

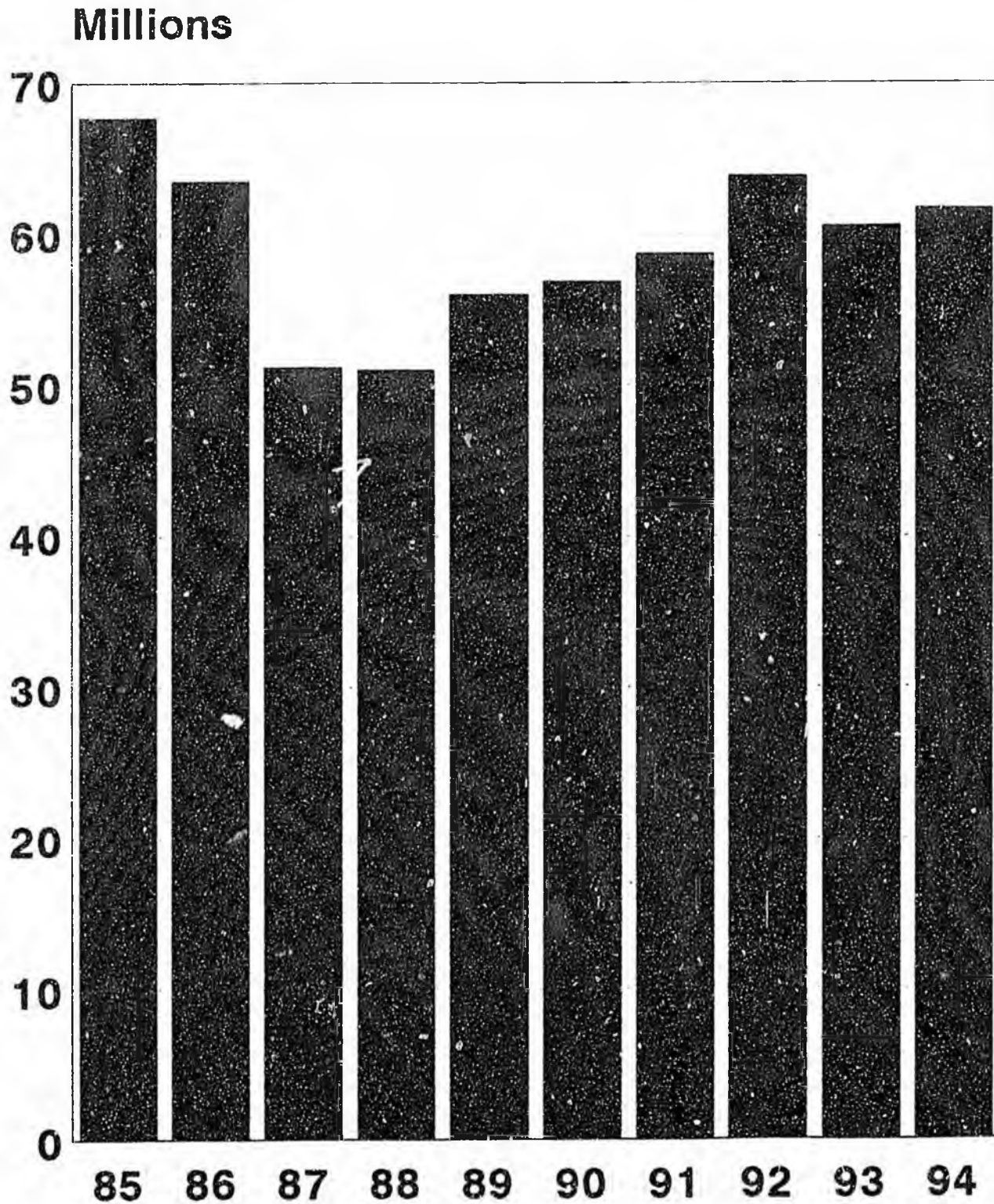
ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8002 HOUSE RESOURCES

267

Department of Fish and Game

State Fund Dollars Only



ALASKA DEPARTMENT OF FISH AND GAME

The administration has identified controlling personal services costs, the user pay funding concept, economic diversification, and the institution of management efficiencies as the best means of preparing state government for the expected declines in revenue associated with the depletion of the Prudhoe Bay oil field.

The Department of Fish and Game has undertaken an extensive management and budgetary review during the past two years to implement this philosophy. The combination of the Oil Spill Assessment and Restoration Division and the Habitat Division has been completed. Currently underway is the planning for the combination of the Fisheries Rehabilitation, Enhancement, and Development Division and the Commercial Fisheries Division. This merger is expected to begin about March 15, 1993. The merger will be conducted in a phased manner to provide an orderly transition.

During the FY93 budget process, the department identified a savings of \$390,000 as a result of these potential mergers. The department's FY93 general fund cuts included these reductions.

The department also supported legislation introduced by the House Finance Committee last year which raised the resident sport fishing and hunting licenses for the first time since 1977. This legislation passed during the first special legislative session of 1992. This increase became effective on January 1, 1993. The revenue from these license sales and the king salmon tag will be deposited in the Fish and Game Fund and used to fund programs benefiting recreational fishers and hunters.

The goal of the FY94 operational budget is to provide the same, or an improved, level of resource management, research capability, and technical or public service as previously provided. Within the limits of the overall state budget and through reprogramming efforts, some new programs have been initiated. Our budget is also designed to increase or expand revenue sources.

Throughout the operating budgeting process, the department has placed considerable importance on this administration's priority agenda goals of controlling costs, revenue enhancement, and economic diversification. With decreasing state revenues, the department has attempted to streamline operations, reprioritize programs, maintain critical services, and redirect available services to promote new cost effective fisheries and wildlife programs.

DEPARTMENT OF FISH AND GAME
FY94 BUDGET REQUEST

GENERAL FUNDS AND PROGRAM RECEIPTS

DIVISION	FY92 ACTUAL	FY93 AUTHORIZED	FY94 REQUEST	INCREASE/ DECREASE FY92/FY93	INCREASE/ DECREASE FY92/FY94	INCREASE/ DECREASE FY93/FY94
COMMERCIAL FISH	21224.5	21897.9	22084.7	3.2%	4.1%	0.9%
SPORT FISH	0.0	17.9	17.9	0.0%	0.0%	0.0%
FRED	12077.2	10777.5	7417.9	-10.8%	-38.6%	-31.2%
WILDLIFE CONS.	2161.0	1774.0	1707.5	-17.9%	-21.0%	-3.7%
COMMISSIONER	2506.4	945.8	945.8	-62.3%	-62.3%	0.0%
PCS	417.4	358.4	358.4	-14.1%	-14.1%	0.0%
ADMINISTRATION	3531.9	2183.7	2340.0	-38.2%	-33.7%	7.2%
FACILITY MAINT.	169.8	0.0	0.0	0.0%	0.0%	0.0%
BOARDS	1408.2	1410.3	1902.3	0.1%	35.1%	34.9%
SUBSISTENCE	1941.7	1809.8	1767.8	-6.8%	-9.0%	-2.3%
HABITAT	3370.7	3074.8	3074.8	-8.8%	-8.8%	-0.0%
CFEC	2517.6	2638.9	2638.9	4.8%	4.8%	0.0%
TOTAL F&G	51326.4	46889.0	44256.0	-8.6%	-13.8%	-5.6%

TOTAL FUNDS

COMMERCIAL FISH	26236.7	28888.5	29075.3	10.1%	10.8%	0.6%
SPORT FISH	11259.1	12450.5	16401.0	10.6%	45.7%	31.7%
FRED	22805.8	24891.1	13194.9	9.1%	-42.1%	-47.0%
WILDLIFE CONS.	13979.7	14234.0	15227.8	1.8%	8.9%	7.0%
COMMISSIONER	2921.8	1075.0	1075.0	-63.2%	-63.2%	0.0%
PCS	633.1	566.2	566.2	-10.6%	-10.6%	0.0%
ADMINISTRATION	4337.7	4072.3	4348.2	-6.1%	0.2%	6.8%
BOARDS	1523.0	1809.4	2002.3	18.8%	31.5%	10.7%
SUBSISTENCE	2987.6	3360.4	3096.5	12.5%	3.6%	-7.9%
HABITAT	4606.5	4365.1	4398.3	-5.2%	-4.5%	0.8%
CFEC	2578.7	2747.2	2747.2	6.5%	6.5%	0.0%
TOTAL F&G	93869.7	98459.7	92132.7	4.9%	-1.9%	-6.4%

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OFFICE OF THE COMMISSIONER

A. FUNCTIONS:

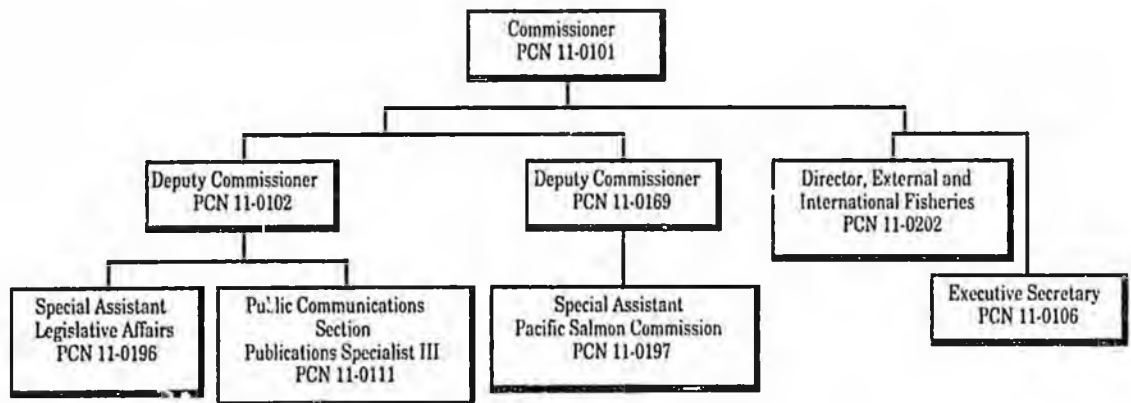
1. **Statutory basis.**
Title 16, 37, 39, 44

2. **Duties.**
The Office of the Commissioner provides departmental leadership and policy guidance and has full responsibility for the department's mission of managing Alaska's fish and wildlife resources. Included within this component is the department's Office of External and International Fisheries and a grant to the Eskimo Walrus Commission. Departmental representation on the Pacific States Marine Fisheries Commission, the Pacific Salmon Commission, the Exxon Valdez Trustee Council, and the North Pacific Fishery Management Council is provided by the Office of the Commissioner.

3. **Staffing and Location.**
A chart showing number of staff positions and organization follows.

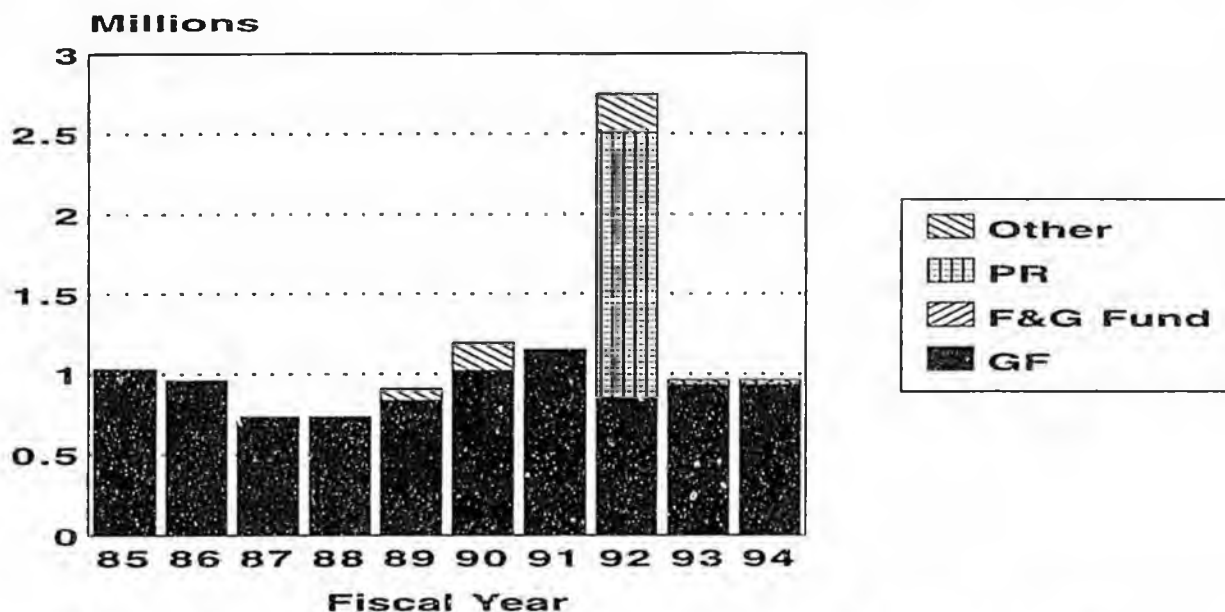
Location	PFT
Juneau	10*

*This number does not include PCS staff, but does include three clerical positions in the Commissioner's Office which are not shown in the organizational chart below.



COMMISSIONER'S OFFICE

State Funds



State Funds include General Funds (GF), Fish and Game Funds, Program Receipts (PR), and Other Funds.

B. CHANGES TO FY93 BUDGET: No changes from the budget approved by the legislature.

C. FY94 BUDGET REQUEST:

This year's budget for the Commissioner's Office is a status quo budget with no change from the previous year's budget.

D. REORGANIZATION PLANS:

No proposed reorganizations at this time.

E. MAJOR ISSUES:

1. Significant negotiations on a Yukon River treaty with Canada occurred in FY 93. These negotiations will continue in FY94 with full participation by the State of Alaska. The major goals are the maintenance and enhancement of the shared resources and the protection of Alaskan interests.

2. Negotiations of the major annexes to the U.S./Canada treaty affecting southeastern Alaska will be taking place in FY94.
3. The Commissioner's Office is taking a lead role in dealing with increasing national and international concerns with the implementation of the Endangered Species act. Strict interpretation of the act may well jeopardize major Alaskan fisheries and other economic endeavors in Alask.
4. Increasing preemptive actions by the federal agencies in Alaska have resulted in the development of new legal and administrative efforts to protect Alaskan jurisdictional authorities.
5. The Commissioner's Office has the major leadership responsibilities to implement the governor's strategies to bring a major portion of the Alaska bottom fishery processing from offshore to onshore, providing more benefits to Alaskans and year-round quality fishery products. Two of the most important of these initiatives are the Community Development Quota Program and the inshore allocation of pollock.
6. Important federal legislation is coming up for reauthorization during the next year. These include the Magnuson Fisheries Conservation Act, the Endangered Species Act, the Marine Mammal Protection Act, the Clean Water Act, and the Waterfowl Treaty Protocol Amendments. New legislation on a Yukon River Treaty, biodiversity, and Glacier Bay National Park are also expected.

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PUBLIC COMMUNICATIONS SECTION

A. DIVISION FUNCTIONS:

1. Statutory basis.

Title 16

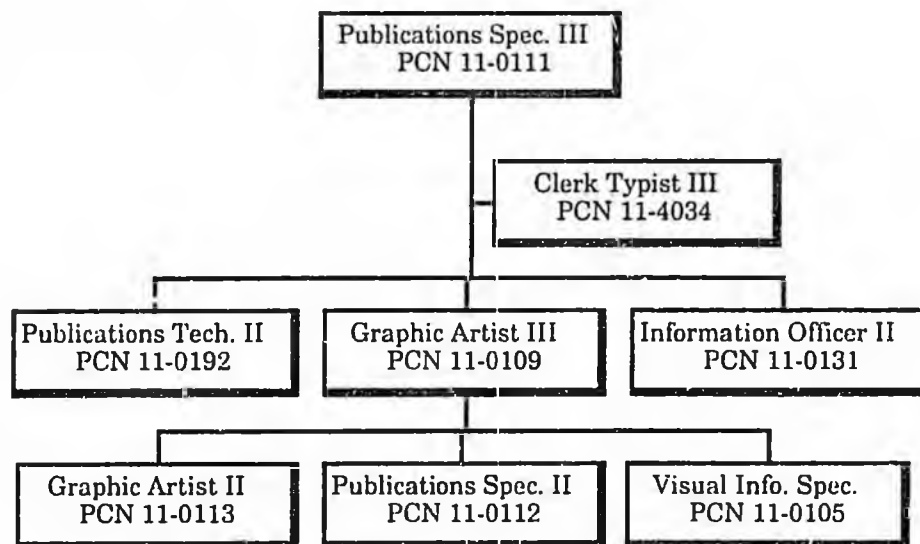
2. Duties

The Public Communications Section (PCS) informs and educates the general public about the department's regulations, policies, and activities and about Alaska's fish and wildlife resources. PCS produces the department's regulation books and other informational and educational products for use by the general public, by user groups, and by schools. Products include photographs, videos, posters, brochures, booklets, and the bimonthly *Alaska's Wildlife* magazine.

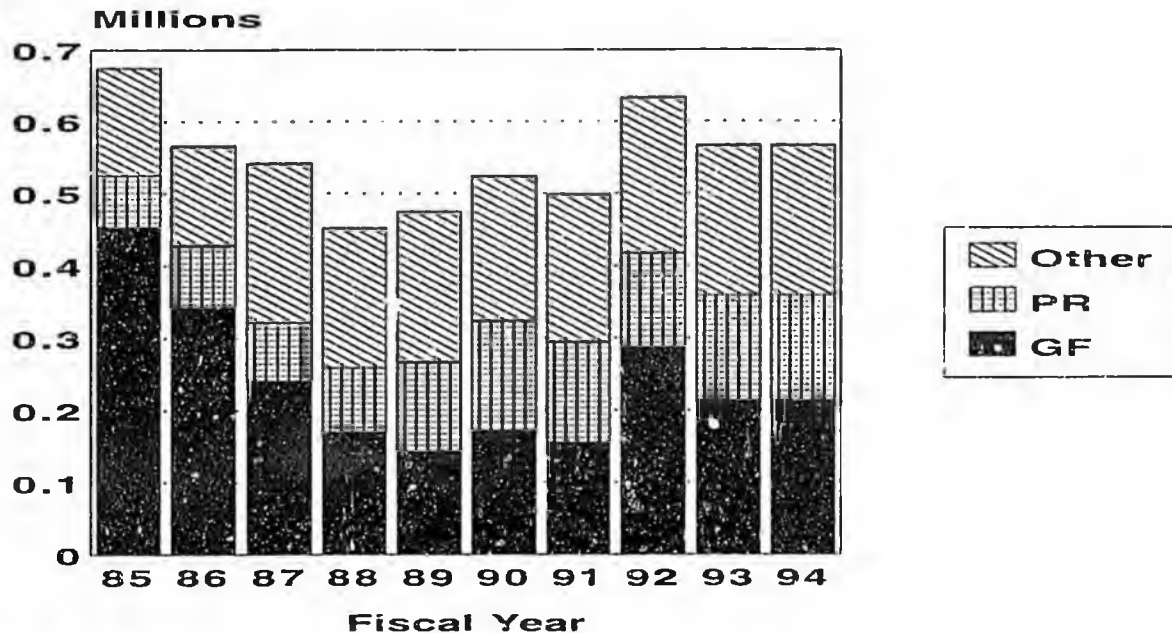
3. Staffing and locations.

An organizational chart showing structure and number of full-time and seasonal staff follows.

Location	PFT	PPT
Juneau	6	2



PUBLIC COMMUNICATIONS SECTION State Funds



State Funds include General Funds (GF), Fish and Game Funds, Program Receipts (PR), and Other Funds.

B. FY93 BUDGET CONCERNS:

Reduced travel has lessened considerably the coverage of the Boards of Fisheries and Game meetings and lessened capability of photographic and video development. Both result in decreased ability to respond to public requests for information and/or products. Equipment obsolescence hampers full production capability and limits ability to respond to inquiries.

C. FY94 BUDGET REQUEST:

No significant changes in the Public Communications Section are contemplated in FY94. Continuing effort will be made in FY94 to increase the level of program receipts relating to magazine subscriptions and other publication sales to the public. Additional options for program direction and marketing, and potentially for increased program receipts from users, will be pursued. The FY94 request represents a basic continuation budget from FY93, with the effect of increased personal services costs and inflationary costs in other line items absorbed by increased personnel vacancy factor (difficult to achieve in a small section) and production efficiencies.

D. REORGANIZATION PLANS:

No proposed reorganization plans at this time. An extensive review of the missions, goals, and functions of the Public Communications Section is currently in progress.

