

Adopted #1

**FY12 OPERATING BUDGET AMENDMENT**

As Amended  
on page 14  
item #34

**OFFERED IN:** The House Finance Committee

**TO:** CSHB 108(FIN)/CSHB 109(FIN)

**OFFERED BY:** Representative Bill Thomas

**STRUCTURE**

1. **DEPARTMENT:** Natural Resources  
**APPROPRIATION:** Administration & Support Services

**DELETE:** It is the intent of the legislature that the budget for the AGIA Coordinator's Office be moved from the Department of Natural Resources into the Office of the Governor to more properly reflect the office's authorizing statute AS 43.90.250.

**MOVE:** Gas Pipeline Coordinator's Office allocation, including all funding and positions, to the Office of the Governor under the Executive Operations appropriation

**EXPLANATION:**

This amendment transfers the Gas Pipeline Coordinator's Office (with associated funding and positions) from DNR to the Office of the Governor to align the office with AS 43.90.250.

2. **DEPARTMENT:** Natural Resources  
**APPROPRIATION:** Parks & Outdoor Recreation  
**ALLOCATION:** Parks Management

**DELETE:** \$24,500 UGF (1004)

**DELETE:** The amount allocated for Parks Management includes the unexpended and unobligated balance on June 30, 2011, of the receipts collected under AS 41.21.026.

**ALLOCATION:** Parks Management & Access

**ADD:** \$24,500 UGF (1004)

**ADD:** The amount allocated for Parks Management & Access includes the unexpended and unobligated balance on June 30, 2011, of the receipts collected under AS 41.21.026.

**EXPLANATION:**

The fuel base increment for Parks & Outdoor Recreation was inadvertently added to an allocation in the Governor's budget structure. The increment should instead coincide with the House budget structure. This amendment moves the funding from the Parks Management allocation to the proper Parks Management & Access allocation and revises the carryforward language to conform to the structure change.

**3. Move:**

**DEPARTMENT:** Commerce, Community and Economic Development  
**APPROPRIATION:** Alaska Aerospace Corporation  
**ALLOCATION:** Alaska Aerospace Corporation

\$ 3,361,800 Fed Rcpts (1002)  
\$ 1,152,400 CIP Rcpts (1061)  
\$ 131,100 AADC Fund (1101)  
22 Permanent, Full-time Positions

**ALLOCATION:** Alaska Aerospace Corporation Facilities Maintenance

\$ 23,252,000 Fed Rcpts (1002)  
\$ 745,400 CIP Rcpts (1061)  
\$ 391,800 AADC Fund (1101)  
28 Permanent, Full-time Positions

**To**

**DEPARTMENT:** Military and Veterans Affairs (same appropriations and allocations)

**EXPLANATION:**

This amendment moves all Alaska Aerospace Corporation funding and positions from the Department of Commerce, Community and Economic Development to the Department of Military and Veterans Affairs in accordance with Executive Order 115.

<b>WORDAGE</b>
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**4. DEPARTMENT:** Environmental Conservation  
**APPROPRIATION:** Environmental Health  
**ALLOCATION:** Air Quality

**DELETE:** The amount allocated for Air Quality includes the unexpended and unobligated balance on June, 30, 2011, of the Department of Environmental Conservation, Division of Air Quality receipt

supported services from fees collected under AS 46.14.250 and AS 46.14.250.

**EXPLANATION:** This wordage was inadvertently not deleted when replacement wordage was added in the subcommittee.

- 5. DEPARTMENT:** Fish and Game  
**APPROPRIATION:** Commercial Fisheries

**DELETE:** The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2011, of the Department of Fish and Game receipts from commercial fisheries test fishing operations receipts under AS 16.05.050(a)(14).

The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2011 of the Department of Fish and Game's program receipts from commercial crew member licenses.

**ADD:** The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2011, of the Department of Fish and Game receipts from commercial fisheries test fishing operations receipts under AS 16.05.050(a)(14), and from commercial crew member licenses.

**EXPLANATION:** This wordage streamlines the carry forward language.

- 6. DEPARTMENT:** Fish and Game  
**APPROPRIATION:** Wildlife Conservation  
**ALLOCATION:** Wildlife Conservation

**ADD:** It is the intent of the legislature that the Department of Fish and Game may not import wood bison into the state or relocate wood bison to a new area of the state without prior legislative approval.

## TECHNICAL CORRECTIONS

### 7. CHILDRENS TRUST EARNINGS

**DEPARTMENT:** Revenue  
**APPROPRIATION:** Taxation and Treasury  
**ALLOCATION:** Treasury Division

**DELETE:** \$15,200 Children's Trust Earnings (1098)  
**ADD:** \$15,200 Children's Trust Principal (1099)

**EXPLANATION:**

Because statutes changed the Alaska Children's Trust to an endowment model, the Children's Trust Earnings fund code is no longer available. This appropriation replaces the funding used to manage the Alaska Children's Trust with an appropriation from the principal of the Alaska Children's Trust.

### 8. VEHICLE RENTAL TAXES

**DEPARTMENT:** Transportation and Public Facilities  
**APPROPRIATION:** Highways, Aviation, and Facilities  
**ALLOCATION:** Central Region Highways and Aviation

**ADD:** \$367,300 UGF (1004)  
**DELETE:** \$367,300 Vehicle Rental Taxes (1200)

**EXPLANATION:**

This amendment replaces over-appropriated Vehicle Rental Tax receipts with General Funds.

### 9. STEP FUNDS

**DEPARTMENT:** Labor and Workforce Development  
**APPROPRIATION:** Business Partnerships  
**ALLOCATION:** Business Services

**ADD:** \$ 150,000 STEP FUNDS (1054)  
**DELETE:** \$ 150,000 UGF (1004)

**DEPARTMENT:** Corrections  
**APPROPRIATION:** Offender Habilitation  
**ALLOCATION:** Vocational Education Programs

**ADD:** \$ 150,000 UGF (1004)  
**DELETE:** \$ 150,000 STEP FUNDS (1054)

**EXPLANATION:**

This amendment consolidates all STEP funding in the Department of Labor.

