FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 152
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Revision Date/Time (Note if correction): 04/19/2001 10:55a.m.
Dept. Affected: DCED
Title: DOTPF - Contract Related Claims
BRU: AIDEA
Component: AIDEA
Sponsor: Senator Cowdery
Requester: Senate Finance
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*
CAPITAL EXPENDITURES	*	*	*	*	*	*
CHANGE IN REVENUES ( )	*	*	*	*	*	*

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 RSS						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2001) cost: *

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

*AIDEA has a delegation of authority from DOTPF for construction of AIDEA Development Finance projects (AIDEA owned and operated). This bill will result in additional interest payments on contract related claims. There is no way to predict the costs in the future. AIDEA Development Finance projects generally do not use General Funds (Healy Clean Coal Plant and the DeLong Mountain Transportation System funding included state grants). Additional costs, such as claims, are charged to the project proponent or are funded by AIDEA funds. In the past AIDEA has had small and multi-million dollar claims on construction projects. The claims have resulted in negotiated settlements. For example, a $1.17 million claim was paid on the Healy Clean Coal Plant in 1999. If this legislation were in effect, AIDEA would have had to pay an additional $188,018 (10% compounded interest for 18 months). Originally the claim was upwards of $10 million. If AIDEA funds are required, AIDEA's net income declines, decreasing the annual dividend AIDEA pays to the General Fund.

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Date/Time 04/19/2001 10:55a.m.

Approved by: Commissioner Deborah B. Sedwick
Date 4/19/2001
Agency Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

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