E. MAJOR ISSUES:

Publication of Fish and Game's *Alaska's Wildlife* magazine.

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DIVISION OF ADMINISTRATION

A. DIVISION FUNCTIONS:

1. **Statutory basis.**

Titles 16, 37, 39, and 44

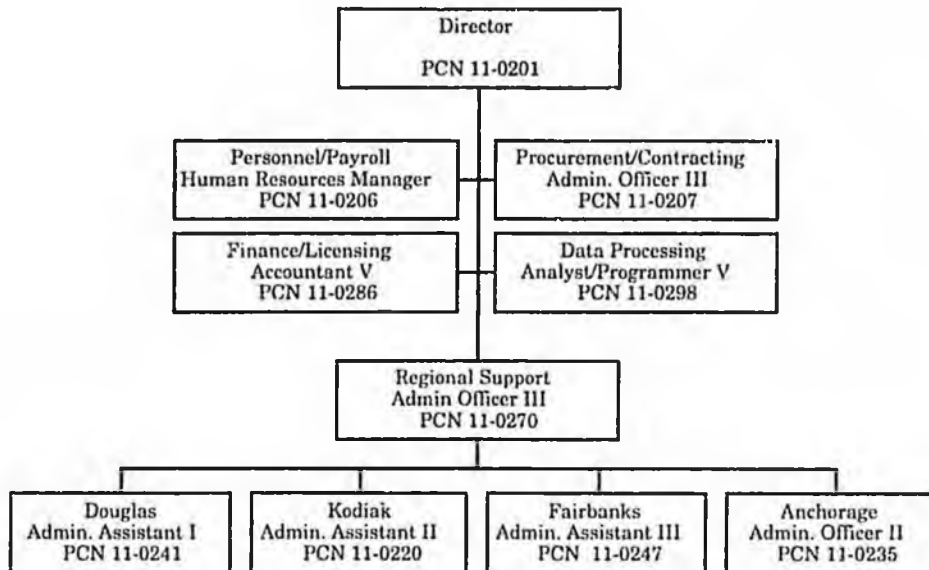
2. **Duties.**

The Division of Administration provides administrative and management support services to help the department accomplish its goals and objectives in an efficient, cost-effective, and accountable manner. To meet this goal the division offers support services in budgeting, fiscal management, accounting, contracting, leasing, reimbursable services agreements, federal billings, supply, purchasing, property control, personnel management, payroll, and labor contract administration. The responsibility for the fish and game licensing system is also placed within the Division of Administration. The division is organized into six primary sections (Finance/Licensing, Personnel/Payroll, Procurement/Contracting, Data Processing Services, Director's Office, and Regional Administration).

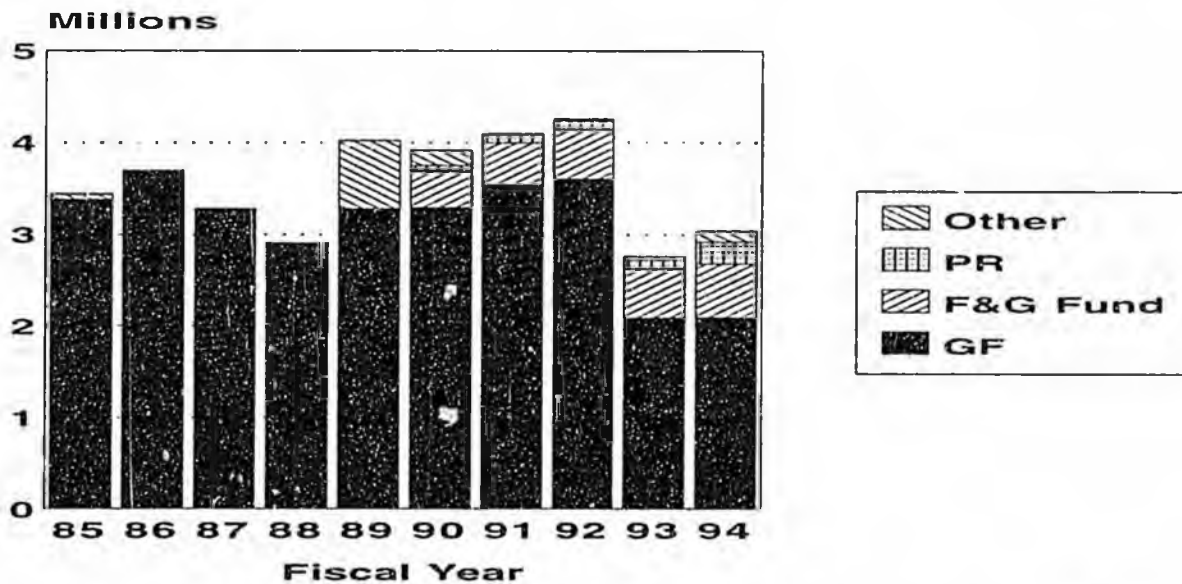
3. **Staffing and locations.**

An organizational chart showing structure to the regional level and number of FY94 full-time and part-time positions follows.

Location	PFT	PSEA	NP
Juneau	49	2	12
Anchorage	7	0	0
Fairbanks	4	0	1
Kodiak	<u>1</u>	<u>0</u>	<u>0</u>
	61	2	13



DIVISION OF ADMINISTRATION State Funds



State Funds include General Funds (GF), Fish and Game Fund, Program Receipts (PR), and Other Funds.

B. CHANGES TO FY93 BUDGET:

Projects/programs deleted or reduced. The Division of Administration experienced a reduction in staffing in FY93, primarily relating to: (a) position reductions in the Kodiak Regional Office, (b) to deletion of positions previously tied to the regional office sales of fish and game licenses (function deleted), and (c) resulting from the centralization of certain personnel functions to the Department of Administration.

C. FY94 BUDGET REQUEST:

1. The FY94 budget of the division basically represents a status quo budget. Small increments to the budget indicate the addition of funding for the payment to license vendors for sales under the new King Salmon Tag program (begins January 1993), and to the addition of funds to the division's program receipt authority (allowing for adequate receipt level of indirect cost funding).
2. No new or expanded projects/programs other than the administration of the new King Salmon Tag licensing program.

D. PLANNED REORGANIZATIONS:

There are no planned major reorganizations at this time for FY94. Management efficiencies and accompanying restructuring are continually implemented within the division.

E. MAJOR ISSUES:

The ability for the division to provide an appropriate level of management support to the Commissioner and the full department in meeting goals and objectives is based upon the receipt of adequate funding. Future reductions in General Fund support for the Division of Administration may result in further reorganizations, office closures, or reduction in the level of centralized administrative services provided by the division.

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DIVISION OF BOARDS

A. DIVISION FUNCTIONS:

1. Statutory basis.

Title 16.05, 220-255, 260 and Public Law 96-487

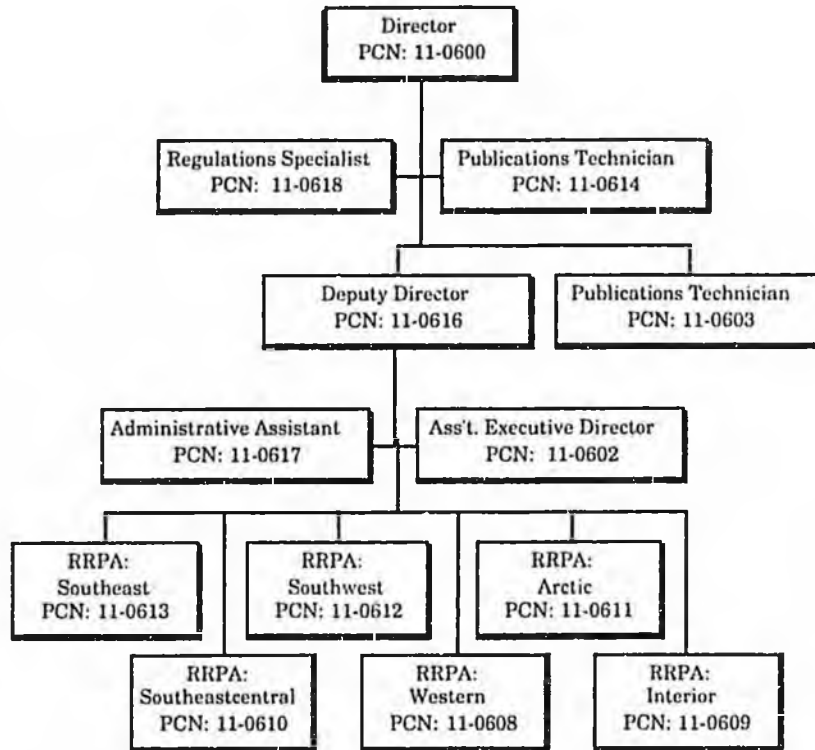
2. Duties.

The Board of Fisheries, the Board of Game, and the Joint Boards of Fisheries and Game promulgate regulations for the conservation, development, and use of Alaska's fish and wildlife resources--or more simply, allocate the allowable harvest of fish and wildlife resources. The Division of Boards provides support for the boards and this regulatory process. This includes staff support to the boards and 80 local advisory committees. At least three times annually the Division of Boards publishes a Call for Proposed Changes to the regulations which results in as many as 1,000 proposals for changes. These changes are deliberated upon, as required under the Administrative Procedure Act, in public hearings which during FY93 were scheduled for approximately 100 days. Resulting changes are codified and published in 21 regulation books. Regional Coordinators are located in Bethel, Fairbanks, Juneau, Anchorage, Kotzebue, and Dillingham.

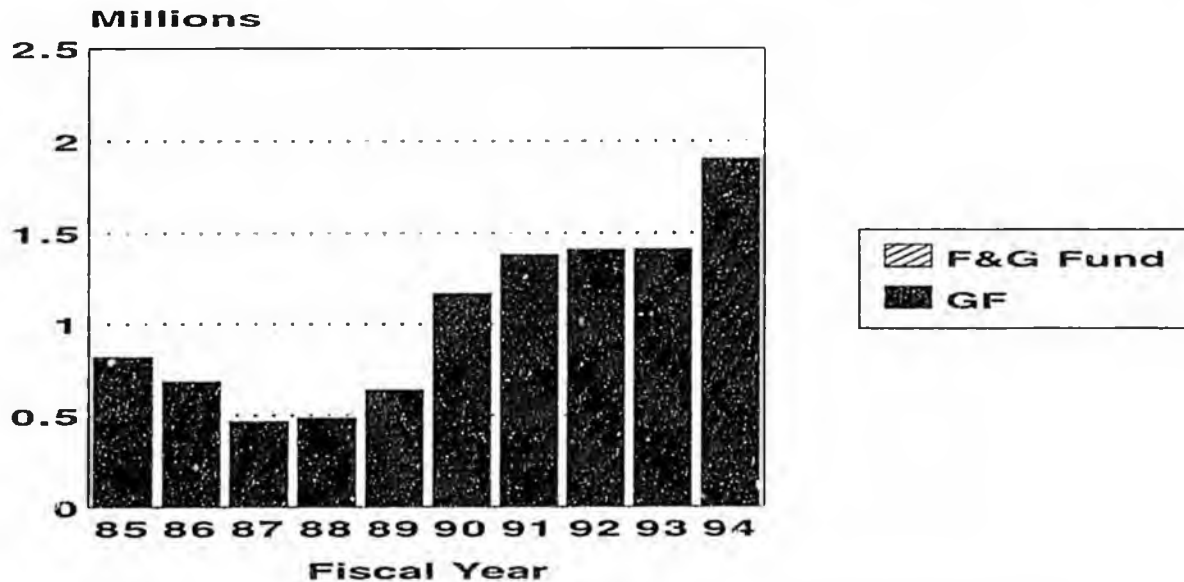
3. Staffing and locations.

Location	PFT	PSEA	Location	PFT	PSEA
Juneau	7		Juneau/Reg	1	
Anchorage	*2	1	Fairbanks	1	1
Bethel		1	Dillingham	<u>*1</u>	<u>1</u>
Kotzebue		<u>*2</u>		3	2
	<u>9</u>	<u>4</u>			

*Three Clerical positions are shared with other divisions and some are counted in other division's totals.



DIVISION OF BOARDS State Funds



State Funds include General Funds (GF), Fish and Game Funds, Program Receipts (PR), and Other Funds.

B. CHANGES TO FY93 BUDGET:

***FY93 Supplemental anticipated of \$492.0**

- Implementation of the 1992 Subsistence Law requires action by the Board of Fisheries, Board of Game, and Joint Boards of Fisheries and Game. To accomplish implementation, the Joint Board has scheduled three meetings and the Board of Game and Board of Fisheries have scheduled one 10 day meeting each, as well as adding subsistence related activities to regularly scheduled meetings.
- Advisory committees are scheduled to meet at least one additional time during the fiscal year specifically related to subsistence issues before the boards.
- Two staff members who were scheduled to be laid off were retained to handle the additional workload created by the subsistence implementation.
- Boards anticipates receiving no federal funds under the \$399.1 authorized for FY93.
- There is no funding for regional councils to meet during FY93.

C. FY94 REQUEST:

Due to continued implementation of the 1992 subsistence law, there will be no changes to the Boards' budget or program for FY94.

No federal funds are anticipated in FY94.

Regional councils will not meet in FY94.

D. REORGANIZATION PLANS:

There are presently no plans to reorganize the Division of Boards. Board's staff consists of ten full-time positions, five seasonal positions, and three shared clerical positions.

E. MAJOR ISSUES:

The ongoing implementation of the 1992 subsistence law has greatly impacted the workload in the division and for the three boards. This is expected to continue through FY94.

Allocation of limited resources among conflicting users continues to be controversial and litigious.

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DIVISION OF COMMERCIAL FISHERIES

A. DIVISION FUNCTIONS:

1. Statutory basis.

Title 16; primarily in chapters 5 and 10.

2. Duties.

The division is responsible for the management of the state's commercial, subsistence, and personal use fisheries. It also plays a major role in management of fisheries in the 200 mile Exclusive Economic Zone and in international fisheries negotiations.

3. Staffing and locations.

The division is organized into a headquarters office located in Juneau and four regional offices. The regions and their geographic areas of responsibility are as follows.

Southeastern: the waters of the southeastern archipelago and eastern Gulf of Alaska from Dixon Entrance to Cape Suckling.

Central: the waters of Prince William Sound, Cook Inlet, and Bristol Bay.

Westward: the waters of the western Gulf of Alaska and southern Bering Sea, including the Kodiak, Chignik, Alaska Peninsula, and Aleutian Islands areas.

Arctic-Yukon-Kuskokwim: northern Bering Sea waters and river drainages north of Cape Newenham.

The following table shows division staffing, both permanent fulltime and seasonal, by location. Note that temporary positions are included with permanent parttime (PPT) positions.

Southeastern Region & Headquarters

Location	PFT	PPT
Juneau Hq.	31	3
Douglas Reg.	37	27
Douglas Area	4	14
Craig	0	1
Haines	1	12
Hoonah	0	1
Hyder	0	1
Ketchikan	6	27
Klawock	0	2
Pelican	0	1
Petersburg	8	21
Port Alexander	0	1
Sitka	7	21
Snettisham	0	1
Wrangell	1	2
Yakutat	<u>1</u>	<u>9</u>
	96	144

Central Region

Location	PFT	PPT
Anchorage Reg.	17	7
Cordova	10	16
Dillingham	5	25
Homer	7	9
King Salmon	2	35
Soldotna	<u>6</u>	<u>34</u>
Total	47	126

Arctic-Yukon-Kuskokwim Region

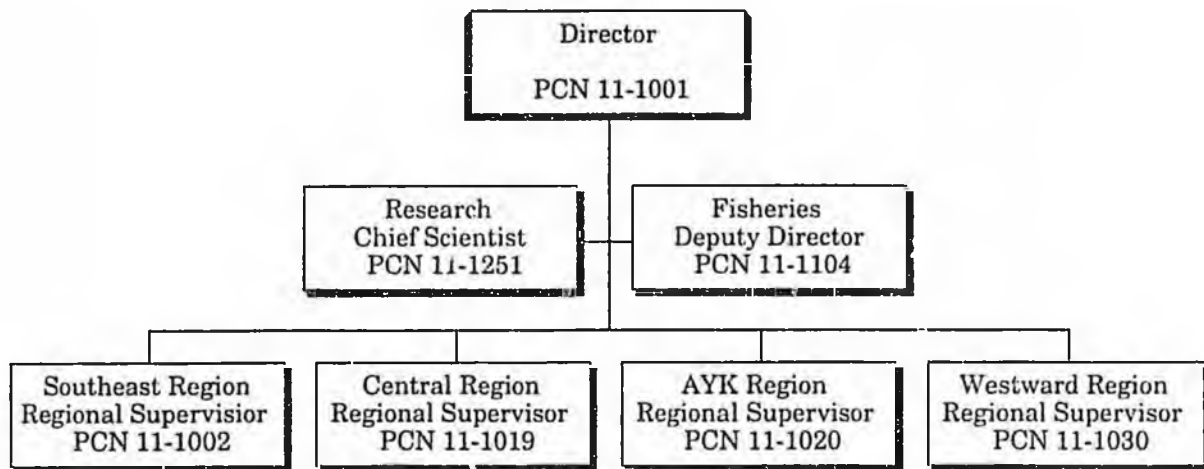
Location	PFT	PPT
Anchorage	18	9
Anvik	0	2
Bethel	5	26
Emmonak	0	10
Fairbanks	4	12
Kotzebue	1	5
Nome	3	12
Saint Mary's	<u>0</u>	<u>23</u>
AYK totals	31	99

Westward Region

Location	PFT	PPT
Kodiak	31	57
Belkofski	0	1
Chignik	1	9
Cold Bay	1	0
Dutch Harbor	4	9
King Cove	0	3
Bear River	0	2
Sand Point	1	12
Port Moller	<u>0</u>	<u>4</u>
Totals	38	97

Division Totals

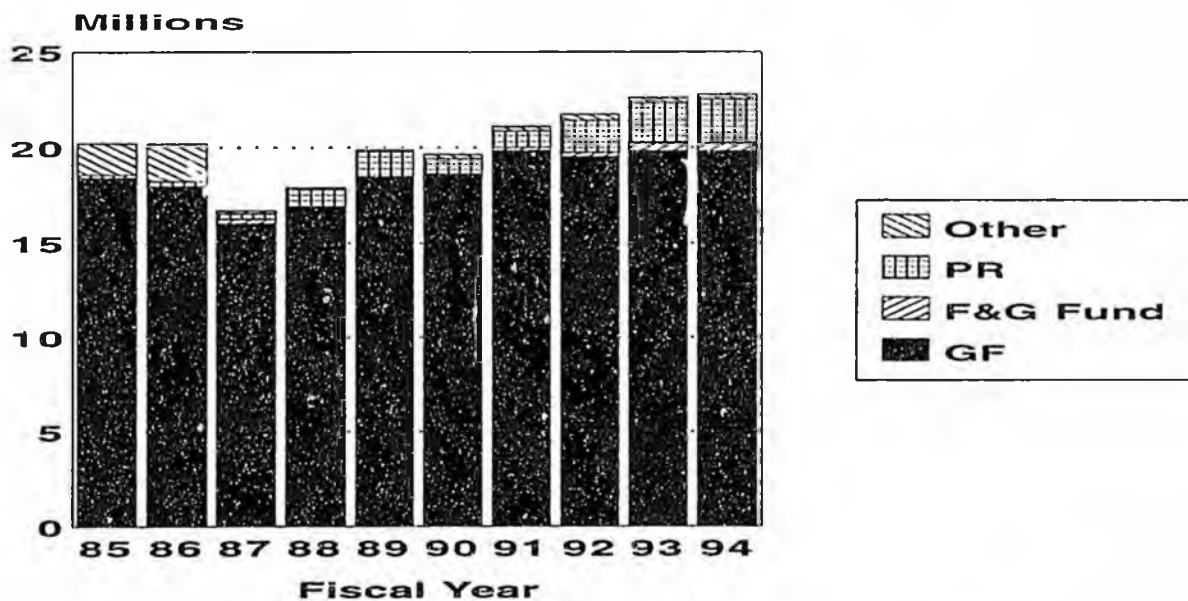
Comm. Fish	178	337
Special Projects	<u>34</u>	<u>129</u>
Division totals	212	466



The above is an organizational chart showing key headquarters and regional staff.

DIVISION OF COMMERCIAL FISHERIES

State Funds



State Funds include General Funds (GF), Fish and Game Funds, Program Receipts (PR), and Other Funds.