## 10. PFD CRIMINAL FUNDS

**DEPARTMENT:** Multiple  
**APPROPRIATION:** Multiple  
**ALLOCATION:** Multiple

**ADD/DELETE:** PFD Appropriations in lieu of Dividends to Criminals (1171) and UGF (1004) funding as indicated in the “PFD Crim” and “GF” columns below.

**PFD Crim Funds (1171)**

Department	Approp	Allocation	House CS	PFD Crim	GF
Administration	Violent Crimes Comp Board	Violent Crimes Compensation Board	1,648.6		
Corrections	Inmate Health Care	Physical Health	8,715.0	7,205.3	(7,205.3)
Public Safety	Domestic Viol/Sexual Assault	Domestic Viol/Sexual Assault	7,606.7	(7,606.7)	7,104.8
Legislature	Legislative Council	Office of Victims Rights	613.7	(613.7)	613.7
<b>TOTAL</b>			<b>18,584.0</b>	<b>(1,015.1)</b>	<b>513.2</b>

**EXPLANATION:** This amendment does three things:

- It aligns the amount appropriated in the budget with the amount of funding that is available. (PFD Crim Funds were overspent by \$1,015.1 in the House CS).
- It replaces (with UGF) \$500.0 of the \$1,001.9 PFD Crim funds the Governor requested in the DV/SA allocation, for a net reduction of \$501.9 in that allocation.
- It consolidates PFD Crim funding in Corrections and the Violent Crimes Compensation Board. Consolidating the PFD Crim funds simplifies the budget process by reducing the annual swap of GF and PFD Crim funding as PFDs fluctuate.

## Substantive

- 11. DEPARTMENT:** Administration  
**APPROPRIATION:** Violent Crimes Compensation Board  
**ALLOCATION:** Violent Crimes Compensation Board

**ADD:** \$1,800,000 Crime Victim Compensation Fund (1220)

**DELETE:** \$7,300 UGF (1004)

**DELETE:** \$1,648,600 PFD Criminal (1171)

**ADD:** Language (following section 25(c)—fund capitalization) using PFD Criminal Funds (1171) as follows:

The sum of \$1,648,600 is appropriated from the permanent fund dividend fund (AS 43.23.045) from the portion of that fund that would have been paid to convicted or incarcerated individuals if those individuals had not been ineligible for dividends under AS 43.23.028(a)(4) to the Crime Victim Compensation Fund (AS 18.67.162) for purposes of the fund.

**EXPLANATION:**

PFD criminal funds are now appropriated directly to the VCCB for operations, including the payment of awards to victims of crimes. This amendment:

1. Appropriates \$1.6 million of budgeted PFD Criminal funds to the Crime Victim Compensation Fund, so unspent funds will not lapse at year-end.
2. Appropriates \$1.8 million from the Crime Victim Compensation Fund to the VCCB to replace PFD Criminal Funds and \$7,300 UGF, as well as making \$144,100 of the \$459,200 balance of the Crime Victim Compensation Fund available for awards.

Additional funding will be on the grants line item. Although the Crime Victim Compensation Fund was established specifically to be used by the VCCB, the balance of the fund is not currently available to the VCCB. This amendment provides approximately \$90,000 less for awards than is available in FY11.

- 12. DEPARTMENT:** Administration  
**APPROPRIATION:** Public Communications Services  
**ALLOCATION:** Public Broadcasting, Radio

**ADD:** \$200,000 UGF (1004)

**EXPLANATION:**

To address Public Broadcasting engineering needs in underserved communities.

- 13. DEPARTMENT:** Commerce, Community and Economic Development  
**APPROPRIATION:** Corporation, Businesses, and Professional Licensing  
**ALLOCATION:** Corporation, Businesses, and Professional Licensing

**ADD:** \$65,000 RSS (1156) as an IncOTI, and one Temp PCN,

**EXPLANATION:** The funding would be used to hire an additional investigator for the Big Game Commercial Services Board to ensure compliance with transporter license requirements. Over the last several years there has been increasing user conflict in game units and the Big Game Commercial Services Board needs an additional investigator to begin to work on the growing problem. The investigator would focus primarily on transporter issues in areas of the state having the greatest concerns and would compile a report to the Legislature to be presented in 2012. Last year an investigator was hired but didn't get started until late in the season so the data is not as complete as it could be. Enforcement measures will include inspecting transporter licenses and conducting inspections at places of business and in the field. This increment is a one-time item.

- 14. DEPARTMENT:** Commerce, Community & Economic Development

**UNDER SUBSECTION 12(f) ADD THE FOLLOWING NEW  
SUBSECTION:**

Further, it is the intent of the legislature 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.

- 15. DEPARTMENT:** Department of Education and Early Development  
**APPROPRIATION:** Education Support Services  
**ALLOCATION:** Unallocated Reduction

**ADD:** \$150,000 UGF (1004)

**EXPLANATION:**  
This amendment restores an unallocated reduction.

- 16. DEPARTMENT:** Department of Education and Early Development  
**APPROPRIATION:** Education Support Services  
**ALLOCATION:** Administrative Services

**DELETE:** \$85,000 UGF (1004)

**EXPLANATION:**

This amendment reduces funding in this allocation.

- 17. DEPARTMENT:** Education and Early Development  
**APPROPRIATION:** Teaching and Learning Support  
**ALLOCATION:** Student and School Achievement

**ADD:** \$200,000 Interagency Receipts (1007)

**EXPLANATION:** A position in the Department of Education and Early Development was funded in the FY11 budget via RSA from a \$3 million UGF appropriation to the Governor's Office for funding for Domestic Violence and Sexual Assault Prevention Programs in various departments. The health and safety coordinator position was created through this funding and the subcommittee's position is that the funding should remain as interagency receipts from the Governor's budget.

