

ALASKA LEGISLATURE

1582

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

Alaska Youth ChalleNGe



Why we're here

- Welfare reform
- Basic work skills
- Alternative secondary education



Alaska Youth ChalleNGe

- The need is real
 - **82%** of long term prison inmates have not completed a high school education
 - **80%** of dropouts report using illegal drugs regularly
 - **88%** of female dropouts under age 30 who are head of household live in poverty
 - Dropouts are increasing;
 - **In 1992-93 there were 1802, for 1996-97 the number will be over 3000**
 - Dropouts require **35%** more social services than high school graduates
 - Unemployment rates for high school dropouts are more than twice those for high school grads
 - The lifetime lost earnings from Alaska's 1991-92 dropouts is over **\$500 million**



Alaska Youth ChalleNGe

- **Who we serve**

- 16-18 year old Alaskans who have not completed a secondary education and are statistically headed for a bleak future



Alaska Youth ChalleNGe

- What we do
 - a 17 1/2 month intervention/prevention program in two phases
 - 22 week residential military school
 - Basic academic skills, job skills, health, personal finance, communications skills, teamwork & leadership through service to others
 - All students are enrolled as Army JR. ROTC cadets with strict adherence to rules, order & discipline
 - No alcohol, tobacco or illicit drugs are tolerated.
 - Life's distractions are eliminated.
 - 12 month after-care phase



Alaska Youth ChalleNGe

- Benefits to Alaska
 - Future cost avoidance
 - Juvenile & adult crime is reduced
 - Adult corrections costs are reduced
 - \$35K-\$55K per year per inmate
 - Youth corrections costs are reduced
 - \$62K average cost per resident
 - Social services costs (Welfare) are reduced



Alaska Youth ChalleNGe

- Success
 - 85% of youth corps graduates are either employed or enrolled in training
 - Have graduated 275
 - 55% working
 - 30% either returned to school or college
 - 15% other
 - 75% in program have obtained their GED
 - (if not going back to school)



Alaska Youth ChalleNGe

- Cost

- Approximately \$17,500 per student, including a \$2,200, post-residential stipend for continuing education

- The Future

- Fully federally funded to this point
- 10% of the existing program year funding was withdrawn to support other DOD programs
- Pilot status authority and federal funding expire on 30 Sep 1997





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Alaska National Guard Youth Corps
Student Profiles

From Partying Dropout To Success

Bill, 17, from Anchorage.

Bill moved to Alaska three years ago. He has lived in Anchorage with his mother since. He was not doing well in school. "My grades were really slipping," he says. "My friends, hanging out, girls. All that was more important than school. And, it's easy to do. No one could really do anything to me if I didn't go." Bill had been suspended for fighting and smoking on campus and, he says, was out of school and going nowhere. Bill, like so many others was statistically headed down the wrong road.

Bill heard about the Youth Corps ChalleNGe Program from relatives. Last summer he decided to give the Youth Corps a shot to see if it could help him get back on track. At this time, just 18 weeks after being accepted and entering the ChalleNGe Program, Bill has completed all five GED exams and is on a delayed-enlistment program with one of the U.S. Armed Forces. This one-time dropout now plans a career in the military and has set his sights on a high-tech field. Bill says the Youth Corps gave him the chance to change.

From Full-Time Party Girl To Success

Liz, 16, from The Matanuska Valley.

Liz had lived in Alaska for about four years. She and her family lived on a small farm. She was attending a local high school, when she went. Liz had been in-and-out of school for more than a year. She had even tried an alternative school setting, but nothing seemed to be working. She was bored with classes, but really wanted an education. She says she just didn't have the discipline to keep going to school. Other things kept getting in her way. "I was headed somewhere, but it wasn't where I always wanted to be," she says. "My friends and 'partying' were the only important things in my life. They were my only real interest."

Liz joined the Youth Corps in September of 1996 as a member of ChalleNGe Program Class 96-2. Now, Liz says, because she could focus on herself and learning, she's found direction. She has successfully completed all five GED exams while in the program, and has a plan for her future. That plan includes a full-time career in emergency medical services and a part-time career as a member of the Alaska Air National Guard. Liz says her life has changed at the Youth Corps.

From A Life Of Drugs And Risky Sex To Success

Bonnie, 17, from Anchorage.

Bonnie had been in-and-out of shelters and the DFYS-run McLaughlin Youth Center for more than a year. Every time she would return to her home, she would seek out her "old friends" and join in illegal drug parties which could last for several days. Bonnie's mother was fed up and eventually kicked her out of her home. Bonnie was having sexual relations with different partners, often strangers she was "getting high" with, several times a week. Bonnie was well on her way to a dangerous life on the streets of Anchorage when a DFYS counselor told her about the Youth Corps. The day she arrived for in-processing at the Challenge Program, Bonnie was vomiting into a paper bag in the front seat of her mother's truck. She was withdrawing from two straight days of drug and alcohol abuse.

While enrolled in the Challenge Program, Bonnie successfully completed her GED examination series and enrolled in her first semester at UAA. She completed a semester in the UAA pre-nursing program, then moved out of state. She has completed her certification as a nursing assistant and while continuing studies is managing a lodge on Cape Cod in Massachusetts. According to Bonnie, coming to the Youth Corps saved her life.

From Lonely Unwed Mother To Success

Sally, 18, from Kotzebuc.

Sally is an Alaska Native. She is pretty, shy and quiet. Prior to coming to the Youth Corps Challenge Program, she had alienated herself from her family, become pregnant, and dropped out of high school. She was on her way to becoming another statistic on the pages of life's failures. Her aunt offered to keep her child if Sally would give the Youth Corps a try.

Sally completed the Challenge Program and earned her GED. She worked part-time and rebuilt her relationship with her family during the six months following her graduation. Sally is now a cadet at the U.S. Air Force Academy Preparatory School. She credits the Youth Corps for giving her the chance to succeed.

From Trouble With The Law To Success

John, 17, from Southeast Alaska.

John was a "troubled" teen. He was defiant, failing in school, getting into low-level criminal activity. DFYS had assigned a probation officer to him to monitor his activities. His teachers had given up on him. His parents were at their wits end. His family called the Youth Corps Recruiting Office.

John successfully completed the GED examination series while at the Youth Corp. When he returned home, he entered the local UA campus and completed 15 credit hours through examination and normal class attendance. John is now in the U.S. Marine Corps where he has completed basic training and is now at the top of his class in advanced training. His plan is to be the youngest Command Sergeant Major of the Marine Corps in history. John, like the others, credits the Youth Corps Challenge Program for being the key to his success.

NOTE: The names of the cadets used here and some elements of their stories which might identify them have been changed to preserve confidentiality. The facts of the cases were not altered.

Contact: Edward Wicher (SSG)
Public Information/Recruiting Officer
Alaska National Guard Youth Corps
(907) 384-6015/6120 Toll Free: 800-797-2267

handout ③
4/21/97

**Alaska Department of Natural Resources
FY98 Budget Overview**



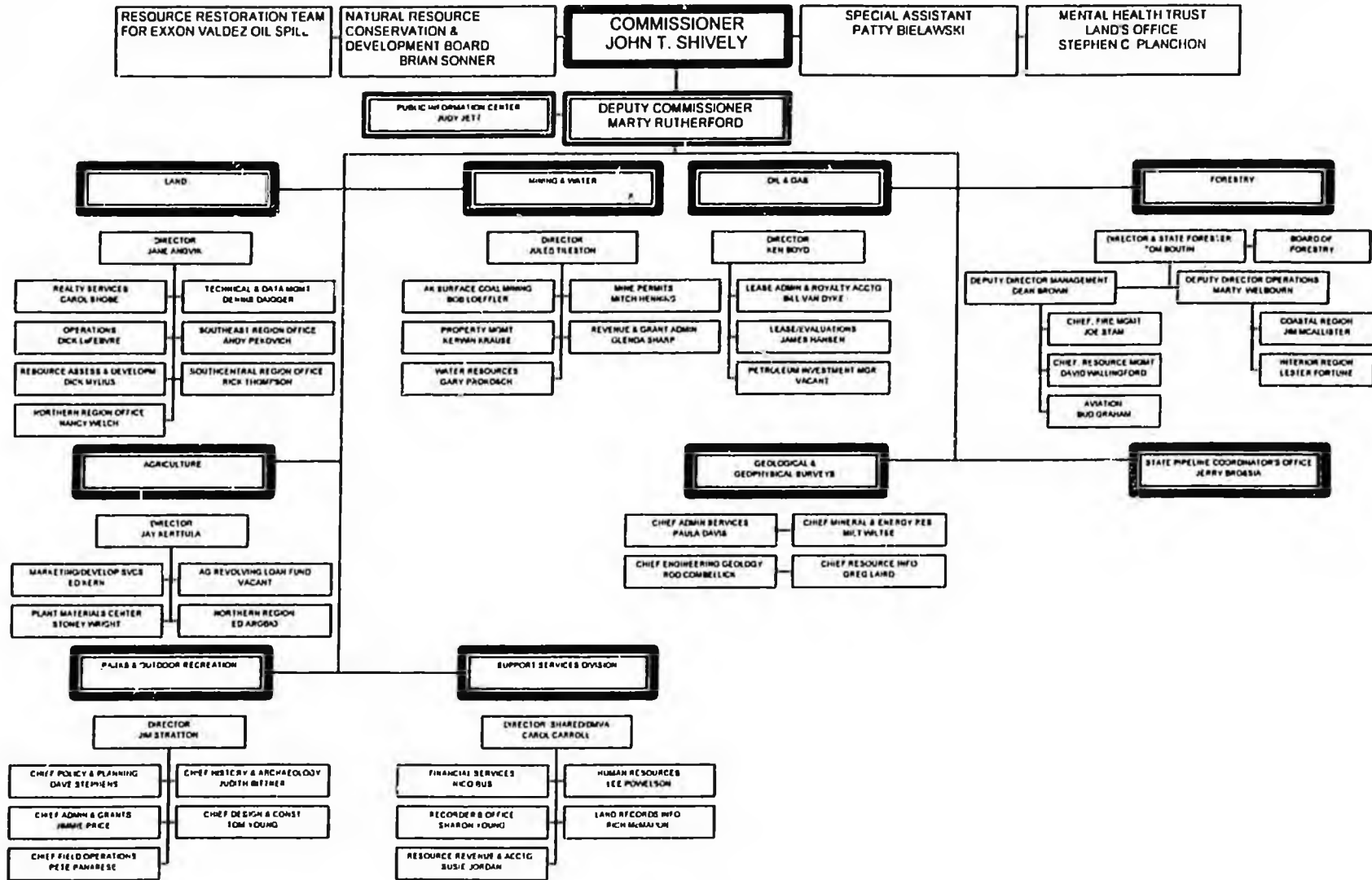
STATE OF ALASKA
Tony Knowles, Governor

DEPARTMENT OF NATURAL RESOURCES
John Shively, Commissioner

JANUARY 1997

Copies of this document are available from DNR Commissioner's Office, Attn: Nico Bus 465-2406

ALASKA DEPARTMENT OF NATURAL RESOURCES



DEPARTMENT OF NATURAL RESOURCES

MISSION

Develop, conserve, and enhance natural resources for present and future Alaskans.

Major Goals and Strategies

1 Encourage resource development that creates Alaska jobs and ensures economic growth in all regions of the state.

- Offer 3.5 million acres of state land for oil and gas leasing in three sales.
- Expand the physical recovery and economic value of hydrocarbons through unitization operations.
- Offer 18.6 million boardfeet of forest products to industry and the public.
- Increase revenues generated from Alaska Mental Health Trust Lands to \$2.5 million.
- Increase revenues generated by park user fees to \$2.2 million.
- Increase farm production by 7% (\$2 million).
- Complete and publish the Kenai Area Plan.
- Complete 10 site-specific land use plans to facilitate land classification for development projects.
- Acquire title to 245,000 acres under the Statehood Act from the federal government.
- The Priority Mineral and Energy Resource Development Project will expand the online state geological database of mineral, energy and construction material resources state wide.

2 Ensure resource development planning, management, and new project approvals are based on sound science and protection of public health, air and water quality, and fish and wildlife habitat.

- Plant 1,496 acres of forest land, survey 650 acres for regeneration, and review 1800 acres of private land for successful regeneration.
- Supervise the safety inspection of approximately 20 dams and test emergency action plans for 2 high-risk dams.

- Complete a master plan for Afognak Island State Park.
- Complete and publish the revised Kenai River Management Plan.
- The Statewide Mineral Resource Appraisal Project will update and prioritize critical new geological surveys to sustain mineral industry investments.
- The Statewide Energy Resource Assessment Project will produce oil, gas, and coal resource information to identify new areas capable of resource discovery (e.g., viable local sources of alternative energy near rural communities).
- Conduct over 3,000 produce inspections, field inspections for seed certification and disease control, and issue certificates for export products.
- Successfully contain 500-600 wildfires to 10 acres or less.

3 Ensure resource sustainability and multiple use, including recreational enjoyment of the resource base.

- Implement an area-wide leasing program on the North Slope in 1998.
- Provide an expanded agriculture base by preparing 25 new land disposal packages and 12 lease opportunities on grass land areas.
- Implement the Asset Management Plan for Alaska Mental Health Trust Lands with emphasis on timber, minerals, and real estate.
- Develop a new Statewide Comprehensive Outdoor Recreation Plan.
- Develop 10 five year harvest schedules and 41 forest land use plans.

4 Streamline natural resource leasing, sales, and permitting processes.

- Synchronize and integrate the processes for permits, leases, rights-of-way, and other authorizations from the Department of Natural

Resources, Environmental Conservation, Fish & Game and the Division of Governmental Coordination.

- Manage Mental Health Trust Lands through the processing of new applications and resolve 75% of outstanding issues related to existing leases, contracts, rights-of-way, etc.
- Create 300 townships in automated format on the state's land ownership information system and convert 420 townships to present GIS format.

5 Ensure meaningful public participation on resource management issues.

- Conduct public meetings and publish preliminary and final best Interest Findings and coastal management consistency findings for oil and gas lease sales.
- Conduct public outreach meetings about parks and the state park system to interest groups and citizen forums and facilitate meetings of 13 Parks Citizen Advisory Committees.
- Conduct and/or attend at least 10 public meetings concerning oil and gas lease sales, and prepare informational materials for use at these meetings.

KEY PERFORMANCE MEASURES

- Offer another 3.5 million acres of state land for oil & gas leasing in three lease sales.
- Administer and facilitate the issuance of 31,000 mining claim permits.
- Maintain and operate 127 state park units to accommodate 6 million visits.
- Maintain the state's land data base through the notation of 10,000 state resource transactions, affecting 12,000 townships, and make this information available to the public.
- Generate \$1.3 million from sale of forest products and offer 49.3 million board feet for the forest industry.
- As part of it's responsibility and process review, the department is in the process of redefining corresponding outcome-based performance measures. This process should be completed by February 1997.

Major Changes and Key Issues

Responsibility Review

DNR continues the comprehensive review of the agency's responsibilities, with the goal of concentrating on the "vital few".

Process review

Review all of our processes, particularly in the permitting arena and in relation to other departments, to eliminate unnecessary steps and avoid duplication of effort.