B. CHANGES TO FY93 BUDGET:

The division has not made any substantive changes between the way the FY93 budget was authorized and the way it is being spent. The division was required to reduce its General Fund service level by about \$835.0 below that provided in FY92. The division did receive a \$368.5 unallocated General Fund reduction in the FY93 budget. That reduction resulted in reduced herring assessment projects statewide, as well as public service related functions in headquarters.

C. FY94 BUDGET REQUEST:

1. Project/programs deleted or reduced.

The FY94 Governor's budget request will allow the division to continue the level of services it provided in FY93. Those programs and projects that are being operated during FY93 will be operated again in FY94.

2. New or expanded projects/programs.

The Governor's FY 94 budget request contains funding for one new project.

Bering Sea Crab

\$185.3

During its spring 1992 meeting, the Board of Fisheries established a limit on the number of crab pots that could be used in the Bering Sea king and Tanner crab fisheries. For enforcement purposes, state laws require a buoy identification system be initiated whenever a pot limit is in effect and allows the department to charge for the cost of the system. The Governor's budget requests \$185.3 in program receipt authority for the system. This authority was requested and approved for FY92 by the Legislative Budget and Audit Committee.

D. REORGANIZATION PLANS:

In FY94, the division will be combined with the FRED Division. This possibility was discussed with the legislature during the FY93 budget process. The department identified \$300.0 in savings which could result from the potential merger. In anticipation of the department's plans, the legislature reduced the commercial fisheries division's budget by \$210.0 in FY93. Another \$90.0 was cut from the FRED budget.

The first step in the merger was the issuance of Executive Order 86, transferring the statutory duties of the FRED Division to the department. A planning team within the department will work out the details of the combination.

E. MAJOR ISSUES:

The following are several major issues that confront the state's commercial, subsistence, and personal use fishery management programs for FY94 and beyond.

Groundfish Management

Federal and cooperative management of groundfish in the Exclusive Economic Zone (EEZ) off Alaska (3-200 miles) is quickly becoming so complicated that the state is losing the ability to protect its legitimate interests. Allocation of allowable harvests and limitation of impacts on state-managed resources are issues of great import to Alaska residents, yet which are not adequately addressed with current fiscal resources. There is also a growth of the groundfish fisheries that take place in state waters, particularly those for rockfish, lingcod, and sablefish. The division's ability to assess the size of these resources is severely limited.

Maximizing Sustained Yield

As oil revenues decrease, the economy of Alaska will become more dependent on renewable natural resources. To ensure that the greatest benefit is derived, management must be capable of maximizing yield over the long term. For fisheries, this will require a knowledge of the amount of spawning fish that is needed to achieve that goal and the ability to manage the harvests to ensure that the individual goals are met.

Shellfish Stock Assessment

Almost all of the king, Tanner, and Dungeness crab, as well as other shellfish stocks in Alaska are managed on very rudimentary information about stock status, reproductive potential, and optimum exploitation rate. This has resulted in very conservative management in many areas and has allowed for some boom-and-bust cycles in the past. Given lower prices for salmon in recent years, shellfish fisheries hold substantial potential for increased income and revenue, but such expansion will require significant increases in assessment information and management precision. In addition, there is a likelihood that the National Marine Fisheries Service may discontinue its Bering Sea king and Tanner crab stock assessment program. If that occurs, the state will no longer have information upon which to base its harvest determinations for the richest shellfish fishery in the state (an exvessel value in excess of \$300 million annually).

Vessel Maintenance

The division has five large research and support vessels, with a total replacement value in excess of \$10 million, that require regular maintenance and periodic overhaul. These vessels are integral to a variety of finfish, shellfish, and groundfish stock assessment programs as well as provide platforms for inseason management of several specific fisheries. Maintenance must be provided to protect this capital investment and to assure safety and efficiency of the vessel support program.

Prince William Sound Pink Salmon Stock Identification

With the loss of oil spill related funding, the division no longer has a way of discriminating between hatchery and wild stocks of pink salmon in Prince William Sound. It is essential for management of the commercial fishery to be able to identify these stocks inseason in the fishery areas. Presently the wild stocks of pink salmon are very low, while hatchery production is high. Given the differences in magnitude between wild and hatchery returns, the history of underescapements for wild stocks in recent years, and the lack of an inseason stock identification tool, the division is faced with the task of severely restricting or closing the commercial fishery.

Developing Fisheries

In recent years there has been a growth in exploitation of previously underutilized species such as sea cucumbers, sea urchins, and clams. These growing industries, however, are exploiting stocks not normally assessed or managed by the division. In order to best take advantage of these development opportunities, more assessment and management planning will be required.

ERATTA

DIVISION OF FISHERIES REHABILITATION, ENHANCEMENT AND DEVELOPMENT (FRED)

A. DIVISION FUNCTIONS:

1. Statutory Basis

AS 16.05.092; AS 16.10.380; AS 16.10.440; AS 16.10.443; AS 16.10.375;
AS 16.05.092; AS 16.40.150; AS 16. 40.105

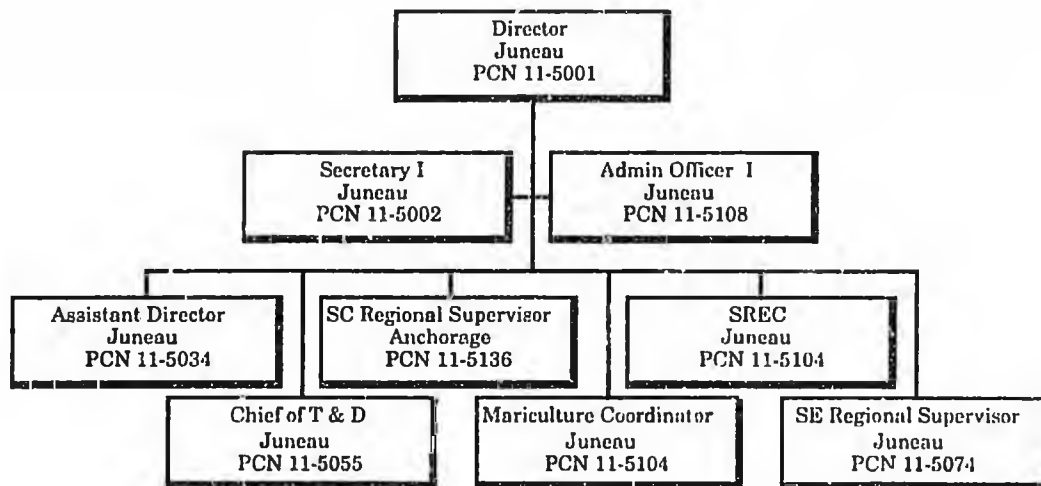
2. Duties

The primary mission of the FRED Division is to sustain and enhance Alaskan fisheries through the development, application, and dissemination of technologies in supplemental production and natural stock rehabilitation. The division operates five laboratories that provide technical services to the Alaska Department of Fish and Game (ADF&G) and other state, federal, and private nonprofit agencies. For example, the Coded Wire Tag Processing Laboratory in Juneau decodes metal tags implanted in fish and supplies resultant information for in-season management of specific chinook and pink salmon stocks. The Fisheries Genetics Laboratory in Anchorage has an active program to provide wild stock protection as well as new tools for use in stock identification. The division's private nonprofit section oversees the state's aquaculture industry which includes coordinating statewide fishery planning within eight planning regions, as well as the newly established Yukon River drainage planning effort. The division also provides technical assistance to shellfish farmers, and has permitting responsibilities for the state's emerging mariculture industry. Finally, resource economics is an integral part of the division's focus as the world's growing supply and demand for fish has impacted all aspects of Alaska's fishery resource.

3. Staffing and Locations

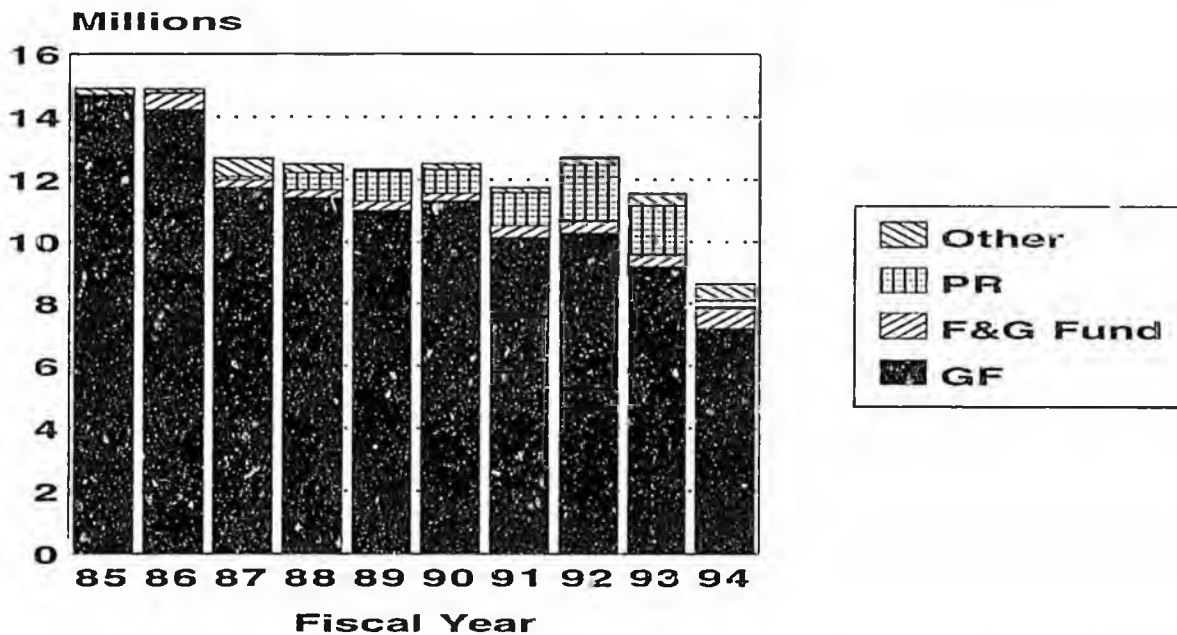
An organizational chart showing structure to the regional level and number of full-time and seasonal staff follows.

Location	PFT	PSEA	Location	PFT	PSEA
Anchorage	20	5	Ketchikan	8	8
Clear	3	3	Kodiak	1	7
Cordova	1	1	Kotzebue	3	8
Crystal Lake	5	3	Little Port Walter	1	2
Homer	1	8	Nome	1	1
Juneau	44	27	Petersburg	1	6
Totals	PFT=97	PSEA=96	Snettisham	4	10
			Soldotna	4	7



DIVISION OF FRED

State Funds



State Funds include General Funds (GR), Fish and Game Fund, Program Receipts (PR), and Other Funds.

B. CHANGES FROM THE FY93 BUDGET STATE FUNDS:

In FY93, the general operating budget was increased by \$813.1 in program receipts which were brought back into the base to cover the cost of operating Gulkana, Kitoi, and Pillar Creek hatcheries. The Division realized a \$200.5 reduction in personal services and a \$350.0 miscellaneous hatchery reduction. These losses resulted in closure of the Russell Creek Hatchery in FY93 and a downsizing of staff in the two Regional as well as Headquarters Offices. The FY93 budget was further reduced by an exchange of \$500.0 general fund dollars for federal dollars. Funds were available for the operation of the Big Lake Hatchery, which was funded in the division's original FY93 request.

C. FY94 BUDGET REQUEST:

1. Projects/Programs Deleted or Reduced

Overall, the FRED Division's FY94 operating appropriation has been reduced by 31 percent in general funds and 64 percent in federal funds from FY93 levels. Reduction in general funds (\$3,359.0) results in the transfer of operations or closure of ten production hatcheries throughout Alaska. Deer Mountain, Kiawock, Big Lake, Crooked Creek, Gulkana, Kitoi, and Pillar Creek hatcheries are slated for transfer to the private sector or closure. Fort Richardson, Elmendorf, and the Broodstock Development Center are to be transferred to the Division of Sport Fish. The hatchery transfer or closures will be accompanied by a decrease in staff with responsibilities in facility oversight and support in the regional offices.

2. New or Expanded Projects

In FY94, the FRED Division will continue supporting the expanding Mariculture Program and an expansion of the present Coded Wire Tag Processing Laboratory to include otolith mark evaluation to benefit user groups statewide, implement "user pays" funding, and stimulate rural economies through fisheries development and wild-stock restoration projects. For example, the FRED Division is the lead agency in the Western Alaska Salmon Restoration Initiative, conducting fisheries development and restoration projects in the areas around St. George, the Toklat River, Elim, Nome, Kotzebue, and Nelson Island. Additional projects are being developed in concert with the Department of Commerce and Economic Development and the Community Development Quota (CDQ) program, all of which support rural growth and economic diversification.

D. REORGANIZATIONAL PLANS:

In FY94, the division will be combined with the Commercial Fisheries Division. This possibility was discussed with the legislature during the FY93 budget process. The department identified \$300.0 in savings which could result from the potential merger. In anticipation of the department's plans, the legislature reduced the FRED Division's budget by \$90.0. Another \$210.0 was cut from the Commercial Fisheries Division's budget.

E. MAJOR ISSUES:

1. Reduction of Program Receipts

Reduction of program receipts results in the issue of the capability of the private nonprofit regional associations to operate existing state facilities with their own infrastructure. In addition, those state facilities without cost recovery capabilities are in jeopardy of being closed; i.e., Klawock Hatchery, Deer Mountain Hatchery, Crooked Creek Hatchery, and Big Lake Hatchery. Closure of these hatcheries will have a negative impact on the economy of those communities through the loss of jobs, tourism, and sport, commercial, and subsistence fisheries.

2. Increased Economic Diversification in Rural Communities in North Northwest Alaska

The need for increased economic diversification in rural North/Northwest Alaska results in the division facing the issue of identifying the opportunities for meeting the demand for fisheries development in these areas and providing funding to implement such programs. The Western Alaska Salmon Restoration Initiative seeks to provide localized fisheries development in Alaskan communities.

3. Increases in Mariculture

The demand for oyster seed stock for the mariculture industry in Alaska currently exceeds the capability of out-of-state suppliers. The issue to FRED Division is to supply a consistent and sufficient in-state supply of oyster and other shellfish seed stocks as well as meeting other requirements of the burgeoning mariculture industry within the State.

4. Development of Mark Analysis to Enhance Harvest Management

To respond to harvest management of fish, private nonprofit hatchery managers are requesting that the division establish the capability to process thermally marked (otolith-marked) hatchery fish so as to be able to identify enhanced fish contributions and, more importantly, to facilitate wild stock management.

5. **Regional Comprehensive Salmon Planning**

FRED Division is the lead agency within the Department of Fish and Game responding to the departmental mandate to implement regional comprehensive salmon planning. With planning efforts involved in working with two international salmon fishing treaties; the increasing involvement with salmon enhancement and restoration activities in the Yukon and Northwest Alaskan areas; and the maintenance of current regional salmon plans, the magnitude of the planning effort becomes a major divisional issue.

6. **Fishery Resource Economics**

There exists a very pressing need to establish within state government a group of economists to work fulltime on issues related to international demand for salmon, price expectations, and the cost/benefits associated with salmon management and enhancement. As with crude oil, issues surrounding salmon harvest, processing, and sale are currently so complex that in order to provide answers to the salmon policy questions constantly confronting the state, it is necessary to have analyses ongoing all the time.

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DIVISION OF HABITAT AND RESTORATION

A. DIVISION FUNCTIONS:

1. Statutory basis.

AS 16.05.020; AS 16.05.050; AS 16.05.840; AS 16.05.870; AS 16.20; 5 AAC 95.010

2. Duties.

The division's mission is to maintain, enhance, or restore valued fish and wildlife resources and habitats to the extent possible as Alaska grows and develops its other resources. The division achieves its mission through activities undertaken in two programmatic units: the Habitat Unit (consisting of the Habitat and Special Projects components) and the Restoration Unit.

Habitat Section — The duties of this section are to:

- a) administer a permit program that provides proper protection of waterbodies used by anadromous fish; ensures fish passage; and maintains the fish and wildlife values of state game refuges, critical habitat areas, and sanctuaries; and
- b) participate in land use planning with other agencies' in sale, leasing, and permitting activities to ensure that fish and wildlife resources, and access to those resources, are maintained.

The Habitat Section is involved in the full spectrum of land and resource development activities in Alaska. For project and plan reviews, the division acquires and analyzes pertinent biological and technical information, including information on: fish and wildlife abundance, habitat use, human use, and associated economic values.

A closely-related third duty of this section is to recommend ways to mitigate negative effects of development activities on fish and wildlife. In this effort, the division works closely with industry and other departments to find practical and feasible up-front solutions to potential problems. Some of this work occurs under the Special Projects component and is funded through cooperative industry-sponsored or interagency agreements and research.

Major tasks the Habitat Section will accomplish in FY94 include:

- review of roughly 2,750 permit applications;
- permitting and planning for about 3.0 million acres of legislatively designated state game refuges, critical habitat areas, and game sanctuaries;

- participation in planning for use of:
 - at least 1.8 million acres of Alaska lands
 - about 125 million acres of federal lands
 - up to 14 federal and state oil and gas lease sales;
- participation in planning for approximately 40 million acres of National Forest land; and
- assistance to as many as 15 coastal districts in preparing and implementing coastal management plans.

Restoration Section — In March 1989, the tanker *Exxon Valdez* ran aground, spilling 11.2 million gallons of crude oil into Prince William Sound. This was the largest oil spill in United States history, affecting thousands of miles of pristine coastline and seriously injuring fish, wildlife, their habitat, and the human uses of those resources. Prior to the December 1991 settlement with Exxon, the department participated in the clean-up effort and conducted research to document damages that could be used in court. Since 1992, the Section's focus has shifted to restoration matters.

The Restoration Section develops and conducts a wide variety of injury assessment and restoration projects, and develops comprehensive restoration plans that will govern use of *Exxon Valdez* settlement funds through the year 2003.

Major tasks the Restoration Section will accomplish in FY94 include:

- completion of the 1994 Annual Work Plan;
- participation in development of the 1995 Annual Work Plan;
- conducting or administering 15-30 restoration projects costing \$8-20 million;
- participation on the Trustee Council's Restoration Team, including issue-specific work groups; and
- participation in the development of the Restoration Plan.

3. Staffing and locations.

An organizational chart showing division structure to the regional level and three tables showing the number of full-time and seasonal staff in each of three components follow.

