

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

3/22/84

Date: 3-28-84

The Committee on FINANCE has had HB 650

"An Act making special appropriations for certain state loan and grant programs; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 650 (LOANS) same title
 new title
- and recommends DO PASS
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Robert P. Adams

[Signature]

T.H. [Signature]

Walt Furnace

[Signature] (with necessary section 2)

[Signature]

MILD H. FAIR

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] - NO ACC.

[Signature] - DO PASS HB 650

Robert P. Adams
CHAIRMAN

829

Offered: 3/22/84
Referred: Finance

Original sponsor: House Special Committee
on State Loans

Funding Information

General Fund	\$152,000,000
Other Funds	500,000
	<u>\$152,500,000</u>

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 650 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for certain
7 state loan and grant programs; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$16,000,000 is appropriated from the general
11 fund to the Alaska housing finance revolving fund (AS 18.56.082).

12 * Sec. 2. The sum of \$45,000,000 is appropriated from the general fund
13 to the housing assistance loan fund in the Department of Community and
14 Regional Affairs for non-conforming, rural, and non-owner occupied housing
15 loans (AS 44.47.360 - 44.47.560) and loans that are subsidized from the
16 home ownership assistance fund (AS 44.47.382).

17 * Sec. 3. The sum of \$2,000,000 is appropriate from the general fund
18 to the division of housing assistance in the Department of Community and
19 Regional Affairs for a grant from the senior citizens' housing development
20 fund for the Chugach View Senior Citizen Facility.

21 * Sec. 4. The sum of \$2,000,000 is appropriated from the general fund
22 to the division of housing assistance in the Department of Community and
23 Regional Affairs for a grant from the senior citizens' housing development
24 fund for the Norton Sound Health Corporation Senior Citizen Facility at
25 Nome.

26 * Sec. 5. The sum of \$7,000,000 is appropriated from the general fund
27 to the division of housing assistance in the Department of Community and
28 Regional Affairs for grants from the senior citizens' housing development
29 fund.

1 * Sec. 6. The sum of \$9,500,000 is appropriated from the general fund
2 to the division of investments, Department of Commerce and Economic Devel-
3 opment, for the following purposes in the following amounts:

4	alternative technology and energy loan	
5	program (AS 45.88)	\$1,000,000
6	commercial fishing loan program (AS 16.10.-	
7	300 - 16.10.370)	3,500,000
8	fisheries enhancement loan program	
9	(AS 16.10.500 - 16.10.620)	5,000,000

10 * Sec. 7. The sum of \$5,000,000 is appropriated from the general fund
11 to the Department of Natural Resources for loans from the agricultural
12 revolving loan fund (AS 03.10.040).

13 * Sec. 8. The sum of \$500,000 is appropriated from the general fund to
14 the Alaska grain reserve loan fund (AS 03.12.040).

15 * Sec. 9. The sum of \$60,000,000 is appropriated from the general fund
16 to the scholarship revolving loan fund (AS 14.40.751) for the student loan
17 program.

18 * Sec. 10. The sum of \$500,000 in federal program receipts for student
19 loans and schlarships is appropriated to the scholarship revolving loan
20 fund (AS 14.40.751) for the student loan program.

21 * Sec. 11. The sum of \$5,000,000 is appropriated from the general fund
22 to the Department of Community and Regional Affairs for grants from the low
23 cost and low income multiple family housing development fund (AS 44.47.-
24 635).

25 * Sec. 12. The appropriations made by this Act are for the capitaliza-
26 tion of loan and grant funds and do not lapse in accordance with AS 37.-
27 25.010.

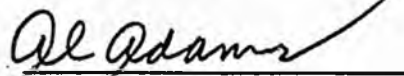
28 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
COMMITTEE SUBSTITUTE FOR HOUSE BILL 650 (LOANS)

It is the intent of the Legislature that the department give priority consideration under the Alternative Technology and Energy Loan program to loan requests that evidence the greatest potential for energy savings to the applicant and the State. It is further intended that forty percent of the loan funds shall be reserved for use in areas that are not connected to a power grid or have a rate in excess of 20¢/kwh, notwithstanding or including the power cost assistance programs. In general, loan requests shall be approved based on the following priority list:

1. Solar electric generation equipment, including photoelectric cells systems;
2. wind systems;
3. hydroelectric systems;
4. woodstoves with catalytic converters and catalytic converters for woodstoves;
5. multifuel systems;
6. passive solar systems, including solar heating units and sun spaces; and
7. active solar systems, including solar collectors.



Al Adams, Chairman
House Finance Committee

HB 650

LETTER OF INTENT

IT IS THE INTENT OF THE LEGISLATURE THAT THE DEPARTMENT GIVE PRIORITY CONSIDERATION UNDER THE ALTERNATIVE TECHNOLOGY AND ENERGY LOAN PROGRAM TO LOAN REQUESTS THAT EVIDENCE THE GREATEST POTENTIAL FOR ENERGY SAVINGS TO THE APPLICANT AND THE STATE. IT IS FURTHER INTENDED THAT FORTY PERCENT OF THE LOAN FUNDS SHALL BE RESERVED FOR USE IN AREAS THAT ARE NOT CONNECTED TO A POWER GRID OR HAVE A RATE IN EXCESS OF 20¢/KWH. IN GENERAL, LOAN REQUEST SHALL BE APPROVED BASED ON THE FOLLOWING PRIORITY LIST:

1. SOLAR ELECTRIC GENERATION EQUIPMENT, INCLUDING PHOTOELECTRIC CELLS SYSTEMS;
2. WIND SYSTEMS;
3. HYDROELECTRIC SYSTEMS;
4. WOODSTOVES WITH CATALYTIC CONVERTERS AND CATALYTIC CONVERTERS FOR WOODSTOVES;
5. MULTIFUEL SYSTEMS;
6. PASSIVE SOLAR SYSTEMS, INCLUDING SOLAR HEATING UNITS AND SUN SPACES; AND
7. ACTIVE SOLAR SYSTEMS, INCLUDING SOLAR COLLECTORS.

LOANS BUDGET SUMMARY
(Stated in Thousands \$)

DEPARTMENT/Program	FY 84 Adjusted	FY 85 Governor	FY 85 Governor Amended	FY 85: HB 650	FY 85: CSHB 650 (Loans)
COMMERCE AND ECONOMIC DEVELOPMENT					
Fisheries Enhancement	6,500.0	0.0	5,335.0	0.0	5,000.0
Commercial Fishing	9,091.0	3,500.0	3,500.0	3,500.0	3,500.0
Alt. Tech & Energy	2,400.0	5,100.0	5,100.0	2,400.0	1,000.0
Rural Electrification	1,000.0	1,000.0	1,000.0	1,000.0	0.0
Power Project Fund					
Seward	0.0	0.0	0.0	0.0	0.0
Homer	0.0	0.0	0.0	0.0	0.0
Thorne Bay	0.0	0.0	275.0	0.0	0.0
Craig/Klawock	0.0	0.0	1,110.0	0.0	0.0
DEPARTMENT TOTAL	<u>18,991.0</u>	<u>9,600.0</u>	<u>16,320.0</u>	<u>6,900.0</u>	<u>9,500.0</u>
EDUCATION					
Student Loan Program	60,000.0	65,450.0	65,450.0	60,000.0	60,000.0
Student Loan					
Federal Receipts	850.0	500.0	500.0	500.0	500.0
DEPARTMENT TOTAL	<u>60,850.0</u>	<u>65,950.0</u>	<u>65,950.0</u>	<u>60,500.0</u>	<u>60,500.0</u>
NATURAL RESOURCES					
Agricultural RLF	10,000.0	13,000.0	11,622.2	5,000.0	5,000.0
Grain Reserve Fund	1,582.4	1,000.0	500.0	500.0	500.0
DEPARTMENT TOTAL	<u>11,582.4</u>	<u>14,000.0</u>	<u>12,122.2</u>	<u>5,500.0</u>	<u>5,500.0</u>

LOANS BUDGET SUMMARY
(Stated in Thousands \$)
(continued)

DEPARTMENT/Program	FY 84 Adjusted	FY 85 Governor	FY 85 Governor Amended	FY 85: HB 650	FY 85: CSHB 650 (Loans)
REVENUE					
Alaska Housing Finance Corporation					
Special Mortgage	6,801.0	71,000.0	0.0	40,000.0	0.0
Mobile Home Loans	0.0	34,000.0	0.0	0.0	0.0
Revolving Fund	0.0	0.0	16,000.0	0.0	16,000.0
Home Ownership	<u>42,250.0*</u>	<u>0.0</u>	<u>0.0</u>	<u>22,000.0</u>	<u>0.0</u>
DEPARTMENT TOTAL	<u>49,051.0</u>	<u>105,000.0</u>	<u>16,000.0</u>	<u>62,000.0</u>	<u>16,000.0</u>
COMMUNITY AND REGIONAL AFFAIRS					
Housing Assistance Loan Fund	45,000.0	65,000.0	65,000.0	45,000.0	45,000.0
Chugach View Srs.	10,000.0	0.0	0.0	2,000.0	2,000.0
Norton Sound Srs.	0.0	0.0	0.0	0.0	2,000.0
Statewide Senior Citizen Housing	0.0	0.0	0.0	7,000.0	7,000.0
Low cost/Low income Multiple family	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2,000.0</u>	<u>5,000.0</u>
DEPARTMENT TOTAL	<u>55,000.0</u>	<u>65,000.0</u>	<u>65,000.0</u>	<u>56,000.0</u>	<u>61,000.0</u>
<hr/>					
TOTALS	\$195,474.4	\$259,550.0	\$175,392.2	\$190,900.0	\$152,500.0

*This figure includes:

22,750.0 GF

16,500.0 from Small Business Loan Program

2,700.0 from Tourism Revolving Loan Program

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

BILL SHEFFIELD, GOVERNOR

REPLY TO: 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 561-0900

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-2267

P.O. BOX 10041
DILLINGHAM, ALASKA 99576
PHONE: (907) 842-2245

P.O. BOX 280
KOTZEBUE, ALASKA 99752
PHONE: (907) 442-3675

P.O. BOX 348
BETHEL, ALASKA 99559
PHONE: (907) 543-3864

1514 CUSHMAN STREET, ROOM 210
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-4468

P.O. BOX 41
NOME, ALASKA 99762
PHONE: (907) 443-2855

STATEWIDE TOLL FREE
PHONE: ZENITH 4585

March 28, 1984

The Honorable Rick Uehling
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Uehling:

At the request of your aide, Mr. David Cobb, I am telecopying you the following information on State Assisted Rental Housing Development Grant funds. Also known as low-cost, low-income multifamily housing grants, this program became effective January 1, 1984. A total of \$5,000,000 was appropriated last year to begin the program. On March 1, 1984, two grants were awarded totalling \$3.3 million. These were for \$700,000 to the Municipality of Anchorage for purchase of the S & S Apartment site from HUD and \$2,600,000 to Alaska Housing Ministries for the development of low cost, low income housing in Anchorage. Funds were insufficient to finance any other complete projects this year. The sum of \$200,000 was set aside for planning grants for the remainder of FY 84. From the planning grant funds, two eligible applicants are now under review. One is in the City of Fairbanks through Alaska Housing Ministries, the second is in the City of St. Paul through the City itself.

