

State of Alaska
FY2005 Governor's Operating Budget

Department of Fish and Game
Commercial Fisheries Entry Commission
RDU/Component Budget Summary

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RDU/Component: Commercial Fisheries Entry Commission

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

The mission of the Commercial Fisheries Entry Commission is to limit entry into commercial fisheries for purposes of resource conservation and to prevent economic distress among fishermen and those dependent on them for a livelihood.

Core Services

The Commission performs the following services required by law:

- Establish the maximum number of permits in fisheries to be limited (as governed by statute);
- Establish and implement systems to rank eligible applicants according to the relative hardship they would suffer by not initially receiving an entry permit for a limited fishery;
- Process and classify entry permit applications and adjudicate claims not resolved by initial classification;
- Issue entry permits in limited fisheries, interim-use permits in unlimited fisheries, licenses for all vessels employed in Alaska's commercial fisheries and vessel permits under vessel moratoria established by law;
- Process requests for emergency and permanent transfers of entry and interim-use permits and compile and report data on the demographic characteristics of permit holders and prices paid for permits;
- Enforce the Limited Entry Act by regulating permit transfer activities, conducting investigations, and initiating administrative enforcement proceedings;
- Monitor unlimited fisheries to assess their rate of development and their potential need for limitation;
- Establish moratoria on new entrants to fisheries as necessary;
- Monitor the long-term effects of limited entry;
- Monitor the limited fisheries to obtain information needed for considering optimum numbers in those fisheries, and to determine the need for adjustment to the size of a given fleet;
- Participate in the development of comprehensive fisheries economic data and research, and make this information available to policy makers and members of the public;
- Work closely with other management agencies to develop and coordinate fisheries policy; and
- Administer the demerit point system for suspending commercial fishing privileges based on convictions of fishing law violations in salmon fisheries.

The commission is the only agency charged with the responsibility for limiting the number of participants in commercial fisheries. To carry out its responsibility, the commission works closely and cooperatively with the Department of Law, Department of Fish and Game, Alaska Board of Fisheries, and other fisheries agencies when making regulatory decisions.

End Results	Strategies to Achieve Results
<p>(1) Maximum number of viable, sustainable commercial fishing jobs in Alaska.</p> <p><u>Target:</u> 5% increase (rebound) in salmon permit values. <u>Measure:</u> Percent change in salmon permit values.</p> <p><u>Target:</u> 0% decline in permit values in non-salmon fisheries. <u>Measure:</u> Percent change in permit values in non-salmon fisheries.</p> <p><u>Target:</u> 5% increase in number of limited entry permits fished. <u>Measure:</u> Percent change in permits fished.</p>	<p>(1) Stabilize participation levels in commercial fisheries by limiting entry into individual fisheries.</p> <p><u>Target:</u> 100% of fishery limitations implemented meet constitutional and statutory criteria for limited entry. <u>Measure:</u> Percent of limitations upheld when challenged in court on statutory or constitutional grounds.</p> <p>(2) Timely processing of annual permit/license renewals and permit transfers to help fishermen avoid lost fishing time.</p> <p><u>Target:</u> Despite reduced budget and staffing levels, maintain processing of 90% of all vessel license and permit renewals and requests for duplicates within 3 days</p>