HABITAT COMPONENT

Location	PFT	PSEA	Totals	PFT = 45	PSEA = 4
Anchorage	23	0			
Fairbanks	6	0			
Juneau/HQ	5	1			
Juneau/SE	4	1			
Ketchikan	4	0			
Petersburg	1	1			
Sitka	2	1			

SPECIAL PROJECTS COMPONENT

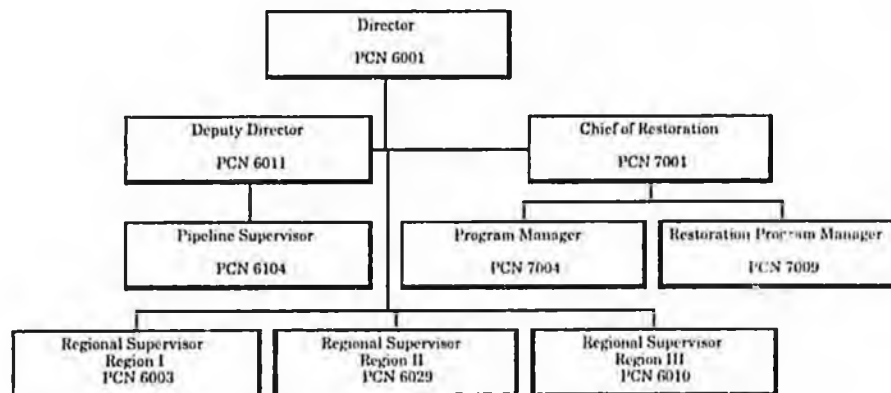
Location	PFT	PSEA	Totals	PFT = 11 PSEA = 4
Anchorage	5	3		
Anch./ Pipeline	2	0		
Fairbanks	4	1		

RESTORATION COMPONENT

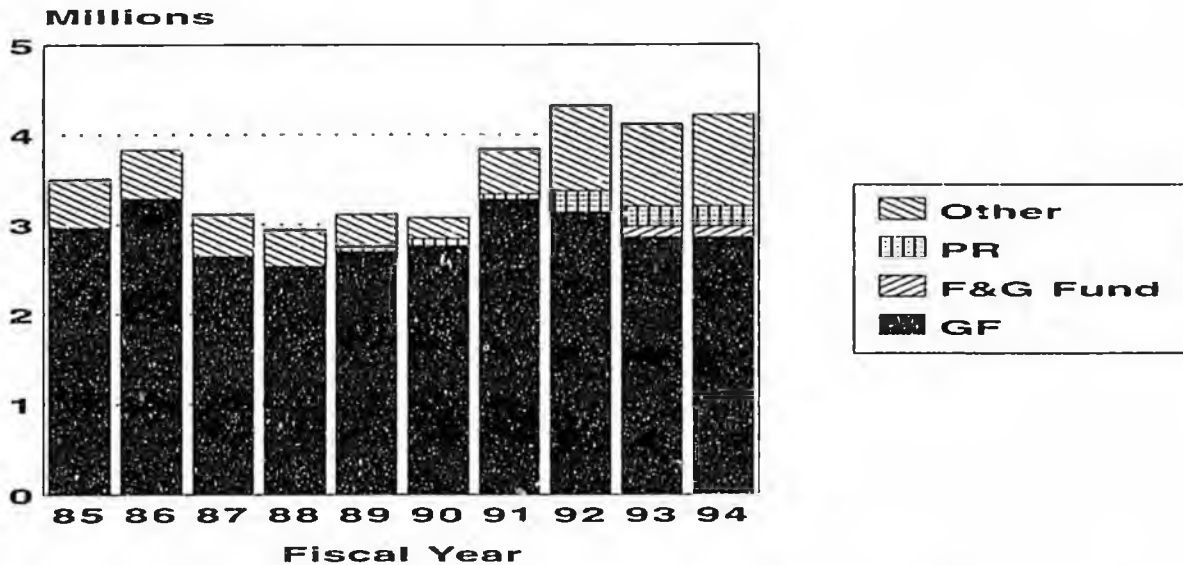
Location	PFT	Other ^a	Totals ^b	PFT = 57 Other = 115
Anchorage	22	18		
Cordova	8	68		
Fairbanks	1	0		
Homer	0	2		
Juneau	22	10		
Kodiak	3	1		
Seward	0	1		
Soldotna	1	3		
Valdez	0	11		
Whittier	0	1		

a This column includes permanent seasonal (PSEA), non-permanent (NP), and Temporary (T) employees.

b 157 of 172 positions in this component are supervised by other divisions of ADF&G; the 15 positions supervised by the Habitat and Restoration Division are located in Juneau (5 PFT, 1 NP), Anchorage (8 PFT), and Cordova (1 PFT).



DIVISION OF HABITAT AND RESTORATION
State Funds



State Funds Include General Funds (GF), Fish and Game Funds, Program Receipts (PR), and Other Funds.

NOTE: In FY93 the Division of Habitat and the former OSIAR Division were organizationally combined. Oil spill funding is not presented in the above representation of state funds for FY93 or FY94, as the Restoration Section funding is only represented by *Exxon Valdez* court settlement funds.

B. CHANGES TO FY93 BUDGET:

For administrative purposes and to reduce program management costs, the former Habitat Division and the Oil Spill Impact Assessment and Restoration (OSIAR) Division were merged to form the Habitat and Restoration Division. Budgeting for the former OSIAR Division is now located in the new division's Restoration Component. No additional changes in the BRU descriptions or Component Goals and Services for either former division are proposed. There were no major changes in the Habitat Component between the FY93 authorization and the FY94 OMB request.

In the Special Projects Component, there was a net gain of \$30.6 from the FY93 authorized to the FY94 request. This is a combined result of: 1) a reduction of \$71.9 in federal receipts; 2) an increase of \$5.0 in oil spill contingency planning interagency receipts; and 3) an increase of \$97.5 in other interagency receipts.

C. FY94 BUDGET REQUEST:

No projects or programs funded by General Funds are expected to be added, deleted, or directly reduced. There will, however, be an indirect reduction in services as a result of increases in workload due to the increased pace of resource development activities and in personal services costs [see Item E(1), below].

D. MAJOR ISSUES:

- 1) Title 16 Permitting Effectiveness — Maintaining fisheries resources and timelines of permit reviews with increased Title 16 permitting workload
- 2) Kenai River Management — Reversing the destruction of Kenai River habitat as a test case for other similarly stressed Alaskan rivers
- 3) Forest Practices Implementation — Maintaining effective participation as timber harvest levels increase
- 4) Oil Spill Restoration Efforts — Evaluating and resolving fish and game management problems created or exacerbated by the *Exxon Valdez* oil spill

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DIVISION OF SPORT FISH

A. DIVISION FUNCTIONS:

1. **Statutory basis.**

AS 16.05.020; AS 16.05.060

2. **Duties.**

The goals of the Division of Sport Fish are to manage, protect, maintain, improve, and extend the state's recreational fishery resources to:

1. Conserve wild stock of sport fish species for long-term sustained yield;
2. Provide a diverse mix of sport fishing opportunities; and,
3. Optimize the social and economic benefits that derive from Alaska's recreational fisheries.

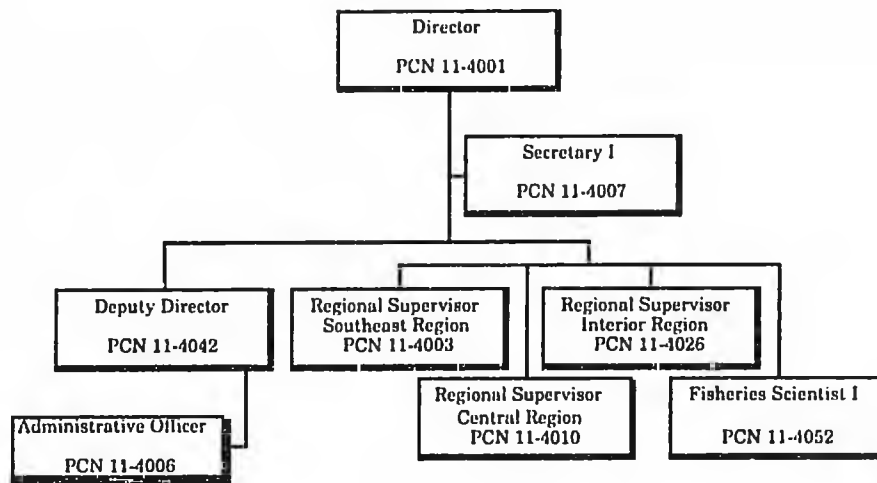
To accomplish these goals the Division of Sport Fish conducts projects to assess the size and condition of fish stocks, impacts of environmental conditions, and harvest and fishing effort. Angler preferences and desires for specific fishery management options are also obtained through public forums. This information is used to manage for sustained yield and maximum public benefit.

Under provision of the federal Dingell-Johnson/Wallop-Breaux (DJ/WB) program, a minimum of 12.5 percent of the state's federal apportionment must be spent on projects to improve recreational boating access and facilities.

3. **Staffing and locations.**

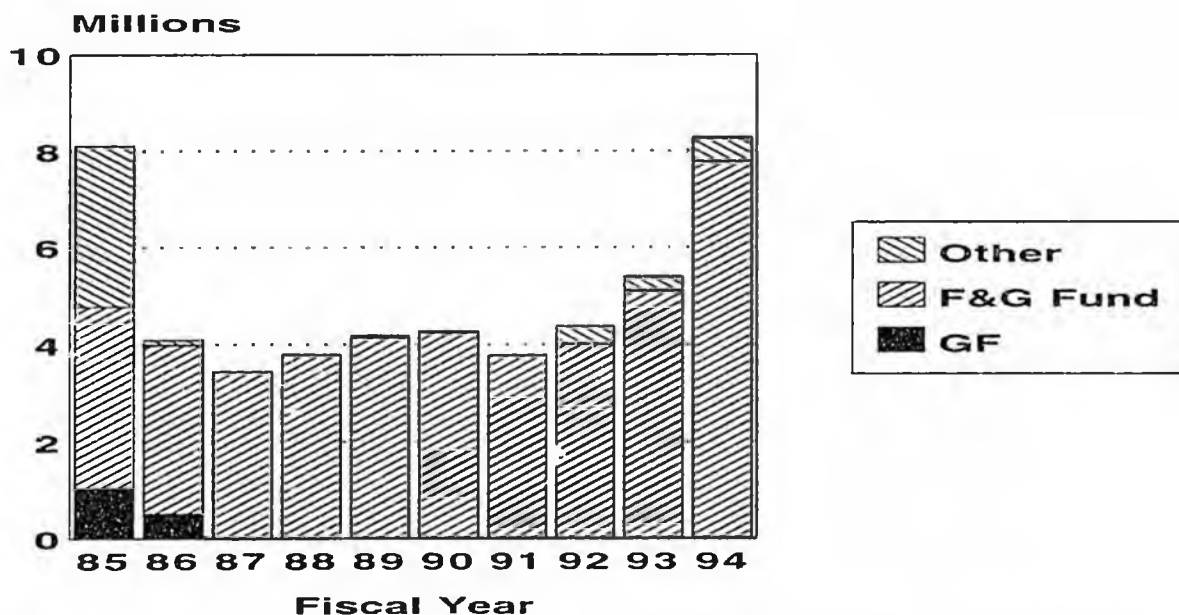
An organizational chart showing staff structure to the regional supervisor level and number of full-time and seasonal employees follows.

Location	PFT	PSEA	Location	PFT	PSEA
Juneau/HQ	10	1	Region II:		
Anchorage/RTS	16	5	Anchorage	26	18
Region I:			Soldotna	6	22
Douglas	15	19	Palmer	4	20
Haines	0	4	Dillingham	2	6
Ketchikan	3	13	Kodiak	2	6
Petersburg	0	1	Glennallen	1	6
Sitka	1	6	Seward	0	2
Yakutat	0	5	Homer	0	1
			King Salmon	0	2
			Valdez	0	1
			Region III:		
			Fairbanks	15	12
			Delta Junction	2	6
			Nome	1	1
Totals		PFT=104 PSEA=157			



DIVISION OF SPORT FISH

State Funds



State Funds include General Funds (GF), Fish and Game Fund, Program Receipts (PR), and Other Funds.

B. CHANGES FROM THE FY93 BUDGET STATE FUNDS:

There are several minor changes in the method of delivering the services provided by the Sport Fish BRU. In FY94 a new federal rule requires that a minimum of 12.5 percent of DJ/WB fund (increased from 10 percent) be spent on boating access. The level of the access request for FY94 reflects this new change. Also in 1993, the cost of a resident sport fishing license will be increased from \$10 to \$15 and all king salmon sport fishermen will be required to purchase a king salmon stamp (cost is \$10 for residents and \$20 for nonresidents). These increased revenues will be deposited into the state's Fish and Game Fund and will be dedicated to projects intended to benefit sport fisheries.

C. FY94 BUDGET REQUEST:

Federal Funds:	7,621.2
General Funds:	17.9
Fish and Game Fund:	<u>7,662.8</u>
Total:	15,301.9

Also: see item D. below.

D. REORGANIZATION PLANS:

Three hatchery facilities (Ft. Richardson Hatchery, Elmendorf Hatchery, and the Brood Stock Development Center) are being transferred to this BRU from the FRED Division. The facilities will be dedicated entirely to sport fish production, and funding will be entirely user pay (Fish and Game Fund and Dingell-Johnson/Wallop-Breaux Fund).

E. MAJOR ISSUES:

Increased Management Complexity of Sport Fisheries

Between 1977 and 1991, sport fishing effort in Alaska increased from 1.2 million days to 2.5 million days fished. Increasing numbers of fishers, conflicts between user groups, subsistence issues, federal management, and more detailed resource specific allocations and management plans have made fisheries management more complex than ever before. Sport, subsistence, and personal use fisheries often occur on anadromous stocks in fresh water or inshore of commercial fisheries. Because subsistence fisheries receive allocative priority, the burden of conservation is often left to the sport and personal use fisheries which are managed by the Division of Sport Fish. Specific management plans and policies are needed to guide fisheries decisions, and precise and timely data about harvest and escapement on an increasing number of fisheries are essential

to prevent overharvest. Also, as management complexity increases, sport fishing regulations become more difficult to understand. Through a strong public information and aquatic education program, the division hopes to better inform and meet the needs of the sport fishing public.

User Pay Funding Sources Should Benefit Sport Fisheries

Since FY84 the Division of Sport Fish has been funded almost entirely with monies received from sport fishers. A federal excise tax on sport fishing equipment and fuels used in recreational boating (DJ/WB Funds) have historically contributed about 60 percent of the division's funding. The balance of funding is from sales of sport fishing licenses (the Fish and Game Fund). In addition to paying management costs, sport fisheries also provide a significant contribution to the state's economy. In 1985, sport fishing contributed \$204.7 million to the state's economy and provided over 3,000 full-time jobs.

Expenditures from the DJ/WB and the --Fish and Game Fund are statutorily limited to projects that benefit sport fisheries. In FY94, funds from the new king salmon stamp, an increase in the cost of resident sport fishing licenses, and prior year balances in the sport fish account of the Fish and Game Fund, will allow the Department of Fish and Game to request an increase of almost \$2.5 million from the Fish and Game Fund. The king salmon stamp revenues in the Fish and Game Fund will replace general funds previously used to raise and stock chinook salmon in Southeast Alaska, to increase the level of chinook production in some hatcheries in Southeast Alaska, to improve monitoring and management programs for important stocks of chinook salmon on the Kenai Peninsula, upper Cook Inlet, Tanana River drainage, and southern Southeast Alaska. The increased license revenues will also fund new programs throughout the state designed to enforce sport fishing regulations. These programs will be supervised in all our regional and field offices by area management staff. Also, in FY94, funding, staff and management responsibility for three major stocking facilities (Ft. Richardson Hatchery, Elmendorf Hatchery, and the Brood Stock Development Center) will be transferred to this BRU from the FRED Division.

DIVISION OF SUBSISTENCE

A. DIVISION FUNCTIONS

1. **Statutory basis.**

AS 16.05.090; AS 16.05.094; AS 16.05.258

2. **Duties.**

Compile existing data and conduct studies to gather information, including data from subsistence users, on all aspects of the role of subsistence hunting and fishing in the lives of the residents of the state.

Quantify the amount, nutritional value, and extent of dependence on food acquired through subsistence hunting and fishing.

Make information gathered available to the public, appropriate agencies, and other organized bodies. Assist the department, the Board of Fisheries and the Board of Game in determining what uses of fish and game, as well as what users and what methods, should be termed subsistence users, uses, and methods.

Evaluate the impact of state and federal laws and regulations on subsistence hunting and fishing and, when corrective action is indicated, make recommendations to the department.

Make recommendations to the Board of Fisheries and the Board of Game regarding adoption, amendment, and repeal of regulations affecting subsistence fishing and hunting.

Participate with other divisions in the preparation of statewide and regional management plans so that those plans recognize and incorporate the needs of subsistence users of fish and game.

3. **Staffing and locations.**

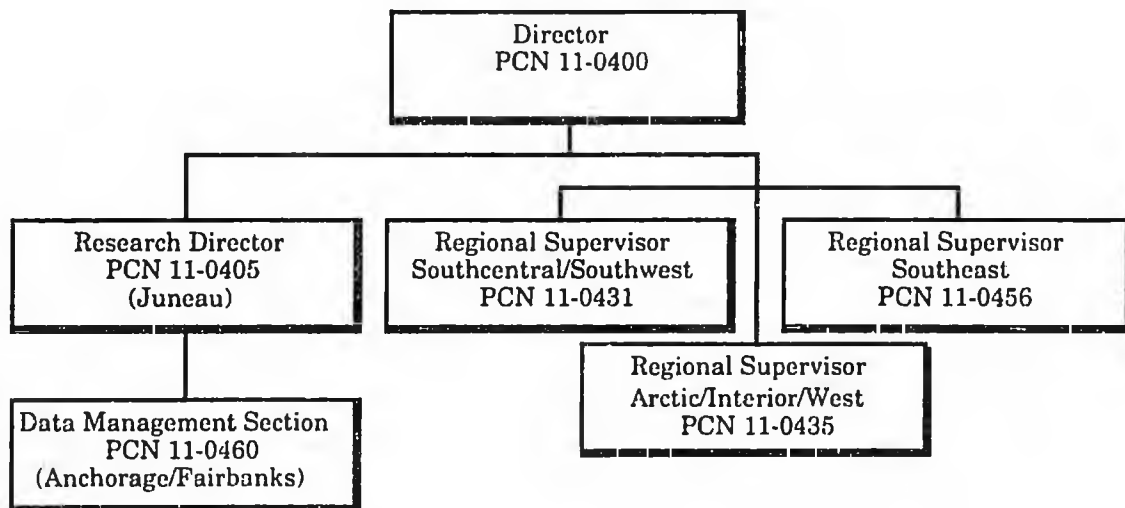
1. An organizational chart showing structure to the field office level, and the total number of full-time and seasonal staff follows.

2. Efficiencies, Cost Control Measures

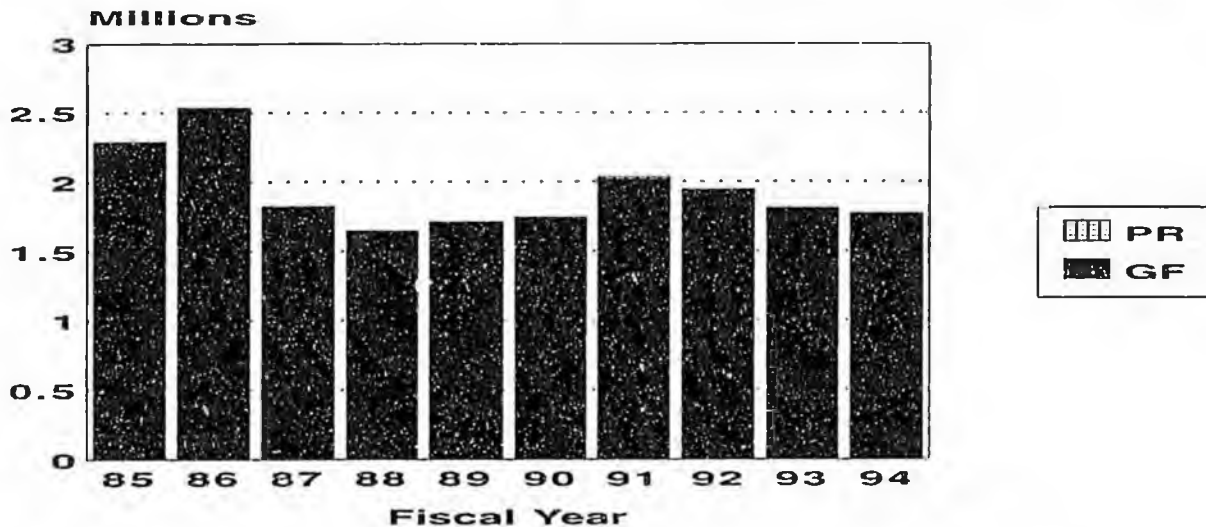
In FY92 and FY93 the division cut costs by deleting two permanent, full-time positions (the deputy director and a data management specialist) and by reorganizing regional programs to accomplish administrative efficiencies.

Division Staffing: Statewide

Location	PFT	PSEA
Juneau/Douglas	9	1
Angoon	0	1
Anchorage	6	4
Dillingham	1	2
Bethel	2	1
Fairbanks	6	2
Ft. Yukon	0	1
Kotzebue	<u>0</u>	<u>4</u>
TOTAL	24	16



DIVISION OF SUBSISTENCE State Funds



State Funds Include General Funds (GF), Fish and Game Funds, Program Receipts (PR), and Other Funds.

B. CHANGES FROM FY93 BUDGET STATE FUNDS:

A supplemental request for \$8.0 is requested for the Division of Subsistence in FY93 to provide additional funding in support of the new subsistence law implementation.

C. FY94 BUDGET REQUEST:

Operational Funding. In FY94 the division must continue to adjust to reductions in state funding. This budget provides a general fund reduction from FY93 of \$42.0. This will require closure of the division's Kotzebue office and reassignment of staff to Fairbanks. The Kotzebue office is in an area where federal lands predominate, and most subsistence issues will be addressed by the federal subsistence program. A reduced level of state services to the Kotzebue area will be provided by other department staff and by staff from the division's Fairbanks office.

