

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Commerce, Community, and Economic
Development
Alaska Seafood Marketing Institute
RDU/Component Budget Summary**

RDU/Component: Alaska Seafood Marketing Institute

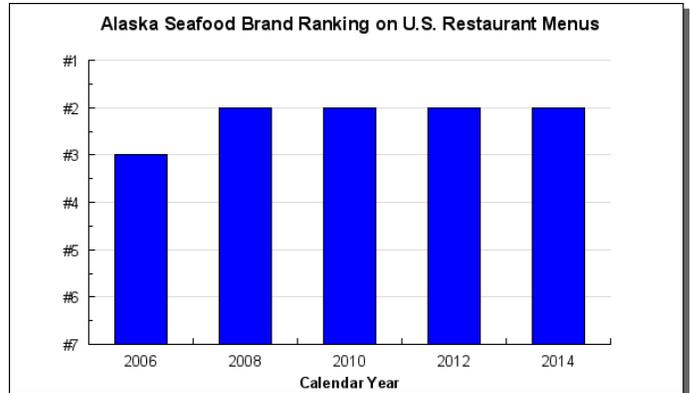
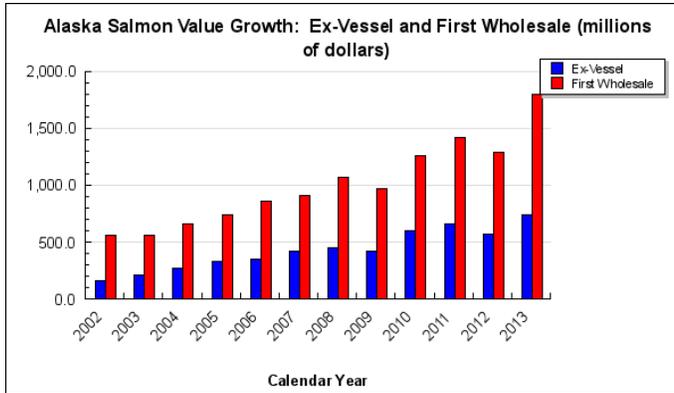
(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

Increase the economic value of Alaska seafood resources.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)



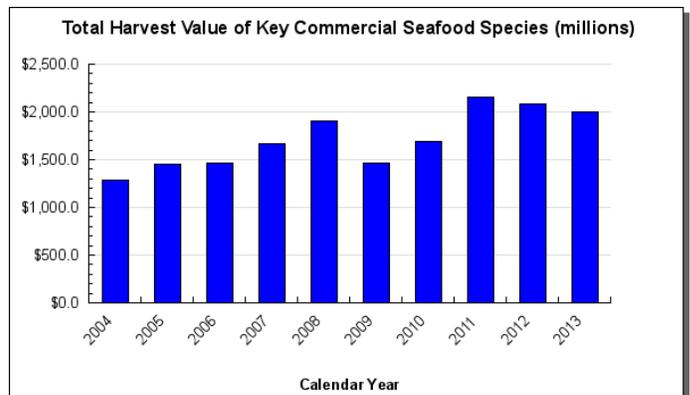
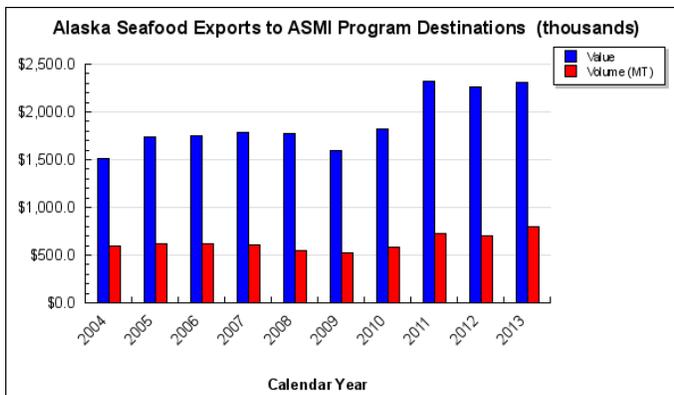
Core Services

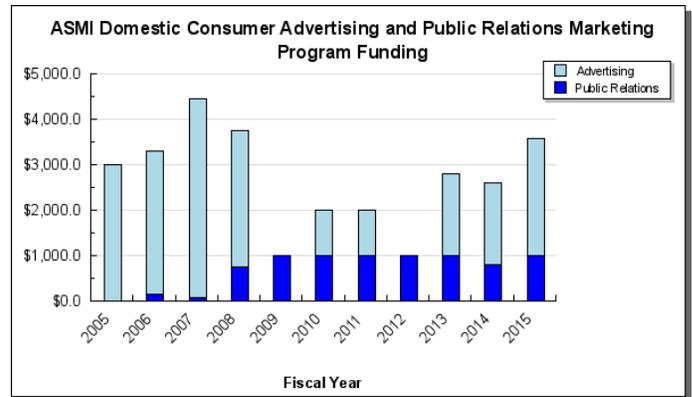
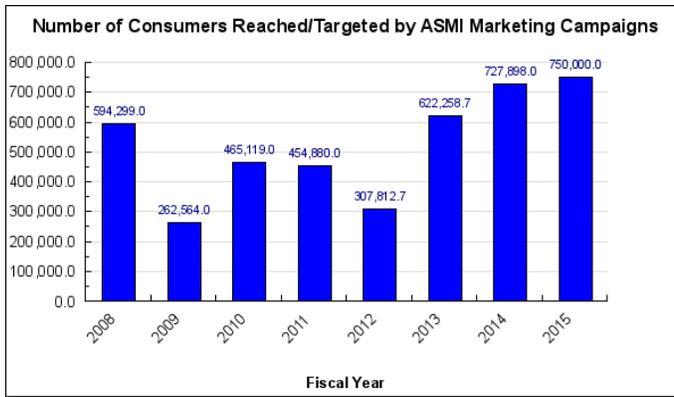
- U.S. and International Retail and Foodservice Alaska Seafood Promotion, Public Relations and Communications and Seafood Quality Technical Support

Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. U.S. and International Retail and Foodservice Alaska Seafood Promotion, Public Relations and Communications and Seafood Quality Technical Support





Major Component Accomplishments in 2014

- The total value of Alaska's commercial salmon fishing permits increased 254% between 2003 and 2013, primarily as a result of better salmon prices. This has added \$522 million to the balance sheets of commercial salmon fishermen, the majority of which are Alaska residents.
- ASMI's long term efforts to differentiate wild salmon from farmed varieties in the minds of consumers are bearing fruit. The average retail price premium for sockeye fillets over farmed Atlantic salmon fillets increased from \$0.64/lb at the beginning of 2011 to \$3.01/lb by the end of 2013. Differentiating Alaska salmon insulates Alaska fishermen from fluctuations in the farmed salmon market and improves demand for Alaska salmon species.
- A record-breaking pink salmon harvest in 2013 led to a massive increase in canned pink salmon inventories which threatened to depress salmon prices for fishermen in future years. ASMI programs developed an aggressive marketing plan reaching 39,610,055 consumers and 117,249 food show attendees plus in-store promotions in 2,225 supermarkets nationally resulting in a 12% increase in sales volumes.
- Just over two years from ASMI's entry into the Brazil market, the program boasts a 91% value increase in 2013, 12 new local importers carrying Alaska seafood and 14 Alaska companies directly exporting to Brazil. Currently eight major retailers in Brazil carry Alaska seafood.
- ASMI hosted an Alaska Seafood Pavilion at the Seafood Expo Global show in Brussels, Belgium May 6–8, 2014, where twenty Alaska companies co-exhibited with ASMI as part of the pavilion and recorded more than \$544 million expected annual sales as a result of the show.
- For every \$1 ASMI puts towards a restaurant chain partnership, a chain will spend approximately \$10 promoting Alaska seafood and the ASMI brand logo at the store level.
- ASMI foodservice worked with 35 national restaurant chain accounts to develop custom Alaska Seafood promotions in over 13,420 individual units across the U.S.
- Developed 17 foodservice distributor promotions including 5 corporate-wide reaching over 65,000 foodservice accounts across the U.S.
- Worked extensively with Wal-Mart to modify their seafood sourcing policy to accept ASMI's Alaska Responsible Fisheries Management (RFM) certification program, a significant milestone considering Wal-Mart's position as the world's largest retailer and a recognized leader in Corporate Social Responsibility.
- A \$1 million investment in Public Relations (PR) resulted in \$50M worth of print, on-line, and broadcast media all with positive messaging for the Alaska seafood brand in prominent media outlets such as Food Network, Food and Wine, and Cooking Light.
- Conceptualized, planned, and executed outstanding press events in New York City and organized press tours showing off Alaska's fisheries to some of the highest profile food media in the United States.
- In the Summer of 2014 ASMI International brought ten German seafood buyers, six Brazilian seafood importers, and nine chefs and food writers from Spain, Japan and the UK to Alaska visiting communities of Anchorage, Seward, Cordova, Kodiak and Sitka.
- In China, ASMI partnered with a major quick service chain to run an "Alaska Seafood Festival" which generated about \$1.7 million of Alaska seafood sales, mainly yellowfin sole and pink salmon, from December 2013 to April 2014. The success of the Alaska seafood promotion resulted in Alaska seafood items to be permanently featured on its regular menu.
- In the UK ASMI assisted Young's with a new product launch, "Lightly coated" Alaska pollock fillets with Alaska branding on the package and the product saw \$4 million in sales in the first 13 weeks.

- ASMI attended Food and Hotel Asia in Singapore for the first time in 2014 reaching trade members from more than a dozen countries in Asia. ASMI's participation in the show generated on-site sales of \$1.5 million.
- The ASMI Global Food Aid Program accessed two new USDA programs (which is the same as "new markets") for canned salmon that have, to date in 2014 purchased over \$37 million of Alaska Canned Salmon.