End Results	Strategies to Achieve Results
<p><u>Target:</u> Less than 5% decline in number of permits renewed in unlimited fisheries. <u>Measure:</u> Percent change in permits renewed in unlimited fisheries.</p> <p>(2) Healthy, sustainable fishery resources.</p> <p><u>Target:</u> See ADF&G department summary and Division of Commercial Fisheries RDU for relevant targets and measurements of success in achieving sustainability of fish stocks. <u>Measure:</u></p>	<p>of receipt of fully completed application. <u>Measure:</u> Percent of renewals and duplicates processed within 3 days.</p> <p><u>Target:</u> With reduced staff and budget, maintain processing of 90% of all emergency transfer requests within 4 days of receipt of a fully completed application. <u>Measure:</u> Percent of emergency transfers processed within 4 days.</p> <p><u>Target:</u> With reduced staff and budget, maintain processing of 90% of all permanent transfer requests within 5 days of receipt of a fully completed application. <u>Measure:</u> Percent of permanent transfers processed within 5 days.</p> <p>(3) Issue hearing officer and commissioner decisions on initial issuance of limited entry permits that are fair, legally defensible, and expeditious.</p> <p><u>Target:</u> Decrease by 5% the net number of cases pending before hearing officers from the number pending at the beginning of the year. <u>Measure:</u> The percent change in the number of cases pending before hearing officers from beginning to end of fiscal year.</p> <p><u>Target:</u> Decrease by 5% the net number of cases pending before the commissioners from the number pending at the beginning of the year. <u>Measure:</u> The percent change in the number of cases pending before commissioners from beginning to end of fiscal year.</p> <p><u>Target:</u> Maintain at 20% or less the number of appeals from final commission decisions filed with the superior court during the year. <u>Measure:</u> The percent of final commission decisions appealed to the superior court.</p> <p>(4) Assist fishery managers and enforcers by providing clear, accurate, accessible documentation of persons/vessels legally authorized to fish.</p> <p><u>Target:</u> 95% of all annual permit cards, vessel licenses, and permit transfers are accurately and appropriately issued. <u>Measure:</u> Percent of issued permits, licenses, and transfers returned for reissuance due to inaccuracies or otherwise found to be inaccurately issued.</p> <p>(5) Provide solid, timely fisheries information.</p> <p><u>Target:</u> 5% increase each year in use of CFEC website by users outside the agency. <u>Measure:</u> The percent change in use of website</p>

End Results	Strategies to Achieve Results
	<p>(measured by website hits and comments from users).</p> <p><u>Target:</u> 90% of recipients satisfied with timeliness and quality of information provided by CFEC in response to data requests.</p> <p><u>Measure:</u> Percent of customers surveyed (public, state agencies, Board of Fisheries, NPFMC, lawmakers) expressing satisfaction with timeliness and quality of data provided.</p> <p>(6) Accurately administer demerit point system.</p> <p><u>Target:</u> No successful appeals of CFEC's assessment of demerit points or suspensions of permits.</p> <p><u>Measure:</u> Percent of demerit point assessments and permit suspension actions that are successfully appealed.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Issue annual renewals of permits and licenses • Conduct research necessary for limiting fisheries • Determine if/when to limit individual fisheries • Conduct public input process for all regulatory actions • Draft and adopt appropriate point systems for ranking permit applicants • Make initial point determinations for applications for limited entry permits • Adjudicate appealed decisions 	<ul style="list-style-type: none"> • Issue permanent and temporary permit transfers • Conduct optimum number studies • Respond to information requests • Maintain up-to-date, extensive, accurate, accessible database of CFEC permits and licenses and general fisheries data • Provide information to Board of Fisheries, fishery managers, and other agencies and policy-makers. • Maintain electronic transmission of information on fisheries convictions between court system and CFEC and issue demerit points and permit suspensions

FY2005 Resources Allocated to Achieve Results							
<p>FY2005 Component Budget: \$2,759,700</p>	<p>Personnel:</p> <table border="0"> <tr> <td>Full time</td> <td style="text-align: right;">29</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">33</td> </tr> </table>	Full time	29	Part time	4	Total	33
Full time	29						
Part time	4						
Total	33						

Performance Measure Detail

(1) Result: Maximum number of viable, sustainable commercial fishing jobs in Alaska.

Target: 5% increase (rebound) in salmon permit values.

Measure: Percent change in salmon permit values.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: 0% decline in permit values in non-salmon fisheries.

Measure: Percent change in permit values in non-salmon fisheries.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: 5% increase in number of limited entry permits fished.

Measure: Percent change in permits fished.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: Less than 5% decline in number of permits renewed in unlimited fisheries.

