6	0%	0%	43%			\$252.2
Wildlife Conservation	Wildlife Conservation	\$34,132.7	\$15,939.0	0%	0%	14%			\$2,231.5
Wildlife Conservation	Wildlife Conservation Special Projects	\$11,840.3	\$1,986.6	0%	0%	14%			\$185.3
Wildlife Conservation	Hunter Education Public Shooting Ranges	\$792.4	\$792.4	0%	0%	0%			\$-
Admin & Support	Agency-wide Unallocated Reduction	-\$316.5	-\$316.5	0%	0%	0%			
Commissioner's Office	Commissioner's Office	\$1,894.3	\$976.1	0%	0%	0%			
Admin & Support	Administrative Services	\$12,622.5	\$4,011.3	0%	0%	0%			
Boards Support	Fish and Game Boards & Advisory Committees	\$2,132.5	\$1,666.0	41%	0%	12%	\$683.1		\$199.9
Subsistence	State Subsistence Research	\$7,773.2	\$3,870.4	0%	0%	0%			
Associated	EVOS Trustee Council	\$2,611.7	\$2,028.9	0%	0%	0%			
Admin & Support	State Facilities Maintenance	\$5,100.8	\$-	N/A	N/A	N/A			
Admin & Support	Fish and Game State Facilities Rent	\$2,530.0	\$2,530.0	0%	0%	0%			
Habitat	Habitat	\$6,837.3	\$4,634.5	0%	3%	0%		\$350.0	
Associated	Commercial Fisheries Entry Commission	\$4,503.6	\$4,389.2	100%	0%	0%	\$4,389.2		
Total:		\$217,114.6	\$125,952.5				\$50,948.0	\$350.0	\$11,907.3

6.3.1 Division of Commercial Fisheries

The Division of Commercial Fisheries manages commercial fisheries and also manages subsistence and personal use fisheries. The budget was allocated to commercial fishing expenditures with some exceptions. The division director made a rough estimate that 15% of division staff time and expenditures are spent on personal use and subsistence fisheries; therefore, 15% of the division's costs are excluded. Also, a number of the line items in the budget are program receipt authorizations. Program receipt authorities authorize the Division to spend funds from a specific source, but it can spend them only if they can be collected. For example, for each region, the division is authorized to collect and spend a certain amount from the test fisheries in the region. The division only spent the funds that the test fisheries actually earned, which was less than the legislature authorized.

Corrections to the component budget information are below.

Division of Commercial Fisheries Program Receipts
(figures in thousand \$)

Budget Component	Funding Source	Amount Authorized	Amount Spent
Southeast Region	Test Fish (DGF)	\$651.2	\$567.0
Central Region	Test Fish (DGF)	\$383.4	\$272.1
AYK Region	Test Fish (DGF)	\$41.7	\$0.0
Westward Region	Test Fish (DGF)	\$1,760.7	\$1,440.4
Headquarters	GF/Program Receipts	\$382.2	\$342.2
Special Project	GF/Program Receipts	\$1,040.5	\$878.4
Special Project	Fish/Game Other	\$201.6	\$199.8

In addition, the \$4.9 million labeled Stat Designated in the Special Project component provides the division the ability to collect non-state grants for commercial, personal use, or subsistence fishing. Because it authorizes non-state funds, it is excluded from the analysis.

The Division does not spend appreciable funds with respect to the mining or tourism industries. Overall, the Division spent \$45,875,000 in state funds managing the commercial fisheries (not including federal funds, CIP, and I/A funds).

6.3.2 Division of Sport Fisheries

The Division of Sport Fisheries expends funds in support of the tourism industry in that, as explained previously, nonresidents (i.e., tourists) fish 43% of sport fishing angler. Thus, 43% of division expenditures are allocated to sport fishing. No funds from the division are allocated toward mining or commercial fishing expenditures.

There are three other deductions from the legislatively authorized amounts in the budget component. Two are due to program receipts collections: the legislature authorized \$13,407,400 for Fish/Game (Other), and \$1,299,980 for Statutory Designated Program

Receipts (Other), but the Division collected only \$12,395,900 and \$450,700, respectively. Finally receipts from the *Exxon Valdez Oil Spill* are not considered FY 14 state funds for this analysis. With these assumptions and corrections, the analysis shows that the Division of Sport Fisheries spent \$9,290,600 for the tourism industry.

6.3.3 Division of Wildlife Conservation

Similar to the Division of Sport Fisheries, expenditures are considered tourism in this analysis in proportion to the nonresident hunters, which over the last 5 years have been 14% of the total hunters, measured by hunting license purchases.

The Division is funded through three components. The last component is titled Hunter Education Public Shooting Ranges. This component targets Alaskans and only a few nonresidents. It is excluded from tourism costs. The cost of the remaining two budget components, subtracting EVOS expenses, as explained earlier, (and excluding federal funds, I/A, and CIP receipts) total \$17,875,600. In addition, a portion of the Special Projects Component authorizes the Division to collect funds from other sources, such as from a private sheep management group to complete a sheep management study. That is a private funding source that would not otherwise go to the state. Therefore, the \$612,700 of Statutory Designated Program receipts is subtracted from the total. The result is: \$17,262,900. Fourteen percent of that amount is allocated to tourism: \$2,416,800.

6.3.4 Division of Habitat

The Acting Director of the Division of Habitat estimates that the Division spends only incidental time on commercial fishing or tourism, but spends approximately \$150,000 managing placer mining activities. It spends approximately \$200,000 on hard rock activities funded by industry through an OPMP reimbursement agreement.

6.3.5 Board Support Section

The Boards Support Section provides staff support and funding for the Board of Fish and Board of Game. Funds for this section, though not a large amount, were allocated in a complex fashion.

Funds were allocated according to the portion of days spent on commercial fishing, sport fishing, and wildlife subjects in FY 14. For the Board of Fish, each meeting was divided into the proportion spent on commercial fishing and sport fishing, by reviewing the subject of the proposals for the meeting. We used the "Roadmap" published for the meeting, or the agenda or meeting summary for meetings without a roadmap. For example, if the meeting lasted three days, and one-third of the proposals appeared focused on sport fishing, then we estimated that sport fishing used one day. Because 43% of sport fishing expenditures are allocated to tourism, that would mean 0.43 days are allocated to tourism from that session. Similarly, 14% of the days spent by the Board of Game were allocated to tourism. In this fashion, 41% of the total days spent by the Board of Fish, and the Board of Game are allocated to commercial fishing; 12% are allocated to tourism. (The remainder was spent on resident sport fishing and hunting, subsistence, or other subjects.) Therefore, 41% of

the Board Support Section budget is allocated to commercial fishing, 12% to tourism, and none to mining.

This methodology clearly introduces some error into the analysis. A proposal concerning commercial fishing may have been proposed to benefit another use such as sport fishing. In addition, some proposals may be dealt with quickly while others take a lot of board discussion. Nevertheless, the methodology gives an order-of-magnitude estimate of the relative expenditures.

The results indicate that Board Support Section spent \$683,100 to support commercial fishing and \$199,900 to support Tourism.

6.3.6 Commercial Fisheries Entry Commission

The Commercial Fisheries Entry Commission provides services to the commercial fishing industry. The commission's website shows the following services:

- Limit entry into commercial fisheries.
- Issue and transfer annual commercial fishing permits and vessel licenses.
- Adjudicate appeals of actions including denials of applications and transfers.
- Study, analyze, and report on the economics and stability of commercial fisheries.
- Ensure reliable and timely access to fishery data.

All of the commission's \$4,389,200 expenses are allocated to commercial fishing.

6.3.7 Commissioner's Office; Division of Administrative Services; Division of Subsistence; and Exxon Valdez Oil Spill Trustee Council.

Consistent with the treatment of other Departments, none of the Commissioner's Office or Division of Administrative Services is allocated to any of the three industries. While habitat restoration and protection funded by the Exxon Valdez Oil Spill Trustee Council benefits fish and wildlife, and therefore commercial fishing and tourism, the EVOS Trustee Council spends non-General Fund money collected after the 1989 oil spill. Its expenditures are not part of this analysis. Divisions of Subsistence activities only incidentally support the three target industries. No funds are allocated from these components of the DF&G.

6.4 Department of Commerce, Community, & Economic Development

The Department of Commerce, Community, & Economic Development (DCCED) includes a wide variety of functions housed in seven divisions and seven independent corporations and boards. These are funded through 25 budget components. Most, like the Alcohol Control Board, have little to do with commercial fishing, mining, or tourism.

Four budget components fund two divisions and one institute to provide services to commercial fishing, mining, or tourism: The Division of Economic Development; Division of Corporations, Business, and Professional Licensing, and the Alaska Seafood Marketing Institute. See Table 28.

**Table 28. Department of Commerce, Community and Economic Development
FY 14 Budge Component Funding and Industry Expense**
(Figures in thousand dollars)

Division (or Agency)	Component	Total All Funds	Total State Op Fund Only	Percentage of the Budget:			Dollars of the Budget		
				Cm Fish	Mining	Tourism	Cm Fish	Mining	Tourism
Alaska Gasline Dvpt Corp	Alaska Gasline Development Corp	\$4,058.3	\$7,692.6	0%	0%	0%			
Commissioner's Office	Commissioner's Office	\$1,153.8	\$110.7	0%	0%	0%			
Administrative Service	Administrative Services	\$5,676.8	\$1,502.0	0%	0%	0%			
Banking and Securities	Banking and Securities	\$3,607.8	\$3,607.8	0%	0%	0%			
Community and Regional Affairs	Community and Regional Affairs	\$11,697.4	\$8,323.0	0%	0%	0%			
Community and Regional Affairs	Payment in Lieu of Taxes	\$10,428.2	\$-	N/A	N/A	N/A			
Community and Regional Affairs	National Forest Receipts	\$600.0	\$-	N/A	N/A	N/A			
Community and Regional Affairs	Fisheries Taxes	\$3,600.0	\$-	N/A	N/A	N/A			
Corps, Business and Professional Lic.	Corps, Business and Professional Lic.	\$12,296.1	\$12,056.1	0%	0%	5%	\$38.0		\$627.7
Economic Development	Economic Development	\$22,490.4	\$22,078.8	1%	1%	72%	\$88.7	\$363.2	\$16,000
Economic Development	Investments	\$5,340.4	\$5,310.8	0%	0%	0%			
Insurance	Insurance Operations	\$7,619.2	\$7,259.5	0%	0%	0%			
Community and Regional Affairs	Service Alaska	\$3,596.8	\$363.0	0%	0%	0%			
Alcoholic Beverage Control Board	Alcoholic Beverage Control Board	\$1,745.7	\$1,722.0	0%	0%	0%			
Alaska Energy Authority	Alaska Energy Authority Owned Facilities	\$1,067.1	\$1,067.1	0%	0%	0%			
Alaska Energy Authority	Alaska Energy Authority Rural Energy Ops	\$6,210.4	\$2,403.5	0%	0%	0%			
Alaska Energy Authority	Alaska Energy Authority Technical Assist	\$576.7	\$406.7	0%	0%	0%			
Alaska Energy Authority	Alaska Energy Authority PCE	\$40,351.0	\$40,351.0	0%	0%	0%			
Alaska Energy Authority	State Pjct Dvp Alternative Energy & Eff	\$6,728.7	\$3,247.9	0%	0%	0%			
Alaska Industrial Dvp and Export Authority	Alaska Industrial Dvp and Export Authority	\$16,523.4	\$6,875.7	0%	0%	0%			
Alaska Industrial Dvp and Export Authority	AIDEA Facilities Maintenance	\$262.0	\$262.0	0%	0%	0%			
Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute	\$29,607.9	\$25,107.9	58%	0%	0%	\$14,639.3		
Regulatory Commission of Alaska	Regulatory Commission of Alaska	\$9,545.1	\$9,069.3	0%	0%	0%			
Administrative Services	State Facilities Rent	\$1,359.4	\$599.2	0%	0%	0%			
Total:		\$206,142.6	\$159,416.6				\$14,766.0	\$363.2	\$16,627.7

Note: The Alaska Seafood Marketing Institute spent only \$15,639.3 thousand, or \$15.6 million, of non-federal funds in FY 14. Some of the funds in the operating budget may not have been collected (i.e., they were program receipts). In addition, the institute has the ability to roll over unspent funds to future years.

6.4.1 Division of Economic Development

The Division of Economic Development supports the growth and diversification of Alaska's economy through business assistance, financing, promotion, and public policy. The Division is funded by two components: economic development and investments.

The economic development budget component funds a mining industry specialist and 2.25 positions that market tourism. They also do some work related to the commercial fishing industry. The estimated cost is: \$88,763 for commercial fishing and \$363,284 for mining. The individual who oversees tourism-related work has a significant tourism-marketing budget. The total cost is approximately \$16 million.

The investment budget component funds the division to administer loan funds for industry. Four funds are relevant to the commercial fishing industry. For each of these loan funds, the division lends money, which is repaid into the fund. There is also loan interest earned by the fund, some of which goes to fund the division's costs in overseeing the funds, some is returned to the fund, and some remains in the General Fund to be used for any purpose by the legislature. Because the division's cost to manage the fund is paid for by the fund, not by the General Fund, we did not treat it as a cost allocable to the commercial fishing industry. That is, we excluded both the cost—the division's management cost—and the revenue, that part of the fund earnings which goes to fund the division's management cost. We included the fund interest that remains in the General Fund as commercial fishing revenue.

6.4.2 Division of Corporations, Business and Professional Licensing

The division runs a variety of professional licensing programs. The Big Game Commercial Services Board expended \$589,701 in FY 14. As a significant majority of big game guides' clients are nonresidents, this amount is allocated to tourism. The division also funds the Board of Marine Pilots that certifies pilots for large ships coming to port. This includes cruise ships. The marine pilot expenses were \$151,818 in FY 14. After phone discussions with staff from Marine Pilots' Associations in Ketchikan, Dutch Harbor and Southcentral, we estimated that 25% of marine pilots' work is tourism-related, most of which is in SE, and 25% of the work is related to the transport of fish, mostly from Dutch Harbor. Therefore, \$38,000 is allocated to each industry.

6.4.3 Alaska Seafood Marketing Institute

All of ASMI's expenditures are intended to benefit Alaska's seafood industry. The Institute has the ability to roll unused funds forward from year to year. In addition, the program receipts authorization does not always reflect amount collected. However, ASMI spent \$14,639,300 in non-federal funds in FY 14.

6.4.4 Alaska Industrial Development and Export Authority

AIDEA is a self-funding authority. It received no General Funds from Alaska's operating budget in FY 14. Agency funding was from repayment of loans, and fees from industrial projects financed by the agency and from state CIP funding (i.e., from Alaska's Capital Budget).

AIDEA did expend funds to further the proposed Ambler District Mine Road. The legislature provided these funds to AIDEA and DOT in the capital budget. They are included as a mining expense. AIDEA also received funds from a toll on the Delong Mountain Transportation System, generally known as the Red Dog Mine Road. These are *not* included as mining revenue but are discussed in the report in Chapter 4.

6.4.5 Other DCCED Divisions and Organizations

None of the remaining 20 budget components directly funded programs that more than incidentally benefitted commercial fishing, mining or tourism.

6.5 Department of Public Safety

Within the Department of Public Safety, the Division of Wildlife Troopers is focused on protecting natural resources. Four of the six components of the Division's mission statement are directed at enforcing fishing and hunting regulations including those of the commercial fishing industry, sport fishing, and guiding. Specifically, the mission's components (from the website) include:

- Statewide Patrol of Commercial Big Game Services: Identification of Illegal Guiding and Transporter Activities
- Statewide Commercial Fisheries: Reduction of Unlawful Harvest and Sales of Wild-Stocks
- Statewide Sport Fish and Sport Fish Guiding: Reduction of Illegal Harvest and Sale of Sport Fish
- Statewide Game and Trapping: Prevention of Waste and Illegal Harvest
- Boating Safety: Reduction of Boating Related Deaths and Injuries
- Safeguarding Habitat: Reduction of Watershed Damage and Non-Compliance of Environmental Permits

The Division is funded through three budget components: Alaska Wildlife Troopers, Aircraft Section, and Marine Enforcement.

Staff estimates that approximately 18% of the Alaska Wildlife Trooper budget component is spent on commercial fishing and 5% on commercial hunting (allocated as tourism as part of this analysis). Staff also estimates that between 15% and 20% of the Aircraft Section is spent on these uses. Using 17% as a mid-point, and using the same ratio as the Trooper budget component between commercial fishing and tourism provides that 13% of the Aircraft section is spent on commercial fishing and 4% on tourism.

Staff also estimates that 85% of general funds in the marine section are spent on commercial fishing. The large boats do little work outside of commercial fishing enforcement.

In total, the cost to support commercial fishing in FY 14 was \$6,958,100; the cost allocated for tourism: \$1,183,000.