Key Component Challenges

- Confusion over eco-labels – a proliferation of eco-labels in the marketplace (labels denoting sustainably produced seafood), and the issues of traceability and country of origin labeling require educating customers at consumer and trade levels about the Alaska seafood brand and Alaska as the model of sustainable fisheries management.
- Seafood consumption in major markets such as the U.S. and Japan are declining.
- Price resistance – following periods of increase in value for particular species such as halibut, black cod and king crab, Alaska producers are encountering price resistance.
- Record breaking runs of pink salmon last year challenges promotional efforts and prices.
- Maintaining market access for all Alaska producers is more challenging each year as environmental Non-Governmental Organization (NGO) sponsored "pay to play" eco-logos become mandatory for market entry.
- Continued pressure to reduce or eliminate USDA Market Access Program funding.
- Illegal, unreported and unregulated fish being sold fraudulently in the market having a negative effect on prices.
- Global aquaculture continues to increase its percentage of world seafood supply: Alaska produces about 1.3 percent of world supply and less of the world supply each year. Seasonality, consistency of supply, inelasticity of supply – product availability fluctuates within the season and from year to year, and there are upper limits to wild seafood production in sustainably managed fisheries.
- Increasing fuel and transportation costs; high production costs in Alaska.
- The Russian Government's ban on imports, including seafood, from the U.S. and the European Union have all but eliminated a major salmon roe market for Alaska seafood and caused global uncertainty in the salmon market.

Significant Changes in Results to be Delivered in FY2016

ASMI expects to gain significant market acceptance of the Alaska Responsible Fisheries Management (RFM) seafood certification program, which should coincide with an increase in the overall value of Alaska seafood.

Statutory and Regulatory Authority

AS 16.51.010-180 Alaska Seafood Marketing Institute
15 AAC 116.600-700 Seafood Marketing Assessment on Processors

Contact Information
<p>Contact: Michael B. Cerne, Executive Director Phone: (907) 465-5560 Fax: (907) 465-5572 E-mail: mcerne@alaskaseafood.org</p>

**Alaska Seafood Marketing Institute
Component Financial Summary**

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,356.2	2,457.4	2,505.4
72000 Travel	505.3	390.3	390.3
73000 Services	16,122.9	23,673.9	21,061.0
74000 Commodities	425.7	180.0	180.0
75000 Capital Outlay	3.5	8.5	8.5
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	19,413.6	26,710.1	24,145.2
Funding Sources:			
1002 Federal Receipts	3,774.3	4,500.0	4,500.0
1003 General Fund Match	0.0	4,500.0	4,500.0
1004 General Fund Receipts	7,772.2	2,883.6	1,820.6
1005 General Fund/Program Receipts	7,867.1	0.0	0.0
1108 Statutory Designated Program Receipts	0.0	14,826.5	13,324.6
Funding Totals	19,413.6	26,710.1	24,145.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Unrestricted Revenues				
General Fund Match	68510	0.0	4,500.0	4,500.0
General Fund Program Receipts	51060	19,378.5	0.0	0.0
Unrestricted Fund	68515	158.0	0.0	0.0
Unrestricted Total		19,536.5	4,500.0	4,500.0
Restricted Revenues				
Federal Receipts	51010	3,774.3	4,500.0	4,500.0
General Fund Program Receipts	51060	7,867.1	0.0	0.0
Statutory Designated Program Receipts	51063	0.0	14,826.5	13,324.6
Unrestricted Fund	68515	7,772.2	2,883.6	1,820.6
Restricted Total		19,413.6	22,210.1	19,645.2
Total Estimated Revenues		38,950.1	26,710.1	24,145.2

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2015 Management Plan	7,383.6	0.0	14,826.5	4,500.0	26,710.1
One-time items:					
-Reverse Alaska Seafood Marketing Institute	-7,383.6	0.0	-14,826.5	-4,500.0	-26,710.1
Adjustments which continue current level of service:					
-FY2016 Salary Increases	0.0	0.0	53.7	0.0	53.7
-FY2016 Health Insurance Rate Reduction	0.0	0.0	-5.7	0.0	-5.7
-Restore Alaska Seafood Marketing Activities	7,383.6	0.0	14,826.5	4,500.0	26,710.1
Proposed budget decreases:					
-Reduce Alaska Seafood Marketing Activities	-1,063.0	0.0	-1,549.9	0.0	-2,612.9
FY2016 Governor Amended	6,320.6	0.0	13,324.6	4,500.0	24,145.2

**Alaska Seafood Marketing Institute
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2015 Management Plan	FY2016 Governor Amended		
Full-time	20	20	Annual Salaries	1,662,284
Part-time	0	0	COLA	55,176
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	890,113
			<i>Less 3.92% Vacancy Factor</i>	<i>(102,173)</i>
			Lump Sum Premium Pay	0
Totals	20	20	Total Personal Services	2,505,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Admin Support Technician	0	0	0	1	1
Administrative Fiscal Officer	0	0	1	0	1
Administrative Specialist	0	0	4	0	4
Asst Marketing Director	0	0	0	1	1
Communications Director	0	0	1	0	1
Executive Assistant	0	0	1	0	1
Executive Director	0	0	1	0	1
Foodservice Director	0	0	0	1	1
International Prog Coordinator	0	0	2	0	2
International Program Director	0	0	1	0	1
Marketing Specialist	0	0	0	2	2
Retail Program Director	0	0	0	1	1
Sustainability Officer	0	0	1	0	1
Technical Director	0	0	1	0	1
Usda Food Aid Prog Coordinator	0	0	0	1	1
Totals	0	0	13	7	20