- 18. DEPARTMENT:** Education and Early Development  
**APPROPRIATION:** Teaching and Learning Support  
**ALLOCATION:** Unallocated Reduction

**ADD:** \$2,000,000 UGF (1004)

**ALLOCATION:** Statewide Mentoring Program

**DELETE:** \$2,000,000 UGF (1004)

**EXPLANATION:** This amendment switches the reduction of \$2 million in general funds from an Unallocated Reduction in the Teaching and Learning Support appropriation to the Statewide Mentoring Program within the Teaching and Learning Support appropriation. Although this reduction would allow for fewer mentors, assistance could still be offered in the most needed areas of the state. The department could still offer the service to districts for a fee to offset costs.

Currently, the Department of Education and Early Development contracts with the University of Alaska to operate this program via RSA. The University



charges indirect costs of 12% to operate this program which results in approximately \$420,000 in interagency services.

In reviewing the Statewide Mentoring Program in the finance subcommittee, no specific analytical data was given to substantiate student achievement growth; teacher retention rates were also unverified.

The mentoring program was established to increase the retention of teachers in hard-to-fill positions. With this reduction, this program can still encompass rural schools and/or schools with a 50% teacher turn-over for first and second year teachers, new to Alaska. A full-time mentor could be placed in some of the most remote areas: Bering Strait, Kodiak, Lake & Peninsula Borough, Lower Kuskokwim District, Lower Yukon, Northwest Arctic, Southwest Region and Yupiit. The mentor, if allowed to stay in one particular area, could more easily serve as a daily advisor and understand the hardships for that respective location.

- 19. DEPARTMENT:** Education and Early Development  
**APPROPRIATION:** Teaching and Learning Support  
**ALLOCATION:** Early Learning Coordination

**ADD:** \$300,000 UGF (1004)

**EXPLANATION:**

This increment is for use with Intervention districts (Lower Yukon and Yupiit School Districts).

- 20. DEPARTMENT:** Department of Education and Early Development  
**APPROPRIATION:** Teaching and Learning Support  
**ALLOCATION:** Student and School Achievement

**ADD:** \$112,000 MHTAAR (1092)

**DEPARTMENT:** Department of Natural Resources  
**APPROPRIATION:** Administration and Support Services  
**ALLOCATION:** Mental Health Trust Land Office

**DELETE:** \$112,000 MHTAAR (1092) and one PFT

**EXPLANATION:**

This amendment maintains the FY11 source and level of authorization for a grant to the Alaska Autism Resource Center. It also reduces an increment to the Mental Health Trust Land Office in DNR by \$112.0.

**21. DEPARTMENT:** Department of Education and Early Development  
**APPROPRIATION:** Commissions and Boards  
**ALLOCATION:** Unallocated Reduction

**ADD:** \$50,000 UGF (1004)

**EXPLANATION:**

This amendment restores an unallocated reduction.

**22. DEPARTMENT:** Department of Education and Early Development  
**APPROPRIATION:** Alaska Library and Museums  
**ALLOCATION:** Unallocated Reduction

**ADD:** \$50,000 UGF (1004)

**EXPLANATION:**

This amendment restores an unallocated reduction.

**23. DEPARTMENT:** Environmental Conservation  
**APPROPRIATION:** Environmental Health  
**ALLOCATION:** Air Quality

**ADD:** \$10,000 Federal Receipts (1002)  
\$10,000 General Fund Match (1003)

**EXPLANATION:**

This request is for additional funding to assist DEC in working with the companies and federal agencies to address the interface between gas pipeline construction and air quality issues in Fairbanks.

**24. DEPARTMENT:** Fish and Game  
**APPROPRIATION:** Wildlife Conservation  
**ALLOCATION:** Wildlife Conservation

**ADD:** \$200,000 UGF (1004)

**EXPLANATION:**

To establish and fund Region IV leadership positions.

**25. DEPARTMENT:** Fish and Game  
**APPROPRIATION:** Commercial Fisheries  
**ALLOCATION:** Commercial Fisheries Special Projects

**ADD:** \$200,000 UGF (1004)

**EXPLANATION:**

This funding will support the following projects:

- \$30.0 to implement a small-scale reconnaissance stock assessment survey for Dungeness crab in the Yakutat Area.
- \$75.0 to expand the pilot stock assessment surveys to fully cover the major pot shrimp fishing grounds in Southeast Alaska.
- \$95.0 for an annual Central Region Large-mesh Trawl Survey to assess abundance of crab and groundfish species.

**26. DEPARTMENT:** Fish and Game  
**APPROPRIATION:** Commercial Fisheries  
**ALLOCATION:** Southeast Region Fisheries Management

**ADD:** \$75,000 UGF (1004)

**EXPLANATION:**

A one-time increment approved for FY11 funded a collaborative effort between the department, industry and fishermen to research the biomass of the red king crab fishery in southeast Alaska. The red king crab fishery has only occurred in three of the past ten years and better understanding of the biomass could lead to more accurate openings of the fishery and more revenue to the state.

**27. DEPARTMENT:** Alaska Department of Fish and Game  
**APPROPRIATION:** Commercial Fisheries  
**ALLOCATION:** Westward Region Fisheries Management

**ADD:** \$160,000 UGF (1004)

**EXPLANATION:**

This reestablishes optimal timing of weir operations at Ayakulik, Dog Salmon/Frazer Lake, Karluk, and Upper Station systems by reinstituting historic installation, operation, and removal dates of weirs and funding the Frazer fish pass to allow better estimates of escapements. The goal would be to improve management precision to maximize harvest opportunity and improve forecasts of future production.