Budget Summary	FY 96 Actual	FY 97 Authorized	FY 98 Governor
General Funds - Designated for specific purposes	\$ 554.9	\$ 2,976.6	\$ 3,384.2
General Funds - All others	56,010.6	42,556.7	40,648.2
Federal Funds	17,238.5	16,083.0	10,907.3
Other Funds - Interagency receipts, EVOS, etc.	10,098.9	9,987.9	11,707.8
TOTAL BUDGET	\$ 83,902.9	\$ 71,604.2	\$ 66,647.5
Positions - Full-time	595	569	567
Part-time and Seasonal	235	231	230
KEY PROGRAM AREAS (Total Funds)			
Oil and Gas Development	\$ 4,118.7	\$ 4,283.8	\$ 4,360.7
Resource Development and Administration	34,677.5	35,721.3	36,156.4
Parks Management	7,155.0	6,824.5	7,540.3
Recorder's Office	2,307.2	2,265.9	2,305.1
Historic Preservation	1,288.2	1,261.5	1,276.4
Agricultural Development	2,316.6	2,796.1	2,828.9

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	FUNDING SOURCE												TOTAL
	FED 1002	GFM 1003	GF 1004	GF/PR 1005	GF/DPR 1091	I/A 1007	CIP 1061	ARLF 1021	Oil/Haz 1055	MHTAAR 1092	EVOS 1018	GFT/GR 1007	
FY97 Conf Committee	10,725.6	408.8	31,747.0	7,627.6	1,004.4	2,325.2	2,466.2	2,090.6	138.8	697.5	1,973.8	1,540.0	62,745.5
Fiscal Notes/Other Approps			442.7				250.0					431.1	1,123.8
Fire Suppression Approps	5,341.2		2,162.0										7,503.2
FY97 Net Salary Adjustment	16.2	2.5	140.0	26.1		14.9	20.9	9.4		0.6		1.1	231.7
FY97 Authorized	16,083.0	411.3	34,491.7	7,653.7	1,004.4	2,340.1	2,737.1	2,100.0	138.8	698.1	1,973.8	1,972.2	71,604.2
FY98 Salary Adjustment	20.9	4.5	331.4	83.2	7.8	20.2	29.2	17.2		4.6	4.6	4.5	528.1
FY98 Health Premium Adj	6.9	1.5	113.4	33.6	2.8	7.0	10.8	6.4		1.8	1.3	1.7	187.2
Better Business Reductions			(45.2)	(1.8)									(47.0)
Remove One-time FN			(31.0)										(31.0)
Remove One-time Fire Suppr.	(5,341.2)		(2,162.0)										(7,503.2)
Key Charges	137.7		(336.1)	100.0	630.8	32.5	308.2	(106.9)		39.0	1,344.0	(240.0)	1,909.2
FY98 Governor	10,907.3	417.3	32,362.2	7,868.7	1,645.8	2,399.8	3,085.3	2,016.7	138.8	743.5	3,323.7	1,738.4	66,647.5

SUMMARY OF DNR's FY98 GOVERNOR'S REQUEST BUDGET FROM FY97 CONF COMM

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Key Changes in FY98 Gov	FUNDING SOURCE												TOTAL
	FED 1002	GFM 1003	GF 1004	GF/PR 1005	GF/DPR 1091	I/A 1007	CIP 1061	ARLF 1021	Oil/Haz 1055	MHTAAR 1092	EVOS 1018	GFT/GR 1007	
Admin Svcs													0.0
IA indirect cost recovery						68.0							68.0
Commissions													0.0
Eliminate funding CACFA			(91.1)										(91.1)
Info Res Mgmt													0.0
Reduce CIP receipt projects							(47.5)						(47.5)
New Federal project	50.0												50.0
Trustees Council													0.0
EVOS funding increases											1,344.0		1,344.0
Land													0.0
Reduce land assertions			(205.0)										(205.0)
Reduce anticipated IA						(237.6)							(237.6)
Oil & Gas													0.0
IA for MHTLU support						10.0							10.0
IA for Reg. Ind. Mining Plan						7.5							7.5
SPCO													0.0
Reduce Badami Project												(240.0)	(240.0)
Increase Alpine Project					353.3								353.3
Increase Sadlerochit Proj.					152.5								152.5
Increase DEC Liaison					125.0								125.0
Oil & Haz Waste Spill Resp													0.0
Increase SERC activities						10.0							10.0
MHTLU													0.0
Fund Source Switch							(18.6)			18.6			0.0
Increase MHTAAR per plan										20.4			20.4
Parks Mgmt													0.0
IA for Little Su management						52.6							52.6
IA Statewide Outdoor Plan						22.9							22.9
Rec Access Opportunities				100.0									100.0
Parks Access													0.0
Reduce Fed trails project	(19.2)												(19.2)
Increase CIP Parks Facilities							332.5						332.5
Increase CIP Marine Rec							41.8						41.8
IA for Mining Reclamation						73.0							73.0
IA support to Trails program						26.1							26.1

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Key Changes in FY98 Gov	FUNDING SOURCE												
	FED 1002	GFM 1003	GF 1004	GF/PR 1005	GF/DPR 1091	I/A 1007	CIP 1061	ARLF 1021	Oil/Haz 1055	MHTAAR 1092	EVOS 1018	GFT/GR 1007	TOTAL
Agriculture													0.0
Eliminate Vir Free Seed Potato								(100.0)					(100.0)
Fund Source Switch	6.9							(6.9)					0.0
Increase Fed Army contract	100.0												100.0
State Fairs													0.0
Eliminate Funding			(40.0)										(40.0)
TOTAL Key Changes	137.7	0.0	(336.1)	100.0	630.8	32.5	308.2	(106.9)	0.0	39.0	1,344.0	(240.0)	1,909.2

APPENDIX A - Staffing

Alaska Department of Natural Resources

Historical Staffing Summary

Component	FY91			FY92			FY93			FY94			FY95			FY96			FY97			FY98 GOV		
	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months	PFT	PPT	Months
Management & Administration BRU																								
Commissioners Office	12		144.0	11		132.0	8		168.0	7		87.5	7		84.0	7		84.0	7		84.0	7		84.0
Administrative Services	49	3	608.0	50	5	636.0	53	5	675.0	44	1	540.0	45	2	525.0	42	1	490.5	38	3	471.0	37	4	471.0
Recorder's Office	53		636.0	45	2	552.0	37	7	540.8	42	6	553.8	43	5	570.2	44	5	571.2	44	5	570.2	43	5	558.2
Commissions	2		24.0	2		24.0	1		12.0	1		11.1	1		11.1	1		11.1	1		11.1	0		0.0
Information Resource Mgt	41	3	518.4	44	3	493.5	59		764.0	54		694.8	58		624.0	46		540.0	36		456.0	35		420.0
EVOS Trustees										5		60.0	4		48.0	4		48.0	4		48.0	4		48.0
BRU Subtotal	157	6	1,930.4	152	10	1,837.5	158	12	2,159.8	153	7	1,947.2	158	7	1,862.3	144	6	1,744.8	130	8	1,640.3	126	9	1,581.2
Resource Development BRU																								
Land Development	190	24	2,412.0	195	13	2,399.0	178	14	2,340.2	158	6	2,055.8	170	3	1,794.7	134	2	1,682.5	129	1	1,536.0	122	1	1,471.0
Forest Mgmt & Dev	93	138	1,989.0	88	127	1,862.0	78	125	1,710.6	69	113	1,558.0	67	121	1,570.0	67	121	1,558.0	66	117	1,486.0	63	117	1,491.0
Oil & Gas Development	55		672.0	53		652.0	52		624.0	51		650.0	53		662.0	53		648.0	54		657.6	54		660.0
Mining Development	24	2	305.0	25	1	293.0	25	1	296.8	25	1	297.0	23	2	277.0	23	1	295.0	24	1	295.0	24	1	288.0
Geological Development	12	54	593.5	49	6	576.7	34	4	492.2	31	3	451.7	32	2	325.7	30		322.5	25	2	310.5	25	1	318.0
Water Development							27	1	302.0	20		309.0	25	1	267.0	21	1	231.0	17	1	209.0	17		209.0
Pipeline Coordinator	3		36.0	14		168.0	14		168.0	14		168.0	20		192.0	18		226.0	19		228.0	21		252.0
Mental Health Trust Unil										3	1	45.6	3	1	56.0	3	1	56.0	5		74.0	7		100.0
BRU Subtotal	377	218	6,007.5	424	147	5,950.7	408	145	5,933.8	368	123	5,489.5	393	130	5,134.0	349	126	5,019.0	339	122	4,796.1	333	120	4,789.0
Parks & Recreation Management BRU																								
SHPP	6	10	124.2	6	9	115.5	6	9	117.5	6	9	116.4	5	11	127.8	13	3	143.3	13	3	150.8	13	3	157.2
Parks Management	39	83	1,171.9	36	84	1,025.9	34	86	1,016.6	37	70	1,080.1	37	70	1,121.0	47	61	1,144.9	56	53	1,182.0	34	48	898.7
Parks Access																						30	5	386.6
BRU Subtotal	45	93	1,296.1	42	93	1,141.4	40	95	1,134.1	43	79	1,196.5	42	81	1,248.8	60	64	1,288.2	69	56	1,332.8	77	56	1,442.5
Agricultural Development BRU																								
Agricultural Development	28	10	405.0	23	13	362.0	21	10	315.0	28	9	393.0	28	10	409.0	28	10	402.0	25	11	390.0	25	11	390.0
Statewide Fire Suppression Program BRU																								
Fire Suppression	1		12.0	2	3	52.0	2	3	52.0	6	16	164.0	6	17	238.0	6	34	238.0	6	34	238.0	6	34	238.0
DNR TOTAL	608	327	9,651.0	643	266	9,343.6	629	265	9,594.7	598	234	9,190.2	627	245	8,892.1	587	240	8,692.0	569	231	8,397.2	567	230	8,440.7
PPT + PFT Total	935			909			894			832			872			827			800			797		

Millers Reach facts for FY98 DNR budget briefing:

-Fire Started: June 2, 1996 at 1616 hours
 -Fire Cause: Fireworks, reasonably certain (arson not proved)
 -Fire Size at Report: 7 acres
 Fire was initial attacked by Forestry engine crews, EFF and AFS smokejumpers

-Fire Blow-up: June 3, 1996 at 1920 hours caused by unforecasted dry cold front passage marked by extremely high winds and low RH's

-Final Fire Size: 37,335.8 acres with 14.8% federal responsibility and 85.2 % state responsibility

-Property Lost/Damaged: 433 structures were either lost or damaged at a cost of approximately \$10 million

-Property Saved: 1,079 structures were saved/spared with a value of approximately \$60 million

-Miles of Fireline: 60 miles of fireline were constructed
 -Number of Apparatus: Fire departments used 81 pieces of apparatus
 -Number of Fire Depts: 16 structure fire departments were on scene
 -Number of Personnel: 1,542 personnel were assigned to the fire
 -Suppression Cost: \$15.5 million estimate

Fire support was received from BLM, USFS, Yukon Territory, several lower 48 states, the National Guard, Alaska State Troopers, ADES and FEMA.

Concurrent with the Miller's Reach fire were 4 other extremely large fires, one of them, the Crooked Creek fire near Ninilchik could also have turned into a disaster fire like Miller's Reach if the wind had shifted.

Miller Reach - Expenditures:

Ownership -->	=14.8%	-----85.2%-----		
	BLM	State	FEMA	Total
Suppression	\$ 1,787.1	\$3,086.2	\$7,201.4	\$ 12,074.7
		30%	70%	
Mop-up	\$ 512.8	\$ 738.1	\$2,214.2	\$ 3,465.1
		25%	75%	
Totals:	\$2,299.9	\$3,824.3	\$9,415.6	\$ 15,539.8

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**FISH AND WILDLIFE REVENUES AND EXPENDITURES OF
STATE GOVERNMENT IN FISCAL YEAR 1995**



Alaska Department of Fish and Game
Geron Bruce and Tuula Marquardt

December 15, 1996

analysis. These include matching expenditures identified in departments other than the Department of Fish and Game with revenues accruing to those programs. An example of this is the federal funding received by the Alaska Seafood Marketing Institute to promote Alaskan seafood. Civil fines and criminal penalties collected as a result of law enforcement are other examples. A third example is interest revenue paid by participants in the commercial fishing loan programs. This revenue is transferred from the loan fund to the general fund and appropriated by the Legislature to cover the cost of administering the fishing loan programs.

6. Corporate income taxes accruing to the state treasury related to fish and wildlife related business cannot be segregated. Therefore these revenues are excluded from the analysis.

Results of FY95 Analysis:

	Fish	Wildlife
Revenues:	\$112.6 million	\$18.5 million
Expenditures:	\$108.1 million	\$28.4 million

The FY95 study showed, as did the earlier studies, that the revenues accruing to state government associated with Alaska's fish and wildlife resources are nearly equivalent to the state expenditures associated with these resources. Total revenue from all sources related to fish and wildlife in fiscal year 1995 was \$131 million. Out of that, approximately \$32 million was received from the federal government; \$79 million was from the state general fund; \$17 million came from the fish and game fund; and \$3 million from other sources. This compares to \$136.5 million in FY95 expenditures identified in this report related to fish and wildlife. The difference of \$4.5 million is made up of revenue from other sources, such as oil taxes.

This is not to say that, for example, the taxes paid by the seafood industry are the exact source of funds that pay for management of the commercial fisheries in the state. This would grossly oversimplify the complex state budget. What the analysis does attempt to convey is the size and variety of revenues flowing into the state treasury associated with the use of fish and wildlife resources and the corresponding variety and size of state expenditures related to fish and wildlife programs.

Fisheries revenues increased significantly from FY94 to FY95. The reasons for the growth in revenues are: 1) Fisheries Business Tax collections were up about \$5 million over the prior year; 2) the first full year of collections under the new Fisheries Landing Tax -assessed on offshore fisheries products landed in Alaska- accrued to the state treasury; 3) collections under the salmon marketing tax were slightly higher than in the prior year; 4) increased sales of sport fishing licenses and king salmon stamps.

Revenues associated with wildlife also increased significantly in FY95. These included an increase in revenue from the sale of hunting licenses and tags and an increase in funding provided to the state by the federal government for wildlife management.

Fisheries expenditures declined a little less than \$1 million in FY95 and wildlife expenditures increased by about the same amount as revenues.

CORRECTION

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**FISH AND WILDLIFE REVENUES AND EXPENDITURES OF
STATE GOVERNMENT IN FISCAL YEAR 1995**



Alaska Department of Fish and Game
Geron Bruce and Tuula Marquardt

December 15, 1996

Fish and Wildlife Revenues and Expenditures

For the third year the Department of Fish and Game has conducted an analysis of state revenues and expenditures associated with the management, protection, regulation, and use of Alaska's fish and wildlife resources. This study estimates revenue received by state government from Alaska's fish and wildlife resources during the 1995 fiscal year (FY95). It compares this revenue to the expenditures of state government during FY95 associated with the management, use and protection of these resources.

This analysis can be updated annually with little research necessary outside of the Department of Fish and Game. Much of the information is available from the Alaska Statewide Accounting System. Expenditures requiring specific program knowledge are obtained from respective department personnel who are familiar with the fish and wildlife related programs and budgets of their departments. Because of the subjective nature of some expenditure estimates, they should be viewed strictly as estimates.

Funding for state fish and wildlife programs comes primarily from three sources: the state's general fund, from the federal government, and from the fish and game fund, which is one of the few dedicated funds in the state treasury. The Alaska Legislature has wide discretion in the spending of the state's general fund. Moneys spent from federal sources and from the fish and game fund are limited to specific programs and purposes.

We have listed below some of the key assumptions used in this analysis of which the reader should be aware.

1. All operating expenditures in the Department of Fish and Game were attributed to either fish or wildlife, except for 4%, or \$103.1, of the Division of Subsistence's budget.
2. Some expenditures from eight other state departments and the governor's office are included in the analysis of expenditures. These expenditures range from approximately one-half million dollars each in the Department of Revenue and the Office of the Governor to \$22 million and \$15.8 million for the Department of Commerce and Economic Development and the Department of Public Safety.
3. Capital expenditures in the Department of Fish and Game and the Department of Public Safety were included in this analysis.
4. Approximately half of the Fisheries Business Tax is distributed in accordance with state statute to the local governments in which the processing occurred. For the purposes of this analysis, these distributions are considered a form of state revenue sharing. They are not considered state fish and wildlife expenditures.

The distribution to local governments of a share of the fish tax moneys is an example of the state sharing its larger revenue base with local governments. There are no restrictions on the purposes for which local governments may spend their portion of the shared fisheries business tax. Local governments use this shared revenue in any manner they choose.

