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*Our mission is to manage the State's marine fishery resources through research, enforcement, and education for the maximum benefit of the resources and the citizens of Alabama.*



M. Scott Bannon  
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MARINE RESOURCES DIVISION

### Alabama CARES Act 2 Spend Plan

Alabama was awarded an additional **\$2,960,079.00** under the Consolidated Appropriations Act of 2021 to support activities previously authorized under section 12005 of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") for losses suffered by our marine fishing industry between March 1, 2020, and December 31, 2020, due to the COVID-19 pandemic. The methodology in the following Detailed Spend Plan, once reviewed and approved by NOAA, may be used for any future funds appropriated by Congress for the same purpose.

The allocation to our state has been minimally adjusted to **\$2,948,417.00** in order to cover the administrative expenses of the Marine Resources Division (MRD) of the Alabama Department of Conservation and Natural Resources (ADCNR) in the amount of \$11,662 -- well below the limit allowed under the CARES Act. AMRD will also provide substantial in-kind services to support this initiative.

In order to be eligible for the reimbursement program, qualifying fishery-related businesses must have experienced revenue losses as a result of the COVID-19 pandemic (between March 1, 2020 and December 31, 2020), greater than 35% as compared to their average revenue earned in the preceding five years (2015-2019, or less if the number of years you have been in business is less than five years) during the same time period. Applicants must have a minimum of one year of eligibility and have been in business or participating in an eligible fishery from January 1, 2019 through December 31, 2019.

Only Alabama residents that are licensed as: saltwater commercial fishermen (i.e., those that possess commercial licenses for fishing, taking/catching of oysters, taking/carrying shrimp, gill net fishing, and "crab catching"), seafood or oyster aquaculture operators (covered by Section 12005 of the CARES Act) non-retail seafood dealers or processors, live-bait dealers, or for-hire vessel owners/operators are eligible to participate in the program. Not all seafood aquaculture is covered by Sec 12005 (e.g. salmon). Privately owned aquaculture businesses growing products in state or federal marine waters of the United States and the hatcheries that supply them are eligible for Sec. 12005 funding. This includes all molluscan shellfish and marine algae. Non-salmonid marine finfish grown in marine waters not covered by USDA are eligible for Sec. 12005

funding). Individuals and businesses must be able to substantiate their income reduction, and complete the application process which includes proof of license, proof of residency and signing the Self-Certification and Assurances affidavit adapted by AMRD (see attached). Applicants' licenses will be verified by AMRD. Non-license holders such as crewmembers, deckhands and other employees are not eligible to apply directly to the program. It is up to the eligible applicants to provide reimbursement to employees or contract labor. There are additional programs those individuals may be eligible to participate in for relief and there are not sufficient funds allocated in this fund to cover additional affected parties. Retail seafood dealers and businesses that sell fishing related equipment are not eligible.

The demonstrated combined need of claimants may far exceed the funds available for disbursement. The proportion of funds available to each applicant will be determined once all applications are reviewed. Funds due each claimant will be determined using a three-step process. First, AMRD's allocation will be divided by the total of all losses on approved claims. This proportion (percentage) will then be applied to all individual claim losses. For example, if \$15,000,000 in claims are deemed eligible, the proportion value applied to each claimant's approved loss will be 0.197 ( $2,948,417/15,000,000=0.197$ ). Some claimants' funds (award) amount may be small after the initial disbursement calculation. Therefore, in an effort to provide all claimants tangible award amounts, AMRD will distribute \$100.00 to all claim accounts with an initial disbursement total of \$100.00 or less. The second step of calculating the disbursement amounts entails adding the initial distributions of \$100.00 disbursements and subtracting the total initial disbursements from AMRD's CARES Act allocation. In addition, the total losses from those claims that had \$100.00 or less calculated from the initial disbursement will be subtracted from the total of losses of all claims.

The final step in the disbursement calculation process entails determining a second proportion value by dividing the remaining allocation by the total of all losses from claims that had more than \$100.00 in the initial disbursement calculation. This proportion value will be multiplied by the losses from those claims. Using this method every eligible claim will receive at least \$100.00.

If your CARES Act Round 1 application submitted to MRD was approved and you received an award payment you may be eligible for an additional payment from these funds. You may apply in one of two ways.

1. You may request MRD re-submit your initial Round 1 application without any additional damage assessment. MRD will use the same method for calculating Round 2 disbursements as in Round 1 but the disbursements will be based on the latest number of applicants and total of damages requested. The attached resubmission request form must be completed, notarized, as well as a signed affidavit and self-certification form and returned to MRD by the deadline.

Payments are made using the economic information and application submitted under Section 12005 of the CARES Act. This supplemental assistance was distributed using the original application and affidavit process from the Section 12005 funding. By accepting this funding from the Consolidated Appropriations Act of 2021, you are attesting that these additional funds do not make you more than whole as defined in your signed

original affidavit. Should these funds, or a portion of these funds make you more than whole, funds must be returned to the Gulf States Marine Fisheries Commission.

1. You may submit a new CARES-2 application and include your damage calculation based on the longer time period for eligible losses.

Total payments from Round 1 and Round 2 of any assistance may not total more than 100% of their damage determination. If MRD determines that an applicant will be awarded funds that would be more than 100% of the claimed damages, their award will be reduced to not exceed 100%.