A total of \$1,500,000 remains in the fund. It is anticipated that the Alaska Housing Ministries will reapply for the City of Fairbanks project in the amount of \$2,800,000 during the next round of applications in August of this year. To fund the Fairbanks project, the \$1,500,000 FY 84 balance would be utilized as well as a \$1,300,000 commitment from FY 85 funds.

In HB 691, the Legislature appropriated \$1,580,000 for this program. If the \$5,000,000 request in HB 650 is funded for FY 85, requests for proposals would be solicited on the remaining \$3,700,000, plus the \$1.580 million. We presume a proposal would be received from the City of St. Paul. We also anticipate a second proposal from Anchorage for a location

The Honorable Rick Uehling
RE: Low Cost, Low Income Housing
March 28, 1984
page two

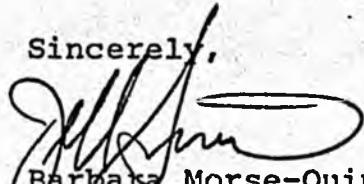
in the Northeast part of town. It is unknown at this time what other communities or groups might apply, but as the funds are awarded on competitive bid, any completed application will be considered.

I hope this letter provides you with sufficient information to solidify FY 85 funds for this program. Although it is a new effort on the part of the State, it can be used to leverage ASHA bonds and new HUD funds that should be available after October 1, 1984 nationwide. It is an effective program and one worthy of your support.

Please contact me directly if you wish any further information on the program.

Thank you.

Sincerely,

for 
Barbara Morse-Quinn
Director

cc: Representative Al Adams
Jeff Smith
Nadine Winters
Dick Pryor

LAHFC

Alaska HOUSING FINANCE CORPORATION



March 2, 1984

The Honorable Rick Uehling
Chairman, House Special
Committee on Loans
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

CS HB 650
Sec. 1

Dear Chairman Uehling:

The Corporation has completed a review of the anticipated mortgage loan financing activity for FY '85 and related subsidy requirements. The initial capital budget request was based generally upon information available as of June 30, 1983, and indicated \$105 million would be necessary to continue to operate the Special Mortgage Loan Purchase Program and Mobile Home Loan Program through FY '85.

Utilizing updated information through December 31, 1983, and assumptions reflecting current financing plans the total capital budget request is revised to \$16 million. This appropriation should be made to the Alaska Housing Finance Revolving Fund. As the Corporation plans to finance the FY '85 mobile home loan activity through the sale of bonds during FY '84, an appropriation for the Mobile Home Loan Program is not being requested.

The revised budget reflects the deletion of the Home Mortgage Bond Issues pursuant to current federal restrictions as well as a lower overall level of activity with total mortgage and loan commitments projected at \$1.316 billion. Detailed schedules reflecting the current budget assumptions as well as the changes from the original submission are attached as Exhibit A for your review.

If you should have any questions regarding the above or require additional information do not hesitate to contact me.

Sincerely,

Michael S. Lynch
Executive Director

MSL:de

Enclosures

Revised 2-22-84

ALASKA HOUSING FINANCE CORPORATION
 SPECIAL MORTGAGE LOAN PURCHASE PROGRAM
 SUMMARY OF MORTGAGE DEMAND AND PROPOSED BOND FINANCINGS
 Fiscal Year 1985

(In Millions)

	Estimated Carry-Over From FY '84	Program Repayments And Earnings	Bond Proceeds	Sales Costs	Subsidy	Subsidy Allocation	Estimated Carry-Over To FY '86	Estimated FY '85 Mortgage Demand
Taxable First Mortgage Program State Assisted Mortgage Bonds - Single-Family and Duplex Triplex and Four-plex	\$ 5	\$ 44 25	\$ 575	\$(11)	\$ 149	\$ 15	\$ 100 5	\$ 672 25
First Mortgage Veterans' Program - State Guaranteed Veterans' Bonds	(27)		575	(12)	86		75	547
Mobile Home Loan Bond Program	84						14	70
Taxable Second Mortgage Program - Second Mortgage Bonds	12						10	2
Reserve to Complete Open Series	—	—	—	—	15	(15)	—	—
TOTAL	<u>\$ 74</u>	<u>\$ 69</u>	<u>\$1,150</u>	<u>\$(23)</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 204</u>	<u>\$1,316</u>

Revised 2/22/84

ALASKA HOUSING FINANCE CORPORATION

Summary of Mortgage Demand and Proposed Financings
Fiscal Year 1985

(In Millions)

	<u>Mortgages</u>	<u>Investments</u>	<u>Total</u>
Beginning Balances July 1, 1984	\$ 68.000	\$ 131.000	\$ 199.000
SAM Series G Subsidy Reversion (6/1/85) <i>subsidy funds never used</i>		25.000	25.000
Estimated Earnings of SAM Fund - <i>based on this</i>		10.000	10.000
Mortgage Prepayment Transfers	<68.000>	68.000	---
Available for Subsidy	\$ <u>-0-</u>	\$ <u>234.000</u>	\$ <u>234.000</u>

Estimated Required Subsidy	\$ 250.000
Estimated Subsidy Available (per above)	\$ <u>234.000</u>
FY 86 Required Subsidy Appropriation	\$ <u>16.000</u>

fd8b

2/21/84

ALASKA HOUSING FINANCE CORPORATION

Summary of Changes

FY 85 Capital Budget
Special Mortgage Loan Purchase Program

	<u>As Originally Submitted</u>	<u>As Revised 2/21/84</u>
Carryforward from FY 84	\$ 140	\$ 199
SAM Series G Reversion	25	25
Earnings on SAM Fund	5	10
Adjustment for Mortgages used as Subsidy	<14> <u>156</u>	- <u>234</u>
Total Required Subsidy	<u>227</u>	<u>250</u>
Appropriation	\$ <u>71</u>	\$ <u>16</u>
Bonding and Subsidy Assumptions		
	<u>Bonds</u> <u>Subsidy</u>	<u>Bond</u> <u>Subsidy</u>
Taxable First Mortgage Bonds	\$ 550 \$ 149	\$ 575 \$ 149
Veterans Bonds	700 49	575 86
Home Mortgage Bonds	125 14	
Reserve to Complete Open Series	<u> </u> <u>15</u>	<u> </u> <u>15</u>
	<u>\$1,375</u> <u>\$ 227</u>	<u>\$1,150</u> <u>\$ 250</u>
Total Mortgage Loan Demand	<u>\$1,480</u>	<u>\$1,316</u>

fd3f.1a

2/21/84

ALASKA HOUSING FIANCE CORPORATION

Summary of Changes
 FY 85 Capital Budgets
 Special Mortgage Loan Purchase Program

Subsidy As Originally Submitted	\$ 71
<u>Reconciliation to FY 85 Revision 2/21/84</u>	
Decreases due to:	
Increase in estimated carryforward from FY 84	<59>
Increased estimated fund earnings for FY 85	< 5>
Lack of mortgage discounting	<14>
Increase in estimated subsidy pledge requirements (\$250-\$227) for FY 85	<u>23</u>
FY 85 Appropriation	\$ <u><u>16</u></u>

fd3f.2a

2/21/84

ALASKA HOUSING FINANCE CORPORATION

Summary of Changes - Total Subsidy Requirements
FY 85 Capital Budgets

Total Subsidy as Originally Submitted		\$ 227
<u>Reconciliation to FY 85 Revision of 2/21/84</u>		
Decreased subsidy ratio - Taxable Bonds (\$550 x .01)	\$ <6>	
Decreased bonding - Taxable	<27>	
Decreased bonding - Veterans (\$125 x .150)	<19>	1
Deletion of Home Mortgage Bonds (\$125 x .158)	19	
Increased subsidy ratio - Veterans (\$700 x .0796)	<u>56</u>	<u>23</u>
Total Subsidy		\$ <u><u>250</u></u>

fd3f.6a

DNR AG Revolving
CSHB 650
Sec. 7.

A SPECIAL REPORT ON THE
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND

For the Fiscal Year Ended June 30, 1983

Audit Control Number

10-4170-84-S

*See page 11 for
Balance Sheet
Pages 33-36 for Response.*

Commissioner, Department of
Natural Resources

Esther Wunnicke

Deputy Commissioners, Department
of Natural Resources:

Juneau
Anchorage

Robert Arnold
James K. Barnett

Agricultural Revolving Loan Fund Board of Directors

Chairman
Member
Member
Member
Member

John P. Messenger
Robert J. Gillas
Steven K. Hamilton
Don Breedon
Dennis D. Green

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PURPOSE OF THE REPORT

In accordance with the provisions of Title 24 of the Alaska Statutes and a special request of the Legislative Budget and Audit Committee, an examination of the Department of Natural Resources, Division of Agriculture, Agricultural Revolving Loan Fund (ARLF) was conducted to:

1. Determine if the financial statements for the 1983 Fiscal Year are fairly presented.
2. Determine the compliance by the ARLF with the applicable State statutes and regulations governing fiscal activities of the Fund.

ORGANIZATION AND FUNCTION

ARLF was established by AS 03.10.040 for the purpose of providing low interest financing to individual resident farmers, homesteaders, and partnerships or corporations composed of farmers and homesteaders. Capitalization for ARLF has been made by direct appropriations from the General Fund currently totalling \$52,500,000. Total contributions to ARLF are limited by statute to \$75,000,000.

The Commissioner of the Department of Natural Resources in conjunction with the Agricultural Revolving Loan Fund Board is responsible for the administration of the fund. No loans in excess of \$25,000 may be made by the commissioner without the approval of the majority of the Board. See Appendix A for ARLF loan types and terms.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

Improvement is needed in ARLF loan processing system.

In our prior audits (1978-1982), we made several recommendations which addressed the establishment of policies and procedures to improve ARLF loan processing system. The problems noted during those audits included; incomplete applications, deficiencies in the execution of legal documents, violations of statutory limits, lack of insurance, lack of Board approval, and questionable compliance with residency requirements.

Although ARLF has made improvements in its system and pending regulations should clarify loan processing requirements, we found that the problems noted in prior years still exist. A review of 20 new loan files showed:

1. Eleven of the files reviewed did not have completed applications. Pro forma financial statements and evidence of credit checks were missing.
2. The residency status of two of the borrowers was questionable. One of the borrowers residency status was questioned in our prior audit. However, the borrower was given additional loans although the file does not reflect Alaska residency.
3. Four of the files did not contain properly executed security documents.
4. Nine of the files did not contain evidence of insurance on collateral naming ARLF as loss payee. Additionally, four of the applicable files did not contain evidence of a collateral appraisal.
5. Two of the loans reviewed exceeded allowable loan limits. One loan exceeded the statutory limit by \$27,000 and the other exceeded Board approval by \$665. We also found that two loans exceeded the seven year term established by the Board on chattel loans.