Component Detail All Funds
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (AR29680) (393)
RDU: Alaska Seafood Marketing Institute (126)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	2,356.2	2,457.4	2,457.4	2,457.4	2,505.4	48.0	2.0%
72000 Travel	505.3	390.3	390.3	390.3	390.3	0.0	0.0%
73000 Services	16,122.9	23,673.9	23,673.9	23,673.9	21,061.0	-2,612.9	-11.0%
74000 Commodities	425.7	180.0	180.0	180.0	180.0	0.0	0.0%
75000 Capital Outlay	3.5	8.5	8.5	8.5	8.5	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	19,413.6	26,710.1	26,710.1	26,710.1	24,145.2	-2,564.9	-9.6%
Fund Sources:							
1002Fed Rcpts (Fed)	3,774.3	4,500.0	4,500.0	4,500.0	4,500.0	0.0	0.0%
1003G/F Match (UGF)	0.0	4,500.0	4,500.0	4,500.0	4,500.0	0.0	0.0%
1004Gen Fund (UGF)	7,772.2	2,883.6	2,883.6	2,883.6	1,820.6	-1,063.0	-36.9%
1005GF/Prgm (DGF)	7,867.1	0.0	0.0	0.0	0.0	0.0	0.0%
1108Stat Desig (Other)	0.0	14,826.5	14,826.5	14,826.5	13,324.6	-1,501.9	-10.1%
Unrestricted General (UGF)	7,772.2	7,383.6	7,383.6	7,383.6	6,320.6	-1,063.0	-14.4%
Designated General (DGF)	7,867.1	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	14,826.5	14,826.5	14,826.5	13,324.6	-1,501.9	-10.1%
Federal Funds	3,774.3	4,500.0	4,500.0	4,500.0	4,500.0	0.0	0.0%
Positions:							
Permanent Full Time	19	19	19	20	20	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2015 Conference Committee To FY2015 Authorized *****												
Alaska Seafood Marketing Activities Sec15h Ch16 SLA2014 P75 L9 (HB266)	IncM	26,710.1	2,457.4	390.3	23,673.9	180.0	8.5	0.0	0.0	19	0	0
1002 Fed Rcpts		4,500.0										
1003 G/F Match		4,500.0										
1004 Gen Fund		2,883.6										
1108 Stat Desig		14,826.5										

The following amounts are appropriated from the specified sources to the Alaska Seafood Marketing Institute for seafood marketing activities for the fiscal year ending June 30, 2015:

(1) the unexpended and unobligated balance, estimated to be \$13,115,300, of the statutory designated program receipts from the seafood marketing assessment (AS 16.51.120) and other statutory designated program receipts of the Alaska Seafood Marketing Institute on June 30, 2014;

(2) the sum of \$1,711,200 from the statutory designated program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2015, which is approximately equal to 20 percent of the statutory designated program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2015;

(3) the sum of \$2,883,600 from the general fund, for the purpose of matching industry contributions collected by the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2013;

(4) the sum of \$4,500,000 from the general fund to match the federal receipts appropriated in (5) of this subsection;

(5) the sum of \$4,500,000 from federal receipts.

Subtotal		26,710.1	2,457.4	390.3	23,673.9	180.0	8.5	0.0	0.0	19	0	0
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Sustainability Officer (08-#009) for Responsible Fisheries Management Program	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

In the late 1990's a sustainable seafood movement began, driven by social marketing and eco-label awareness campaigns. Due to dire economic conditions in Alaska's salmon industry at the time, in 2000 the State made a decision to partner with the Marine Stewardship Council (MSC) to provide such an eco-label to bolster our salmon markets. In the ensuing years, this movement gained tremendous worldwide momentum, most of Alaska's major fisheries became MSC certified, and eco-labels became a requirement in many of our key markets.

After a decade in the MSC program, in 2010, due to increased costs of the program, erosion of the Alaska brand, and interference with our fishery governance, the ASMI Board directed staff to develop an alternative certification program to the MSC. ASMI subsequently developed the Responsible Fishery Management (RFM) program and have certified all major Alaska fisheries. In 2012, the vast majority of the Alaska salmon industry withdrew from the MSC program. This caused a major backlash in the environmental non-governmental organization community and with a number of major U.S. and global Alaska seafood customers. This issue has involved DCCED Commissioner Bell, DFG Commissioner Campbell, the Governor, his senior staff, and every member of the Alaska Congressional

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	

delegation; even to the point where a Senate hearing was called by Senator Begich to address this issue.

Despite the success of the RFM program, several markets have yet to accept the RFM attestation. As such, in April of this year, the ASMI Board directed staff to make major changes to the program which has resulted in significant increased demands on staff.

ASMI developed and currently manages the RFM program with existing staff; absorbing this workload came at a cost. The majority of the workload fell to our Technical Director, whose role since ASMI's inception some 30+ years ago was to focus on seafood safety, quality, nutrition, health, contaminants, mercury levels, radiation and other such technical related issues as well as compliance with relevant federal and state regulations. This critically important work has largely fallen to the wayside as 85% of the Technical Director's time has been spent on sustainability. This issue has been nearly all consuming for the Executive Director as well. The new mandate from the Board makes this model impossible to continue.

The Board's direction in April has resulted in a number of additional responsibilities for ASMI as we take on RFM managerial tasks previously performed by a contractor. Having the contractor perform this work is no longer acceptable as international standards require ASMI to take more of an ownership role of the RFM program. This has been the most prominent criticism of the program, as noted in our deliberations with Wal-Mart and The Sustainability Consortium. The enhancements to the RFM program address this criticism and are aimed at gaining more industry and market acceptance. ASMI will now need to oversee a number of fishery assessment certification bodies, accreditation organizations, fishery assessment clients for each fishery, well over 100 chain of custody audits, a sustainability expert committee, an industry RFM task force, as well as providing forums for stakeholder involvement, coordinating a complaint and objection processes, maintaining transparency via a RFM website and public notices, participating in sustainability forums, and the list goes on. This is undoubtedly a full time job and hence the reason for this request.

