

Open Items FY2010 Oil & Gas Related Budget Items

Item	Department	Appropriation/ Allocation	Type	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds	Purpose	Notes	Department Comment
1	Administration	Alaska Oil & Gas Conservation Commission	Lapse Extension	1,450.6				1,450.6	Reservoir depletion studies (intended for Pt. Thomson, but may be used for other studies/issues)	Of \$2.2 million appropriated beginning with FSSLA 2005, \$1.4 million remains. Anticipate completion of Pt. Thomson study in FY2010	AOGCC needs \$1,450.6 in FY10. The funding could be provided either via the lapse extension originally requested in the supplemental bill or via the FY10 budget amendment submitted on Feb 27.
2	Fish and Game	Habitat	New			180.0	I/A	180.0	Perform pre-application work for Denali, ANGDA, ENSTAR and TransCanada including initial planning, design review, field inspections, and pre-construction permitting.	The authorization will fund two Habitat Biologists (existing vacant positions) and related costs. Funded by RSAs from Natural Resources.	Both the Purpose and Notes have been updated by the department.
3	Labor	Commissioner's Office	Lapse Extension	100.0				100.0	Develop a comprehensive training program to provide a prepared workforce for the gasline. Costs include coordination meetings and an occupational forecast.	\$50.0 appropriated in FY08, then lapse extended to FY09. 325.0 remains Appears to be for a similar, if not identical, purpose as item 4.	Not similar to item 4. The \$100.0 will be used for training program oversight by the private sector driven Steering Committee and Regional Training Center Coordination, as well as for a detailed gasline occupational forecast by the Research and Analysis Section.
4	Labor	Labor Market Information	Repeat of FY09	145.0				145.0	Support the department's efforts to develop a comprehensive training program to provide a prepared Alaska workforce for the Alaska Gas Pipeline. Develop and disseminate regional employment data products. Using existing data the research section will: 1) analyze regional industry and occupation employment trends, 2) develop regional economic reports, 3) produce Geographic Information System representations of occupational skill sets by locality and 4) improve existing data quality as needed.	Anticipated FY09 lapse is 21.0. Appears to be for a similar, if not identical, purpose as item 3. Does not appear to be specific to gasline development. 50.0 of FY09 funding was to develop a program training guide, which appears to be a one-time item. A 600.0 capital project (FY08) with a balance of \$19.9 appears to be applicable to this purpose.	Not similar to item 3. Training guide is a web based system that will offer comprehensive information on all training programs in the state to students and counselors. Estimated completion date is September 2009; ongoing maintenance thereafter. \$600.0 CIP referred to was a 2008 session appropriation for upgrades to the on-line labor exchange to add a credentialing feature, and to connect more workers with the system.
5	Labor	Business Services	Repeat of FY09	585.0				585.0	Provide training and related instruction to at least 70 apprentices at Regional Training Centers for AGIA related occupations. Fund cooperative training agreements with business and industry for registered apprentices and structured on-the-job training for approximately 125 workers.	0.3 of FY09 funding has been expended to date (but anticipated lapse is 0.07?) Documentation unavailable on-line for a \$6 million FY08 capital project (\$0 expended, \$3 million obligated) for the Fairbanks Pipeline Training Center.	Current status per DBP: \$322.0 of FY09 funding has been obligated to date and other grant agreements are in the negotiation process. At this time we do not anticipate a lapse of funds due to the potential for grant amendments. Most training to occur March through June.