In our opinion, the reoccurrence of these errors supports the need for closer supervision and review of the loan examining and loan closing functions. The importance of perfection cannot be overemphasized in light of ARLF's increasing delinquency rate. As of June 30, 1983, there were 234 loans over 30 days delinquent totalling \$15,497,595 (40%). This represents an increase of \$9,284,941 over Fiscal Year 1982 (see Appendix B for loans over 90 days delinquent).

As the delinquency rate increases the possibility of fore-

FINDINGS AND RECOMMENDATIONS

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As the delinquency rate increases the possibility of fore-

closure and/or bankruptcy becomes more evident. At that stage, ARLF recovery of the loan balance is based primarily on the adequacy of its loan processing and closing procedures. For instance, if the financing statement securing the collateral pledged by the borrower is not filed timely, ARLF may have to take second position to other creditors in a bankruptcy suit, thereby, jeopardizing its chances of full recovery. More emphasis should be placed on securing and perfecting ARLF's interest in loans during the processing and execution stage.

Recommendation No. 2

ARLF should improve its communications with the Attorney General's (AG) office.

When the collectibility of a loan is questionable due to severe delinquency, fraud, or other reasons, a copy of the loan file is forwarded to the AG's office for legal action. As of June 30, 1983, sixty-six loans totalling \$2,928,138 had been referred to the AG. In our review of these loans, we found in some cases that the borrower's files were not updated with current legal activity. In many cases, it was difficult to determine when the file was forwarded to the AG's office, and the reason for referral. Inquiries of ARLF staff disclosed that no procedures have been established to formalize AG referrals and follow-ups.

According to the AG's office, processing of files is sometimes delayed as a result of the time required to interpret the file. Information identifying the problems encountered by ARLF with the borrower and the preferred course of action is not readily available.

ARLF, in conjunction with the AG's office, should establish procedures for processing and following-up on loans needing legal action. A loan profile summary should also be developed to include the following:

1. A brief summary of the problems outlining the sequence of events and contact with the borrower.
2. Outstanding loan amounts.
3. Date of last payment.
4. Type of collateral securing the loan(s).
5. Estimate of collectibility (see Recommendation No. 3).
6. Proposed legal action.

The profile summary should be utilized by ARLF staff in file presentations for Board action, and in the transmittal of

loan files to the AG's office. In addition, the loan files should be updated periodically with a status report describing AG action to date.

Recommendation No. 3

ARLF should perform an annual collectibility analysis of its loans receivable.

ARLF's increasing delinquency rate emphasizes the need for an accurate estimation of the allowance account to ensure a fair presentation of loans receivable and loan loss expense in its financial statements.

We recommend that ARLF review all delinquent loan files annually and make an assessment of the outstanding loan amount which is unlikely to be collected. To aid ARLF in this assessment, an aging schedule of loans receivable should be prepared. Aging involves an analysis of each loan to determine the amount not yet due, moderately past due and considerably past due. Classification of the amounts by age (i.e. current, 30 days, 60 days, 90 days, 6 months, etc.) is deemed important because experience has shown that the older the account the higher the probability of uncollectibility. Thus, loans greater than one year past due should be reviewed closely. Consideration should also be given to those loans which were refinanced, reamortized, or extended during the year for inclusion in the analysis.

STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

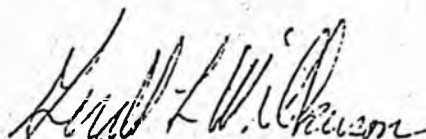
JUNEAU, ALASKA 99811

October 31, 1983

Members of the
Legislative Budget and Audit Committee:

We have examined the Balance Sheets of the Agricultural Revolving Loan Fund as of June 30, 1983 and 1982, and the related statements of Revenues, Expenses, and Changes in Retained Earnings, and Changes in Financial Position for the years then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the Agricultural Revolving Loan Fund as of June 30, 1983 and 1982, and the results of operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principals applied on a consistent basis.



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
COMPARATIVE BALANCE SHEET
June 30, 1983 and 1982

	<u>1983</u>	<u>1982</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash in Transit	\$ 429,053	\$ 260,474
Cash in Treasury	16,892,310	11,645,781
Accrued Interest Receivable	2,179,223	1,209,522
Appropriation Receivable	-0-	10,000,000
<u>Total Current Assets</u>	<u>19,500,586</u>	<u>23,115,777</u>
<u>Loans Receivable</u>		
Agricultural Loans Receivable	38,285,019	33,119,263
Irrigation Loans Receivable	324,376	344,946
Subtotal	38,609,395	33,464,209
Less: Loans Sold to State Treasurer	(1,067,664)	(1,203,415)
Allowance for Uncollectible Loans	(2,120,465)	(1,318,675)
Net ARLF Loans Receivable	35,421,266	30,942,119
Loans in Progress	406,677	521,210
Repossessed Property	68,607	44,225
Kodiak Slaughterhouse Loan	133,293	134,451
Alaska Farmers' Cooperative Loan	1,350,000	1,000,000
<u>Total Loans Receivable (Long-Term)</u>	<u>37,379,843</u>	<u>32,642,005</u>
<u>Office Furniture and Equipment</u>		
At Cost	21,429	9,635
Less: Accumulated Depreciation	(3,239)	(2,467)
<u>Total Office Furniture and Equipment</u>	<u>18,190</u>	<u>7,168</u>
<u>Total Assets</u>	<u>\$56,898,619</u>	<u>\$55,764,950</u>
<u>Liabilities and Fund Balance</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 40,490	\$ 65,611
Interest Payable	9,566	6,597
<u>Total Current Liabilities</u>	<u>50,056</u>	<u>72,208</u>
<u>Other Liabilities</u>		
Due to the General Fund	1,483,293	1,134,451
<u>Fund Balance</u>		
Contributions from General Fund	52,500,000	52,500,000
Retained Earnings	2,865,270	2,058,291
<u>Total Fund Balance</u>	<u>55,365,270</u>	<u>54,558,291</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$56,898,619</u>	<u>\$55,764,950</u>

The Notes to the Financial Statements are an integral part of this Statement.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
For the Fiscal Years Ended June 30, 1983 and 1982

	1983	1982
<u>Revenues</u>		
<u>Interest Income</u>		
Agricultural Loans	\$2,028,964	\$1,602,725
Irrigation Loans	12,685	15,809
Kodiak Slaughterhouse Loan	5,342	5,378
<u>Total Interest Income</u>	2,046,991	1,623,912
<u>Other Income</u>	18,369	24,809
<u>Total Revenues</u>	2,065,360	1,648,721
<u>Expenses</u>		
<u>Administrative Expenses</u>		
Loan Losses	803,342	549,054
Personal Services	353,101	277,204
Travel and Per Diem	44,652	30,277
Contractual Services	46,519	35,632
Commodities	9,995	4,324
Depreciation	772	489
<u>Total Expenses</u>	1,258,381	896,980
<u>Net Income</u>	806,979	751,741
<u>Retained Earnings, July 1</u>	2,058,291	1,306,550
<u>Retained Earnings, June 30</u>	\$2,865,270	\$2,085,291

The Notes to the Financial Statements are an integral part of this Statement.

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STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Fiscal Years Ended June 30, 1983 and 1982

	<u>1983</u>	<u>1982</u>
<u>Sources of Working Capital</u>		
<u>Operations</u>		
Net Income	\$ 806,979	\$ 751,741
<u>Items not Requiring Working Capital</u>		
Depreciation Expense	772	489
Loan Loss Expense	803,342	549,054
<u>Working Capital from Operations</u>	<u>1,611,093</u>	<u>1,301,284</u>
<u>Sale of Repossessed Property</u>	<u>23,618</u>	<u>-0-</u>
<u>Contributions from General Fund</u>	<u>-0-</u>	<u>24,000,000</u>
<u>Total Sources of Working Capital</u>	<u>1,634,711</u>	<u>25,301,284</u>
<u>Uses of Working Capital</u>		
Increase in Repossessed Property	48,000	-0-
Net Increase in Loans Receivable	5,495,580	10,959,384
Decrease in Loans Sold to State Treasurer	135,751	93,005
Loans in Progress	(114,533)	(3,306,352)
Increase in Equipment	11,794	2,862
Increase in Due to the General Fund	(348,842)	-0-
<u>Total Uses of Working Capital</u>	<u>5,227,750</u>	<u>7,748,899</u>
<u>Net Increase (Decrease) in Working Capital</u>	<u>\$ (3,593,039)</u>	<u>\$17,552,385</u>
 <u>Elements of Net Increase (Decrease)</u> <u>In Working Capital</u>		
<u>Increase (Decrease) in Current Assets</u>		
Cash in Transit	\$ 168,579	\$ 222,324
Cash in Treasury	5,246,529	6,848,068
Accrued Interest Receivable	969,701	539,096
Appropriation Receivable	(10,000,000)	10,000,000
<u>Total Increase (Decrease) in Current Assets</u>	<u>(3,615,191)</u>	<u>17,609,488</u>
<u>(Increase) Decrease in Current Liabilities</u>		
Accounts Payable	25,121	(56,202)
Accrued Interest Payable	(2,969)	(901)
<u>Total (Increase) Decrease in Current Liabilities</u>	<u>22,152</u>	<u>(57,103)</u>
<u>Net Increase (Decrease) in Working Capital</u>	<u>\$ (3,593,039)</u>	<u>\$17,552,385</u>

The Notes to the Financial Statements are an integral part of this Statement.

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STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 1983 and 1982

Note 1 - Summary of Significant Accounting Policies of the
Agricultural Revolving Loan Fund

Alaska Statute 37.05.150 requires accounting policies to be in accordance with generally accepted principles of governmental accounting. The following is a summary of significant policies applicable to the Agricultural Revolving Loan Fund (ARLF), an Enterprise Fund.

A. Basis of Accounting

The ARLF annual financial statements are prepared on an accrual basis of accounting. Accrual accounting provides that:

1. Revenues are reported when earned.
2. Expenses are reported based upon a direct association with specific revenues or when the obligation to pay is incurred.
3. Furniture and equipment is stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

B. Interest of Loans

The accrual of interest income on loans is discontinued when, in management's opinion, there is doubt as to the collectibility of such income.