The RFM program is currently accredited by the International Organization for Standards (ISO). Implementing the planned changes to RFM will require us to be evaluated for accreditation once again. Having the capacity to manage the program will be a major facet of maintaining this accreditation. Without ISO accreditation the RFM program would likely fail. ASMI will also be seeking approval of the program from the Global Seafood Sustainability Initiative (GSSI), an international effort supported by major retailers all over the world to benchmark eco-label programs as acceptable. Again, having the capacity and expertise to manage the program will be key to gaining this approval.

A limited amount of work associated with the RFM program is currently performed under a part-time short-term contract. This work has been primarily performed by the previous Technical Director. When the Technical Director resigned in July 2014, the work largely fell to the Executive Director with some support being provided by a short-term contract. However, this work is not appropriate to contract on a longer-term basis. This Sustainability Officer will assume the full workload associated with RFM program, allowing ASMI's Executive Director and newly-hired Technical Director to focus more appropriately on their regular responsibilities. The position will report directly to the Executive Director, supervise staff, oversee contracts, oversee an ASMI committee, work directly with other program directors and industry representatives, and independently represent the agency and State of Alaska in high visibility national and international forums.

Without this Sustainability Officer, ASMI will be unable to adequately fulfill its statutory duties related to trade education, seafood quality, handling specifications, product development, seafood safety, and scientific research to develop and discover health, dietetic, or other uses of seafood harvested and processed in the state. Also, if not properly resourced, the RFM program could fail. The industry and State, through ASMI, have invested \$3 million in direct costs and an estimated \$12.5 million in associated staff and program costs in the development of RFM and the subsequent certification of Alaska fisheries to the RFM standard. Third-party certification is a requirement for the vast majority of Alaska seafood markets. Without a viable, credible RFM program, one private, eNGO lead organization will have a monopoly in the seafood certification business and the industry risks the unregulated costs, brand erosion, and governance interference previously identified in section 1.

Alaska's seafood industry unanimously supports ASMI's efforts to provide an alternative to MSC. The RFM paradigm results in additional costs and

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
responsibilities to industry as well; it is imperative that ASMI have the expertise and resources to effectively oversee, manage, and support this program.												
	Subtotal	26,710.1	2,457.4	390.3	23,673.9	180.0	8.5	0.0	0.0	20	0	0
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
FY2016 Salary Increases												
	SalAdj	53.7	53.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig		53.7										
Cost of living adjustment for certain bargaining units: \$53.7												
Year three cost of living adjustment for non-covered employees - 2.5%: \$53.7												
FY2016 Health Insurance Rate Reduction												
	SalAdj	-5.7	-5.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig		-5.7										
Select Benefits health insurance rate reduction from \$1,371 to \$1,346: \$-5.7												
Reverse Alaska Seafood Marketing Institute												
	OTI	-26,710.1	-2,457.4	-390.3	-23,673.9	-180.0	-8.5	0.0	0.0	-19	0	0
1002 Fed Rcpts		-4,500.0										
1003 G/F Match		-4,500.0										
1004 Gen Fund		-2,883.6										
1108 Stat Desig		-14,826.5										

Reverse language in Ch16 SLA 2014 Section 12 (h-i):

(h) The following amounts are appropriated from the specified sources to the Alaska Seafood Marketing Institute for seafood marketing activities for the fiscal year ending June 30, 2015:

(1) the unexpended and unobligated balance, estimated to be \$13,115,300, of the statutory designated program receipts from the seafood marketing assessment (AS 16.51.120) and other statutory designated program receipts of the Alaska Seafood Marketing Institute on June 30, 2014;

(2) the sum of \$1,711,200 from the statutory designated program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2015, which is approximately equal to 20 percent of the statutory designated program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2015;

(3) the sum of \$2,883,600 from the general fund, for the purpose of matching industry contributions collected by the Alaska Seafood Marketing Institute for the fiscal year

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
ending June 30, 2013;												
(4) the sum of \$4,500,000 from the general fund to match the federal receipts appropriated in (5) of this subsection;												
(5) the sum of \$4,500,000 from federal receipts.												
Restore Alaska Seafood Marketing Activities												
	IncM	26,710.1	2,457.4	390.3	23,673.9	180.0	8.5	0.0	0.0	19	0	0
1002 Fed Rcpts		4,500.0										
1003 G/F Match		4,500.0										
1004 Gen Fund		2,883.6										
1108 Stat Desig		14,826.5										

The following amounts are appropriated from the specified sources to the Alaska Seafood Marketing Institute for seafood marketing activities for the fiscal year ending June 30, 2016:

(1) the unexpended and unobligated balance, estimated to be \$13,115,300, of the program receipts from the seafood marketing assessment (AS 16.51.120) and other program receipts of the Alaska Seafood Marketing Institute on June 30, 2015;

(2) the sum of \$1,711,200 from the program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2015, which is approximately equal to 20 percent of the program receipts of the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2016;

(3) the sum of \$7,772,200 from the general fund, for the purpose of matching industry contributions collected by the Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2014;

(4) the sum of \$4,500,000 from federal receipts.