5. Revenue sources that are generated in the course of management, regulation, and development of fish and wildlife are identified in this

analysis. These include matching expenditures identified in departments other than the Department of Fish and Game with revenues accruing to those programs. An example of this is the federal funding received by the Alaska Seafood Marketing Institute to promote Alaskan seafood. Civil fines and criminal penalties collected as a result of law enforcement are other examples. A third example is interest revenue paid by participants in the commercial fishing loan programs. This revenue is transferred from the loan fund to the general fund and appropriated by the Legislature to cover the cost of administering the fishing loan programs.

6. Corporate income taxes accruing to the state treasury related to fish and wildlife related business cannot be segregated. Therefore these revenues are excluded from the analysis.

Results of FY95 Analysis:

	Fish	Wildlife
Revenues:	\$112.6 million	\$18.5 million
Expenditures:	\$108.1 million	\$28.4 million

The FY95 study showed, as did the earlier studies, that the revenues accruing to state government associated with Alaska's fish and wildlife resources are nearly equivalent to the state expenditures associated with these resources. Total revenue from all sources related to fish and wildlife in fiscal year 1995 was \$131 million. Out of that, approximately \$32 million was received from the federal government; \$79 million was from the state general fund; \$17 million came from the fish and game fund; and \$3 million from other sources. This compares to \$136.5 million in FY95 expenditures identified in this report related to fish and wildlife. The difference of \$4.5 million is made up of revenue from other sources, such as oil taxes.

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Fisheries revenues increased significantly from FY94 to FY95. The reasons for the growth in revenues are: 1) Fisheries Business Tax collections were up about \$5 million over the prior year; 2) the first full year of collections under the new Fisheries Landing Tax -assessed on offshore fisheries products landed in Alaska- accrued to the state treasury; 3) collections under the salmon marketing tax were slightly higher than in the prior year; 4) increased sales of sport fishing licenses and king salmon stamps.

Revenues associated with wildlife also increased significantly in FY95. These included an increase in revenue from the sale of hunting licenses and tags and an increase in funding provided to the state by the federal government for wildlife management.

Fisheries expenditures declined a little less than \$1 million in FY95 and wildlife expenditures increased by about the same amount as revenues.

ANNUAL REVENUE FROM FISHERY AND WILDLIFE RESOURCES

REVENUE SOURCE	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Seafood Marketing Assessment		\$3,242.0		\$3,242.0
Salmon Marketing Tax		\$4,710.6		\$4,710.6
Salmon Enhancement Tax		\$5,689.5		\$5,689.5
Marine Fuel Tax	\$1,833.5	\$3,896.2		\$5,729.7
Fisheries Business Tax		\$39,034.2		\$39,034.2
Fisheries Landing Tax		\$7,302.0		\$7,302.0
Fines and Forfeitures	\$59.1	\$1,315.0	\$141.6	\$1,515.7
Test Fish Sales		\$1,968.2		\$1,968.2
Other Sales	\$4.7		\$92.7	\$97.4
Limited Entry Permit Renewal Fees		\$4,739.7		\$4,739.7
Commercial Crew Member Licenses		\$1,330.7		\$1,330.7
Interest from Commercial Fishing Loans		\$2,322.8		\$2,322.8
Sport Fishing License Fees	\$7,685.7			\$7,685.7
King Salmon Tag Fees	\$2,473.9			\$2,473.9
Hunting Licenses and Tag Fees			\$7,297.8	\$7,297.8
Other Fees	\$35.4	\$53.5	\$700.5	\$789.4
Federal Revenues	\$9,825.1	\$12,747.7	\$9,363.8	\$31,936.6
Big Game Guide License Fees			\$358.9	\$358.9
Program Receipts	\$271.5	\$1,290.8	\$365.9	\$1,928.2
Interagency Receipts	\$195.6	\$568.2	\$187.2	\$951.0
TOTAL	\$22,384.5	\$90,211.1	\$18,508.4	\$131,104.0

FISCAL YEAR 1996 STATE FISH AND WILDLIFE EXPENDITURES FROM ALL FUNDING SOURCES

DEPARTMENT	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Governor	\$90.7	\$416.7	\$16.1	\$523.5
CED		\$22,311.9	\$249.2	\$22,561.1
CRA		\$1,884.3	\$336.0	\$2,220.3
DEC		\$2,071.8		\$2,071.8
Fish and Game	\$24,593.9	\$44,008.2	\$19,899.4	\$88,501.5
Labor		\$766.2	\$42.2	\$808.4
Law	\$464.3	\$1,104.6	\$723.3	\$2,292.2
Natural Resources	\$191.0	\$584.8	\$444.1	\$1,219.9
Public Safety	\$3,001.9	\$6,095.1	\$6,706.6	\$15,803.6
Revenue		\$489.6		\$489.6
Total	\$28,341.8	\$79,733.2	\$28,416.9	\$136,491.9

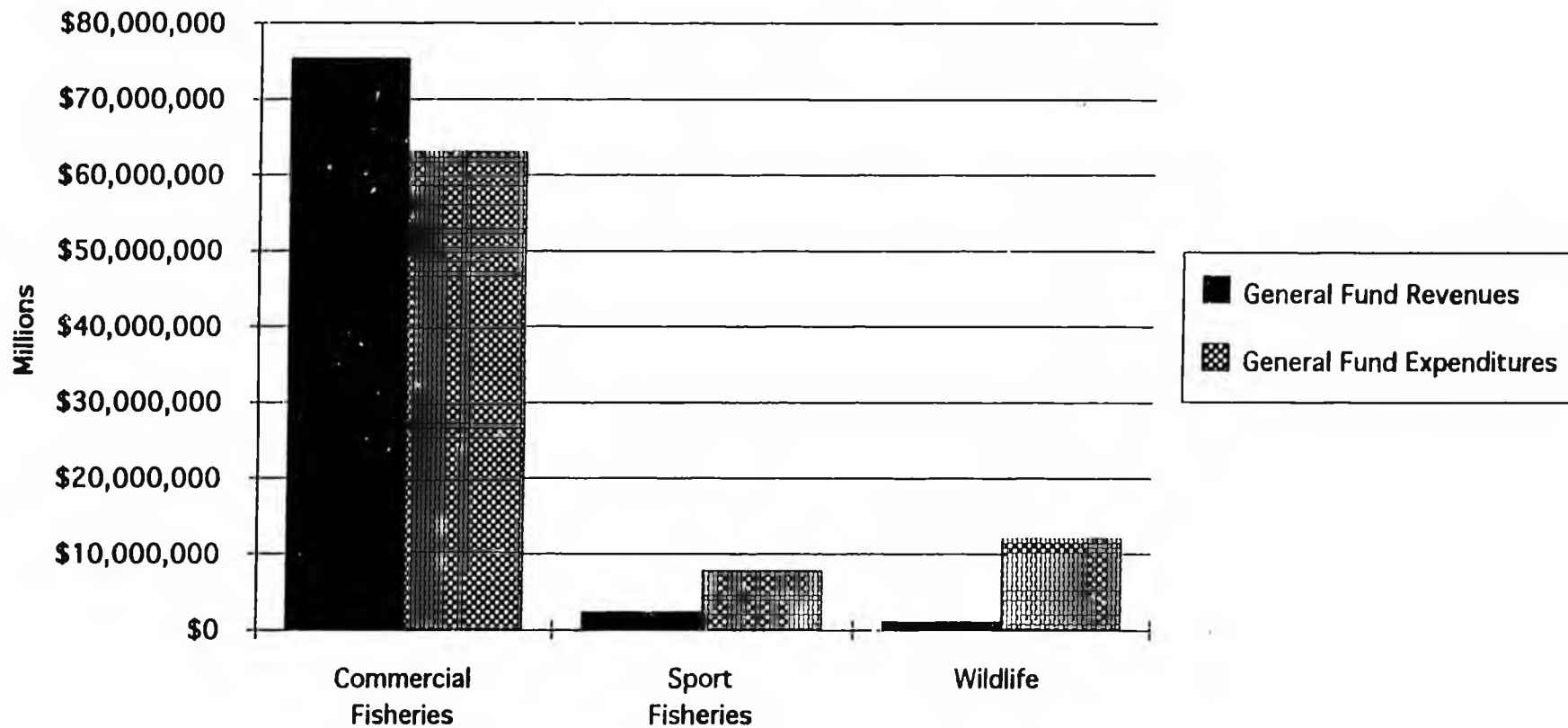
FISCAL YEAR 1996 FISH AND WILDLIFE REVENUES DEPOSITED IN THE GENERAL FUND

REVENUE SOURCE	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Seafood Marketing Assessment		\$3,242.0		\$3,242.0
Salmon Marketing Tax		\$4,710.6		\$4,710.6
Salmon Enhancement Tax		\$5,689.5		\$5,689.5
Marine Fuel Tax	\$1,833.5	\$3,896.2		\$5,729.7
Fisheries Business Tax		\$39,034.2		\$39,034.2
Fisheries Landing Tax		\$7,302.0		\$7,302.0
Fines and Forfeitures	\$59.1	\$624.7	\$141.6	\$825.4
Test Fish Sales		\$1,968.2		\$1,968.2
Other Sales			\$53.8	\$53.8
Limited Entry Permit Renewal Fees		\$4,314.8		\$4,314.8
Commercial Crew Member Licenses		\$334.8		\$334.8
Interest from Commercial Fishing Loans		\$2,322.8		\$2,322.8
Special Licenses			\$20.9	\$20.9
Big Game Guide License Fees			\$358.9	\$358.9
Other Fees	\$35.4	\$53.5	\$74.0	\$162.9
Program Receipts	\$271.5	\$1,290.8	\$365.9	\$1,928.2
Interagency Receipts	\$195.6	\$568.2	\$187.7	\$951.5
TOTAL	\$2,395.1	\$75,352.3	\$1,202.8	\$78,950.2

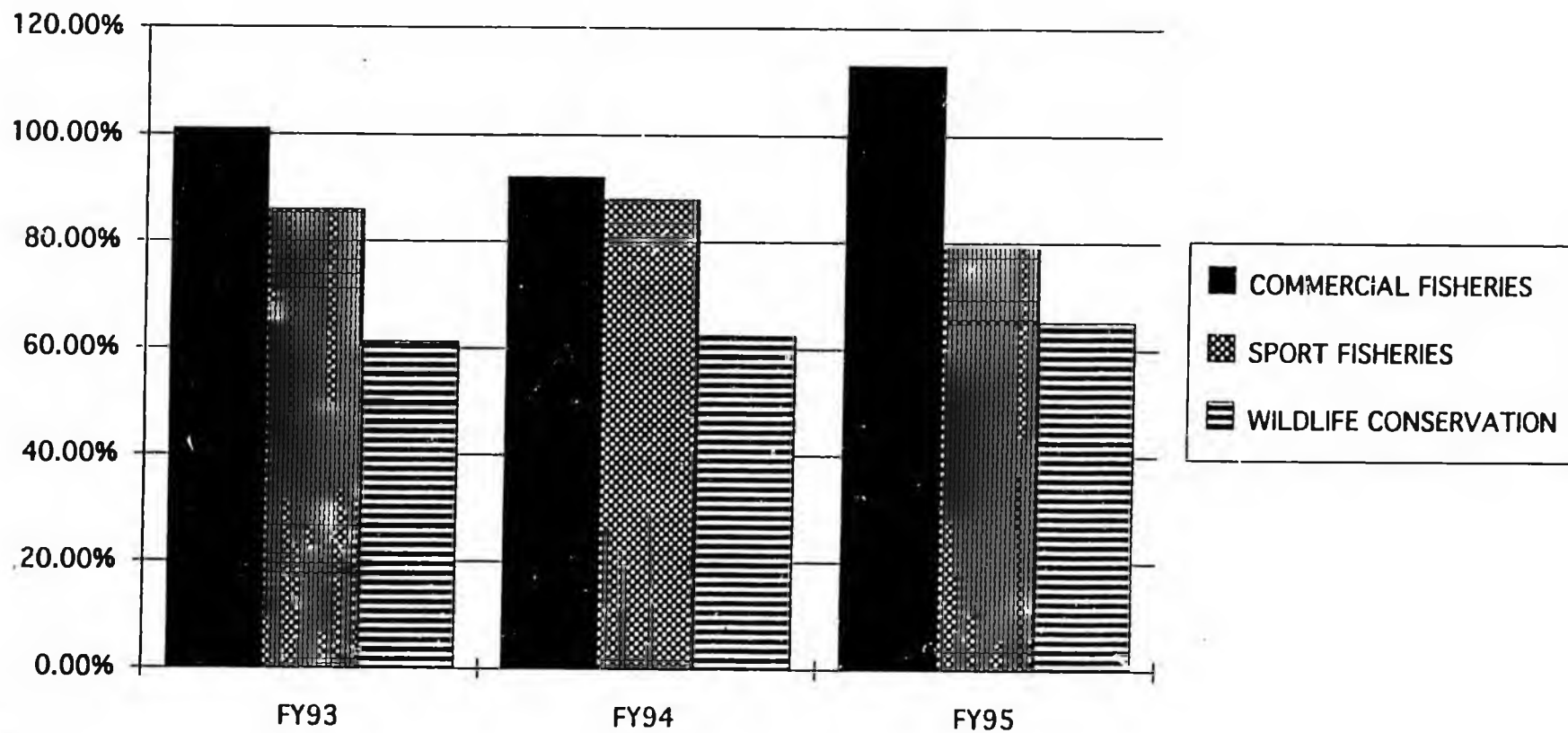
FISCAL YEAR 1995 FISH AND WILDLIFE EXPENDITURES FROM THE STATE GENERAL FUND
 (in thousands of dollars)

DEPARTMENT	SPORT FISHING	COMMERCIAL FISHING	WILDLIFE	TOTALS
Governor	\$51.0	\$287.1	\$16.1	\$354.2
CED		\$16,405.0	\$249.2	\$16,654.2
CRA		\$997.3	\$139.6	\$1,136.9
DEC		\$1,570.8		\$1,570.8
Fish and Game	\$4,284.8	\$35,923.4	\$3,964.7	\$44,172.9
Labor		\$144.2	\$42.2	\$186.4
Law	\$414.6	\$1,005.1	\$673.6	\$2,093.3
Natural Resources	\$100.5	\$194.5	\$307.5	\$602.5
Public Safety	\$3,001.9	\$6,095.1	\$6,706.6	\$15,803.6
Revenue		\$489.6		\$489.6
Total	\$7,852.8	\$63,112.1	\$12,099.5	\$83,064.4

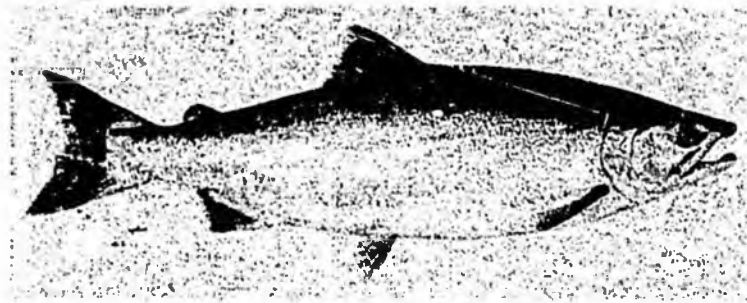
GENERAL FUND REVENUES AND EXPENDITURES RELATED TO STATE FISH AND WILDLIFE PROGRAMS IN FISCAL YEAR 1995