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STATE OF ALASKA

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

October 31, 1983

Members of the
Legislative Budget and Audit Committee:

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information in Appendixes A and B is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements; and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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APPENDIXES

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APPENDIX A

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
TYPE OF LOANS AND TERMS
For the Fiscal Year Ended June 30, 1983

Loan Types and Terms

As specified by AS 03.10.030, the following six types of loans are made:

<u>Type</u>	<u>Current Limit</u>	<u>Rate</u>	<u>Interest Terms</u>	<u>Purpose</u>
Short-term	\$200,000	Not addressed	1 year	Operation of farm
Chattel		(Note 1)	30 years	Animals, equipment
Farm Development	Total outstanding balance may not exceed \$1,000,000 when added to other loans		30 years	Land, improvements, buildings
Irrigation			30 years	Irrigation equipment
Farm Product Processing	\$250,000	Not less than 8%	30 years	Processing of agricultural products
Land Clearing	\$250,000	Not less than 8%	20 years	Clear land for planting

Note 1: Chapter 113, SLA 1982, effective June 25, 1982, amended the statutory interest rate to not less than eight percent or more than commercial rate, unless the commercial rate is eight percent or less. The Commissioner may establish interest rates for loans within these statutory guidelines.

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APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
Alamasu	S-1161	\$99,381	\$	\$
	C-875		71,000	
	C-965		2,500	
	F-439		29,000	
	F-458		50,000	
	F-481		100,000	
Alaska Crop	C-750	12,669		
Alaska Fur	S-1151		50,000	
	C-930		90,000	
	F-487		60,000	
Bannon A.	S-1008			80,000
	S-1041			7,000
	S-1051			100,000
	S-1104		13,000	
	C-753			300,000
	F-392			508,012
Bannon J.	S-1058			50,000
	S-1120		55,000	
	S-1148		19,000	
	C-836			300,000
Beaver	S-1068	6,000		
	C-849			84,603
	C-850			21,800
Boyd	S-1113		50,000	
	F-409			44,343
Brasier	F-442		120,901	
Brehmer	C-928		299,934	
	F-475		131,358	

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
Carney	F-210	\$	\$ 62,880	\$
	F-281		65,389	
	IR-33		10,915	
Carpenter	S-1012			6,849
Crook	C-943	6,000		
Crowson	S-1127		19,000	
	S-1146		60,650	
	C-860			110,380
	C-867		54,000	
	F-543		83,250	
Daugherty	C-805		19,851	
	F-495			19,664
Delta	S-1101		32,811	
	C-864		16,000	
	C-918		107,460	
DePriest	F-511	43,414		
Ditchen, C.	F-443			500,000
	IR-67			90,000
Ditchen J.	F-444		260,169	
Emery	C-911		36,750	
Engellant	S-1166	75,634		
	C-949	32,000		
Fett	S-1007			114,907
	C-744	34,871		

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
Golden Valley	S-1103	\$	\$ 59,055	\$
	C-909		160,000	
	F-438		236,230	
Gordon	S-1157		1,177	
	C-878			3,200
Heather Farms	S-1126		101,000	
	C-917		72,773	
	F-460		119,000	
Heaton	C-1001	168,630		
	F-550	599,994		
Hinns	S-1071			39,000
	S-1136		16,604	
Hohn	S-957			2,700
Ingalls	C-820			40,723
Jacobson	C-951	21,680		
Jenn	C-654	34,441		
	C-767	114,859		
	C-859	38,427		
	C-1002	62,232		
	F-361	166,282		
	F-366	169,184		
Jurgens	F-416			16,062
Karr	S-1037			66,522
	C-743		115,320	
	C-822			37,500

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
Keaster	C-765 C-874	\$	\$ 52,822 21,000	\$
Kilmurray	S-1006 S-1042 S-1044 C-748 C-809			49,028 20,000 50,000 36,000 36,938
Kodiak Cattle	S-1156 C-721	40,000 220,000		
Lasley	S-1119 S-1133 C-862 C-922 F-462		162,000 29,000 8,000 95,000	36,000
Lewis	F-483		220,000	
Lizardi	C-893 F-404		10,000 4,491	
Longnecker	C-833 F-407		22,361 60,088	
McKee	S-1154 F-504	30,000 146,956		
Magee	S-895			16,500
Mead	S-963			5,000
Merry	S-1105 C-854		20,000 47,883	
Mitchell	C-863		293,113	

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
Muth & Sons	F-252	\$	\$	\$ 67,127
	F-318			113,935
O'Donnell	C-988	8,966		
Olson A.	S-1137		3,500	
Olson M.	S-1032			33,175
	S-1043			5,000
	C-669		5,595	
	C-756			257,784
	F-293	2,325		
	F-377			9,484
	F-398			53,000
Peninsula Greenhouse Inc.	C-948	301,132		
	F-317		181,845	
	F-362			290,059
Porter	F-485		19,034	
Richards	S-1018			15,000
Risse	S-1155	33,297		
Robertson B.	S-1128		26,000	
	C-742			46,649
Sandvik	F-346	21,366		
Saylor	S-1139		80,000	
	C-915		76,037	
	F-470		98,685	
Scweigert	C-817		21,271	
	C-993		20,142	

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
Shoen	S-1099	\$	\$ 9,582	\$
Sparks	C-755			4,742
Stratman	S-1075			5,179
Taggo	S-1117		43,915	
Thomas A.	C-636			6,000
Wessel Weiland Farm	S-1056 S-1083			3,000 10,000
Willard	S-997 C-606 C-710 F-360			10,000 32,233 25,701 11,507
<u>Attorney General Referrals:</u>				
Gilliland	F-373 F-731			8,600 43,804
Hartman	F-376			130,324
Joyce	S-1049 C-719			15,000 7,000
Kachelmier	C-668			47,278
Miller T.	S-910 S-941 S-1026 C-648 F-232 F-341			23,386 1,530 52,249 100,000 137,464 10,000

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
<u>Attorney General Referrals (continued)</u>				
Nash	S-932	\$	\$	\$15,318
Pedrick	S-859			8,711
	S-867			15,000
Schenk	S-1019			16,296
	S-1118		50,000	
	S-1120		6,500	
	C-766			21,700
	C-793			12,000
	C-811			2,000
	C-837			27,000
	C-843			93,400
	C-885		55,500	
	C-966		6,500	
	F-401			98,500
Smith	F-445		55,000	
	S-918			11,600
Smith	S-928			8,500
	C-661			19,500
	C-682			6,000
Burkett	C-773			5,723
Bearson	S-1219	6,000		
Far North Apiaries	C-684			25,212
OHM	C-512			22,015
	F-220			37,000
	F-228			16,000
	F-244			40,000
	F-266			32,103
	IR-23			79,989

APPENDIX B

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
SCHEDULE OF DELINQUENT LOANS
AS OF JUNE 30, 1983

<u>Borrower</u>	<u>Loan Number</u>	<u>Delinquent Balance</u>		
		<u>Over 90 days</u>	<u>6 months To 1 year</u>	<u>Over 1 year</u>
<u>Attorney General Referrals (continued)</u>				
Schmidt	C-921	\$	\$	\$ 107,500
Spears	S-987			130,316
	S-1076			100,000
	C-663			21,836
	C-717			80,000
	C-803			150,000
	C-823			6,000
	C-899		18,000	
	F-355			30,987
	F-358			35,000
	F-376			27,000
	F-378			22,500
F-405			33,000	
<u>Total</u>		<u>\$2,495,740</u>	<u>\$4,674,861</u>	<u>\$3,126,300</u>

SUMMARY OF DELINQUENT LOANS

<u>Age of Delinquency</u>	<u>Number of Loans</u>	<u>Amount</u>
Over 30 days (not listed above)	42	\$ 5,200,694
Over 90 days	27	2,495,740
6 months to 1 year	69	4,674,861
Over 1 year	96	3,126,300
<u>Total</u>	<u>234</u>	<u>\$15,497,595</u>

BILL SHEFFIELD, GOVERNOR

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-465-2400

OFFICE OF THE COMMISSIONER

February 3, 1984

Mr. Gerald Wilkerson, CPA
Legislative Auditor
Pouch W
Juneau, AK 99811

Re: Preliminary Audit Report
Agricultural Revolving Loan Fund

Dear Mr. Wilkerson:

I was pleased to see that the Division of Legislative Audit determined that substantial improvements have been made in the ARLF over the last year. I realize that it is imperative that we strengthen procedures as the loan fund increases in capitalization and complexity, and you can be assured that I will personally track the implementation of your recommendations and other changes my staff has recommended.

We have reviewed your findings and offer the following specific comments:

Recommendation No. 1: Improvement is needed in ARLF loan processing system.

1. Eleven of the files reviewed did not have completed applications. Pro forma financial statements and evidence of credit checks were missing.

Of the eleven files in question, we concur that six of the applications should have been more complete. Tighter review procedures and submission deadlines initiated over the last half of the audit period should virtually eliminate this problem in the future.

Five applications are considered complete by ARLF. During the period being audited, the application form was revised. A short form version was approved by the ARLF Board and Director as an acceptable application for borrowers having filed a complete application and financial statement within the previous year. The ARLF manual will be brought up to date to reflect this new procedure over the next 45 days. This should eliminate the problem identified by the auditor.

Our review of these files showed no financial statements missing, but there was one instance which was not written on the application form, but rather was submitted on a separate paper.

February 3, 1984

Credit checks have not been routinely done on existing borrowers in good standing. During the period being audited, credit checks were intermittently ordered on new borrowers if they were not known in the farming community. It is now routine ARLF practice to order credit checks on all new borrowers. Existing borrowers will continue to be checked only if existing loans are delinquent.

2. The residency status of two of the borrowers was questionable. One of the borrower's residency status was questioned in our prior audit. However, the borrower was given additional loans although the file does not reflect Alaska residency.

We concur that two borrowers had questionable residency status at the time of application. One borrower was identified in your last audit as having questionable residency. However, at the time of this application, he was clearly a resident as defined in AS 03.10.020(1). The second borrower did have an Alaska address, but no further documentation.

The ARLF has subsequently obtained the Attorney General's recommendations for proof of residency requirements, established standards for use in determination of residency, and has corrected this problem.

3. Four of the files did not contain properly executed security documents.

We concur that three of the four files had improperly executed security documents. Two of these were subsequently corrected. A procedure was established to file a preliminary security document with UCC showing no serial numbers and then to subsequently refile when actual serial numbers are received. All UCC filings have been now corrected. The fourth file appears to have had security documents properly filed. All security documents are now properly executed. Establishment of a central closing procedure was implemented in the middle of the audit period and should minimize recurrence of this problem.

4. Nine of the files did not contain evidence of insurance on collateral naming ARLF as loss payee. Additionally, four of the applicable files did not contain evidence of a collateral appraisal.