(i) It is the intent of the legislature

(1) that the Alaska Seafood Marketing Institute limit expenditure of the appropriation in (h)(1) of this section to 80 percent of the program receipts collected for the fiscal year ending June 30, 2015;

(2) to limit the amount appropriated from the general fund to the Alaska Seafood Marketing Institute for the purpose of matching industry contributions for seafood marketing activities to not more than \$9,000,000 in a fiscal year, regardless of the amount of industry contributions; and

(3) that the Alaska Seafood Marketing Institute evaluate and consider in-state advertising firms to provide advertising services before using an out-of-state advertising firm.

(4) that the appropriations made in (h) of this section are included in the base budget of the Alaska Seafood Marketing Institute.

Analyst Notes:

Language contains RFM change record data. If RFM change record is not approved, change in language is required.

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Reduce Alaska Seafood Marketing Activities												
	Dec	-2,612.9	0.0	0.0	-2,612.9	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1,063.0										
1108 Stat Desig		-1,549.9										

The Alaska Seafood Marketing Institute (ASMI) is a public-private partnership between the State of Alaska and the seafood industry funded through a mix of a voluntary industry tax, federal grant, and general fund monies. Unrestricted general funds represent about one-quarter of ASMI's revenue, most of which matches federal funding.

ASMI has been very successful at increasing seafood values, which has resulted in capital investment and new dollars to the state economy. Reducing ASMI's budget may impact Alaska's standing in the global market place, and could result in lost product demand, shrinking market share, and declining prices. The farmed fish industry is increasing their promotional spend for their product which adversely affects the wild Alaska salmon market. Decreasing fish values results in declining fish taxes to the state and local economies. Additionally, the seafood industry is the largest private employer in the state.

ASMI is widely respected by seafood producers worldwide for successful marketing efforts through advertising, public relations, product quality improvements, and creating new markets domestic and abroad. ASMI's promotional activity puts money back in the state general funds, provides jobs, and is second only to oil in generating revenue for the state. ASMI competes in a global marketplace; if Alaska was considered a country in that marketplace, the state would be the world's seventh largest exporter.

In April 2014, ASMI's Board of Directors tasked the agency with taking over ownership and administration of Alaska's seafood certification program called the Responsible Fisheries Management (RFM) program. This program is in response to environmental groups that seek to erode the Alaska Seafood brand and influence the governance of our resources through market access control. This critical issue is important to the state as evidenced by the direct involvement by the Alaska Congressional delegation and several state executives. The demands of this program have resulted in DCCED and OMB approving a new position to manage the program in FY2015.

ASMI has deliberately built a reserve carry forward balance of statutory designated program receipts by conservatively spending receipts from the voluntary fish tax, and carrying forward unspent receipts. The Board of Directors has previously accessed the reserve fund for special, time-sensitive projects, such as the aggressive marketing response to the 2013 record return of pink salmon. The quick response and ability to access funds for this marketing is a prime example of ASMI successfully promoting sales of huge surpluses of pink salmon, thus shoring up prices paid to fishermen and producers the following season.

ASMI's International Marketing Program competes for a \$4.5 million USDA federal grant each year, and is in direct competition with over 100 commodity groups for these funds. There is uncertainty as to the source of these funds within the congressional budget process each year. In the event ASMI does not receive this grant, ASMI would use the reserve balance to fund the international program for one year while program adjustments could be made or alternate funding could be sought. Two-thirds of Alaska's seafood is exported, with the support of this program.

Totals		24,145.2	2,505.4	390.3	21,061.0	180.0	8.5	0.0	0.0	20	0	0
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Personal Services Expenditure Detail
Department of Commerce, Community, and Economic Development

