

ENSURING SOUTHEAST ALASKA FISHING FUTURE



Community Economic
Development Strategy

CEDS



2011 Five Year CEDS Regional Project - Action Initiative

Title or Name of the Project:

Ensuring Southeast Alaska Fishing Future: Targeted education and training in the acquisition and financing of fishing permits, quota and fishery businesses.

Motivation:

The issue is known as the “graying of the fleet”. As boat/permit owners (fish business owners) age and seek retirement, we see these businesses purchased by non-locals and the businesses leave the community. As a result, the economic base of our communities is eroding and this brings instability.

Each fishing business that is purchased and relocated outside of our community has a negative impact on the entire community through the loss of jobs, revenue from fish delivered and processed, local taxes, goods purchased, population etc. These impacts can also extend regionally depending on the type of business and where it is relocated.

Objective:

The objective is to develop the awareness and capability of the local population to capitalize on economic opportunities within their communities. The industry has transformed over the years in both equipment and property rights. The next generation of business owners needs a new skill set to compete? They need to be innovative in structuring business deals, and proficient in financing to purchase these businesses.

This initiative will provide residents with the necessary skills to acquire and operate successful businesses in the region. If this initiative is successful, local ownership of the business will at a minimum be stable and hopefully increase.

Develop education program to teach future business owners how to participate and invest in opportunities. Work with existing business owners to increase partnerships and joint ventures. Teach interested individuals how to finance business acquisitions.

The long term benefits will increase the local share of the revenue generated by these businesses. Those revenues will circulate throughout the economy more as residents spend income throughout the year on various local goods and services. As the economic multiplier increases, local wealth will increase as well.

Another long term benefit will result from the invested interest residents have in the success of the community and region in which they live. Local ownership deepens the relationship between business and community becomes stronger.

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Obstacles:

Getting young people to accept fishing as a career choice and to see it as a business venture

Help Needed: They need exposure to the industry and encouragement. We need to invest some time, get into the classrooms and also get students out of the classroom setting and in contact with industry professionals. Develop clear pathways for them and provide constant support.

State and federal labor laws prevent kids under 18 from working around machinery, knives, and driving boats

Help Needed: Make it clear what can and can't be done within the industry- more education and outreach, working with industry.

The acceptance of the initiatives programs as they relate to traditional education might be an obstacle. It is expected that education will take place in middle schools and high schools to encourage students to seek opportunity located within their region and to give them basic business skills to allow them to succeed.

Help Needed: Get acceptance by the school board to include curriculum; consider after school program like Distributive Education Clubs of America (DECA) to promote business skills. This kind of work is already being done on various levels through the University of Alaska Southeast, School of Career Education. We can build on what is in place by increasing staff, providing some travel funding (for both students and to visit sites and also for personnel to visit students). Again, clear pathways to achieve goals are imperative.

How do we get individuals to attend training/education when it is provided?

Help Needed: Provide some funding to offset some of the expense. At a minimum some form of supplemental funding for travel will need to be provided. Also need to be mindful of the seasonality for meetings to the plan needs to assure constituency in access to meetings during the various seasons.

Another obstacle will be with current and future business owners and their willingness to participate in programs developed by the initiative. The success will depend heavily on the willingness of current business owners to teach and provide opportunity.

Help Needed: The first steps are to poll the industry and find out what level of support exists and what they would like to see as a result. We have found tremendous support by industry members for programs that encourage secondary schools to get involved in Alaska fisheries.

Need to convince people there is value/benefit to selling their business to someone local and keeping the business in town rather than just selling to anyone who has the money first.

Help Needed: Can someone act as a "bridge" by putting local sellers together with local buyers. Do we know what the impact is? Are there economic studies done that indicate a trend here? If not, this needs to be compiled and is a good starting point.

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Long term funding may also be an obstacle as many education programs (including Marine Advisory Program, MSP) are competing for limited funding. Many small businesses do not have the spare funds to invest in a program. The transition for businesses takes time and will require a steady effort which requires a long-term approach.

Help Needed: A possible funding source for secondary school outreach programs is the Carl Perkins Fund. UAS Fish tech Program is using a 3 year grant to create "career pathways" for instance. These grants are competitive but bridging secondary school to careers in fisheries is very consistent with the objectives of this grant source. Industry very likely would be willing to support this initiative as well, thereby avoiding government funded grants altogether.

Long term access to the resource is a huge concern for those looking to make a major investment in the fisheries. Market volatility hinders investment.

Outcomes/ Results:

Business ownership stays in community or regional residents instead of being sold to outside owners.

Businesses which were once owned by non-residents are now owned by residents

High school students graduate with good business skills and a sense for career path

A well-defined annual evaluation should be established at the outset to assure goals are being met.

Group should meet on a scheduled basis (semi-annual or annual) to assure funds are being spent efficiently and tasks are effective.

Leadership:

Casey Campbell, Business Relationship Manager, Wells Fargo

Bruce Wallace, Seiner, UFA, Silver Bay, ASMI

Galen Tromble, Chief Alaska Region Sustainable Fisheries, Nat'l Marine Fisheries

Keith Criddle, Fisheries Division Director SFOS UAF

Kathy Hansen, Fisherman, Southeast Alaska Fishermen's Alliance

Jim Seeland, Assistant Professor of Fisheries, UAS

Kate Sullivan, Program Director, Fisheries Technologies UAS

Action Plan and Implantation: (Describe the Project in specific steps. What does it promote?)

1. Identify Knowledge gaps

Timeline: on going

2. Develop targeted training to address #1 With the business community

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Key People: JEDC, UAF-MAP (Paula Cullenberg, Sunny Rice), UAS (Steve Krause, Kate Sullivan), Cooperative Extension (Fred Schlutt), Alaska Council for Economic Education

Resources Needed: Salary and operating budget for MAP or Coop Ext agent to offer classes in SE and to work with High Schools to implement business/finance curriculum or after-school programs

Timeline: on-going

3. Implement education/training programs within the school systems. Also consider afterschool programs such as DECA. (Distributive Education Clubs of America)

Key People: UAS Fisheries Technology Program (Kate Sullivan, Jim Seeland)

Resources Needed: Some instructional resources already exist but they need to be put together and promoted. Add one faculty/fisheries professional to UAS fish tech program

Timeline: on-going

4. Publicize training and education programs.

Key People: UAS Fisheries Technology Program (Kate Sullivan, Jim Seeland)

Resources Needed: Contained in #1&2 above

Timeline: on-going

5. Institute a public awareness campaign on the benefits of keeping businesses locally owned and the need to support these businesses. (Whether they or fishery related or not.

Key People: UAS Fisheries Technology Program MAP

Resources Needed: Contained in #1&2 above

Timeline: on-going

What does it Promote:

Performance Measures:

*These are not meant to be the only performance measures for the CEDS.
Most Planning organizations developing a CEDS will benefit from
developing additional quantitative and qualitative measures that will
allow them to evaluate progress toward achieving the goals identified as
important in their regions*

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Funding:

- Extension/MAP specialist with operating budget for travel and program development, \$150,000
- Support for HS teachers for DECA or CEE after school programs in SE community's \$20,000 yr per community
- Add one position to UAS Fisheries Technology program-either facility or fisheries professional. \$75,000
- Create a travel fund to facilitate participation \$20,000yr