

ALASKA LEGISLATURE

2736

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
64	10(a)(40)	Transportation	Capital	Coffman Cove Inner Island Ferry/Bus Terminal (ED 1-5)		1,500.0	375.0	AIDEA Dividend; ASLC Dividend	1,875.0
65	10(a)(41)	Transportation	Capital	Mobility Coalition (ED 99)		500.0			500.0
66	10(b)	Transportation	Capital	Fund source section for projects listed in section 10(a)					0.0
67	NEW	Education	Alyeska Central School	Feb 23 Amd: Additional operating costs of \$653,736	653.7				653.7
68	NEW	State Debt	Debt Service	Feb 23 Amd: Fund source switch of \$500.0 to the International Airports Revenue Fund from Passenger Facility Charges (\$500.0) for debt service on international airports revenue bonds. The \$500.0 of PFCs will be used for capital projects appropriated in prior years from this fund source.			0.0	Passenger Facility Charges; Intern'l Airports Revenue Fund	0.0
69	From Reg Supp	Military	Homeland Security and Emergency Services	Feb 23 Amd: Transfer of federal authorization from Army Guard to Homeland Security for increased FEMA grants		767.0			767.0
70	From Reg Supp	Military	Army Guard Facilities Maintenance	Feb 23 Amd: Transfer of federal authorization from Army Guard to Homeland Security for increased FEMA grants		(767.0)			(767.0)
71	11			Lapse of Appropriations					0.0
72	12			Contingent Effect and Contingent Effective Date					0.0
73	13			Effective Date					0.0
74									
75				FAST TRACK BILL TOTAL	5,207.3	93,375.0	5,287.6		103,869.9
76									
77	REGULAR SUPPLEMENTAL								
78	1(a) and (b)	Administration	OPA	FY 04 projected caseload and case cost growth.	800.0		300.0	Statutory Des Prgm Rcpts	1,100.0
79	1(c)	Administration	Public Defender	FY 04 projected caseload and case cost growth.	650.0				650.0
80	2(a)	Community	Regulatory Commission of Alaska Audits & Investigations	Additional funds for expert witness costs are required for a) completion of Alaska Communications Systems cases (\$20.0), b) Enstar case participation (\$15.0), c) assistance on the telecom regulations preceeding responsive to HB 111 (\$20.0), d) participation in other cases (\$60.0).			115.0	RCA Rcpts	115.0
81	2(b)	Community	Regulatory Commission of Alaska	Due to major developments in Cook Inlet and the Trans Alaska Pipeline System, the Regulatory Commission of Alaska's effort in regulating pipelines has significantly increased. To provide the necessary expertise two new positions, a range 21 Research Analyst IV and a range 19 Utility Financial Analyst are requested. Funds for additional office space, furniture and equipment are also requested.			114.6	RCA Rcpts	114.6
82	2(c)	Community	Capital	Repeal of funds to Saxman for Public Safety Bldg sec. 87, ch. 1, SSSLA 2002, pg. 138, ln. 9. Actual grant amount is \$1,074,341.	(1,074.3)				(1,074.3)
83	2(d)	Community	Power Cost Equalization	PCE Endowment fund appropriation to PCE fund to replace the general funds requested in FY 05 budget. This is the balance of the statutory 7% limit of the PCE Endowment monthly average market value available for appropriation in FY 04. An FY 05 budget amendment will also be submitted.			4,581.0	PCE Endowment Fund	4,581.0
84	3(a)	Corrections	Inmate Health Care	The cost of drug and scientific supplies continue to rise annually and contractual costs have increased due to eight catastrophic cases, each costing in excess of \$100.0.	1,100.0				1,100.0
85	3(b)	Corrections	Out of State Contracts	Due to increases in population and subsequent management of placement of prisoners, the out of state contracts and related travel costs are increasing from the budgeted 650 prisoners to in excess of 775 by the end of FY 04.	920.0				920.0
86	4(a)	Education	Foundation	FY 04 foundation program entitlement adjustment based on actual student count.	(3,654.0)				(3,654.0)
87	4(b)	Education	Pupil Transportation	Pupil transportation program adjustment based on actual student count	(788.4)				(788.4)
88	5 (a) - (d)	All	Federal and Other Program Receipts	Technical correction to the LB&A language in FY 02-04 which changes "shall be reduced" to "may be reduced".					0.0

FY2004 SUPPLEMENTALS

SB 3K1

	A	B	C	D	E	F	G	H	I
64	10(a)(40)	Transportation	Capital	Coffman Cove Inner Island Ferry/Bus Terminal (ED 1-5)		1,500.0	375.0	AIDEA Dividend; ASLC Dividend	1,875.0
65	10(a)(41)	Transportation	Capital	Mobility Coalition (ED 99)		500.0			500.0
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70	From Reg Supp	Military	Army Guard Facilities Maintenance	Feb 23 Amd: Transfer of federal authorization from Army Guard to Homeland Security for increased FEMA grants		(767.0)			(767.0)
71	11			Lapse of Appropriations					0.0
72	12			Contingent Effect and Contingent Effective Date					0.0
73	13			Effective Date					0.0
74									0.0
75				FAST TRACK BILL TOTAL	5,207.3	93,375.0	5,287.6		103,869.9
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77	REGULAR SUPPLEMENTAL								
78	1(a) and (b)	Administration	OPA	FY 04 projected caseload and case cost growth.	800.0		300.0	Statutory Des Prgm Rcpls	1,100.0
79	1(c)	Administration	Public Defender	FY 04 projected caseload and case cost growth.	650.0				650.0
80	2(a)	Community	Regulatory Commission of Alaska Audits & Investigations	Additional funds for expert witness costs required for a) completion of Alaska Communications Systems cases (\$20.0), b) Enstar case participation (\$15.0), c) assistance on the telecom regulations preceeding responsive to HB 111 (\$20.0), d) participation in other cases (\$60.0).			115.0	RCA Rcpls	115.0
81	2(b)	Community	Regulatory Commission of Alaska	Due to major developments in Cook Inlet and the Trans Alaska Pipeline System, the Regulatory Commission of Alaska's effort in regulating pipelines has significantly increased. To provide the necessary expertise two new positions, a range 21 Research Analyst IV and a range 19 Utility Financial Analyst are requested. Funds for additional office space, furniture and equipment are also requested.			114.6	RCA Rcpls	114.6
82	2(c)	Community	Capital	Repeal of funds to Saxman for Public Safety Bldg sec. 87, ch. 1, SSSLA 2002, pg. 138, ln 9. Actual grant amount is \$1,074,341.	(1,074.3)				(1,074.3)
83	2(d)	Community	Power Cost Equalization	PCE Endowment fund appropriation to PCE fund to replace the general funds requested in FY 05 budget. This is the balance of the statutory 7% limit of the PCE Endowment monthly average market value available for appropriation in FY 04. An FY 05 budget amendment will also be submitted.			4,581.0	PCE Endowment Fund	4,581.0
84	3(a)	Corrections	Inmate Health Care	The cost of drug and scientific supplies continue to rise annually and contractual costs have increased due to eight catastrophic cases, each costing in excess of \$100.0.	1,100.0				1,100.0
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86	4(a)	Education	Foundation	FY 04 foundation program entitlement adjustment based on actual student count.	(3,654.0)				(3,654.0)
87	4(b)	Education	Pupil Transportation	Pupil transportation program adjustment based on actual student count	(788.4)				(788.4)
88	5 (a) - (d)	All	Federal and Other Program Receipts	Technical correction to the LB&A language in FY 02-04 which changes "shall be reduced" to "may be reduced".					0.0

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
89	6	Fish & Game	Capital	Language change to FY 02 appropriation relating to use of the proceeds from sale of vessels to also include repair and maintenance of vessels					0.0
90	7	Governor	Elections	Additional Election Funds for improving accessibility to voting locations.			100.0	Election Fund	100.0
91	8(a)	Health & Soc Srvcs	Pioneer Homes	Transfer within H&SS to cover projected funding shortfall as part of net-zero general fund supplemental.	711.9				711.9
92	8(a)	Health & Soc Srvcs	Pioneer Homes	Excess authority from discontinued Longevity Bonus payments relating to failed SB 117.			(775.0)	Receipt Supported Services	(775.0)
93	8(b)	Health & Soc Srvcs	Alcohol Safety Action Program	Operating expense belt tightening to achieve net-zero general fund supplemental	(42.1)				(42.1)
94	8(b)	Health & Soc Srvcs	Behavioral Health Medicaid Services	Increased federal receipts for Medicaid		6,669.0			6,669.0
95	8(c)	Health & Soc Srvcs	Community Action & Prevention Grants	Grant savings due to belt tightening	(50.2)				(50.2)
96	8(c)	Health & Soc Srvcs	Rural Services & Suicide Prevention	Travel belt tightening and grant savings to achieve net-zero general fund supplemental	(17.8)				(17.8)
97	8(d)	Health & Soc Srvcs	Children's Services Management	Operating expense belt tightening to achieve net-zero general fund supplemental	(3.5)				(3.5)
98	8(d)	Health & Soc Srvcs	Children's Services Training	Operating expense belt tightening to achieve net-zero general fund supplemental	(8.5)				(8.5)
99	8(a)	Health & Soc Srvcs	Front Line Social Workers	Operating expense belt tightening of 96.3 to achieve net-zero general fund supplemental and anticipated additional Social Services Block Grant funds of 150.0	(246.3)				(246.3)
100	8(d)	Health & Soc Srvcs	Family Preservation	Medicaid Private Hospital Proshare Grant Refinancing of 798.8 and 11.2 in operating expense belt tightening	(810.0)				(810.0)
101	8(d)	Health & Soc Srvcs	Foster Care Base Rate	Belt tightening in the travel line item	(31.4)				(31.4)
102	8(d)	Health & Soc Srvcs	Subsidized Adoptions & Guardianship	Belt tightening in the travel line item	(2.5)				(2.5)
103	8(d)	Health & Soc Srvcs	Residential Child Care	Medicaid Private Hospital Proshare Grant Refinancing	(214.2)				(214.2)
104	8(d)	Health & Soc Srvcs	Women, Infants and Children	Belt tightening in the supplies line item	(5.3)				(5.3)
105	8(e) - (f)	Health & Soc Srvcs	Medicaid Services	Increased Medicaid costs covered by the Department through net-zero general fund supplemental	2,938.7		280.5	Tobacco Ed/Ces	3,219.2
106	8(e) - (f)	Health & Soc Srvcs	Catastrophic and Chronic Illness Assistance	Increased costs covered by the Department through net-zero general fund supplemental	246.7				246.7
107	8(e) - (f)	Health & Soc Srvcs	Women's and Adolescents Services	Transfer of excess Receipt Supported Services authority from within the department. This is a clean up from the FY 04 reorganization of the department.			675.0	Receipt Supported Services	675.0
108	8(g)	Health & Soc Srvcs	McLaughlin Youth Center	Operating expense belt tightening to achieve net-zero general fund supplemental	(109.3)				(109.3)
109	8(g)	Health & Soc Srvcs	Mat-Su Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(13.0)				(13.0)
110	8(g)	Health & Soc Srvcs	Kenai Peninsula Youth Facility	200.0 savings from delay in opening the facility plus 112.4 in operating expense belt tightening to achieve net-zero general fund supplemental	(312.5)				(312.5)
111	8(g)	Health & Soc Srvcs	Fairbanks Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(35.4)				(35.4)
112	8(g)	Health & Soc Srvcs	Bethel Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(35.7)				(35.7)
113	3(g)	Health & Soc Srvcs	Nome Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(15.9)				(15.9)
114	8(g)	Health & Soc Srvcs	Johnson Youth Facility	Operating expense belt tightening to achicve net-zero general fund supplemental	(40.0)				(40.0)

FY2004 SUPPLEMENTALS

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115	8(g)	Health & Soc Svcs	Ketchikan Regional Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(6.2)				(6.2)
116	8(g)	Health & Soc Svcs	Probation Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(110.0)				(110.0)
117	8(g)	Health & Soc Svcs	Delinquency Prevention	Operating expense belt tightening to achieve net-zero general fund supplemental	(0.4)				(0.4)
118	8(h)	Health & Soc Svcs	Child Care Benefits	Operating expense belt tightening to achieve net-zero general fund supplemental	(62.0)				(62.0)
119	8(h)	Health & Soc Svcs	General Relief Assistance	Operating expense belt tightening to achieve net-zero general fund supplemental	(1.0)				(1.0)
120	8(h)	Health & Soc Svcs	Public Assistance Administration	Operating expense belt tightening to achieve net-zero general fund supplemental	(6.1)				(6.1)
121	8(h)	Health & Soc Svcs	Public Assistance Field Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(82.9)				(82.9)
122	8(h)	Health & Soc Svcs	Public Assistance Data Processing	Operating expense belt tightening to achieve net-zero general fund supplemental	(41.7)				(41.7)
123	8(h)	Health & Soc Svcs	Fraud Investigation	Operating expense belt tightening to achieve net-zero general fund supplemental	(2.1)				(2.1)
124	8(h)	Health & Soc Svcs	Quality Control	Operating expense belt tightening to achieve net-zero general fund supplemental	(21.3)				(21.3)
125	8(h)	Health & Soc Svcs	Work Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(17.2)				(17.2)
126	8(i)	Health & Soc Svcs	Senior/Disabilities Medicaid Services	Increased federal receipts for Medicaid		24,098.6			24,098.6
127	8(j)	Health & Soc Svcs	Nursing	Operating expense belt tightening to achieve net-zero general fund supplemental	(188.6)				(188.6)
128	8(j)	Health & Soc Svcs	Public Health Administrative Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(4.1)				(4.1)
129	8(j)	Health & Soc Svcs	Epidemiology	Operating expense belt tightening to achieve net-zero general fund supplemental	(55.9)		(34.4)	Tobacco Ed/Ces	(90.3)
130	8(j)	Health & Soc Svcs	Bureau of Vital Statistics	Belt tightening of 3.9 plus fund change of 100.0 in anticipation of excess Receipt Supported Services revenues	(103.9)		100.0	Receipt Supported Services	(3.9)
131	8(j)	Health & Soc Svcs	Community Health/EMS Services	Medicaid Private Hospital Proshare Grant Refinancing of 1043.2 plus operating expense belt tightening of 25.7	(1,068.9)				(1,068.9)
132	8(j)	Health & Soc Svcs	Community Health Grants	Medicaid Private Hospital Proshare Grant Refinancing			(163.2)	Tobacco Ed/Ces	(163.2)
133	8(j)	Health & Soc Svcs	State Medical Examiner	Operating expense belt tightening to achieve net-zero general fund supplemental	(11.3)				(11.3)
134	8(j)	Health & Soc Svcs	Public Health Laboratories	Operating expense belt tightening to achieve net-zero general fund supplemental	(74.8)				(74.8)
135	8(j)	Health & Soc Svcs	Tobacco Prevention and Control	Operating expense belt tightening to achieve net-zero general fund supplemental			(82.9)	Tobacco Ed/Ces	(82.9)
136	8(k) - (l)	Health & Soc Svcs	Commissioner's Office	Operating expense belt tightening to achieve net-zero general fund supplemental	(2.8)				(2.8)
137	8(k) - (l)	Health & Soc Svcs	Office of Program Review	Operating expense belt tightening to achieve net-zero general fund supplemental	(0.3)				(0.3)
138	8(k) - (l)	Health & Soc Svcs	Rate Review	Operating expense belt tightening to achieve net-zero general fund supplemental	(5.6)				(5.6)
139	8(k) - (l)	Health & Soc Svcs	Administrative Support Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(31.1)				(31.1)
140	8(k) - (l)	Health & Soc Svcs	Personnel and Payroll	Operating expense belt tightening to achieve net-zero general fund supplemental	(0.9)				(0.9)
141	8(k) - (l)	Health & Soc Svcs	Audit	Operating expense belt tightening to achieve net-zero general fund supplemental	(3.0)				(3.0)