FISH AND WILDLIFE REVENUES AS A PERCENTAGE OF FISH AND WILDLIFE EXPENDITURES IN FISCAL YEARS 1993-1995



Alaska Department of Fish and Game



FY98

Budget and Program Overview

January 1997

Frank Rue, Commissioner

CORRECTION

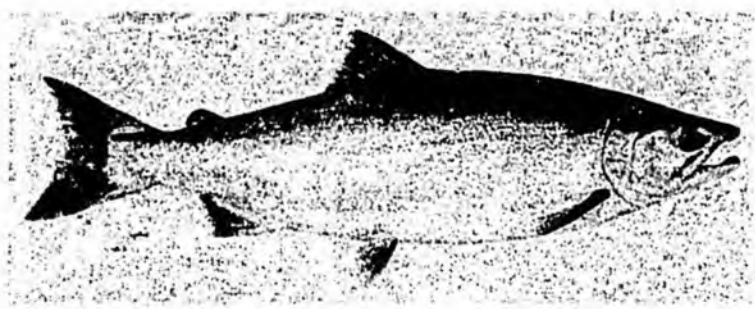
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Alaska Department of Fish and Game



FY98

Budget and Program Overview

January 1997

Frank Rue, Commissioner

BUDGET OVERVIEW

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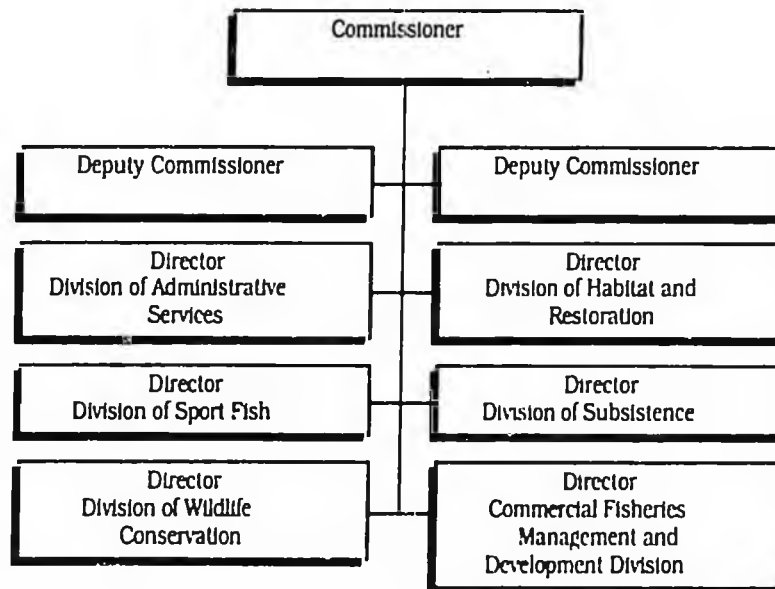
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DEPARTMENT OF FISH AND GAME

MISSION STATEMENT

The Alaska Department of Fish and Game's mission is to manage, protect, maintain, and improve the fish, game, and aquatic plant resources of Alaska. The primary goals are to ensure that Alaska's renewable fish and wildlife resources and their habitats are conserved and managed on the sustained yield principle, and the use and development of these resources are in the best interest of the economy and well-being of the people of the state.



DEPARTMENT OF FISH AND GAME

OVERVIEW

The Department of Fish and Game provides a core function of state government. Article 8 of the constitution requires that the agency provide for the maximum public use of our state's fish and wildlife resources, and manage those resources on the sustained yield principle. Fish and Game is responsible for managing, conserving, protecting, restoring and extending Alaska's fish, wildlife, and aquatic plant resources.

The department provides a foundation for our state's largest private sector employer, commercial fishing, as well as one of the fastest growing segments of our economy, tourism. Over a half million sport anglers and over 100,000 hunters use fish and wildlife resources each year. In FY97, a record number of Alaskans as well as visitors viewed fish and wildlife resources at state game sanctuaries, preserves and critical habitat areas, or simply by looking out a window.

ISSUES

Dual Subsistence Management. Expanding federal subsistence management of wildlife, anticipation of federal regulations for management of fisheries in Alaska, and department interaction with the federal subsistence board process will continue to be challenging and time-consuming aspects of the department's subsistence program through FY98.

Increasing Demands On Resources. All divisions within the department face increasing demand for fish and wildlife uses. The department will continue to encourage the creation of new opportunities for a variety of user groups. Such efforts include enhancing hunter education and hunter services programs, developing new commercial fisheries, sport fish stocking programs, supporting watchable wildlife programs such as Creamer's Refuge, McNeil River State Game Sanctuary, and Potter's Marsh, and continuing to work cooperatively with private industry to protect fish and wildlife resources.

Salmon Market Problems. Increases in international farmed salmon production have contributed to oversupply of salmon on the global market substantially reducing the market value of Alaska's salmon. Alaska's coastal communities have taken a severe economic hit. The department is working with industry during this time of uncertain markets on management issues that will enhance the competitiveness of the Alaskan salmon industry.

RESPONSIBILITIES

- Manage
- Conserve
- Protect
- Restore
- Provide for Public Use

ISSUES

- Dual Subsistence Mgmt.
- Increasing Demands on Resources
- Demand for Watchable Wildlife Programs
- Salmon Market Problems
- Resource Allocation
- US/Canada Fisheries Disputes
- General Fund Decline
- Other Restricted Funds Increased
- Users Pay
- Quality Management

GOALS

- Progress Toward Regaining State Mgmt.
- Cooperative Management of Fish and Wildlife
- Meet Increasing Demands without Harming Resources
- Timely Permit Approvals
- Industry Partnerships

SHARE OF FY98 STATE OPERATING BUDGET

General Funds
<2%



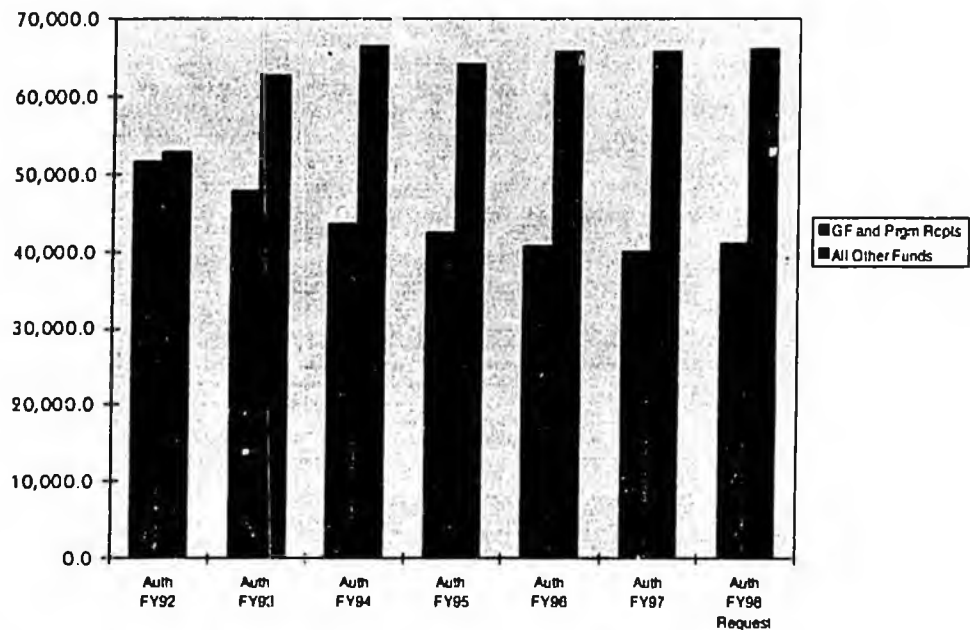
ISSUES (CONT.)

Allocation Disputes. Allocation of limited fish and wildlife resources continues to be contentious and litigious. Allocation disputes will continue to preoccupy the Boards of Fisheries and Game and impact the department's ability to effectively manage these resources.

US/Canada Fisheries Disputes. Decades of disputes over Pacific Northwest salmon allocations will continue in FY98. In 1996, the department made progress in reaching long-term harvest and conservation agreements with the Pacific Northwest states and treaty tribes. However, agreement between Canada and the U.S. remains elusive.

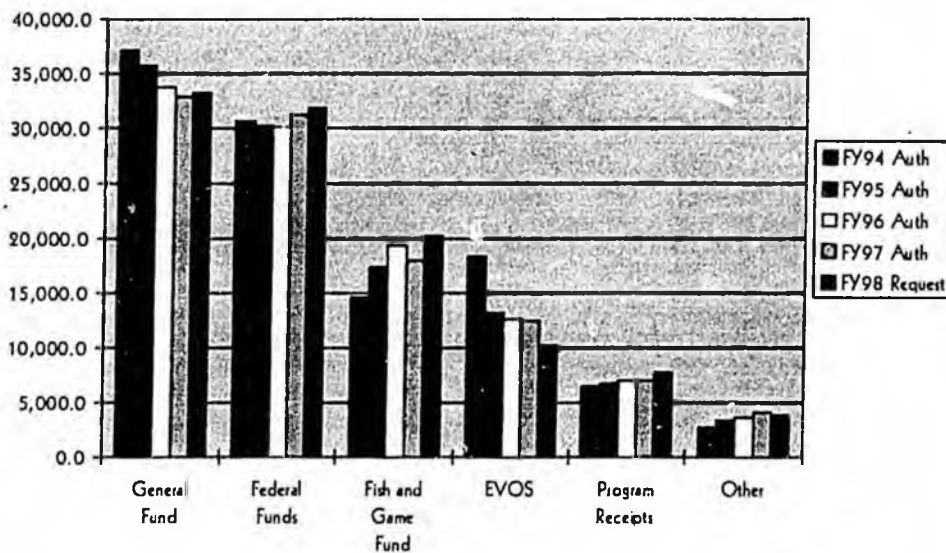
General Funds Declining, Other Sources Up. As general funds have steadily decreased during the 1990's, other sources, such as federal funds and fish and game fund and program receipts, have increased. But broad restrictions apply to the spending of money from these other funding sources. The result is that two divisions, Sport Fish and Wildlife Conservation, have maintained a stable and growing revenue base while the other general fund divisions have been substantially reduced. What happens next is like the domino principle: the inability of one division to do its job may have consequences for the ability of another to maintain healthy resources.

Fish and Game Funding History GF vs. Other Sources



ISSUES (CONT.)

Five-Year Funding History by Source



Users Pay for Resource Management. The business of fish and game is an engine that drives Alaska's economy. Users are willing to pay for the management of fish and wildlife resources through licenses, tags, and permit fees, as well as taxes on the commercial fishing industry. This income pays for state fish and wildlife management. However, while population and tourism have increased, general fund appropriations have decreased over 15 percent in the last five years. In fact, the Department of Fish and Game now receives fewer general fund dollars than in FY79 when adjusted for inflation, the year before oil money flooded the state's treasury. This increased demand coupled with a decline in general fund dollars makes it more difficult for the department to manage our fish and wildlife resources on the sustained yield principle.

Quality Management. The department's general fund appropriation, including program receipts, is about two percent of the state's general fund operating budget. Alaska enjoys some of the most reputable, high quality fish and wildlife management in the world. While other states, particularly in the Pacific Northwest, are struggling to revive species, the vast majority of fish and wildlife stocks and populations managed by the Alaska Department of Fish and Game are healthy and/or increasing. Moreover, department research was instrumental in avoiding several listings under the federal Endangered Species Act, thus preserving economic opportunities for Alaskans.

USERS PAY

State Revenues (FY 95)

Fish \$112.6 million
Wildlife \$ 18.5 million

State Expenditures (FY95)

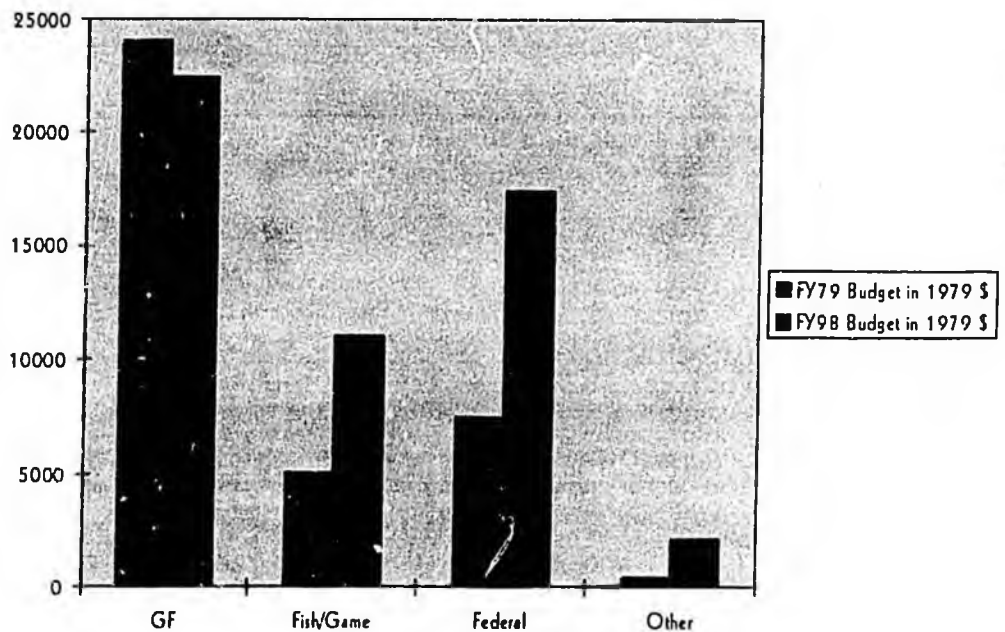
Fish \$108.1 million
Wildlife \$ 28.4 million

Fish and Wildlife Users Pay
for the Programs of the
Department of
Fish and Game

At the Same Time, Fish and
Game Resources Make Major
Contributions to Coastal
Communities by
Providing Local
Employment and
Tax Receipts to
Local Governments

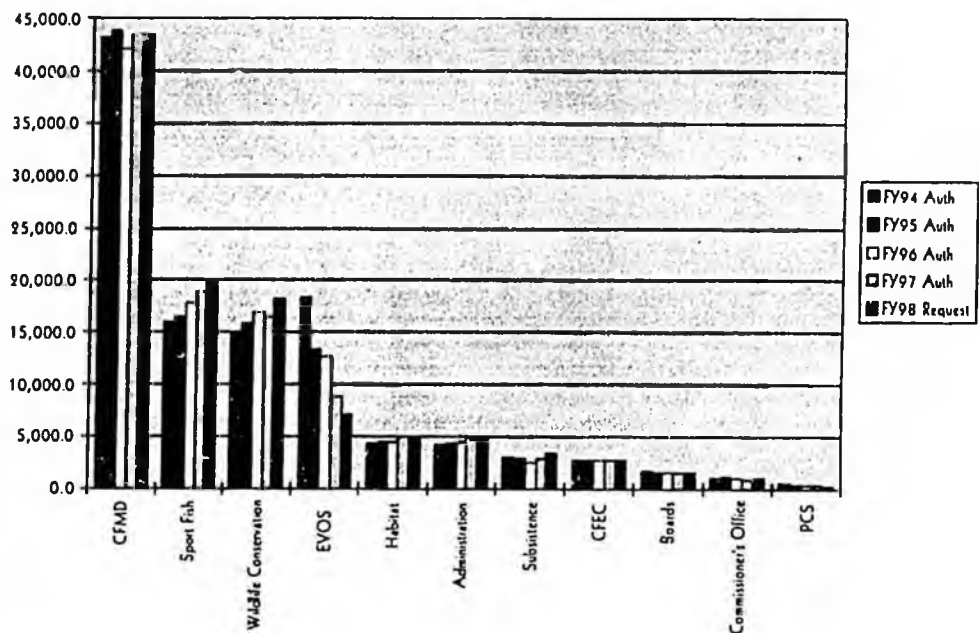
The Department of Fish and Game Now Receives Less Relative Spending Power than in FY79, the Year Before Oil Money Flooded the State's Treasury

ADF&G Funding Sources Adjusted for Inflation (constant 1979 dollars)