**28. DEPARTMENT:** Alaska Department of Fish and Game  
**APPROPRIATION:** Commercial Fisheries  
**ALLOCATION:** Westward Region Fisheries Management

**ADD:** \$275,000 UGF (1004)

**EXPLANATION:**

Reestablish sockeye salmon smolt enumeration and sampling programs at key sockeye systems, including the Karluk and Frazer Lake systems, to understand sockeye salmon productivity and evaluate the production capabilities of the freshwater environment; and to help ADF&G to improve forecasting accuracy, evaluate existing biological escapement goals, develop preseason harvest strategies and assess overall salmon production.

**29. DEPARTMENT:** Alaska Department of Fish and Game  
**APPROPRIATION:** Commercial Fisheries  
**ALLOCATION:** Westward Region Fisheries Management

**ADD:** \$32,500 UGF (1004) (OTI)

**EXPLANATION:**

Year-one equipment expenses for reestablishment sockeye salmon smolt enumeration and sampling programs at key sockeye systems, including the Karluk and Frazer Lake systems, to understand sockeye salmon productivity and evaluate the production capabilities of the freshwater environment; and to help ADF&G to improve forecasting accuracy, evaluate existing biological escapement goals, develop preseason harvest strategies and assess overall salmon production.

**30. DEPARTMENT:** Office of the Governor  
**APPROPRIATION:** Executive Operations  
**ALLOCATION:** Domestic Violence and Sexual Assault

**CONVERT FUNDING FROM IncOTI to INC:** Convert the entire appropriation (currently \$3.0 million) from an IncOTI to a base increment.

**31. DEPARTMENT:** Health and Social Services  
**APPROPRIATION:** Office of Children's Services  
**ALLOCATION:** Family Preservation

**ADD:** \$225,000 GF/MH (1037)

**EXPLANATION:**

This funding will provide clinical substance abuse treatment and recovery services for parents who have a substantiated report of harm, where substance abuse is a factor of continued risk of harm for the child(ren). The availability of substance abuse treatment will prevent the removal of children from their home in some instances, and will reduce the length of stay in out-of-home placement in other cases.

**32. DEPARTMENT:** Law  
**APPROPRIATION:** Criminal Division  
**ALLOCATION:** Criminal Appeals/Special Litigation

**ADD:** \$500,000 UGF (1004)

**EXPLANATION:**

In FY2010 and FY2011 three federal grants that employ approximately 17 prosecutors and staff were slated to expire and the FY2011 Governor's budget for the Department requested \$2,300.0 in General Funds to continue these efforts. The grants funded attorney, paralegal and law office assistant positions located in Bethel, Barrow, Nome, Kenai, Palmer, Anchorage and the Office of Special Prosecutions and Appeals to aid in the prosecution of domestic violence as well as adult and child sexual assault cases. The Department was able to extend two of the grants, reducing the FY2011 request by \$500.0 with the understanding that maintaining the program at its current levels will require the funding to be added in the FY2012 budget. The two grants expired and as of January 1<sup>st</sup> all of these positions are now funded by state general funds. This amendment reinstates the amount requested in the Governor's budget.

- 33. DEPARTMENT:** Military & Veterans Affairs  
**APPROPRIATION:** Military & Veterans Affairs  
**ALLOCATION:** Veterans Services

**ADD:** \$108,500 UGF (1004)

**EXPLANATION:**

This funding will provide for two new VSO contracts located at the University of Alaska- Southeast and Fairbanks campuses. There is no overhead cost due to the partnership between DMVA and the University of Alaska.

This is needed to enhance Veterans Services capability to best serve the needs of 77,000 veterans in Alaska. Today the highest numbers of veterans are returning from war; the increase in population means a greater number of veterans need access to the Veterans Services Office. These positions will help Veterans Services manage the current, and expected increase in demand, services pertaining to the post 9-11 GI Bill.

- Amended* *Adopted*  
**34. DEPARTMENT:** Department of Natural Resources  
**APPROPRIATION:** Agriculture  
**ALLOCATION:** North Latitude Plant Material Center

**ADD:** ~~\$100,000~~ UGF (1004)  
*\$120,000.*

**EXPLANATION:**

This amendment allows continuation of the Certified Seed Potato Program.

- 35. DEPARTMENT:** Public Safety  
**APPROPRIATION:** Council on Domestic Violence and Sexual Assault  
**ALLOCATION:** Council on Domestic Violence and Sexual Assault

**ADD:** \$181,500 UGF (1004)

**EXPLANATION:**

This amendment would add \$181,500 of general funds for staff travel and emergency travel for victims and their children to a regional hub facility. This was a governor's request for funding.

- 36. DEPARTMENT:** Public Safety  
**APPROPRIATION:** Council on Domestic Violence and Sexual Assault  
**ALLOCATION:** Council on Domestic Violence and Sexual Assault

**ADD:** \$400,000 Interagency Receipts (1007) as an IncOTI

**EXPLANATION:**

These interagency receipts are a component of the Governor's DVSA Prevention initiative. The Council on Domestic Violence and Sexual Assault will contract with the University of Alaska – Anchorage Justice Center to continue its work to conduct a statewide victimization survey in order to have a definitive measure of the incidence and prevalence of domestic violence and sexual assault in our state.

This is year two of this project, funded by a reimbursable services agreement from the Office of the Governor. Without these funds, the Council will be limited in their ability to provide quality baseline data to measure the effectiveness of the DVSA Prevention initiative.