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
142	8(k) - (l)	Health & Soc Svcs	Health Planning & Facilities Mgmt.	Operating expense belt tightening to achieve net-zero general fund supplemental	(1.6)				(1.6)
143	8(m) - (n)	Health & Soc Svcs	Alaska Youth Initiative	Medicaid Private Hospital Proshare Grant Refinancing	(1,320.0)				(1,320.0)
144	8(m) - (n)	Health & Soc Svcs	Behavioral Health Medicaid Services	Cost containment savings	(357.0)				(357.0)
145	8(m) - (n)	Health & Soc Svcs	Behavioral Health Grants	Medicaid Private Hospital Proshare Grant Refinancing as well as travel and other operating expense belt tightening	(246.0)		(558.4)	Alcohol Fund	(804.4)
146	8(m) - (n)	Health & Soc Svcs	Behavioral Health Administration	Operating expense belt tightening to achieve net-zero general fund supplemental	(24.2)				(24.2)
147	8(m) - (n)	Health & Soc Svcs	Psychiatric Emergency Services	Medicaid Private Hospital Proshare Grant Refinancing of 1050.7 and belt tightening on unexpended grants of 37.3	(1,088.0)				(1,088.0)
148	8(m) - (n)	Health & Soc Svcs	Services to Seriously Mentally Ill	Medicaid Private Hospital Proshare Grant Refinancing of 3905.6 plus operating expense belt tightening of 7.5	(3,913.1)				(3,913.1)
149	8(m) - (n)	Health & Soc Svcs	Services to Severely Emotionally Disturbed Youth	Medicaid Private Hospital Proshare Grant Refinancing of 24.7 and excess Alaska Youth Initiative grants of 450.0 due to consolidation of the Alaska Youth Initiative program with the Severely Emotionally Disturbed Youth program	(474.7)				(474.7)
150	8(m) - (n)	Health & Soc Svcs	Alaska Psychiatric Institute	Increased disproportionate share from Medicaid of 700.0 and operating expense belt tightening of 50.5	(750.5)				(750.5)
151	8(o)	Health & Soc Svcs	Infant Learning Program Grants	Operating expense belt tightening to achieve net-zero general fund supplemental	(9.3)				(9.3)
152	8(p)	Health & Soc Svcs	Advisory Board on Alcoholism & Drug Abuse	Savings from a position vacancy	(25.0)				(25.0)
153	8(p)	Health & Soc Svcs	Commission on Aging	Travel expense belt tightening to achieve net-zero general fund supplemental	(2.8)				(2.8)
154	8(p)	Health & Soc Svcs	Suicide Prevention Council	Contractual expense belt tightening to achieve net-zero general fund supplemental	(8.4)				(8.4)
155	8(q)	Health & Soc Svcs	Medicaid Services	Increased Medicaid costs covered by the Department through net-zero general fund supplemental	1,847.0				1,847.0
156	8(r)	Health & Soc Svcs	Senior/Disabilities Medicaid Services	Increased Medicaid costs covered by the department through net-zero general fund supplemental	6,372.0		558.4	Alcohol Fund	6,930.4
157	9 AMD	Law	Civil Division, Deputy Attorney General	Judgments and Claims as of February 5, 2004 - \$2,825,490.66 Feb 23 Amd: Increase of \$107,132.67 to a new total of \$2,932,623.33	2,932.7				2,932.7
158	10	Law	Civil Division & Criminal Division	Technical change to sec. 60, ch. 82, SLA 03 which appropriated \$175.0 to Department of Law, Civil Division for outside counsel costs. The appropriation should have been to the Criminal Division.					0.0
159	NEW	Law	Criminal Division	Feb 23 Amd: Extend lapse date for appropriation made in sec. 54(a) Ch. 82, SLA 2003 to June 30, 2005; outside counsel costs for Supreme Court appeal in Planned Parenthood case.					0.0
160	12(a)	Natural Resources	Capital	FESCO Settlement for Contaminated Site Cleanup \$118,638.12			118.6	Statutory Des Prgm Rcpts	118.6
161	12(b)	Natural Resources	Capital	BLM 2009 Accelerated Land Transfer - Year 1 of a 5-year project to significantly increase the rate of federal land transfers to individual Native Allottees, the ANCSA Corporations, and the state.		1,268.0			1,268.0
162	12(c)	Natural Resources	Capital	Denali Park Visitor Destination Access - U.S. Park Service grant for planning and design of new visitor facilities		600.0			600.0
163	12(d) - (e)	Natural Resources	Capital	Agfognak Coastal Wetlands grant for purchase of waterfall parcel within the Perenosa Bay area of Afognak Island		2,000.0	650.0	Statutory Des Prgm Rcpts	2,650.0
164	12(f)	Natural Resources	Office of Alaska Coastal Zone Mgt.	Increased Department of Law costs for Coastal Zone regulations	95.0				95.0
165	13(a)	Public Safety	ABC Board	Enabling language to allow the department to pay a prior year bill using the FY 04 appropriation					0.0

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
166	13(b)	Public Safety	Capital	Denali Commission grant to the Council on Domestic Violence and Sexual Assault for domestic violence and sexual assault shelter facility funding		4,750.0			4,750.0
167	14(a)	Revenue	Municipal Bond Bank	Increased management fees due to increased activity			150.0	Muni Bond Bank Rcpts	150.0
168	14(b)	Revenue	Alaska Permanent Fund Corp.	Language clarifying that the appropriation made by sec. 67(2), ch. 82, SLA 2003 was for inflation proofing				Perm Fund Rcpts	0.0
169	14(c)	Revenue	Alaska Permanent Fund Corp.	Balance needed to inflation proof the fund in FY 04			177,000.0	Perm Fund Earnings Reserve	177,000.0
170	15	Salary Adjustments		Add Marine Engineers Beneficial Association (MEBA) and the Masters, Mates, and Pilots Unit (MMP) to the "Salary and Benefits Adjustments," section 29, in the operating bill for clarification's sake, since the bargaining units ratified their contracts after section 29 was adopted that listed the bargaining units with ratified contracts. (The amount of the contract adjustments, \$68.6 and \$60.5, respectively, is already included in Transportation's appropriation in section 1 of the operating budget.)					0.0
171	16(a)	State Debt	School Debt Reimbursement	FY 04 entitlement adjustment based on actuals, down from \$66,024.1 to \$62,624.2			(3,399.9)	Debt Fund	(3,399.9)
172	16(a)	State Debt	School Debt Reimbursement	FY 04 Cigarette Tax revenue increase adjustment from \$28,600.0 to \$30,572.2			1,972.2	School Fund	1,972.2
173	16(a)	State Debt	School Debt Reimbursement	FY 04 Debt Retirement Fund decrease from \$37,424.1 to 32,052.0 that corresponds with the increase in cigarette tax revenue.			(1,972.2)	Debt Fund	(1,972.2)
174	16(b) - (d)	State Debt	Debt	Extend lapse to June 30, 2005 for Lake and Peninsula Borough Chignik dock and Aleutians East Borough False Pass harbor in sec. 32(o), ch. 83, SLA 03, pg 71, lines 24, 25. Also reduce amounts from 130,000 and 310,000 respectively to 118,553 and 68,176 (reduction of 253,271).	(253.3)				(253.3)
175	16(e)	State Debt	Fund Transfer	Have received additional federal grant funds for deposit into the Election Fund.		100.0			100.0
176	17(a)	Transportation	Capital	Proceeds from the 2003 sale of the MV Barlett will be spent on the new Prince William Sound marine highway maintenance facility in Cordova. This and the \$900,000 authorization requested in the FY 05 capital budget will complete the project.			389.5	Marine Highway System Fund	389.5
177	17(b)	Transportation	NR Leasing and Property Management	Funds needed due to legal challenges to recent changes in airport leasing rates in AS 17.			50.0	Receipt Supported Services	50.0
178	17(c)	Transportation	CR Hwys & Aviation	Snow hauling in Anchorage. Funds budgeted in FY 04 have been exhausted due to the heavy snowfall so far this winter. Additional costs of removing snow from Anchorage sidewalks are included in this request.	200.0				200.0
179	17(d)	Transportation	SE Hwys & Aviation	Funds needed due to legal challenges to recent changes in airport leasing rates in AS 17.			50.0	Receipt Supported Services	50.0
180	17(e)	Transportation	Marine Vessel Operations	Masters, Mates and Pilots union has ratified its contract as of January 1, 2004. In the FY 04 budget, the Legislature appropriated \$60.5 to cover a full year's monetary term cost, but six months of the appropriation is not needed.			(30.2)	Marine Highway System Fund	(30.2)
181	NEW	Misc. Claims	Health & Soc Svcs	Feb 23 Amd: miscellaneous claim of \$1,959.94		2.0			0.0
182	REGULAR SUPPLEMENTAL BILL TOTAL				929.7	39,485.6	180,188.6		220,601.9
183	TOTAL FOR BOTH BILLS				6,137.0	132,860.6	185,476.2		324,471.8
186	Ratifications:								
187	18(a)(1)	Corrections		AR50951-02, Electronic Monitoring, \$63.00		63.00			63.00
188	1f a)(2)	Env Conservation		AR49721-03, Alaska Counter Terrorism, \$0.04		0.04			0.04
189	18(a)(3)	Health & Soc Svcs		AR22520-02, Medicaid Services, \$22,069,794.69	22,069,794.69				22,069,794.69

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
190	18(b)	Natural Resources		AR 37313-03, Fire General Fund, \$6,233,287.40	6,233,287.40				6,233,287.40
191	19			Lapse of Appropriations					
192	20			Effective Date					

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Soc. No.	Department	RDU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
2	FAST TRACK SUPPLEMENTAL								
3	1	Administration	ETS	Appropriates the ACS disentanglement settlement of \$3,447,647 from the General Fund to the Information Services Fund	3,447.6				3,447.6
4	2	Law	Environmental Law	Exxon Valdez Oil Spill ongoing costs for experts and outside counsel to analyze continuing injury and develop restoration options; June 30, 2005 lapse date.			100.0	EVOS Restoration	100.0
5	3	Fish & Game	Capital	Receipts from City & Borough of Juneau to complete work at the indoor rifle range in Juneau. These receipts have already been received, and work at the rifle range is scheduled to start early spring.			75.0	Statutory Des Prgm Rcpts	75.0
6	4	Governor	Elections	General funds needed for the Help America Vote Act (HAVA) fund maintenance of effort. Some work on the upcoming primary and general elections will take place during FY 04.	180.0				180.0
7	5(a)	Health & Soc Svcs	Capital	Add the capital project for the State veterans' home conversion in Palmer to speed up the design work and take advantage of the summer construction season. A corresponding FY 05 capital amendment will also be submitted to delete the project from the FY 05 budget.	459.2	2,275.0	765.8	ASLC Dividend	3,500.0
8	5(b)	Health & Soc Svcs	Alaska Senior Assistance Program	Reduce excess federal fiscal relief funds		-3,334.0		Fed Unrestricted Rcpts	(3,334.0)
9	5(c)	Health & Soc Svcs	Senior Care	Use excess federal fiscal relief funds for FY 04 costs for Senior Care program		3,334.0		Fed Unrestricted Rcpts	3,334.0
10	5(d)	Health & Soc Svcs	Senior Care	FY 04 costs for Senior Care program	154.0				154.0
11	5(e)(1)	Health & Soc Svcs	Alaska Longevity Programs Mgmt	FY 04 costs for Senior Care program	46.0				46.0
12	5(e)(2)	Health & Soc Svcs	Health Purchasing Group	FY 04 costs for Senior Care program	85.0				85.0
13	5(e)(3)	Health & Soc Svcs	Public Assistance Administration	FY 04 costs for Senior Care program	25.0				25.0
14	5(e)(4)	Health & Soc Svcs	Public Assistance Data Processing	FY 04 costs for Senior Care program	6.8				6.8
15	6(a)	Natural Resources	Recorder's Office	Increased costs to process heavy volume of mortgage refinance activity			300.0	Receipt Supported Services	300.0
16	6(b)	Natural Resources	Office of Habitat Mgt. and Permitting	Replace unrealized inter-agency receipts in order to fulfill workload requirements	150.0				150.0
17	6(c)	Natural Resources	Capital	Increased activity in Remote Recreational Cabin Site Survey Contracts			119.0	Land Disposal Income Fund	119.0
18	7	Public Safety	Capital	Scope change for the Ketchikan Public Safety Building appropriation, sec. 1, ch. 82, SLA 2003, pg. 33, ln. 22, to include a purchase of a building and adjacent lot and improvements.					0.0
19	8(a)	Revenue	Alaska Permanent Fund Corp.	Increased costs to advocate for POMV			300.0	Perm Fund Rcpts	300.0
20	8(b)	Revenue	Alaska Permanent Fund Corp.	Authorization that APFC may advocate for POMV					0.0
21	9(a)	Transportation	Anchorage Airport Administration	Tenant improvement inspection oversight. DOT will contract out management of the extensive tenant building activity for the few months prior to opening the terminal. Internal staff cannot handle this level of one-time activity. Cost will not affect FY 05 budget.			200.0	Internat'l Airports Revenue Fund	200.0