**Table 29. Department Public Safety, Division of Wildlife Troopers
 FY 14 Budge Component Funding and Industry Expense
 (Figures in thousand dollars)**

		All Funds	State Op Funds	Percentage of the Budget:			Dollars of the Budget		
Division (Office)	Component	Total	Total	Cm Fish	Mining	Tourism	Cm Fish	Mining	Tourism
Alaska Wildlife Troopers	Alaska Wildlife Troopers	\$22,214.6	\$21,004.9	18%	0%	5%	\$3,780.9	\$-	\$1,050.2
Alaska Wildlife Troopers	Aircraft Section	\$4,323.9	\$3,318.0	13%	0%	4%	\$431.3	\$-	\$132.7
Alaska Wildlife Troopers	Marine Enforcement	\$3,272.9	\$3,230.4	85%	0%	0%	\$2,745.8	\$-	\$-
Total:		\$29,811.4	\$27,553.3				\$6,958.1		\$1,183.0

6.6 Department of Revenue, Tax Division

The Department of Revenue publishes the cost to collect each of the taxes it collects. We used that data and did not review the Department of Revenue budget components.

6.7 Department of Law

The Department of Law provided us with the funds spent on each of the three industries for the Department as a whole. We used their estimate and did not review the Department of Law budget components.

Chapter 7. Capital Budget Detail

This chapter provides the detailed explanation of assumptions and capital budget projects. The overall methodology for the capital budget analysis is explained in Chapter 2.

7.1 Key Assumptions for Allocating Capital Budget Appropriations

ISER staff reviewed the OMB summary of each of 333 Capital Improvement Projects (CIP) identified as potentially applicable to one of the industries. We assigned the cost of each project to an industry according to the assumptions below.

General

- This analysis focuses on costs to the State of Alaska. Therefore, it excludes federal funds. If a CIP appropriation included state and federal funds, only the state funds are part of the calculation. If a CIP appropriation included only federal funds, the project was ignored.
- If it was evident that the CIP was targeted fully toward one of the three industries, the full cost of the project was assigned toward that industry. Thus, the appropriation for the Critical Minerals Assessment was fully assigned to the mining industry.
- If it was evident that the CIP did not significantly benefit any of the industries, no cost was allocated. Most of the CIPs fell into this category, for example a FY 2013 CIP to benefit the South Anchorage Sports Park Facility.
- In total, for the three years, there were 333 CIPs in the list. 187 of them did not benefit any of the three industries and no cost was assigned; 146 benefited at least one or more of the industries. Of these, 51 benefited commercial fishing at least in part; 110 benefited tourism at least in part; and 5 benefited mining. The numbers add to more than 146 because some CIPs affected both commercial fishing and tourism. All of the five mining CIPs affect only mining and were allocated 100% to mining.

Tourism

- **State Parks.** Some CIPs fund improvements to a State Park. Staff from the DNR Division of Parks and Outdoor Recreation estimate that 80% of Parks visitation is from Alaska, 20% from nonresidents. Therefore, 20% of the cost of these CIPs is allocated tourism.
- **Local Parks & Fairgrounds.** CIPs for improvements to local parks, e.g., Kincaid Park in Anchorage, are assumed to primarily benefit local Alaska residents and not allocated to tourism or to the other industries. Improvements to state and borough fairgrounds are also assumed to be for primarily local use and not allocated to tourism or other industries.
- **Museums.** A number of CIPs fund improvements to museums throughout Alaska. The study intended that the cost allocated to tourism reflect the proportion of

visitation from nonresidents (i.e., tourists). To estimate that proportion, one of the study authors called six museums in Alaska, in Anchorage, small towns, etc. From those discussions, we estimate that approximately 50% of museum visitation throughout Alaska is attributable to nonresidents. This is a rough estimate and the actual percentage varies by museum. Consistent with this estimate, 50% of the cost of museum-improvement CIPs is allocated to tourism.

- **Sport Fishing.** The ADF&G Sport Fishing Survey Database estimates the number of anglers and angle-days fished by residents and nonresidents. A five-year weighted average, 2009-2013, indicates that nonresidents fish 43% of the angler-days. Thus, 43% of the cost of sport fishing-related CIPs are for sport-fishing CIPs was allocated to tourism.
- **Wildlife-related CIPs.** ADF&G Division of Wildlife Conservation provides a record of the number of individuals who purchase different types of hunting licenses each year. Over the four years from 2011-2014, 86% of hunting licenses were purchased by residents and 14% by nonresidents. Therefore, 14% of the cost of wildlife-related CIPs is allocated to tourism.
- **Habitat Restoration.** Habitat restoration is, in general, not allocated to any industry. The restoration of stream-side habitat should be allocated to whatever process damaged it. In general, the cause of the damage is not evident from the CIP and the cost of that CIP is not allocated to any of the three industries. The only exception is a CIP for improvements to Bing's landing and restoration of habitat on the Kenai, which is the result of sport-fish damage. Therefore, 43% of this CIP is allocated to tourism

Commercial Fishing

- **Hatchery Improvements.** Hatchery CIPs are allocated according to the catch information for that Hatchery published by DF&G. For example, if the catch information shows that 80% of the catch for that hatchery is commercial, 10% sport, and 10% subsistence or personal use, the allocation of costs would be 80% commercial; 4.3% tourism (10% x 43%). The commercial fishing allocation is usually greater than 90%, reflecting the typical catch numbers for most hatcheries.
- **General Fisheries Management.** These were allocated according to the harvest figures from Upper Cook Inlet, which is 86% commercial, and 1% tourism.
- **Shellfish Hatcheries.** These are allocated 100% to commercial.
- **Stakeholder Efforts.** There are two stakeholder-management CIPs. We assume that the cost should be equally borne by commercial fishing, sport fishing, and personal use (subsistence). Therefore, we allocated the CIP cost as: 33% to commercial fishing, and 14% to tourism (i.e., 33% to sport fishing x 43% = 14% tourism).

Mining. There are only five mining-related CIPs. These focus on two subjects though they are spread over multiple years (which is why they are divided into five CIPs). The two subjects are Strategic and Critical Minerals, and the Ambler Road Planning studies. Both are 100% allocated to mining.

7.2 Caution

Assumptions. Conclusions about CIP costs attributable to commercial fishing and tourism are dependent on the assumptions explained above. Other assumptions are possible. Therefore, the conclusions about CIP costs attributable to each industry should be taken as an approximation rather than a precise calculation. For mining, this caveat does not apply. There are only five CIPs related to mining, and the costs of these CIPs are solely mining-related.

Other CIPs. The project analyzed the 333 capital appropriations from FY 12 through FY 14 that were most likely to be related to commercial fishing, mining, or tourism. It is likely that somewhere in the roughly 3,500 CIPs that this analysis did not review, there are other appropriations that should be allocated to one or more of the industries. Therefore, the conclusions concerning CIP costs are likely to somewhat underestimate the true amount of capital funds spent on these industries.

The Near Future. The capital budget can change substantially from year to year, as noted in Figure 7 in Chapter 2. Given Alaska's budget deficit, it is likely that the future capital budgets will be substantially smaller than those of recent years (i.e., than those analyzed in this report).

7.3 List of Capital Projects. The pages that follow show the 333 capital projects discussed in this appendix. It shows the proportion of the capital project allocated to each of the industries. The list shows only the state fund portion of the capital project, adjusted to be in FY 14 dollars. In some cases the name of the capital project has been adjusted to fit the space available.

The three columns with background shading show the proportion of the project allocated to each industry, consistent with the assumptions explained previously. The three columns on the right of the page show the amount of the capital appropriation, in millions, in FY 14 dollars. The fourth column from the right, under the label "average" divides the amount by three so that the three years are averaged (an average annual amount) for comparison with FY 14 operating costs and revenue.

Therefore, the proportion in the shaded column, multiplied by averaged value is the amount allocated to that industry. For example, line 14 shows that in FY 13 the legislature appropriated an amount for the Crystal Lake Hatchery Deferred Maintenance. The amount in FY 14 dollars is \$0.660 million (\$660,000). Because that is only one year of a three-year average, the average annual amount appropriated for that purpose is one-third of that (\$0.220 million). Since 95% of the catch from that hatchery is harvested commercially,

95% of that amount is allocated to the commercial fishing industry. The sum of all of these allocations for commercial fishing equals \$18.5 million, as shown at the top of the page.

A full excel version of the CIP list is available at the ISER website as explained in Chapter 9. The excel version includes the actual amount appropriate by the legislature as well as the value of the appropriation in FY 14 dollars.

Table 30. Capital Project Appropriations. 2012-2014

Comm						Real 2014 dollars (millions)			
Fishing Mining Tourism						Average	2012	2013	2014
18.5 4.0 19.4 Total, figures in million dollars									
Line	Dept	Year	Project_name						
1	ADFG	2012	Campbell Creek Estuary Conservation Project			0.0000	0.0000		
2	ADFG	2012	Critical Information Technology Infrastructure Maintenance			0.1397	0.4192		
3	ADFG	2012	Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades			0.2445	0.7336		
4	ADFG	2012	Intensive Game Management, Moose Study, and Community Harvest Assessment			0.7773	2.3319		
5	ADFG	2012	Little Susitna River Weir Relocation	0.86	0.01	0.0129	0.0388		
6	ADFG	2012	Pacific Coastal Salmon Recovery Fund			0.0000	0.0000		
7	ADFG	2012	Pacific Salmon Treaty Chinook Fishery Mitigation			0.0000	0.0000		
8	ADFG	2012	Sport Fish Recreational Boating Access		0.43	0.2620	0.7860		
9	ADFG	2012	State Game Refuge Access and Development			0.0629	0.1886		
10	ADFG	2012	Westward Region DIDSON Sonar Purchase	1.00		0.0367	0.1100		
11	ADFG	2012	Cordova Dock and Uplands Improvements			0.2271	0.6812		
12	ADFG	2012	Fairbanks Regional Office Repairs and Upgrades			0.2620	0.7860		
13	ADFG	2013	Boards of Fisheries and Game Sound Systems Replacement			0.0339		0.1016	
14	ADFG	2013	Crystal Lake Hatchery Deferred Maintenance	0.95	0.02	0.2202		0.6605	
15	ADFG	2013	Equipment Replacement and Upgrade for Wildlife Research and Management Statewide		0.14	0.0677		0.2032	
16	ADFG	2013	Eradication of Invasive Tunicates in Whiting Harbor in Sitka			0.1694		0.5081	
17	ADFG	2013	Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades			0.3387		1.0161	
18	ADFG	2013	Fish Passages, Counting and Sampling Sites, and Weir Facilities Design, Repair	0.98	0.01	0.2371		0.7113	
19	ADFG	2013	Kenai River King Salmon Sonar Assessment Program	0.86	0.01	0.6141		1.8422	
20	ADFG	2013	Marine Mammal and Passenger Vessel Impact Research			0.1524		0.4573	
21	ADFG	2013	Pacific Coastal Salmon Recovery Fund			0.0000		0.0000	
22	ADFG	2013	Replacement of R/V Resolution	1.00		1.2532		3.7596	
23	ADFG	2013	Research on Endangered Species Act Candidate Species			0.5250		1.5750	
24	ADFG	2013	Seward Vessel Wash-Down and Wastewater Recycling Facility			0.2172		0.6516	
25	ADFG	2013	Sport Fish Recreational Boating Access		0.43	0.2117		0.6351	
26	ADFG	2013	Susitna River Sockeye Salmon Migration	0.86	0.01	0.2117		0.6351	
27	ADFG	2013	Upper Cook Inlet East Side Set Net Chinook Salmon Harvest Patterns	0.86	0.01	0.2672		0.8017	
28	ADFG	2013	Water Quality Testing of Cross Boundary Rivers			0.0125		0.0376	
29	ADFG	2013	Wild/Hatchery Salmon Management Tools	0.98	0.01	1.1855		3.5564	
30	ADFG	2013	Roof Design, Repairs, Upgrades, and Replacements			0.2710		0.8129	

Table 30. Capital Project Appropriations. 2012-2014

Comm			Real 2014 dollars (millions)							
	Fishing	Mining	Tourism	Total, figures in million dollars						
	18.5	4.0	19.4							
Line				Dept	Year	Project_name	Average	2012	2013	2014
31				ADFG	2013	Small Field Camp Facility Repairs and Upgrades	0.0677		0.2032	
32				ADFG	2013	Warehouse/Workshop Repairs and Upgrades	0.1355		0.4064	
33				ADFG	2013	Sec. 22(a) Fish and Game Licensing Point of Sale System Program	0.0000		0.0000	
34	0.85		0.03	ADFG	2014	Chinook Salmon Enhancement in Northern Cook Inlet	0.6667			2.0000
35	0.86		0.03	ADFG	2014	Chinook Salmon Research Initiative	2.5000			7.5000
36	1.00			ADFG	2014	Facilities, Vessels and Aircraft Maintenance, Repair and Upgrades	0.1667			0.5000
37	0.86		0.01	ADFG	2014	Salmon Research, Restoration and Enhancement Initiatives for the Susitna River Drainag	0.8333			2.5000
38			0.43	ADFG	2014	Sport Fish Recreational Boating Access	0.2500			0.7500
39	0.98		0.01	ADFG	2014	Statewide Fish Passages, Counting and Sampling Sites, and Weir Facilities	0.2667			0.8000
40				ADFG	2014	Statewide Small Field Site and Camp Facilities	0.0517			0.1550
41				ADFG	2014	Statewide Warehouse and Workshop Facilities	0.1333			0.4000
42				ADFG	2014	Wild/Hatchery Salmon Management Tools	0.0000			0.0000
43				ADNR	2012	Abandoned Mine Lands Reclamation Federal Program	0.0000	0.0000		
44				ADNR	2012	Alaska Cadastral Project	0.0000	0.0000		
45				ADNR	2012	Alaska Coastal Management Federal Grants	0.0000	0.0000		
46				ADNR	2012	Reapprop to DNR for Alaska Peninsula energy development - Est 456.3	0.0000	0.0000		
47				ADNR	2012	Assessment of In-State Gas Energy Potential Phase 2 of 3	0.1747	0.5240		
48				ADNR	2012	Canada Thistle Infestations Eradication and Control	0.0594	0.1782		
49			0.20	ADNR	2012	Channel Islands Marine Park Debris Removal and Improvements	0.0175	0.0524		
50			0.20	ADNR	2012	Chilkoot Corridor Bear Viewing Platform, Parking Lots, and Other Site Improvements	0.3493	1.0480		
51			0.20	ADNR	2012	Chugach State Park Glen Alps Parking Improvements	0.2500	0.7499		
52				ADNR	2012	Cooperative Water Resource Program	0.2987	0.8961		
53				ADNR	2012	Copper River Fire Facility Modular Replacements	0.1397	0.4192		
54				ADNR	2012	Eagle Beach Snow Grooming Equipment	0.0050	0.0149		
55			0.20	ADNR	2012	Eagle Beach State Recreation Site Campground Improvements	0.0349	0.1048		
56				ADNR	2012	Federal and Local Government Funded Forest Resource and Fire Program Projects	0.2795	0.8384		
57				ADNR	2012	Foothills Oil and Gas Development Infrastructure Investigations Phase 2 of 3	0.1293	0.3878		
58				ADNR	2012	Forest Legacy Federal Grant Program	0.0000	0.0000		
59				ADNR	2012	Gas Pipeline Corridor Geologic Hazards and Resources - Final Phase	0.0699	0.2096		
60				ADNR	2012	Haines Fire Facility Modular Replacements	0.0349	0.1048		

Table 30. Capital Project Appropriations. 2012-2014

Comm			Total, figures in million dollars				Real 2014 dollars (millions)			
	Fishing 18.5	Mining 4.0	Tourism 19.4	Total	Year	Project_name	Average	2012	2013	2014
Line				Dept	Year	Project_name				
61				ADNR	2012	Historical Alaskan Leaders Documentary	0.1048	0.3144		
62				ADNR	2012	Homestead Trail Road Safety and Drainage Improvements	0.0175	0.0524		
63			0.20	ADNR	2012	Juneau Historic Sites Renovation and Habitability	0.0873	0.2620		
64				ADNR	2012	Kasilof River Personal Use Fishery Trash and Sanitation Services	0.0105	0.0314		
65				ADNR	2012	Land and Water Conservation Fund Federal Grant Program	0.0000	0.0000		
66				ADNR	2012	Land Sales - New Subdivision Development	1.2926	3.8777		
67			0.43	ADNR	2012	Lower Kasilof River Drift Boat Takeout, Phase 1 of 2	0.6987	2.0960		
68			0.20	ADNR	2012	Mastodon Trail	0.0297	0.0891		
69				ADNR	2012	Matanuska-Susitna Borough Hydrogeology Assessment Phase 3 of 3	0.1205	0.3616		
70				ADNR	2012	National Coastal Wetland Grant	0.0000	0.0000		
71				ADNR	2012	National Historic Preservation Fund	0.0524	0.1572		
72				ADNR	2012	National Recreational Trail Grants Federal Program	0.0000	0.0000		
73				ADNR	2012	Peters Creek Flooding and Erosion Control Project	0.0405	0.1216		
74		1.00		ADNR	2012	Rare Earth Elements and Strategic Minerals Assessment	0.1740	0.5219		
75				ADNR	2012	Replace Pesticide Storage Facility-Plant Materials Center	0.0629	0.1886		
76				ADNR	2012	Snowmobile Trail Development Program and Grants	0.0873	0.2620		
77			0.20	ADNR	2012	South Denali Visitor Center Design and Construction	1.0480	3.1441		
78				ADNR	2012	United Permit Project and Document Management	0.8734	2.6201		
79				ADNR	2012	Valdez Flooding Control Project	0.0262	0.0786		
80				ADNR	2012	Firewood and Timber Access	0.2096	0.6288		
81				ADNR	2012	Nelson Logging Road	0.0000	0.0000		
82				ADNR	2012	Complete Conversion of Recorded Media to Digital Images	0.1048	0.3144		
83				ADNR	2012	Complete Implementation of Electronic Recording	0.0349	0.1048		
84			0.20	ADNR	2012	Parks and Outdoor Recreation Deferred Maintenance - Chugach Area	0.1226	0.3679		
85			0.20	ADNR	2012	Parks and Outdoor Recreation Deferred Maintenance - Kenai Area	0.1244	0.3731		
86			0.20	ADNR	2012	Parks and Outdoor Recreation Deferred Maintenance - Kodiak Area	0.0458	0.1373		
87			0.20	ADNR	2012	Parks and Outdoor Recreation Deferred Maintenance - Mat-Su Area	0.1013	0.3039		
88			0.20	ADNR	2012	Parks and Outdoor Recreation Deferred Maintenance - Northern Region	0.1244	0.3731		
89			0.20	ADNR	2012	Parks and Outdoor Recreation Deferred Maintenance - Southeast Area	0.1244	0.3731		
90			0.20	ADNR	2012	Parks and Outdoor Recreation Deferred Maintenance - Wood Tikchik Area	0.0122	0.0367		