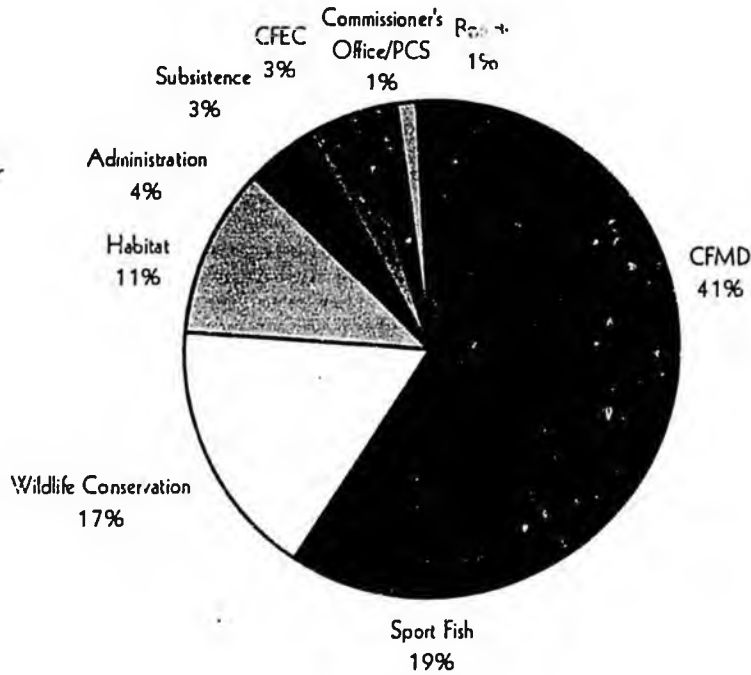


Funding for Sport Fish and Wildlife Conservation is Growing While Funding for the Other Divisions Remains Flat or is Declining

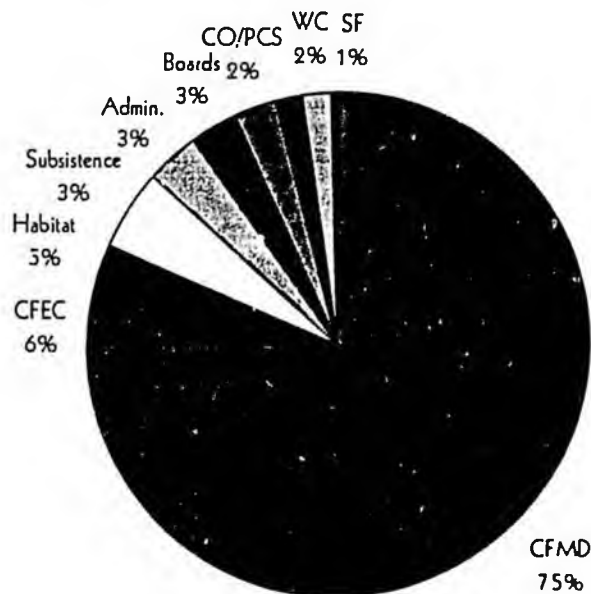
Divisions Funding History Five-Year Summary



FY98 Budget Request All Funds



FY98 Budget Request General Funds Only



HOW USERS PAY

Fisheries Business Tax
\$ 39 million

Federal Funds
\$ 31.9 million

Sport Fish License Fees
\$ 7.7 million

Hunting Licenses/Tag Fees
\$ 7.3 million

King Salmon Stamps
\$ 2.5 million

Fisheries Landing Tax
\$ 7.3 million

Marine Fuel Tax
\$ 5.7 million

Limited Entry Fees
\$ 4.7 million

(FY95 Revenues)



FY98 BUDGET REQUEST

The Department of Fish and Game's FY98 budget request represents an increase of \$1.488 million from all funding sources over FY97 authorized. These increases are due to negotiated labor contract salary increases, test fish and other program receipts as well as anticipated increases in federal revenues for sport fish and wildlife restoration and increased license revenue.

In an effort to streamline administrative processes, the department is identifying recurring non-permanent positions and reclassifying them to permanent seasonal status. Permanent full-time positions counts have also been adjusted in several divisions.

Revenue from the Exxon Valdez Oil Spill Settlement is declining. This year, anticipated revenues are down by \$2.3 million. These funds may be used only for the restoration of Prince William Sound and other oil spill affected areas.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	68,283.6	66,717.0	66,286.0	65,423.0	67,866.0
Travel	4,662.4	4,266.7	4,120.2	3,683.1	3,722.6
Contractual	29,346.3	28,525.1	29,213.7	29,680.0	28,747.9
Supplies	5,658.9	5,489.1	5,174.2	5,197.9	5,160.5
Equipment	1,886.6	1,543.1	1,544.4	1,537.8	1,538.2
Grants	50.0	37.5	25.0	25.0	0.0
TOTAL	109,887.8	106,578.5	106,363.5	105,546.8	107,035.2
Funding:					
1002 Fed Receipts	30,568.2	30,219.3	30,141.6	31,163.3	31,794.1
1003 GF Match	775.9	729.4	809.5	609.3	618.6
1004 GF	36,331.9	34,961.9	32,863.0	32,207.3	32,568.2
1005 GF/PR	6,425.4	6,730.7	6,988.6	2,948.7	3,024.4
1007 I/A Receipts	1,875.9	2,114.7	2,530.4	3,161.6	2,966.7
1018 EVOS	18,349.3	13,244.5	12,613.5	12,500.3	10,185.1
1024 F&G Funds	14,661.8	17,308.3	19,326.6	17,948.0	20,188.6
1055 IA/Oil Haz	190.7	6.5	137.5	189.5	189.5
1061 CIP Receipts	708.7	1,263.2	952.8	720.0	757.0
1091 GF/Desg Rcpts.	0.0	0.0	0.0	4,098.8	4,743.0
Positions:					
PFT	803.0	750.0	732.0	757.0	786.0
PPT	809.0	791.0	813.0	838.0	872.0
Temp	125.0	73.0	64.0	95.0	84.0

BUDGET HIGHLIGHTS

- Overall Budget Increase Over FY97 \$1,488.4 (1.4%)
- F&G Fund \$2,240.6
- Prgm. Rcpts. \$719.9
- Federal Funds \$630.8
- General Fund \$370.2
- EVOS Decrement (\$2,315.2)

SOURCES OF FISH AND GAME REVENUE

General Funds
31% of Total Budget
Request

Federal Funds
30% of Total Budget
Request

Fish and Game Funds
19% of Total Budget
Request

EVOS
10% of Total Budget
Request

GF/Program Receipts
7% of Total

Miscellaneous
3% of Total Budget Request

COMMUNITIES SERVED

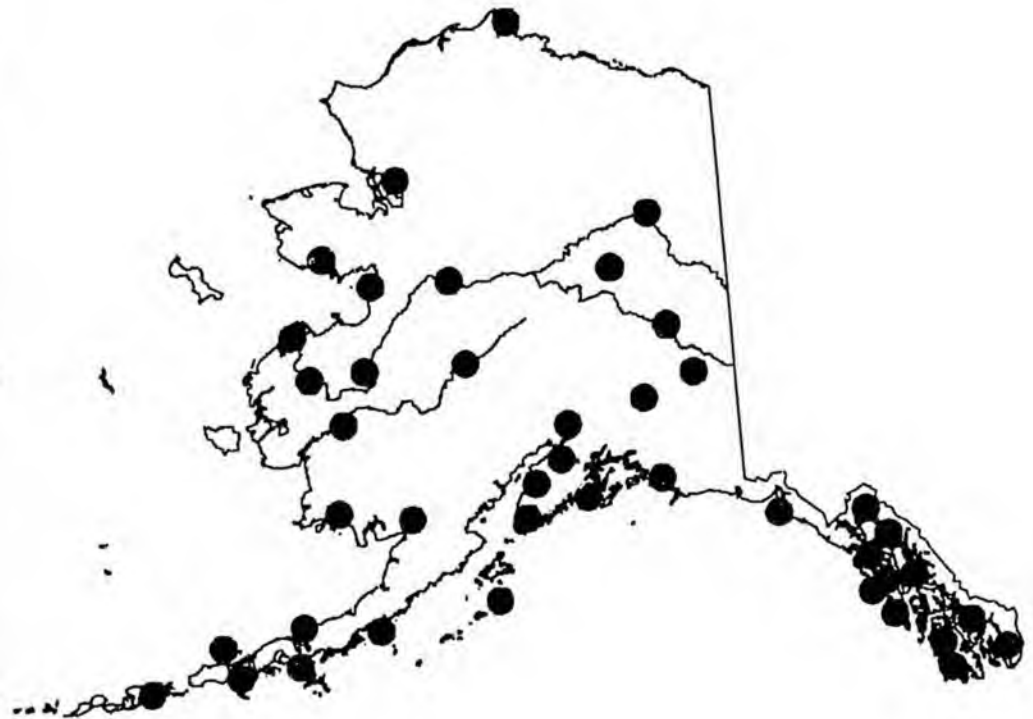
Anchorage
Angoon
Anvik
Barrow
Bear River
Bethel
Chignik
Cold Bay
Cooper Landing
Cordova
Craig
Crystal Lake
Delta Junction
Dillingham
Dutch Harbor
Elfin Cove
Emmonak
Fairbanks
Galena
Glennallen
Haines
Homer
Hoonah
Hyder
Juneau
Ketchikan
Klawock
King Salmon
Kodiak
Kotzebue
Manley Hot Springs
McGrath
Ninilchik
Nome
Palmer
Pelican
Petersburg
Port Alexander
Port Moller
Saint Mary's
Sand Point
Seward
Sitka
Soldotna
Tok
Unalakleet
Valdez
Wrangell
Yakutat

LOCATIONS AND STAFFING

The Department of Fish and Game is requesting 786 permanent full-time and 872 permanent part-time/seasonal employees for FY98 representing an increase over FY97. The department employs a highly seasonal workforce with the number of employees more than doubling during the months of May through September. The table on the following page lists the number of permanent full-time and seasonal employees by division and location.

The Value of the Area Office Network. Fish and Game is one of the few departments with a presence throughout the state. To better serve Alaskans, our employees are located in over 40 communities across Alaska. This enables Fish and Game staff to have personal contact with users of fish and wildlife resources, providing the department with additional first-hand information needed to manage fish and wildlife or conduct research.

FISH AND GAME OFFICES



LOCATIONS AND STAFFING

	CO	ADM	BDS	CFEC	CFMD	H&R	SF	SUB	WC
Anchorage		8	1		91	50	70	12	64
Angoon								1	
Anvik					6				
Barrow									1
Bear River					1				
Bethel			2		25			3	2
Chignik					8				
Cold Bay					4				
Cooper Landing							1		
Cordova					44				2
Craig					3		1		
Crystal Lake							7		
Delta Junction							5		2
Dillingham			1		31		9	3	1
Dutch Harbor					15				
Elfin Cove					1				
Emmonak					11				
Fairbanks		4	1		24	10	36	6	48
Galena									1
Glennallen							16		3
Haines					13		8		
Homer					22		7		2
Hoonah					1				
Hyder					2				
Juneau	13	59	7	37	182	13	52	12	31
Ketchikan					38	3	15		2
King Salmon					34				2
Klawock					1	3	1		
Kodiak					104		7	1	2
Kotzebue			1		11				3
Manley Hot Springs					1				
McGrath									1
Ninilchik							2		
Nome					24		1	2	4
Palmer							34		7
Pelican					1				
Petersburg					27	1	4		2
Port Alexander					1				
Port Moller					9				
Saint Mary's					7				
Sand Point					3				
Sitka					24	2	6		2
Soldotna					51	1	40		7
Tok									3
Unalakleet					2				
Valdez							1		
Wrangell					4		1		
Yakutat					9		3		

SUCCESSFUL MANAGEMENT OF FISH AND WILDLIFE REQUIRES:

- Good Science
- Good on-the-Ground, Real-time Management
- Habitat Protection
- Public Involvement in the Management and Allocation Process

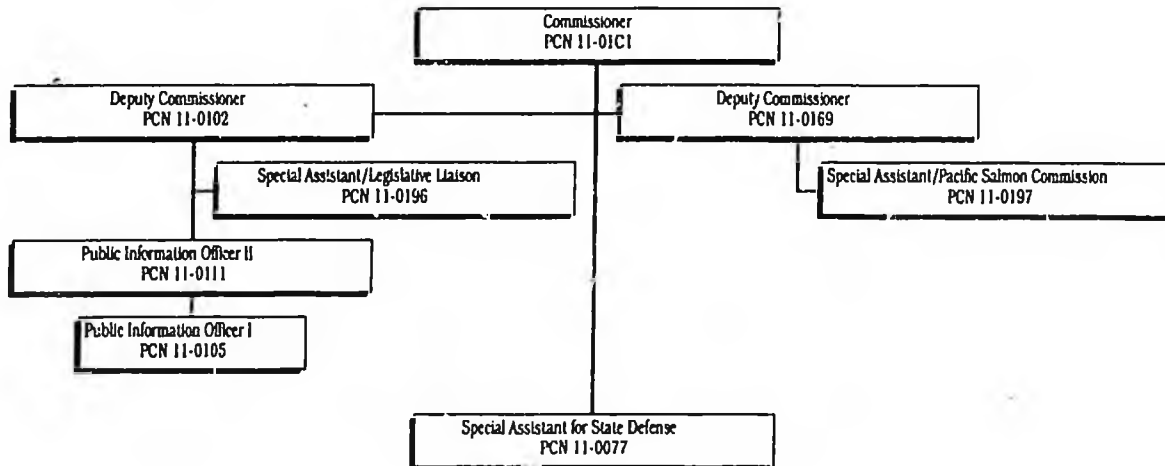


SECTION II

DEPARTMENT OF FISH AND GAME DIVISION SUMMARIES

FY98 BUDGET REQUEST
JANUARY 1997

OFFICE OF THE COMMISSIONER



OFFICE OF THE COMMISSIONER

OVERVIEW

The Office of the Commissioner has full responsibility for the department's mission of managing Alaska's fish, wildlife, and aquatic plant resources. It coordinates budgeting and planning for the department. The commissioner is an ex officio member of the Alaska Board of Fisheries and the Alaska Board of Game.

The Commissioner's Office defends Alaska's interests in regional, national and international forums, including the Pacific States Marine Fisheries Commission, the Exxon Valdez Oil Spill Trustee Council, and the North Pacific Fishery Management Council. The office supports a CIP position, which provides staff support for the Citizen's Advisory Committee and coordinates Alaska's participation and advocates Alaska's interest in federal and/or interjurisdictional forums including regional and international sustainable fishery initiatives, federal litigation, congressional fish and wildlife legislation, and Pacific Northwest endangered salmon issues.

The Boards Support Section provides administrative support for the Boards of Fisheries and Game (see end of this section for detail).

The Public Communications Section (PCS) coordinates the dissemination of department information to the general public, writes and distributes news releases, and responds to requests for information from the public and news media.

ISSUES

Impacts of Federal Involvement in Subsistence Management. Since the federal takeover of subsistence wildlife management on federal lands, the department's expenditure of staff time on this issue has increased significantly. During the last year the federal government has also begun drafting regulations to manage Alaska's subsistence fisheries. Several lawsuits that could further restrict the state's authority to manage fish and wildlife may be decided in FY98. An interdivisional policy group has been formed to add emphasis and focus to the department's subsistence policy development. The department will continue to strive toward an Alaskan solution to the dispute over subsistence and regaining state management of Alaska's fish and wildlife.

Salmon Industry Response Cabinet. The commissioner of Fish and Game sits on this mini-cabinet, and the Commissioner's Office has provided staff support to this ongoing effort to improve salmon markets. The department is also working directly with industry on management issues that will assist the competitiveness of the Alaska salmon industry.

RESPONSIBILITIES

- Oversee Department
- Direct Policy
- Coordination with Legislature
- Manage Budget
- International Fisheries
- Federal Litigation
- Federal Legislation
- Boards Support
- Public Communications

ISSUES

- Dual Subsistence Management
- Population Growth
- Salmon Markets
- Unmarketable Hatchery Salmon
- Allocation Issues
- U.S./Canada Fisheries Disputes
- Implementing Magnuson-Stevens Act
- Federal Litigation
- North Pacific Fishery Management Council
- U.S./Russia Boundary Issues
- Teaming with Wildlife
- Sustainable Fisheries

ISSUES (CONT.)