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22	9(b)	Transportation	Anchorage Airport Facilities	Concourse C operations costs of planning and implementation of the consultant contract (to be hired in March) and the first month (June) of operations and maintenance.			1,500.0	Internat'l Airports Revenue Fund	1,500.0
23	9(c)	Transportation	Capital	Federal contract to perform maintenance and operation for 5 years at Adak air facility. Interest earnings must be spent on the Adak air facility.		10,000.0		Adak Airport Operations	10,000.0
24	10(a)	Transportation	Capital	Earmarked projects passed in January's federal omnibus bill which must all be obligated before September 30, 2004:					0.0
25	10(a)(1)	Transportation	Capital	Alaska Statewide Airports Runway and Related Improvements (ED 99)		3,000.0	157.9	AIDEA Dividend	3,157.9
26	10(a)(2)	Transportation	Capital	Fairbanks Terminal Redevelopment (ED 60)		1,000.0	52.7	Intern'l Airport Revenue Fund	1,052.7
27	10(a)(3)	Transportation	Capital	Kodiak Terminal Improvements (ED 36)		1,000.0	26.4	AIDEA Dividend	1,026.4
28	10(a)(4)	Transportation	Capital	University of Alaska Transportation Research Center (ED 99)		2,000.0			2,000.0
29	10(a)(5)	Transportation	Capital	Circumpolar Infrastructure Task Force, Arctic Council and Northern Forum (ED 99)		1,000.0			1,000.0
30	10(a)(6)	Transportation	Capital	Kotzebue Dust and Persistent Particulate Abatement Research (ED 40)		1,000.0	250.0	AIDEA Dividend	1,250.0
31	10(a)(7)	Transportation	Capital	Coffman Cove/Wrangell/Petersburg Ferries and Ferry Facilities (ED 1-5)		2,000.0	500.0	AIDEA Dividend	2,500.0
32	10(a)(8)	Transportation	Capital	Arctic Winter Games Transportation Improvements (ED 99)		1,000.0			1,000.0
33	10(a)(9)	Transportation	Capital	Ft. Wainwright Alternative Access and Chena River Crossing (ED 60)		5,700.0	565.8	AIDEA Dividend	6,265.8
34	10(a)(10)	Transportation	Capital	Big Lake to Wasilla Pedestrian Trails (ED 70)		500.0			500.0
35	10(a)(11)	Transportation	Capital	Kincaid Park Trail Connection (ED 50)		900.0			900.0
36	10(a)(12)	Transportation	Capital	Funny River Bridge Crossing (ED 90)		5,000.0			5,000.0
37	10(a)(13)	Transportation	Capital	Glacier Creek/Nome Bypass (ED 39)		3,000.0			3,000.0
38	10(a)(14)	Transportation	Capital	McCarthy Creek Tram (ED 6)		200.0			200.0
39	10(a)(15)	Transportation	Capital	Bartlett Access Intersection Safety Improvement (ED 50)		500.0			500.0
40	10(a)(16)	Transportation	Capital	Nome Bypass Road (ED 39)		2,000.0			2,000.0
41	10(a)(17)	Transportation	Capital	C Street Railroad Bypass (ED 50)		2,000.0			2,000.0
42	10(a)(18)	Transportation	Capital	Chenega Road system (ED 5)		850.0			850.0
43	10(a)(19)	Transportation	Capital	Craig Road Improvements (ED 5)		1,000.0			1,000.0
44	10(a)(20)	Transportation	Capital	Donlin Creek Road (ED 6)		10,000.0			10,000.0
45	10(a)(21)	Transportation	Capital	False Pass Causeway and Road to the Terminus of the South Arm Breakwater (ED 37)		3,000.0			3,000.0
46	10(a)(22)	Transportation	Capital	Fairbanks Transit Bus Replacement (ED 60)		3,000.0			3,000.0
47	10(a)(23)	Transportation	Capital	Girdwood Project (ED 32)		1,000.0			1,000.0
48	10(a)(24)	Transportation	Capital	Hydaburg Road Improvement (ED 5)		2,000.0			2,000.0
49	10(a)(25)	Transportation	Capital	Keystone Drive and Related Improvements (ED 90)		1,500.0			1,500.0
50	10(a)(26)	Transportation	Capital	Lucille Street and Mack Drive Improvements-Wasilla (ED 14)		1,000.0			1,000.0
51	10(a)(27)	Transportation	Capital	Mat-Su Roads Improvement (ED 70)		3,000.0			3,000.0
52	10(a)(28)	Transportation	Capital	North Pole Roads Lighting ((ED 11)		950.0			950.0
53	10(a)(29)	Transportation	Capital	North Slope Borough Road Improvements (ED 40)		3,000.0			3,000.0
54	10(a)(30)	Transportation	Capital	Port of Ketchikan Ferry Facility (ED 1)		1,000.0			1,000.0
55	10(a)(31)	Transportation	Capital	Seldovia-Homer-Jakolof Bay Halibut Cove Ferry Planning and Design (ED 35)		2,000.0			2,000.0
56	10(a)(32)	Transportation	Capital	Seward Road Improvements (ED 35)		2,000.0			2,000.0
57	10(a)(33)	Transportation	Capital	Ship Creek Improvements (ED 50)		1,000.0			1,000.0
58	10(a)(34)	Transportation	Capital	Sitka Road Improvements (ED 2)		1,500.0			1,500.0
59	10(a)(35)	Transportation	Capital	University of Alaska Transportation Research Center (ED 99)		2,000.0			2,000.0
60	10(a)(36)	Transportation	Capital	Williamsport/Pile Bay Road Kenai (ED 90)		3,000.0			3,000.0
61	10(a)(37)	Transportation	Capital	Winner Creek Trail Improvements (ED 50)		1,000.0			1,000.0
62	10(a)(38)	Transportation	Capital	Yakataga River Bridge (ED 5)		3,000.0			3,000.0
63	10(a)(39)	Transportation	Capital	Alaska Mobility Coalition Bus Replacement (ED 99)		500.0			500.0

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64	10(a)(40)	Transportation	Capital	Coffman Cove Inner Island Ferry/Bus Terminal (ED 1-5)		1,500.0	375.0	AIDEA Dividend; ASLC Dividend	1,875.0
65	10(a)(41)	Transportation	Capital	Mobility Coalition (ED 99)		500.0			500.0
69	10(b)	Transportation	Capital	Fund source section for projects listed in section 10(a)					0.0
67	NEW	Education	Alyeska Central School	Feb 23 Amd: Additional operating costs of \$653,736	653.7				653.7
68	NEW	State Debt	Debt Service	Feb 23 Amd: Fund source switch of \$500.0 to the International Airports Revenue Fund from Passenger Facility Charges (\$500.0) for debt service on international airports revenue bonds. The \$500.0 of PFCs will be used for capital projects appropriated in prior years from this fund source.			0.0	Passenger Facility Charges; Intern'l Airports Revenue Fund	0.0
69	From Reg Supp	Military	Homeland Security and Emergency Services	Feb 23 Amd: Transfer of federal authorization from Army Guard to Homeland Security for increased FEMA grants		767.0			767.0
70	From Reg Supp	Military	Army Guard Facilities Maintenance	Feb 23 Amd: Transfer of federal authorization from Army Guard to Homeland Security for increased FEMA grants		(767.0)			(767.0)
71	11			Lapse of Appropriations					0.0
72	12			Contingent Effect and Contingent Effective Date					0.0
73	13			Effective Date					0.0
74									
75				FAST TRACK BILL TOTAL	5,207.3	93,375.0	5,287.6		103,869.9
76									
77	REGULAR SUPPLEMENTAL								
78	1(a) and (b)	Administration	OPA	FY 04 projected caseload and case cost growth.	800.0		300.0	Statutory Des Prgm Rcpts	1,100.0
79	1(c)	Administration	Public Defender	FY 04 projected caseload and case cost growth.	650.0				650.0
80	2(a)	Community	Regulatory Commission of Alaska Audits & Investigations	Additional funds for expert witness costs are required for a) completion of Alaska Communications Systems cases (\$20.0), b) Enstar case participation (\$15.0), c) assistance on the telecom regulations preceding responsive to HB 111 (\$20.0), d) participation in other cases (\$60.0).			115.0	RCA Rcpts	115.0
81	2(b)	Community	Regulatory Commission of Alaska	Due to major developments in Cook Inlet and the Trans Alaska Pipeline System, the Regulatory Commission of Alaska's effort in regulating pipelines has significantly increased. To provide the necessary expertise two new positions, a range 21 Research Analyst IV and a range 19 Utility Financial Analyst are requested. Funds for additional office space, furniture and equipment are also requested.			114.6	RCA Rcpts	114.6
82	2(c)	Community	Capital	Repeal of funds to Saxman for Public Safety Bldg sec. 87, ch. 1, SSSLA 2002, pg. 138, ln. 9. Actual grant amount is \$1,074,341.	(1,074.3)				(1,074.3)
83	2(d)	Community	Power Cost Equalization	PCE Endowment fund appropriation to PCE fund to replace the general funds requested in FY 05 budget. This is the balance of the statutory 7% limit of the PCE Endowment monthly average market value available for appropriation in FY 04. An FY 05 budget amendment will also be submitted.			4,581.0	PCE Endowment Fund	4,581.0
84	3(a)	Corrections	Inmate Health Care	The cost of drug and scientific supplies continue to rise annually and contractual costs have increased due to eight catastrophic cases, each costing in excess of \$100.0.	1,100.0				1,100.0
85	3(b)	Corrections	Out of State Contracts	Due to increases in population and subsequent management of placement of prisoners, the out of state contracts and related travel costs are increasing from the budgeted 650 prisoners to in excess of 775 by the end of FY 04.	920.0				920.0
86	4(a)	Education	Foundation	FY 04 foundation program entitlement adjustment based on actual student count.	(3,654.0)				(3,654.0)
87	4(b)	Education	Pupil Transportation	Pupil transportation program adjustment based on actual student count	(788.4)				(788.4)
88	5(a) - (d)	All	Federal and Other Program Receipts	Technical correction to the LB&A language in FY 02-04 which changes "shall be reduced" to "may be reduced".					0.0

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89	6	Fish & Game	Capital	Language change to FY 02 appropriation relating to use of the proceeds from sale of vessels to also include repair and maintenance of vessels					0.0
90	7	Governor	Elections	Additional Election Funds for improving accessibility to voting locations.			100.0	Election Fund	100.0
91	8(a)	Health & Soc Svcs	Pioneer Homes	Transfer within H&SS to cover projected funding shortfall as part of net-zero general fund supplemental.	711.9				711.9
92	8(a)	Health & Soc Svcs	Pioneer Homes	Excess authority from discontinued Longevity Bonus payments relating to failed SB 117.			(775.0)	Receipt Supported Services	(775.0)
93	8(b)	Health & Soc Svcs	Alcohol Safety Action Program	Operating expense belt tightening to achieve net-zero general fund supplemental	(42.1)				(42.1)
94	8(b)	Health & Soc Svcs	Behavioral Health Medicaid Services	Increased federal receipts for Medicaid		6,669.0			6,669.0
95	8(c)	Health & Soc Svcs	Community Action & Prevention Grants	Grant savings due to belt tightening	(50.2)				(50.2)
96	8(c)	Health & Soc Svcs	Rural Services & Suicide Prevention	Travel belt tightening and grant savings to achieve net-zero general fund supplemental	(17.8)				(17.8)
97	8(d)	Health & Soc Svcs	Children's Services Management	Operating expense belt tightening to achieve net-zero general fund supplemental	(3.5)				(3.5)
98	8(d)	Health & Soc Svcs	Children's Services Training	Operating expense belt tightening to achieve net-zero general fund supplemental	(8.5)				(8.5)
99	8(d)	Health & Soc Svcs	Front Line Social Workers	Operating expense belt tightening of 96.3 to achieve net-zero general fund supplemental and anticipated additional Social Services Block Grant funds of 150.0	(246.3)				(246.3)
100	8(d)	Health & Soc Svcs	Family Preservation	Medicaid Private Hospital Proshare Grant Refinancing of 798.8 and 11.2 in operating expense belt tightening	(810.0)				(810.0)
101	8(d)	Health & Soc Svcs	Foster Care Base Rate	Belt tightening in the travel line item	(31.4)				(31.4)
102	8(d)	Health & Soc Svcs	Subsidized Adoptions & Guardianship	Belt tightening in the travel line item	(2.5)				(2.5)
103	8(d)	Health & Soc Svcs	Residential Child Care	Medicaid Private Hospital Proshare Grant Refinancing	(214.2)				(214.2)
104	8(d)	Health & Soc Svcs	Women, Infants and Children	Belt tightening in the supplies line item	(5.3)				(5.3)
105	8(e) - (f)	Health & Soc Svcs	Medicaid Services	Increased Medicaid costs covered by the Department through net-zero general fund supplemental	2,938.7		280.5	Tobacco Ed/Ces	3,219.2
106	8(e) - (f)	Health & Soc Svcs	Catastrophic and Chronic Illness Assistance	Increased costs covered by the Department through net-zero general fund supplemental	246.7				246.7
107	8(e) - (f)	Health & Soc Svcs	Women's and Adolescents Services	Transfer of excess Receipt Supported Services authority from within the department. This is a clean up from the FY 04 reorganization of the department.			675.0	Receipt Supported Services	675.0
103	8(g)	Health & Soc Svcs	McLaughlin Youth Center	Operating expense belt tightening to achieve net-zero general fund supplemental	(109.3)				(109.3)
109	8(g)	Health & Soc Svcs	Mat-Su Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(13.0)				(13.0)
110	8(g)	Health & Soc Svcs	Kenai Peninsula Youth Facility	200.0 savings from delay in opening the facility plus 112.4 in operating expense belt tightening to achieve net-zero general fund supplemental	(312.5)				(312.5)
111	8(g)	Health & Soc Svcs	Fairbanks Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(35.4)				(35.4)
112	8(g)	Health & Soc Svcs	Bethel Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(35.7)				(35.7)
113	8(g)	Health & Soc Svcs	Home Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(15.9)				(15.9)
114	8(g)	Health & Soc Svcs	Johnson Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(40.0)				(40.0)

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115	8(g)	Health & Soc Svcs	Ketchikan Regional Youth Facility	Operating expense belt tightening to achieve net-zero general fund supplemental	(6.2)				(6.2)
116	8(g)	Health & Soc Svcs	Probation Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(110.0)				(110.0)
117	8(g)	Health & Soc Svcs	Delinquency Prevention	Operating expense belt tightening to achieve net-zero general fund supplemental	(0.4)				(0.4)
118	8(h)	Health & Soc Svcs	Child Care Benefits	Operating expense belt tightening to achieve net-zero general fund supplemental	(62.0)				(62.0)
119	8(h)	Health & Soc Svcs	General Relief Assistance	Operating expense belt tightening to achieve net-zero general fund supplemental	(1.0)				(1.0)
120	8(h)	Health & Soc Svcs	Public Assistance Administration	Operating expense belt tightening to achieve net-zero general fund supplemental	(6.1)				(6.1)
121	8(h)	Health & Soc Svcs	Public Assistance Field Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(82.9)				(82.9)
122	8(h)	Health & Soc Svcs	Public Assistance Data Processing	Operating expense belt tightening to achieve net-zero general fund supplemental	(41.7)				(41.7)
123	8(h)	Health & Soc Svcs	Fraud Investigation	Operating expense belt tightening to achieve net-zero general fund supplemental	(2.1)				(2.1)
124	8(h)	Health & Soc Svcs	Quality Control	Operating expense belt tightening to achieve net-zero general fund supplemental	(21.3)				(21.3)
125	8(h)	Health & Soc Svcs	Work Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(17.2)				(17.2)
126	8(i)	Health & Soc Svcs	Senior/Disabilities Medicaid Services	Increased federal receipts for Medicaid		24,098.6			24,098.6
127	8(j)	Health & Soc Svcs	Nursing	Operating expense belt tightening to achieve net-zero general fund supplemental	(188.6)				(188.6)
128	8(j)	Health & Soc Svcs	Public Health Administrative Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(4.1)				(4.1)
129	8(j)	Health & Soc Svcs	Epidemiology	Operating expense belt tightening to achieve net-zero general fund supplemental	(55.9)		(34.4)	Tobacco Ed/Ces	(90.3)
130	8(j)	Health & Soc Svcs	Bureau of Vital Statistics	Belt tightening of 3.9 plus fund change of 100.0 in anticipation of excess Receipt Supported Services revenues	(103.9)		100.0	Receipt Supported Services	(3.9)
131	8(j)	Health & Soc Svcs	Community Health/EMS Services	Medicaid Private Hospital Proshare Grant Refinancing of 1043.2 plus operating expense belt tightening of 25.7	(1,068.9)				(1,068.9)
132	8(j)	Health & Soc Svcs	Community Health Grants	Medicaid Private Hospital Proshare Grant Refinancing			(163.2)	Tobacco Ed/Ces	(163.2)
133	8(j)	Health & Soc Svcs	State Medical Examiner	Operating expense belt tightening to achieve net-zero general fund supplemental	(11.3)				(11.3)
134	8(j)	Health & Soc Svcs	Public Health Laboratories	Operating expense belt tightening to achieve net-zero general fund supplemental	(74.8)				(74.8)
135	8(j)	Health & Soc Svcs	Tobacco Prevention and Control	Operating expense belt tightening to achieve net-zero general fund supplemental			(82.9)	Tobacco Ed/Ces	(82.9)
136	8(k) - (l)	Health & Soc Svcs	Commissioner's Office	Operating expense belt tightening to achieve net-zero general fund supplemental	(2.8)				(2.8)
137	8(k) - (l)	Health & Soc Svcs	Office of Program Review	Operating expense belt tightening to achieve net-zero general fund supplemental	(0.3)				(0.3)
138	8(k) - (l)	Health & Soc Svcs	Rate Review	Operating expense belt tightening to achieve net-zero general fund supplemental	(5.6)				(5.6)
139	8(k) - (l)	Health & Soc Svcs	Administrative Support Services	Operating expense belt tightening to achieve net-zero general fund supplemental	(31.1)				(31.1)
140	8(k) - (l)	Health & Soc Svcs	Personnel and Payroll	Operating expense belt tightening to achieve net-zero general fund supplemental	(0.9)				(0.9)
141	8(k) - (l)	Health & Soc Svcs	Audit	Operating expense belt tightening to achieve net-zero general fund supplemental	(3.0)				(3.0)