Table 30. Capital Project Appropriations. 2012-2014

Comm							Real 2014 dollars (millions)			
			Total, figures in million dollars				Average	2012	2013	2014
Line	Fishing 18.5	Mining 4.0	Tourism 19.4	Dept	Year	Project_name				
91			0.20	ADNR	2012	Parks and Outdoor Recreation Statewide Emergency Repairs	0.0699	0.2096		
92				ADNR	2012	Statewide Forestry Facilities Deferred Maintenance	0.6725	2.0174		
93			0.20	ADNR	2013	Settlers Cove Public Use Cabin	0.0169		0.0508	
94				ADNR	2013	Eagle River Trails and Highland Mountain Correctional Facility Land Purchase	0.0847		0.2540	
95			0.10	ADNR	2013	South Denali Area Three Phase Power Extension	0.5081		1.5242	
96				ADNR	2013	Abandoned Mine Lands Reclamation Federal Program	0.0000		0.0000	
97				ADNR	2013	Alaska Land Mobile Radio Emergency Response Narrowband Compliance	1.0026		3.0077	
98				ADNR	2013	Assessment of In-state Gas Energy Potential - Phase 3 of 3	0.0677		0.2032	
99				ADNR	2013	BAK LAP: Upgrade Forest Research Installations for Wood Biomass Energy Products,	0.3387		1.0161	
100			0.20	ADNR	2013	Chugach State Park Public-Use Cabins Construction and Maintenance	0.1355		0.4064	
101				ADNR	2013	Coastal Marine Boundary Mapping	0.0610		0.1829	
102				ADNR	2013	Cooperative Water Resource Program	0.8468		2.5403	
103				ADNR	2013	Federal and Local Government Funded Forest Resource and Fire Program Projects	0.0000		0.0000	
104				ADNR	2013	Geologic Assessment of North Slope Shale Oil Potential	0.0339		0.1016	
105				ADNR	2013	Historical Alaskan Leaders Documentary	0.1829		0.5487	
106				ADNR	2013	Land and Water Conservation Fund Federal Grant Program	0.0000		0.0000	
107				ADNR	2013	Large Dam Projects Application Review	0.1714		0.5142	
108			0.43	ADNR	2013	Lower Kasilof River Drift Boat Takeout - Phase 2 of 2	0.5419		1.6258	
109			0.20	ADNR	2013	Mastodon Trail and Trailhead	0.0847		0.2540	
110				ADNR	2013	National Coastal Wetlands Grant	0.0000		0.0000	
111				ADNR	2013	National Historic Preservation Fund Federal Grant Program	0.0508		0.1524	
112				ADNR	2013	National Recreational Trails Grant Federal Program	0.0000		0.0000	
113			0.20	ADNR	2013	Oliver Inlet Tram Rehabilitation	0.0092		0.0277	
114			0.20	ADNR	2013	Olnes Pond and the Greater Lower Chatanika State Recreation Area Repair	0.2202		0.6605	
115				ADNR	2013	Peters Creek Flooding and Erosion Control Project	0.0393		0.1179	
116				ADNR	2013	Ruth Arcand Trail Rehabilitation	0.0102		0.0305	
117				ADNR	2013	Shale Oil Environmental Data	0.3387		1.0161	
118				ADNR	2013	Snowmobile Trail Development Program and Grants	0.0847		0.2540	
119		1.00		ADNR	2013	Strategic and Critical Minerals Assessment	0.9247		2.7740	
120				ADNR	2013	Timber and Resource Roads	0.6774		2.0322	

Table 30. Capital Project Appropriations. 2012-2014

Line	Comm			Total, figures in million dollars	Real 2014 dollars (millions)			
	Fishing 18.5	Mining 4.0	Tourism 19.4		Average	2012	2013	2014
Line	Dept	Year	Project_name					
121	ADNR	2013	Tok Long-Term Timber Sale for Biomass Energy		0.0677		0.2032	
122	ADNR	2013	Unified Permit Project and Document Management		1.1177		3.3532	
123	ADNR	2013	Upgrade Well Log Tracking System (WELTS)		0.0379		0.1138	
124	ADNR	2013	Wildland Fire-Fighting Aircraft Maintenance		0.1694		0.5081	
125	ADNR	2013	Division of Forestry Deferred Maintenance		0.2710		0.8129	
126	ADNR	2013	Parks and Outdoor Recreation Deferred Maintenance - Chugach Area	0.20	0.2151		0.6452	
127	ADNR	2013	Parks and Outdoor Recreation Deferred Maintenance - Kenai Area	0.20	0.1897		0.5690	
128	ADNR	2013	Parks and Outdoor Recreation Deferred Maintenance - Kodiak Area	0.20	0.0457		0.1372	
129	ADNR	2013	Parks and Outdoor Recreation Deferred Maintenance - Mat-Su Area	0.20	0.1575		0.4725	
130	ADNR	2013	Parks and Outdoor Recreation Deferred Maintenance - Northern Region	0.20	0.1897		0.5690	
131	ADNR	2013	Parks and Outdoor Recreation Deferred Maintenance - Southeast Area	0.20	0.1609		0.4827	
132	ADNR	2013	Parks and Outdoor Recreation Deferred Maintenance - Wood Tikchik	0.20	0.0237		0.0711	
133	ADNR	2013	Parks and Outdoor Recreation Statewide Emergency Repairs	0.20	0.1016		0.3048	
134	ADNR	2014	Eagle River Greenbelt Multi-Use Trail Evaluation	0.20	0.0145			0.0435
135	ADNR	2014	Study, Survey, and Potential Treatment of Elodea in Sand Lake		0.0133			0.0400
136	ADNR	2014	Reapprop to DNR, plant materials center for seed potato testing - Est 300000		0.0000			0.0000
137	ADNR	2014	Abandoned Mine Lands Reclamation Federal Program		0.0000			0.0000
138	ADNR	2014	ANCSA 17b and RS2477 Trailhead Access Improvements		0.1667			0.5000
139	ADNR	2014	Characterization of Conventional and Unconventional Oil and Gas Resources		0.1667			0.5000
140	ADNR	2014	Cooperative Water Resource Program Pass-through to USGS for Stream Gaging Projects		0.8333			2.5000
141	ADNR	2014	Federal and Local Government Funded Forest Resource and Fire Program Projects		0.0000			0.0000
142	ADNR	2014	Iditarod Trail Easements Project		0.0457			0.1370
143	ADNR	2014	Knik River Public Use Area Target Shooting Facility Design and Construction Phase One o		0.1333			0.4000
144	ADNR	2014	National Historic Preservation Fund		0.0500			0.1500
145	ADNR	2014	National Recreational Trails Grant Federal Program		0.0000			0.0000
146	ADNR	2014	Public Access and User Facilities Improvements at the Mouth of the Kasilof River Phase C	0.43	0.4667			1.4000
147	ADNR	2014	River Bank Stabilization and Improvements at Bing's Landing (Kenai River Special Manag	0.43	0.6667			2.0000
148	ADNR	2014	Snowmobile Trail Development Program and Grants		0.0833			0.2500
149	ADNR	2014	South Denali Visitors Center - Phase I Completion	0.20	2.3333			7.0000
150	ADNR	2014	Statewide Timber Inventories to Support Annual Allowable Harvest Determinations and		0.0667			0.2000

Table 30. Capital Project Appropriations. 2012-2014

Comm							Real 2014 dollars (millions)			
			Total, figures in million dollars				Average	2012	2013	2014
Line	Fishing 18.5	Mining 4.0	Tourism 19.4	Dept	Year	Project_name				
151		1.00		ADNR	2014	Strategic and Critical Minerals Assessment	0.8333			2.5000
152				ADNR	2014	Unified Permit Project and Document Management	0.8333			2.5000
153				ADNR	2014	Wildland Fire Engine Replacement Phase Four of Six	0.1667			0.5000
154				ADNR	2014	Forestry Deferred Maintenance	0.3667			1.1000
155			0.20	ADNR	2014	Parks and Outdoor Recreation Deferred Maintenance - Chugach Region	0.1200			0.3600
156			0.20	ADNR	2014	Parks and Outdoor Recreation Deferred Maintenance - Kenai Region	0.1710			0.5130
157			0.20	ADNR	2014	Parks and Outdoor Recreation Deferred Maintenance - Kodiak Region	0.0083			0.0250
158			0.20	ADNR	2014	Parks and Outdoor Recreation Deferred Maintenance - Mat-Su Region	0.1817			0.5450
159			0.20	ADNR	2014	Parks and Outdoor Recreation Deferred Maintenance - Northern Region	0.2023			0.6070
160			0.20	ADNR	2014	Parks and Outdoor Recreation Deferred Maintenance - Southeast Region	0.0617			0.1850
161			0.20	ADNR	2014	Parks and Outdoor Recreation Deferred Maintenance - Wood Tikchik Region	0.0183			0.0550
162			0.20	ADNR	2014	Parks and Outdoor Recreation Statewide Emergency Repairs	0.1607			0.4820
163			1.00	ADCCEC	2012	Tourism Economic Impact Study	0.0349	0.1048		
164				ADCCEC	2012	Anchorage - University Lake Park Safety and Community Enhancements	0.0175	0.0524		
165				ADCCEC	2012	Fairbanks North Star Borough - Parks and Recreation Facility Improvements	0.5240	1.5720		
166				ADCCEC	2012	Fairbanks North Star Borough - Pioneer Park Deferred Maintenance	0.1397	0.4192		
167				ADCCEC	2012	Hydaburg - Replication of Hydaburg Totem Pole Park	0.0699	0.2096		
168				ADCCEC	2012	Kodiak - Baranof Park Improvements	0.6987	2.0960		
169				ADCCEC	2012	Anchorage Park Foundation - Abbott-O-Rabbit Little League Upgrades	0.1397	0.4192		
170				ADCCEC	2012	Anchorage Park Foundation - Anchorage Veteran's Memorial Renovation	0.0873	0.2620		
171				ADCCEC	2012	Anchorage Park Foundation - Kincaid Park Singletrack Trail	0.0105	0.0314		
172				ADCCEC	2012	Anchorage Park Foundation - Kiwanis Fish Creek Park Renovation	0.0131	0.0393		
173				ADCCEC	2012	Anchorage Park Foundation - Minnesota Park Renovation	0.0555	0.1666		
174				ADCCEC	2012	Anchorage Park Foundation - Nunaka Valley North Park Renovation	0.0147	0.0440		
175				ADCCEC	2012	Anchorage Park Foundation - Sand Lake Park Renovation	0.0402	0.1205		
176				ADCCEC	2012	Anchorage Park Foundation - Shady Birch Park Renovation	0.0131	0.0393		
177				ADCCEC	2012	Anchorage Park Foundation - Sitka Park Renovation	0.0147	0.0440		
178				ADCCEC	2012	Anchorage Park Foundation - Trail Rehabilitation	0.0122	0.0367		
179				ADCCEC	2012	Anchorage Park Foundation - Valley Street Park Trail Work and Community Clean-up	0.0140	0.0419		
180				ADCCEC	2012	Anchorage Park Foundation - Wickersham Park Renovation	0.0147	0.0440		

Table 30. Capital Project Appropriations. 2012-2014

Comm			Real 2014 dollars (millions)					
Fishing	Mining	Tourism	Total, figures in million dollars					
18.5	4.0	19.4	Average	2012	2013	2014		
Line	Dept	Year	Project_name					
181			ADCCEC 2012	Anchorage Park Foundation - Windsong Park Renovation			0.0217	0.0650
182			ADCCEC 2012	Anchorage Park Foundation - Wolverine Park Renovation			0.0234	0.0702
183			ADCCEC 2012	Big Lake Chamber of Commerce - Fish Creek Park Pavillion			0.0028	0.0084
184			ADCCEC 2012	Kincaid Project Group, Inc. - Health, Recreation & Cultural Enhancements to Kincaid Park			0.1747	0.5240
185		0.50	ADCCEC 2012	State Library, Archives and Museum Facility Construction			1.7467	5.2401
186		0.50	ADCCEC 2012	Petersburg - Museum Expansion Site Preparation			0.0105	0.0314
187		0.50	ADCCEC 2012	Petersburg - Museum Retaining Wall Replacement			0.0262	0.0786
188		0.50	ADCCEC 2012	Alaska Museum of Natural History - Facility Renovations and Improvements			0.0524	0.1572
189		0.50	ADCCEC 2012	Alaska Native Heritage Center - Education and Administration Facilities Expansion			0.6987	2.0960
191		0.50	ADCCEC 2012	Alaska Veterans Museum - Exhibit Presentation and Restoration			0.0070	0.0210
192		0.50	ADCCEC 2012	Kodiak Maritime Museum - Harbor Gateway Project			0.1041	0.3123
193		0.50	ADCCEC 2012	Anchorage - Alaska Aviation Museum Energy & Safety Improvements			0.1729	0.5188
194		1.00	ADCCEC 2012	Homer - Cruise Ship Dock and Passenger Facility Improvements			2.0960	6.2881
195		0.50	ADCCEC 2012	Alaska Zoo - Purchase Vehicle Upgrades and Replacements			0.0936	0.2809
196		0.50	ADCCEC 2012	Alaska Zoo - Signage and Grounds Upgrades			0.0562	0.1687
197		0.50	ADCCEC 2012	Juneau Historic Sites Renovation and Habitability			0.0873	0.2620
198			ADCCEC 2012	National Historic Preservation Fund			0.0524	0.1572
199		0.50	ADCCEC 2012	Alaska Museum of Natural History - Facility Renovations and Improvements			0.0524	0.1572
200		0.50	ADCCEC 2012	Chilkat Valley Historical Society, Inc. - Charles Anway Historic Property Restoration			0.0120	0.0359
201		0.50	ADCCEC 2012	Kasilof Regional Historical Association - Dune Fencing			0.0175	0.0524
202		0.50	ADCCEC 2012	ROSSIA, Inc. - Repair and Restoration of Juneau Historic Site			0.0175	0.0524
203			ADCCEC 2012	Juneau - Juneau Arts & Culture Center Lighting Upgrades			0.0175	0.0524
204	1.00		ADCCEC 2012	Ketchikan Gateway Borough - Mariculture Research Facility			0.1048	0.3144
205			ADCCEC 2012	Alaska State Fair - Native Culture and Arts 75th Anniversary			0.0524	0.1572
206	0.66		ADCCEC 2012	Kodiak Regional Aquaculture Association - Lake Nutrient Enrichment Project			0.2515	0.7546
207	0.61	0.17	ADCCEC 2012	Cook Inlet Aquaculture Association - Trail Lakes Hatchery Maintenance and Upgrade			0.3022	0.9065
208	0.23	0.33	ADCCEC 2012	Cook Inlet Aquaculture Association - Tutka Bay Hatchery Maintenance and Upgrade			0.2065	0.6194
209	0.97		ADCCEC 2012	Douglas Island Pink and Chum, Inc. - Snettisham Hatchery Maintenance and Upgrade			0.4367	1.3100
210	1.00		ADCCEC 2012	Kodiak Regional Aquaculture Association - Kitoi Bay Hatchery Maintenance and Upgrade			0.4569	1.3708
211	0.95	0.02	ADCCEC 2012	Kodiak Regional Aquaculture Association - Pillar Creek Hatchery Maintenance and			0.2679	0.8038