Measure: Percent change in permits renewed in unlimited fisheries.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

(2) Result: Healthy, sustainable fishery resources.

Target: See ADF&G department summary and Division of Commercial Fisheries RDU for relevant targets and measurements of success in achieving sustainability of fish stocks.

Measure:

(1) Strategy: Stabilize participation levels in commercial fisheries by limiting entry into individual fisheries.

Target: 100% of fishery limitations implemented meet constitutional and statutory criteria for limited entry.

Measure: Percent of limitations upheld when challenged in court on statutory or constitutional grounds.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

(2) Strategy: Timely processing of annual permit/license renewals and permit transfers to help fishermen avoid lost fishing time.

Target: Despite reduced budget and staffing levels, maintain processing of 90% of all vessel license and permit renewals and requests for duplicates within 3 days of receipt of fully completed application.

Measure: Percent of renewals and duplicates processed within 3 days.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: With reduced staff and budget, maintain processing of 90% of all emergency transfer requests within 4 days of receipt of a fully completed application.

Measure: Percent of emergency transfers processed within 4 days.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: With reduced staff and budget, maintain processing of 90% of all permanent transfer requests within 5 days of receipt of a fully completed application.

Measure: Percent of permanent transfers processed within 5 days.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

(3) Strategy: Issue hearing officer and commissioner decisions on initial issuance of limited entry permits that are fair, legally defensible, and expeditious.

Target: Decrease by 5% the net number of cases pending before hearing officers from the number pending at the beginning of the year.

Measure: The percent change in the number of cases pending before hearing officers from beginning to end of fiscal year.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: Decrease by 5% the net number of cases pending before the commissioners from the number pending at the beginning of the year.

Measure: The percent change in the number of cases pending before commissioners from beginning to end of fiscal year.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: Maintain at 20% or less the number of appeals from final commission decisions filed with the superior court during the year.

Measure: The percent of final commission decisions appealed to the superior court.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

(4) Strategy: Assist fishery managers and enforcers by providing clear, accurate, accessible documentation of persons/vessels legally authorized to fish.

Target: 95% of all annual permit cards, vessel licenses, and permit transfers are accurately and appropriately issued.

Measure: Percent of issued permits, licenses, and transfers returned for reissuance due to inaccuracies or otherwise found to be inaccurately issued.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

(5) Strategy: Provide solid, timely fisheries information.

Target: 5% increase each year in use of CFEC website by users outside the agency.

Measure: The percent change in use of website (measured by website hits and comments from users).

Analysis of results and challenges: The department has been actively working to refine performance measure

detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Target: 90% of recipients satisfied with timeliness and quality of information provided by CFEC in response to data requests.

Measure: Percent of customers surveyed (public, state agencies, Board of Fisheries, NPFMC, lawmakers) expressing satisfaction with timeliness and quality of data provided.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

(6) Strategy: Accurately administer demerit point system.

Target: No successful appeals of CFEC's assessment of demerit points or suspensions of permits.

Measure: Percent of demerit point assessments and permit suspension actions that are successfully appealed.

Analysis of results and challenges: The department has been actively working to refine performance measure detail. Many new targets and measures were developed during Fall 2003. Work on gathering baseline data and reporting results is currently in progress.