The 1982 audit indicated that ARLF should require proof of insurance on loan collateral, naming ARLF as loss payee. We replied that we prefer to continue to allow the Board the latitude to make its own determination. We still maintain that view. The Board has the authority to require additional coverage such as life insurance when it deems it necessary. However, we believe the decision as to whether insurance should be required on certain types of equipment or buildings should be a prerogative of the Board based upon its knowledge of the loan,

February 3, 1984

location, etc. The ARLF did indicate in the last audit response that criteria would be developed for the insurance decision and that the Board would make a finding in each case. This has not been done consistently. The ARLF board will develop criteria and written policy by April 1, 1984.

Collateral appraisals are generally performed by the loan examiner and are not always considered necessary by the ARLF when other information on estimated value is available. Collateral being appraised, type of appraisal and loan to value ratios are now included on the Board report form.

5. Two of the loans reviewed exceeded allowable loan limits. One loan exceeded the statutory limit by \$27,000 and the other exceeded Board approval by \$665. We also found that two loans exceeded the seven year term established by the Board on chattel loans.

The loan which appeared to exceed the statutory limit by \$27,000 was not an operating loan. The minutes and Board Report both indicate that it was approved as a chattel loan, but it was ordered and closed by the examiner as an operating loan. The file has now been corrected. It does not, in fact, exceed the statutory limit for its proper category.

The two chattel loans made for longer than seven years did not, in fact, violate statutory authority or board policy in effect at the time. However, they were written by staff in excess of the term authorized by the Board for those specific loans. The new central closing system was established to minimize these errors.

Recommendation No. 2: ARLF should improve its communications with the Attorney General's Office.

Prior to the audit, the Board had formulated and implemented procedures similar to those recommended by the auditor. The ARLF Board now instructs the staff to summarize loan status and actions when referrals are made to the Attorney General's Office. We believe these new procedures will resolve the problems identified by the auditor.

Recommendation No. 3: ARLF should perform an annual collectibility analysis of its loans receivable.

In the past, the collectibility analysis of loans was performed as part of the audit. In the future, the ARLF will perform the analysis annually prior to the audit.

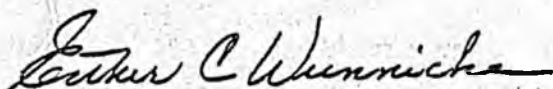
February 3, 1984

Although the recurrence of errors in loan examining and closing procedures is a major concern to me, I am pleased to note that none of these errors occurred after the new central loan closing procedures were fully implemented in the middle of the audit period.

I further realize that because the ARLF Policies and Procedures Manual had not been updated, pending adoption of the new regulations, it was difficult for the auditor to determine acceptable procedures in some cases, i.e. use of the short form. As stated, the manual will be updated in the next 45 days.

We concur with your expressed desire to see continued close supervision of the loan examining and closing functions; and we are now considering further actions to improve this process.

Sincerely,



Esther C. Wunnicke
Commissioner

cc: Bill Heim, Director
Division of Agriculture

Dean Brown, Deputy Director
Division of Agriculture

James K. Barnett
Deputy Commissioner

Robert D. Arnold
Deputy Commissioner

**STUDENT
LOANS**

CS HB 650

Sec. 9

LOAN REVOLVING FUND STATUS

MARCH 1, 1984

Balance Forward	\$4,725,069.86
FY84 Appropriation	60,000,000.00
Program Receipts	
Principal	3,092,924.13
Interest +	647,424.08
Pending	609,925.44
	<u>\$69,075,343.51</u>

LOAN AWARDS (March 2, 1984) \$63,646,003.24

Balance	\$5,429,340.27
Federal Receipts (GSL)	398,538.12
	<u>\$5,827,878.39</u>

PROJECTED AWARDS (THRU SUMMER)

1,100 loans @ \$2,300	<u><2,530,000.00></u>
Balance	\$3,297,878.39

PROJECTED PROGRAM RECEIPTS

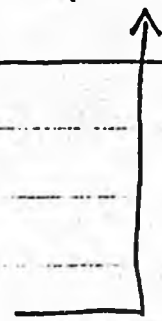
(TWO MONTHS)	935,087.05
	<u>\$4,232,965.44</u>

FY 85 16,000 loans @ \$4,900 = \$78,400,000

Receipts (est.) <9,929,389>
\$68,470,611

Carry-over <4,000,000>
64,470,611

G.F. Need ≈ \$64.0 MILLION



CSHB650

Sec. 9 & 10

Alaska Student Loan Program
(Scholarship Revolving Loans)

1. Budgets

	<u>FY83</u>	<u>FY84</u>	<u>FY85 Request</u>
Fed. Rcpts.	\$ 1,200.0	\$ 850.0	\$ 500.0
Gen. Fund	52,000.0	60,000.0	65,000.0
Prog. Rcpts.	4,604.0	7,591.9	10,929.4
TOTAL	<u>\$57,804.0</u>	<u>\$68,441.9</u>	<u>\$76,429.4</u>

2. Expenditures (Loan Volume)

FY82	\$40,559.5
FY83	55,007.4
FY84 (as of 1-13-83)	62,694.4

3. Number of Loan Awards

<u>Year</u>	<u>Number</u>	<u>Average Amount</u>
FY82	9,898	\$4,098
FY83	13,058	4,213
FY84 (as of 1-13-83)	13,601	4,610

See also. Handwritten memo from Dr. Romesburg
in packet. (TAB 9).
from the Postsecondary Comm.

- K. ROMESBURG

STUDENT LOANS

CS HB 650

Sec. 9

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MARCH 1, 1984

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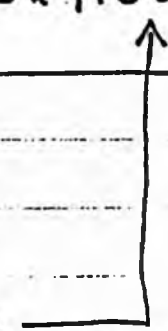
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PROJECTED PROGRAM RECEIPTS

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	\$ 4,232,965.44

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	Carry-over	\$ 4,000,000
		64,470,611

G.F. Need \approx \$ 64.0 MILLION



CSHB650

Dec. 9 & 10

Alaska Student Loan Program
(Scholarship Revolving Loans)

1. Budgets

	<u>FY83</u>	<u>FY84</u>	<u>FY85 Request</u>
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See also. Handwritten memo from Dr. Romeburg
in Packet. (TAB 9.)
from the Postsecondary Comm.

DCRA



Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Rep. Al Adams, Chairman
House Finance Committee

FROM: Rep. Jack Fuller, Chairman
House Rules Committee

SUBJECT: CSHB 650 Norton Sound Senior
Citizen Facility

DATE: March 26, 1984

Originally, the Norton Sound Health Corporation requested \$3,475,300 for a Retirement and Boarding Home Facility for the Norton Sound Region.

After careful consideration and working with the Corporation, it was felt that funding a facility for the senior citizens only would be best, at this time.

The \$3,475,300 was reduced to \$1,900,000 in order to reflect the desire to construct a senior citizen facility. All areas of the budget have been reduced with the exception of the \$275,000 land acquisition.

Thank you for your consideration.

Proposed Budget—FY '85

PRE CONSTRUCTION

Program and Project Plan	\$ 8,246
A/E Design	80,030
Soil and Mapping	13,581
Pre-Construction Project Administration	10,670
Reimbursable Expenses	26,677
Legal Expenses	8,246

TOTAL Pre-Construction \$147,450

CONSTRUCTION CONTRACT

Initial Contract	\$1,227,130
Contingency for Changes During Construction (@ 5%)	61,356
Contingency for Design/Inflation During Construction (@ 5%)	61,356

TOTAL Construction Contract \$1,349,842

FURNISHINGS AND EQUIPMENT \$72,755

CONSTRUCTION ADMINISTRATION

Project Administration	\$12,126
A/E Construction Administration and Inspections	21,826
Materials Testing	5,335
Reimbursable Expenses	10,670
Administrative Contingency During Construction (@ 10%)	4,996

TOTAL Construction Administration \$54,953

LAND ACQUISITION

4 to 5 acres @ \$1.25 per square foot \$275,000

PROGRAM/PERSONNEL

local contribution

TOTAL PROJECT BUDGET REQUEST \$1,900,000

Retirement/Boarding Home Project ORIGINAL REQUEST

Proposed Budget—FY '85

PRE-CONSTRUCTION

Program and Project Plan	17,000
A/E Design	165,000
Soil and Mapping	28,000
Pre-Construction Project Administration	22,000
Reimbursable Expenses	55,000
Legal Expenses	17,000

TOTAL Pre-Construction 304,000

CONSTRUCTION CONTRACT

Initial Contract	2,530,000
Contingency for Changes During Construction (@ 5%)	126,500
Contingency for Design & Inflation During Construction (@ 5%)	126,500

TOTAL Construction Contract 2,783,000

FURNISHINGS & EQUIPMENT

150,000

CONSTRUCTION ADMINISTRATION

Project Administration	25,000
A/E Construction Administration and Inspections	45,000
Materials Testing	11,000
Reimbursable Expenses	22,000
Administrative Contingency During Construction (@ 10%)	10,300

TOTAL Construction Administration 113,300

LAND ACQUISITION

4 to 5 acres @ \$1.25 per square foot 275,000

PROGRAM/PERSONNEL

local contribution

TOTAL PROJECT BUDGET (Capital Request) \$3,475,300

Div. of Housing Asst. - All Loans Awarded since
FY 81: from Jell Smith 3/26/84

<u>House District</u>	<u>Loan Amount</u>	<u># of Loans</u>
01	\$6,548,750	84
02	6,703,950	93
03	2,241,433	33
04	4,929,136	63
05	3,502,200	48
06	2,302,000	37
07	1,119,850	16
08	1,257,000	18
09	1,234,200	16
10	408,550	5
11	1,489,050	21
12	1,027,600	10
13	1,330,500	20
14	4,047,150	42
15	1,436,080	14
16	5,521,950	49
17	5,784,100	71
18	7,670,400	19
19	2,012,575	36
20	11,364,506	216
21	4,763,350	57
22	12,846,200	109
23	5,931,900	57

24	731,250	13
25	6,725,250	60
26	3,221,400	23
27	<u>2,571,450</u>	<u>27</u>
TOTALS: As of 12/83	\$102,937,750	1257

JAN 20 1984

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

HOUSING ASSISTANCE DIVISION

January 20, 1984

- REPLY TO:
- 2600 DENALI, SUITE 400 ANCHORAGE, ALASKA 99503 PHONE: (907) 272-4585
- BOX 10041 DILLINGHAM, ALASKA 99576 PHONE: (907) 842-2245
- GENERAL DELIVERY KOTZEBUE, ALASKA 99752 PHONE: (907) 442-3675
- P.O. BOX 348 BETHEL, ALASKA 99559 PHONE: (907) 543-3864
- 1514 CUSHMAN, ROOM 210 FAIRBANKS, ALASKA 99701 PHONE: (907) 452-4468
- BOX 41 NOME, ALASKA 99762 PHONE: (907) 443-2655
- STATEWIDE TOLL FREE PHONE: ZENETH 4585

Sec. 2
CS HB
650
also 3, 4, 5 and 11.