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142	8(k) - (l)	Health & Soc Srvcs	Health Planning & Facilities Mgmt.	Operating expense belt tightening to achieve net-zero general fund supplemental	(1.6)				(1.6)
143	8(m) - (n)	Health & Soc Srvcs	Alaska Youth Initiative	Medicaid Private Hospital Proshare Grant Refinancing	(1,320.0)				(1,320.0)
144	8(m) - (n)	Health & Soc Srvcs	Behavioral Health Medicaid Services	Cost containment savings	(357.0)				(357.0)
145	8(m) - (n)	Health & Soc Srvcs	Behavioral Health Grants	Medicaid Private Hospital Proshare Grant Refinancing as well as travel and other operating expense belt tightening	(246.0)		(559.4)	Alcohol Fund	(804.4)
146	8(m) - (n)	Health & Soc Srvcs	Behavioral Health Administration	Operating expense belt tightening to achieve net-zero general fund supplemental	(24.2)				(24.2)
147	8(m) - (n)	Health & Soc Srvcs	Psychiatric Emergency Services	Medicaid Private Hospital Proshare Grant Refinancing of 1050.7 and belt tightening on unexpended grants of 37.3	(1,088.0)				(1,088.0)
148	8(m) - (n)	Health & Soc Srvcs	Services to Seriously Mentally Ill	Medicaid Private Hospital Proshare Grant Refinancing of 3905.6 plus operating expense belt tightening of 7.5	(3,913.1)				(3,913.1)
149	8(m) - (n)	Health & Soc Srvcs	Services to Severely Emotionally Disturbed Youth	Medicaid Private Hospital Proshare Grant Refinancing of 24.7 and excess Alaska Youth Initiative grants of 450.0 due to consolidation of the Alaska Youth Initiative program with the Severely Emotionally Disturbed Youth program	(474.7)				(474.7)
150	8(m) - (n)	Health & Soc Srvcs	Alaska Psychiatric Institute	Increased disproportionate share from Medicaid of 700.0 and operating expense belt tightening of 50.5	750.5)				(750.5)
151	8(o)	Health & Soc Srvcs	Infant Learning Program Grants	Operating expense belt tightening to achieve net-zero general fund supplemental	(9.3)				(9.3)
152	8(p)	Health & Soc Srvcs	Advisory Board on Alcoholism & Drug Abuse	Savings from a position vacancy	(25.0)				(25.0)
153	8(p)	Health & Soc Srvcs	Commission on Aging	Travel expense belt tightening to achieve net-zero general fund supplemental	(2.8)				(2.8)
154	8(p)	Health & Soc Srvcs	Suicide Prevention Council	Contractual expense belt tightening to achieve net-zero general fund supplemental	(8.4)				(8.4)
155	8(q)	Health & Soc Srvcs	Medicaid Services	Increased Medicaid costs covered by the Department through net-zero general fund supplemental	1,847.0				1,847.0
156	8(r)	Health & Soc Srvcs	Senior/Disabilities Medicaid Services	Increased Medicaid costs covered by the department through net-zero general fund supplemental	6,372.0		558.4	Alcohol Fund	6,930.4
157	9 AMD	Law	Civil Division, Deputy Attorney General	Judgments and Claims as of February 5, 2004 - \$2,825,490.66 Feb 23 Amd: Increase of \$107,132.67 to a new total of \$2,932,623.33	2,932.7				2,932.7
158	10	Law	Civil Division & Criminal Division	Technical change to sec. 60, ch. 82, SLA 03 which appropriated \$175.0 to Department of Law, Civil Division for outside counsel costs. The appropriation should have been to the Criminal Division.					0.0
159	NEW	Law	Criminal Division	Feb 23 Amd: Extend lapse date for appropriation made in sec. 54(a) Ch. 82, SLA 2003 to June 30, 2005; outside counsel costs for Supreme Court appeal in Planned Parenthood case.					0.0
160	12(a)	Natural Resources	Capital	FESCO Settlement for Contaminated Site Cleanup \$118,638.12			118.6	Statutory Des Prgm Rcpts	118.6
161	12(b)	Natural Resources	Capital	BLM 2009 Accelerated Land Transfer - Year 1 of a 5-year project to significantly increase the rate of federal land transfers to individual Native Allottees, the ANCSA Corporations, and the state.		1,268.0			1,268.0
162	12(c)	Natural Resources	Capital	Denali Park Visitor Destination Access - U.S. Park Service grant for planning and design of new visitor facilities		600.0			600.0
163	12(d) - (e)	Natural Resources	Capital	Agfognak Coastal Wetlands grant for purchase of waterfall parcel within the Perenosa Bay area of Afognak Island		2,000.0	650.0	Statutory Des Prgm Rcpts	2,650.0
164	12(f)	Natural Resources	Office of Alaska Coastal Zone Mgt.	Increased Department of Law costs for Coastal Zone regulations	95.0				95.0
165	13(a)	Public Safety	ABC Board	Enabling language to allow the department to pay a prior year bill using the FY 04 appropriation					0.0

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
166	13(b)	Public Safety	Capital	Denali Commission grant to the Council on Domestic Violence and Sexual Assault for domestic violence and sexual assault shelter facility funding		4,750.0			4,750.0
167	14(a)	Revenue	Municipal Bond Bank	Increased management fees due to increased activity			150.0	Muni Bond Bank Rcpts	150.0
168	14(b)	Revenue	Alaska Permanent Fund Corp.	Language clarifying that the appropriation made by sec. 67(2), ch. 82, SLA 2003 was for inflation proofing				Perm Fund Rcpts	0.0
169	14(c)	Revenue	Alaska Permanent Fund Corp.	Balance needed to inflation proof the fund in FY 04			177,000.0	Perm Fund Earnings Reserve	177,000.0
170	15	Salary Adjustments		Add Marine Engineers Beneficial Association (MEBA) and the Masters, Mates, and Pilots Unit (MMP) to the "Salary and Benefits Adjustments," section 29, in the operating bill for clarification's sake, since the bargaining units ratified their contracts after section 29 was adopted that listed the bargaining units with ratified contracts. (The amount of the contract adjustments, \$68.6 and \$60.5, respectively, is already included in Transportation's appropriation in section 1 of the operating budget.)					0.0
171	16(a)	State Debt	School Debt Reimbursement	FY 04 entitlement adjustment based on actuals, down from \$66,024.1 to \$62,624.2			(3,399.9)	Debt Fund	(3,399.9)
172	16(a)	State Debt	School Debt Reimbursement	FY 04 Cigarette Tax revenue increase adjustment from \$28,600.0 to \$30,572.2			1,972.2	School Fund	1,972.2
173	16(a)	State Debt	School Debt Reimbursement	FY 04 Debt Retirement Fund decrease from \$37,424.1 to 32,052.0 that corresponds with the increase in cigarette tax revenue.			(1,972.2)	Debt Fund	(1,972.2)
174	16(b) - (d)	State Debt	Debt	Extend lapse to June 30, 2005 for Lake and Peninsula Borough Chlgnik dock and Aleutians East Borough False Pass harbor in sec. 32(o), ch. 83, SLA 03, pg 71, lines 24, 25. Also reduce amounts from 130,000 and 310,000 respectively to 118,553 and 68,176 (reduction of 253,271).	(253.3)				(253.3)
175	16(e)	State Debt	Fund Transfer	Have received additional federal grant funds for deposit into the Election Fund.		100.0			100.0
176	17(a)	Transportation	Capital	Proceeds from the 2003 sale of the MV Barlett will be spent on the new Prince William Sound marine highway maintenance facility in Cordova. This and the \$900,000 authorization requested in the FY 05 capital budget will complete the project.			389.5	Marine Highway System Fund	389.5
177	17(b)	Transportation	NR Leasing and Property Management	Funds needed due to legal challenges to recent changes in airport leasing rates in AS 17.			50.0	Receipt Supported Services	50.0
178	17(c)	Transportation	CR Hwys & Aviation	Snow hauling in Anchorage. Funds budgeted in FY 04 have been exhausted due to the heavy snowfall so far this winter. Additional costs of removing snow from Anchorage sidewalks are included in this request.	200.0				200.0
179	17(d)	Transportation	SE Hwys & Aviation	Funds needed due to legal challenges to recent changes in airport leasing rates in AS 17.			50.0	Receipt Supported Services	50.0
180	17(e)	Transportation	Marine Vessel Operations	Masters, Mates and Pilots union has ratified its contract as of January 1, 2004. In the FY 04 budget, the Legislature appropriated \$60.5 to cover a full year's monetary term cost, but six months of the appropriation is not needed.			(30.2)	Marine Highway System Fund	(30.2)
181	NEW	Misc. Claims	Health & Soc Svcs	Feb 23 Amd: miscellaneous claim of \$1,959.94	2.0				0.0
182	REGULAR SUPPLEMENTAL BILL TOTAL				929.7	39,485.6	180,188.6		220,601.9
183	TOTAL FOR BOTH BILLS				6,137.0	132,860.6	185,476.2		324,471.8
186	Ratifications:								
187	18(a)(1)	Corrections		AR50951-02, Electronic Monitoring, \$63.00	63.00				63.00
188	18(a)(2)	Env Conservation		AR49721-03, Alaska Counter Terrorism, \$0.04	0.04				0.04
189	18(a)(3)	Health & Soc Svcs		AR22520-02, Medicaid Services, \$22,069,794.69	22,069,794.69				22,069,794.69

FY2004 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
190	18(b)	Natural Resources		AR 37313-03, Fire General Fund, \$6,233,287.40	6,233,287.40				6,233,287.40
191	19			Lapse of Appropriations					
192	20			Effective Date					

FY 04/05 Gasline Funding Request

**Appropriation to Department of Revenue
FY 04 effective date, capital appropriation**

Stranded Gas Act Working Group

Negotiate contracts:

Port Authority	\$700,000
Enbridge	\$450,000
Producers	\$2,600,000
ANGDA work	\$900,000
Alberta (Intergovernmental Relationship)	\$250,000
Energy Bill work (FERC & Railroad financing)	\$300,000
In-State gas use and benefits	\$550,000
Subtotal	\$5,750,000
Offset by reimbursement from Producers	-\$1,500,000
Stranded Gas Work Group Total	\$4,250,000

Risk Analysis Project

Phase I - Defining the boundaries	\$200,000
Phase II - Risk Assessment	\$780,000
Phase III - Risk/Benefit sharing alternatives	\$500,000
Phase IV - Proposal by State of Alaska	\$100,000
Risk Analysis Subtotal	\$1,580,000
Total appropriation to ADOR	\$5,830,000

**Appropriation to DNR
FY 04 effective date, capital appropriation**

State Gasline Right of Way

DNR permitting	\$1,500,000
Receiving entity (state applicant)	\$2,400,000
Total appropriation to DNR	\$3,900,000

State Gasline Right-of-Way

SCHEDULE

State Gasline Right-of-Way

- Define project 4/2-5/2/04
- Add state's design criteria to project definition 4/2-5/2
- Pipeline alignment and facility siting 4/2-6/30
- Preparation of project description and application 4/4-9/30/04
- MOU with federal agencies—complete by 10/1
- Initiate and complete ACMP consistency determination
- File ROW applications—10/15
 - Plus 90 day notice to public (10/30/04 – 1/30/05)
- DNR BIF preparation and draft out 2/15/05 (60 day notice and 2 month write-up—30 day notice, 30 days for hearings)
 - Title Work—4 months, done 10/30
 - Identify stipulations associated with state permitting (ie. frost heaves, Yukon River Bridge) 4/2-8/30/04
 - Final BIF out 6/15/05
 - Corporation/State has ROW – 6/30/05

BUDGET

State Gasline Right-of-Way

DNR (permitting): \$1.5 Million

Receiving Entity (state applicant): \$2.4 Million

Total Project Budget: \$3.9 Million

Risk Analysis Project

Phase I – Defining the boundaries

This phase will determine how much risk the state can tolerate.

Phase I Budget: \$200,000 (2 to 4 weeks – April 15 – May 15)

Phase II – Risk Assessment

This phase will:

- Determine the relevant drivers of risk (\$100,000)
- Develop a structural model of price risk that incorporates the relevant drivers (\$200,000)
- Define the project and identify the construction cost risk (\$400,000)
- Identify the tariff risks from Alberta to Lower 48 (\$80,000)

Phase II Budget: \$780,000 (3 months – April 15 – July 15)

Phase III – Risk/Benefit Sharing Alternatives

This phase will:

- Identify ways to share risk between
 - Producers
 - State of Alaska
 - Federal government
 - Pipeline Companies
 - Other gas purchasers(\$100,000)
- Construct a risk assessment model using a real options framework to evaluate costs/benefits/effectiveness of different options the state might create (\$400,000)

Phase III Budget: \$500,000 (3.5 months – April 15 – July 30)

Phase IV – Proposal by State of Alaska

Once the policy makers determine a preferred approach, a “white paper” will be developed that presents a proposal/way-forward for the State of Alaska to encourage development of a gasline project within a near-term timeframe.

Phase IV Budget: \$100,000 (1 month – July 30 – August 30)

Total Project Budget: \$1,580,000

Provided by the Dept. of Revenue

SB 313



FRANK H. MURKOWSKI
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 9, 2004

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Therriault:

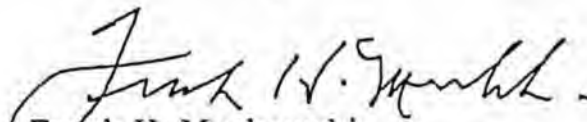
Today I am transmitting two supplemental appropriation bills for Fiscal Year 2004. This bill, sometimes referred to as the "fast track" supplemental bill, includes items that have particularly tight time requirements that are not accommodated by the usual passage of supplemental appropriations later in the spring.