Key Component Challenges

- Continue to streamline licensing processes using available technology to make the licensing system easier and more efficient for both the public and the agency. This involves a major multi-year project to rewrite and upgrade the commission's licensing system.
- Propose limitation of the Weathervane scallop fishery, before the moratorium in that fishery expires July 1, 2004.
- Begin an application period for vessel entry permits in the Bering Sea hair crab fishery.
- Begin an application period for limited entry permits in the Kodiak Bairdi Tanner crab pot fishery.
- Continue to monitor federal efforts to rationalize Gulf of Alaska groundfish and Bering Sea and Aleutian Islands crab in the Exclusive Economic Zone. Federal actions may lead to increased pressures from displaced vessels on groundfish and crab in waters managed under state jurisdiction. CFEC will particularly continue to work with ADF&G on parallel fisheries issues under the Gulf of Alaska groundfish rationalization plan and may need to seek additional rationalization tools to meet our constitutional mandates for these fisheries.
- Continue to fulfill obligations under the Carlson class action lawsuit, which challenges the permit fees Alaska has charged nonresident fishermen. These obligations include creating and maintaining a data base of permits held and current mailing addresses for Carlson class members, and calculating any refunds the state may ultimately be found to owe. A 3:1 nonresident to resident permit fee differential was established by law many years ago and was in effect until the 2002 licensing year. If Alaska loses the lawsuit, it might result in a judgment requiring the state to pay huge refunds (millions of dollars) to nonresident fishermen. It is imperative that Alaska has the resources to defend the State in court and the ability to respond to whatever judgment is ultimately rendered.
- Complete hearings and issue decisions on pending applications for entry permits in limited fisheries.
- Complete an optimum number study for the Bristol Bay drift gillnet salmon fishery.
- Continue to monitor the recent decline in CFEC-generated revenue. Revenue has decreased from nearly \$5 million in the late 1990's through FY2000 to \$3.4 million in FY2003. CFEC revenue funds the operations of the program as well as a statutory contribution to the Fishermen's Fund, and projects in the Division of Commercial Fisheries.

Significant Changes in Results to be Delivered in FY2005

In FY04, CFEC absorbed a reduction of \$268.8 (approximately 10% of total budget), in part by reducing hearing officer and licensing staff time. Remaining staff is making every effort to meet the commission's statutory duties and performance measures.

For FY05, in order to absorb the increased cost of employee benefits (an effective reduction of another \$120.0) and the cost of merit increases, CFEC's proposed budget eliminates a half-time hearing officer position and a part-time permit clerk position, and downgrades an Economist II position to a Research Analyst I and an Analyst Programmer V position to an Analyst Programmer III. Additionally, one position budgeted with federal receipt authority has been deleted.

These changes in staffing levels are expected to result in a 15% decrease in the rate at which hearing officer decisions on appealed permit applications are issued (from roughly 70 hearing officer decisions annually to 60); diminish the commission's ability to conduct the research necessary for optimum number determinations and fishery limitations and to assist managers, policy makers, and the fishing industry; delay completion of the large project currently underway to replace the commission's outdated licensing computer system; and will likely increase the turn-around time for issuing annual licenses and permits to fishermen by up to 30% during peak times (the months of May and June when the Permit Clerk position would have been filled). The commission will continue to strive to maintain its most basic functions and services to the public and will monitor to determine and quantify specific impacts of budget and staffing reductions.

Major Component Accomplishments in 2003

- Conducted public hearings and adopted a vessel limited entry program for the Bering Sea hair crab fishery.
- Began work on a significant upgrade of CFEC computer system to bring equipment and programs up to current state standards and to maximize effective use of technology in keeping up with the ever-increasing workload of the agency.
- As directed by Superior Court, continued updating the database for tracking current addresses of class members of Carlson v. State class action lawsuit.
- Worked with Department of Law in its defense of the state in appeal of Carlson to Alaska Superior Court and Alaska Supreme Court.
- Continued to provide information as requested to assist ongoing discussions among policy makers and fishing industry about fleet consolidation options.
- Issued decisions on pending permit applications for limited fisheries.
- Participated in the Bristol Bay Economic Development Corporation (BBEDC) "Bristol Bay Salmon Fishery Restructuring Study." Among other issues, the Committee is examining options for fleet and gear reduction and ways to obtain and maintain more limited entry permits in local Bristol Bay communities.
- Continued contact with the IRS to explore means to help permit holders achieve voluntary tax compliance and to avoid attempted forced sales of limited entry permits.
- Conducted public hearings and adopted regulations establishing a point system for the Kodiak Bairdi Tanner crab pot fishery.
- Conducted hearings and issued decisions on the emergency transfers of entry permits.
- We anticipate issuing 85 commission decisions and 75 hearing officer and paralegal decisions in calendar year 2003.
- Continued work to get all correspondence files, commission decisions and court appeals imaged and available electronically to Commission staff.
- We anticipate issuing 21,125 interim use and entry permits to commercial fishermen for calendar year 2003.
- We anticipate issuing 13,940 vessel licenses and sport charter vessel licenses for calendar year 2003.
- We anticipate completing action on 697 Requests for Emergency Transfer of limited entry permits within a 4-day turnaround time in calendar year 2003.
- We anticipate completing action on 876 Requests for Permanent Transfer of limited entry permits within a 5-day turnaround time for calendar year 2003.
- Completed a report on time series changes in the distribution of Alaska's limited entry permits.
- Monitored fisheries for which the commission has been petitioned for limited entry.
- Prepared decisional documents explaining process and rationale for recent fishery limitations.