We anticipate that the application window will last approximately 30 days, and the relevant dates will be announced once the spend plan is duly approved. Applications received after the published due date will not be reviewed or considered. The process will require applicants to provide a completed application and supporting documents such as the referenced affidavit, payment records, notarized statements from buyers, documentation of commercial fishing and marine aquaculture income revenue, documentation of seafood sales, confirmation of guest charter booking services, and/or other credible supporting information. In addition, applicants who want to resubmit their CARES Act Round I application are required to submit a resubmission request form as well as a signed affidavit and self-certification form.

Applicants will be notified of any required tax information, including that program participation is subject to any applicable state and federal tax obligations. Applicants will be further notified that auditors are expected to audit records of those who receive award payment(s), and as such, applicants will be required to maintain all records supporting their claims and proof of award payment(s) received for a period of no less than 3 years after the close of the primary grant award to the Gulf States Marine Fisheries Commission.

### **The Anticipated Application Process**

Eligibility requires a valid 2020 Alabama business license, saltwater commercial fishing/seafood dealer/live bait/for-hire fishing license, oyster aquaculture, or seafood aquaculture permit, as well as a valid license for each prior year used for comparison. If an applicant holds multiple licenses, they may apply individually or in aggregate. An Alabama resident who meets eligibility in a qualified category of another CARES Act-eligible state may file a claim in Alabama if he/she is otherwise eligible.

Income loss documentation to verify the required threshold of a loss greater than 35% may include, but is not limited to:

- *Self-Certification and Assurances Affidavit*
- data from trip tickets and/or federal vessel trip reports
- seafood business sales or transaction information

- state business registration information
- purchasing and payroll documentation
- shellfish lease production reports that are required to maintain a shellfish lease
- payment documentation
- possession of receipt books that support revenue loss
- income tax returns (generally not the best method)
- other ledger-type documents indicating sales activities

Applications will be reviewed by AMRD staff, who will determine whether an applicant is eligible or ineligible for participation. Eligibility is based on meeting the residency requirements, being licensed in an eligible category and documentation of revenue loss greater than 35%. Once all applications have been reviewed, AMRD will notify all applicants of their preliminary award status as follows:

- 1) claim accepted and a preliminary award amount determined; or
- 2) claim denied with explanation.

Applicants will be given seven business days to dispute their award status or the amount determined. Appeals received after the published due date will not be reviewed or considered. Our determination will be based on verifying fishery participant's computation of loss and documentation of residency and license(s) for eligible activities - all of which is detailed in the application. AMRD will review the disputed claims and will verify its calculation and corresponding award amounts. AMRD will provide a list of approved recipients, their mailing addresses, W-9's, and award amount to the Gulf States Marine Fisheries Commission (GSMFC) for payment processing.

Estimated timeline for application:

- 1) letters mailed to license holders and press release sent providing information on applying
- 2) application open for approximately 30 days -available at outdooralabama.com
- 3) application review process -30 days or less
- 4) letters of denial and potential award amounts sent
- 5) denied applicants or those that wish to dispute award amounts have 7 business days to dispute
- 6) file of applicant's information and award amount sent to GSMFC for processing
- 7) GSMFC issues checks or EFTO within 30 days.

These direct disbursements awarded through ADCNR's approved Spend Plan will provide needed financial relief to Alabama's marine fishing industry.

### Alabama CARES ACT 2 Budget

AMRD will utilize \$11,662.00 dollars of the Alabama CARES allocation to cover the costs of supplies necessary to mail information to applicants and cover personnel time. The personnel that primarily participate in the program development, review of the applications, management of the documents and mailouts are included in the budget below. Direct costs (supplies) would include items such as postage, envelopes and paper. Any additional costs above \$11,662.00 would be covered by AMRD and not impact the budget for direct payments to applicants.

#### Personnel

<u>Type</u>	<u>FTE</u>	<u>Salaries</u>
State Director	0.02	\$2,160.00
State Chief Biologist	0.02	\$2,054.00
State Commercial Data Supervisor Administrative	0.02	\$1,221.00
Assistant	0.03	\$1,150.00
		<b>Total Salaries = \$6,585.00</b>

#### Fringe Benefits – Health Insurance, FICA, Retirement

<u>Type</u>	<u>FTE</u>	<u>Fringe</u>
State Director	0.02	\$717.00
State Chief Biologist	0.02	\$693.00
Administrative Assistant	0.03	\$598.00
		<b>Total Fringe = \$2,008.00</b>

#### Supplies

<u>Item</u>	<u>Sub-Total</u>
Office Supplies (paper, copier ink, envelopes, ect.)	\$150.00
Shipping & Postage	\$1,392.00
<b>Total Supplies = \$1,542.00</b>	

#### Equipment

None identified	<u>Sub-Total</u> \$0.00
<b>Total Equipment = \$0.00</b>	

<u>Indirect Costs</u>	<u>Total Direct</u>	<u>Indirect Cost</u>	<u>Sub-Total</u>
	<u>Cost</u>	<u>Rate</u>	
Indirect Cost	\$10,135.00	15.07%	\$1,527.00

**Total Indirect Costs = 1,527**

**Line Item Budget:**

<u>Item</u>	<u>Cost</u>
Salaries	\$6,585.00
Fringes	\$2,008.00
Supplies	\$1,542.00
Equipment	\$0.00
Indirect Costs	\$1,527.00

**AMRD Admin Total: \$11,662.00**

<b>Direct Payments to applicants</b>	<b>\$2,948,417.00</b>				
<b>ALABAMA TOTAL ALLOCATION:</b>	<b>\$2,960,079.00</b>				