Additional instability in the division's budget results from significant reductions in federal subsistence funding. As a consequence of the federal assumption of subsistence management on federal lands, the pre-1990 federal (ANILCA) appropriation of subsistence funds to the state has nearly terminated. Recent years' Special Projects funds have sustained certain of the division's programs, but in FY94 further staff reductions are likely.

D. REORGANIZATION PLANS:

As described above, the projected loss of state general funds in FY94 is expected to result in the closure of the division's Kotzebue office.

E. MAJOR ISSUES:

As in past years, most of the recent work of the Division of Subsistence has been in two general areas: gathering information on subsistence activities throughout the state, and working to implement the state subsistence law. The research function provides the basis for sound, defensible decisions by the Boards of Fisheries and Game. Implementation of the subsistence law requires the division to coordinate the work of the department, the Boards, and the Department of Law, to achieve a coherent and cohesive subsistence management program. Ongoing controversy over the subsistence law, continuing legal challenges, and the rapidly developing federal subsistence program have complicated these efforts.

Subsistence Research

In addition to providing a basic documentary data base on subsistence activities in the state, the division is repeatedly called upon to provide information to the Boards of Fisheries and Game on important subsistence management topics. In FY94 such topics will include nonsubsistence area proposals, Yukon River salmon fisheries, use of halibut in coastal communities, customary trade in subsistence food items, "Tier II" caribou and moose hunts, and deer use in Southeast Alaska.

Subsistence Management Coordination

Fish and game management decisions are being made by both the Federal Subsistence Board and the state boards, at their regular meetings. Understanding the rationale for federal board actions, the implications of those decisions, and the appropriate state response has become a major issue for the division and the department. With dual federal/state subsistence management, responsible fish and game management has become enormously more complex, as have the regulations affecting hunting and fishing throughout Alaska.

Among the many other difficulties engendered by dual management there has been a recent proliferation of subsistence studies by federal agencies. These new studies represent a considerable burden to rural residents and a threat to the state's ongoing attempts to gather reliable fish and game harvest data. The division has worked with federal agencies to promote data compatibility, coordination, high ethical and technical standards in the collection and use of subsistence information, and efficient use of available research funding. Maintaining these standards as new research entities emerge has been a significant issue for the division and the department.

Subsistence Law Implementation

The 1992 legislature's action on a new state subsistence law has led to increased activity by the department and the Boards of Fish and Game on subsistence issues. In FY94 significant effort will be directed to the creation of "nonsubsistence areas" and to the review of all subsistence hunting and fishing regulations to assure their consistency with the new law. The division and the boards also plan to complete the process of identifying stocks and populations where customary and traditional uses exist. The fact that current laws continue to provide subsistence eligibility for all Alaskans complicates this process considerably.

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DIVISION OF WILDLIFE CONSERVATION

A. DIVISION FUNCTIONS:

1. Statutory basis.
AS 16.05; AS 16.20; AS 16.55

2. Duties.

The division serves as the state's primary wildlife conservation agency irrespective of land ownership status. Primary duties and functions include:

Management programs consist of habitat and population management, annual surveys and inventories of big game, furbearer and waterfowl populations, and assessment of harvests of these game species. These projects are conducted to determine the biological status and trends of wildlife populations and to enhance wildlife populations important for human use.

Information and recommendations from management and research programs are summarized for presentation to local fish and game advisory committees, the Alaska Board of Game, and the Big Game Commercial Services Board for the state's regulatory process. The division also provides biological and human use information to the Federal Subsistence Board to protect the state's interests.

Public service projects include response to public inquiries on wildlife related issues, development and distribution of wildlife information and education materials (e.g., Project WILD, Alaska Wildlife Week, wildlife and public use information), a statewide hunter education/safety program, and various aspects of our regulatory function including processing codified regulations passed by the Board of Game, distributing regulation booklets to the public, administering a statewide permitting system, and managing special conservation programs such as the duck stamp.

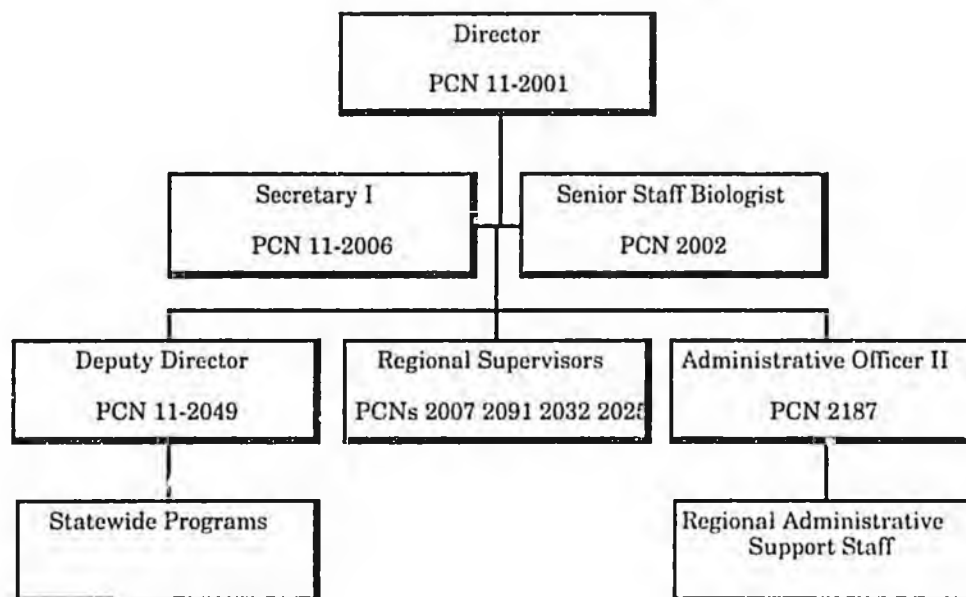
Research programs include studies to provide new biological information, improve investigation techniques, and develop more effective management techniques for application to management activities.

Technical assistance is provided to other state and federal agencies, public institutions, and private organizations.

3. Staffing and locations.

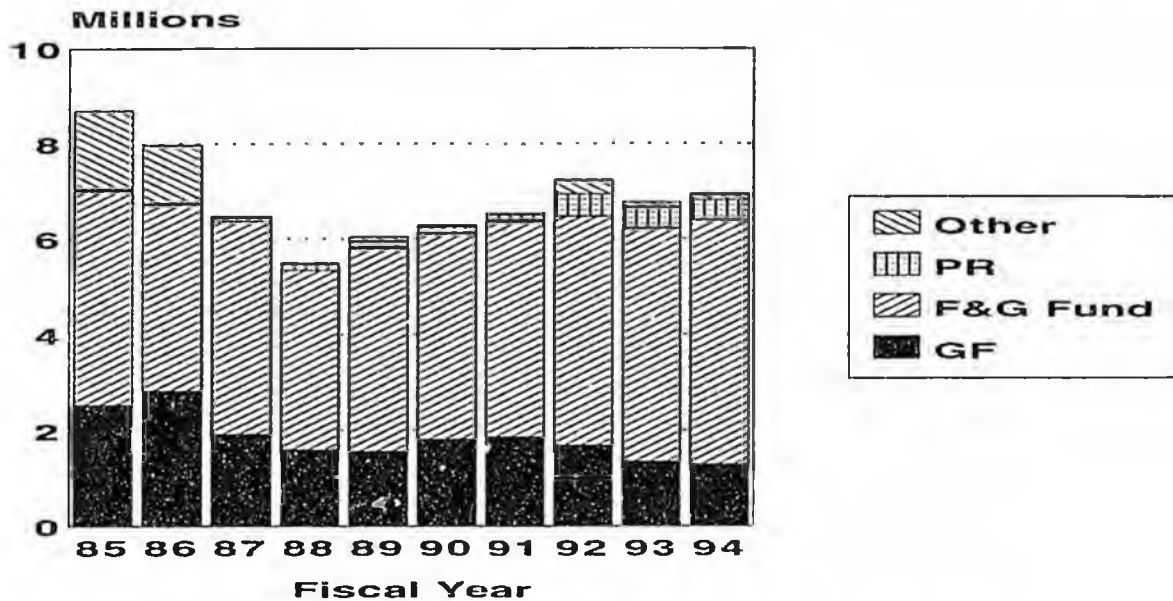
The division is organized into four regions with 18 area offices. The headquarters office is located in Juneau. Distribution of the division's 165 positions is shown on the following chart.

Location	PFT	PSEA	Location	PFT	PSEA
Anchorage	48	7	Dillingham	1	1
Fairbanks	32	7	Galena		1
Juneau	18	8	King Salmon	1	2
Nome	3	1	Ketchikan	1	
Soldotna	4	1	Cordova	2	
Kotzebue	2		Sitka	2	1
Palmer	5		Delta Junction	1	1
Glennallen	3		Bethel	1	
Homer	1	1	Petersburg	1	1
Tok	1	2	Kodiak	1	1
Barrow	1				
McGrath	1		Totals	130	35



DIVISION OF WILDLIFE CONSERVATION

State Funds



State Funds includes General Funds (GF), Fish and Game Funds, Program Receipts (PR), and Other Funds.

B. CHANGES TO FY93 BUDGET:

The FY93 budget has been increased over the authorized version by \$100,000 in Fish and Game Funds and \$252,000 in federal funds under RPLs 11-93-0073 and 11-93-196. The increase in Fish and Game Funds will be used to cover the costs of departmental participation with the U.S. Forest Service in their New Perspectives Planning process related to management of the Tongass National Forest. The project will extend into FY94 and funding has been included in the FY94 budget request. The increase in federal funds under the Pittman-Robertson Act (PR) will be used to supplement and expand existing management studies for wolverine, brown bear, caribou, and moose. The availability of increased PR funds is expected to continue through FY95 and this increased level has been incorporated into the FY94 budget request.

C. FY94 BUDGET REQUEST:

1. PROJECTS/PROGRAMS DELETED OR REDUCED.

The nongame project has been deleted in the FY94 budget request and staff assigned to regional nongame programs have been reassigned to the statewide Watchable Wildlife program. The statewide Watchable Wildlife and Wildlife Conservation and Education programs have been transferred to the General Wildlife project.

2. NEW OR EXPANDED PROJECTS/PROGRAMS.

A total of \$109.7 has been reprogrammed internally to cover increased wolf management programs. This amount is spread over three projects; caribou, moose, and wolf. The totals in these projects may not show a substantial increase over FY93 due to the cyclical nature of survey and inventory activities in both the moose and caribou programs. Without the reprogramming of the \$109.7, these programs would have shown a decrease in the FY94 request.

D. REORGANIZATION PLANS:

The loss of seven positions in FY93 has resulted in the reassignment of regional personnel. Since the deleted positions were spread throughout all four regions, no one region has been drastically affected. Beyond continued monitoring of divisional programs and staff assignments, the division has no major reorganization plans at this time. Staff previously assigned to regional nongame programs have been reassigned to the statewide Watchable Wildlife program. This change will be effective in FY93 and is reflected in the FY94 budget request. As positions are vacated through retirement, transfer, and/or promotion, they will be reviewed for appropriate classification and duty assignments.

E. MAJOR ISSUES:

Need for or impact of proposed legislation:

The Division of Wildlife Conservation is funded primarily with hunting and trapping license revenues (Fish and Game Fund) and federal Pittman-Robertson (PR) monies. To a much lesser extent, appropriate projects are funded from the General Fund. Increased levels of federal PR funds cannot be anticipated to continue past FY95 and may in fact decline, so this funding source cannot be expected to sustain necessary increases in funding needed for Alaska's wildlife programs. As a consequence, the division faces the need to develop other funding sources, including the development of new funding sources for watchable wildlife and nongame management programs (relatively newer programs).

Alaska Department of Fish and Game
Division of Fisheries Rehabilitation, Enhancement and Development
 Jeffery P. Koenings, Ph.D., Director

Report to the 1993 Legislature

FUNCTIONS AND SERVICES

The primary role of the FRED Division is to sustain and enhance Alaska fisheries through the development, application, and dissemination of technologies in supplemental production and natural stock rehabilitation. The division operates five laboratories which provide technical services to the Alaska Department of Fish and Game (ADF&G) and other state, federal, and private nonprofit agencies. For example, the Coded Wire Tag Processing Laboratory in Juneau decodes metal tags implanted in fish and supplies resultant information for in-season management of specific chinook and pink salmon stocks. The Fisheries Genetics Laboratory in Anchorage has an active program to provide wild stock protection as well as new tools for use in stock identification.

The division's Private Nonprofit (PNP) Program oversees the state's aquaculture industry. This includes coordination of statewide fishery planning within eight planning regions, as well as the newly established drainage wide Yukon River planning effort. The division also provides technical assistance to shellfish farmers and has permitting responsibilities for the state's emerging mariculture industry. The latter exemplifies the division's lead role in developing new opportunities for rural economic diversification. The division is also continuing to develop fish culture technology, such as sockeye salmon culture at Snettisham Hatchery and chinook salmon culture at Crystal Lake Hatchery. Finally, resource economics is becoming an integral part of the division's focus, as the rapidly changing world wide supply and demand for fish has impacted all aspects of Alaska's fishery resource.

STATUTORY AUTHORITIES

Plan and implement a program that insures the perpetual and increasing production and use of Alaska's fisheries resources (AS 16.05.092).

Coordinate the rehabilitation and enhancement activities of the department and regional aquaculture associations (AS 16.10.380).

Process fish transport permits and applications for private nonprofit (PNP) hatcheries (AS 16.10.400).

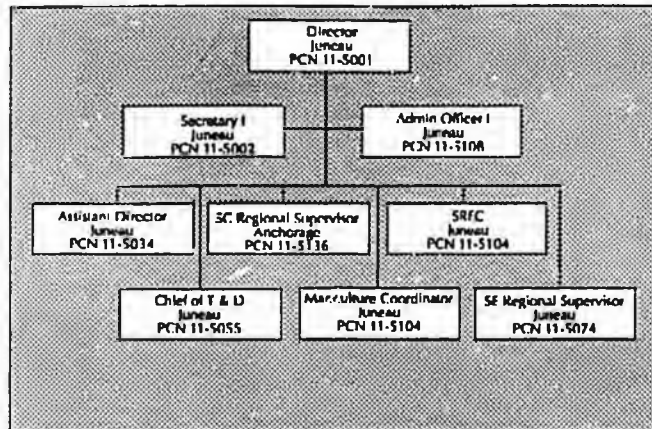
Technically assist the PNP hatcheries to the extent possible (AS 16.10.443) and cooperate in the development of regional salmon plans (AS 16.10.375).

Develop a disease management and control program for aquatic farms and hatcheries (AS 16.40.150), and review suitability of proposed aquatic farms or hatcheries to traditional fisheries, fish, wildlife, or their habitats (AS 16.40.105).

STAFFING

An organizational chart which depicts the division's structure to the regional level and number of full-time and seasonal staff are shown in the following figures.

Location	PFT	PSEA	Location	PFT	PSEA
Anchorage	20	5	Kotzebue	3	8
Clear	3	3	L Pt Walter	1	2
Cordova	1	1	Nome	1	1
Crystal Lake	5	3	Petersburg	1	6
Homer	1	8	Snettisham	4	10
Juneau	44	27	Soldotna	4	7
Ketchikan	8	8			
Kodiak	1	7	TOTAL	97	96



Organizational structure to the regional level

BUDGET OVERVIEW

In FY93, the division's general operating budget was increased by \$813.1 in program receipt authority to cover costs necessary to operate the Gulkana, Kitoi, and Pillar Creek Hatcheries. The FRED Division also accepted a \$200.5 reduction in personal services as well as a \$350.0 miscellaneous reductions targeted toward hatchery operations. These losses resulted in closure of the Russell Creek Hatchery in FY93 and a downsizing of staff in the division's two regional offices and the Headquarters Office.

The FY93 general fund budget was further reduced through an exchange of \$500.0 in general funds for federal funds. The final FY93 budget did provide funding for the operation of the Big Lake Hatchery, which had not been included in the division's original FY93 request.

Overall, the FRED Division's FY94 operating appropriation has been reduced by 31% in general funds and 64% in federal funds from FY93 levels. A reduction in general funds totaling \$3,359.0 results in the closure or transfer of operations of 10 production hatcheries throughout Alaska: Deer Mountain, Klawock, Big Lake, Crooked Creek, Gulkana, Kitoi, and Pillar Creek Hatcheries are targeted for transfer or closures and the Fort Richardson, Elmendorf, and Broodstock Development Center will be transferred to the Division of Sport Fish. These hatchery transfers or closures will be accompanied by a decrease in staff at each

region who have responsibilities in facility oversight and support.

In FY94, the FRED Division will expand the mariculture program and the present Coded Wire Tag Processing Laboratory. The expanded lab will include otolith mark evaluation. The division will expand its efforts to stimulate rural economies through fisheries development and wild stock restoration projects.

CURRENT PROGRAMS

Technology and Development

The genetic program's research into possible oil spill related chromosomal damage to pink salmon in Prince William Sound holds promise of being an extraordinary discovery. The chromosome damage could be inheritable.

Division limnologists continue to investigate fish survivals in the Kenai River lakes. Large overescapements of sockeye salmon have led to very poor overwinter survivals of juvenile fish in Kenai and Skilak lakes. The dramatic reduction in smolts heading to sea questions the sustainability of both commercial and sport sockeye salmon fisheries.

The in-hatchery thermal marking of sockeye salmon otoliths (ear bones) is proving up. Marked otoliths were recovered from adults returning to Sweetheart Lake located south of Juneau. FRED limnologists are also pioneering image analysis of sockeye otoliths as a means of wild stock identification.

The genetics laboratory continues its exciting work with cryopreservation to both simplify aspects of hatchery production and to preserve, or bank, sperm of wild salmon, such as the Chilkat River chinook stock near Haines.

FRED Pathology staff continue to work on the prevalence of Bitter Crab disease in Southeast, Kodiak, and Bering Sea Tanner Crabs. Fishermen did not crab in Upper Lynn Canal due to the very

high prevalence of the disease, but the disease does not appear to be seriously impacting the fishery elsewhere.

Real time coded-wire-tag processing by FRED's tag lab has allowed fishery managers to adjust inseason catches of pink salmon in Prince William Sound and chinook salmon in southeast for hatchery and wild stocks.

Hatchery Contracts

A total of 10 state hatcheries are now being operated or funded by regional aquaculture associations under the state's privatization program. At existing levels, over \$5.5 million in annual operating costs are now user-generated.

The FY94 budget requires that 7 additional hatcheries either be operated, as well as funded, by the private sector or closed. If none are closed, this would bring the total to 14 state hatcheries that have been privatized.

Comprehensive Salmon Planning

The PNP Program is administered by the FRED Division. PNP Program staff organize and oversee the regional salmon planning teams which are comprised of ADF&G and regional aquaculture association member. Staff also coordinates the review of PNP hatchery applications, coordinates management of statewide enhancement data and reporting, annual facility management plans (38 facilities), and the permitting process for hatchery, fish transport, and scientific/educational permits. More than 230 fish transport and 85 scientific/educational permits were reviewed.

In conjunction with the Kodiak Regional Planning Team, FRED staff prepared a complete revision of the Kodiak Regional Comprehensive Salmon Plan, Phase II, 1982-2002. The document was approved by the commissioner in March 1992.

A public review draft of the Chignik Regional Comprehensive Salmon Plan was distributed in August 1992. The document will be completed in February 1993.

A planning core group comprised of ADF&G representatives, the Northwest Arctic Borough, and the National Park Service completed a plan entitled, "Sikusuilag Springs Hatchery Development Alternatives" for the Kotzebue Region. The document was approved by the commissioner in October 1992.

A primary goal of a new salmon management and stock restoration planning process will be to assist Yukon River salmon users and resource managers in making informed decisions regarding management and stock restoration activities. The result will be a comprehensive salmon plan for the Yukon River.

A draft regional comprehensive salmon plan for Area M (Aleutian Islands) was prepared for review by the regional planning team in September 1992. A draft should be available for public review and comment in February 1993.

FRED staff chaired public information sessions and discussions regarding chinook salmon production and harvest in Ketchikan, Petersburg, Wrangell, Sitka and Juneau prior to Board of Fisheries deliberations.

U.S. Treaties

In the fall of 1992, the Northern Panel and Alaska Commissioners to the Pacific Salmon Treaty developed Southeast Alaska positions for treaty annex arrangements for negotiation between the U.S. and Canada during the 1992/1993 Pacific Salmon Commission cycle.

FRED Division staff coordinated and chaired a U.S./Canada treaty negotiating session to develop criteria and guidelines for restoration and development on the Yukon River.