Scenario: FY2016 Governor Amended (12201)
Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
08-#009	Sustainability Officer	FT	A	XE	Juneau	N05	24A / B	12.0		93,588	3,138	0	48,135	144,861	144,861
08-0301	Executive Director	FT	A	XE	Juneau	N05	26F	12.0		121,416	3,885	0	57,362	182,663	0
08-0302	Administrative Fiscal Officer	FT	A	XE	Juneau	N05	24F	12.0		117,396	3,757	0	56,237	177,390	0
08-0303	Executive Assistant	FT	A	XE	Juneau	N05	14F / J	12.0		55,611	1,865	0	35,174	92,650	0
08-0304	Administrative Specialist	FT	A	XE	Juneau	N05	14F	12.0		55,524	1,862	0	35,144	92,530	0
08-0305	Marketing Specialist	FT	A	XE	Seattle Wa	N00	18D / E	12.0		66,233	2,221	0	38,799	107,253	0
08-0306	Technical Director	FT	A	XE	Juneau	N05	24M / N	12.0		130,101	4,163	0	59,794	194,058	0
08-0307	Administrative Specialist	FT	A	XE	Juneau	N05	15J	12.0		61,692	2,069	0	37,249	101,010	0
08-0308	Communications Director	FT	A	XE	Juneau	N05	23F	12.0		102,084	3,423	0	51,035	156,542	0
08-0309	Marketing Specialist	FT	A	XE	Seattle Wa	N00	18K / L	12.0		75,183	2,521	0	41,854	119,558	0
08-0310	International Program Director	FT	A	XE	Juneau	N05	24B / C	12.0		97,882	3,282	0	49,601	150,765	0
08-0311	Retail Program Director	FT	A	XE	Seattle Wa	N00	24J	12.0		107,760	3,613	0	52,972	164,345	0
08-0312	Administrative Specialist	FT	A	XE	Juneau	N05	16D / E	12.0		61,329	2,057	0	37,125	100,511	0
08-0313	Administrative Specialist	FT	A	XE	Juneau	N05	15F	12.0		59,460	1,994	0	36,487	97,941	0
08-0314	International Prog Coordinator	FT	A	XE	Juneau	N05	18B / C	12.0		65,240	2,188	0	38,460	105,888	0
08-0315	International Prog Coordinator	FT	A	XE	Juneau	N05	16B / C	12.0		56,708	1,902	0	35,548	94,158	0
08-0316	Asst Marketing Director	FT	A	XE	Seattle Wa	N00	18Q	12.0		93,336	3,130	0	48,049	144,515	0
08-0317	Admin Support Technician	FT	A	XE	Seattle Wa	N00	13B / C	12.0		43,753	1,467	0	31,127	76,347	0
08-0318	Foodservice Director	FT	A	XE	Seattle Wa	N00	24F	12.0		103,860	3,483	0	51,641	158,984	0
08-X018	Usda Food Aid Prog Coordinator	FT	A	XE	Kodiak	N11	21F	12.0		94,128	3,156	0	48,320	145,604	0
													Total Salary Costs:	1,662,284	
													Total COLA:	55,176	
													Total Premium Pay:	0	
													Total Benefits:	890,113	
													Total Pre-Vacancy:	2,607,573	
													Minus Vacancy Adjustment of 3.92%:	(102,173)	
													Total Post-Vacancy:	2,505,400	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	2,505,400	
		Total Positions	New	Deleted											
Full Time Positions:		20	1	0											
Part Time Positions:		0	0	0											
Non Permanent Positions:		0	0	0											
Positions in Component:		20	1	0											
Total Component Months:		240.0													

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Personal Services Expenditure Detail
Department of Commerce, Community, and Economic Development

Scenario: FY2016 Governor Amended (12201)
Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	144,861	139,185	5.56%
1108 Statutory Designated Program Receipts	2,462,712	2,366,215	94.44%
Total PCN Funding:	2,607,573	2,505,400	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.
 [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Commerce, Community, and Economic Development
Travel

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000	Travel		505.3	390.3	390.3
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000 Travel Detail Totals			505.3	390.3	390.3
72110	Employee Travel (Instate)	Instate Transportation - Transportation costs for travel relating to field work, administration, and conventions and meetings.	103.7	58.0	58.0
72400	Out Of State Travel	Out of State Transportation - Transportation costs for travel relating to field work, administration, and conventions and meetings.	401.0	331.7	331.7
72900	Other Travel Costs	Miscellaneous travel-related expenses.	0.6	0.6	0.6

Line Item Detail
Department of Commerce, Community, and Economic Development
Services

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services		16,122.9	23,673.9	21,061.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals			16,122.9	23,673.9	21,061.0
73025	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses.	33.0	30.0	30.0
73050	Financial Services	Financial services.	1.1	1.1	1.1
73150	Information Technlgy	Information technology services.	3.7	3.7	3.7
73156	Telecommunication	Local, long-distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	73.6	66.9	66.9
73225	Delivery Services	Promotional materials distribution, courier services, and product shipping.	209.4	111.6	111.6
73450	Advertising & Promos	Professional Services - Promotional programs in the domestic and export markets such as creative development for advertising, public relations services, market research, trade liaison and market representatives' contracts, coupons, customer rebates, retail product demonstration services, and other promotional services. Print media advertisements, quality assurance guidelines, posters, electronic media placements and public notices.	3,804.7	1,200.0	1,200.0
73525	Utilities	Electricity, heating fuel, water, sewage and waste disposal.	0.8	0.1	0.1
73650	Struc/Infstruct/Land	Structure, infrastructure and land repairs, maintenance, rentals and leases. This includes the lease at 1200 - 112th Avenue NE Suite C-226 Bellevue, Washington and at 311 N. Franklin Street Suite 200, Juneau, Alaska.	246.8	250.0	250.0
73675	Equipment/Machinery	Machinery, furniture and equipment purchase, repair, maintenance, rental, and leases.	15.2	15.3	15.3

Line Item Detail
Department of Commerce, Community, and Economic Development
Services

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals			16,122.9	23,673.9	21,061.0
73750	Other Services (Non IA Svcs)	Program management/consulting, economic/development, safety-related services, printing, copying, and other services.	11,284.6	21,540.5	18,927.6
73804	Economic/Development (IA Svcs)	Economic Development	246.8	246.8	246.8
73805	IT-Non-Telecommunication	Admin	12.4	12.4	12.4
73806	IT-Telecommunication	Admin	22.4	22.9	22.9
73809	Mail	Admin	2.9	2.9	2.9
73810	Human Resources	Admin	12.5	12.5	12.5
73811	Building Leases	Admin	0.2	0.2	0.2
73812	Legal	Law	18.9	18.9	18.9
73814	Insurance	Admin	1.0	1.0	1.0
73815	Financial	Admin	1.1	1.0	1.0
73816	ADA Compliance	Labor	0.2	0.2	0.2
73819	Commission Sales (IA Svcs)	State Travel Office	0.0	1.0	1.0
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office	32.0	37.4	37.4
73979	Mgmt/Consulting (IA Svcs)	Administrative	99.6	97.5	97.5

Line Item Detail

**Department of Commerce, Community, and Economic Development
Services**

Component: Alaska Seafood Marketing Institute (393)

RDU: Alaska Seafood Marketing Institute (126)

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended	
			73000 Services Detail Totals	16,122.9	23,673.9	21,061.0
	Services	support services.				