The "fast track" supplemental totals \$4.6 million in general funds. Our management goal was to include requests for circumstances that were not within the departments' control or were unanticipated when the FY 2004 budget was finalized, such as reimbursement of the information services fund due to the ACS settlement, federal requirements per the Help America Vote Act, and an expedited timeframe for the state veterans' home conversion in Palmer.

In addition, we are requesting federal funds of \$93.4 million for the veterans' home conversion in Palmer, to implement the federal contract for the Adak air facility, and for federal project earmarks in the transportation bill (along with the projects' match requirement) that must be obligated before September 30, 2004.

I request that you put this bill on a "fast track" for final action in early March.

Sincerely yours,


Frank H. Murkowski
Governor

Enclosure

SB

314

SFIN

FILE

SB 314

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

SB

315

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 315
(S) Publish Date: 2/27/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title: Commercial Fishing Entry Permit Buy-Back RDU: Comm. Fish Entry Commission
Program Component: Commercial Fisheries Entry
Sponsor: Senator Stevens by request Commission
Requester: Salmon Industry Task Force Component No.: 471

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Shirley Penrose, Administrative Officer
Division: Commercial Fisheries Entry Commission
Approved by: Frank M. Homan, Commissioner
Agency: Commercial Fisheries Entry Commission

Phone 907-790-6960
Date/Time 2/20/04 2:15 PM
Date 2/20/2004

Alaska State Legislature

SENATOR
BEN STEVENS
716 WEST 4TH AVENUE
ANCHORAGE, AK
99501-2133
(907) 269-0200
FAX (907) 269-0204



Session:
STATE CAPITOL
JUNEAU, AK
99801-1182
(907) 465-4993
FAX (907) 465-3872

Senate District N

SPONSOR STATEMENT

Senate Bill 315

"An Act relating to the administration of commercial fishing entry permit buy-back programs."

Senate Bill 315 modifies existing law governing buy-back programs. It would allow the Commercial Fisheries Entry Commission to "front fund" a buy-back program if an appropriation were received. The commission would then continue to collect funds through the designated rate of assessment in the buy-back program to "pay back" the indebtedness.

When the optimum number of permits is reached in a buy-back *and* the reasonable costs of the program have been met, the Commission will terminate the assessment in the affected fishery. SB 315 will make the administration of a buy-back program more workable.

Alaska State Legislature

SENATOR
BEN STEVENS
716 WEST 4TH AVENUE
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Session:
STATE CAPITOL
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Senate District N

BILL ANALYSIS

Senate Bill 315

"An Act relating to the administration of commercial fishing entry permit buy-back programs."

Bill Title: Entry Permit Buyback Program

Sponsor: Senator Ben Stevens, by Request of the Joint Legislative Salmon Industry Task Force

Bill Achieves:

- Retains the language in statute for the current approach for a buyback option but ADDS language that would allow the possibility of using some other funding source to initially fund (or "front fund") a buyback and then assess the remaining fishermen in the fishery. This will provide funds to repay the money that was front-funded.
- Bill does not change any policies relative to the Commercial Fisheries Entry Commission. It merely sets up a mechanism for the state to fund and implement a buyback in an efficient manner.
- A front-fund source could be: a state or federal appropriation, private sector loan, a court settlement, or another funding source.

Current law would finance a potential buyback in this manner:

- The Commercial Fisheries Entry Commission conducts an optimum number study. The study confirms that there are too many permits in a particular fishery. A buy-back program is established to reduce the number of permits. The fishermen are assessed a fee (can be no more than 7% of the value) based on an individual's fish tickets. The assessment goes into the general fund and the legislature may appropriate the funds for the buyback.
- This method can take a long time to collect enough funds to reach the "optimum" number. The permit reduction would be so slow that benefits would not be realized for a very long time. There has, to this date, never been a buyback.

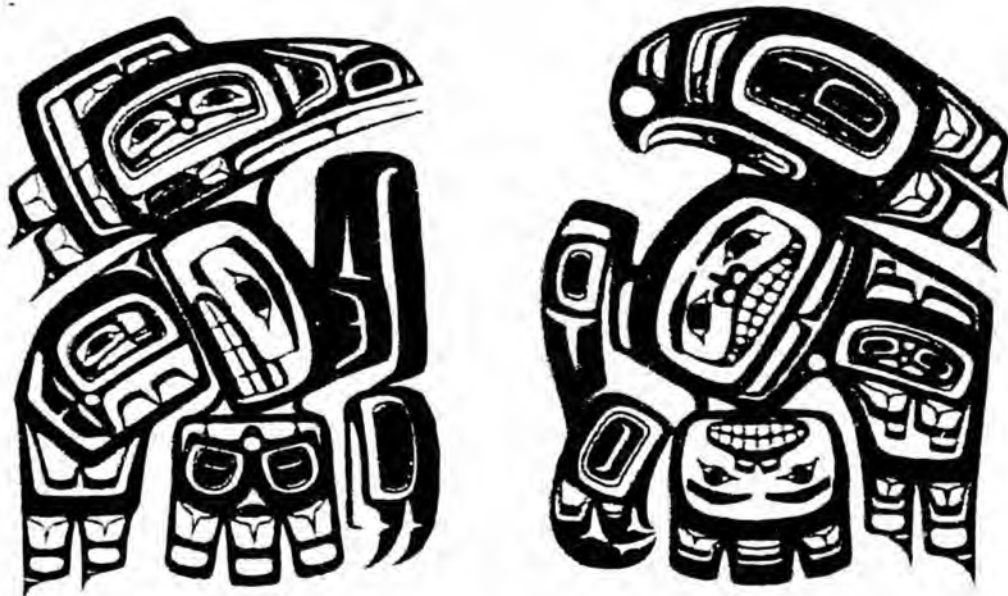
If we are fortunate enough to find a source of repayable funding to provide for a quick, effective buyback in a fishery for which an optimum number study determines a reduction is justified, the state could:

- Use the available funding to quickly buy permits down to the optimum number in one attempt;
- **Then** assess earnings of those who have chosen to remain in the now (presumably) more lucrative fishery to pay back the loan over time until the obligation is repaid.

**Before the
Alaska State House
Finance Committee**

Legislative Hearing on S. B. 315

Central Council Tlingit Haida Indian Tribes of Alaska



**Opposition Comment to S.B. 315
Permit-Buy backs**

**Statement of
Don Bremner, Staff
Central Council Business and Economic Development
April 28, 2004**

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- 4. Opposition to Permit-buy backs and proposal sent
to Senator Kim Elton- April 20, 2004**

1.

Alaska Salmon Task Force Issues and Process

Analysis and Recommendations

By: Gordon Jackson, Manager Business and Economic Development

&

Don Bremner,
Staff Fisheries Assistant

10/11/02

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**Joint Legislative Salmon Task Force
&
Resolution**

1. RESOLUTION ADDRESSES

- a. Global Salmon Market Changes
- b. Farmed Salmon Market Imports
- c. Harvesters without Markets
- d. Closed Processors and Lack of Loans

2. RESOLVED TO

- a. Address elements of the crisis in the Alaska Salmon Industry that can be solved through action on the part of the Industry.
- b. Develop a *long-term vision* for the Alaska Salmon Industry as a critical element of the State's economic future.

3. STATE TASK FORCE DUTIES

- a. State assistance to help industry adapt to changing economics in most efficient and effective way possible.
- b. Recommend public policy options regarding communities affected by the salmon industry.
- c. Find areas of potential improvement to the seafood transportation Infrastructure.
- d. Recommend improvements for the coordination of harvesting, processing, and marketing of wild Alaska salmon.
- e. Encourage development of new product forms.
- f. Investigate feasibility of regional and statewide cooperatives for fishing, marketing, and transportation for Alaska wild salmon and products.

3. STATE TASK FORCE DUTIES (Cont'd)

- g. Improve marketing of Alaska wild salmon and ensure distinction of Alaska wild salmon from farmed salmon.
- h. Research methods to improve the quality of Alaska salmon products.
- i. Encourage Alaska hatcheries to tailor their programs to market dynamics and provide maximum possible percentages of their production to common property fisheries.
- j. Contracting and cooperating with appropriate private and public agencies in order to provide sound economic social and environmental data to the decision-making process.
- k. Contracting for research, consultants, and staff.
- l. Benefit and costs commensurate with state funding.
- m. Reviewing previous salmon summits and incorporating data in report.
- n. Exploring the potential of regional solutions and not just statewide results.

4. FURTHER RESOLVED

- a. **That, the Task Force shall develop a long-term vision for the Alaska Salmon Industry as a critical element of the State economic Future.**

T & HCC COMMENT ON RESOLUTION

The Alaska legislators have made a firm statement to take action to guarantee that the Alaska salmon industry continues to be an economic element of Alaska's economy.

The legislators first cited a number of factors that have added to the economic decline of the wild salmon industry in Alaska and gave direction on how the State may assist in developing a long term vision for developing successful economic programs for Alaska's wild salmon industry.

The resolution and factors cited regarding the decline of Alaska wild salmon in the market, and recommended action are only the beginning of our determination to counterattack our wild salmon competitors in the world food market.

The resolution is the first step in a long process of reclaiming our Historical Share of the world salmon markets. The resolution and recommended actions are only the "*thought stage*" or "*concept stage*" of addressing the sale of Alaska wild salmon.

LEGISLATIVE SALMON TASK FORCE SUBCOMMITTEES

T&HCC views the subcommittees as only one of many participants in the process of working towards establishing a long term vision for the Alaska wild salmon industry.

- The job of the subcommittees is to take the first step in a long process of directing a plan that will ensure the future of a sustainable fishing economy in Alaska.
- The subcommittees should be directing research that covers the historical trends of fishermen, communities, and processors that survive from commercial fishing economies, including the State role in marketing and economics of the salmon industry.
- Once the State has the historical data we can have economists assess the data and compile economic and econometric models, trends, and assist with forecasting trends based upon our agreed upon goals.

T&HCC Analysis of the Wild Salmon Industry in the World Markets

IT'S ALL ABOUT PRICES

- Prices of product are the only clear factors that we can measure in terms of impacts and lifestyle changes in the commercial fishing industry.
- Prices are attached to all participants of the Alaska wild salmon industry from fishermen to consumer.
- Prices mean food, clothing, fuel, shelter, transportation, medical, and disposable income for savings, travel, and entertainment.
- Prices mean ex-vessel prices of Alaska wild salmon caught by the fishermen and women of Alaska.
- T &HCC has recommended to the marketing subcommittee to set goals for achieving minimum average prices for all species of wild salmon in Southeast Alaska.

Who and What is a Commercial Fishermen or Women?

It may seem elementary to ask the question, but, it is the position of T &HCC that we are representing real people that live in our communities. They have families, children that attend our schools and are community and organizational leaders. They are our grandparents, parents, aunts and uncles, which have made and continue to make a living from commercial fishing. Many of them are also friends that live in other states.

The real issue is about prices, but, the beneficiaries are real people that live in our communities. We need to ask throughout this process what do real people and fishermen need?

- Access to sustained yield fishery openings compatible to wild salmon markets.
- Immediate and consistent access to markets for point of sale directly or indirectly. This means a steady buyer of salmon products.

- Recipients of minimum and stable fish prices as recommended to the marketing committee. These are minimum average prices for all species of Alaska wild salmon.
- Access to consistent and stable financial resources for start-up, maintenance, and operations of fishing permits.
- Operate within fair and consistent fishing regulatory systems, rules, and policy
- Be recognized as an important factor in the commercial fishing industry in Alaska, U.S. and foreign markets.
- Be recognized as an important party to be at the center of planning when the State and federal governments plan for fisheries policy, financial programs, and regulations.
- Recognized as people making a living that is affected by State, Federal, and International economies and subject to all of the factors that regulate and affect their success or failure.
- All of these factors support making Ex-vessel prices to fishermen our number one priority.

Salmon Processors

Salmon processors in Alaska are companies that receive, buy, process, and resell salmon. This is a simple version of what the processors actually accomplish as fish buyers in our communities.

Processors are a combination of off-shore, land based, and air transport systems. Off shore today is most likely a fish buying station or partial processor. A land based processing plant is an extensive system of processing machinery used to convert raw salmon product to open market specifications. Most processing plants are near airports where chartered space can be purchased to get product to fresh fish markets.

Fish processors attempt to buy fish from fishermen at the lowest prices, convert raw salmon and other seafood at the least cost, and sell in the open market at the highest price. Fish processors have certain needs in order to operate in Alaska and succeed in the fish business.

- For salmon processors it's all about profit and profit margins.
- Access to a stable and quality product from fishermen.
- Ability to operate in communities and State waters in a consistent and fair environment.
- Access to economical and stable water, sewer, power, and fuel systems.
- Access to a stable and reliable labor market.
- Access to operating loans, funds, or programs.
- Access to open markets to sell their finished product.

- Processors succeed only when they are able to buy products at a low price, process with least costs, and sell high in order to achieve their required profits and profit margins.

This means we should also be working to ensure Alaskan Salmon and Seafood processors are able to make a profit. It is important that they continue to market wild salmon so our product is not replaced by alternative products.

Distribution Channels to Salmon Markets

From experience and published materials we know all past and current National and International markets for our wild salmon products. **What we have not addressed in depth or detail are the distribution Channels to the market.** The distribution channels are business systems that handle the product while enroute to the market and final consumers.

There are short channels from fishermen to retailer and consumer, and there are many multilayered long channels. Depending upon the product and level of conversion the long channel may go from a processor to direct export; processor to an agent; processor by-pass direct to a wholesaler; wholesaler to retailer; or from an agent to a retailer or smoker, and all finally to an end consumer.

Canner distribution systems follow a similar system. The canned product follows either a short or long channel. The short route means the canned product goes direct to multiple food retailers on to final consumers. Another route in this channel is direct from canners to export.

The long channel may include paks to agent/brokers; or to wholesalers who sell to retailers and on to final consumers.

International Distribution Channels

Our salmon products have competition in the U.S. and foreign markets. Shipping to foreign markets means operating within an export system that costs money. There are export costs to shipping to these markets that add to the price of the product. By having competition in foreign markets means two things;

- Our products must meet the price of the lowest competitive products
- Or, be lower in price in order to gain market share

The final demand for our products will be set by the Per capita income of the consumer and their ability to pay.

Once the salmon product is committed to a foreign market the distribution system is similar to what takes place in the U.S. market system. There are short and long channels to the final consumer. On a short channel the product may go direct from International agents to retailers and on to final consumers. The long channel may go to agents and importer/wholesalers to local wholesalers or direct to retailers and smokers, and finally all to end consumers.

What are some of the things we need to know about distribution channels that can help the economic future of the Alaska salmon industry?