Table 30. Capital Project Appropriations. 2012-2014

Line	Comm			Total, figures in million dollars	Dept	Year	Project_name	Real 2014 dollars (millions)				
	Fishing 18.5	Mining 4.0	Tourism 19.4					Average	2012	2013	2014	
212	0.99		0.01	1.00	ADCCEC	2012	Northern Southeast Regional Aquaculture Association - Hidden Falls Hatchery Maint and	0.3647		1.0941		
213	0.96		0.01	1.00	ADCCEC	2012	Northern Southeast Regional Aquaculture Association - Net Pens and Hatchery Deferred	0.2473		0.7418		
214	1.00			1.00	ADCCEC	2012	Prince William Sound Aquaculture Corporation - Cannery Creek Hatchery Maintenance a	0.7769		2.3308		
215	0.72		0.12	0.84	ADCCEC	2012	Prince William Sound Aquaculture Corporation - Gulkana Hatchery Maintenance and Up	0.2927		0.8782		
216	0.99			0.99	ADCCEC	2012	Prince William Sound Aquaculture Corporation - Main Bay Hatchery Maintenance and U	0.7382		2.2145		
217	0.99			0.99	ADCCEC	2012	Prince William Sound Aquaculture Corporation - Nets Pens and Hatchery Deferred Main	0.1488		0.4465		
218	1.00			1.00	ADCCEC	2012	Seward - Alutiq Pride Shellfish Hatchery Upgrade	0.0873		0.2620		
219	0.99			0.99	ADCCEC	2012	Southern Southeast Regional Aquaculture Association - Net Pens and Hatchery Deferred	0.1397		0.4192		
220					ADCCEC	2012	Chignik Lake - AMPY Meter Acquisition	0.0175		0.0524		
221			0.50	0.50	ADCCEC	2012	Klukwan - Jilkaat Kwaan Cultural Heritage Center and Bald Eagle Observatory	1.2227		3.6681		
222			0.50	0.50	ADCCEC	2012	Sealaska Heritage Institute - Sealaska Heritage Institute Center	1.7467		5.2401		
223	1.00			1.00	ADCCEC	2012	Alaska Oyster Cooperative - Upgrade Existing Building to a Shellfish Processing Facility	0.0372		0.1116		
224					ADCCEC	2012	Alaska Sustainable Salmon Fund Program	0.3598		1.0795		
225	0.33		0.14	0.47	ADCCEC	2012	Yukon River Drainage Fisheries Association - Yukon River Chinook Salmon Management	0.1048		0.3144		
226	1.00			1.00	ADCCEC	2012	Seward - CDQ Fishing Fleet Relocation Study	0.1397		0.4192		
227					ADCCEC	2012	Kenai Peninsula Fair Association - Niniilchik Fairground Improvements	0.1147		0.3442		
228					ADCCEC	2012	Salcha Fair Association - Community Well Project	0.0346		0.1038		
229					ADCCEC	2012	Southeast Alaska State Fair, Inc. - Harriett Hall Renovations Phase 2	0.0426		0.1279		
230			0.50	0.50	ADCCEC	2013	Alaska Association for Historic Preservation - Nike Site Summit Tourism Development	0.0169			0.0508	
231					ADCCEC	2013	Fairbanks North Star Borough - Growden Park/ Gold Panner Restrooms	0.1524			0.4573	
232					ADCCEC	2013	Fairbanks North Star Borough - Parks and Recreation Facility Improvements - Birch	0.4742			1.4226	
233					ADCCEC	2013	Kodiak - Baranof Park Improvements	1.2363			3.7088	
234					ADCCEC	2013	Anchorage Park Foundation - Connors Bog Park Safety Fencing	0.0085			0.0254	
235					ADCCEC	2013	Anchorage Park Foundation - Little Campbell Lake Beach Restoration and Public Safety	0.0135			0.0406	
236					ADCCEC	2013	Anchorage Park Foundation - Scenic Park, Muldoon Neighborhood Park Repair	0.0281			0.0843	
237			0.20	0.20	ADCCEC	2013	Anchorage - Eklutna Bridge Replacement - Chugach State Park Access	4.7419			14.2256	
238					ADCCEC	2013	Kincaid Project Group, Inc. - Kincaid Park Health, Recreation & Cultural Enhancements	0.3387			1.0161	
239					ADCCEC	2013	Anchorage - Delaney Park Train Repair	0.0847			0.2540	
240					ADCCEC	2013	Anchorage - Kincaid Park Ropes Challenge Course	0.0508			0.1524	
241					ADCCEC	2013	Anchorage - South Anchorage Sports Park Facility	1.3548			4.0645	

Table 30. Capital Project Appropriations. 2012-2014

Line	Comm			Total, figures in million dollars	Real 2014 dollars (millions)			
	Fishing	Mining	Tourism		Average	2012	2013	2014
	18.5	4.0	19.4					
Dept	Year	Project_name						
242				ADCCEC 2013	Wasilla - Cottonwood Creek Park Trailhead	0.0254		0.0762
243				ADCCEC 2013	Wasilla - Iditapark Amphitheater Pavilion	0.0169		0.0508
244				ADCCEC 2013	Wasilla - Lake Lucille Park Boardwalk and Dock	0.0339		0.1016
245				ADCCEC 2013	Anchorage Park Foundation - African American Soldiers ALCAN Highway Memorial	0.0169		0.0508
246				ADCCEC 2013	Anchorage Park Foundation - Arctic Benson Park and East Spenard Neighborhood Park S	0.0281		0.0843
247				ADCCEC 2013	Anchorage Park Foundation - Campbell Creek Estuary and Trail Improvements	0.0677		0.2032
248				ADCCEC 2013	Anchorage Park Foundation - Campbell Park Play Equipment and Safety Surfacing	0.0677		0.2032
249				ADCCEC 2013	Anchorage Park Foundation - Chester Creek Sports Complex Mulcahy Rinks Reconstructi	0.0847		0.2540
250				ADCCEC 2013	Anchorage Park Foundation - Coastal Trail - Surface and Safety Improvements	0.3387		1.0161
251				ADCCEC 2013	Anchorage Park Foundation - Davis Park Athletic Field Upgrades	0.0677		0.2032
252				ADCCEC 2013	Anchorage Park Foundation - Elderberry Park Equipment	0.0322		0.0965
253				ADCCEC 2013	Anchorage Park Foundation - Fairbanks Park Toddler Play Equipment	0.0169		0.0508
254				ADCCEC 2013	Anchorage Park Foundation - Fairview Lions Park Play Equipment	0.0677		0.2032
255				ADCCEC 2013	Anchorage Park Foundation - Kiwanis Fish Creek Park and Spenard Neighborhood Park Ir	0.0281		0.0843
256				ADCCEC 2013	Anchorage Park Foundation - North Russian Jack Springs Park Playground	0.1355		0.4064
257				ADCCEC 2013	Anchorage Park Foundation - Northeast Anchorage Skate Park	0.0847		0.2540
258				ADCCEC 2013	Anchorage Park Foundation - Ruth Arcand Park Equestrian Trail Rehabilitation	0.0254		0.0762
259				ADCCEC 2013	Anchorage Park Foundation - Scenic Foothills Community Council Little Dipper Pilot Proje	0.0247		0.0742
260				ADCCEC 2013	Anchorage Park Foundation - Scenic Foothills Community Council Scenic Park Pilot	0.0234		0.0701
261				ADCCEC 2013	Big Lake Chamber of Commerce - Fish Creek Park Pavillion	0.0085		0.0254
262				ADCCEC 2013	Big Lake Lions Club - Community Park Development & Construction	0.0085		0.0254
263				ADCCEC 2013	Soldotna - Centennial Park Trail Development	0.1355		0.4064
264				ADCCEC 2013	Kenai Peninsula Borough - North Peninsula Recreation Service Area Trails Upgrade and	0.0508		0.1524
265				ADCCEC 2013	Iditarod Trail Committee, Inc. - Iditarod Trail Sled Dog Race Enhancement	0.0339		0.1016
266				ADCCEC 2013	Coffman Cove - Trail Improvements	0.0152		0.0457
267				ADCCEC 2013	Girdwood Nordic Ski Club - Girdwood Nordic Trail System Construction and	0.0677		0.2032
268				ADCCEC 2013	Island Trails Network - Kodiak Trails Plan Implementation Phase I	0.0119		0.0356
269				ADCCEC 2013	Island Trails Network - Near Island Trails Phase III	0.0055		0.0164
270			0.50	ADCCEC 2013	Kodiak Maritime Museum and Art Center - Kodiak Maritime Museum Feasibility and Des	0.0677		0.2032
271			0.50	ADCCEC 2013	Anchorage - Anchorage Museum - Alaska History Gallery Renovation	1.6935		5.0806

Table 30. Capital Project Appropriations. 2012-2014

Comm	Fishing Mining Tourism			Total, figures in million dollars	Real 2014 dollars (millions)			
	18.5	4.0	19.4		Average	2012	2013	2014
Line	Dept	Year	Project_name					
272			0.50	ADCCEC 2013	Dillingham - Dillingham library And Museum building Roof repairs	0.0850		0.2549
273			0.50	ADCCEC 2013	Alaska Museum of Natural History - New Science Facility Project and Building Upgrade	0.0847		0.2540
274			0.50	ADCCEC 2013	Alaska Veterans Museum - Interactive Information System	0.0091		0.0272
275			0.50	ADCCEC 2013	Homer Society of Natural History - Pratt Museum Building Design and Construction	0.0339		0.1016
276			0.50	ADCCEC 2013	Alaska State Library, Archives and Museum Facility	16.5966		49.7897
277			0.50	ADCCEC 2013	Kasilof Regional Historical Association - Community of Kasilof - Cabin Restoration	0.0129		0.0386
278			0.50	ADCCEC 2013	Wasilla-Knik Historical Society - Furnace Replacement and Building Maintenance	0.0085		0.0254
279	1.00			ADCCEC 2013	Northern Southeast Regional Aquaculture Association - Haines/Skagway Spawning	0.2100		0.6300
280	0.99			ADCCEC 2013	Southern Southeast Regional Aquaculture Association - Hatchery Equipment and Deferr	0.1541		0.4623
281	1.00			ADCCEC 2013	Kachemak Shellfish Mariculture Association - Oyster Remote Setting Facility	0.0203		0.0610
282				ADCCEC 2013	Alaska Association of Conservation Districts - Wasilla Districts Agriculture Support, Salmc	0.0189		0.0567
283				ADCCEC 2013	Alaska State Fair - Native Culture and Arts Program and Exhibit	0.0169		0.0508
284	0.35		0.24	ADCCEC 2013	Cook Inlet Aquaculture - Trail Lakes Hatchery	0.3472		1.0415
285	0.78		0.09	ADCCEC 2013	Cook Inlet Aquaculture - Tutka Bay Hatchery	0.2368		0.7103
286	1.00			ADCCEC 2013	Kodiak Regional Aquaculture - Kitoi Bay Hatchery	0.5250		1.5750
287	0.92		0.03	ADCCEC 2013	Kodiak Regional Aquaculture - Pillar Creek Hatchery	0.3079		0.9237
288	0.99			ADCCEC 2013	Northern Southeast Regional Aquaculture - Hidden Falls Salmon Hatchery	0.4190		1.2569
289	1.00			ADCCEC 2013	Northern Southeast Regional Aquaculture - Medvejie Hatchery Maintenance & Facility Ir	0.3048		0.9145
290	1.00			ADCCEC 2013	Prince William Sound Aquaculture - Cannery Creek Hatchery	1.7826		5.3478
291	1.00			ADCCEC 2013	Prince William Sound Aquaculture - Main Bay Hatchery	0.2926		0.8779
292			0.50	ADCCEC 2013	Alaska Native Heritage Center - Mabel Pike Education center	0.1016		0.3048
293			0.50	ADCCEC 2013	Sealaska Heritage Institute - Alaska Native Brotherhood Hall Renovations	0.0847		0.2540
294	0.33		0.14	ADCCEC 2013	Bering Sea Fishermen's Association - Arctic Yukon Kuskokwim Sustainable Salmon Initiat	1.0839		3.2516
295				ADCCEC 2013	Kenai Peninsula Fair Association - Facilities Upgrades	0.0637		0.1910
296				ADCCEC 2013	Alaska State Fair - Native Culture and Arts Program and Exhibit	0.0169		0.0508
297				ADCCEC 2013	Alaska State Fair, Inc. - Farm Exhibit Building Roof Improvement	0.2710		0.8129
298				ADCCEC 2013	Alaska State Fair - Sewer System Expansion and Upgrades	0.3871		1.1613
299	1.00			ADCCEC 2013	Alaskan Shellfish Growers Association - Shellfish Industry Technical Assistance Grants	0.0102		0.0305
300	1.00			ADCCEC 2013	Alutiiq Pride Shellfish Hatchery - Shellfish Hatchery Facilities Upgrades	0.1558		0.4674
301			0.43	ADCCEC 2013	Homer - Fishing Lagoon Improvements	0.0339		0.1016

Table 30. Capital Project Appropriations. 2012-2014

Comm			Real 2014 dollars (millions)				
Fishing Mining Tourism			Average 2012 2013 2014				
18.5 4.0 19.4			Total, figures in million dollars				
Line	Dept	Year	Project_name	Average	2012	2013	2014
302	1.00		ADCCEC 2013 Alaska Fisheries Development Foundation - Fishing Vessel Energy Audit Pilot Project	0.0847		0.2540	
303	1.00		ADCCEC 2013 Village of Kaltag - Fish Processing Plant Improvements	0.0203		0.0610	
304		0.50	ADCCEC 2014 Alaska Museum of Natural History - Building and Lot Upgrade	0.0667			0.2000
305		0.50	ADCCEC 2014 Alaska SeaLife Center - Critical Building and Equipment Repairs, Upgrades and Replacem	0.1500			0.4500
306			ADCCEC 2014 Anchorage Park Foundation - Campbell Creek Estuary	0.0500			0.1500
307			ADCCEC 2014 Anchorage Park Foundation - Creekside Park Little League Field	0.0083			0.0250
308			ADCCEC 2014 Anchorage Park Foundation - Jewel Lake Park Fishing Dock ADA Access	0.0200			0.0600
309			ADCCEC 2014 Anchorage Park Foundation - Oceanview Park Safety Upgrades	0.0533			0.1600
310			ADCCEC 2014 Anchorage Park Foundation - Pena Park Safety and Field Upgrades	0.0167			0.0500
311			ADCCEC 2014 Anchorage Park Foundation - Stephenson Park Safety Upgrades and Equipment	0.0533			0.1600
312	1.00		ADCCEC 2014 Alaska Seafood Marketing Institute - Canned Salmon, Herring and Protein Powder Projec	0.1000			0.3000
313		0.50	ADCCEC 2014 Homer Society of Natural History dba Pratt Museum - Museum Building Construction	0.0833			0.2500
314	1.00		ADCCEC 2014 Kodiak Regional Aquaculture Association - Kitoi Bay Hatchery Deferred Maintenance anc	1.1000			3.3000
315			ADCCEC 2014 Mat-Su Trails Council, Inc. - Purinton Creek Trail Remediation	0.0083			0.0250
316		0.50	ADCCEC 2014 Treadwell Historic Preservation and Restoration Society, Inc. - Treadwell Building Preser	0.0083			0.0250
317			ADCCEC 2014 North Pole - International Federation of Sleddog Sports World Championships Hosting C	0.0267			0.0800
318			ADCCEC 2014 Gustavus - Public Use Restroom Construction	0.0243			0.0730
319			ADCCEC 2014 Matanuska-Susitna Borough - Rail Extension to Port MacKenzie	8.3333			25.0000
320			ADCCEC 2014 Matanuska-Susitna Borough - Talkeetna Planning Phase Water and Sewer Improvement:	0.0333			0.1000
321		0.50	ADCCEC 2014 Alaska Zoo - Polar Bear Transition Facility	0.3333			1.0000
322			ADCCEC 2014 Nordic Skiing Association of Anchorage, Inc. - Trail, Equipment, and Facility Upgrades	0.3167			0.9500
323		0.50	ADCCEC 2014 Kodiak Historical Society - Building Meaning Creating Additional Museum Collections Stc	0.0026			0.0078
324	0.86		ADCCEC 2014 Yakutat Regional Aquaculture Association, Inc. - Comprehensive Salmon Plan Update, Pl	0.0333			0.1000
325	1.00		ADCCEC 2014 Southern Southeast Regional Aquaculture Assoc. - Water Supply Infrastructure	0.1667			0.5000
326		0.50	ADCCEC 2014 Northway Traditional Council - Cultural Center Project	0.0333			0.1000
327			ADCCEC 2014 Alaska Aviation Heritage Museum and Alaskan Historical Aircraft Society - Merrill Field C	0.0346			0.1037
328		0.50	ADCCEC 2014 Alaska Native Heritage Center - Mabel Pike Educational Center Classroom and Admin Sp.	0.0550			0.1650
329			ADCCEC 2014 Tanana Valley State Fair Association - ADA Upgrades for Existing Fairgrounds Restroom F	0.0817			0.2450
330			ADCCEC 2014 Tanana Valley State Fair Association - Sewer and Water Line Replacement	0.0156			0.0468
331			ADCCEC 2014 Denali Education Center - Community Building Improvements - Running Water, Restroom	0.0363			0.1090

Table 30. Capital Project Appropriations. 2012-2014

Comm						Real 2014 dollars (millions)			
Fishing Mining Tourism						Average	2012	2013	2014
18.5 4.0 19.4 Total, figures in million dollars									
Line	Dept	Year	Project_name						
332	DOT	2012	Ambler Mining District Road (study)			0.4367	1.3100		
333	DOT	2013	Ambler Mining District Road (study)			1.6240		0.1870	4.6850

This spreadsheet includes all CIPs included in DNR or DF&G's budget in 2012, 2013, and 2014.