Hatchery - Food Bank Summit. The department has brought together hatchery operators and charitable organizations to encourage development of alternative uses for unmarketable hatchery salmon. These efforts will continue through FY98.

Resolving Cook Inlet Salmon and Allocation Issues. Plans by the Board of Fisheries to revisit and possibly rewrite the Upper Cook Inlet Salmon Management Plan, an umbrella plan for many other "step down" management plans, will continue to result in an increased workload in FY98. In the face of reduced general fund budgets, the department will continue to work toward achieving the level of precision in management needed to meet the allocation goals set by the Boards of Fisheries and Game.

U.S./Canada Salmon Agreements. The department will continue efforts to work out allocation difficulties with the Pacific Northwest states, treaty tribes and Canada. One deputy commissioner currently chairs the Pacific Salmon Commission and is lead negotiator for this international process.

Implementation of the Magnuson-Stevens Fisheries Act. Now that the act has passed, the department must ensure regulations reflect the intent of the legislation and protect Alaska's interest. Important provisions on bycatch limits, waste, fish habitat protection, conservation and management must be properly implemented in order that Alaska benefit from the intent of the legislation. The measure also requires establishment of community development quota (CDQ) programs, which will increase fishery development in coastal communities. CDQs already exist for pollock and halibut/sablefish. The North Pacific Fishery Management Council has authorized, and the state is developing regulations for a Bering Sea crab CDQ program.

Federal Litigation. The department is currently working with the Department of Law to defend Alaska's interest in several federal lawsuits. In *U.S. v Washington*, the department is countering a legal effort by Washington state tribal interests to extend the *Boldt* decision to Alaska. This could limit Alaska's salmon allocation and result in additional harvest reductions of chinook and sockeye for recreational and commercial fishermen in Southeast Alaska. Although we are not actively involved in one Endangered Species Act lawsuit at the moment, the potential is high for several others. Although the Queen Charlotte goshawk and the Alexander Archipelago wolf have not yet been listed as threatened or endangered, a final decision is expected this year. Alaska has been required to restrict the harvest of chinook salmon in Southeast Alaska for the last three years because of the classification of some Columbia River chinook salmon stocks as endangered, and now an effort is underway to list additional Columbia River salmon stocks. In order to speed recovery of Pacific Northwest salmon stocks, Alaska has joined litigation under the ESA to reform federal management of the Columbia River hydrosystem.

ISSUES (CONT.)

North Pacific Fishery Management Council Action. In Alaskan waters, NPFMC is the implementing body for the Magnuson-Stevens Fisheries Act. A deputy commissioner of the department serves as the state's representative on this Council.

U.S.-Russian Boundary Issues. Negotiations between the U.S. and Russia are ongoing to resolve a dispute over management of Bering Sea fish and crab stocks that span the boundary between the two countries. Through the Commissioner's Office, Alaska plays a key role in these negotiations.

Teaming with Wildlife. Since the Federal Aid in Wildlife Restoration program was established in 1937, Alaska has received more than \$127 million in revenue. The Commissioner's Office and the Division of Wildlife Conservation are promoting a new federal initiative that would parallel federal excise taxes on hunting equipment. The new program would establish a user fee on outdoor equipment and items used by wildlife viewers, such as guide books, bird seed, and camping gear. Revenue would be channeled back to states to pay for wildlife education, recreation, and conservation programs.

Sustainable Fisheries: As concerns for the health of the world's fisheries have increased, the department has become more active in national efforts to establish principles that will guide fisheries management on a sustainable basis. Alaska's salmon management program serves as one of the premier examples of sustainable fisheries management in the world.



FY98 BUDGET REQUEST

The Commissioner's Office is proposing a status quo budget for FY98. CIP receipts have been included to extend a Special Assistant for State Defense position. This has been an active CIP during FY93-FY96. The position was maintained in FY97 through a carry forward balance from the FY96 CIP.

In FY98 the Commissioner's office will delete PCN 11-0076, a temporary, exempt secretary that previously worked on this CIP project.

The Commissioner's Office is also seeking a line item transfer of general funds from Grants to Personal Services. The transfer will lower the vacancy factor of this component to a manageable level.

	FY94	FY95	FY96	FY97	FY98
	Auth	Auth	Auth	Auth	Request
Personal Services	726.4	826.9	771.0	656.8	783.4
Travel	118.9	118.9	96.0	84.1	81.8
Contractual	132.4	109.5	104.3	89.3	81.9
Supplies	5.0	5.0	5.0	5.0	5.0
Equipment	0.0	0.0	0.0	0.0	0.0
Grants	50.0	37.5	25.0	25.0	0.0
TOTAL	1,032.7	1,097.8	1,001.3	860.2	952.1
Funding:					
1002 Federal Receipts	114.2	114.6	114.6	129.3	131.0
1004 General Fund	892.9	857.8	730.4	730.9	736.0
1005 GF/Program Receipts	10.6	10.3	0.0	0.0	0.0
1007 I/A Receipts	15.0	15.0	15.0	0.0	0.0
1061 CIP Receipts	0.0	100.1	141.3	0.0	85.1
Positions:					
PFT	10.0	11.0	12.0	9.0	10.0
PPT	0.0	0.0	0.0	0.0	0.0
Temp	1.0	1.0	1.0	1.0	0.0

BUDGET HIGHLIGHTS

- Status Quo Budget
- Extend CIP Funding for Special Assistant for State Defense Position
- Eliminate Temporary Secretary PCN
- Lower Vacancy Factor



PUBLIC COMMUNICATIONS SECTION

OVERVIEW

The Public Communications Section provides information to the public relating to fish and wildlife resources and programs. The section is responsible for providing accurate and timely information to the fish and wildlife user public to further their understanding of the purposes of regulations, policies, activities and the numerous high profile issues of the department.

ISSUES

Internet Website. The Fish and Game site on the World Wide Web was the first to go online of all the State of Alaska internet sites. Since its inception, the internet site has grown in popularity. Public demand for more information and new applications is very high. PCS now oversees webmasters from each division in order to keep up with the increasing demand for electronic communication.

Funding. The main issues for this section include funding, which is entirely from interagency receipts since FY95, and the timely and accurate dissemination of information vital to fish and wildlife resource management given these budgetary constraints.

	FY94	FY95	FY96	FY97	FY98
	Auth	Auth	Auth	Auth	Request
Personal Services	361.1	135.5	135.5	116.8	103.6
Travel	1.0	1.0	1.0	1.0	3.0
Contractual	46.9	182.5	182.5	201.2	64.3
Supplies	10.0	10.0	10.0	10.0	10.0
TOTAL	419.0	329.0	329.0	329.0	180.9
Funding:					
1004 General Fund	193.8	0.0	0.0	0.0	0.0
1005 GF/Prgm. Rcpts	17.4	0.0	0.0	0.0	0.0
1007 I/A Receipts	207.8	329.0	329.0	329.0	180.9
Positions:					
PFT	6.0	4.0	1.0	2.0	2.0
PPT	2.0	2.0	2.0	1.0	1.0
Temp	1.0	1.0	0.0	0.0	0.0

RESPONSIBILITIES

- News Releases
- Internet Website
- Publications/Brochures
- Public Service Announcements
- Video Production
- Media Relations

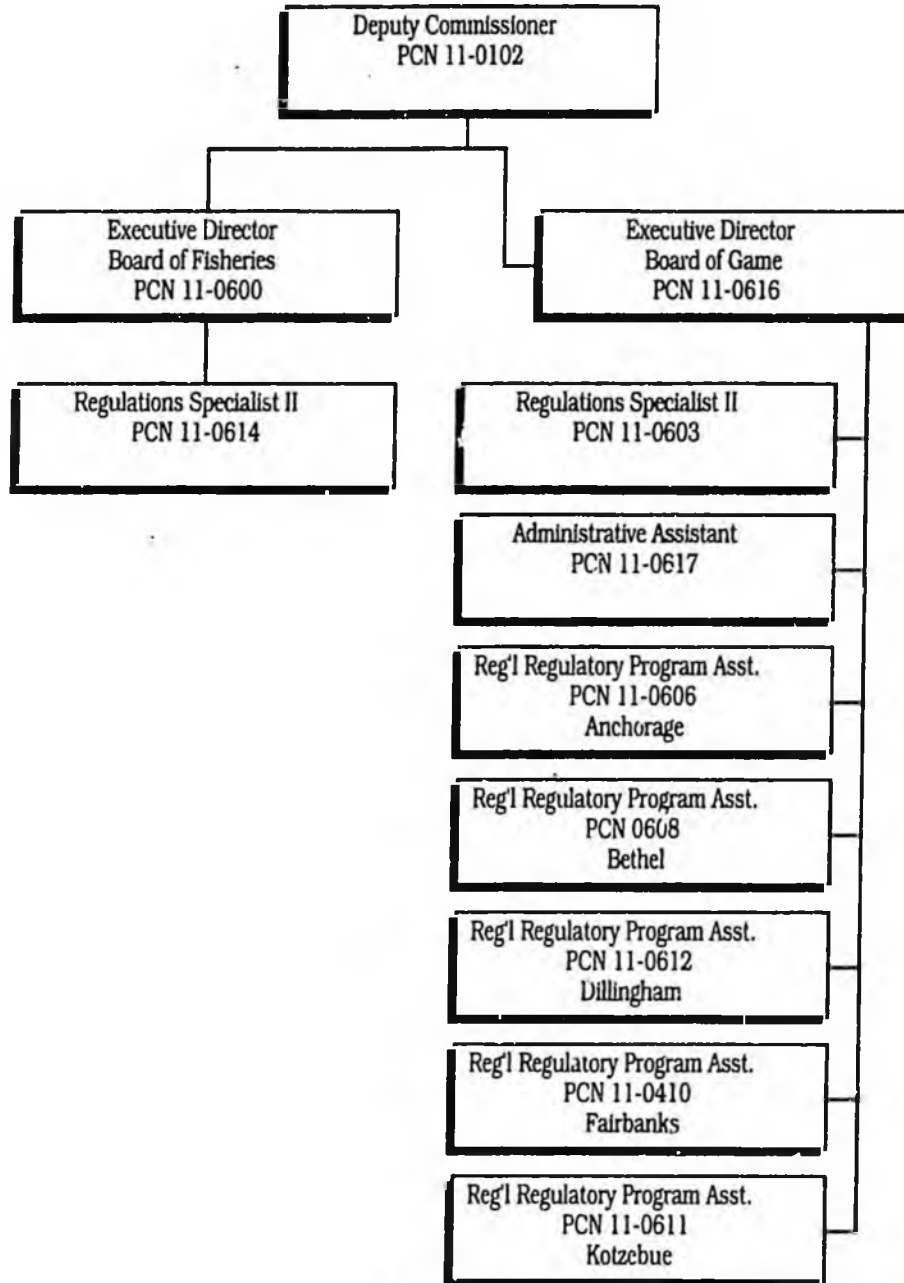
ISSUES

- Internet
- Efficient Use of Available Funding

GOALS

- Improve Public Communications on Issues
- Meet Public Demand for Internet Services
- Improve Internal Communications

BOARDS SUPPORT SECTION



BOARDS SUPPORT SECTION

OVERVIEW

The Alaska Boards of Fisheries and Game promulgate regulations for the conservation, development, and utilization of Alaska's fish and wildlife resources. The Boards Support Section's primary responsibility is to provide staff support for this public process. The Boards Support Section ensures that the state's regulatory system relating to fish and wildlife resources is efficient, legal, timely, and effective.

ISSUES

Resource Allocation. Allocation of limited resources among conflicting user groups continues to be controversial and litigious. Court rulings, actions of the federal subsistence board, or significant legislative action on fish and wildlife issues can have a significant impact on the workload of the section.

Public Participation. At least three times annually the boards publish a Call for Proposed Changes to the Regulations. Over 1000 proposals are received, typed, printed, and distributed to the advisory committees and hundreds of interested individuals and groups. The 80 fish and game local advisory committees conduct public meetings to gather community comment on the proposed changes and distill local opinion into their formal comments before the boards. This highly democratic process is both expensive and time-consuming, and the envy of many states and countries that rely on government to make allocations.

RESPONSIBILITIES

- Administrative Support to both Boards
- 80 Local Advisory Committees

ISSUES

- Dual Management
- Resource Allocation
- Public Participation



FY98 BUDGET REQUEST

The 1996 legislature directed the Division of Wildlife Conservation to fund its watchable wildlife program from either the general fund or a new outside funding source. The division has been working at the national level on the "Teaming with Wildlife" initiative to establish a new funding source. Since a new funding source has not yet been established, this is not an option for FY98.

The continuation of a basic watchable wildlife program has been identified as an agency priority for FY98. With the Governor's commitment to responsibly reduce state general fund spending, an increment for these funds is not possible. Therefore, a redistribution of general funds within the department's base budget is proposed.

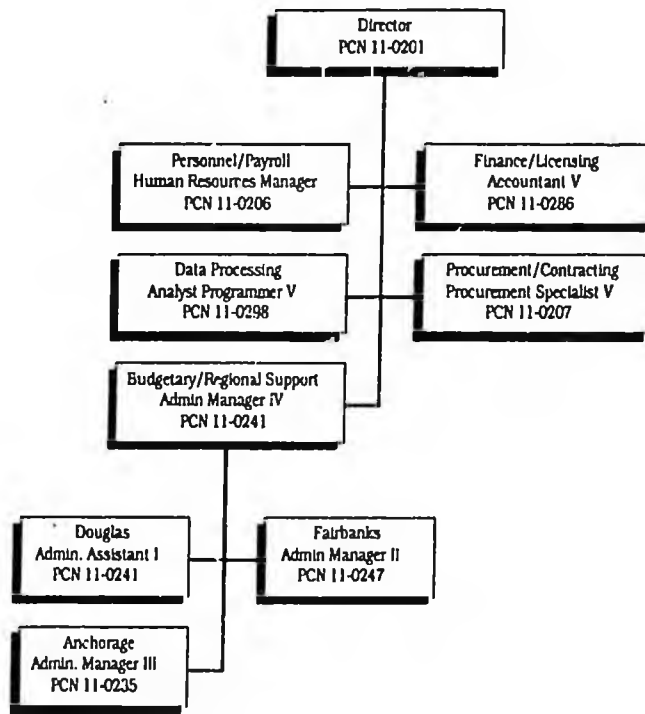
The Boards Support Section will transfer general funds to the Division of Wildlife Conservation. There will be no loss of services in the Boards Section as Wildlife Conservation will transfer an equivalent amount of fish and game funds for support of Board of Game activities.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	745.2	609.8	616.2	678.0	697.1
Travel	562.6	456.3	445.3	416.3	394.7
Contractual	323.9	445.3	449.9	390.6	378.0
Supplies	37.2	37.2	37.2	37.2	48.5
TOTAL	1,668.9	1,548.6	1,548.6	1,522.1	1,518.3
Funding:					
1002 Federal Receipts	100.0	0.0	0.0	0.0	0.0
1004 General Fund	1,568.9	1,548.6	1,548.6	1,522.1	1,198.8
1024 Fish and Game Fund	0.0	0.0	0.0	0.0	319.5
Positions:					
PFT	10.0	6.0	6.0	5.0	5.0
PPT	4.0	4.0	4.0	8.0	8.0
Temp	2.0	1.0	1.0	1.0	0.0

BUDGET HIGHLIGHTS

- Transfer GF to Division of Wildlife Conservation for Watchable Wildlife Programs
- Replace with Fish and Game Funds for Board of Game Activities

ADMINISTRATIVE SERVICES



ADMINISTRATIVE SERVICES

OVERVIEW

The Division of Administrative Services provides centralized administrative support services to the full range of programs and projects conducted by the Department of Fish and Game. The division is also responsible for the administration of the fish and game licensing program and provides direct administrative support to the other components in the Administration and Support BRU.