Mariculture

The Aquatic Farm Act of 1988 authorizes ADF&G to issue permits for the construction and operation of aquatic farms or hatcheries for shellfish and aquatic plants.

In 1992, 24 aquatic farm permit applications were received and processed and 16 farm operation permits issued. A total of 68 farms and one hatchery are currently permitted which range from Ketchikan to Kodiak, including Yakutat, Prince William Sound, and Lower Cook Inlet.

Aquatic farm sales in 1992 approached \$197,000, and current inventory indicates almost \$5 million in future sales.

Hatchery Enhancement

In 1992, out of 127 million fish caught in the commercial salmon fisheries, the statewide fisheries enhancement program contributed 9%, and 18% of the total chum catch. Over 400,000 enhancement-produced fish were caught in 1992 sport fisheries.

Chinook salmon produced by hatcheries in Southeast Alaska contributed nearly 34,000, or 16%, of the total 1992 southeast chinook salmon catch.

In Northwest Alaska, Sikusuilaq Springs Hatchery contributed a record 35,000 chum salmon to the 1992 Kotzebue gillnet fishery.

Approximately 66% of the sport fish harvested in the Tanana Valley were hatchery produced, keeping fishing pressure off of natural stocks and allowing them to rebuild.

In 1992, enhancement projects accounted for approximately 79% of the \$2.7 million ex-vessel value of the Lower Cook Inlet sockeye salmon harvest.

1992 Alaska salmon hatchery production

	Eggs taken	Fish released	Fish returned
Northwest	15,275,000	11,069,000	155,557
Cook Inlet	107,732,000	69,166,771	1,298,280
Kodiak	228,740,000	191,829,000	3,373,313
PWS	844,760,000	631,304,200	9,981,528
Southeast	550,557,800	438,129,230	8,739,412
	1,747,065,700	1,341,498,489	23,548,090

Education

In 1992, 56 permits were issued for classroom fish incubators in 41 different cities, towns or villages from Ketchikan to Nome to Cold Bay. FRED biologists frequently assisted with such projects, and provided teacher in-service workshops and classroom assistance. Tests of fisheries biological knowledge among rural school students along the Yukon River indicated a significant increase.

Economic Development

FRED Division staff from conducted fisheries development and restoration projects in the areas surrounding St. George, Nome, Kotzebue, Nelson Island, and Elim. These projects included experimental in-stream incubation boxes and site evaluations.

The Toklat River fall chum salmon have been targeted by the Yukon River Drainage Fisheries Association for a rebuilding and restoration pilot study. In 1992 the Clear Hatchery began incubating the first Toklat River eggs taken. Funding was received from the 17th legislature to begin a comprehensive regional fisheries restoration planning process on the Yukon River.

ISSUES

Reduction of Program Receipts

A reduction of program receipt authority will result in the Kodiak Regional Aquaculture Associations having to operate existing state facilities within their own limited infrastructure.

Increased Economic Diversification

The need for increased economic diversification in rural North/Northwest Alaska will require identification of new project opportunities to meet the demand for fisheries development in these areas and funding to implement such programs. Working with the Department of Commerce and Economic Development, the FRED Division has recently developed a Western Alaska Salmon Restoration Initiative.

St. George Island is an example of a community that is looking toward fisheries development as a tool for economic diversification. Currently no wild stocks of salmon return to the island. Feasibility studies for salmon development began in 1991 and are continuing.

Increases in Mariculture

The demand for oyster seed stock for the mariculture industry in Alaska currently exceeds the capability of out-of-state suppliers. The FRED Division needs to supply a consistent and sufficient in-state supply of oyster and other shellfish seed stock, as well as meeting other requirements of the burgeoning Alaskan mariculture industry.

Development of Mark Analysis

To respond to harvest management of fish, PNP hatchery operators are requesting that the division establish a capability to process otoliths. Thermally marked otoliths will identify hatchery fish contributions to fisheries and facilitate wild stock management.

Regional Comprehensive Planning

FRED is the lead agency within the ADF&G responsible for implementation of comprehensive salmon planning. With two international salmon fishing treaties, the increasing involvement with salmon enhancement and restoration activities in the Yukon and Northwest Alaska, and the maintenance of current regional salmon plans, the magnitude of the division's planning effort is a major issue.

Fishery Resource Economics

There is a pressing need to establish within state government a group of economists to work on issues related to international demand for salmon, price expectations, and the cost/benefits associated with salmon management and enhancement. Like with crude oil, issues surrounding salmon harvest, processing, and sale are nowadays so complex that in order to provide answers to salmon policy questions which repeatedly confront the state, it is necessary to have analyses ongoing at all times.

FUTURE DEVELOPMENTS

In FY94, the FRED and Commercial Fisheries divisions will be combined. This possibility was discussed with the 17th legislature during the FY93 budget process. The department identified a potential \$300.0 in savings that could result from the potential merger. In anticipation of the department's plans, the legislature reduced the FRED Division's FY94 budget by \$90.0. Another \$210.0 was taken from the Commercial Fisheries Division's budget.

The process of consolidating FRED and Commercial Fisheries functions has precedent in the combination of the department's fisheries genetics capability. Two years ago, the two divisions began a joint approach to expanding the fisheries genetics program out of Anchorage. The program has already outgrown existing laboratory space. Consequently, the department's FY93 CIP request includes funding for increased laboratory space for the joint program.

In a similar manner, the two divisions have planned to combine their individual programs in coded wire tag and otolith processing into a single laboratory that will be located in the Juneau/Douglas area. The department, again, has included funding for a new laboratory in a FY94 CIP request which seeks to establish a Fisheries Mark/Tag Laboratory.

In the future, the consolidated division will be looking at, for example, establishing a resource economics capability. FRED currently has a fisheries economist on staff who is concentrating on salmon supply/demand questions which are of critical importance to the state. The Commercial Fisheries Division has two years of funding for an economist to work on ground fish questions. Within the new division, both economists will serve as a focus for a consistent resource economics thrust within the ADF&G.

ALASKA DEPARTMENT OF FISH AND GAME

HANDOUT

January 21, 1993

MISSIONS AND PRIORITIES

DEPARTMENT OF FISH AND GAME

1. To manage and protect existing fish and wildlife resources and their habitat.
 - a. Quantify the harvest.
 - b. Quantify the reproductive potential.
 - c. Quantify individual stocks and age structure.
 - d. Protect resource habitat.
2. To optimize public use and benefits of existing fish and wildlife resources.
 - a. Optimize harvest.
 - b. Optimize public service.
3. To rehabilitate depressed stocks and damaged habitat.
4. To enhance natural production and promote additional beneficial uses.

The priorities listed above are not mutually exclusive; all of these activities are important to the department. Rather, the emphasis placed on each will depend upon funding levels, with lower priority activities suffering a larger proportional share of any impending budget cuts.

In addition, the priorities incorporate the administrative and research support necessary even though these activities are not explicitly stated. Regardless of funding level, some administrative framework and research projects are required to support the department's management activities. These will, however, be scaled appropriately to maintain emphasis on the conduct of priority resource management and protection programs.

GOALS

Department of Fish and Game

Managing on sustained yield principle for fish and game resources.

Protect state management authority.

Promote diversification of Alaskan economy.

Maximize Alaskan benefits from renewable resources such as fish and wildlife.

Emphasize and promote economic diversification and expansion in rural Alaska.

Provide technical research and technology development assistance to seafood industry and private sector.

Promote "user pay" philosophy through greater royalty assessments for uses of renewable resources.

Provide basic services at reduced costs.

Peduce mid-level management.

**DEPARTMENT OF FISH AND GAME
FY93 FUNDING SOURCES**

Total Budget: 91198.4

GENERAL FUND 42031.8 (46.1%)

GF MATCH MATCH 1516.5 (1.7%)

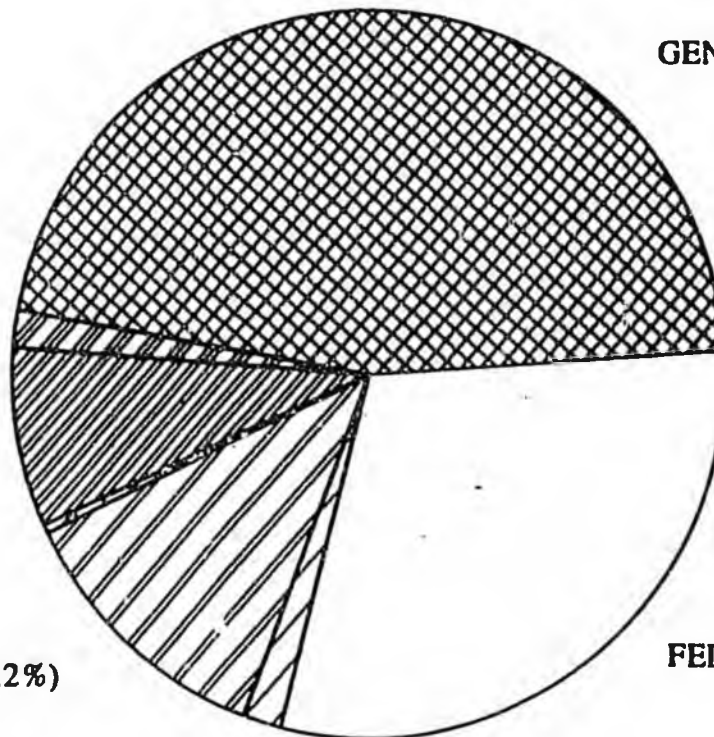
PROGRAM RECEIPTS 7320.1 (8.0%)

CIP RECEIPTS 352.5 (0.4%)

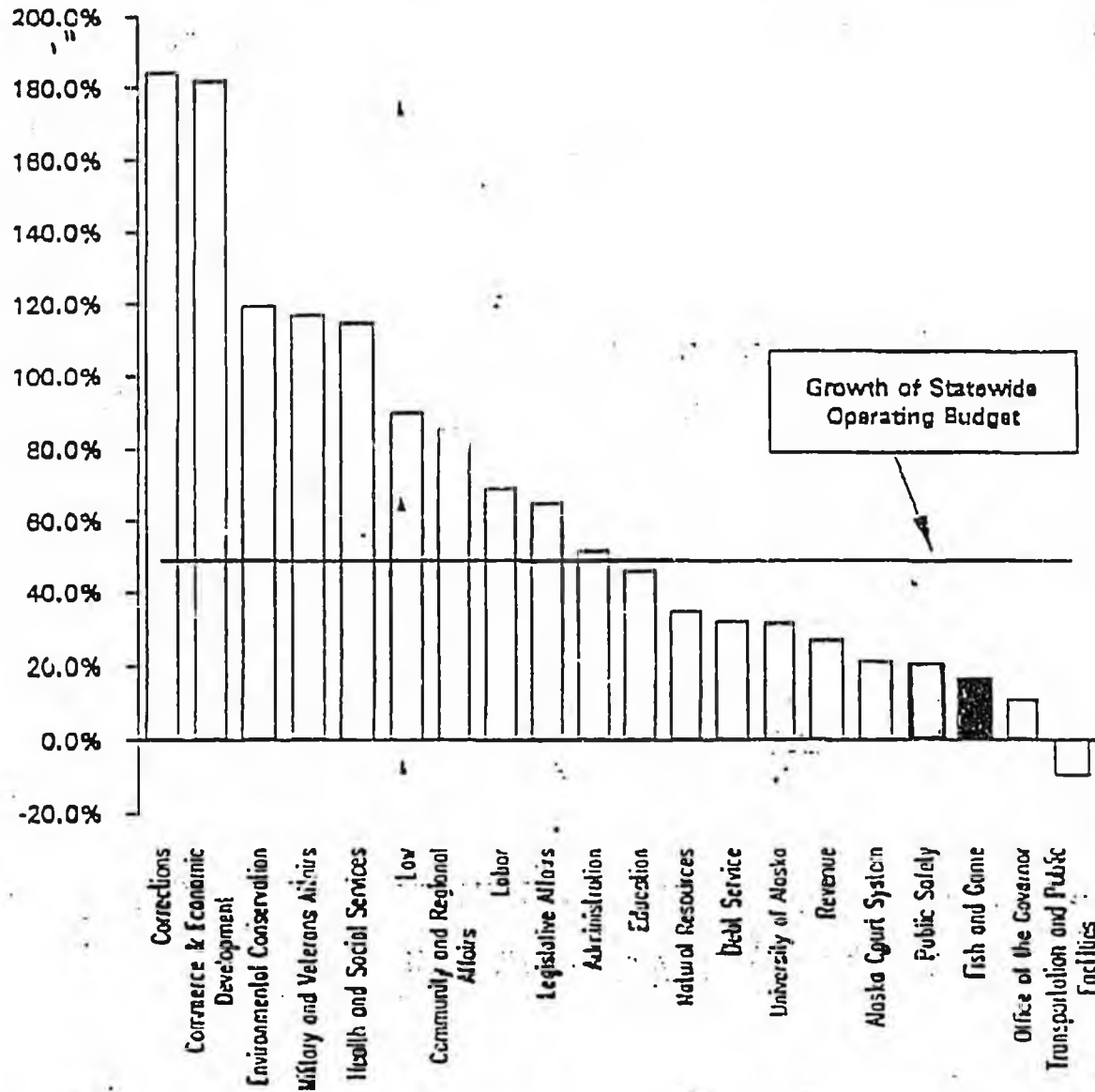
FISH & GAME FUND 11112.9 (12.2%)

INTERAGENCY RECEIPTS 1550.6 (1.7%)

FEDERAL 27314.0 (30.0%)

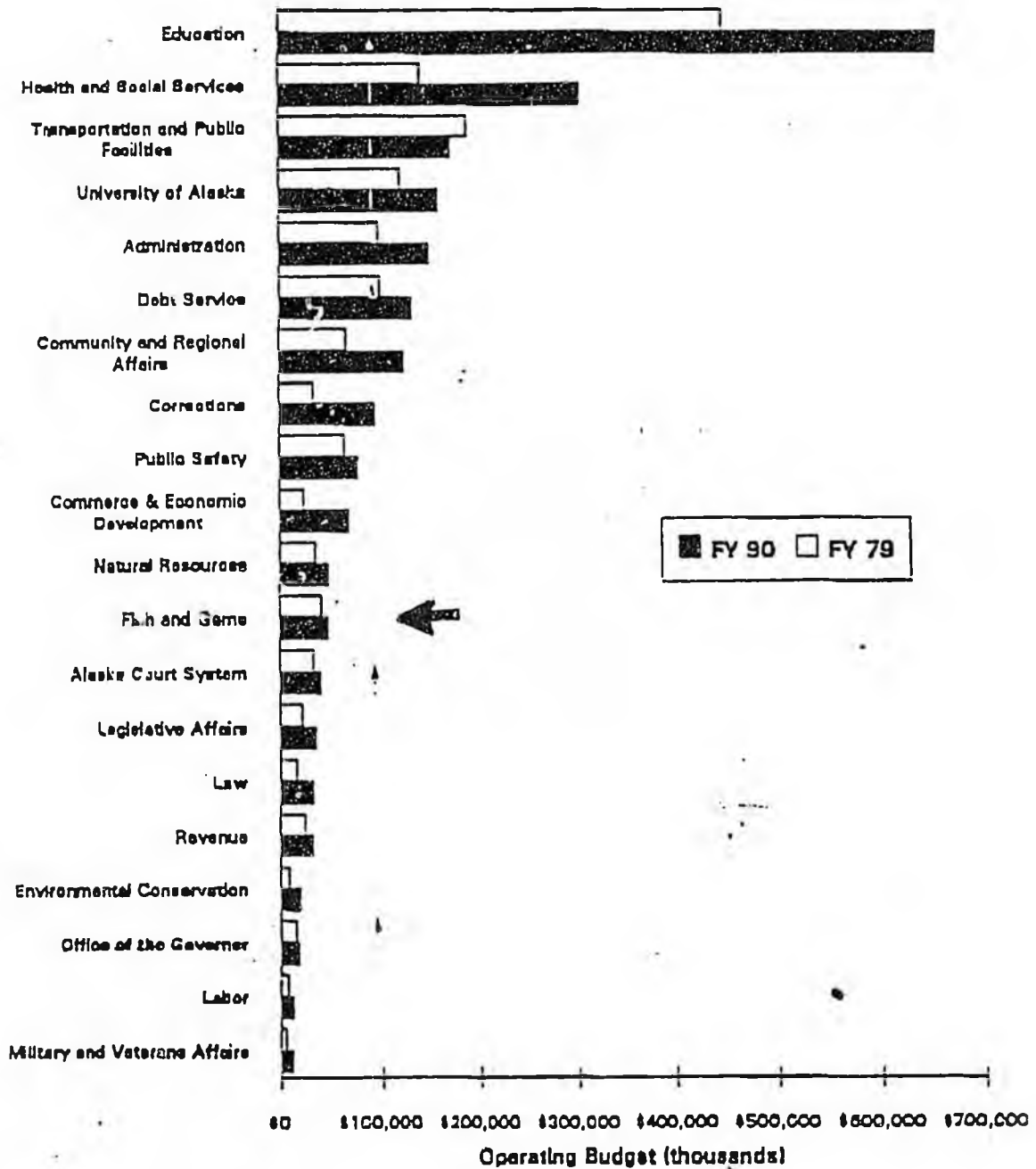


Percentage Growth in Operating Budgets by Department FY 79 to FY 90



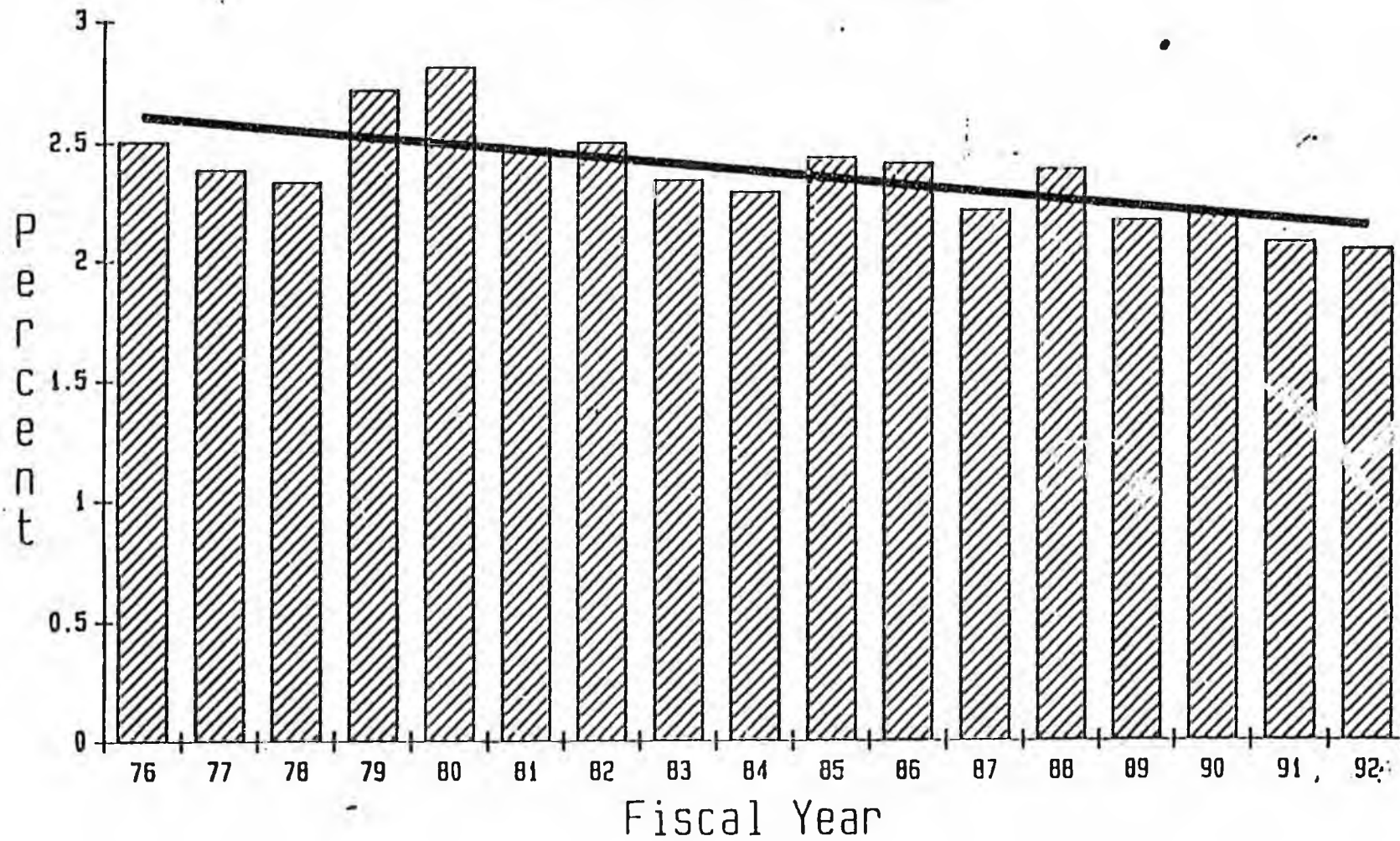
Source: Legislative Research Agency, ALJ 81-008, 06/21/90