Line Item Detail
Department of Commerce, Community, and Economic Development
Commodities

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000	Commodities		425.7	180.0	180.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000 Commodities Detail Totals			425.7	180.0	180.0
74200	Business	Standard office supplies and replacement furniture. Seafood products and other consumables for trade shows and retail/foodservice demonstrations, promotional giveaways, aprons, hats, and uniforms for product demonstrators; computer software and supplies	249.7	69.0	69.0
74480	Household & Instit.	Cleaning, food and other household supplies.	176.0	110.1	110.1
74650	Repair/Maintenance (Commodities)	Equipment repair and maintenance costs	0.0	0.9	0.9

Line Item Detail
Department of Commerce, Community, and Economic Development
Capital Outlay

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000	Capital Outlay		3.5	8.5	8.5
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000 Capital Outlay Detail Totals			3.5	8.5	8.5
75700	Equipment	Data processing equipment replacement and upgrades; trade show booth and other promotional equipment replacement and upgrades	3.5	8.5	8.5

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51060	General Fund Program Receipts				19,378.5	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51060	GF Program Receipts General fund program receipts.				19,378.5	0.0	0.0

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Master Account	Revenue Description		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended		
68510	General Fund Match		0.0	4,500.0	4,500.0		
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
68510	General Recpts Match				0.0	4,500.0	4,500.0
	General fund match to match industry contributions.						

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
68515	Unrestricted Fund				158.0	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
66190	Py Reimburse Recvry Recovery of expenses.				158.0	0.0	0.0

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51010	Federal Receipts				3,774.3	4,500.0	4,500.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51010	Federal Receipts				3,774.3	4,500.0	4,500.0
	U.S. Department of Agriculture, Foreign Agriculture Services for promotion of Alaska seafood products.						

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Master Account	Revenue Description		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended		
51060	General Fund Program Receipts		7,867.1	0.0	0.0		
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51060	GF Program Receipts				7,867.1	0.0	0.0
	.5% Seafood Marketing assessment of Fisheries Business and Fisheries Landing taxes AS 16.51.120						

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Master Account	Revenue Description		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended		
51063	Statutory Designated Program Receipts		0.0	14,826.5	13,324.6		
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51063	Stat Desig Prog Rec				0.0	14,826.5	13,324.6
	Statutory designated program receipts collected from industry.						

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
68515	Unrestricted Fund				7,772.2	2,883.6	1,820.6
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
68515	Unrestrict Fu Source General fund interfund transfers				7,772.2	2,883.6	1,820.6

Interagency Services
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73804	Economic/Development (IA Svcs)	Inter-dept	Economic Development	246.8	246.8	246.8
73804 Economic/Development (IA Svcs) subtotal:				246.8	246.8	246.8
73805	IT-Non-Telecommunication	Inter-dept	Admin	12.4	12.4	12.4
73805 IT-Non-Telecommunication subtotal:				12.4	12.4	12.4
73806	IT-Telecommunication	Inter-dept	Admin	22.4	22.9	22.9
73806 IT-Telecommunication subtotal:				22.4	22.9	22.9
73809	Mail	Inter-dept	Admin	2.9	2.9	2.9
73809 Mail subtotal:				2.9	2.9	2.9
73810	Human Resources	Inter-dept	Admin	12.5	12.5	12.5
73810 Human Resources subtotal:				12.5	12.5	12.5
73811	Building Leases	Inter-dept	Admin	0.2	0.2	0.2
73811 Building Leases subtotal:				0.2	0.2	0.2
73812	Legal	Inter-dept	Law	18.9	18.9	18.9
73812 Legal subtotal:				18.9	18.9	18.9
73814	Insurance	Inter-dept	Admin	1.0	1.0	1.0
73814 Insurance subtotal:				1.0	1.0	1.0
73815	Financial	Inter-dept	Admin	1.1	1.0	1.0
73815 Financial subtotal:				1.1	1.0	1.0
73816	ADA Compliance	Inter-dept	Labor	0.2	0.2	0.2
73816 ADA Compliance subtotal:				0.2	0.2	0.2
73819	Commission Sales (IA Svcs)	Inter-dept	State Travel Office	0.0	1.0	1.0
73819 Commission Sales (IA Svcs) subtotal:				0.0	1.0	1.0
73979	Mgmt/Consulting (IA Svcs)	Intra-dept	Commissioner's Office	32.0	37.4	37.4
73979	Mgmt/Consulting (IA Svcs)	Intra-dept	Administrative Services	99.6	97.5	97.5

Interagency Services
Department of Commerce, Community, and Economic Development

Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
				73979 Mgmt/Consulting (IA Svcs) subtotal:	131.6	134.9
				Alaska Seafood Marketing Institute total:	450.0	454.7
				Grand Total:	450.0	454.7