The Honorable Rick Uehling
 Representative,
 Alaska State Legislature
 Pouch V
 Juneau, Alaska 99811

Dear Representative Uehling:

Per your request, the Housing Assistance Division is pleased to provide your office the following information:

1. The amounts budgeted for the Housing Assistance Loan Program and the Senior Citizens Housing Program are as follows:

- FY '83 - Housing Assistance Loan Program - \$45 Million
- Senior Citizens Housing Program - \$10 Million
- FY '84 - Housing Assistance Loan Program - \$45 Million
- Senior Citizens Housing Program - \$10 Million

2. The amounts requested for FY '85 are:

- FY '85 - Housing Assistance Loan Program - \$65 Million
- Senior Citizens Housing Program - \$2,500,000

3. Amounts actually expended for specific programs:

- FY '82 - Nonconforming Rural Program - \$11,320,175
- Nonconforming Urban Program - \$ 8,214,216
- Rural Owner-Occupied Program - \$ 5,766,625
- Senior Citizens Housing Program - \$ ~~3,103,753~~
3,103,753
- FY '83 - Nonconforming Rural Program - \$ 9,087,050
- Nonconforming Urban Program - \$ 6,362,876
- Rural Owner-Occupied Program - \$26,784,025
- Senior Citizens Housing Program - \$ ~~11,049,612~~
11,049,612

by phone 2/6/84

4. Statistical information on loans:

- FY '82 - 364 loans committed - \$25,301,016
- 310 loans closed - \$19,727,895
- FY '83 - 548 loans committed - \$50,992,701
- 439 loans closed - \$38,955,572

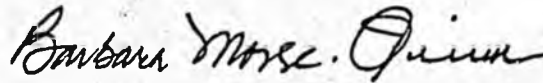
The Honorable Rick Uehling
January 20, 1984
Page 2

5. The average amount of individual loans awarded is \$80,431.
6. Current fiscal year monies expended to December, 1983:

Housing Assistance Loan Program - \$28,634,633.
Senior Citizens Housing Program - \$75,000.

Please let us know if you need additional information from this office.

Sincerely,



Barbara Morse-Quinn
Director

cc: Commissioner Emil Notti

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

March 6, 1984

The Honorable Rick Uehling
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Uehling;

Enclosed is the information on the Nonowner Occupied Program of the Division of Housing Assistance.

If you have questions remaining, please don't hesitate to call us at 465-2267.

Sincerely,



Ray Price
Deputy Director
Division of Housing Assistance

561-0900
ANCH.

Enclosure

cc: Commissioner Notti

RP/mak

Department of Community & Regional Affairs
Housing Assistance Division

No owner Occupied Program Analysis

FY-83 Activity:

<u>Number of Loans</u>	<u>Number of Units</u>	<u>\$ Amount</u>	<u>Status</u>
25	94	7,058,750	closed
<u>4</u>	<u>31</u>	<u>1,262,000</u>	committed
29	125	\$8,320,750	

FY-84 Activity to date:

<u>Number of Loans</u>	<u>Number of Units</u>	<u>\$ Amount</u>	<u>Status</u>
5	12	785,600	closed
<u>12</u>	<u>36</u>	<u>2,280,650</u>	committed
17	48	\$3,066,250	

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

REPLY TO: POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

March 14, 1984

Alaire Stanton
Administrative Assistant
Office of the Honorable Rick Uehling
Pouch V
Juneau, Alaska 99801

CS HB 650

Sec. 5

RE: Senior Citizen's Housing Development Fund

Dear Ms. Stanton:

The following projects have received planning grants from the Senior Citizen Housing Development Fund. These projects are in the process of being developed and the grant recipients are preparing to submit a grant application for construction funding.

<u>LOCATION</u>	<u>SPONSOR</u>	<u>UNITS</u>	<u>CONSTRUCTION COST</u>
Anchorage	Cook Inlet Housing Auth	60	6,000,000
Anchorage	Meridian Living, Inc.	35	3,500,000
Angoon	Tlingit-Haida Housing Auth	12	1,200,000
Dillingham	Bristol Bay Housing Auth	15	1,500,000
Fairbanks	City of Fairbanks	25	2,500,000
Klawock	Tlingit-Haida Housing Auth	10	1,000,000
Metlakatla	City of Metlakatla	15	1,500,000
Wasilla - Phase II	ASHA	15	1,500,000
	TOTAL	187	* \$18,700,000

*THIS IS THE TOTAL ESTIMATED COST OF DESIGN AND CONSTRUCTION.

Cook Inlet Housing Authority will not be requesting funding for the 60 unit intermediate care frail elderly project in FY '85. There is currently a \$746,000 appropriation in HB 691 for planning and design for the project.

It is possible that one or two of the projects will not be ready for construction funding in FY '85. We also expect approximately 2.5 million dollars in HUD construction funds to be available.

In addition to the above projects, the following planning grant requests have recently been received and are being reviewed:

HOMER PHASE II	KACHEMAK BAY SENIOR HOUSING, INC.
KAKE	TLINGIT-HAIDA HOUSING AUTHORITY
YAKUTAT	TLINGIT-HAIDA HOUSING AUTHORITY

The Housing Assistance Division has also been working with the communities of Haines and Kake, and we anticipate they will apply for planning grants in the near future.

I hope this answers your questions; if I can be of further help, please let me know.

Sincerely,



Nadine Winters
Special Assistant

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

March 27, 1984

Ms. Alaire Stanton
Administrative Assistant
Representative Rick Uehling
Alaska House of Representatives
Pouch V
Juneau, AK 99811

SUBJECT: Low-cost, Low-income Multifamily Housing
Development Loan Fund

Dear Ms. Stanton:

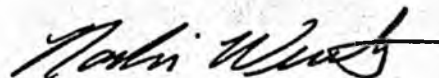
We currently have two eligible grant recipients applying for planning grants to develop applications to construct projects. One of the applicants is in Fairbanks, the other in St. Paul.

We anticipate that the three grant applicants that did not receive awards this year will resubmit in FY 85. These applications total \$7.7 million. If others apply, which we expect, the requests could exceed 10 million dollars in FY 85.

We expect this program can produce approximately 80 units of housing for each 3 million dollars of funding. This assumption considers other funding also being contributed to the projects. The grants awarded in FY 84 have a total of approximately \$3.5 million in other funding being provided from the sale of tax exempt housing bonds and Federal Community Block Grants.

If we can answer any more questions for you on this program, please let us know.

Sincerely,



Nadine Winters
Legislative Liaison

DCEDLoans Budget

CS HB 650 Sec 6

1. Fisheries Enhancement Loan Program addition of \$5,335,000 in general funds.

The Governor's original FY 85 budget request included no additional funding for the Fisheries Enhancement Loan Program with the intent that the Fisheries Mini-Cabinet should make a recommendation for program funding to be submitted as an FY 85 budget amendment. After an extensive review of anticipated program need in FY 85 for operating loans, capital improvements and new construction, it has been determined by the Mini-Cabinet that an additional \$5,335,000 in general funds will be required in FY 85. The Department of Commerce and Economic Development has prepared a detailed list of aquaculture associations identified for loans in FY 85 (copy enclosed).

2. Alaska Power Authority (APA) Power Project Loan for Thorne Bay in the amount of \$275,000 in general funds.

At its February 22, 1984 meeting, the APA Board of Directors was presented and approved a request in the amount of \$275,000 for a loan to the City of Thorne Bay from the Power Project Loan Fund. The purpose of the loan will be to purchase the City's existing electrical system from the Louisiana Pacific Corporation and to acquire a back-up diesel generator.

The City currently owes \$110,000 on its existing system which is drawing monthly payments of approximately \$1,050 pending the arrangement of long term financing. The City was incorporated in 1982, and was required at that time to purchase the electrical system, then owned by Louisiana Pacific Corporation. Because of its short period of existence and limited resources the City has requested this loan to reduce the financial burden of electrical generation on the residents of Thorne Bay.

Thorne Bay's existing electrical system consists of a 500 kilowatt generator, which has less than six months useful life remaining, without back-up. The unit previously used as a back-up is inoperative and cannot be overhauled. Furthermore, new loads which are coming on line will require additional capacity as soon as possible. The City is

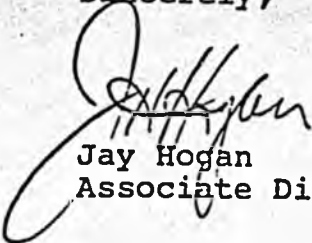
Albert P. Adams

- 7 -

March 8, 1984

planning to attempt to lease a 450 kilowatt diesel unit to provide power to the Forest Service and the Southeast Island School District. Availability of a State loan will enable the City of Thorne Bay to purchase the second diesel unit. Copies of the requests from the Alaska Power Authority and the City of Thorne Bay are enclosed.

Sincerely,



Jay Hogan
Associate Director

ems/1669

Enclosures

cc: Senator Jalmar Kertulla
President of the Senate

MEMORANDUM

State of Alaska

TO: Jay Hogan, Director
Division of Budget Review
Office of Management & Budget
Office of the Governor

DATE: February 28, 1984

FILE NO:

TELEPHONE NO:

FROM: Lois Cook, Director *LC*
Division of Administrative Services
Department of Commerce & Economic
Development

SUBJECT: FY '85 Budget Amendment for
the Fisheries Enhancement
Loan Program

1 Loans

The Fisheries Mini-Cabinet has recommended an FY '85 appropriation of \$5,335,000 to the Fisheries Enhancement Loan Program. This appropriation, combined with funds that will be carried forward into FY '85, will fund the following:

Operation Loans (existing)	\$ 2,968,000
Capital Improvements (existing)	3,339,000
Operation/Construction (new)	<u>10,600,000</u>
	\$16,907,000

Your approval is requested.

LJC/cw#10R1
22884a
Attachment

OFFICE OF
MANAGEMENT & BUDGET
FEB 29 1984
BUDGET REVIEW

Operation Loan Requests - During the start up period of each hatchery, until broodstock and surplus returns can be built to capacity, assistance in meeting the annual operating costs will be given in the form of operating loans. Without these loans most facilities would be forced to close their doors.

<u>Facility Name</u>	<u>FY '85 Request</u>
Alaska Aquaculture Foundation (Burnett Inlet)	\$ 80,000
Armstrong-Keta, Inc. (Port Armstrong)	251,000
Cook Inlet Aquaculture (Eklutna Lake)	130,000
Douglas Island Pink & Chum (Sheep Creek)	5,000
Kake Nonprofit Fishery (Gunnuk Creek)	170,000
Meyers Chuck Aquaculture Association	98,000
Nerka, Inc (Perry Island)	44,000
Northern Southeast Regional Aquaculture Association (Salmon Creek)	300,000
Northern Southeast Regional Aquaculture Association (Medvejie)	210,000
Southern Southeast Regional Aquaculture Association (Whitman Lake)	500,000
Southern Southeast Regional Aquaculture Association (Neets Bay)	200,000
Tlingit Haida Fisheries (Sandy Bay)	230,000
Valdez Fisheries Development (Solomon Gulch)	450,000
Additional Requests and Increases	<u>300,000</u>
Total Operation Loans (FY '85)	\$ 2,968,000

Capital Improvement Loans - These loans are to be made to existing facilities who are building in phases or purchasing capital items to bring a facility to its maximum permitted potential.