- 37. DEPARTMENT:** Public Safety  
**APPROPRIATION:** Council on Domestic Violence and Sexual Assault  
**ALLOCATION:** Council on Domestic Violence and Sexual Assault

**ADD:** \$497,400 UGF (1004)

**DELETE:** \$497,400 Federal Receipts (1002)

**EXPLANATION:**

This request replaces expiring federal Grants to Encourage Arrest earmark funding with general funds. The fund source change will retain five full time legal advocates in high use areas – Anchorage (AWAIC), Kenai, Bethel, Fairbanks and Palmer; four part time legal advocates in medium use areas – Anchorage (STAR), Juneau, Ketchikan and Dillingham; and one full time legal advocate to provide statewide telephonic support to those regions without full or part time legal advocates. Advocates are employees of several of the nonprofit agencies supported by Council grant funding.

Legal advocates assist both domestic violence and sexual assault victims with filing protective order petitions, violent crimes compensation applications, safety planning and navigating the civil and criminal courts. They accompany victims to meetings with prosecutors and law enforcement and explain victims' legal rights and options. Assistance with petitions for domestic violence, sexual assault or stalking protective orders is one of the most sought services when victims contact victim service providers. The programs listed in the preceding paragraph assisted over 1,700 victims with the filing of protective orders last year. Reducing the availability of legal advocates practically reduces the number of victims who will successfully navigate the system.

**38. DEPARTMENT:** Revenue

**REVISE SUBSECTION 9(e) AS FOLLOWS:**

(e) The amount necessary to pay the custody, investment management, and third-party fiduciary fees of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska), not to exceed [\$90,300,000] \$95,300,000, is appropriated for that purpose from the receipts of the Alaska Permanent Fund Corporation to the Alaska Permanent Fund Corporation for the fiscal year ending June 30, 2012.

**EXPLANATION:**

This amendment aligns the appropriation to cover contractual manager fee obligations with the anticipated need.

**39. DEPARTMENT:** Revenue  
**APPROPRIATION:** Taxation and Treasury  
**ALLOCATION:** Tax Division

**ADD:** \$150,000 UGF (1004)

**EXPLANATION:**

The subcommittee removed the Chief Economist position (04-3255) and \$150.0 UGF; \$140.0 of personal services, \$5.0 of travel, and \$5.0 of commodities. The department was unable to fill this position for nearly 3 years. The department has had a difficult time filling the position due to the collective bargaining salary restrictions the position is currently classified under. Adding the funding back in under contractual services will give the department the flexibility and ability to hire a contractor to complete the work on a long-term, continuous basis.

**40. DEPARTMENT:** University of Alaska  
**APPROPRIATION:** University of Alaska  
**ALLOCATION:** Anchorage Campus

**ADD:** \$100,000 UGF (1004), \$15,000 UA Receipts (1048), Total:  
\$115,000 as an IncOTI

**EXPLANATION:**

The purpose of the amendment is for the University of Alaska Anchorage Honors Program to add one staff member (for student support) and faculty labor costs for honors courses. The University Honors College supports the UAA disciplinary schools and colleges. The Honors College recruits exceptional students, providing



academic advising and student support, partnering to bridge undergraduate research experiences with post-graduate opportunities, and partnering to support student opportunities in the community.

- 41. DEPARTMENT:** University of Alaska  
**APPROPRIATION:** University of Alaska  
**ALLOCATION:** Fairbanks Campus

**ADD:** \$150,000 UGF (1004); \$40,000 Univ Rcpt (1048), Total: \$190,000

**EXPLANATION:**

This increment was requested in the governor's budget and will fund the UAF Individual Technology Based Math and Summer Bridge Programs. The programs cannot be continued without continuing funding. The purpose of the program is to prepare students for college-level math courses.

- 42. DEPARTMENT:** University of Alaska  
**APPROPRIATION:** University of Alaska  
**ALLOCATION:** Fairbanks Campus

**ADD:** \$75,000 UGF (1004); \$45,000 Univ Rcpt (1048), Total: \$120,000

**EXPLANATION:**

This increment was requested in the governor's budget and will fund the UAF Alaska Summer Research Academy – Engineering Components. The purpose of the program is to provide an opportunity for students in grades 8-12 to live on the UAF campus and work with university faculty, staff, and industry professionals. It is a two-week program. In FY11, one time funding was provided by the Legislature. This additional funding will provide continuation of the program.

- 43. DEPARTMENT:** Alaska Court System  
**APPROPRIATION:** Therapeutic Courts  
**ALLOCATION:** Therapeutic Courts

**ADD:** \$250,000 GF/MH (1037)

**EXPLANATION:**

This increment, requested in the governor's budget, will provide funding for treatment services for therapeutic court participants. Therapeutic courts are an extremely cost-effective way to divert offenders from jails, while reducing recidivism rates.

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/// III  
#2  
FAILED  
AMENDMENT

27-GH1737\E.4  
Bailey  
3/4/11

OFFERED IN THE HOUSE

BY REPRESENTATIVES COSTELLO

TO: CSHB 108(FIN), Draft Version "E" AND STOLTZE

1 Page 59, line 22, through page 60, line 2:

2 Delete all material and insert:

3 "(g) The sum of \$2,700,000 is appropriated from the general fund to the Department  
4 of Commerce, Community, and Economic Development for a contract under AS 44.33.125(a)  
5 with a qualified trade organization for destination tourism marketing for the fiscal year ending  
6 June 30, 2012.

7 (h) The sum of \$6,300,000 is appropriated from the general fund to the Department of  
8 Commerce, Community, and Economic Development for a supplemental marketing contract  
9 under AS 43.33.125(d) for the fiscal year ending June 30, 2012."

10

11 Reletter the following subsections accordingly.

12

13 Page 60, line 10:

14 Delete "(i) of this section"

15 Insert "(j) of this section"

16

17 Page 79, line 27:

18 Delete "sec. 12(k)"

19 Insert "sec. 12(l)"

20

21 Page 80, line 2:

22 Delete "12(m)"

23 Insert "12(n)"

WORK DRAFT

WORK DRAFT

27-GH1737AE

1 regional seafood development associations.