Statutory and Regulatory Authority

AS 16.43.010-990
20 AAC 05.010 - 20 AAC 05.1990

Contact Information

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**Commercial Fisheries Entry Commission
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,291.1	2,452.1	2,409.2
72000 Travel	20.5	31.5	31.5
73000 Contractual	292.6	182.4	266.9
74000 Supplies	123.0	69.7	37.1
75000 Equipment	6.8	20.0	15.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,734.0	2,755.7	2,759.7
Funding Sources:			
1002 Federal Receipts	0.0	112.4	114.4
1007 Inter-Agency Receipts	28.1	50.4	52.4
1156 Receipt Supported Services	2,705.9	2,592.9	2,592.9
Funding Totals	2,734.0	2,755.7	2,759.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
Receipt Supported Services	51073	520.7	0.0	0.0
Unrestricted Fund	68515	488.2	841.8	841.8
Unrestricted Total		1,008.9	841.8	841.8
Restricted Revenues				
Federal Receipts	51010	0.0	112.4	114.4
Interagency Receipts	51015	28.1	50.4	52.4
Receipt Supported Services	51073	2,705.9	2,592.9	2,592.9
Restricted Total		2,734.0	2,755.7	2,759.7
Total Estimated Revenues		3,742.9	3,597.5	3,601.5

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	112.4	2,643.3	2,755.7
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Rates	0.0	2.0	2.0	4.0
FY2005 Governor	0.0	114.4	2,645.3	2,759.7

**Commercial Fisheries Entry Commission
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2004</u>	<u>FY2005</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	30	29	Annual Salaries	1,776,550
Part-time	6	4	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	756,483
			<i>Less 4.89% Vacancy Factor</i>	<i>(123,833)</i>
			Lump Sum Premium Pay	0
Totals	36	33	Total Personal Services	2,409,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Adjudications Project Leader	0	0	1	0	1
Administrative Clerk	0	0	1	0	1
Administrative Officer	0	0	1	0	1
Analyst/Programmer I	0	0	1	0	1
Analyst/Programmer III	0	0	2	0	2
Analyst/Programmer IV	0	0	1	0	1
Analyst/Programmer V	0	0	2	0	2
Comm Fish - Permitting Ck 1	0	0	1	0	1
Comm Fish Permit Clerk IV	0	0	1	0	1
Comm Fish Permit Clerk V	0	0	1	0	1
Comm Fish Permitting Ck III	0	0	2	0	2
Commission Secretary	0	0	1	0	1
Commissioner, CFEC	0	0	3	0	3
Fisheries Analyst	0	0	1	0	1
Hearing Officer II	0	0	3	0	3
It Data Processing Svcs Leader	0	0	1	0	1
Law Specialist II	0	0	1	0	1
Licensing Project Leader	0	0	1	0	1
Managing Paralegal	0	0	1	0	1
Paralegal II	0	0	1	0	1
Research Analyst I	0	0	1	0	1
Research Analyst III	0	0	3	0	3
Research&Planning Proj. Leader	0	0	1	0	1
Transfer Officer	0	0	1	0	1
Totals	0	0	33	0	33