- That it is a very competitive market in the distribution channels.
- To stay alive in the channel requires quality and competitive products in terms of price and consistent supply.
- Those distributors in the channel have a stake in not only receiving a quality product, but, in promoting advertising and marketing of a product that is in demand.
- Distributors need quality, low priced, and a consistent supply of products in order to compete with the lowest price product in the market. This is especially true due to the substitute nature of wild salmon/farmed salmon in the market.
- Forward and on demand ordering is important to the distribution channels.
- Marketing salmon within existing distribution systems is a volatile business and changing consumer demand is directly felt by final distributors.

What can we do to help Improve Distribution Channels?

- Work with the State Fish & Game managers to have fisheries openings and regulations that help produce consistent, timely, and quality raw fish products.
- Work with fishermen and processors to ensure harvested wild salmon meets high standards of care, handling, and preservation.
- Work with processors to modernize, upgrade, and diversify their manufacturing equipment to accommodate specific markets and distribution channels.
- Have fishermen and processors participate jointly with advertising, promotions, and marketing partnerships with members of the distribution channels.
- We know that salmon consumers demand a common and consistent value to their product and this especially means fair prices that suppliers need to accommodate in order to compete.
- From fishermen to consumer in any market there needs to be consistent and stable price information. There should be a price information network within the Alaska salmon industry that the consumer can access on a year-round basis. If this is not available there will always be a gap between advertised value of salmon and reality of which consumers will accept.

Alaskan Fisheries Dependent Communities

Above all else, we need to emphasize that there are real communities in Alaska that depend on the successful commercial fishing industry economy. In every region of Alaska there are communities whose governments, schools, and organizations that depend upon successful fishermen, and processors to operate within their communities.

Fishermen and processors provide money and jobs to the economy. The money circulated in each community benefits schools, nonprofit organizations, stores, and many of the needed service organizations in each community. This includes water, sewer, power, police protection, and transportation.

The fishermen and processor dollars spent in each community is significant enough to warrant State and Federal participation in addressing the economics of the salmon industry in Alaska.

Fisheries Economics

One thing we can all agree on is that our raw fish products, fishermen, processors, distribution channels, and communities do not operate in an economic vacuum. All of these entities operate in an economic environment where theories of money, finances, and economics have real applicability. There is annual State of the Economy conditions that have been documented by the State of Alaska and national organizations that we should be using to assist in our research and marketing efforts on a yearly basis. These economic systems show market conditions from fishermen to consumer and show the economic conditions that favor our salmon products.

Our Recommendations

- I & HCC recommends there be a thorough historical economic and financial analysis of the salmon industry from 1970- to date.
- The analysis will show the State of the Economy and trends at every level from fishermen to consumer in all of our wild salmon markets.
- The economic and financial analysis will show the ideal economic environments based upon real data
- The information will show when, how, and why our salmon was replaced in all of our markets, and how we allowed competitors of our wild salmon products to take the lead.

We Have Only Two Options

We have only two options for final action regarding the sale of our wild salmon.

- We can work to reduce the world supply of salmon to increase overall demand
- Or, we can expand demand for all salmon products in all markets

HOW

We all have to understand that in order to expand the demand for Alaska wild salmon we need to accent the fact that there are substitutes for our products that can be ordered directly by retailers on demand or with forward ordering. This includes setting quantity,

quality, and size specifications. This is a current practice in all retail and wholesale markets and will continue into the future at larger and more efficient scales.

- To counter this trend we need a system of long term prices from fishermen to final consumer in all of our markets. The way to accomplish this is by agreeing on the use of and setting (10) year average ex-vessel prices.
- Processors need to modernize and streamline their systems to specific markets. To accomplish these processors need to maintain a level of effectiveness and efficiency to a level of cost per unit of operation that is standard Statewide.
- Final consumers are demanding shorter distribution channels with a variety of quality value-added products. In order to succeed with consumers it will need to be quality and efficient process.

What does this mean to our Distribution Channels?

This is an important time for our distribution channels. Fishermen and processors need to partner in deciding on the long term affects and benefits of using short or long channels. At face value, using short channels that get the product into homes of consumers offers opportunities for cost savings and a diverse product.

Fishermen and processors need to have a say in the purpose and type of marketing, advertising, promotions of Alaska's wild salmon.

Fishermen and processors need to decide if it is their best economic interest of the final consumer to benefit from marketing of generic salmon promotions or brands of Alaska wild salmon.

Benefits of Marketing

The question of marketing benefits is an important factor to fishermen and processors. There are two options of marketing Alaska's wild salmon.

- First, generic marketing will benefit all salmon fishermen in Alaska.
- Marketing strategies like branding can help promote higher value conscious consumers in niche markets.
- The two options raise the question of our overall marketing focus. Should we concentrate on generic markets or niche markets?
- The T &HCC position is that there is value to marketing to high end niche markets, but, not at the expense of surrendering our current market share in existing markets.
- Our position is that the Alaska salmon industry needs to go head-to-head with our competitors in all existing markets. Do we do this with a goal of attempting to achieve the highest prices or market share?

- In the short term fishermen, processors and the distribution channels need to stabilize price.
- In the long term it is their best interest to gain market share.
- We can gain market share in the long term by re-energizing the salmon industry to meet consumer demands in all of our markets. Like other industries there are market disciplines that we need to adopt to become market leaders in the seafood industry.
- Marketing and branding for their own sake may have worked when wild salmon dominated the market, but, now that consumers have substitute products our marketing and branding must be accomplished with goals of controlling target markets in a manner that we can measure success through market share calculations.

The Solution isn't in cutting out Fishermen and Harvesting of Wild Salmon

By now it should be obvious that it is old industry and State politics to say there are too many fishermen chasing too few fish in Alaska as the reason our salmon prices are low and we need to cut out fishermen with buy-out programs, and through the use of other industry cut back schemes. The fact is:

- The State of Alaska and salmon industry has been asleep at the wheel of an outdated salmon industry and it is easier to take the quick way out by pointing blame instead of addressing the industry in a systematic manner that will result in the common good from fishermen to consumer.
- Along with re-engineering the salmon industry to modern consumers we should be doing everything to promote growth and development of the fishery through our salmon enhancement programs. This will allow entry by new fishermen and processors to our communities' economic base and not eliminate them through the Salmon Task Force process.

Conclusion

We have set the ground rules for establishing a Long Term Vision for the Alaska wild salmon industry. We can succeed in regaining our market share of current markets.

- We have strengths that we can use to our advantage.
- We have specific volumes of salmon coming to our beaches every year that we can manage on a sustained yield basis and enhance with applicable salmon enhancement programs.
- We have existing fisheries regulations that can be reviewed to improve our salmon markets.
- We have fishermen with experience in making a living from our fisheries resources.

- We have processors with existing assets that can be modernized to accommodate 21st century consumers.
- We have distribution channels that are familiar with our wild salmon products.
- We have consumers that are familiar with the high value of our salmon products.

Our Weaknesses

We have a number of weaknesses in the salmon industry that can be addressed:

- Overall the one weakness is an outdated salmon industry system from fishermen to consumer.
- Through many of the suggestions and comments from others we can turn this industry around to a level of competitiveness where we have a share of the world salmon markets that will support a sustained fishery in Alaska.

Threats to our Salmon Industry

There are a number of threats to our wild salmon products that we need to address;

- Farmed salmon growth and development can be forecasted and matched with wild salmon products.
- Substitute products need to be matched head on in markets where we are challenged.
- Self-complacency and lack of vigilance in implementing necessary changes in the Alaska salmon industry to meet consumer demands in all markets.
- The largest threat to the Alaska salmon industry is biotechnology and authorized production of genetically engineered salmon that can be grown at an accelerated rate.
- Biotechnology is prone to use by the farmed salmon industry and should be addressed by the fishing industry in Alaska and by the Salmon Task Force. No genetically produced food products should be allowed in Alaskan markets.

We believe that the comments and recommendations in this document warrant action by the Alaska Salmon Task Force. With these and similar recommendations from other parties in the industry it is obvious this current Task Force can only be the first step in an ongoing process. The State and Industry will need to adopt permanent systems and organizations to address the modernization of our wild salmon industry.

We can recapture our wild salmon markets and develop plans to sustain our market shares. Our goal should be to have these systems in place by a given date and always operating to keep ahead of the consumer demands of the day in all of our markets.

2.

Central Council
Tlingit and Haida



Indian Tribes of Alaska

CENTRAL COUNCIL
Tlingit and Haida Indian Tribes of Alaska
ANDREW P. HOPE BUILDING
320 West Willoughby Avenue • Suite 300
Juneau, Alaska 99801-1726

Jan 15, 2003

Senator Ben Stevens
State Capitol, Room 119
Juneau, AK 99801-1182

Re: Legislative Salmon Task Force Recommendations

Dear Senator Stevens:

We wanted to take a minute to submit our Analysis and Recommendations regarding the recent Legislative Salmon Task Force Recommendations. You will see from the attached summary document that our research shows that the Salmon Task Force Recommendations fall short in numerous areas. The commercial fishery statistics show a number of things;

- That the Alaska salmon industry is not overcapitalized as defined by national programs which manage fisheries. Overcapitalized means, "too many fishermen, spending too much money, chasing too few fish." This is not the case in Alaska; we have an over-supply and marketing situation.
- That the salmon industry is very healthy and already managed by "Limited Rights systems" via Limited Entry Programs. Statistics show a decline in value and permits in rural Alaska that can be stabilized and enhanced with Salmon Community Development Quota programs, not buy-backs, permit-stacking, and fractionalized permits.
- The facts show that the Alaska Seafood Marketing Institute has National and International marketing experience and can successfully take on a greater role of advertising and marketing, with more funds and structure changes.
- Most importantly, the villages of S.E. Alaska and other coastal village's economy are highly dependent upon having a healthy fishing industry. The State should be looking at ways to **Add-back** permits to the S.E. Alaska villages under a CDQ system.

We appreciate the time you and the Task Force take to consider backing away from the recommendations that continue to reduce and take away from village economies and fishermen, and focus on ways to add-back and enhance the fisheries in our S.E. Alaska communities.

If you have any questions please call me at 463-7121 or e-mail gjackson@ccthita.org and I will be available to arrange a meeting or conference with you or your staff.

Sincerely,

Gordon Jackson, Manager
Business & Economic Development

Attach/ Summary of CCTHITA Task Force Analysis and Comment

Cc/ Honorable Governor Frank Murkowski, State of Alaska
Honorable Senator Ted Stevens, State of Alaska
Honorable Senator Lisa Murkowski, State of Alaska
Honorable Representative Don Young, State of Alaska
Legislative Salmon Task Force Committee members
Mr. Edward K. Thomas, President, CCTHITA
S.E. Alaska Mayors
S.E. Alaska Inter-Tribal Fish & Wildlife Commission
CCTHITA Delegates
S.E. Alaska Village Corporations
S.E. Alaska Tribal Organizations
Sealaska Corporation
T&H Housing Authority
T&H Electrical Authority
SEARHC

3.

Central Council
Tlingit and Haida



Indian Tribes of Alaska

CENTRAL COUNCIL
tlingit and haida indian tribes of alaska
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320 West Willoughby Avenue • Suite 300
Juneau, Alaska 99801-1726

Oct 22, 2003

Senator Ben Stevens
State Capitol, Room 119
Juneau, AK 99801-1182

RE: Legislative Salmon Task Force Fishing Permit Proposals for Southeast Alaska

Dear Senator Stevens;

As you know the Central Council Business and Economic Development Department has been participating extensively through out the past 26 years in trying to help maintain the rural Southeast Alaska commercial fisheries economy. Commercial fishing is really the safety net economy that provides an income base for the village governments; jobs and income for residents. Commercial fishing in our Southeast villages is still the major source of economy to help reduce unemployment and the poverty rate in many of our villages such as Angoon; Craig; Kake; Klawock; Klukwan; Haines; Hoonah; Hydaburg; Pelican; Klawock; Wrangell and Yakutat. Commercial fishing is still a way of life for residents of these communities and our focus should be on stabilizing current commercial infrastructure in these communities, not working to eliminate them.

There are a number of issues and legislative bills which your task force is considering that we would like to address with you. We have submitted similar comments in the past and feel that this is so important that we offer the suggestions again;

1. The Bill which calls for buybacks and cutbacks on limited entry commercial fishing permits is not an acceptable legal and economic option for our rural Southeast Alaska villages.
2. In reviewing the commercial fishing limited entry program since 1974 to 2002 every major fishery such as the Yakutat set-net; S.E. Purse Seine; Salmon drift net; hand troll permits; and Salmon power troll has lost permits. In each fishery the residents of Alaska have lost more permits than non-residents, and in the area of hand troll permits there was a 60% increase in non-resident permits. (See Attachment I.)
3. Our research shows that the Legislative Salmon Task Force has not clearly and correctly defined "over-capitalization" of the industry which is being used as justification to support cutback/buyback commercial fishing permits in Alaska. In a simple and traditional sense, "over-capitalization" can be defined as too large of

a commercial fishing industry, spending too much money, catching and processing too few fish in a demand market.

4. Our research shows the opposite of "over-capitalization" taking place in Alaska. Overall, we have a smaller commercial fishing industry catching and processing more fish or an equal number of fish poundage since 1989 when all fisheries showed large increases in total catch. (See Attachment II.)
5. Our research shows that even during high average per unit earnings of years 1985; 1986; 1988; and 1989 when we had close to the number of 1974 permits fishing for all fisheries, average and below average total pounds landed, average and below average prices per pound fish prices, all four of these years had very high average per unit earnings. (See Attachment II.)
6. What the facts of number five tell us is that there are outside forces which affect the value of our fisheries which we have ignored and they have nothing to do with the number of fishing permits in all of our current Southeast Alaska fisheries.
 - a. The first area is we believe that the State has not focused or invested properly in helping to market our seafood products.
 - b. The second area is that our seafood processors have not kept abreast of market technology and market demands and standards for our products.
 - c. The third area is that we all have not addressed the threat of our competitors in areas of farmed salmon and alternative protein products.
 - d. The final outside area is that we have not learned to work as partners with the marketing channels of our seafood products such as chain stores, and large whole sale stores which are also competing in a competitive on-demand market to survive.

Conclusion:

There are two opportunities that we request that the State pursue;

1. The first area is to assist and protect the current fishermen and fishing infrastructure in the rural communities of S.E. Alaska. This can easily be done by assisting individual fishermen with upgrading their boats and equipment to meet high quality product and safety standards of the seafood industry.
2. We believe that the State can assist rural Alaska fish plants which are State resident corporations, by helping to upgrade their equipment and technology to meet high quality market standards.
3. We believe the opposite of cut backs and buy backs should take place for the rural communities of which we have listed above. Our research has demonstrated that the fisheries can sustain adding back permits to our rural Southeast Alaska villages. We have attached a proposal to add back commercial fishing permits to the rural Southeast Alaska villages and the benefits that will accrue to the affected Southeast villages. (See attachment III.)

If you have questions please contact me at 463-7121 or e-mail, gjackson@ccthita.org

Sincerely,

A handwritten signature in black ink that reads "Gordon Jackson". The signature is written in a cursive style with a horizontal line under the name.