2 (e) The following amounts are appropriated from the specified sources to the Alaska  
3 Seafood Marketing Institute for seafood marketing activities for the fiscal year ending  
4 June 30, 2012:

5 (1) the sum of \$7,770,100 from the general fund, which is approximately  
6 equal to the amount of program receipts collected by the Alaska Seafood Marketing Institute  
7 for the fiscal year ending June 30, 2010, and approximately matches the industry contribution  
8 for seafood marketing activities during the fiscal year ending June 30, 2010;

9 (2) the sum of \$1,554,000 from the program receipts of the Alaska Seafood  
10 Marketing Institute, which is approximately equal to 20 percent of the program receipts of the  
11 Alaska Seafood Marketing Institute for the fiscal year ending June 30, 2010;

12 (3) the unexpended and unobligated balance on June 30, 2011, of the program  
13 receipts of the Alaska Seafood Marketing Institute, estimated to be \$5,500,000, which is  
14 approximately equal to 80 percent of the program receipts of the Alaska Seafood Marketing  
15 Institute for the fiscal year ending June 30, 2011; and

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

17 (f) It is the intent of the legislature to limit the amount appropriated to the Alaska  
18 Seafood Marketing Institute from the general fund for the purpose of matching industry  
19 contributions for seafood marketing activities, including the amount appropriated in (e)(1) of  
20 this section, to not more than \$9,000,000 in a fiscal year, regardless of the amount of industry  
21 contributions.

22 (g) An amount not to exceed \$9,000,000 is appropriated from the general fund to the  
23 Department of Commerce, Community, and Economic Development for contracts with a  
24 qualified trade association for tourism marketing activities, for the fiscal year ending June 30,  
25 2012, determined by the matching requirements of AS 44.33.125(a), and subject to the  
26 following:

27 (1) \$3,045,400 of the appropriation made in this subsection is for the purpose  
28 of matching industry contributions collected for the fiscal year ending June 30, 2010;

29 (2) \$5,954,600 of the appropriation made in this subsection is for the purpose  
30 of matching industry contributions collected for the fiscal year ending June 30, 2012;

31 (3) the amount appropriated under this subsection shall be reduced by twice

1 the amount of any other state money appropriated to a qualified trade association for tourism  
2 marketing activities for the fiscal year ending June 30, 2012.

3 (h) The interest earned by the renewable energy grant fund (AS 42.45.045(a)), not to  
4 exceed \$2,000,000, is appropriated to the Alaska Energy Authority for the administration of  
5 the renewable energy grant fund for the fiscal year ending June 30, 2012.

6 (i) The sum of \$23,510,600 is appropriated from the power cost equalization  
7 endowment fund (AS 42.45.070(a)) to the Department of Commerce, Community, and  
8 Economic Development, Alaska Energy Authority, power cost equalization allocation, for the  
9 fiscal year ending June 30, 2012.

10 (j) If the amount appropriated in (i) of this section is not sufficient to pay power cost  
11 equalization program costs without proration, the amount necessary to pay power cost  
12 equalization program costs without proration, estimated to be \$10,829,400, is appropriated  
13 from the general fund to the Department of Commerce, Community, and Economic  
14 Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year  
15 ending June 30, 2012.

16 (k) The sum of \$741,607 is appropriated from federal receipts from the financial  
17 assistance award for emerging energy technology for the Denali Commission established  
18 under P.L. 105-277 to the Alaska Energy Authority for data collection, data reporting, third-  
19 party verification, and other activities associated with the emerging energy technology fund  
20 (AS 42.45.375).

21 (l) If the amount necessary to make payment in lieu of taxes payments under 3 AAC  
22 152 exceeds the amount appropriated for that purpose in sec. 1 of this Act, the amount  
23 necessary to make payment in lieu of taxes payments is appropriated from federal receipts  
24 received for that purpose to the Department of Commerce, Community, and Economic  
25 Development, revenue sharing, payment in lieu of taxes allocation, for the fiscal year ending  
26 June 30, 2012.

27 (m) Section 56(e), ch. 43, SLA 2010, is amended to read:

28 (e) The unexpended and unobligated balances of the appropriations made in  
29 sec. 37(a)(3), ch. 15, SLA 2009 (Legislative Council, addressing the effects of climate  
30 and environmental change on the state - \$750,000) and sec. 37(e), ch. 15, SLA 2009  
31 (Legislative Council - Alaska Conference on State and Federal Responsibility Related

as AS 37.05.146(c)(26).

**Amendments.** — The 2004 amendment, 4, 2004, substituted "AS 44.33.020-1" in subsections b).

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ent fund, and other sources.  
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ent may use the fund to make  
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e result of the Exxon Valdez

lished in the state treasury  
ement proceeds received by  
The Exxon Valdez, United  
-175 Civil, decree entered

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y the United States District  
merica v. Exxon Shipping  
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opment" was changed to "Depart-  
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ce with § 3, ch. 47, SLA 2004.

**rism.**

on or development of visitor

(4) ensure that consideration is given in the development and implementation of the tourism program to local community goals and objectives, to impacts on existing private enterprises, and to impacts on recreational and subsistence opportunities for the residents of the state;

(5) promote the development of tourism opportunities throughout the state, including along the highway system of the state, the marine highway, and in rural areas of the state. (§ 5 ch 78 SLA 1988; am § 27 ch 23 SLA 1995; am § 4 ch 29 SLA 1999)

**Sec. 44.33.120. Tourism duties.** (a) *[Repealed, § 84 ch 58 SLA 1999.]*

(b) The Department of Commerce, Community, and Economic Development shall

(1) cooperate with organizations in the private sector for the promotion and development of tourism into and within the state;

(2) coordinate with municipal, state, and federal agencies for the development of tourism resources in the state;

(3) promote and develop the state's tourist industry;

(4) cooperate with the private sector in the planning and execution of a destination tourism marketing campaign under AS 44.33.125 that is in the public interest;

(5) promote the development of visitor industry facilities, both in the public sector and the private sector, through the use of state resources as appropriate;

(6) plan and advocate for tourism and tourism development in coordination with the private sector, municipalities, state, and federal agencies;

(7) administer and evaluate the tourism marketing contract program under AS 44.33.125;

(8) administer a visitor information center located in Tok; and

(9) conduct research related to tourism.