ISSUES

Delegation/Legal Requirements. The Division of Administrative Services has continued to shift funding where appropriate from general funds to federal and fish and game funds. A continuing decline in general fund availability is occurring at a time when we are facing increased pressure in facilities management and deferred maintenance; increased delegations in the areas of labor relations, personnel, and procurement; and federal requirements related to funding, as well as ADA and EEO compliance.

Deferred Maintenance. Deferred maintenance on state-owned facilities has continued as a major priority for the division. The department has numerous facilities throughout the state ranging from offices and laboratories to warehouses and bunkhouses. Many of these facilities are old and in need of repair and/or modification to make them structurally sound, ADA accessible, and bring them up to code. Total deferred maintenance on department facilities is approximately \$2.7 million and is reflected in the department's six-year capital projects plan. A portion of this amount is included in our FY98 CIP budget.

RESPONSIBILITIES

- Accounting
- Fiscal Management
- Payroll
- Personnel
- Procurement
- Property Control
- Contract Administration
- Budget Services
- Data Processing
- Americans with Disabilities (ADA) Compliance
- Facility Maintenance and Repair
- Office Space Planning
- Fish and Game Licensing

ISSUES

- Decline in GF
- Deferred Maintenance
- Increased Labor Relations
- ADA
- EEO



FY98 BUDGET REQUEST

The FY98 budget for the division totals \$4,747.5 (\$989.3 GF) with no significant changes from the current year. Fish and Game funds are used to run the licensing program and pay vendor compensation. Federal funds are derived as an indirect assessment on the department's federal contracts. I/A receipts are derived from the department's EVOS projects.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	3,094.1	3,109.5	3,109.5	3,469.8	3,513.9
Travel	37.0	37.0	37.0	37.1	36.4
Contractual	1,029.6	1,053.1	1,159.7	1,111.5	1,116.9
Supplies	68.0	68.0	68.0	75.0	75.0
Equipment	5.3	5.3	5.3	5.3	5.3
TOTAL	4,234.0	4,272.9	4,379.5	4,698.7	4,747.5
Funding:					
1002 Federal Receipts	1,390.1	1,398.3	1,478.3	1,672.3	1,695.3
1004 General Fund	1,362.9	1,322.8	990.9	983.2	989.3
1005 GF/Program Receipts	175.4	171.0	171.0	169.5	171.9
1007 I/A Receipts	0.0	0.0	330.5	425.1	430.3
1024 Fish and Game Fund	1,195.2	1,269.7	1,297.7	1,336.1	1,346.2
1061 CIP Receipts	110.4	111.1	111.1	112.5	114.5
Positions:					
PFT	60.0	60.0	60.0	61.0	61.0
PPT	3.0	3.0	10.0	9.0	9.0
Temp	15.0	13.0	3.0	3.0	4.0

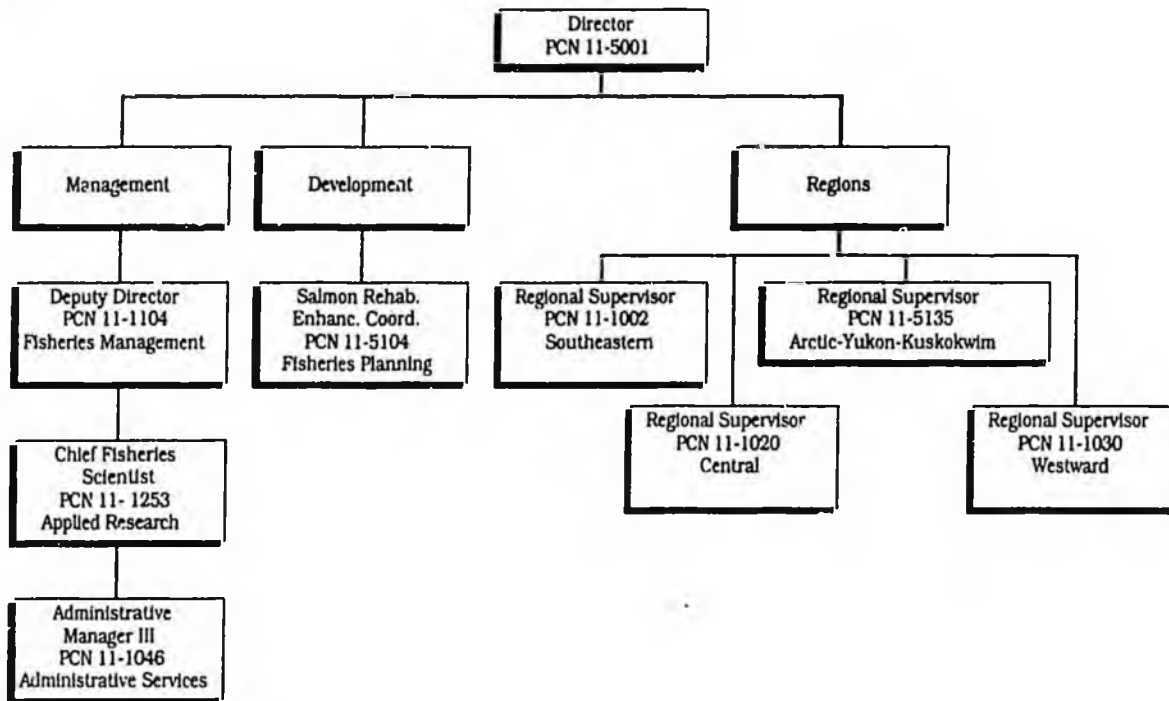
BUDGET HIGHLIGHTS

- No Significant Changes from FY97
- Vendor Compensation for F&G Licensing Totals \$750.0 in Contractual Line Item
- CIP Request for Deferred Maintenance on Facilities

GOALS

- Maintain Vendor Payments within 30 Days
- No Financial Audit Exceptions
- Avoid Retroactive Payroll Adjustments
- Timely License Vendor Financial Reporting
- Elimination of Unaccounted License Stock

DIVISION OF COMMERCIAL FISHERIES MANAGEMENT AND DEVELOPMENT



DIVISION OF COMMERCIAL FISHERIES MANAGEMENT AND DEVELOPMENT

OVERVIEW

The mission of the Division of Commercial Fisheries Management and Development is to manage, protect, rehabilitate, enhance, and develop fisheries and aquatic plant resources in the interest of the economy and general well-being of the state, consistent with the sustained yield principle and subject to allocations established through public regulatory processes.

ISSUES

Salmon Market. The increase in worldwide production of salmon has resulted in a significant decrease in the value of Alaskan salmon at the exvessel and wholesale levels. Low salmon prices are causing severe economic impacts on coastal and river residents, local governments, and the state. The division has been working with the State Industry Response Cabinet to develop and implement projects that will improve market conditions. We have been and will continue to work with fishermen and processors at the local and regional level to develop management strategies that will improve quality, while not changing current allocations. Through the Hatchery Forum process, we are working with industry to identify problems associated with salmon hatchery production and financing and find solutions to those problems. The department is working with salmon hatchery operators, fishermen, processors, as well as food banks, to develop strategies that ensure the full utilization of hatchery produced salmon. The industry and the state are also working closely on identifying actions that can be taken to improve the market situation.

State Waters Groundfish Fishery. Since the passage of the Magnuson Fishery Conservation and Management Act, which provided for federal fisheries management in the 3 to 200 mile Exclusive Economic Zone (EEZ), the state has, for the most part, managed groundfish in the zero to three mile territorial sea in concert with federal groundfish management actions. The state has taken this management approach because the federal government assesses the stocks in the zero to 200 mile zone and then sets the harvest for each stock based on that assessment. The state does not have the capability of performing independent assessments, nor does it have the funds to manage for a specific allocation of the harvest calculated by NMFS. The recent establishment of IFQs for sablefish has prompted

RESPONSIBILITIES

- Commercial Fisheries
- Subsistence Fisheries
- Personal Use Fisheries
- Fish Hatcheries
- Fishery Rehabilitation
- Fishery Enhancement
- Develop New Fisheries
- Support Mariculture
- 200-mile Zone
- Treaty Negotiations

ISSUES

- Salmon Market
- State Waters Groundfish Fishery
- Developing Fisheries
- Fisheries Allocations
- State/Federal Relationships
- Vessels and Aircraft Maintenance

GOALS

- Optimize and Sustain the Yield of Resources Important for Subsistence, Commercial, and Personal Use
- Create Opportunities for Alaskans to Participate in New and Developing Fisheries
- Work with the Industry to Improve the Value and Quality of Commercial Harvests

ISSUES (CONT.)

the department to reevaluate its management role, and in concert with local communities, the industry, and the Board of Fisheries, develop some small, slower paced fisheries that would benefit Alaska coastal communities. The estimated value of Pacific cod and sablefish harvested from the territorial sea in 1995 was about \$8 million. It is believed that estimate is a minimum; catches and values could increase significantly under state management.

The public, Board of Fisheries, and department have spent the last year working toward development of state waters managed groundfish fisheries that were specifically designed to direct the benefits to local residents. In November 1996, the board established a number of Pacific cod fisheries in the central and western Gulf of Alaska, as well as a small pollock fishery near Prince William Sound. The department will continue to manage sablefish in state waters. The North Pacific Fishery Management Council is considering delegating authority to the state to independently manage some species of rockfish in state and federal waters. The division will be evaluating its programs to determine how it might manage these fisheries.

Developing Fisheries. In recent years there has been a growth in the exploitation of previously underutilized species, such as sea cucumbers, sea urchins, and clams. These growing industries, however, are exploiting stocks not normally assessed or managed by the division. In order to take advantage of these development opportunities, more assessment and management planning will be required. The division, in cooperation with industry, the Board of Fisheries and the Legislature, is exploring methods of funding these fisheries with program receipts through the sale of fish taken during resource assessment surveys conducted cooperatively with the private sector. The industry, in close cooperation with the department, developed a management plan for a sea urchin fishery in southern Southeast Alaska during the past year. That plan included financial support for management and stock assessment by the industry and local governments. Unrealized opportunities exist in these and other developing fisheries.

Fisheries Allocations. The allocation of fisheries resources among various users has been and will continue to be one of the most significant issues facing state policy makers and natural resource managers. In order for the policy makers to make informed decisions, the managers must gather and analyze biological, economic, social, and cultural information and prepare reports on those analyses. Once the policy makers have decided an issue and adopted a management plan, the managers must implement it. The number of allocation issues is increasing. They are complex, as are their solutions. The division does not have the funding to gather and analyze the data needed by the policy makers, nor does it have the programs and staff needed to carry out new, complex, allocative management decisions. This situation increases conflict between users, and leads to sense of unfair sharing of the benefits of the state's fish resources.

ISSUES (CONT.)

State/Federal Relationships. The division is becoming increasingly involved with federal agencies in management of Alaskan fisheries. These include Southeast Alaska salmon under the Pacific Salmon Treaty, groundfish in the Gulf of Alaska and Bering Sea, and Bering Sea king and Tanner crab with the North Pacific Fishery Management Council and the National Marine Fisheries Service. The Federal Subsistence Board will begin more active management of subsistence fisheries on nonnavigable waters on federal lands for the 1997 season. It is likely they will try to expand their activities to some navigable waters for the 1998 season. To ensure that the state's resources are protected, as well as protecting the economic and social interests of the state, the division will need to involve itself with the federal subsistence program. Considerable uncompensated staff time is already being expended in the PSC, NPFMC, and other national and international processes to protect the state's interests. The addition of federal management of subsistence fisheries will considerably increase the number of management issues and problems that will have to be addressed. The division does not have staff available to take on this extra responsibility.

Vessels and Aircraft Maintenance. The division has five large research and support vessels and four small aircraft, with a total replacement value in excess of \$12 million. These vessels and aircraft require regular maintenance and periodic overhaul. They are integral to our finfish, shellfish, and groundfish stock assessment programs, and also provide platforms for inseason management of several fisheries. Maintenance must be provided to protect this capital investment, to ensure efficient operations, and meet department and federal safety requirements. A request for funds for major maintenance work is contained in the CIP request.

VALUE OF ALASKA'S COMMERCIAL FISHERIES

Alaska's Largest Private
Sector Employer

Only Major Source of
Employment in Some
Regions of State

Fisheries Taxes Provide the
Second Largest Contribution
to General Fund

More than One
Billion Dollars Annual Earnings
to Fishermen

Undeveloped Fishery
Resources Offer Potential for
New Economic Activity



FY98 BUDGET REQUEST

The division faces an overall challenge during this period of declining revenues to not only maintain, but improve our ability to ensure sustained yield of the state's fish resources, as well as address increasing demands by the public for expanded services and improved management precision. Efforts are being made to promote efficiencies, such as centralized services and use of attrition to reprogram resources towards the highest priority issues.

The division made no substantive changes between the way the FY97 budget was authorized and the way it is being spent. The division's FY97 budget was reduced by \$500 thousand below the FY96 authorized. The FY98 Governor's budget request of \$43,498.8 should allow the division to continue the level of services it provided in FY97. Those programs and projects that are being operated during FY97 will be operated again in FY98.

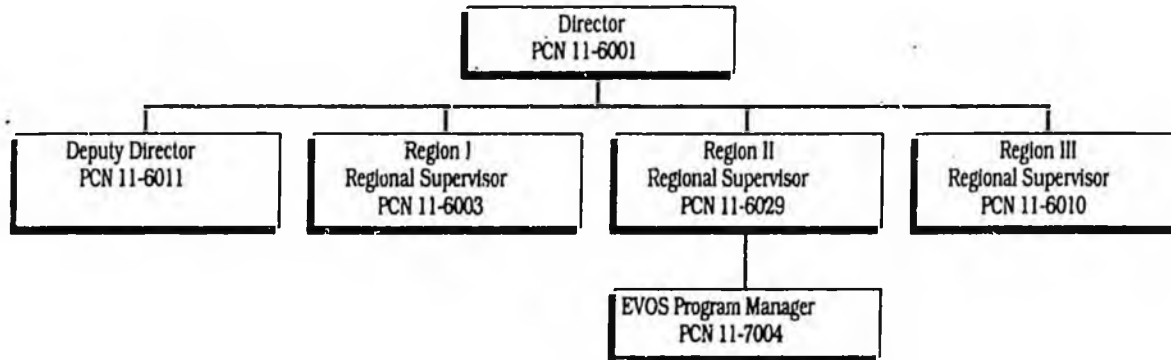
	FY94	FY95	FY96	FY97	FY98
	Auth	Auth	Auth	Auth	Request
Personal Services	28,187.9	28,632.2	27,966.1	27,766.7	28,160.3
Travel	1,907.4	1,452.3	1,293.7	1,275.7	1,230.1
Contractual	9,052.8	10,169.2	9,958.4	11,329.2	11,081.3
Commodities	2,955.3	2,740.4	2,305.0	2,376.4	2,374.8
Equipment	1,029.9	824.2	594.8	686.2	652.3
TOTAL	43,133.3	43,818.3	42,118.0	43,434.2	43,498.8
Funding:					
1002 Federal Receipts	10,856.4	10,901.4	9,587.8	9,122.8	9,133.0
1003 General Fund Match	587.5	541.0	546.6	373.5	379.6
1004 General Fund	26,891.8	26,476.7	26,508.5	26,200.5	26,521.0
1005 GF/Prgm. Rcpts	2,833.7	3,149.8	3,321.3	18.9	52.0
1007 I/A Receipts	791.1	994.1	994.1	996.5	1001.8
1018 EVOS	0.0	0.0	0.0	2,739.9	2,042.1
1024 Fish and Game Fund	1,143.9	1,145.4	605.4	491.4	492.7
1061 CIP Receipts	28.9	609.9	554.3	96.9	98.7
1091 G/F Designated Rec	0.0	0.0	0.0	3,393.8	3,777.9
Positions:					
PFT	314.0	317.0	298.0	292.0	297.0
PPT	547.0	546.0	537.0	550.0	528.0
Temp	16.0	16.0	18.0	40.0	38.0

BUDGET HIGHLIGHTS

Status Quo Budget

- Program Receipts Increment for Employee Housing (\$33.1) and Test Fisheries (\$384.1)
- EVOS Decrement-\$697.8

HABITAT AND RESTORATION DIVISION



HABITAT AND RESTORATION DIVISION

OVERVIEW

The goal of the Habitat and Restoration Division is to protect fish and wildlife habitat and to protect the public use of fish and wildlife resources that depend on this habitat. We do this by reviewing applications and issuing permits for activities affecting fish-bearing waters, state game refuges, critical habitat areas, and sanctuaries, as well as participating in other land management agencies' permitting and planning activities to ensure that fish and wildlife needs are addressed as required by law. The division also develops, conducts, or administers a wide variety of injury assessment and restoration projects funded with Exxon Valdez oil spill settlement funds.

