

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 191
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Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title: Alaska Coastal Management Program BRU: Management and Administration
 Component: Office of Alaska Coastal Zone Mgmt
 Sponsor: Rules
 Requester: Governor Component No. 2680

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	0.0	(50.0)	(50.0)	(50.0)	(50.0)
Travel	0.0	0.0	(19.0)	(19.0)	(19.0)	(19.0)
Contractual	0.0	0.0	(4.0)	(4.0)	(4.0)	(4.0)
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	*	*	*	*
TOTAL OPERATING	0.0	0.0	(73.0)	(73.0)	(73.0)	(73.0)

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts			(36.5)	(36.5)	(36.5)	(36.5)
1003 GF Match			(36.5)	(36.5)	(36.5)	(36.5)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	(73.0)	(73.0)	(73.0)	(73.0)

Estimate of any current year (FY2003) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time			(1)	(1)	(1)	(1)
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* Further Fiscal Impacts/Reductions to be determined by the Alaska Coastal Program Evaluation Council.
 Please See Attached Analysis.

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 Division: Administrative Services Date/Time 3/5/2003
 Approved by: Tom Irwin, Commissioner Date 3/5/2003
 Agency: Natural Resources

FISCAL NOTE #3

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. HB 191

ANALYSIS CONTINUATION

The Alaska Coastal Management Program offers the State of Alaska the ability to maximize the effectiveness of federal dollars through partnerships with state agencies and coastal communities to stimulate and approve development proposed in Alaska's Coastal Zone. The funding for this program is structured as follows:

- A total of \$2,910,000 in federal funds is available to the State of Alaska through a grant award from the National Oceanic and Atmospheric Administration for the Alaska Coastal Management Program.
- In order to receive the full federal grant award, matching funds totaling \$2,370,000 are required.
- Within the Alaska Coastal Management Program's FY 04 operating budget the GF Match contribution is \$961,600; additional match is met through state agency and district contributions (ie: for eligible activities, personal services and other work within the coastal zone).
- Currently, the federal grant award is distributed to districts (\$1,166,600) for coastal community improvements, and the remaining funds support the efforts of Division of Governmental Coordination (DGC) (\$909,700) and state agencies (\$833,700) in the management and development of Alaska's coastal resources. State agencies currently receiving funding through the Coastal Management Program include:
 - Department of Community and Economic Development
 - Department of Environmental Conservation
 - Department of Fish and Game
 - Department of Law
 - Department of Natural Resources
 - Department of Transportation and Public Facilities

Immediate savings based on Executive Order 106 (EO) transferring the function of DGC to the Department of Natural Resources (effective April 15, 2003) were realized in the Alaska Coastal Management Program's FY 04 Operating Budget as a reduction of \$342,400 in state general fund match and a loss of 5 full time positions and 1 temporary position.

In concert with the EO, this legislation addresses the function and intent of the Coastal Management Program and state permit review process. With the restructure of the permitting system and the major revisions of the Coastal Management Program, the climate for resource based development activities and investment will improve.

This improved climate for development activities and investment will result in an increase in project proposals and state permit reviews. The current program staff and funding levels must be maintained in order to effectively assist and implement the anticipated economic development within the coastal areas. With the EO reductions for FY04 already realized, further reductions could jeopardize the federal approvability of the Coastal Management Program, and the state's ability to receive the federal grant awards. Any further reduction in state general funds will result in a loss of an equal amount of federal grant award dollars.

Within this legislation, the current Coastal Policy Council is eliminated. An Alaska Coastal Program Evaluation Council is created under this legislation that is tasked with assessing the program's viability and needs. This Evaluation Council will convene itself for two years and require both financial and staff support through June 30, 2005. The existing funding and staff support for the Coastal Policy Council will be used to support the new Evaluation Council for two years. The assessment of the program and further programmatic and permit structure improvements is the mission of the Alaska Coastal Program Evaluation Council. As the council is charged with identifying further program efficiencies and cost reductions, potential savings will be identified in the final report submitted to Governor Murkowski.

The fiscal reductions in this note reflect the cost savings realized by the council's sunset.