(c) *[Repealed, § 28 ch 90 SLA 1991.]*

(d) During the term of a contract with a qualified trade association under AS 44.33.125(a), the Department of Commerce, Community, and Economic Development may not execute another tourism marketing campaign except as provided under AS 44.33.125(b), (c), or (d). (§ 4 ch 207 SLA 1975; am § 72 ch 138 SLA 1986; am § 6 ch 78 SLA 1988; am § 28 ch 90 SLA 1991; am §§ 5, 6 ch 29 SLA 1999; am §§ 58, 84 ch 58 SLA 1999)

**Revisor's notes.** — In 1999, "Department of Community and Economic Development" was substituted for "Alaska division of tourism" in subsection (b) and for "Department of Commerce and Economic Development" in subsection (d) in order to reconcile chs. 29

and 58, SLA 1999. In 2004, in (b) and (d) of this section, "Department of Community and Economic Development" was changed to "Department of Commerce, Community, and Economic Development", in accordance with § 3, ch. 47, SLA 2004.

**Sec. 44.33.122. Establishment of Tourism Coordinating Committee.** *[Repealed, § 33 ch 23 SLA 1995.]*

**Sec. 44.33.124. Membership of the Tourism Coordinating Committee.** *[Repealed, § 33 ch 23 SLA 1995.]*

**Sec. 44.33.125. Tourism marketing contracts.** (a) *[See delayed amendment note.]* Subject to appropriations for the purpose, the Department of Commerce, Community, and Economic Development shall, on or before April 1 of each fiscal year, contract with a single qualified trade association for the purpose of planning and executing a destination tourism marketing campaign during the next fiscal year. The contract may be awarded only if the qualified trade association provides matching funds consisting of at least 30 percent of the state money used for the marketing campaign described in this section. Unless the appropriation that funds the marketing campaign is less than \$9,000,000, the state money used for the marketing campaign may not exceed \$9,000,000. The marketing campaign may promote distinct segments of tourism, such as highway

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tourism, seasonal tourism, ecotourism, cultural tourism, regional tourism, and rural tourism. Before the contract is executed, the marketing campaign plan must be approved by the department.

(b) The tourism marketing contract awarded under (a) of this section must include essential components identified by the department and may include media advertising, establishing and operating a system for responding to visitor inquiries, publishing and distributing information regarding vacation planning, establishing and maintaining Internet sites that provide tourism information, conducting market research, and other activities related to tourism that the department may designate in the contract. If the qualified trade association refuses a contract component requested by the department, the department may award a contract to another person to perform that component but only if the terms are not materially different from those offered to the qualified trade association.

(c) A qualified trade association that has been awarded a tourism marketing contract under (a) of this section has, while the contract is in effect, the right of first refusal for every other tourism marketing contract offered by the department. The qualified trade association is required to provide matching funds for a contract awarded under this subsection only if matching funds are required by the contract offer. If the qualified trade association refuses a contract offer under this subsection or fails to accept the offer within a reasonable time, the department may award the contract to another person but only under terms not materially different from those offered to the qualified trade association.

(d) If, during the term of a contract awarded under (a) of this section, funds from any source are appropriated to the department for tourism marketing activities in addition to the funds already committed under the contract, the contract may be amended to include the additional funds and the additional tourism marketing activities. The department may require the qualified trade association to provide matching funds in any amount for the additional funds, or the department may impose no matching requirement for the additional funds. If the qualified trade association refuses the additional funds, the department may use the additional funds to award a contract to another person but only under terms not materially different from those offered to the qualified trade association.

(e) The marketing campaign conducted under a tourism marketing contract awarded under (a) of this section must be directed by a group within the qualified trade association that is broadly representative of the various sectors of the visitor industry in the state and whose members are

- (1) involved in a visitor industry business or have experience in tourism marketing; or
- (2) officers or senior staff members of a state agency, a local government, or a nonprofit enterprise established to promote the visitor industry.

(f) Materials produced and marketing information and tourism related data generated by the qualified trade association under a contract awarded under (a) or (c) of this section are the joint property of the qualified trade association and the department. However, the qualified trade association may, but only for the purpose of promoting the state, use, sell, or lease the materials, information, and data. In addition, the qualified trade association may only permit the use by or sale to another person of the materials, information, or data if the use by the other person is also for the purpose of promoting the state. The qualified trade association may impose other restrictions on the right of another person to use the materials, information, or data. If a qualified trade association provides the right to use a mailing list generated under a contract awarded under (a) or (c) of this section, the list must be made available to every person at the same price, except that a person who is not a participant in the qualified trade association's marketing program may be charged an additional amount based on the amount of the qualified trade association's participation fee attributable to a participant's right of access to mailing lists. The qualified trade association retains all revenue generated by the association under a contract awarded under (a) or (c) of this section.