It includes DCCED CIPs that meet certain criteria (see report)

It includes one DOT CIP: the Ambler Mining District (Ambler Road)

There were no relevant DEC CIPs.

The original data is downloaded from the state websites listed below.

[https://www.omb.alaska.gov/ombfiles/13_budget/PDFs/FY12 and FY13 Projects by Department.pdf](https://www.omb.alaska.gov/ombfiles/13_budget/PDFs/FY12_and_FY13_Projects_by_Department.pdf)

[https://www.omb.alaska.gov/ombfiles/14_budget/PDFs/FY13 and FY14 Projects by Department.pdf](https://www.omb.alaska.gov/ombfiles/14_budget/PDFs/FY13_and_FY14_Projects_by_Department.pdf)

<https://www.omb.alaska.gov/html/budget-report/fy-2014-budget/enacted/all-projects-alphabetically.html>

<https://www.omb.alaska.gov/html/budget-report/fy-2013-budget/enacted/all-projects-alphabetically.html>

<https://www.omb.alaska.gov/html/budget-report/fy-2012-budget/enacted/all-projects-alphabetically.html>

Chapter 8. Revenue Detail

This chapter describes each revenue source used in this report. If we have adjusted the reported revenue, the chapter describes how and why it is adjusted. Finally, most of this report uses the average revenue from 2010-2014. This chapter provides the revenue amounts for the individual years.

8.1 Commercial Fishing Revenue

Table 31. Commercial Fishing Revenue 2010-2014
(figures in million of 2014 \$)

	Revenue to the State					Average
	2010	2011	2012	2013	2014	
Fisheries Business Tax, state share	\$15.5	\$21.5	\$27.7	\$20.3	\$25.1	\$22.0
Salmon Enhancement Tax (aquaculture)	\$5.4	\$8.4	\$10.5	\$8.6	\$12.8	\$9.1
Fishery Resource Landing Tax, state share	\$9.1	\$2.8	\$6.6	\$5.6	\$7.1	\$6.3
Seafood Marketing Assessment	\$8.6	\$9.2	\$10.2	\$9.7	\$10.2	\$9.6
Common Property Fishery Assessment	N/A	N/A	N/A	\$1.3	\$1.1	\$1.2
Test Fishery Receipts	\$2.8	\$1.7	\$2.0	\$2.0	\$2.8	\$2.3
CFEC revenue from permit fees & vessel licenses	\$7.2	\$7.2	\$7.9	\$7.7	\$7.6	\$7.5
Commercial Fishing Crewmember Licenses	\$2.7	\$2.9	\$2.9	\$2.7	\$3.2	\$2.9
Corporate Income Tax, fisheries sector	\$0.7	\$1.5	\$3.0	\$2.9		\$2.0
Seafood Processor and Similar Fees					\$0.6	\$0.6
Seafood Development Tax	\$1.7	\$2.3	\$2.0	\$1.8	\$1.9	\$2.0
Motor Fuel Tax, marine fuel (50% of state total)	\$1.2	\$2.8	\$3.1	\$2.8	\$2.4	\$2.5
Dive Fishery Management	\$0.6	\$0.6	\$0.7	\$0.8	\$0.5	\$0.7
General Fund Retained Loan Fund Earnings	\$2.5	\$1.3	\$1.3	\$0.7	\$0.5	\$1.3
DNR Shore Fishery Lease Paymts & Mariculture Fee					\$0.4	\$0.4
Total Revenue to the State:	\$58.1	\$62.3	\$77.8	\$67.0	\$76.1	\$70.2
ex-vessel value (2014 \$) ³⁵	1,690	1,951	2,837	2,276		2,076
State Revenue as % of ex-vessel value:	3.4%	3.2%	3.3%	2.9%		3.4%
	Revenue to Municipalities					
	2010	2011	2012	2013	2014	Average
Fisheries Business Tax, municipal share	\$19.8	\$26.1	\$27.9	\$25.5	\$26.5	\$25.2
Fishery Resource Landing Tax, municipal share	\$4.7	\$4.7	\$6.0	\$8.0	\$5.5	\$5.8
Municipally imposed fisheries taxes	\$14.3	\$20.5	\$20.5	\$23.7	\$20.3	\$19.9
Total Revenue to Municipalities:	\$38.9	\$51.4	\$54.4	\$57.2	\$52.3	\$50.8

Table 31 shows commercial fishing revenue to the state and to municipalities. All of table's the values are in 2014 dollars. The common property fisheries assessment was first used

³⁵ Alaska Office of Management and Budget, "Key Performance Indicators, Department of Fish and Game"
<https://www.omb.alaska.gov/html/performance/program-indicators.html?p=55>

in 2012, which is why Table 31 includes “N/A” for this assessment in 2010-2012. This study did not learn the DNR collected revenue for shore fishery leases and mariculture, or the seafood processor and similar fees for 2010-2013, and the 2014 corporate income tax data is unavailable at this writing. While fees are relatively minor, corporate income tax, which is missing for 2014 is not. Therefore, the total revenue for 2014 is most likely between three to four million more than is shown in the table due to the missing 2014 figure. The average revenue accounts for the missing data.

The remainder of this section describes each revenue source. It expands on the information presented in Chapter 3. Unless otherwise noted, the information described below is summarized or directly quoted from the DOR Tax Division 2014 Annual Report.

“True” Taxes. Funds from the six taxes below are deposited in the General Fund and used for whatever purpose the legislature decides.

- **Fisheries Business Tax.** The Fisheries Business Tax “(also known as the “raw fish tax”) [is levied] on fisheries businesses and persons who process fisheries resources in, or export unprocessed fisheries resources from Alaska. The tax is based on the price paid to commercial fishermen for the raw resource, or fair market value when there is no arms-length transaction prior to processing or export.” It is one of the oldest taxes in the state, established in 1913. The current rates are 3% for a shore-based processor and 5% for a floating processor. “Developing fisheries” as classified by the Alaska Department of Fish and Game pay lower rates (1% and 3%). This tax revenue is shared: “The Division shares 50% of tax collected with the incorporated city or organized borough in which the processing took place. If an incorporated city is within an organized borough, the Division divides the 50% shareable amount equally between the incorporated city and the organized borough equally.” For landings outside a municipality or organized borough, the 50% municipal share is distributed through an allocation program administered by DCCED. In 2014, 420 taxpayers filed returns. In this analysis, the state share of the tax is included as state revenue, and the municipal share of the tax is included as municipal revenue.
- **Fishery Resource Landing Tax.** This tax is levied “on fishery resources processed outside of and first landed in Alaska, based on the unprocessed value of the resource. ...The Division collects the fishery resource landing tax primarily from factory trawlers and floating processors that process fishery resources outside of the state’s 3-mile limit and bring their products into Alaska for transshipment.” The rate is 3% with a lower 1% rate for “developing” fisheries designated by DF&G. 50% of the tax is remitted to local municipalities, boroughs, and unorganized communities in the same manner as the Fisheries Business Tax. In 2014, 63 taxpayers filed returns. As with the fisheries business tax, the state share is considered state revenue and the municipal share is considered municipal revenue.
- **Corporate Income Tax.** Alaska DOR estimates receipts from the fisheries sector and includes in its estimates receipts from seafood processors.
- **Marine Motor Fuel Tax.** “Alaska levies a motor fuel tax on motor fuel sold, transferred, or used within Alaska. The tax is collected primarily from wholesalers

and distributors. The tax on marine fuel is 5 cents per gallon. We estimate that 50% of this tax revenue is from fishing industry activity. (The 50% amount is shown in Table 31.)

- **CFEC Revenue From Permit Fees and Vessel Licenses.** The Commercial Fisheries Entry Commission (CFEC) collects fees for commercial fishing permits and vessel licenses. Permit fees are described in the recent *CFEC Program Review*³⁶: “CFEC revenue is generated by fees it collects from commercial fishing permits and vessel licenses.... The formulas for calculating fees for limited entry permits and interim use permits are established in regulation. In brief, the fee for “... an entry permit or an interim use permit in a limited fishery is four tenths of one percent of the estimated value of the entry permit, rounded...” to the nearest of 40 fee classes, ranging from \$75 to \$3000, in \$75 increments. The fee for “... an interim use permit in an unlimited fishery is four-tenths of one percent of the estimated average gross earnings per permit in the most recent three years for which data are available rounded...” to the nearest of the 40 fee classes. Nonresidents pay a surcharge calculated based on a formula established by *Carlson v State*, 919 P.2d 1337,1342-45 (Alaska 1996). Reduced fee exceptions are made for low income resident and nonresident permittees. Reduced permit fees are also granted to fishers of halibut and sablefish based on low quota shares specified in regulation. Permit fees are reset annually based on calculations by the Research Section of CFEC.

CFEC receipts have recently exceeded CFEC operating budget needs, and have been appropriated for other fish-related operating and capital expenditures. “Depending on the fiscal year, the excess revenue collected in the current fiscal year or carried forward from the prior fiscal year has been appropriated in the budget bills to cover a portion of the operating expenditures of the Division of Commercial Fisheries and/or miscellaneous capital projects within ADF&G’s capital budget or as grants to named recipients through the Department of Commerce, Community and Economic Development. For example, between FY2007 and FY2010, the Division of Commercial Fisheries was appropriated and spent annually between \$1.4 million and \$1.8 million.”³⁷

The average CFEC revenue between FY 2010 and FY 2014 has been \$7.5 million dollars. In FY 14, \$4.4 million was appropriated back for CFEC operations. The difference, \$3.1 million, is a true tax in that it is funds that may be used by the legislature for any purpose. The amount appropriated back for CFEC operations is considered revenue used for agency management.

- **General Fund Retained Loan Fund Earnings.** In 2014, DCCED Division of Economic Development administered 11 revolving loan funds (up from 5 funds in 2010). Four

³⁶ Alaska ADF&G. 2015. *CFEC Program Review* (“Lawson Report”), p. 19.

http://www.adfg.alaska.gov/static-f/home/pdfs/cfec_program_review_final_report.pdf

³⁷ Alaska ADF&G. 2015. *CFEC Program Review*. (“Lawson Report.”)

http://www.adfg.alaska.gov/static-f/home/pdfs/cfec_program_review_final_report.pdf

of these involve the commercial fishing industry (description taken from the Division website):

- **Commercial Fishing:** To provide long-term, low interest loans to promote the development of predominantly resident fisheries, and continued maintenance of commercial fishing vessels and gear for the purpose of improving the quality of Alaska seafood products.
- **Fisheries Enhancement:** provides loans for planning, permitting, construction, and operation of fish hatchery facilities.
- **Mariculture:** provides loans for the planning, construction, and operation of a mariculture business.
- **Community Quota Entity:** provides long-term, low interest loans to Community Quota Entities for the purchase of halibut and sable fish quota shares through the National Marine Fisheries Service program, and then lease the quota back to local resident fishermen.

The agency's cost for administering the loan funds is taken directly from earnings on the loan fund (as authorized by the legislature). Earnings in excess of that authorized for agency use remain in the General Fund for use by the legislature. Retained earnings on the fund have dropped from \$2.4 million in 2010 to \$0.58 million in 2014. The average amount of loan fund earnings retained in the General Fund during that time was \$1.3 million.³⁸ This analysis assumed that the size of the individual loan funds was roughly proportional to the Division's management expenses, which are broken out for each loan program. Therefore, we allocated the retained earnings to commercial fishing revenue in proportion to the Division's management costs that were for commercial fishing loans: approximately 95% of the retained earnings

"Pass-through" Taxes. The next five taxes are "pass-through" taxes in that they are assessed on the commercial fishing industry to pay for marketing or enhancement. All but the first one are elective taxes that are established (and may be rescinded) by a vote of permit holders in a region or fishery. While they are deposited in the General Fund (to avoid a constitutional prohibition on dedicated funds), the legislature has historically appropriated them for their designated purpose.

- ***Seafood Marketing Assessment.*** The assessment is generated from a levy of 0.5% on the value of "of seafood products exported from, processed, or first landed in Alaska." This revenue is deposited in the General Fund and has traditionally been appropriated to fund in part the Alaska Seafood Marketing Institute (ASMI). In 2014, 148 taxpayers filed returns.

³⁸ Information provided by DCCED personnel; figures taken from DCCED 2014 Mission and Measures Report to the legislature; Division of Economic Development Component.

- **Salmon Enhancement Tax.** This revenue comes from an elective tax levied on salmon sold in or exported from established aquaculture regions in Alaska. Fishermen pay salmon enhancement taxes to licensed buyers at the time of sale, or to the Division for salmon sold to unlicensed buyers or exported from the region. Buyers remit taxes collected from fishermen to the Division.” The rates vary — either 2% or 3% — by aquaculture region and the proceeds go to the General Fund. “Under AS 43.76.025(c), the legislature may appropriate salmon enhancement tax revenue to provide financing for qualified regional aquaculture associations.” In 2014, 212 taxpayers filed returns.
- **Seafood Development Tax.** This tax “is an elective tax levied on certain fishery resources using specific gear types sold in or exported from designated seafood development regions.” The rate is 1% of the ex-vessel value. Three fisheries have elected this tax: Prince William Sound drift gillnet, Prince William Sound set gillnet, and Bristol Bay drift gillnet. All monies are deposited in the General Fund, and “the legislature may appropriate seafood development tax revenue to provide financing for qualified regional seafood development associations.” The tax was first established in 2005. In 2014, 36 taxpayers filed returns.
- **Common Property Fishery Assessment.** The assessment “is a cost recovery fisheries assessment...[it] allows hatcheries to establish a common property fishery and recoup costs through an assessment on fishery resources taken in the terminal harvest area [typically adjacent to the hatchery].” The law authorizing the assessment took effect in 2006 but was first used in 2012. Seven taxpayers filed returns in 2014.
- **Dive Fishery Management Assessment.** The tax “is an elective assessment on the value of fisheries resources taken using dive gear. The assessment only applies to designated management areas and species, and is assessed at a rate elected by a vote of the permit holders.” To date, it has been only used in southeast Alaska. In 2014, nineteen taxpayers filed returns. The assessment was first established in 1997.

Agency Fees and Payments. The three revenue sources below are collected by agencies, rather than DOR. (Also, a portion of CFEC revenue are appropriated as an agency fee – see discussion of CFEC revenue under “true taxes.”)

- **Commercial Fishing Crewmember Licenses.** Commercial fishermen require licenses issued by DF&G. There is a fee for the licenses, which is higher for nonresidents.³⁹
- **Test Fishery Receipts.** The receipts come from sales of fish harvested in so-called “test fisheries” established by ADFG under AS 16.05.050. The ADFG Commissioner has the authority “to sell fish caught during commercial fisheries test fishing operations.”⁴⁰ The legislature appropriates a program receipt authorization for the

³⁹ http://www.adfg.alaska.gov/static/license/pdfs/2005_2014_crew_license_sales_num_rev.pdf

⁴⁰ <http://www.legis.state.ak.us/basis/statutes.asp#16.05.050>

Commercial Fisheries Division to use revenue to fund the division's operations. The authorization is typically greater than what DF&G actually collects, presumably to ensure that whatever is collected maybe used by the agency.

- ***Shore fishery lease payments and Mariculture fees.*** DNR Division of Mining, Land and Water administers the shore fishery lease program, which provides the option for set-net permit holders to acquire a location from which to fish their permit (i.e. so some other permit holders cannot take the location away). The lease is valid for 10 years and may be used only for the purpose of commercial salmon fishing. It does not give the leaseholder the right to exclude the public from the lease area. There is a \$100 application fee, a \$150 diagram review fee, and an annual \$300 rental fee. DNR collected \$344,300 for this program in 2014.

DNR also administers a lease program to allow businesses to lease sites for aquatic farming (mariculture). An example of an aquatic farm lease would be an area to grow oysters. The annual fee is \$450 for the first acre and \$125 per acre for additional area. Like the shore fishery program, leases are for 10 years and do not give the lessee exclusive rights to the site. In 2014, DNR brought in \$48,438 in revenue from this program.

8.2 Mining Revenue

DNR and DCCED annually publish a report summarizing Alaska's mineral industry. That report has a detailed breakdown of revenue from the mineral industry. It is reproduced here as Table 32. The table shows how the different categories of the mineral industry contribute to state and local revenue. It is in nominal dollars.