Operating Budgets by Department FY 79 and FY 90



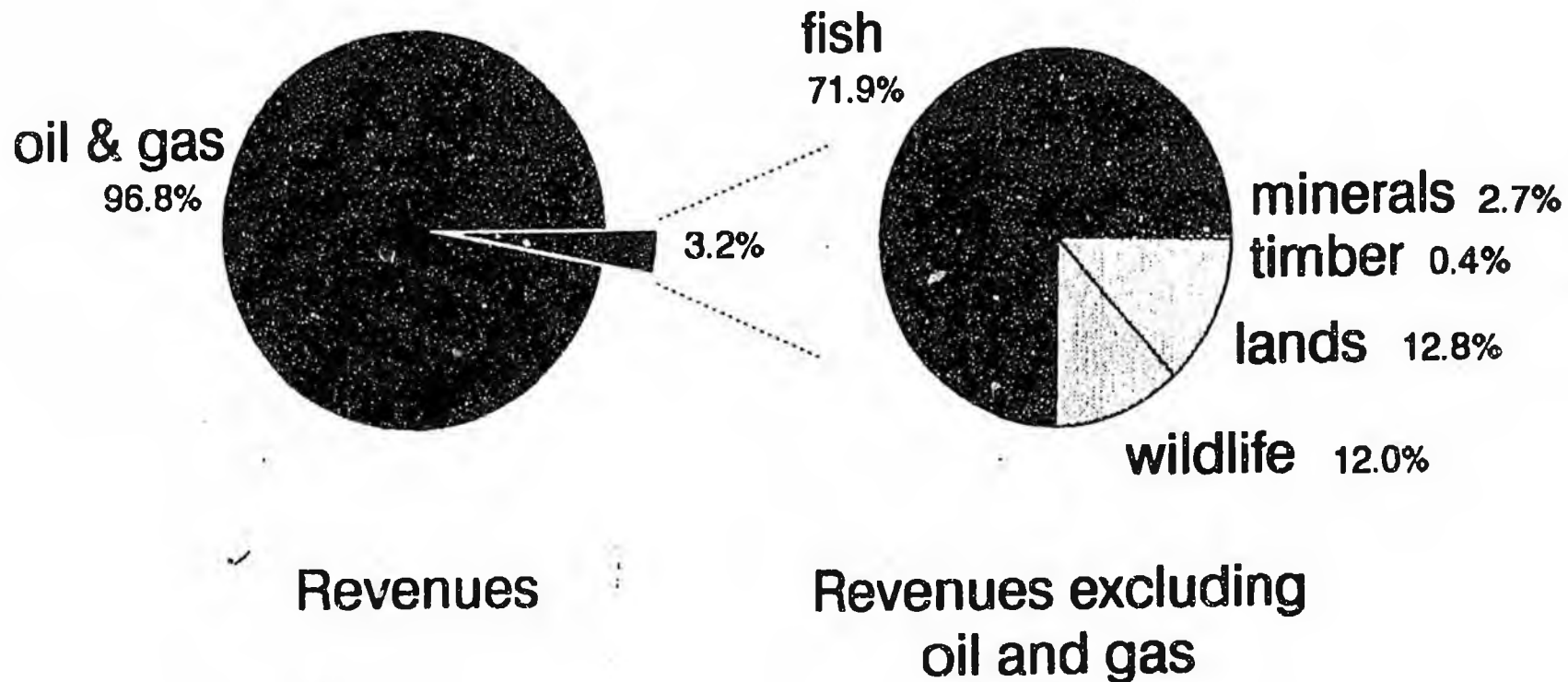
Source: Legislative Research Agency, RA # 81.006, 08/21/90

Percentage of State General Operating Funds Spent by ADF&G
(Excludes Program Receipts)

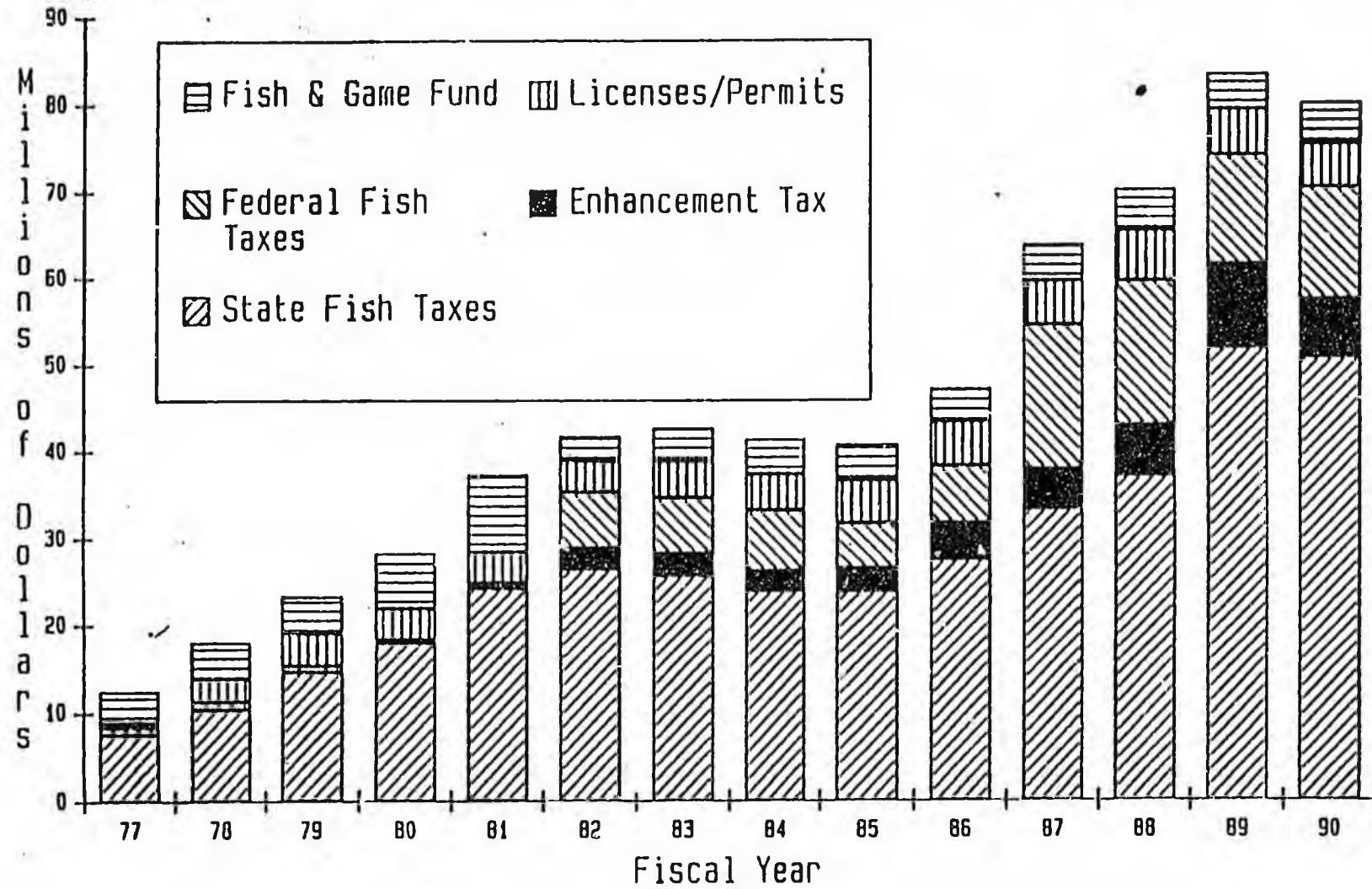


Alaska revenue from natural resources

Gross revenues in FY88



Alaska Fisheries Revenues



**ECONOMIC ACTIVITY ASSOCIATED WITH ALASKA'S FISH AND WILDLIFE
RESOURCES**

Economic Activity	Gross Sales	Average Annual Employment	State Tax Revenue ¹ FY 91 (in thousands)	State Funding ² FY 91 (in thousands)
Commercial Fishing	\$1.36 Billion ³	11,340 Harvesting ⁴	\$2,500 Permit Fees \$471 License Fees \$6,149 Enhancement Tax	\$20,872.2 ComFish Division \$11,596.5 FRED Division \$2,583 CFEC
Fish Processing	\$2.546 Billion ⁵	10,900 Processing ⁶	\$41,365 Raw Fish Tax \$3,275 Marketing Tax	\$1,378.8 Boards
Hunting	\$78.5 Million ⁷	1,300 ⁸	\$9,788 License Fees	\$6490.8 Wildlife
Trapping	Not Available	Not Available	Included in Hunting	Included under Hunting
Sport Fishing	\$204.7 Million ⁹	3,033 ¹⁰	Included in Hunting	\$3896.8 Sport Fish
Subsistence	35-45 million lbs of wild food consumed annually ¹¹	118,000 people participate in the subsistence economy ¹²	None	\$2031.1 Subsistence
Wildlife Viewing				
Totals	\$4.9 Billion		\$63,548	\$48,849.2¹³

Prepared by Geron Bruce
Alaska Department of Fish and Game
September 1, 1992

1. Alaska Department of Revenue, Historical Fish and Game Revenues, 1/29/92

2. State of Alaska, Alaska State Legislature, Fiscal Year 93 Budget

3. Alaska Department of Commerce and Economic Development, The Alaska Economy Performance Report, 1990-91, page 11, exvessel value

4. Ibid. page 11, Mid-range of average annual employment, or 21% of total harvesting participation

5. Institute of Social and Economic Research, University of Alaska, Executive Summary, Seafood Sector Report, 1992, page 7, first wholesale value

Economic Activity Associated with Alaska's Fish and Wildlife Resources

6. Alaska Department of Labor, personal communication from Chris Miller

7. International Association of Fish and Wildlife Agencies, The Economic Impacts of Hunting in Alaska, 1987

8. Ibid. page 2, fulltime and part-time jobs

9. Sport Fishing Institute, The Economic Impact of Sport Fishing in Alaska

10. Ibid.

11. Alaska Department of Fish and Game, Subsistence Division

12. Ibid.

13. Other state funds appropriated to the Department of Fish and Game in FY 91 were: Division of Administration, \$5,723,900; and Habitat Division \$3,462,100

**PRIVATE INDUSTRIES IN ALASKA:
GROSS SALES, EMPLOYMENT, TAXES AND GOVERNMENT SPENDING**

INDUSTRY	GROSS VALUE OF SALES	FULLTIME EQUIVALENT JOBS	STATE TAX REVENUES Fiscal Year 1991	STATE FUNDING Fiscal Year 1991
CONSTRUCTION	\$.717 Billion ¹	10,500 ²	Not Available	\$52.5 Million ³
COMMERCIAL FISHING	\$2.54 Billion ⁴	22,240 ⁵	\$47.3 Million ⁶	\$32.1 Million ⁷
SPORT FISHING	\$.200 Billion ⁸	3,033 ⁹	\$10.6 Million ¹⁰	\$7.3 Million ¹¹
WILDLIFE CONSERVATION	\$.080 Billion ¹²	1,300 ¹³	Included in total under Sport Fish	\$6.5 Million ¹⁴
MINING	\$.554 Billion ¹⁵	3,638 ¹⁶	\$3 Million ¹⁷	\$1.5 Million ¹⁸
TIMBER	\$.563 Billion ¹⁹	3,500 ²⁰	\$.431 Million ²¹	\$9.8 Million ²²
TOURISM	\$1.1 Billion ²³	13,500 ²⁴	\$7.6 Million ²⁵	\$11.0 Million ²⁶
OIL & GAS	\$10.6 Billion ²⁷	10,600 ²⁸	\$2.571 Billion ²⁹	\$3.9 Million ³⁰

Prepared by Geron Bruce
Alaska Department of Fish and Game

1. Associated General Contractors, List of Apparent Low Bidders 1991 Projects
2. Alaska Department of Labor, personal communication from Chris Miller
3. Legislative Finance Division, FY93 Operating Budget, DOT/PF, Design and Construction Components, FY91 Actuals
4. University of Alaska, Institute of Social and Economic Research, Executive Summary, Alaska Seafood Industry, Seafood Sector Report, First wholesale value (in draft)

5. Alaska Department of Labor, personal communication from Chris Miller for estimate of processing workers. Alaska Department of Commerce and Economic Development, The Alaska Economy Performance Report, 1990-91 for harvesting employment. 21% of total harvesting employment for fulltime equivalents.

6. Alaska Department of Revenue, Historical Fish and Game Revenues, Selected components: Fisheries Business Tax, Commercial fishing license and permit fees, test fishing receipts. (Salmon enhancement tax [\$6.1 million], seafood marketing tax [\$3.3 million], marine fuel tax [\$10 million] and federal funds [\$7.4 million] are not included.)

7. Ibid., ADF&G Commercial Fish, CFEC and FRED Components, FY91 actuals. (In addition, \$7.2 million in federal funds were received and expended).

8. Sport Fishing Institute, The Economic Impact of Sport Fishing in Alaska

9. Ibid.

10. Alaska Department of Revenue, Historical Fish and Game Revenues, FY91 Fish and Game Fund Receipts

11. Legislative Finance Division, FY93 Operating Budget, ADF&G, Sport Fish and FRED Components, FY91 Actuals. (In addition, \$7.4 million in Federal funds were received and expended).

12. International Association of Fish and Wildlife Agencies, The Economic Impacts of Hunting in Alaska in 1987

13. Ibid.

14. Legislative Finance Division, FY93 Operating Budget, ADF&G, Wildlife Conservation Components, FY91 Actuals. (In addition, \$5.2 million in Federal funds were received and expended).

15. Alaska Department of Commerce and Economic Development, Alaska Economy Performance Report 190-91, page 8.

16. Ibid. page 8.

17. Alaska Department of Revenue and Department of Natural Resources, personal communication from Paul Dick and Kerwin Krause

18. Legislative Finance Division, DNR, Mining components FY91 Actuals. (In addition, \$.4 million in Federal funds were received and expended).

19. ADCED, The Alaska Economy Performance Report 1990-91, page 12.

20. Ibid. page 13.

21. Alaska Department of Natural Resources, Division of Forestry. (In addition, \$9.3 million dollars in federal funds were received and expended.)

22. Legislative Finance Division, FY93 Operating Budget, DNR, Forest Management Component, FY91 Actuals. (In addition \$.4 million in federal funds were received and expended.)

23. Alaska Commerce and Economic Development, The Alaska Economy Performance Report 1990-91, Total includes sales for transportation, lodging, services and retail. \$670 million of the total is for transportation to and from Alaska, primarily cruise ship and airline fares.

24. Ibid.

25. Alaska Visitors Association, Year End Review, Prepared by the McDowell Group

26. Alaska Department of Commerce and Economic Development, Division of Tourism, expenditures by Division of Tourism and Alaska Tourism Marketing Council, personal communication from Pete Carlson

27. Alaska Department of Commerce and Economic Development, The Alaska Economy Performance Report, 1990-91

28. Alaska Department of Labor, personal communication from Chris Miller, total includes extraction and services employment

29. Alaska Department of Revenue, Revenue Sources Book, FY 91 actual

30.Legislative Finance Division, FY93 Operating Budget, DNR, Petroleum Management
Component, FY91 Actuals.

DEPARTMENT OF FISH AND GAME
FY94 BUDGET REQUEST

GENERAL FUNDS AND PROGRAM RECEIPTS

DIVISION	FY92 ACTUAL	FY93 AUTHORIZED	FY94 REQUEST	INCREASE/ DECREASE FY92/FY93	INCREASE/ DECREASE FY92/FY94	INCREASE/ DECREASE FY93/FY94
COMMERCIAL FISH	21224.5	21897.9	22084.7	3.2%	4.1%	0.9%
SPORT FISH	0.0	17.9	17.9	0.0%	0.0%	0.0%
FRED	12077.2	10777.5	7417.9	-10.8%	-38.6%	-31.2%
WILDLIFE CONS.	2161.0	1774.0	1707.5	-17.9%	-21.0%	-3.7%
COMMISSIONER	2506.4	945.8	945.8	-62.3%	-62.3%	0.0%
PCS	417.4	358.4	358.4	-14.1%	-14.1%	0.0%
ADMINISTRATION	3531.9	2183.7	2340.0	-38.2%	-33.7%	7.2%
FACILITY MAINT.	169.8	0.0	0.0	0.0%	0.0%	0.0%
BOARDS	1408.2	1410.3	1902.3	0.1%	35.1%	34.9%
SUBSISTENCE	1941.7	1809.8	1767.8	-6.8%	-9.0%	-2.3%
HABITAT	3370.7	3074.8	3074.8	-8.8%	-8.8%	-0.0%
CFEC	2517.6	2638.9	2638.9	4.8%	4.8%	0.0%
TOTAL F&G	51326.4	46889.0	44256.0	-8.6%	-13.8%	-5.6%
TOTAL FUNDS						
COMMERCIAL FISH	26236.7	28888.5	29075.3	10.1%	10.8%	0.6%
SPORT FISH	11259.1	12450.5	16401.0	10.6%	45.7%	31.7%
FRED	22805.8	24891.1	13194.9	9.1%	-42.1%	-47.0%
WILDLIFE CONS.	13979.7	14234.0	15227.8	1.8%	8.9%	7.0%
COMMISSIONER	2921.8	1075.0	1075.0	-63.2%	-63.2%	0.0%
PCS	633.1	566.2	566.2	-10.6%	-10.6%	0.0%
ADMINISTRATION	4337.7	4072.0	4348.2	-6.1%	0.2%	6.8%
BOARDS	1523.0	1809.4	2002.3	18.8%	31.5%	10.7%
SUBSISTENCE	2987.6	3360.4	3096.5	12.5%	3.6%	-7.9%
HABITAT	4606.5	4365.1	4398.3	-5.2%	-4.5%	0.8%
CFEC	2578.7	2747.2	2747.2	6.5%	6.5%	0.0%
TOTAL F&G	93869.7	98459.7	92132.7	4.9%	-1.9%	-6.4%

ALASKA DEPARTMENT OF FISH AND GAME

FY94 BUDGET REQUEST

	<u>GENERAL FUND</u>	<u>PROGRAM RECEIPTS</u>	<u>FEDERAL FUNDS</u>	<u>FISH & GAME FUND</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
COMM FISH	19807.2	2120.5	669.5	0.0	0.0	22597.2
CF SPEC PROJ	0.0	157.0	5619.4	431.4	270.3	6478.1
SUBTOTAL	19807.2	2277.5	6288.9	431.4	270.3	29075.3
SPORT FISH	17.9	0.0	7621.2	7662.8	0.0	15301.9
SF SPEC PROJ	0.0	0.0	500.0	0.0	100.0	600.0
SF CIP	0.0	0.0	0.0	0.0	499.1	499.1
SUBTOTAL	17.9	0.0	8121.2	7662.8	599.1	16401.0
FRED	7181.6	236.3	1077.5	662.5	319.9	9477.8
FRED SPEC PROJ	0.0	0.0	3487.3	0.0	200.9	3688.2
FRED CIP	0.0	0.0	0.0	0.0	28.9	28.9
SUBTOTAL	7181.6	236.3	4564.8	662.5	549.7	13194.9
WILDLIFE CONS.	1294.5	113.0	6000.0	5100.0	0.0	12507.5
WC SPEC PROJ	0.0	300.0	2300.0	0.0	50.0	2650.0
WC CIP	0.0	0.0	0.0	0.0	70.3	70.3
SUBTOTAL	1294.5	413.0	8300.0	5100.0	120.3	15227.8
COMMISSIONER	935.2	10.6	114.2	0.0	15.0	1075.0
PCS	213.8	144.6	0.0	0.0	207.8	566.2
ADMIN	2094.6	245.4	1312.2	585.6	110.4	4348.2
SUBTOTAL	2308.4	390.0	1312.2	585.6	318.2	4914.4
BOARDS	1125.1	0.0	0.0	0.0	0.0	1125.1
AC/RC	777.2	0.0	100.0	0.0	0.0	877.2
SUBTOTAL	1902.3	0.0	100.0	0.0	0.0	2002.3
SUBSISTENCE	1767.8	0.0	200.0	0.0	0.0	1967.8
SUBS SPEC PROJ	0.0	0.0	1128.7	0.0	0.0	1128.7
SUBTOTAL	1767.8	0.0	1328.7	0.0	0.0	3096.5
HABITAT	2852.9	0.0	169.3	125.0	0.0	3147.2
HAB SPEC PROJ	0.0	221.9	15.0	0.0	1014.2	1251.1
SUBTOTAL	2852.9	221.9	184.3	125.0	1014.2	4398.3
CFEC	0.0	2638.9	108.3	0.0	0.0	2747.2
TOTAL	38067.8	6188.2	30422.6	14567.3	2886.8	92132.7