Gordon Jackson, Manager
Business and Economic Development

Cc/ All Alaska Legislators

Honorable Governor Frank Murkowski

Mr. Edward K. Thomas, President, CCTHITA

Mr. Edgar Blatchford, Commissioner DCED

Mr. Greg O'Claray, Commissioner, Labor and Workforce Development

Mr. Kevin Duffy, Commissioner ADF&G

Mayors, Affected Southeast Villages

Attachments/ Supporting Documentation

Attachment I.
Southeast Village Permit Loss Analysis

Type Permit	Year	Total Permits	Total Resident Permits	Total Non-Resident
Yakutat Set Net	1974	253	228	25
Yakutat Set Net	2002	173	131	36
Permit Loss/Gain		-120	-97	11
Percent Loss/Gain		-47%	-43%	44%
S.E. Purse Seine	1974	459	216	243
S.E. Purse Seine	2002	420	183	232
Permit Loss/Gain		-39	-33	-11
Percent Loss/Gain		-8.00%	-15%	-5%
Salmon Drift Net	1974	858	492	363
Salmon Drift Net	2002	483	358	124
Permit Loss/Gain		-375	-134	-239
Percent Loss/Gain		-44%	-27%	-66%
Salmon Hand troll	1974	2,099	2,042	57
Salmon Hand troll	2002	2,163	1,100	148
Permit Loss/Gain		64	-942	91
Percent Loss/Gain		3%	-46%	60%
Salmon Power troll	1974	1537	1,159	378
Salmon Power troll	2002	973	773	192
Permit Loss/Gain		564	386	186
Percent Loss/ Gain		-37%	-33%	-49%

Attachment III.

Community	Add set net	Add hand troll	Add Purse seine	Add Drift net	Add Power troll	Total permit & total average per unit earnings value
Angoon		5	5	5	5	\$1,371,480.00
Craig		5	5	5	5	\$1,371,480.00
Haines		5	5	5	5	\$1,371,480.00
Hoonah		5	5	5	5	\$1,371,480.00
Hydaburg		5	5		5	\$1,077,850.00
Kake		5	5	5	5	\$1,371,480.00
Kasaan		5			5	\$215,150.00
Ketchikan		5	5	5	5	\$1,371,480.00
Klawock		5	5		5	\$1,077,850.00
Klukwan		5	5	5	5	\$1,371,480.00
Petersburg		5	5	5	5	\$1,371,480.00
Saxman		5		5	5	\$508,780.00
Sitka		5	5	5	5	\$1,371,480.00
Skagway		5		5	5	\$508,780.00
Wrangell		5	5	5	5	\$1,371,480.00
Yakutat	5	5			5	\$269,595.00

4.

Central Council
Tlingit and Haida



Indian Tribes of Alaska

CENTRAL COUNCIL
tlingit and haida INDIAN TRIBES of alaska
ANDREW P. HOPE BUILDING
320 West Willoughby Avenue • Suite 300
Juneau, Alaska 99801-1726

April 20, 2004

Senator Kim Elton
State Capitol, Room 115
Juneau, Alaska 99801

Dear Senator Elton:

On behalf of Central Council Tlingit & Haida Indian Tribes of Alaska and our Tribal members we wanted to take this time to submit to you an important opportunity. I recently became aware of the fact that our State legislators were seriously looking at a State Permit Buy-back program. **This is a serious mistake without first doing an intense analysis on how this will affect our rural villages and fishermen.** I am attaching a proposal on how the State and CCTHITA can work together to address the loss of commercial fishing permits among our Tribal members and an outflow of permits from Rural Alaska. This loss and outflow of Native permits has caused serious economic, social, and cultural harm to our people.

Based upon our back ground knowledge of this issue we are submitting a proposal to your office. With this proposal you will see that CCTHITA and the State will complete an Analysis of How the Alaska 1973 Limited Entry Laws has impacted our Native people and villages, and how this State Permit buy-back program can have very negative impacts in rural Alaska. This is an important opportunity for CCTHITA and the State to collaborate on helping our Tribal members and fishermen regain an economic foothold in the area of commercial fisheries in rural Alaska. We hope you are able to help move our proposal through the system and amend State Legislation which does not address our concerns..

We are attaching a copy of our Proposal for your consideration. Please call me at 463-7341 for any additional questions.

Sincerely,

Don Bremner, Staff
Business & Economic Development

Attachment/ CCTHITA Limited Entry and State Permit Buy-back proposal Proposal

Cc/ Senator Ben Stevens, State of Alaska
Gordon Jackson, Manager
Business and Economic Development

**Central Council Tlingit & Haida Indian
Tribes of Alaska**

**How Alaska's Limited Entry Law of 1973
&
The Commercial Fisheries Entry Commission
Limited Entry Programs have harmed the Native
People & Villages of Alaska
&
Proposal to Not Implement any Permit Buy-Back
programs without first working with S.E. Alaska
Villages**

**By: Don Bremner, Staff
Business and Economic Development
April 20, 2004**

Findings:

"In 1973 the Alaska State Legislature enacted Alaska's Limited Entry Law (AS 16.43). The law established the Commercial Fisheries Entry Commission (CFEC) and charged it with administering the new program for regulating entry into the State's commercial fisheries. Limited entry was implemented in most of the State's salmon fisheries in 1974, and by the end of 1998 limited entry permits had been issued in a total of 56 commercial fisheries, 26 salmon fisheries, 16 herring fisheries, 8 crab fisheries, 5 sablefish fisheries, and 1 shrimp fishery." (Executive summary: Changes in the Distribution of Alaska's Commercial Fisheries Entry Permits, 1975-1980)

CCTHITA has heard from Native people, fishermen, businesses, and village governments on how the Limited Entry Laws has negatively affected their lives economically, socially, and culturally. Most recently at economic summits in Angoon, Hoonah, Prince of Wales and at a Salmon Summit in Juneau Native people testified about how the Limited entry Laws caused them and their communities harm. There were numerous testimonies about how the economy, social and cultural life use to be when everyone in the community was able to fish and make a living. There was testimony about the number of fishermen that use to support the village economy prior to the 1973 Limited entry Law. Based upon the claims of economic, social, and cultural harm caused by the Limited Entry program to the Native people, and villages of Alaska CCTHITA is submitting the following proposal:

1. The State develops a partnership with the Central Council Business and Economic Development Department in researching and analyzing the Native claims of harm done by the State Limited Entry Laws and of Buy-back permit programs.
2. Central Council Tlingit & Haida Indian Tribes of Alaska will file for Grant funds to assist the research and analysis.
3. The CCTHITA Business & Economic Development Department will be the lead Department in working State in working with the Native villages, people, and affected businesses in each community.
4. CCTHITA will file official reports with the State of Alaska and to its tribal members on findings of this proposal.
5. The CCTHITA goal will be to have a final report completed within a six month time period from the time grant funds are received.

CCTHITA Grant Implementation Plan:

The final report will be a professional document that will reflect an impact analysis of the village economy, social, and cultural life of the Native people before and after the 1973 Limited entry law was passed, and of any State permit Buy back programs being proposed. To complete this assignment CCTHITA will need and activate the following:

1. Complete and submit a project budget and scope of work document which includes personnel, equipment, travel, recordings, phone, fax, and professional contractors.
2. Work with a professional contractor to complete the analysis and file an official report.

3. The contractor will travel to the affected Southeast Alaska communities of Yakutat, Angoon, Kake, Hoonah, Klawock, Klukwan, Hydaburg, Pelican, Juneau, Sitka, and "spot communities" of the Kodiak and Bristol Bay region.
4. The contractor will hold public meetings in each village, take written and oral testimony, and record interviews with audio and DVD recorders.
5. The contractor will do a complete research and analysis of Alaska Territorial, State, and federal agency documents to show participation of Native fishermen prior to the 1973 Limited Entry Law, and after the law was passed, including estimates of impacts of any current State Proposed Buy-back programs.

A Successful Document will Show:

There are a number of important findings that a successful analysis will achieve:

1. The document will be a testimony of the Native people, villages, and fishermen affected by the Limited Entry Law and Permit buy-back programs.
2. The analysis will show historical affects in the areas of economics, social, and cultural life before and after the Limited Entry law and proposed buy back programs.
3. The analysis will show the need for the State to address the issue in multi-ways such as helping to rebuild the village economies and develop partnerships with the Rural fishermen and Native Tribes of S.E. Alaska to address the findings.
4. The analysis will show the need for the State to address the issue of adding back permits to the affected villages under an agreed upon system in partnership with CCTHITA and other affected Tribes.
5. The analysis will show that what took place in the State Limited Entry Programs of the salmon, crab, herring, sablefish, and shrimp also took place in the halibut industry, and affects of current State and legislative proposed permit buy-back programs.
6. The analysis will show the need for the State of Alaska and Alaska Native tribes to work in partnership to address this valuable economic opportunity for our tribal members, fishermen, and villages.

Fact Sheet for: Senate Bill 315

Short Title: Entry Permit Buy-back Program

Summary:

- Adds language to current CFEC buyback statute to allow other funding sources to “front fund” an approved buyback plan.
- The remaining fishermen in the fishery will repay the “front funding” and reasonable administrative costs through an approved buyback program.
- Examples of “front-fund” sources are: state or federal appropriation or a private sector loan.

Benefits:

- Creates a mechanism for the state to fund and implement a buyback in an efficient manner.
- Provides for an immediate reduction of entry permits to the optimum number.

Background:

- The Joint Legislative Salmon Industry Task Force recommended several changes to existing laws in an attempt to make them achievable for the seafood industry. Senate Bill 315 will make the buyback statutes practicable for fisheries that choose to initiate a buyback plan, program, and fund.



UNITED FISHERMEN OF ALASKA

March 11, 2004

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

Senator Ben Stevens
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau, AK 99801-1182

Dear Senator Stevens,

United Fishermen of Alaska supports SB 315 relating to the administration of commercial fishing entry permit buy-back program. This bill modifies existing law governing buy-back programs by allowing the Commercial Fisheries Entry Commission to "front-fund" a buy-back program if an appropriation were received. The commission would then continue to collect funds through the designated rate of assessment in the buy-back program to repay the indebtedness.

United Fishermen of Alaska represents 32 Alaska Commercial fishing organizations and hundreds of individual fishermen and fishing related businesses, altogether representing over 10,000 Alaska fishermen. We support SB 315 which will make the buy-back statute easier to administer by accepting grants or loans from other sources. Thank you for your time and consideration on this matter.

Sincerely,

Mark Vinsel
Executive Director

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Druggers Association • Alaska Longline Fishermen's Association • Alaska Trollers Association • Armstrong Keta • Alsea Processors Association
Bristol Bay Reserve • Chignik Regional Aquaculture Association • Chignik Seiners Association • Concerned Area "M" Fishermen • Cordova District Fishermen United
Crab Rationalization and Buyback Group • Douglas Island Pink and Chum • Groundfish Forum • Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association
Kodiak Seiners Association • North Pacific Fisheries Association • Northern Pacific Scallop Cooperative • Northern Southeast Regional Aquaculture Association
Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association
Southern Southeast Regional Aquaculture Association

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Salmon Strategy Task Force Recommendations



Walter J. Hickel, Governor
Commissioner Glenn A. Olds, Chair

State of Alaska
Department of Commerce and
Economic Development
Division of Economic Development

JANUARY 24, 1992

INTRODUCTION

Governor Hickel appointed the Salmon Strategy Task Force on August 15, to investigate the reasons for the 1991 salmon crisis and to review options for industry stabilization and recovery.

Alaskans should be proud of the courage of the people and companies that started this industry years ago. The people and lifestyle of the salmon industry are a fundamental part of Alaska's history, culture and way of life.

Alaska has been the world's leading supplier of salmon. The state's salmon industry now faces strong competition from many other sources and its dominant role is threatened. Traditional markets are no longer dependent on Alaska for their needs.

The entire world is producing salmon at a record rate. For many years, Alaska's salmon industry enjoyed a market strategy based on allocating scarce resources among competing customers. In less than a decade the entire system has changed. Now the competition in both traditional and developing markets is intense, and it's likely to stay that way.

In order to compete, and indeed survive in this new environment, it is essential that all participants in the industry recognize and accept the reality of these competitive changes. The industry is facing a crisis of considerable magnitude, requiring decisive short term action and long term action to prevent the crisis from recurring.

The 1991 salmon season has forced us to recognize that the Alaska salmon industry is at a crossroads. As with many other industries in America, we must recognize that traditional business practices are no longer adequate in the face of global competition. Reevaluation and action are required.

The Salmon Strategy Task Force has made several immediate and long-term recommendations which should alleviate the immediate crisis, help stabilize the industry, and plot a course to regain our leadership role in the marketplace.

The effects of the decrease in salmon prices are profound, putting at risk state loan programs, community stability, and tax revenues to all levels of government. The seafood industry is the state's largest private sector employer, with the largest resident private sector payroll. The failure of the state and the industry to take decisive action will result in continued weakness in this economic sector and put increased demands and safety net programs.

These will not necessarily be easy changes to make. It will take a substantial commitment of time, hard work, and money. We ask that the Administration, the entire salmon industry and the Legislature work together to support the implementation of these recommendations.

Charge to the Task Force

Governor Hickel's charge was to develop a strategy to generate maximum economic return to Alaska fishermen, processors, and the state as a whole, consistent with wise use and conservation of the resource. The Task Force is to make specific recommendations to the seafood industry, the Administration and the Legislature.

The group was to focus on methods to maintain existing markets, develop alternative markets and product forms, promote secondary processing, develop necessary infrastructure, coordinate production and marketing strategies, improve salmon quality control, optimize fish tax policies and improve fish harvesting and processing efficiency. The Task Force also delineated existing salmon markets and collected and distributed information to assist fishermen and processing companies in reaching agreement.

Conditions requiring study

The major factors distressing the industry are greatly increased competition, high inventory levels, low prices, and projections of continuing high production levels. The runup in prices 1986-1988 followed by declining prices since have left many fishermen with debt loads they cannot support. The declining markets have hurt processors, exporters, and end users holding product in a declining market as well. These factors led to serious price disputes and charges of price fixing in some quarters as the 1991 season developed.

The market outlook for the 1992 season may improve somewhat for sockeye, but extremely high inventory levels remain for pinks. These species represent the vast majority of Alaska production value and volume. The early, very tentative prognosis from Fish and Game is for another big production year.

Inventory of issues

An initial questionnaire went out to 350 recipients of the Alaska Fish and Game weekly catch reports in mid July. This was followed by a second mailing of 125 in late July that added all Alaskan salmon fishing organizations, processors and legislators. The mailing solicited opinion on the issues the Task Force should address. Some 70 responses (a 15% response rate) were received. Staff collated the responses and summarized them. These responses were then categorized under nine headings for presentation to the Task Force.