The table is detailed and useful. However, the table reports revenue by calendar year. The remainder of this report makes fiscal year comparisons. Therefore, we substituted some information that is reported by the Department of Revenue by fiscal year for the data in the table; specifically, we used DOR's fiscal year data for rents and royalty, mining license tax, and corporate income tax. Further, we deleted material sales (because it is not "mining" for purposes of this report), and AIDEA Facility Use Fee (for reasons described in Chapter 4). The result is Table 33, which summarizes mineral revenue. Revenue amounts are stated in 2014 dollars. In Table 33, state fuel taxes and state mining miscellaneous fees remain in calendar year, as they are taken directly from the *Mineral Industry Report*. This introduces some minor distortion into the comparisons.

Table 32. Mineral Industry Revenue from Alaska Mineral Industry 2013
Table 3, p. 6. Figures are in millions of nominal dollars

	Nominal Dollars (millions)					
	2008	2009	2010	2011	2012	2013
State mineral rents and royalties ^{a, b}						
State claim rentals	4.6	6.3	7.8	8.5	8.0	7.5
Production royalties ^c	1.5	1.8	1.6	5.4	9.0	9.8
Annual labor	0.4	0.5	0.2	0.8	0.4	0.5
Subtotal	6.5	8.6	9.5	14.7	17.3	17.9
State coal rents and royalties ^b						
Rents	0.2	0.4	0.3	0.4	0.2	0.3
Royalties ^c	1.6	1.8	2.2	2.6	2.9	2.8
Subtotal	1.8	2.2	2.5	3.1	3.1	3.1
State material sales						
Mental Health	0.0	0.2	0.1	0.1	0.0	(0.0)
Division of Land ^b	2.8	4.3	0.2	1.2	1.7	5.0
State Pipeline Coord. Office	0.2	0.2	0.0	0.3	0.0	0.3
Subtotal	3.0	4.7	0.3	1.6	1.8	5.3
State mining miscellaneous fees						
Filing fees	0.0	0.0	0.4	0.1	0.0	0.0
Bonus bids	-	-	-	6.9	0.2	-
Penalty fees	0.0	0.1	0.0	0.2	0.5	0.2
Exploration incentive applic fee	-	-	-	-	-	-
Bond pool payment	0.0	0.1	0.1	0.1	0.1	0.1
Surface mine investment interest	0.1	0.1	0.0	0.0	0.0	0.0
Surface Coal mining app fee	0.0	0.0	0.0	0.0	0.0	0.0
APMA mining fees	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	0.1	0.3	0.6	7.4	0.9	0.4
Other Fees						
AIDEA facilities use fee ^e	16.2	15.9	14.8	13.5	12.6	12.0
State Fuel taxes ^f	0.4	0.9	0.1	0.7	0.6	1.0
State corporate income tax ^g	13.0	(2.6)	81.8	15.0	26.6	26.8
Mining License tax ^h	16.0	29.7	43.3	44.5	40.7	46.8
State Total	57.2	59.7	153.0	100.5	103.5	113.1
Payments to Municipalities ⁱ	12.6	12.4	14.2	20.4	21.5	29.4
Total Revenue	69.8	72.1	167.3	120.9	125.0	142.5

Notes to the table are on the next page.

Notes to Table 32. ^a Includes upland lease and offshore lease rentals. Figures are reported by calendar year by the Alaska Department of Natural Resources. ^b Figures are reported by calendar year by the Alaska Department of Natural Resources. ^c Reported on a cash basis; payments actually received during the given year. ^d Bid bonus from the 2011 Nome offshore lease sale paid in 2011 and 2012. Filing fees for 2011 were updated. ^e AIDEA figures are reported by fiscal year. ^f In 2013, calculated on Fuel and Oil Expenditures from Mining Licenses Tax Form/Dept. of Revenue, assuming Alaska average fuel cost of \$6.09. http://commerce.alaska.gov/dnn/Portals/4/pub/Fuel_Price_Report_Jul_2013.pdf. ^g Only subchapter C corporations pay income tax. This report may not reflect 100% of the returns received in a year. The amount of corporate income tax reported in each fiscal year is the amount of tax actually received and may not agree with the amount reported on a corporation's tax return. This is due primarily to timing differences. ^h Includes metals, coal, and material for 2005–2011. In 2012 and later, Mining License Tax was not collected on materials. ⁱ Payments to Municipalities reported for 2013 did not include data directly from boroughs and municipalities, and should be considered a minimum estimate. Data was compiled from questionnaires and personal communication.

Table 33. Mining Revenue 2010-2014
(figures in millions of 2014 \$)

	Revenue to the State					
	2010	2011	2012	2013	2014	Average
Mining License Tax	\$32.9	\$53.1	\$42.7	\$47.5	23.5	\$39.9
Mining rents and royalties, total	\$14.8	\$16.4	\$21.3	\$22.5	22.8	\$19.5
State mining misc fees, total	\$0.7	\$7.9	\$0.9	\$0.4		\$2.5
Motor Fuel Tax, mining share	\$0.1	\$0.8	\$0.6	\$1.0		\$0.6
Corporate Income Tax (mining share)	(\$2.8)	\$87.6	\$15.7	\$27.3		\$31.9
Large Mine Projects Fees					\$1.9	\$1.9
Total Revenue to the State:	\$45.7	\$165.8	\$81.2	\$98.6	\$48.2	\$96.4
Estimated First Market Value	\$3,457.8	\$3,758.1	\$3,601.1	\$3,473.8		\$3,572.7
Revenue % of First Market Value	4.4%	2.4%	2.6%	2.8%		3.1%
	Revenue to Municipalities					
	2010	2011	2012	2013	2014	Average
Payment to Municipalities	\$15.7	\$21.8	\$22.6	\$29.9		\$22.5
Total Revenue to Municipalities:	\$15.7	\$21.8	\$22.6	\$29.9		\$22.5

The estimated first market value is taken from the Alaska Mineral Industry 2013 report. It is the value of the minerals taken from the ground in calendar year 2013. It changes both with the amount of minerals mined and with mineral prices.⁴¹

Taxes and Fees that Apply to Mines on All Lands

- **Mining License Tax.** This is one of Alaska's oldest taxes, established in 1913 as a 0.5% tax on net income of more than \$5,000. It was amended numerous times until the present rate structure was established in 1953. It has been amended since then

⁴¹ The estimated first market value in the Mineral Industry Report, 2013 is on a calendar year basis. To make an internal apples-to-apples comparison, we used the state total from Table 32, which is on a calendar year basis (after subtracting AIDEA use fees and material sales for reasons explained in the text).

to establish and modify credits. The current structure is a four-tiered graduated rate. The highest rate is 7% of net income for incomes over \$100,000. In 2014, there were 366 taxpayers. We expect that the vast majority of the tax is paid at the 7% rate by the 6 large mines described in Chapter 4.

- **Corporate Income Tax.** The corporate income tax for mining companies is the same as for other companies. It is described further in the Commercial Fishing section, above.
- **State Mining Fees.** This category covers a variety of fees listed in Table 32. Except for the bonus bids for Nome offshore mining leases that were offered in 2011, the totals for each fee category are relatively small.
- **Large Mine Project Fees through DNR OPMP.** The large mine permit program is a voluntary program to coordinate the permitting and sometimes compliance activities for mining. When requested by a mining company, the Office of Project Management and Permitting supplies a project manager to coordinate a state team to work on pre-permitting, permitting, and sometimes post-permitting compliance for the mine. The team is usually composed of representatives of different divisions within DNR, DF&G, DEC, DOL, and sometimes others agencies. In this fashion, the agencies work on as a team, establish a group timeline, and work on their permits, review baseline data, and perform similar activities as a team. It is more efficient for the mining company to use this team approach, and more efficient for the public who has a single point of contact—the OPMP project manager, rather than having to work through each agency to get their issues addressed. However, the program is not free to the mining company. The mining company must agree to pay the time of the OPMP project manager and the individual state agencies for agency staff time spent on their project. OPMP establishes a reimbursable services agreement with the mining company. The agencies bill OPMP, and OPMP, in turn, bills the company. According to OPMP staff, mining companies in exploration, development and operation paid \$1.9 million for this program in 2014. The amount in Table 33 is less than \$1.9 million because some portions are included in the analysis of other agencies' expenditures.
- **Motor Fuel Tax, mining share.** As indicated in the commercial fishing section of this chapter, Alaska has a tax on motor fuels. The fuel tax on highway vehicles is 8 cents per gallon. The figure in Table 33 is the average taken from DNR's annual Mineral Industry Report.

Rents and Royalties from Mining Activity on State Land. Rents and royalties are established differently for coal than they are for locatable minerals. Locatable minerals are typically metals such as gold, zinc, silver, lead, etc. The property right for a coal deposit is auctioned at a lease sale, and the mineral exploration and development occurs under a lease with the state. The rent and royalty provisions are established in the lease between the coal company and the state. On state land, the property right for gold, zinc or similar “locatable” minerals is established by staking a mining claim. Claims have different royalty and rent provisions from coal. Hard rock and placer mines operating on state land do so on

mining claims. The rent and royalty provisions are different between coal and locatable minerals, reflecting, in part, the different economic situations in the different segments of the mining industry.

- ***Rent and Royalty for Locatable Minerals (i.e., for hard rock and placer mines).*** Hard rock and placer mines operating on state land must pay a mineral rent to DNR that escalates according to the amount of time the claim is held. State mining claims are either 40-acres or 160 acres. The annual claim rental for a 40-acre claim is \$35 per year from the time of the initial staking through year 5, \$70 per year for years 6-10, and \$170 per year for years 11 and for older claims. The annual rent for 160-acre claims is four times the rent for the 40-acre claims. In 2013, there were approximately 3.8 million acres of state mining claims. A mining company producing minerals from a claim must pay 3% of net profits to the state. Alaska has only two large mines operating on state mining claims: The Fort Knox Gold Mine near Fairbanks and the Pogo Gold Mine near Delta Junction. These two mines pay the majority of state royalties.
- ***Coal Rent and Royalty.*** The rights to explore for and mine coal on state land are generally established by a competitive auction for a coal lease. The rent and royalty rates for that lease are established in the lease itself. Leases within the last decade require 5% payment of adjusted gross income (i.e., revenue minus transportation costs internal to the mining area and a few other adjustments), plus \$3 per acre rent. There are three coal fields in Alaska with state coal leases: near Healy Alaska, in the Matanuska Valley, and across Cook Inlet from Anchorage near Beluga. However, only one field is operating. Usibelli Coal Mine, Inc. produces coal from leases that were issued at different times, some dating back many decades. Therefore, Usibelli Coal Mine, Inc. pays all coal royalties to the state.
- ***Provisions Affecting Both Coal And Locatable Minerals.*** A portion of mining royalty and rent is deposited in the Alaska Permanent Fund rather than the General Fund. The permanent fund portion is 50% of the royalty and rent from mining claims and leases established after February 15, 1980, and 25% from mining claims and leases established on or before that date. This report makes no distinction between funds deposited to the state's General Fund and those deposited in the Permanent Fund. This analysis treats both as revenue to the state.

8.3 Tourism Revenue

Table 34 shows tourism revenue to the state and to municipalities. 2014 corporate income tax is unavailable at this writing; therefore, the 2014 total state revenue underestimates the actual amount. The average takes account of the missing corporate income data. The missing data from 2010 and 2011 for municipal revenue is due to the fact that the McDowell Group prepared the data beginning only in 2011 and subsequent years. Because of the missing data we did not total municipal revenue for those years.

New Taxes and Fees Imposed in 2006. In 2006, Ballot Measure 2 enacted the first four taxes shown in the table. They target the cruise ship industry in Alaska.⁴² They became law December 17, 2006 and were first applied during the spring 2007 tourism season.

- ***Commercial Passenger Vessel Excise Tax.*** The first of the taxes imposed by the 2006 Ballot Measure 2 is the Commercial Passenger Vessel Excise Tax. The tax imposes a \$34.50/passenger imposed on passengers travelling on commercial passenger vessels, typically cruise ships that have 250 or more berths and provide overnight accommodations in the state's marine waters. Essentially it is an excise tax on cruise ship passengers. Subject to legislative appropriation, the state distributes \$5 per passenger to each of the first seven ports of call in Alaska (less any taxes that the municipality imposes). Thus, while the tax is collected by the Department of Revenue, most of the value is distributed to the first seven ports of call; it is primarily a municipal tax. In 2014, ten taxpayers filed returns.
- ***Large Passenger Vessel Gambling Tax.*** This tax is imposed "on the adjusted gross income of gambling activities about large passenger vessels [cruise ships] in the state...The tax is imposed on the operator of...gambling activities" [i.e., not the individual, but the cruise ship company]. The tax rate is 33% of adjusted gross income less prizes and federal and municipal taxes. Six taxpayers filed returns in 2014.
- ***Ocean Ranger Fee*** funds DEC's ocean ranger program which requires "U.S. Coast Guard licensed marine engineers on board vessels to act as independent observers monitoring state environmental and marine discharge requirements." The rangers report on such topics as oil pollution, safety, health, wastewater, and air pollution.⁴³ Fees are \$4 per berth (i.e., vessel bed) and are collected by the DEC.
- ***Commercial Passenger Vessel Environmental Compliance Fee*** is assessed on vessels with more than 50 commercial passenger berths. It is a stair-stepped fee (e.g., vessels with 50-99 passengers are charged \$75; vessels with 100-249 passengers are charged \$175, etc.). In general, the fee is approximately \$1/berth. Fees range from \$75 to \$3,75, and funds are used to support environmental compliance programs, particularly for cruise ships.

⁴² Information the commercial passenger vessel excise tax and the large passenger vessel gambling tax is taken from the Alaska Department of Revenue Tax Division 2014 Annual Report.

⁴³ DEC website: https://dec.alaska.gov/water/cruise_ships/ocean_ranger_info.html. Also DEC Division of Water, Cruise Ship Program 2011 Season Report, Ocean Ranger. September 6, 2013, available at: https://dec.alaska.gov/water/cruise_ships/pdfs/OR/2011_Ocean_Ranger_Report.pdf

Table 34. Tourism Revenue 2010-2014⁴⁴
(figures in million of 2014 \$)

	Revenue to the State					
	2010	2011	2012	2013	2014	Average
Com'l Pass Vessel Excise Tax, state share	\$37.7	\$24.5	\$2.3	\$2.8	\$2.5	\$14.0
Large Passenger Vessel Gambling	\$7.0	\$6.2	\$5.4	\$6.1	\$6.7	\$6.3
Ocean ranger fees	\$4.2	\$3.9	\$3.9	\$4.0	\$3.9	\$4.0
Com'l Passenger Vessel Env Compliance Fee	\$0.3	\$1.0	\$0.9	\$1.0	\$1.0	\$0.9
Vehicle Rental Tax	\$4.9	\$5.4	\$5.5	\$5.2	\$5.1	\$5.2
Nonresident Hunting and Fishing Licenses	\$20.1	\$19.7	\$18.9	\$18.6	\$19.1	\$19.3
Corp Income Tax, tourism sector (per DOR)	\$5.7	\$3.7	\$2.6	\$7.1		\$4.8
Total Revenue to the State:	\$80.0	\$64.3	\$39.4	\$44.8	\$38.2	\$54.5
Total tourism expenditures (2014) ⁴⁵			\$1,550.1	\$1,607.8	\$1,592.1	\$1,583.7
State Revenue as % of ex-vessel value:			2.5%	2.7%	2.3%	3.4%
	Revenue to Municipalities					
	2010	2011	2012	2013	2014	Average
Com'l Pass Vessel Excise Tax, municipal share	\$11.2	\$9.8	\$14.8	\$14.6	\$15.9	\$13.3
Visitor-related Sales Tax Revenue			\$26.6	\$27.8	\$27.3	\$27.3
Lodging Tax Revenue			\$24.3	\$26.0	\$26.5	\$25.6
Dockage/moorage Revenue			\$15.9	\$17.4	\$16.1	\$16.5
Total Revenue to Municipalities:	\$11.2	\$9.8	\$81.7	\$85.8	\$85.8	\$82.6

Other State Taxes and Fees

- **Vehicle Rental Tax.** This tax is collected by the DOR. "Alaska levies an excise tax on fees and costs charged for the lease or rental of a passenger or recreational vehicle if the lease or rental does not exceed a period of 90 consecutive days. The tax is levied on the renter but is collected by the rental agency for DOR. The tax is 10% of passenger vehicle fees and costs, and 3% of recreational vehicle fees and costs. While the tax is deposited into a special vehicle rental account within Alaska's General Fund, "The legislature may appropriate the balance in the vehicle rental tax

⁴⁴ Sources for the table: figures for the Commercial Passenger Vessel Excise Tax, Vehicle Rental Tax, Large Passenger Vessel Gambling Tax are taken from the DOR, Tax Division Annual Report 2014. Hunting and fishing license revenue is from the DF&G. The Visitor-related Sales Tax, Lodging Tax, and Dockage/moorage revenues are taken from McDowell Group. Economic Impact of Alaska's Visitor Industry. 2013-14 Update (https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/AVSP/2013_2014/Vis%20Industry%20Impacts%202013_14%2030.pdf), McDowell Group. Economic Impact of Alaska's Visitor Industry. 2012-13 Update (https://www.commerce.alaska.gov/web/Portals/6/pub/TourismResearch/AVSP/Visitor%20Industry%20Impacts%202013%2013_30.pdf), McDowell Group. Economic Impact of Alaska's Visitor Industry. 2011-12 Update. (https://www.commerce.alaska.gov/web/portals/6/pub/Visitor_Industry_Impacts_2_13.pdf)

⁴⁵ McDowell Group, Economic Impact of Alaska's Visitor Industry. 2011-12, 2012-13, and 2013-14. Reports available through DCCED, Division of Economic Development website.

account for tourism development and marketing.”⁴⁶ The discussion of the vehicle rental tax in Section 5.1 explains that 70% of the overall rental tax revenue is due to rentals by nonresidents, and that 61% is due to the tourism industry (i.e., excluding rentals by nonresident business travelers).