DECEMBER 11, 1992

DEPARTMENT OF FISH AND GAME

1/19/93

BRU	←-----ACTUAL----->										AUTHORIZED	REQUEST
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994		
DIVISION OF COMMERCIAL FISHERIES												
FEDERAL GENERAL FUND	1213.7	2429.0	3575.9	4040.9	3819.4	3746.3	3879.0	4500.1	6288.9	6288.9		
FISH AND GAME FUND	18412.0	17977.0	16031.0	16889.6	18490.9	18627.8	19839.0	19220.0	19805.7	19805.7		
PROGRAM RECEIPTS	158.2	257.3	184.2	0.0	0.0	0.0	167.2	201.3	231.7	231.7		
OTHER	1627.8	1933.2	136.2	91.2	1288.5	201.2	866.0	1704.5	2082.3	2371.5		
TOTAL	21411.7	22597.3	20249.1	21940.9	23691.5	23373.3	24965.2	26236.7	28888.5	29075.3		
DIVISION OF SPORT FISH												
FEDERAL GENERAL FUND	1797.0	2875.8	3871.9	4328.1	4867.2	5247.0	6094.4	6886.1	7055.4	8121.2		
FISH AND GAME FUND	1499.4	3475.0	3447.4	3795.9	4147.2	4247.9	3792.0	4017.0	5089.9	7762.8		
PROGRAM RECEIPTS	3328.1	99.3	0.0	0.0	45.4	25.0	0.0	356.0	287.3	499.1		
OTHER	9904.2	6964.3	7319.3	8123.3	9059.8	9519.9	9886.4	11259.1	12450.5	16401.0		
TOTAL	9904.2	6964.3	7319.3	8123.3	9059.8	9519.9	9886.4	11259.1	12450.5	16401.0		
DIVISION OF F.R.E.D.												
FEDERAL GENERAL FUND	248.1	1251.8	2482.4	2656.2	4437.7	5895.3	4559.0	10114.7	13341.2	4564.8		
FISH AND GAME FUND	14706.9	14241.1	11751.3	11425.8	11023.0	11327.1	10138.0	10282.0	9202.3	7181.6		
PROGRAM RECEIPTS	500.0	249.0	249.0	250.0	289.0	250.0	385.0	380.0	386.0	392.3		
OTHER	186.9	113.5	592.6	260.9	59.0	187.8	1072.9	1795.2	1574.8	536.3		
TOTAL	15141.9	16126.0	15163.9	15143.5	16760.6	18405.8	16313.4	22805.8	24891.1	13194.9		
DIVISION OF WILDLIFE CONSERVATION												
FEDERAL GENERAL FUND	3893.5	4375.0	4300.0	4627.6	4846.3	4882.7	5215.6	6757.7	7474.9	8300.0		
FISH AND GAME FUND	2228.7	5900.0	4756.0	3757.0	2528.0	4926.0	4293.3	4720.0	4879.8	5100.0		
PROGRAM RECEIPTS	1652.2	1209.2	31.4	130.0	134.9	35.7	134.1	134.0	219.3	120.3		
OTHER	12590.3	12332.1	10764.3	10123.2	10879.2	11170.8	11736.0	13979.7	14234.0	15227.8		
TOTAL	12590.3	12332.1	10764.3	10123.2	10879.2	11170.8	11736.0	13979.7	14234.0	15227.8		
OFFICE OF THE COMMISSIONER												
FEDERAL GENERAL FUND	25.0	25.0	25.0	93.6	97.5	89.0	63.4	173.7	114.2	114.2		
FISH AND GAME FUND	1050.2	959.2	731.9	722.8	826.2	1020.0	1150.4	852.1	935.2	935.2		
PROGRAM RECEIPTS	0.0	0.0	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0		
OTHER	1055.2	984.2	756.1	824.2	1002.1	1280.8	1214.1	2921.8	1075.0	1075.0		
TOTAL	1055.2	984.2	756.1	824.2	1002.1	1280.8	1214.1	2921.8	1075.0	1075.0		
PUBLIC COMMUNICATIONS SECTION												
FEDERAL GENERAL FUND	454.0	342.4	241.0	170.3	143.6	172.8	155.1	288.2	212.9	213.8		
FISH AND GAME FUND	71.1	85.8	80.1	88.2	122.9	150.0	138.7	188.2	144.6	144.6		
PROGRAM RECEIPTS	150.0	137.8	220.6	193.3	208.5	200.4	204.3	215.7	207.8	207.8		
OTHER	675.1	566.0	541.7	451.8	474.7	523.2	498.1	633.1	566.2	566.2		
TOTAL	675.1	566.0	541.7	451.8	474.7	523.2	498.1	633.1	566.2	566.2		
DIVISION OF ADMINISTRATION												
FEDERAL GENERAL FUND	3378.1	3676.8	3283.8	2904.7	3279.9	3282.6	3556.8	3678.6	1312.4	1312.2		
FISH AND GAME FUND	57.5	20.0	0.0	0.0	742.6	159.3	91.8	19.7	40.2	110.2		
PROGRAM RECEIPTS	3435.6	3696.8	3283.8	2904.7	4022.5	3949.7	4165.0	4337.7	4072.3	4348.2		
OTHER	3435.6	3696.8	3283.8	2904.7	4022.5	3949.7	4165.0	4337.7	4072.3	4348.2		
TOTAL	3435.6	3696.8	3283.8	2904.7	4022.5	3949.7	4165.0	4337.7	4072.3	4348.2		

= Actual Expenditures
 = Authorized Level
 = Requested Level
 FY85-FY92
 FY93
 FY94

Continued on Page 2

BRU	ACTUAL										AUTHORIZED 1993	REQUEST 1994
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994		
BOARDS OF FISH AND GAME												
FEDERAL GENERAL FUND	498.8	498.8	488.0	484.9	467.8	487.0	372.8	114.8	398.1	100.0		
FISH AND GAME FUND	816.9	682.2										1902.3
PROGRAM RECEIPTS												0.0
OTHER												0.0
TOTAL	1315.7	1181.0	932.4	971.1	1104.3	1652.0	1651.7	1523.0	1809.4	2002.3		
VESSELS SECTION												
FEDERAL GENERAL FUND	1785.7	1624.8	SEE COMM FISH									
FISH AND GAME FUND												
PROGRAM RECEIPTS												
OTHER												
TOTAL	1785.7	1624.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DIVISION OF SUBSISTENCE												
FEDERAL GENERAL FUND	521.8	508.0	521.6	603.7	487.0	1,615.8	356.7	1,045.9	1,550.8	1,328.7		
FISH AND GAME FUND	2288.0	2534.0	1821.0	1823.2	1789.7	1,921.9	2016.0	1,921.7	1,809.8	1,769.8		
PROGRAM RECEIPTS					0.0					0.0		
OTHER	242.3	46.7			136.4		15.1			0.0		
TOTAL	3052.1	3089.6	2392.4	2246.7	2333.1	2357.8	2385.8	2987.6	3360.4	3098.5		
DIVISION OF HABITAT AND RESTORATION												
FEDERAL GENERAL FUND	2965.8	3289.0	84.1	149.3	199.0	196.8	188.1	276.4	253.6	184.3		
FISH AND GAME FUND			2637.6	2537.3	2701.3	2763.5	3298.1	3131.8	2852.8	2822.8		
PROGRAM RECEIPTS			0.0	0.0	0.0	0.0	0.0	0.0	167.0	167.0		
OTHER	536.8	541.0	462.4	405.0	359.2	237.1	488.1	638.9	611.7	1014.2		
TOTAL	3502.6	3830.0	3193.8	3089.0	3307.0	3269.8	4025.7	4606.5	4365.1	4398.3		
COMMERCIAL FISHERIES ENTRY COMMISSION												
FEDERAL GENERAL FUND	33.5	24.5	41.4	43.3	41.2	15.1	10.0	13.1	108.3	108.3		
FISH AND GAME FUND	2027.6	2382.4	2008.2	1047.3	0.0	0.0	0.0	0.0	0.0	0.0		
PROGRAM RECEIPTS	13.2	141.0	4.1	977.0	2378.9	2585.6	2583.8	2517.6	2638.9	2638.9		
OTHER	25.8		7.7		76.8			48.0		0.0		
TOTAL	2094.1	2547.9	2098.4	2061.6	2496.7	2600.7	2593.8	2578.7	2747.2	2747.2		
RETIREMENT												
FEDERAL GENERAL FUND				191.6	189.6	14.1	0.0	0.0	0.0	0.0		
FISH AND GAME FUND				35.8	2.1	0.0	0.0	0.0	0.0	0.0		
PROGRAM RECEIPTS												
OTHER												
TOTAL	0.0	0.0	0.0	227.4	191.7	14.1	0.0	0.0	0.0	0.0	0.0	0.0
TOTALS												
FEDERAL GENERAL FUND	8231.4	11988.8	15418.1	17030.0	18262.8	21213.7	20709.9	20943.1	37898.4	30422.6		
FISH AND GAME FUND	5174.2	51050.0	48092.4	39211.1	48262.8	41627.7	43186.3	25298.7	30978.4	38022.8		
PROGRAM RECEIPTS	8198.2	7875.0	8370.2	7824.9	8893.3	9182.6	8388.7	6613.4	11978.2	10097.8		
OTHER	7811.8	4221.9	1445.1	982.3	1874.7	1218.1	1103.2	2866.9	2226.8	2188.8		
TOTAL	75964.2	75540.0	66695.2	68107.4	75323.2	78117.9	79435.2	93869.7	98459.7	92132.7		

ECONOMIC FACTS (Relating to fish and wildlife)

Commercial Fisheries industry: largest private industry employer in the state with annual employment of 70,000 fulltime and parttime commercial fishermen and processing employees (representing 22,240 fulltime equivalent jobs).

Subsistence economies are still one of the most important in major portions of rural Alaska. Over 118,000 residents participate in the subsistence economy annually.

A significant portion of the tourist industry is dependent on the attractions of Alaska's fish and wildlife.

The gross sales or substitute values of fish and wildlife harvested are estimated at approximately \$3.5 billion annually and increasing. Benefits are very high while management costs are very low -- ADF&G allocations represent only 2% of the state's general fund budget.

The gross 1991 annual sales value of our nonrenewable oil and gas was \$10.6 billion and declining.

The next closest industry (after oil/gas and fish/game) is the tourist industry, with a gross sales value of \$1.1 billion and increasing. However, only \$416 million are actually spent in-state, whereas \$670 million is spent on travel to and from Alaska (primarily airlines and cruise ships).

EXPLANATION OF GENERAL FUND/PROGRAM RECEIPT CHANGES

FY94 - ALASKA DEPARTMENT OF FISH AND GAME

F.R.E.D.: Taking full proposed reductions relating to proposed hatchery closures and transfers. Reduction of \$3,359.6 GF and Program Receipts. Transfer of three sport fish hatchery operations to the Division of Sport Fish.

WILDLIFE: Reducing \$45.3 GF relating to restructuring of regional offices. Reducing \$21.3 of Program Receipts which will not be realized in FY94. NOTE: Internally reprogramming \$109.7 to be applied to implementation of wolf management program.

ADMIN: Increase of \$156.3 is for \$150.0 increased authority for program receipts (indirect assessment), \$84.3 supplemental increase for King Salmon Tag vendor compensation, and \$78.0 GF base reduction relating to personnel consolidation to Division of Personnel.

BOARDS: \$492.0 GF for subsistence implementation is placed in the Division of Boards. NOTE: The Division of Boards is also reducing \$299.1 of unrealized federal receipts in order to bring their budget base closer to current funding reality.

SUBSISTENCE: \$8.0 GF for subsistence implementation is placed in the Division of Subsistence. A decrease of \$50.0 GF is being made for FY94 in the Division of Subsistence, relating to restructuring some provision of services. (Total reduction: \$42.8)

(continued)

COMMFISH: Increase in Program Receipt authority of \$185.3 relating to crab buoy pot stickers. NOTE: Internally, however, \$350.0 of GF and program receipts is to be reprogrammed to projects relating specifically to improved in-river forecasting in Bristol Bay, CDQs, Onshore/Offshore issue, and groundfish programs.

SPORT FISH: No change in GF. NOTE: Increased usage of DJ/WB federal funds, and Fish and Game Fund, for application to three hatchery operations transferred to Division of Sport Fish from FRED Division.

HABITAT AND RESTORATION: No change in GF/Prog.Rcpt. levels for FY94.

CFEC: No change in GF/Prog. Rcpt. levels for FY94.

The total reduction of GF and Program Receipts for FY94 is \$2,633.0 .

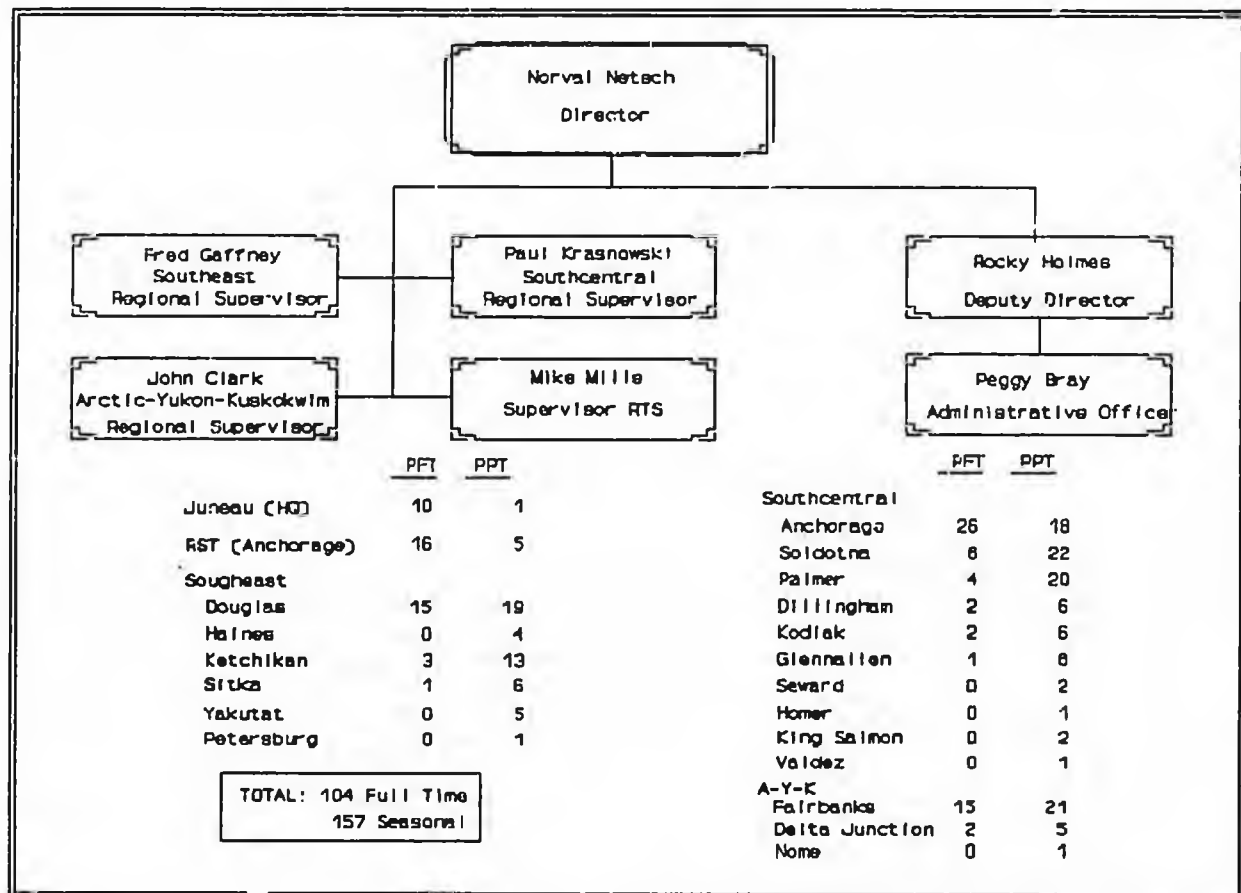
DIVISION OF SPORT FISH: A "user-pay" program



The operations of the Division of Sport Fish are financed by dedicated receipts from the sale of sport fishing licenses (the Fish and Game Fund) and from a national tax on fishing equipment and marine fuels (the Federal Aid in Sport Fish Restoration Program, referred to as the Wallop-Breaux (W-B) Program). The major duties of the division are to manage, improve, protect, and extend the state's sport fishery resources to in order to provide the optimum diversity of sport fishing opportunities and optimum social and economic benefits to the state.

ORGANIZATION

The Division of Sport Fish is organized into three regions: Southeast, Southcentral, and Arctic-Yukon-Kuskokwim (A-Y-K). In addition, statewide functions are performed by the Headquarters office, located in Juneau, and the Research and Technical Services section (RTS), located in Anchorage. Staff (104 permanent full-time and 157 seasonal) are stationed in 19 offices located throughout the state.

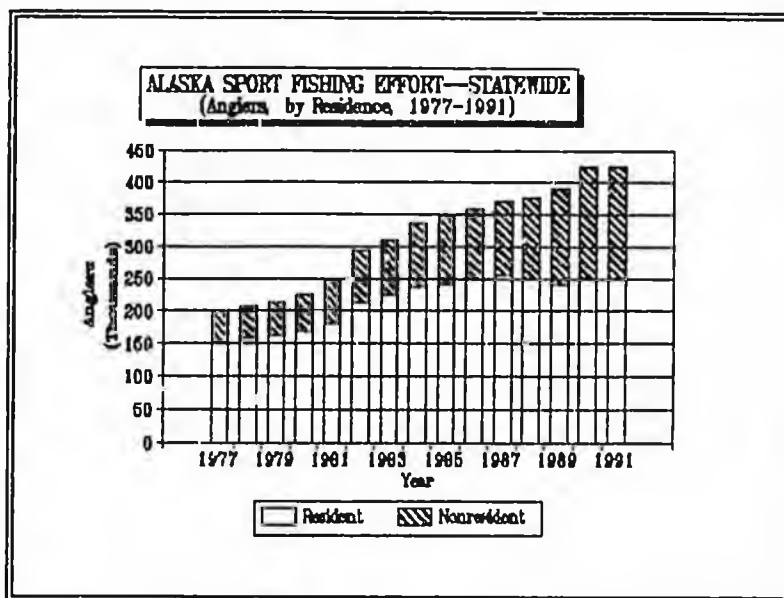


SPORT FISHING BENEFITS PEOPLE

Fishing Effort and Harvest

In 1977 the Division of Sport Fish began compiling harvest and participation statistics on a statewide basis. In that year approximately 201,000 people sport fished in Alaska. In 1991 over 425,000 people participated in Alaska's sport fisheries. The number of anglers is increasing by about 5.5 percent per year.

Yet, even with the significant increases in fishing effort, the total harvest by sport fishermen remains small. Of the total Alaskan harvest of salmon in 1991 (189 million), only five tenths of one percent were harvested by sport fishermen. Harvest of all fish species (salmon, trout, pike, grayling, char, whitefish, burbot, rockfish, and halibut) by sport fishermen in Alaska was about two million fish. More and more people are sport fishing just for enjoyment and relaxation. Over fifty percent of all fish caught by sport fishermen are released to live, grow, and perhaps be enjoyed by other anglers.



Economic Value

Sport fishing is not only a very popular recreational activity, it is also important to the economy. The sport fishing industry consists of manufacturers that produce boats, tackle, and motors; retail stores, hotels, restaurants, lodges, air taxi operators who transport fishermen to offroad areas, guides, and a host of other services, goods and activities. Nationwide, spending by sport fishermen has undergone a dramatic increase from only \$2 billion in 1955 to almost \$30 billion dollars in 1985.