The Division complements the efforts of other ADF&G divisions that primarily engage in fish and wildlife population management, research, and enhancement activities. We also work with the natural resource development community to make sure that fish and wildlife populations remain healthy as Alaska develops its mining, oil & gas, forest products, transportation and community-based resources. The size of the division is relatively small—approximately 5% of the overall ADF&G budget.

ISSUES

Habitat Permitting/Title 16. Kenai River property improvements, mining, forestry and transportation activities all contributed to a rise in the number of fish habitat permits issued in FY97. Permit streamlining for state agencies and simplifying the regulatory maze for multi-permit large projects will dominate the policy agenda in FY98. We expect the number of permit applications to continue to rise.

Habitat. Oil and gas leasing, oil spill contingency planning and forest practices are covered by the Habitat component of the budget. Forest Practices and Resources Act (FPA) activity is funded through non-general fund grants and centers on field inspections, review and development of fish and wildlife protection measures for state and federal timber sales, and review and inspection of private timber operations. Focus in FY97 included a cooperative review of fish and wildlife habitat protection under the FPA. This was done through our participation on the Science/Technical Committee that was created in response to a request from the Board of Forestry; fishing and timber industry, and agency scien-

RESPONSIBILITIES

Four Components of BRU:

Habitat Permitting/Title 16

- Primary Tool for Protecting Salmon Habitat
- Supports Other Fish Habitat and Refuge Permitting as Secondary Priority

Habitat

- Forest Practices, Land Management, and Coastal Zone Project Review

Special Projects

- Cooperative Projects with Limited Scope and Duration

Restoration

- Supports the Work of the EVOS Trustee Council

ISSUES

- Increasing Permit Applications
- FPA Review of Habitat Protection
- Governor's FPA Task Force
- Large Mine Projects
- Oil Field Development
- Kenai River Salmon Habitat
- Mendenhall River Watershed
- Stikine Area Fish Habitat
- Declining EVOS Funds

QUALITY CONTROL ON PERMITTING

Fish Habitat Permits Issued
FY96-1,666
FY95-1,479

Special Area Permits Issued
FY96-104
FY95-114

Total Title 16 Permits Issued
FY96-1,770
FY95-1,593

Average Review Time Days
FY96-16
FY95-15

Number of T16 Appeals
FY96 and FY95-None

ISSUES (CONT.)

tists all contributed to the S/TC effort. The Governor appointed a task force composed of state agency officials to review and improve the state's performance under the FPA.

Special Projects. Protecting public access to Alaska's sportfishing and hunting resources remains a top priority. Large mine projects, oil field development (including proposed development in the NPRA), Kenai River salmon habitat, Mendenhall River Watershed planning, and a Stikine Area fish habitat will dominate the FY98 workload.

Restoration. Created in response to the EVOS spill, this gradually shrinking program continues to be managed in accordance with the Consent Decree and Memorandum of Agreement with the federal government, as well as applicable state and federal laws. From FY96 to FY97, this program decreased in size as a result of declining settlement revenues.

FY98 BUDGET REQUEST

Habitat and Restoration Division is requesting level funding for FY98. The division has made no request for increments or decrements to the FY97 base.

The number of permit applications reviewed by the division is steadily increasing, while staff resources have been reduced through budget cuts. We have maintained our program by computerizing our data, issuing general permits for projects where our experience shows that this makes sense, and maintaining skilled and experienced staff who can most expeditiously and cost-effectively deliver ADF&G's permit program services to the public

FY98 BUDGET REQUEST (CONT.)

HABITAT

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	3,388.0	3,639.3	3,396.3	4,027.0	3,995.3
Travel	176.4	193.6	214.3	273.0	251.4
Contractual	750.5	572.7	779.9	559.8	532.2
Commodities	50.8	52.9	52.6	90.3	85.6
Equipment	3.0	0.0	0.0	0.0	0.0
TOTAL	4,368.7	4,458.5	4,443.1	4,950.1	4,864.5

Funding:

1002 Federal Rcpts.	299.8	820.1	912.1	1,053.5	1,001.8
1003 GF Match	188.4	188.4	262.9	235.8	239.0
1004 General Fund	2,480.9	2,403.5	1,620.0	1,545.6	1,565.3
1005 GF/Prgm. Rcpts.	221.9	179.0	283.8	0.0	0.0
1007 I/A Receipts	812.0	686.0	801.8	964.6	982.5
1024 F&G Fund	175.0	175.0	425.0	556.6	476.8
1055 I/A Oil Haz	190.7	6.5	137.5	189.5	189.5
1061 CIP Receipts	0.0	0.0	0.0	139.8	142.3
1091 G/F Desg. Rcpts.	0.0	0.0	0.0	264.7	267.3

Positions:

PFT	56.0	56.0	49.0	47.0	57.0
PPT	8.0	9.0	9.0	10.0	7.0
Temp	0.0	0.0	0.0	0.0	4.0

RESTORATION

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	7,930.0	4,993.7	4,231.9	1,538.8	1,815.8
Travel	546.2	574.7	251.9	129.1	152.0
Contractual	8,932.4	7,195.6	7,601.4	7,080.9	5,076.3
Commodities	654.5	385.7	430.9	44.7	41.7
Equipment	286.2	94.8	97.4	14.9	20.9
TOTAL	18,349.3	13,244.5	12,613.5	8,808.4	7,106.7

Funding:

1018 EVOS	18,349.3	13,244.5	12,613.5	8,808.4	7,106.7
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Positions:

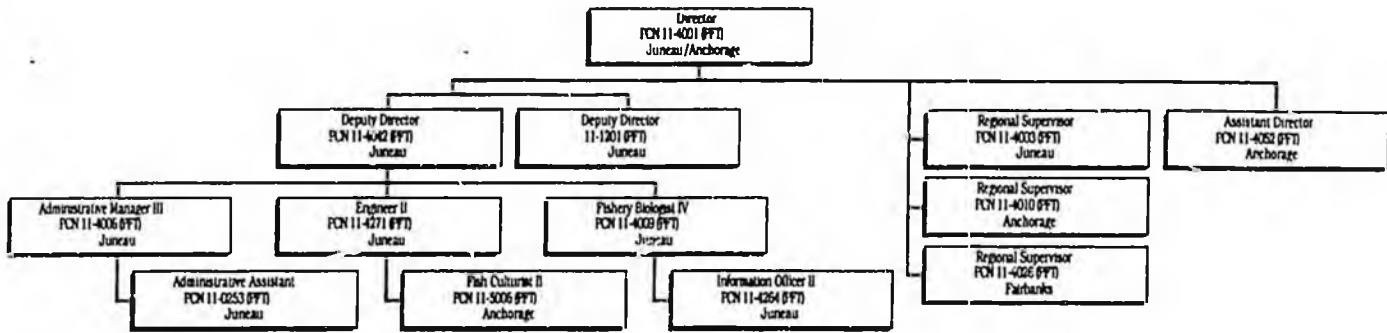
PFT	54.0	61.0	45.0	23.0	25.0
PPT	37.0	34.0	11.0	5.0	3.0
Temp	44.0	48.0	0.0	0.0	0.0

BUDGET HIGHLIGHTS

- No Significant Changes from FY97
- EVOS Decrement \$1,701.7

- EVOS Funding Continues Steady Decline \$1,701.7 Decrement
- Commercial Fisheries Management and Development, Wildlife Conservation, Subsistence also have Budgeted EVOS Funds for Projects

DIVISION OF SPORT FISH



DIVISION OF SPORT FISH

OVERVIEW

The Division of Sport Fish is responsible for the conservation of populations of naturally reproducing fish important to recreational anglers; management activities associated with marine and freshwater sport fisheries; and hatchery production and release of salmon, trout, grayling, and char to enhance selected sport fisheries.

ISSUES

Fish Allocation Disputes. The Board of Fisheries allocation of chinook, coho, and sockeye salmon between various resource users across the state has required increasingly intensive stock assessment and harvest monitoring of recreational fisheries. The associated conflict between users has required additional resources to provide increasingly more precise information to department managers and the Board of Fisheries.

Growth. The biggest challenge facing Sport Fish Division is how to keep up with dramatic growth of participation in Alaska's sport fisheries. Two questions that arise from this complex issue are how to:

- ensure continued health of the resource.
- maintain diverse character and quality of sport fisheries.

Since 1984 the number of anglers fishing in Alaska has increased 37%, almost 4% per year. Over this time resident angler participation has increased 2% while nonresident participation has increased 123%. A record 2.79 million angler days were fished in Alaska in 1995.

Lacking a large number of tools to deal with increased participation, it may no longer be possible to maintain wilderness settings, low crowding, high catch rates, and large fish in all fisheries. However, achieving a reasonable mix may be possible.

Funding Source Limitations. The Sport Fish Division is fully funded by its users. These funds are derived from federal excise taxes on sporting goods and fuels (Dingell-Johnson/Wallop-Breaux funds), sale of state fishing licenses and king salmon tags (fish and game fund). Expenditures from federal aid and the fish and game fund are statutorily limited to projects that directly benefit sport fisheries (AS 16.05.130). Though considerably more is spent on king salmon management and enhancement than is generated from sale of the king salmon tag, revenue from tag sales initiated in FY94 has enabled the division to expand management programs and enhancement for this popular sport fish.

RESPONSIBILITIES

- Conservation
- Recreational Fisheries
- Operate Hatcheries

ISSUES

- Increased Participation
- Fish Allocation Disputes
- Funding Limitations
- Hatcheries
- Access

GOALS

- Conserve Naturally Reproducing Populations of Sport Fish Species
- Provide a Diverse Mix of Sport Fishing Opportunities
- Optimize the Social and Economic Benefits of Alaska's Recreational Fisheries

HOW NONRESIDENTS PAY

Higher License Fees
Taxes paid by Outsiders on
Angling Equipment and
Marine Fuel

IMPORTANCE OF NONRESIDENTS

After the Wallop-Breaux
Amendment to the
Federal Aid Act Passed
Congress in 1985, the
Amount of Federal Aid
Dollars Received by
Alaska's Sport Fish Division
Doubled, from about \$5
Million to \$10 Million

The King Salmon Stamp
Adds about \$2.7 Million
Dollars Per Year to the State
Fish and Game Fund

ISSUES (CONT.)

Nonresidents Make Important Contribution. Nonresidents pay for 85% of the funding for Sport Fish Division. However, nonresidents take home an average of just two salmon per angler. This is roughly equivalent to one-half of one percent of the entire harvest of salmon in Alaska. These funds not only pay for sport fishing opportunities, but also for management, stock assessment, habitat protection, education and fisheries enhancement across the state.

	Residents	Nonresidents
Licenses Sold	43%	57%
Anglers*	51%	49%
Angler Days	65%	35%

*Under 16 and over 65 don't need a license.

Hatcheries. Fish are produced at three hatcheries operated by the division as well as other facilities in the state with which we contract to produce fish intended to benefit sport fisheries. To gain efficiency, a fourth hatchery located at Clear Air Force Base and operated by the division will be closed in FY98. Divisional personnel both manage the harvest of these fish and evaluate the effectiveness of enhancement. Programs and hatchery practices are continually modified to optimize the success and efficiency of this work. The plan is open annually for public comment.

Access. A provision of the Federal Aid in Sport Fish Restoration Program (Wallop-Breaux) requires that a minimum of 12.5% of the state's apportioned funds must be used to improve recreational boating access and facilities. This is an integral part of the division's program and is included each year in the department's capital budget request.

FY98 BUDGET REQUEST

The FY98 request for the Division of Sport Fish totals just over \$19.8 million, an increase of nearly one million dollars from the FY97 budget. Preliminary projections for the federal aid and fish and game fund monies that provide funding for the sport fish program indicate that the amount available in both revenue sources will increase in FY98. The incremental increase requested will allow the division to take full advantage of these user fees.

The sport fish program envisioned for FY98 is designed to keep pace with the steady growth in the state's sport fisheries with emphasis on those fisheries and issues of critical importance. The FY98 request does not include funding for the hatchery at Clear Air Force Base. The hatchery will be closed at the end of FY97, and production transferred to the division's hatchery at Fort Richardson. Interior Alaska will experience no loss of stocked fish, and this closure will result in making \$250,000 available annually to provide additional benefits to sport fishermen.

The division has worked to identify recurring non-permanent positions and accurately reflect them in the budget as permanent seasonal positions.

	FY94 Auth	FY95 Auth	FY96 Auth	FY97 Auth	FY98 Request
Personal Services	10,172.8	10,523.8	11,284.2	12,426.2	12,866.5
Travel	395.8	386.4	423.6	456.2	465.1
Contractual	3,916.1	3,926.2	4,276.8	4,291.3	4,687.1
Commodities	1,103.9	1,199.3	1,263.9	1,319.6	1,300.1
Equipment	384.1	395.0	572.3	397.5	514.2
TOTAL	15,972.7	16,430.7	17,820.8	18,890.8	19,833.0
Funding:					
1002 Federal Receipts	8,131.2	6,853.8	7,745.8	8,528.2	8,965.4
1004 General Fund	0.0	0.0	175.0	0.0	0.0
1005 GF/Prgm. Rcpts	36.0	36.0	71.9	71.5	72.8
1007 I/A Receipts	0.0	0.0	20.0	20.0	20.2
1024 F&G Fund	7,306.4	9,250.3	9,808.1	9,913.5	10,353.4
1061 CIP Receipts	499.1	290.6	0.0	217.6	221.2
1091 G/F Desg Rcpts.	0.0	0.0	0.0	140.0	200.0
Positions:					
PFT	104.0	105.0	110.0	123.0	128.0
PPT	156.0	172.0	192.0	193.0	246.0
Temp	46.0	35.0	36.0	36.0	16.0

BUDGET HIGHLIGHTS

- License Sales Increase
- Federal Aid Funds Increase
- Large Chinook Program
- New Rockfish Studies
- Boating Access Projects
- Area Office Network
- Closing Clear Hatchery

FY98 PROGRAMS

The Division of Sport Fish will continue to field an extensive and comprehensive chinook salmon program statewide, consisting of management, stock assessment, habitat assessment and hatchery production. In Southcentral Alaska, the division will be expanding projects assessing coho salmon and initiating new studies on the freshwater resident fish populations and rockfish in the nearshore marine waters. Production of hatchery fish will increase at the division's Fort Richardson Hatchery.

Supporting the state's efforts to negotiate an acceptable agreement with the Pacific Northwest states, treaty tribes, and Canada and conducting the stock assessment on chinook salmon of Alaskan origin in an effort to secure terminal exclusions on these stocks provide the focus of the sport fish program in Southeast Alaska. In the Juneau area, a new project aimed at assessing the local stocks of king crab is requested in the increment.

Continuing to provide for the sustained yield of the many stocks of salmon and freshwater fish across the immense geography of the Arctic, Yukon and Kuskokwim areas will drive the sport fish program in Interior Alaska. New studies will include assessments of Unalakleet River king salmon and Kobuk River sheefish.

Also in FY98, the Division of Sport Fish proposes to fund a cooperative project with the Department of Public Safety, Division of Fish and Wildlife Protection, to increase public awareness of sport fishing regulations and reducing sport fish violations on the Kenai Peninsula.