- ***Nonresident Hunting and Fishing Licenses.*** The Department of Fish and Game sells hunting and fishing licenses. Nonresidents are required to get a different license than Alaskans. The Department sells approximately 30 different types of nonresident hunting and fishing licenses and stamps, each with different requirements and cost. This report considers the funds from nonresident sales as tourism revenue.⁴⁷
- ***Corporate Income Tax*** for the tourism sector is provided by the DOR. The tax is the same as that explained in the commercial fishing section of this chapter.

Municipal taxes. Local governments at cruise ship ports receive \$5 per passenger (less any municipal taxes) from the Commercial Passenger Vessel Excise Tax as described above. The other three municipal taxes — sales tax revenue from tourism purchases, lodging tax revenue (often referred to as bed taxes), and dockage moorage fees — are reported by the McDowell Group, on contract to DCCED, Division of Economic Development as part of the Division’s Visitor Statistics Program. As part of that program, the McDowell Group completed 6,747 surveys of nonresident visitors to Alaska from May 1, 2011 through April 30, 2012. The survey concluded questions about spending and purchases. The information was combined with information from other sources. Each year after that, the McDowell Group updated the information based on indices.⁴⁸

⁴⁶ DOR Tax Division 2014 Annual Report.

⁴⁷ <http://www.adfg.alaska.gov/index.cfm?adfg=license.statistics>

⁴⁸ See Alaska Visitor Statistics Program Reports Summer 2011 and Fall/Winter 2012, McDowell Group. DCCED, Division of Economic Development. Available at: <https://www.commerce.alaska.gov/web/ded/DEV/TourismDevelopment/TourismResearch.aspx>

Chapter 9. Don't Like Our Assumptions? Try Your Own!

For those who disagree with how this report classifies costs or revenues, or simply wish to explore the effects of alternative assumptions, we have posted an Excel workbook on ISER's website that lets you make your own assumptions and see how they change the conclusions. We have tried to make the workbook useable. We tried to arrange the workbook so that if you disagree with an assumption we made for this analysis, it is easy to find the assumption, change it, and see how it affects the results.

There are two spreadsheets on the website. The first one may be reached by searching for this report on the ISER website or by using the following URL:

http://www.iser.uaa.alaska.edu/Publications/2015_12_PublicComparisonWorkbook_FiscalEffectsCommFishMineTour.xlsx

This is the one you should start on. All of the basic data is there, but it is given as values and protected, so that it is hard to change that data by mistake. It contains the cost of each budget component, the revenue for each year in nominal dollars and that same revenue updated to 2014 dollars, etc. What you can change are the amounts allocated to commercial fishing, mining, and tourism.

There are three tabs that you can work on: "Revenue," "Operating exp," and "Capital exp." The "Revenue" worksheet lists all of the revenue sources that we included, and some that we excluded. It lists the amount of money collected from that revenue source. That's just factual data — no need to change it. What you can change is the percent of the revenue source that is allocated to commercial fishing, mining, or tourism. If you make a change, the results change automatically. Change something and you can see at the top of the worksheet how it changes the revenue total for the industry. And you can see the effect of the change on the "Intro and Results" worksheet, including the graphs.

The "Capital exp" worksheet works the same way. It lists all 333 capital projects that we identified using the methodology explained in Section 2.3. Each capital project's cost is listed in the worksheet, both the dollar value actually appropriated and the value in 2014 dollars. You cannot easily change that. We listed what portion of the project costs should be allocated to each industry, and you can change that. Change it and you can see at the top of the worksheet how it changes the total capital cost for the industry. It also changes the "Intro and Results" totals and graphs.

The "Operating exp" worksheet is only marginally more difficult. It lists 94 budget components among seven departments. We list the total cost of that component, and a group we have labeled "Op Fund Only" which means we have excluded federal funds, capital project funds (which are included under the Capital Budget), and inter-agency transfers. Rather than list the percent of the budget to include, you must list the amount in millions. Once again, we provided the conclusions from our interviews, but if you think more or less should be allocated to one of the industries, make the change and see how it changes the results.

We have explained four worksheets: "Intro and Results," "Revenue," "Operating Exp", and "Capital Exp." The last worksheet is data sources, and it lists the data sources where the information for the "Revenue" worksheet can be found. You cannot easily change that one.

If you are *really* interested in this subject, we have also posted our more detailed Workbook that includes all of the supporting worksheets that we used to make the five worksheets listed above. It also may be reached by searching for this report on the ISER website or by using the following URL:

http://www.iser.uaa.alaska.edu/Publications/2015_12_DetailWorkbook_FiscalEffectsCommFishMineTour.xlsx

All of the excel links that are used to calculate the final data are active but protected. If you wish to download the worksheet and work with it, please do so. If you want to adjust the links, you will have to unprotect the individual spreadsheet. However, it is quite easy to unintentionally disable a link and disable a portion of the Workbook. It takes a long time to track down the error once you do that. (Unfortunately for us, we proved how easy it is to do damage and how long it takes track down the error.) But you are welcome to it.

If you do actually use the either workbook, let us know. We are interested. Or just call if you have questions and need help walking through this, or if you have questions about the report, in general.

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Appendix A. Budget Component Information
DEC, DNR, DF&G, DCCED, DPS

The following pages contain the budget component information taken from the OMB websites for DEC, DNR, DF&G, DCCED, and DPS. This is the original information on which the operating budget information in Chapter 6 is based.

Department of Environmental Conservation

Division	Component	G/F		Gen Fund	GF/Prgm	I/A Rcpts	Oil/Haz	State Des	Clean	Vessel	Ocn	Gas	All	State
		Fed Fund	Match											
		Fed	UGF	UGF	DGF	Other	DGF	Other	Other	DGF	DGF	Other	Total	Total
Administration	Office of the Commissioner	\$ 544.8		\$ 476.9								\$ 96.9	\$ 1,118.6	\$ 573.8
Administration	Administrative Services	\$ 2,137.5	\$ 173.4	\$ 812.8		\$ 328.1	\$ 1,985.0		\$ 633.5	\$ 87.8	\$ 11.5	\$ 43.7	\$ 6,213.3	\$ 3,114.2
Administration	State Support Services	\$ 432.5	\$ 12.9	\$ 1,613.7			\$ 304.3		\$ 83.9	\$ 43.2	\$ 61.5		\$ 2,552.0	\$ 2,119.5
Environmental Health	Buildings Maintenance & Ops			\$ 635.5									\$ 635.5	\$ 635.5
Environmental Health	Environmental Health Director			\$ 441.1									\$ 441.1	\$ 441.1
Environmental Health	Food Safety & Sanitation	\$ 500.1		\$ 2,071.3	\$ 2,110.3	\$ 63.3							\$ 4,745.0	\$ 3,971.30
Environmental Health	Laboratory Services	\$ 1,126.9	\$ 114.0	\$ 2,509.3	\$ 215.8	\$ 189.1		\$ 50.0			\$ 103.0		\$ 4,308.1	\$ 2,992.1
Environmental Health	Drinking Water	\$ 4,892.0	\$ 2,078.7	\$ 232.7	\$ 327.1								\$ 7,530.5	\$ 2,638.5
Environmental Health	Solid Waste Management	\$ 304.0		\$ 1,016.1	\$ 1,010.1								\$ 2,330.2	\$ 2,026.2
Air Quality	Air Quality Director			\$ 285.0									\$ 285.0	\$ 285.0
Air Quality	Air Quality	\$ 1,880.9	\$ 1,088.7	\$ 562.4	\$ 1,801.6	\$ 167.2		\$ 48.3	\$ 147.6	\$ 4,484.2		\$ 54.6	\$ 10,235.5	\$ 8,039.8
Spill Prevention and Response	Spill Prevention and Response Director						\$ 300.1						\$ 300.1	\$ 300.1
Spill Prevention and Response	Contaminated Sites Program	\$ 4,557.5				\$ 93.0	\$ 3,821.3						\$ 8,471.8	\$ 3,821.3
Spill Prevention and Response	Industry Preparedness & Pipeline Ops	\$ 307.2		\$ 673.8		\$ 427.7	\$ 3,263.3			\$ 419.6			\$ 5,091.6	\$ 4,356.7
Spill Prevention and Response	Prevention and Emergency Response						\$ 4,438.3						\$ 4,438.3	\$ 4,438.3
Spill Prevention and Response	Response Fund Administration	\$ 42.5					\$ 1,497.1						\$ 1,539.6	\$ 1,497.1
Water	Water Quality	\$ 5,232.7	\$ 497.2	\$ 6,985.0	\$ 1,123.7	\$ 621.0		\$ 30.0		\$ 734.3	\$ 3,411.3	\$ 236.2	\$ 18,871.4	\$ 13,017.7
Water	Facility Construction	\$ 3,162.1	\$ 778.3	\$ 355.3	\$ 83.9				\$ 3,738.4				\$ 8,118.0	\$ 1,217.5

Department of Natural Resources

Division (Office)	Component	Fed Fund	G/F Match	Gen Fund	GF/Prgm	I/A Rcpts	Oil/Haz Fund	Stat Desig	CIP Rcpts
		Fed	UGF	UGF	DGF	Other	DGF	Other	Other
Commissioner's Office	Commissioner's Office			\$ 1,419.2		\$ 306.3			
DNR Office	Gas Pipeline Project Office			\$ 3,008.9					
DNR Office	State Pipeline Coordinator's Office				\$ 573.1	\$ 156.1		\$ 7,169.3	
DNR Office	Office of Project Management & Permitting	\$ 268.1		\$ 942.4		\$ 566.2	\$ 12.6	\$ 6,019.4	\$ 548.3
Administration and Support	Administrative Services			\$ 2,323.0		\$ 947.1			
DNR Office	Information Resource Management			\$ 3,299.4		\$ 636.9		\$ 8.1	\$ 1,013.0
	Interdepartmental Chargebacks			\$ 1,233.9		\$ 377.7			
DNR Office	Facilities			\$ 2,802.0		\$ 300.0			
DNR Office	Citizen's Advisory Commission on Federal Areas			\$ 285.4					
DNR Office	Recorder's Office/Uniform Commercial Code				\$ 4,955.7	\$ 115.6			
DNR Office	Conservation & Development Board			\$ 116.3					
DNR Office	EVOS Trustee Council Projects								
DNR Office	Public Information Center			\$ 77.4	\$ 20.0	\$ 471.8			
DNR Office	Mental Health Trust Lands Administration								
Oil and Gas	Oil & Gas	\$ 243.3		\$ 11,430.1	\$ 176.6			\$ 450.0	\$ 17.2
Oil and Gas	Petroleum Systems Integrity Office			\$ 849.6					
Mining, Land and Water	Mining, Land & Water	\$ 1,044.9	\$ 300.1	\$ 13,321.3	\$ 4,633.6	\$ 363.7	\$ 22.0	\$ 280.8	\$ 607.5
Forestry	Forest Management & Development	\$ 1,218.7	\$ 3,853.9			\$ 490.5		\$ 55.0	\$ 307.0
Geological & Geoph Surveys	Geological & Geophysical Surveys	\$ 2,329.3		\$ 4,844.1	\$ 10.0	\$ 603.4		\$ 354.6	\$ 1,429.3
Agriculture	Agricultural Development	\$ 764.3		\$ 1,248.5	\$ 1.5			\$ 30.0	
Agriculture	North Latitude Plant Material Center	\$ 372.0		\$ 2,066.6	\$ 16.6	\$ 67.8		\$ 25.9	\$ 186.0
Agriculture	Agriculture Revolving Loan Program Admin								
Parks and Outdoor Rec	Parks Management & Access	\$ 1,432.7		\$ 3,627.0	\$ 2,807.3	\$ 1,143.3		\$ 315.5	\$ 1,649.5
Parks and Outdoor Recr	Office of History and Archaeology	\$ 1,192.6	\$ 470.7		\$ 15.7	\$ 797.1	\$ 12.4		\$ 20.3
Forestry	Fire Suppression Preparedness	\$ 1,667.6		\$ 17,030.7		\$ 394.5			\$ 903.5
Forestry	Fire Suppression Activity	\$ 11,960.4		\$ 6,663.3				\$ 1,500.0	

Department of Natural Resources

Division (Office)	Component	EVOS Other	MHTAAR Other	PF Rcpt Other	NGF Earn Other	State Land DGF	Shore Fish DGF	Mine Trust Other	Timber Rcp DGF	Agric Loan DGF
Commissioner's Office	Commissioner's Office									
DNR Office	Gas Pipeline Project Office									
DNR Office	State Pipeline Coordinator's Office									
DNR Office	Office of Project Management & Permitting									
Administration and Support	Administrative Services									
DNR Office	Information Resource Management									
	Interdepartmental Chargebacks									
DNR Office	Facilities									
DNR Office	Citizen's Advisory Commission on Federal Areas									
DNR Office	Recorder's Office/Uniform Commercial Code									
DNR Office	Conservation & Development Board									
DNR Office	EVOS Trustee Council Projects	\$ 436.7								
DNR Office	Public Information Center									
DNR Office	Mental Health Trust Lands Administration		\$ 4,023.7							
Oil and Gas	Oil & Gas			\$ 3,840.4	\$ 250.0					
Oil and Gas	Petroleum Systems Integrity Office									
Mining, Land and Water	Mining, Land & Water			\$ 1,803.5		\$ 5,482.7	\$ 337.1	\$ 50.0		
Forestry	Forest Management & Development								\$ 846.9	
Geological & Geoph Surveys	Geological & Geophysical Surveys									
Agriculture	Agricultural Development					\$ 491.1				
Agriculture	North Latitude Plant Material Center									
Agriculture	Agriculture Revolving Loan Program Admin									\$ 2,530.8
Parks and Outdoor Rec	Parks Management & Access									
Parks and Outdoor Recr	Office of History and Archaeology									
Forestry	Fire Suppression Preparedness									
Forestry	Fire Suppression Activity									

Department of Natural Resources

Division (Office)	Component	Veh RenTax Other	Boat Rcpt Other	All Funds Total	State Op Funds Total
Commissioner's Office	Commissioner's Office			\$ 1,725.5	\$ 1,419.2
DNR Office	Gas Pipeline Project Office			\$ 3,008.9	\$ 3,008.9
DNR Office	State Pipeline Coordinator's Office			\$ 7,898.5	\$ 7,742.4
DNR Office	Office of Project Management & Permitting			\$ 8,357.0	\$ 6,974.4
Administration and Support	Administrative Services			\$ 3,270.1	\$ 2,323.0
DNR Office	Information Resource Management			\$ 4,957.4	\$ 3,307.5
	Interdepartmental Chargebacks			\$ 1,611.6	\$ 1,233.9
DNR Office	Facilities			\$ 3,102.0	\$ 2,802.0
DNR Office	Citizen's Advisory Commission on Federal Areas			\$ 285.4	\$ 285.4
DNR Office	Recorder's Office/Uniform Commercial Code			\$ 5,071.3	\$ 4,955.7
DNR Office	Conservation & Development Board			\$ 116.3	\$ 116.3
DNR Office	EVOS Trustee Council Projects			\$ 436.7	\$ 436.7
DNR Office	Public Information Center			\$ 569.2	\$ 97.4
DNR Office	Mental Health Trust Lands Administration			\$ 4,023.7	\$ 4,023.7
Oil and Gas	Oil & Gas			\$ 16,407.6	\$ 16,147.1
Oil and Gas	Petroleum Systems Integrity Office			\$ 849.6	\$ 849.6
Mining, Land and Water	Mining, Land & Water			\$ 28,247.2	\$ 26,231.1
Forestry	Forest Management & Development			\$ 6,772.0	\$ 4,755.8
Geological & Geoph Surveys	Geological & Geophysical Surveys			\$ 9,570.7	\$ 5,208.7
Agriculture	Agricultural Development			\$ 2,535.4	\$ 1,771.1
Agriculture	North Latitude Plant Material Center			\$ 2,734.9	\$ 2,109.1
Agriculture	Agriculture Revolving Loan Program Admin			\$ 2,530.8	\$ 2,530.8
Parks and Outdoor Rec	Parks Management & Access	\$ 2,954.3	\$ 200.0	\$ 14,129.6	\$ 9,904.1
Parks and Outdoor Recr	Office of History and Archaeology			\$ 2,508.8	\$ 498.8
Forestry	Fire Suppression Preparedness			\$ 19,996.3	\$ 17,030.7
Forestry	Fire Suppression Activity			\$ 20,123.7	\$ 8,163.3