Selection of Task Force

The Governor announced the membership of the Task Force on August 15. It includes broad representation from the salmon industry, appropriate state agencies, and the general public. The group provides a good cross section of the industry and policy makers in state government, while main-

taining reasonable geographic balance and a practical size. The members are:

Honorable Richard Eliason of Sitka,
President of the Alaska Senate,
and a Southeast Alaska fisher;
Honorable Fred Zharoff of Kodiak,
Chairman of the Alaska Senate Rules
Committee and a Bristol Bay fisher;
Honorable Eugene Kubina* of Valdez,
Chairman of the House State Affairs
Committee;
Commissioner Glenn Olds,
Alaska Department of Commerce and
Economic Development;
Commissioner Carl Rosier*,
Alaska Department of Fish and Game;
Mr. Ed Crane*,
President of the Alaska Commercial
Fishing and Agriculture Bank;
Dr. Jerome Komisar,
President, University of Alaska;
Mr. Richard Lauber,
Vice President, Pacific Seafood
Processors Association;
Ms. Hazel Nelson*,
President, Becharof Corporation,
and Bristol Bay fisher;
Mr. Greg Seider*,
Executive Director, United Fishermen of
Alaska;
Ms. Sandra Tavanis*,
Co-owner, Sea Hawk Seafoods, Valdez;
Mr. Bob Van Brocklin,
Prince William Sound Aquaculture
Corporation; and
Mr. Robert Waldrop,
President of the Board, Alaska Seafood
Marketing Institute, and Vice President,
Silver Lining Seafoods, Ketchikan.

* Editorial Committee

Calendar of work

The Task Force met four times, August 29, October 7, November 1, and November 22. Agendas and summaries of the meeting minutes are contained in appendices to the full report.

At the first meeting, the Task Force selected which of the issues raised in the extensive mail-out solicitation to pursue. Five of the original nine survived; product and market development, reducing costs of production, getting reliable information, improving quality, and marketing salmon and ASMI's role. It also became clear there were several myths at work clouding the issues. Staff reworked the five issues passed by the Task Force in the first meeting into problem statements before the second meeting.

The second meeting started with presentations on various myths, including "everyone's making money but me," "it's all just a Japanese conspiracy," and "we should stick to business as usual, the customer just thinks they want something different.". The Japanese market, salmon prices, margins and costs at various points in the industry, and ASMI's mission were discussed. The Task Force made changes to the problem statements and staff followed up the second meeting with extensive interviews of Task Force members and other experts to lay out the facts and options available to address the problems. A sixth problem was isolated and addressed in this process, the need for strategic planning. The persons interviewed, the questions asked and the options identified are in the full report appendix.

The third meeting started with presentations of the interview results and options gathered. The interview results form the main body of the full report. The Task Force then ranked the options available at that time. Some options were dropped. Staff reworked the options into general, specific, and detailed lists, and prepared a draft outline for the report.

The fourth meeting consisted of preparing some new recommendations for immediate action, and reworking the options that passed muster at the third meeting into the recommendations that follow. Some items were dropped. An editorial committee was appointed to oversee production of the report (see footnote above), and a schedule established for completion of the report.

Recommendations

The Task Force recommendations take into account budget cycles and priorities. In many cases requiring state agency action, existing budgets are not adequate to perform the recommendations. Additional funding will be required, not reprogramming of existing budgets. The Task Force expects the relevant agencies to prepare the necessary budget information, and respectfully requests full and favorable consideration by the Administration and Legislature.

RECOMMENDATIONS FOR DEALING WITH THE IMMEDIATE CRISIS

1. The Alaska Seafood Marketing Institute (ASMI) should develop a budget for immediate funding to deal with the existing inventory surplus before the 1992 season and projected 1992 production. This must be implemented as soon as possible¹.
2. Processors and fishermen should initiate market discussions early. The Task Force recognizes that the market situation will be uncertain at that time, and that the risk involved will lead to low price suggestions from processors, but recommends early discussions to provide maximum information sharing and opportunity to reach agreement. The Department of Labor (DOL) should be prepared to bring in knowledgeable mediators if necessary.
3. The University of Alaska (U of A), Commerce and Economic Development (DCED), and Fish and Game (ADF&G), should initiate and/or support efforts to expose the broadest possible range of Alaska fishermen to credible and detailed information about recent and ongoing changes, including problems and opportunities, in the world markets for salmon.³
4. The DCED Division of Economic Development should review the processing capacity situation in Prince William Sound, taking into account the outcome of the 1991 season, and make preliminary findings available to the Governor (and the industry) as early as is practicable. The Task Force recognizes that the capacity problems that developed in Prince William Sound were the result of the fishery being late and very concentrated, and the fish being relatively dark and small.⁴
5. The DCED Division of Investments and Alaska Commercial Fishing and Agriculture Bank (CFAB) recognize the crisis caused by low prices and the effect this has on loan payments. The Task Force encourages them to actively seek out fishermen having problems and work with them on loan extensions and other measures to minimize foreclosures.⁵

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1. The immediate ASMI program should be geared to long-term domestic market growth. The Governor could include this amount in his budget request, including a request for exemption from procurement codes for this emergency funding. The Legislature could pass this supplemental funding out as soon as possible in the session. ASMI could reprogram funds to initiate the campaign as soon as possible, prior to release of the funds, consistent with prudent financial management.
 3. Provide reasonably detailed but clearly written information on prices and markets for salmon for widespread distribution in the spring of 1992 and thereafter. The information could be updated in season. A goal should be to establish a clearer understanding of the effects of market conditions and dynamics on prices.
 4. DCED could prepare a supplemental budget to cover the costs of doing the necessary surveys for the PWS capacity determination.
 5. Reinstatement of state funding for the ABDC (Alaska Business Development Centers) program of outreach and business assistance in rural areas has been identified as an important component in dealing with financial hardship. This organization provides one-on-one assistance with loan workouts and dealing with the IRS that is not available elsewhere.

MID-RANGE RECOMMENDATIONS

General

1. The DCED, ADF&G, and Department of Labor (DOL) should consider promoting a closer and more trusting relationship among the interests involved in the issues concerning Alaska's salmon industry. This effort should be closely coordinated with other ongoing educational and consensus building efforts.¹

Product and Market Development

2. The Alaska Science and Technology Foundation (in fisheries area), and the U of A's Fisheries Industrial Technology Center, and Marine Advisory Program should be encouraged to expand their efforts in salmon product and market development and to coordinate their efforts in providing technical assistance and research and development in salmon products through the Alaska Fisheries Development Foundation (AFDF).²
3. The DCED's ability to provide international marketing information and sales assistance should be expanded. The Department's Division of Economic Development and Office of International Trade should work closely with ASMI and the Alaska Center for International Business (ACIB) to reduce risk and costs to the private sector.³
4. The DCED, ASMI and the Marine Advisory Program's ability to assist domestic marketing should be expanded. The Department's Division of Economic Development work closely with ASMI to reduce risk and costs to the private sector.⁴

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1. In the consensus building efforts, the agencies could organize forums and/or participate in existing trade shows and conferences. The issues examined by the Salmon Strategy Task Force could be presented and discussed with the objective of developing a consensus about the direction the state should take in the future regarding the harvesting, management, promotion and marketing of Alaska's salmon.
 2. AFDF has in place a proven industry board and ability to perform, but will require administrative funding to continue operations. Salmon industry representation on their board should be expanded.
 3. Specific projects could include:
 - Work to reduce tariff barriers for Alaska seafood products overseas.
 - Encouragement to foreign processors to purchase or joint venture value-added production in Alaska.
 - Continuing investigation of new markets for salmon overseas where disposable income is high enough, and seafood is commonly eaten.
 4. These entities could reduce risk and costs to the private sector of expanding domestic markets through:
 - Working with food service entities in Alaska and other states to promote sales and distribution of Alaska salmon products.
 - Providing start-up technical assistance to new ventures.

Quality

5. The Department of Fish and Game should reexamine management practices with the goal of obtaining the highest quality pack possible without harming the stocks.⁵
6. The Department of Fish and Game should conduct a comprehensive study in Southeast Alaska and Prince William Sound, with the cooperation of fishermen and processors, to determine the degree of risk managers should take in managing for economic efficiency and fish quality. The goal would be to identify the optimum locations for harvest.⁶
7. Industry and the Department of Fish and Game should cooperate on a program to educate fisheries managers, fishermen and industry operators on the physiological changes that occur in salmon (and hence its marketability) to encourage management that provides for the optimum use of the resource.⁷
8. Hatcheries should conduct research to determine the cause for variations in sexual maturity and other quality factors for stocks returning to hatcheries. Based on the research, hatcheries should modify their stocks and practices to optimize quality.

Marketing and ASMI's Role

9. ASMI, the FITC and the Marine Advisory Program (U of A) should expand educational programs on fish handling, cleaning, chilling, and processing for virtually all parts of the industry. Such efforts should focus on providing hands-on training from the fishing boat to the market, and on meeting the needs of the consumer for quality seafood. The effects of quality handling on the ability to market the end product should be emphasized.

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5. The reexamination of management practices could include changes in the length of openings and the timing of fisheries to optimize salmon quality. The Task Force recognizes that Fish and Game may need statutory and regulatory changes to incorporate such considerations in management decisions.
 6. A controlled set of experiments to determine the optimum points of harvest for top quality could include:
 - a. testing the condition of fish to determine rates of deterioration in terminal harvest and outer areas, throughout the duration of the run; and
 - b. identifying the optimum location which will provide the highest quality of salmon with an acceptable risk to the wild stocks.
 7. A study to examine the effects of sexual maturity on finished product quality could include the following:
 - a. samples in each of the categories in ASMI's Color Guide and hatchery broodstock would be collected;
 - b. portions of each category would be processed at least as headed and gutted, filleted and canned products; and
 - c. the end products would then be used in a workshop setting to educate managers on the various aspects of salmon quality.

The Task Force recognizes that a similar program budgeted at \$25,000 was considered and set aside by the ASMI board, and that it may be possible to achieve the same ends using commercially-processed products. ADF&G should prepare a budget item if necessary.

10. The Department of Commerce and Economic Development should initiate and/or encourage efforts to expose all salmon fishermen to organized, accurate and credible data concerning the salmon industry and markets in sufficient form and detail to permit fishermen's consideration of a national salmon marketing council chartered by the U. S. Secretary of Commerce under the Federal Fish and Seafood Promotion Act of 1986.¹⁰

LONG-TERM RECOMMENDATIONS

GENERAL GOAL

The state needs to develop a strategic plan for long term development of the salmon (seafood) resource, using recommendations of this task force as a starting point. This should focus on strengthening the support structure and sustainability of the industry. The goal would be a more rational and efficient system which is less vulnerable to market, production, and financial fluctuations. This would ensure an integrated and uniform state approach to the fishing industry.

OBJECTIVES:

- review and evaluate the institutions and relationships developed in the industry with an eye toward improving competitiveness and economic return to Alaska residents.
- bring together agencies and functions to affect a rational, consistent and sustainable program linking production, harvesting, processing, marketing and financing.
- determine the proper roles for the public and private components of the industry, integrating regulatory and developmental activities.

ACTION ITEMS

General

1. The Department of Commerce and Economic Development, in cooperation with other state agencies and the salmon industry, should organize a group with broad experience and understanding, in aggregate, of food and commodities industries, to:

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10. The Federal Fish and Seafood Promotion Act of 1986 provides that species-specific councils (roughly parallel to the National Beef Council, etc.) may be formed only after a rigorous referendum process which must include all salmon harvesters and all primary processors or harvest purchasers and may include other industry participants. If properly organized and chartered, a "National Salmon Council" would have the power to assess the industry participants for funds to be used for salmon promotion and marketing, product research, consumer education, etc. It would also have the power to develop and offer, for Department of Commerce and Economic Development approval, salmon quality standards.

- a. review the functional and procedural workings of the Alaska seafood industry;
- b. identify areas of inefficiency, counter-productivity and resource waste.
- c. review and evaluate research and development capabilities.
- d. recommend what state resources, including statutes, regulations, prestige, etc., can and should be applied to address those areas.

Fish Production

2. DCED, ADF&G, and ASMI should develop an integrated production and marketing strategy, which would:
 - a. recognize marketability of the fish as an important management goal.
 - b. recognize that price will be set by overall supply and demand, including the production of farmed salmon.
 - c. coordinate production with wider economic goals, including processing, product development, and markets, based on dependable information and planning.
 - d. better coordinate wild and hatchery production, regionally and by species and market.

Harvesting/Processing

3. The Commercial Fisheries Entry Commission, DCED, and DF&G, should develop fishery management and regulatory measures aimed at reducing operating costs, more efficiently utilizing present investments, and promoting a rational sustainable industry. Investigate ways to retain permits in Alaska and rural areas in particular, provide greater stability and enhanced revenues to resident fishermen, and increased shoreside investment consistent with sound financial standards, through:
 - a. reexamination of loan policies and permit use limitations.
 - b. reexamination of Alaska's limited entry system.
4. To widen options for Alaskan fishermen, DCED, in cooperation with other state agencies and the industry should consider promoting Alaskan controlled joint venture processing developments linking present investors and industry participants with new technologies and capital, and Pacific Rim and lower 48 markets. Give special attention to rural communities dependent on the salmon resource, smaller plants, local consumption and market needs, infrastructure needs, and current economic development plans.

Marketing

5. DCED should contract a major marketing research firm with proven credentials in food marketing to develop and analyze the "facts" related to salmon market trends, opportunities and weaknesses in major and potential markets. The group should also evaluate the state and industry's marketing efforts, including consideration of changes in the ASMI statute or operations, to permit, if possible, a more effective approach to marketing Alaska seafood.³
6. The Governor and Legislature should consider funding ASMI's \$10 million per year proposal for an intensive 5 year domestic marketing campaign. The goal is to raise domestic consumption of salmon from 1 to 1.5 pounds per person annually.
7. DCED, in cooperation with ASMI and DEC, should conduct a study to find the most cost effective ways to improve consumer confidence in Alaska seafood products. The Task Force recognizes that the entire seafood industry must improve the inherent quality of the salmon it processes, the freshness and workmanship of the product, and the consistency of grading to remain competitive, particularly when competing with farmed salmon.⁷

Finance/Other

8. DCED, in cooperation with other agencies and the industry, should readdress the issue of infrastructure including but not limited to improving quality, providing cold storage capacity, and promoting value added production.
9. OMB, in cooperation with state agencies and the industry, should reexamine the policy and implementation of fisheries taxes, including the corporate income and marine fuels taxes. The State must first decide what it wishes to accomplish by taxation. While this is nominally raising revenues, any tax distorts the market in some way, and a review of the current tax structure and various proposed alternatives is in order. Of particular interest is whether targeted tax credits for research and development expenditures is feasible.

Reducing Costs and Regulatory Burdens

1. The Departments of Fish and Game and Revenue should consider combining the appropriate processor annual report forms to simplify reporting requirements for the industry. This should be done at an agency level with the agencies sharing information from each form or integrating them, and may require statutory changes.
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5. The efforts should take into account what's already been done (Salmon 2000) and focus on those areas outside ASMI's assigned and traditional role, including new product and market development. The results must be produced in a form which will permit evaluation and initiation of strategies to further enhance and stabilize markets.
 7. A great deal of the input the Task Force received identified the lack of consistency in Alaska salmon products as a major marketing problem. Some Alaska product has been described as "low quality" compared to the competition. As Alaska's products become better identified in the marketplace, the Task Force recognizes that "Alaska brand" seafood must be of "good" quality, and meet the customers' expectations if customer satisfaction is to be achieved and advertising dollars well spent. Exactly how to determine those inherent quality standards, and how to ensure that the customer consistently gets the product they have purchased and expect could not be reconciled. The industry is divided on how large a role the state should play in determining quality, ranging from mandatory grading standards to no standards beyond wholesomeness.