<u>Facility Name</u>	<u>FY '85 Request</u>
Alaska Aquaculture Foundation (Burnett Inlet)	\$ 300,000
Armstrong-Keta, Inc. (Port Armstrong)	85,000
Cook Inlet Aquaculture (Eklutna Lake)	200,000
Kake Nonprofit Fishery (Gunnuk Creek)	85,000
Meyers Chuck Aquaculture Association	44,000
Northern Southeast Regional Aquaculture Association (Salmon Creek)	500,000
Southern Southeast Regional Aquaculture Association (Whitman Lake)	50,000
Southern Southeast Regional Aquaculture Association (Neets Bay)	150,000
Valdez Fisheries Development (Solomon Gulch)	300,000
Total Capital Improvement Loans	\$ 1,714,000
Northern Southeast Regional Aquaculture Association (Medvejie)	<u>1,625,000</u>
	<u><u>\$ 3,339,000</u></u>

Operation/Construction Loans

Prince William Sound Aquaculture Association (Esther Lake)	\$10,000,000
Meyers Chuck Aquaculture Association	600,000
	<u><u>\$10,600,000</u></u>

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84
 ALL PROGRAMS

January 31, 1984

HOUSE DISTRICT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD TOTAL
1	120506	9215	64778	127021	129943		52977						504440
2	77000			133173		1220879	113400						1544452
3	5500	1660	270196	25000		69950	52056						424362
4	9796	5000	22736	6296	6389	335228	129015						514460
5	83141	20121	294314	41132	30180	187703	110156						766747
6	72554	5000	78750	3852	142184	3355	450868						756563
7-15	147405	277283	508984	314961	948892	197532	84835						2479892
16	15321	147424	12727	59174	46212	95344	39871						416073
17	26479	51083		30962	24000	15000							147524
18	5000												5000
19													0
20	326578	155797	250943	1010086	251622	113272	863100						2971398
21						38000							38000
22	33740												33740
23	0	50000	7042	31757	4226		18600						111625
24	36954	84000	123808	3000	59580	15956							323298
25	109445	156720	152344	4968	30000	196994							650471
26	25200	20000	1210067	42120	169230	321062	107250						1894929
27	103039	99000	50000	2749		97250							352038
TOTALS	1197658	1082303	3046689	1836251	1842458	2907525	2022128						13935012

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84
 ALL PROGRAMS

January 31, 1984

HOUSE DISTRICT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD TOTAL
1	3	3	3	3	3			1					16
2	2	0		4		4		2					12
3	1	1	1	2		3		3					11
4	4	1	6	2	2	7		2					24
5	7	6	8	7	8	14		7					57
6	2	1	2	1	3	1		4					14
7-15	16	24	19	29	18	25		10					141
16	3	15	4	13	12	16		8					71
17	4	5		2	1	1							13
18	1												1
19													0
20	55	24	28	19	31	34		1					192
21						1							1
22	1												1
23		1	2	2	1			1					7
24	2	3	4	1	2	2							14
25	3	4	3	1	1	4							16
26	1	1	21	1	3	7		1					35
27	2	1	1	1		3							8
TOTALS	107	90	102	88	85	122	40	0	0	0	0	0	634

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84
 AT/AE

January 31, 1984

HOUSE DISTRICT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD TOTAL
1					1852								1852
2						840							840
3													0
4			7729										7729
5	31141	20121	6344	41132	17551	51690	11756						179735
6	0		15000			3355	18868						37223
7-15	131583	245372	167954	242133	47610	73765	53035						961452
16	10774	93759	10127	46027	40168	72601	39871						313327
17	20000	42288		9962		15000							87250
18													0
19													0
20	57093	85656	52629	97312	96110								388800
21													0
22													0
23													0
24				3000		12973							15973
25	15000				30000	2494							47494
26													0
27				2749									2749
TOTALS	265591	487196	259783	442315	233291	232718	123530	0	0	0	0	0	2044424

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84
 AT/AE

January 31, 1984

HOUSE DISTRICT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD TOTAL
1					1								1
2						1							1
3													0
4			1										1
5	4	6	4	7	4	11		5					41
6			1			1		2					4
7-15	12	18	16	26	8	9		9					98
16	2	13	3	13	10	8		8					54
17	2	3		1		1							7
18													0
19													0
20	5	8	5	7	8								33
21													0
22													0
23													0
24				1		1							2
25	1				1	1							3
26													0
27				1									1
TOTALS	26	48	30	53	32	33	24	0	0	0	0	0	246

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84

January 31, 1984

COMMERCIAL FISH - A

HOUSE DISTRICT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD TOTAL
1	87952		22500										110452
2				18720			97200						115920
3	5500												5500
4							99015						99015
5	42000		215970			14513	98400						370883
6	20999				135000								155999
7-15		17100	15000	62829	344700	31800	31800						503229
16													0
17													0
18													0
19													0
20													0
21													0
22													0
23													0
24													0
25						67500							67500
26						108000	107250						215250
27						92250							92250
TOTALS	156451	17100	253470	81549	479700	314063	433665	0	0	0	0	0	1735998

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84

JANUARY 31, 1984

COMMERCIAL FISH - A

HOUSE DISTRICT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD TOTAL
1		1		1									2
2					1			1					2
3		1											1
4								1					1
5		1		3			1	2					7
6		1				1							2
7-15			1	1	1	2	1	1					7
16													0
17													0
18													0
19													0
20													0
21													0
22													0
23													0
24													0
25							1						1
26							1	1					2
27							2						2
TOTALS		4	1	5	2	3	6	6	0	0	0	0	27

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
LOANS APPROVED FOR FY84

January 31, 1984

HOUSE DISTRICT	COMMERCIAL FISH - B											YTD TOTAL	
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY		JUNE
1	29644	4000	37278				52977						123899
2	72000			109453			16200						197653
3				20000		64950	52056						137006
4													0
5			72000			121500							193500
6	51555		63750										115305
7-15					31800	45000							76800
16													0
17													0
18													0
19													0
20													0
21													0
22	33740												33740
23							18600						18600
24					9580								9580
25		8702	100000			127000							235702
26			1096601		169230	213062							1478893
27	93000	99000											192000
TOTALS	279939	111702	1369629	129453	210610	571512	139833	0	0	0	0	0	2812678

STATE OF ALASKA
DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT
DIVISION OF ACCOUNTING
& COLLECTIONS
POUCH D
JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84

January 31, 1984

HOUSE DISTRICT	COMMERCIAL FISH - B												YTD TOTAL	
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE		
1		1	1	1				1						4
2		1			2			1						4
3					1		2	3						6
4														0
5							2							3
6		1			1									2
7-15						1	1							2
16														0
17														0
18														0
19														0
20														0
21														0
22		1												1
23								1						1
24						1								1
25			1		1		2							4
26					18		3	6						27
27		1	1											2
TOTALS		5	3	22	3	5	13	6	0	0	0	0	0	57

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

DEPARTMENT of COMMERCE and ECONOMIC DEVELOPMENT
 LOANS APPROVED FOR FY84

JANUARY 31, 1984

COMMERCIAL FISH - C

HOUSE DISTRICT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	YTD TOTAL
1													0
2													0
3													0
4													0
5													0
6													0
7-15													0
16													0
17													0
18													0
19													0
20													0
21													0
22													0
23													0
24													0
25													0
26													0
27													0
TOTALS	0	0	0	0	0	0	0	0	0	0	0	0	0

STATE OF ALASKA
 DEPARTMENT OF COMMERCE
 & ECONOMIC DEVELOPMENT
 DIVISION OF ACCOUNTING
 & COLLECTIONS
 POUCH D
 JUNEAU, ALASKA 99811

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
DIVISION OF INVESTMENTS AND VETERANS' AFFAIRS

ANNUAL STATE LOAN REPORT
LOANS CLOSED BY FUND

1982-1983

	<u>Total # of Loans</u>	<u>Average Statutory Interest Rate</u>	<u>Average Loan Term</u>	<u>Payment Frequency</u>	<u>Total Principal on Loans Closed</u>	<u>Return on Loans at Statutory Interest Rate</u>	<u>Return on Loans at Prevailing 12% Interest Rate</u>	<u>Total State Subsidy</u>	<u>Present Value Total State Subsidy</u>
Alternative (1) Energy and Technology	542	5.25%	10 Yrs.	Monthly	\$ 4,568.7	\$ 1,313.5	\$ 3,297.3	\$1,938.8	\$1,152.1
Bulk Fuel (1)	33	2.50%	1 Yr.	Annual	1,124.2	28.1	134.9	106.8	95.4
Child Care	7	7.00%	20 Yrs.	Monthly	291.9	251.2	479.5	228.3	86.4
Commercial Fishing	233	10.25%	10 Yrs.	Annual	12,446.4	8,027.6	9,581.8	1,554.2	878.2
Fisheries (2) Enhancement	14	9.50%	30 Yrs.	Annual	6,532.6	10,264.1	13,608.2	3,344.1	3,772.5*
Fishermen's (3) Mortgage and Note	3	10.50%	10 Yrs.	Annual	149.8	99.3	115.3	16.0	9.0
Historical Districts	1	7.50%	30 Yrs.	Monthly	150.0	227.6	405.5	177.9	48.0
Mining (4)	13	10.00%	10 Yrs.	Annual	6,427.7	4,260.1	4,948.3	688.2	544.1**
Residential Energy Conservation	821	5.00%	5 Yrs.	Monthly	3,282.4	434.2	1,098.5	664.3	497.7
TOTAL AMOUNTS	1,667				\$34,973.7	\$24,905.7	\$33,669.3	\$8,763.6	\$7,083.4

- (1) Average of the various statutory interest rates.
(2) Interest forgiven and principal deferred for 6 years.
(3) Loans committed in FY '82 and closed in FY '83.
(4) Principal deferred until the end of the second mining season.

* \$ 549.5 Due to interest subsidy
3,223.0 Due to deferred principal
\$3,772.5 Total Subsidy

** \$ 544.1 Due to interest subsidy
0.0 Due to deferred principal
\$ 544.1 Total subsidy

CITY OF CRAIG

Lowman



March 21, 1984

P.O. Box 23
Craig, Alaska 99921
(907) 826-3275

The Honorable Al Adams, Chairman
House Finance Committee
Room 507
Capitol Building
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

A bill referred to the House Finance Committee, CS HB 650 (loans), from the Special Committee on Loans, omits two appropriations for electrical power projects vital to residents of Prince of Wales Island. The committee heard testimony on the two projects and in the drafting stage of CS HB 650, the projects were included. Prior to the final committee hearing, all electrical projects were deleted from the bill, I am told, so all electrical power issues could be dealt with as a package in conjunction with the Administration's proposals.