Department of Fish and Game

Division (Office)	Component	G/F				Oil/Haz		Stat Desig Other
		Fed Fund Fed	Match UGF	Gen Fund UGF	GF/Prgm DGF	I/A Rcpts Other	Fund DGF	
Commercial Fisheries	Southeast Region Fisheries Management	\$ 92.0	\$ 205.8	\$ 8,794.1				
Commercial Fisheries	Central Region Fisheries Management		\$ 258.8	\$ 9,102.3				
Commercial Fisheries	AYK Region Fisheries Management			\$ 8,561.8				
Commercial Fisheries	Westward Region Fisheries Management			\$ 8,561.7				
Commercial Fisheries	Headquarters Fisheries Management			\$ 11,365.8	\$ 382.2			
Commercial Fisheries	Commercial Fisheries Special Projects	\$ 9,628.3		\$ 3,075.2	\$ 1,040.5	\$ 828.7		\$ 4,901.9
Sport Fisheries	Sport Fisheries	\$ 17,823.4	\$ 502.2	\$ 7,171.4		\$ 1,831.1		\$ 1,299.9
Sport Fisheries	Sport Fish Hatcheries	\$ 5,377.1		\$ 331.1				
Wildlife Conservation	Wildlife Conservation	\$ 18,193.7	\$ 376.4	\$ 6,672.2				
Wildlife Conservation	Wildlife Conservation Special Projects	\$ 8,641.3		\$ 948.7		\$ 1,043.2		\$ 612.7
Wildlife Conservation	Hunter Education Public Shooting Ranges							
Administration and Support	Agency-wide Unallocated Reduction			-\$ 316.5				
Commissioner's Office	Commissioner's Office	\$ 171.9		\$ 894.2		\$ 689.0		\$ 27.4
Administration and Support	Administrative Services	\$ 1,934.0		\$ 3,206.7	\$ 141.9	\$ 6,398.0		\$ 321.4
Boards Support	Fish and Game Boards and Advisory Committees	\$ 58.7		\$ 1,659.8	\$ 1.0	\$ 390.9		\$ 5.2
Subsistence	State Subsistence Research	\$ 1,029.0		\$ 3,208.6		\$ 1,810.4		\$ 661.8
Associated	EVOS Trustee Council	\$ 582.8						
Administration and Support	State Facilities Maintenance					\$ 5,100.8		
Administration and Support	Fish and Game State Facilities Rent			\$ 2,530.0				
Habitat	Habitat	\$ 105.9		\$ 4,252.0		\$ 1,636.1	\$ 108.3	\$ 274.2
Associated	Commercial Fisheries Entry Commission	\$ 114.4						

Department of Fish and Game

Division (Office)	Component	CIP Rcpts Other	EVOS Other	Test Fish DGF	CFEC Rcpts DGF	Fish/ Game Other	SFEnt Acct Other	All Funds Total	State Op Funds Total
Commercial Fisheries	Southeast Region Fisheries Management			\$ 651.2				\$ 9,743.1	\$ 9,651.1
Commercial Fisheries	Central Region Fisheries Management			\$ 383.4				\$ 9,744.5	\$ 9,744.5
Commercial Fisheries	AYK Region Fisheries Management			\$ 41.7				\$ 8,603.5	\$ 8,603.5
Commercial Fisheries	Westward Region Fisheries Management			\$ 1,760.7				\$ 10,322.4	\$ 10,322.4
Commercial Fisheries	Headquarters Fisheries Management							\$ 11,748.0	\$ 11,748.0
Commercial Fisheries	Commercial Fisheries Special Projects	\$ 3,532.7	\$ 346.1			\$ 201.6		\$ 23,555.0	\$ 9,565.3
Sport Fisheries	Sport Fisheries	\$ 2,101.9	\$ 342.3			\$ 13,407.4	\$ 500.0	\$ 44,979.6	\$ 23,223.2
Sport Fisheries	Sport Fish Hatcheries					\$ 255.5		\$ 5,963.7	\$ 586.6
Wildlife Conservation	Wildlife Conservation					\$ 8,890.4		\$ 34,132.7	\$ 15,939.0
Wildlife Conservation	Wildlife Conservation Special Projects	\$ 169.2	\$ 50.0			\$ 375.2		\$ 11,840.3	\$ 1,986.6
Wildlife Conservation	Hunter Education Public Shooting Ranges					\$ 792.4		\$ 792.4	\$ 792.4
Administration and Support	Agency-wide Unallocated Reduction							-\$ 316.5	-\$ 316.5
Commissioner's Office	Commissioner's Office	\$ 57.3	\$ 54.5					\$ 1,894.3	\$ 976.1
Administration and Support	Administrative Services	\$ 279.2	\$ 341.3					\$ 12,622.5	\$ 4,011.3
Boards Support	Fish and Game Boards and Advisory Committees	\$ 16.9						\$ 2,132.5	\$ 1,666.0
Subsistence	State Subsistence Research	\$ 1,063.4						\$ 7,773.2	\$ 3,870.4
Associated	EVOS Trustee Council		\$ 2,028.9					\$ 2,611.7	\$ 2,028.9
Administration and Support	State Facilities Maintenance							\$ 5,100.8	\$ -
Administration and Support	Fish and Game State Facilities Rent							\$ 2,530.0	\$ 2,530.0
Habitat	Habitat	\$ 460.8						\$ 6,837.3	\$ 4,634.5
Associated	Commercial Fisheries Entry Commission				\$ 4,389.2			\$ 4,503.6	\$ 4,389.2

Department of Commerce, Community, and Economic Development

Division (or Agency)	Component	Fed Fund Fed	G/F Match UGF	Gen Fund UGF	GF/Prgm DGF	I/A Rcpts Other	Oil/Haz Fund DGF
Alaska Gasline Dvpt Corp	Alaska Gasline Development Corp						
Commissioner's Office	Commissioner's Office			\$ 110.7		\$ 1,043.1	
Administrative Service	Administrative Services			\$ 1,502.0		\$ 4,082.7	
Banking and Securities	Banking and Securities			\$ 3,607.8			
Community and Regional Affairs	Community and Regional Affairs	\$ 1,975.8	\$ 804.8	\$ 7,302.6	\$ 18.7	\$ 504.2	
Community and Regional Affairs	Payment in Lieu of Taxes	\$ 10,428.2					
Community and Regional Affairs	National Forest Receipts	\$ 600.0					
Community and Regional Affairs	Fisheries Taxes					\$ 3,600.0	
Corporations, Business and Professional Lisc.	Corporations, Business and Professional Lisc.	\$ 90.0			\$ 1,975.7	\$ 150.0	
Economic Development	Economic Development	\$ 173.3		\$ 18,911.1		\$ 128.7	
Economic Development	Investments					\$ 29.6	
Insurance	Insurance Operations						
Community and Regional Affairs	Service Alaska	\$ 3,233.8	\$ 231.6	\$ 26.7			
Alcoholic Beverage Control Board	Alcoholic Beverage Control Board				\$ 1,722.0	\$ 23.7	
Alaska Energy Authority	Alaska Energy Authority Owned Facilities						
Alaska Energy Authority	Alaska Energy Authority Rural Energy Ops	\$ 230.0		\$ 1,156.7	\$ 100.0		
Alaska Energy Authority	Alaska Energy Authority Technical Assist			\$ 406.7		\$ 170.0	
Alaska Energy Authority	Alaska Energy Authority PCE			\$ 7,260.0			
Alaska Energy Authority	State Pjct Dvp Alternative Energy & Eff	\$ 41.9		\$ 975.9		\$ 50.0	
Alaska Industrial Dvp and Export Authority	Alaska Industrial Dvp and Export Authority					\$ 8,962.0	
Alaska Industrial Dvp and Export Authority	AIDEA Facilities Maintenance						
Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute	\$ 4,500.0		\$ 7,772.2	\$ 17,335.7		
Regulatory Commission of Alaska	Regulatory Commission of Alaska					\$ 140.0	
Administrative Services	State Facilities Rent			\$ 599.2		\$ 760.2	

Department of Commerce, Community, and Economic Development

Division (or Agency)	Component	Stat Desig Other	CIP Rcpts Other	Gas Pipe Fnd Other	Boat Rcpts Other	Surety Fund Other	Rcpt Svcs DGF	Vehicle Rntl Tax Other
Alaska Gasline Dvpt Corp	Alaska Gasline Development Corp		-\$ 3,634.3	\$ 7,692.6				
Commissioner's Office	Commissioner's Office							
Administrative Service	Administrative Services		\$ 92.1					
Banking and Securities	Banking and Securities							
Community and Regional Affairs	Community and Regional Affairs		\$ 894.4		\$ 196.9			
Community and Regional Affairs	Payment in Lieu of Taxes							
Community and Regional Affairs	National Forest Receipts							
Community and Regional Affairs	Fisheries Taxes							
Corporations, Business and Professional Lisc.	Corporations, Business and Professional Lisc.	\$ 20.0				\$ 288.4	\$ 9,772.0	
Economic Development	Economic Development	\$ 2,828.4	\$ 109.6					\$ 339.3
Economic Development	Investments							
Insurance	Insurance Operations		\$ 359.7				\$ 7,259.5	
Community and Regional Affairs	Service Alaska	\$ 104.7						
Alcoholic Beverage Control Board	Alcoholic Beverage Control Board							
Alaska Energy Authority	Alaska Energy Authority Owned Facilities							
Alaska Energy Authority	Alaska Energy Authority Rural Energy Ops	\$ 150.0	\$ 3,576.9					
Alaska Energy Authority	Alaska Energy Authority Technical Assist							
Alaska Energy Authority	Alaska Energy Authority PCE							
Alaska Energy Authority	State Pjct Dvp Alternative Energy & Eff	\$ 60.6	\$ 3,388.9					
Alaska Industrial Dvp and Export Authority	Alaska Industrial Dvp and Export Authority		\$ 685.7					
Alaska Industrial Dvp and Export Authority	AIDEA Facilities Maintenance							
Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute							
Regulatory Commission of Alaska	Regulatory Commission of Alaska		\$ 50.0					
Administrative Services	State Facilities Rent							

Department of Commerce, Community, and Economic Development

Division (or Agency)	Component	Loans and Revolving Loan Funds							
		Cm Fish DGF	Fish Enh DGF	Bulk Fuel DGF	RDIF DGF	Small Bus DGF	Capstone DGF	Charter DGF	Maricult DGF
Alaska Gasline Dvpt Corp	Alaska Gasline Development Corp								
Commissioner's Office	Commissioner's Office								
Administrative Service	Administrative Services								
Banking and Securities	Banking and Securities								
Community and Regional Affairs	Community and Regional Affairs								
Community and Regional Affairs	Payment in Lieu of Taxes								
Community and Regional Affairs	National Forest Receipts								
Community and Regional Affairs	Fisheries Taxes								
Corporations, Business and Professional Lisc.	Corporations, Business and Professional Lisc.								
Economic Development	Economic Development								
Economic Development	Investments	\$ 4,315.3	\$ 612.0	\$ 54.1	\$ 58.1	\$ 55.9	\$ 130.9	\$ 18.8	\$ 18.8
Insurance	Insurance Operations								
Community and Regional Affairs	Service Alaska								
Alcoholic Beverage Control Board	Alcoholic Beverage Control Board								
Alaska Energy Authority	Alaska Energy Authority Owned Facilities								
Alaska Energy Authority	Alaska Energy Authority Rural Energy Ops								
Alaska Energy Authority	Alaska Energy Authority Technical Assist								
Alaska Energy Authority	Alaska Energy Authority PCE								
Alaska Energy Authority	State Pjct Dvp Alternative Energy & Eff								
Alaska Industrial Dvp and Export Authority	Alaska Industrial Dvp and Export Authority								
Alaska Industrial Dvp and Export Authority	AIDEA Facilities Maintenance								
Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute								
Regulatory Commission of Alaska	Regulatory Commission of Alaska								
Administrative Services	State Facilities Rent								

Department of Commerce, Community, and Economic Development

Division (or Agency)	Component	Cquota DGF	Micro DGF	AEA Rcpts Other	Pwr Pjct DGF	PCE Endow DGF	Renew Energy Fund DGF	AIDEA Rcpt Other
Alaska Gasline Dvpt Corp	Alaska Gasline Development Corp							
Commissioner's Office	Commissioner's Office							
Administrative Service	Administrative Services							
Banking and Securities	Banking and Securities							
Community and Regional Affairs	Community and Regional Affairs							
Community and Regional Affairs	Payment in Lieu of Taxes							
Community and Regional Affairs	National Forest Receipts							
Community and Regional Affairs	Fisheries Taxes							
Corporations, Business and Professional Lisc.	Corporations, Business and Professional Lisc.							
Economic Development	Economic Development							
Economic Development	Investments	\$ 37.6	\$ 9.3					
Insurance	Insurance Operations							
Community and Regional Affairs	Service Alaska							
Alcoholic Beverage Control Board	Alcoholic Beverage Control Board							
Alaska Energy Authority	Alaska Energy Authority Owned Facilities			\$ 1,067.1				
Alaska Energy Authority	Alaska Energy Authority Rural Energy Ops				\$ 996.8			
Alaska Energy Authority	Alaska Energy Authority Technical Assist							
Alaska Energy Authority	Alaska Energy Authority PCE					\$ 33,091.0		
Alaska Energy Authority	State Pjct Dvp Alternative Energy & Eff				\$ 56.4		\$ 2,155.0	
Alaska Industrial Dvp and Export Authority	Alaska Industrial Dvp and Export Authority							\$ 6,875.7
Alaska Industrial Dvp and Export Authority	AIDEA Facilities Maintenance							\$ 262.0
Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute							
Regulatory Commission of Alaska	Regulatory Commission of Alaska							
Administrative Services	State Facilities Rent							

Department of Commerce, Community, and Economic Development

Division (or Agency)	Component	RCA Rcpt DGF	Fed ARRA Fed	All Funds Total	State Op Funds Total
Alaska Gasline Dvpt Corp	Alaska Gasline Development Corp			\$ 4,058.3	\$ 7,692.6
Commissioner's Office	Commissioner's Office			\$ 1,153.8	\$ 110.7
Administrative Service	Administrative Services			\$ 5,676.8	\$ 1,502.0
Banking and Securities	Banking and Securities			\$ 3,607.8	\$ 3,607.8
Community and Regional Affairs	Community and Regional Affairs			\$ 11,697.4	\$ 8,323.0
Community and Regional Affairs	Payment in Lieu of Taxes			\$ 10,428.2	\$ -
Community and Regional Affairs	National Forest Receipts			\$ 600.0	\$ -
Community and Regional Affairs	Fisheries Taxes			\$ 3,600.0	\$ -
Corporations, Business and Professional Lisc.	Corporations, Business and Professional Lisc.			\$ 12,296.1	\$ 12,056.1
Economic Development	Economic Development			\$ 22,490.4	\$ 22,078.8
Economic Development	Investments			\$ 5,340.4	\$ 5,310.8
Insurance	Insurance Operations			\$ 7,619.2	\$ 7,259.5
Community and Regional Affairs	Service Alaska			\$ 3,596.8	\$ 363.0
Alcoholic Beverage Control Board	Alcoholic Beverage Control Board			\$ 1,745.7	\$ 1,722.0
Alaska Energy Authority	Alaska Energy Authority Owned Facilities			\$ 1,067.1	\$ 1,067.1
Alaska Energy Authority	Alaska Energy Authority Rural Energy Ops			\$ 6,210.4	\$ 2,403.5
Alaska Energy Authority	Alaska Energy Authority Technical Assist			\$ 576.7	\$ 406.7
Alaska Energy Authority	Alaska Energy Authority PCE			\$ 40,351.0	\$ 40,351.0
Alaska Energy Authority	State Pjct Dvp Alternative Energy & Eff			\$ 6,728.7	\$ 3,247.9
Alaska Industrial Dvp and Export Authority	Alaska Industrial Dvp and Export Authority			\$ 16,523.4	\$ 6,875.7
Alaska Industrial Dvp and Export Authority	AIDEA Facilities Maintenance			\$ 262.0	\$ 262.0
Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute			\$ 29,607.9	\$ 25,107.9
Regulatory Commission of Alaska	Regulatory Commission of Alaska	\$ 9,069.3	\$ 285.8	\$ 9,545.1	\$ 9,069.3
Administrative Services	State Facilities Rent			\$ 1,359.4	\$ 599.2

Department of Public Safety; Division of Alaska Wildlife Troopers

Division (Office)	Component	Gen Fund UGF	GF/Prgm DGF	I/A Rcpts Other	CIP Rcpts Other	All Funds Total	State Op Funds Total
Alaska Wildlife Troopers	Alaska Wildlife Troopers	\$ 20,961.3	\$ 43.6		\$ 1,209.7	\$ 22,214.6	\$ 21,004.9
Alaska Wildlife Troopers	Aircraft Section	\$ 3,318.0		\$ 1,005.9		\$ 4,323.9	\$ 3,318.0
Alaska Wildlife Troopers	Marine Enforcement	\$ 3,230.4		\$ 42.5		\$ 3,272.9	\$ 3,230.4