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6	Labor	Workforce Investment Board	Repeat of FY09	130.0				130.0	Breakout of specific purpose unclear from transaction notes	balance of FY09 funding is 126.1, anticipated lapse is 85.0	Current head of the Northwest Alaska Career and Technical Education Specialist Position, which will oversee the education components of the gasoline strategic training plan, including better coordination, curriculum sharing, and articulation.
7	Law	BP Corrosion-new	in lieu of Lapse Extension (\$1.9 million of \$3.5 million appropriated)	3,500.0				3,500.0	Pursue claims for penalties and lost revenues for the 2006 Prudhoe Bay pipeline spills and production shutdowns	The loss of revenue in royalties and taxes to the state potentially amounts to hundreds of millions of dollars. DOL anticipates that the FY2010 litigation phase activities will cost \$3.5 million for costs of counsel, document management, experts, and litigation costs. DOL anticipates the litigation will last at least three to four years and that appropriations will be needed in future years. This issue is independent of gasoline appropriations	Correct, this is independent from gasoline appropriations. However, the FY10 budget request is not in lieu of a lapse extension. The existing funds will be fully obligated for contractual services prior to the end of FY09. The department needs the FY10 request of \$3.5 million for FY10 work.
8	Law	Oil, Gas and Mining	Repeat of FY09	5,109.2				5,109.2	per OMB, this request is for regular, ongoing work not related to the gasoline. This work includes PL Thomson litigation, tariff issues and income tax matters	This issue is independent of gasoline appropriations From FY05 through FY2010, DOL expects to spend nearly \$44 million for oil and gas projects, but withdrew an FY2010 request for \$1.25 million.	Correct, this is independent from gasoline appropriations.
9	Law	Oil, Gas and Mining	New	1,900.0				1,900.0	TAPS strategic reconfiguration (protesting capital expenditures that have been included in rates since 2005)	This issue is independent of gasoline appropriations	Correct, this is independent from gasoline appropriations.
10	Natural Resources	Oil and Gas Development	Lapse Extension	2,224.3		741.5	Perm Fund Rcpts	2,965.8	Permitting and application processing for gasoline right-of-way.	DNR claims there is a "huge demand" for work, yet \$2.965 million of a \$3.9 million FY04 appropriation remains unspent	The appropriation was made under the prior administration. With the AGIA license newly approved, DNR is ready to proceed with work to support gasoline work.

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11	Natural Resources	State Coordinator-- Gas Pipeline	Repeat of FY09	391.7				391.7	Request is for base funding for three positions that will assist with the review and coordination of all state and federal permits and processes, to ensure that all state and federal environmental requirements have been completed, and assist with title work for natural gas transportation projects in Alaska.	This was classified as a one-time item in FY09	This funding is needed on an on-going basis.
12	Natural Resources	State Coordinator-- Gas Pipeline	in lieu of Lapse Extension (\$2.8 million of \$5.5 million appropriated)	2,700.0				2,700.0	AGIA implementation	Equal to the remaining balance of August 2008 appropriation for AGIA implementation The Governor also requested \$3.2 million for this purpose in the capital budget. All funding should remain consistent, arguably as a multi-year operating appropriation	Either a multi-year operating or capital appropriation would allow DNR to use funds for the intended purpose.
13	Natural Resources	Pipeline Coordinator	New			2,500.0	SDPR	2,500.0	to fund work required for multi-agency coordination and review of AGIA, Denali, ANGDA and ENSTAR right-of-way pre-application work.	Under AS 38.35, the pre-applicant, applicant or lessee is required to reimburse the State for these efforts.	Authorization is needed to receive funds to do work for applicants.
14	Revenue		New	771.0				771.0	AGIA implementation, including consultants to assist in assessing the economic viability of projects, economic impacts on future state revenues, value of inducements, potential changes to the existing gas production tax statutes and regulations that will need to be in place as inducement for producer's gas commitments under AGIA. In addition, property tax impacts of pipeline construction to state and municipal revenues will need to be understood and forecasted. Other assistance will include revisions to the tax structure, studying comparative international fiscal systems for gas to ensure changes to the state's gas production taxes leave Alaska in a globally competitive position, and writing regulations.	The department received a capital appropriation for \$3 million to cover initial costs related to the legislation for FY2007 and FY2008.	This funding is needed to respond in FY2010 to issues associated with the holding of open seasons in fall of FY2010 by the major gas line projects. The administration has stated that when economic information becomes available, we will analyze the economics underpinning proposed major gas line projects prior to open season and assess the need for changes in the state's fiscal system. The work will be on a tight time frame as any changes ideally should be in place prior to or during the pendency of the open season and will require the assistance of contractors. The need for economic evaluations is critical in moving gas line projects along as quickly as possible. DOR has the ability to contract with appropriate financial institutions to facilitate the evaluations. This funding has typically been managed through the Commissioner's Office appropriation.
	Total			\$19,006.8	\$	\$3,421.5	\$	\$22,428.3			