(g) A qualified trade association produced and marketing information and tourism related information and tourism related information are not public records under

(h) A qualified trade association or (c) of this section

(1) to lobby a municipal agency of the state, as the

(2) to raise funds that municipality or to lobby the AS 44.99.030(b); or

(3) for administrative or municipality or an agency (as those terms are defined

(i) A qualified trade association marketing contract awarded a competitive basis after proposal and considering all responses

(j) In this section, "qualified" whose primary purposes in aging tourists to visit the representatives of all major cruise lines, wholesale and visitors bureaus, bed and breakfast charter operations. (§ 7 ch 2 am § 1 ch 180 SLA 2004; a

**Delayed amendment of subsections 2 and 3, ch. 103, SLA 2009** 2011, subsection (a) will read as follows: appropriations for the purpose, the Commerce, Community, and Economic Development shall, on or before April 1 of each fiscal year, with a single qualified trade association, a plan of planning and executing a marketing campaign during the term of the contract may be awarded only if the association provides matching funds of 50 percent of the costs of the campaign described in the contract. The plan may promote distinct segments of highway tourism, seasonal tourism, cultural tourism, regional tourism, and rural tourism. Before the contract is executed, the marketing campaign plan must be approved by the department.

**Revisor's notes.** — In 1999, in "Department of Community and Economic Development" was substituted for "Department of Community and Economic Development" in AS 44.99.030 and 44.99.031.

In 2000, "AS 40.25.100 — 40.25.101

**Sec. 44.33.130. Division of**

**Sec. 44.33.135. Grants** municipality, a nonprofit corporation, fraternal, or service organization for up to 50 percent of

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(g) A qualified trade association shall provide to the department, on request, materials produced and marketing information and tourism related data generated by the qualified trade association under a contract awarded under (a) or (c) of this section. The information and tourism related data provided to the department under this subsection are not public records under AS 40.25.100 — 40.25.220.

(h) A qualified trade association may not use money from a contract awarded under (a) or (c) of this section

(1) to lobby a municipality or an agency of a municipality or to lobby the state or an agency of the state, as those terms are defined in AS 44.99.030(b);

(2) to raise funds that will be used to lobby a municipality or an agency of a municipality or to lobby the state or an agency of the state, as those terms are defined in AS 44.99.030(b); or

(3) for administrative or overhead costs that directly support any effort to lobby a municipality or an agency of a municipality or to lobby the state or an agency of the state, as those terms are defined in AS 44.99.030(b).

(i) A qualified trade association may, pursuant to the performance of a tourism marketing contract awarded under (a) or (c) of this section, award a subcontract only on a competitive basis after providing adequate notice of the availability of the subcontract and considering all responses.

(j) In this section, "qualified trade association" means a private, nonprofit organization whose primary purposes include the promotion of tourism within the state and encouraging tourists to visit the state and that has a statewide membership consisting of representatives of all major sectors of the visitor industry, including hotels, airlines, cruise lines, wholesale and retail travel agencies, visitor attractions, convention and visitors bureaus, bed and breakfast enterprises, wilderness lodges and outfitters, and charter operations. (§ 7 ch 29 SLA 1999; am § 8 ch 29 SLA 1999; am § 1 ch 78 SLA 2000; am § 1 ch 180 SLA 2004; am § 1 ch 103 SLA 2008)

**Delayed amendment of subsection (a).** — Under §§ 2 and 3, ch. 103, SLA 2008, effective July 1, 2011, subsection (a) will read as follows: "(a) Subject to appropriations for the purpose, the Department of Commerce, Community, and Economic Development shall, on or before April 1 of each fiscal year, contract with a single qualified trade association for the purpose of planning and executing a destination tourism marketing campaign during the next fiscal year. The contract may be awarded only if the qualified trade association provides matching funds equal to at least 50 percent of the costs of the marketing campaign described in the contract. The marketing campaign may promote distinct segments of tourism, such as highway tourism, seasonal tourism, ecotourism, cultural tourism, regional tourism, and rural tourism. Before the contract is executed, the marketing campaign plan must be approved by the department."

**Revisor's notes.** — In 1999, in (a) of this section, "Department of Community and Economic Development" was substituted for "Department of Commerce and Economic Development" in order to reconcile chs. 29 and 58, SLA 1999.

In 2000, "AS 40.25.100 — 40.25.220" was substi-

tuted for "AS 09.25.100 — 09.25.220" to reflect the 2000 renumbering of AS 09.25.100 — 09.25.220.

In 2004, in (a) of this section, "Department of Community and Economic Development" was changed to "Department of Commerce, Community, and Economic Development", in accordance with § 3, ch. 47, SLA 2004.

**Effect of amendments.** — The 2000 amendment, effective July 1, 2002, in subsection (a), in the first sentence substituted "April 1 of each fiscal year" for "August 1 of each year" and added "during the next fiscal year" at the end.

The 2004 amendment, effective November 10, 2004, substituted "50 percent" for "60 percent" in the second sentence of subsection (a).

The 2008 amendment, effective July 1, 2008, substituted "30 percent" for "50 percent" and "state money used for" for "costs of" in the second sentence of subsection (a), and inserted the third sentence of subsection (a).

**Editor's notes.** — Under § 2, ch. 180, SLA 2004, the 2004 amendment to the matching funds requirements of (a) of this section applies "to contracts for tourism marketing entered into under [this section] for fiscal years beginning July 1, 2005."

*See 44.33.134, Division contract. Repealed, § 11 ch 78 SLA 1988.*

**Sec. 44.33.135. Grants for promotion or development of visitor travel.** — A nonprofit corporation, partnership, or association for AS 40.25.100 — 40.25.220, civil, fraternal, or service organization may receive, as a grant, matching money from the state for up to 50 percent of the costs of a program or project that the commissioner of

#3

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AMENDMENT

THOMAS

adopted

OFFERED IN THE HOUSE

TO: CSHB 108(FIN), Draft Version "E"

1 Page 59, line 30, through page 60, line 2:

2 Delete ";

3 (3) the amount appropriated under this subsection shall be reduced by twice the  
4 amount of any other state money appropriated to a qualified trade association for tourism  
5 marketing activities for the fiscal year ending June 30, 2012"