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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
Director
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Alabama CARES Act Spend Plan

Alabama was awarded **\$3,269,064** under the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) for losses suffered by our marine fishing industry between March 1, 2020, and May 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 **\$3,254,064** in order to cover the administrative expenses of the Marine Resources Division (AMRD) of the Alabama Department of Conservation and Natural Resources (ADCNR) in the amount of \$15,000 -- 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 (between March 1, 2020 and May 31, 2020) as a result of the COVID-19 pandemic, revenue losses 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 been in business or participating in an eligible fishery from January 1, 2019 through December 31, 2019.

Only Alabama residents and Alabama tribal members 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. 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), non-retail seafood dealers or processors, live-bait dealers, or for-hire vessel owners/operators are eligible to participate in the program. These 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 0.217 ($3,254,064/15,000,000=0.217$). 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.

We anticipate that the application window will last approximately 45 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.

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
- 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.

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

Alabama CARES ACT Budget

AMRD will utilize \$15,000 dollars (.045%) 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 \$15,000 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 District Supervisor	0.02	\$1,771.00
State Commercial Data Supervisor	0.02	\$1,221.00
Administrative Assistant	0.03	\$1,150.00
		Total Salaries = \$8,356.00

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
State District Supervisor	0.02	\$628.00
State Supervisor	0.02	\$502.00
Administrative Assistant	0.03	\$598.00
		Total Fringe = \$3,138.00

Supplies

<u>Item</u>	<u>Sub-Total</u>
Office Supplies (paper, copier ink, envelopes, ect.)	\$150.00
Shipping & Postage	\$1,392.00
	Total Supplies = \$1,542.00
<u>Equipment</u>	<u>Sub-Total</u>
None identified	\$0.00

Total Equipment = \$0.00

<u>Indirect Costs</u>	<u>Total Direct</u> <u>Cost</u>	<u>Indirect Cost</u> <u>Rate</u>	<u>Sub-Total</u>
Indirect Cost	\$13,036.00	15.07%	\$1,964.00

Total Indirect Costs = \$1,964.00

Line Item Budget:

<u>Item</u>	<u>Cost</u>
Salaries	\$8,356.00
Fringes	\$3,138.00
Supplies	\$1,542.00
Equipment	\$0.00
Indirect Costs	\$1,964.00

AMRD Admin Total: \$15,000.00

Direct Payments to applicants		\$3,254,064.00			
ALABAMA TOTAL ALLOCATION:		\$3,269,064.00			