At issue is inclusion in the loan bill of \$275,000 for the City of Thorne Bay to purchase electrical system components and \$1,110,000 for construction of a power line to connect the City of Craig and City of Klawock together; and to connect both towns to the Alaska Timber Company generation plant. The intertie is necessary for immediate use for emergency standby and to allow the communities to purchase surplus power from the Alaska Timber plant. The intertie also is consistent with the long range power distribution plan for Prince of Wales Island.

The intertie has been a project of great community interest. I am writing to call to your attention to absence of the appropriations in CS HB 650 and request that you consider their inclusion at such time this session as is appropriate.

The wording for such inclusions would be:

Sec. _____. The sum of \$275,000 is appropriated from the general fund to the Alaska Power Authority for a loan to purchase electrical system components by the City of Thorne Bay.

The Honorable Al Adams, Chairman
March 21, 1984
Page Two

Sec. _____. The sum of \$1,110,000 is appropriated from the general fund to the Alaska Power Authority for a loan to construct a Craig/Klawock intertie.

I will be happy to present testimony to the committee if you wish. I need two days notice, if possible, to get to Juneau. Thank you for your considerations.

Sincerely,



David R. Palmer
City Administrator

cc: The Honorable Richard Eliason
The Honorable Peter Goll
The Honorable Ben Grussendorf
The Honorable Bob Bettisworth
The Honorable Walt Furnace
The Honorable Jim Duncan
Mayor Dennis Kuntz, Thorne Bay
Ms. Loren Karro

Offered: 3/22/84
Referred: Finance

Original sponsor: House Special Committee
on State Loans

Funding Information

General Fund	\$152,000,000
Other Funds	500,000
	<u>\$152,500,000</u>

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE CS FOR HOUSE BILL NO. 650 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for certain
7 state loan and grant programs; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$16,000,000 is appropriated from the general
11 fund to the Alaska housing finance revolving fund (AS 18.56.082).

12 * Sec. 2. The sum of \$45,000,000 is appropriated from the general fund
13 to the housing assistance loan fund in the Department of Community and
14 Regional Affairs for non-conforming, rural, and non-owner occupied housing
15 loans (AS 44.47.360 - 44.47.560) and loans that are subsidized from the
16 home ownership assistance fund (AS 44.47.382).

17 * Sec. 3. The sum of \$2,000,000 is appropriated from the general fund
18 to the division of housing assistance in the Department of Community and
19 Regional Affairs for a grant from the senior citizens' housing development
20 fund for the Chugach View Senior Citizen Facility.

21 * Sec. 4. The sum of \$2,000,000 is appropriated from the general fund
22 to the division of housing assistance in the Department of Community and
23 Regional Affairs for a grant from the senior citizens' housing development
24 fund for the Norton Sound Health Corporation Senior Citizen Facility at

25 None.

26 * Sec. 5. The sum of \$7,000,000 is appropriated from the general fund
27 to the division of housing assistance in the Department of Community and
28 Regional Affairs for grants from the senior citizens' housing development
29 fund.

1 * Sec. 6. The sum of \$9,500,000 is appropriated from the general fund
2 to the division of investments, Department of Commerce and Economic Devel-
3 opment, for the following purposes in the following amounts:

- 4 alternative technology and energy loan
5 program (AS 45.88) \$1,000,000
- 6 commercial fishing loan program (AS 16.10.-
7 300 - 16.10.370) 3,500,000
- 8 fisheries enhancement loan program
9 (AS 16.10.500 - 16.10.620) 5,000,000

10 * Sec. 7. The sum of \$5,000,000 is appropriated from the general fund
11 to the Department of Natural Resources for loans from the agricultural
12 revolving loan fund (AS 03.10.040).

13 * Sec. 8. The sum of \$500,000 is appropriated from the general fund to
14 the Alaska grain reserve loan fund (AS 03.12.040).

15 * Sec. 9. The sum of \$60,000,000 is appropriated from the general fund
16 to the scholarship revolving loan fund (AS 14.40.751) for the student loan
17 program.

18 * Sec. 10. The sum of \$500,000 in federal program receipts for student
19 loans and scholarships is appropriated to the scholarship revolving loan
20 fund (AS 14.40.751) for the student loan program.

21 * Sec. 11. The sum of \$5,000,000 is appropriated from the general fund
22 to the Department of Community and Regional Affairs for grants from the low
23 cost and low income multiple family housing development fund. (AS 44.47.-
24 635).

25 * Sec. 12. The appropriations made by this Act are for the capitaliza-
26 tion of loan and grant funds and do not lapse in accordance with AS 37.-
27 25.010.

28 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

Introduced: 2/15/84
Referred: House Special Committee on
State Loans and Finance

Funding Information
General Fund: \$190,400,000
Other Funds: 500,000
\$190,900,000

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 HOUSE BILL NO. 650

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for certain
7 state loan and grant programs; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$40,000,000 is appropriated from the general
11 fund to the Alaska Housing Finance Corporation for the special mortgage
12 loan purchase program (AS 18.56.098).

13 * Sec. 2. The sum of \$22,000,000 is appropriated from the general fund
14 to the Alaska Housing Finance Corporation for the home ownership assistance
15 program (AS 18.56.091).

16 * Sec. 3. The sum of \$2,000,000 is appropriated from the general fund
17 to the division of housing assistance in the Department of Community and
18 Regional Affairs for a grant from the senior citizens' housing development
19 fund for the Chugach View Senior Citizen Facility.

20 * Sec. 4. The sum of \$7,000,000 is appropriated from the general fund
21 to the division of housing assistance in the Department of Community and
22 Regional Affairs for grants from the senior citizens' housing development
23 fund.

24 * Sec. 5. The sum of \$45,000,000 is appropriated from the general fund
25 to the housing assistance loan fund in the Department of Community and
26 Regional Affairs for non-conforming, rural, and non-owner occupied housing
27 loans (AS 44.47.360 - 44.47.560) and loans that are subsidized from the
28 home ownership assistance fund (AS 44.47.382).

29 * Sec. 6. The sum of \$5,900,000 is appropriated from the general fund

1 to the division of investments, Department of Commerce and Economic Devel-
2 opment, for the following purposes in the following amounts:

3	alternative technology and energy loan	
4	program (AS 45.88)	\$2,400,000
5	commercial fishing loan program (AS 16.10.-	
6	300 - 16.10.370)	3,500,000

7 * Sec. 7. The sum of \$5,000,000 is appropriated from the general fund
8 to the Department of Natural Resources for loans from the agricultural
9 revolving loan fund (AS 03.10.040).

10 * Sec. 8. The sum of \$60,000,000 is appropriated from the general fund
11 to the scholarship revolving loan fund (AS 14.40.751) for the student loan
12 program.

13 * Sec. 9. The sum of \$500,000 in federal program receipts for student
14 loans and scholarships is appropriated to the scholarship revolving loan
15 fund (AS 14.40.751) for the student loan program.

16 * Sec. 10. The sum of \$1,000,000 is appropriated from the general fund
17 to the rural electrification revolving loan fund (AS 44.83.361) for rural
18 electrification loans.

19 * Sec. 11. The sum of \$500,000 is appropriated from the general fund to
20 the Alaska grain reserve loan fund (AS 03.12.040).

21 * Sec. 12. The sum of \$2,000,000 is appropriated from the general fund
22 to the Department of Community and Regional Affairs for grants from the low
23 cost and low income multiple family housing development fund (AS 44.47.-
24 635).

25 * Sec. 13. The appropriations made by this Act are for the capitaliza-
26 tion of loan and grant funds and do not lapse in accordance with AS 37.-
27 25.010.

28 * Sec. 14. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER:

5/7/84

Date 5/30/84

Mr. President

The Committee on FINANCE considered CSHB 650 (Loans)
special appropriations for certain state loan and grant programs; efd.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt SCS for CSHB 650 (Fin)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]

[Signature]

Chairman

Chairman recommendation _____

Offered: 5/7/84
Referred: Finance

Original sponsor: House Special Committee
on State Loans

Funding Information

General Fund \$76,200,000
Other Funds 1,375,000
~~877,575,000~~ 158.3

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 650 (~~Resources~~ ^{Finance})
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act making special appropriations for certain
7 state loan and grant programs; and providing for an
8 effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. The sum of \$50,000,000 is appropriated from the general
11 fund to the housing assistance loan fund in the Department of Community and
12 Regional Affairs for nonconforming, rural, and nonowner occupied housing
13 loans (AS 44.47.360 - 44.47.560) and loans that are subsidized from the
14 home ownership assistance fund (AS 44.47.382).
15 * Sec. 2. The sum of \$10,000,000 is appropriated from the general fund
16 to the Department of Natural Resources for loans from the agricultural
17 revolving loan fund (AS 03.10.040).
18 * Sec. 3. The sum of \$2,000,000 is appropriated from the general fund
19 to the Department of Natural Resources for the innovative gold recovery
20 demonstration grant program and the placer mining water reduction loan
21 program.
22 * Sec. 4. The sum of \$2,000,000 is appropriated from the general fund
23 to the Department of Environmental Conservation for the innovative pollu-
24 tion control demonstration grant program and the placer mining water re-
25 cycling loan program.
26 * Sec. 5. The sum of \$1,200,000 is appropriated from the general fund
27 to the division of housing assistance in the Department of Community and
28 Regional Affairs for a grant from the senior citizens' housing development
29 fund for the Tlingit-Haida Housing Authority Senior Citizen Facility at

1. Angoon.

2 * Sec. ~~6~~. The sum of \$1,000,000 is appropriated from the general fund
3 to the division of housing assistance in the Department of Community and
4 Regional Affairs for a grant from the senior citizens' housing development
5 fund for the Tlingit-Haida Housing Authority Senior Citizen Facility at
6 Klawock.

7 * Sec. 7. The sum of \$10,000,000 is appropriated from the general fund
8 to the division of investments in the Department of Commerce and Economic
9 Development, for the fisheries enhancement loan program (AS 16.10.500 -
10 16.10.620).

11 * Sec. 8. The sum of \$275,000 is appropriated from the power project
12 fund (AS 44.83.170) to the Alaska Power Authority for a loan to the City of
13 Thorne Bay for the purchase and upgrading of the existing Thorne Bay elec-
14 trical system.

15 * Sec. 9. The sum of \$1,100,000 is appropriated from the power project
16 fund (AS 44.83.170) to the Alaska Power Authority for a loan to a qualified
17 borrower to construct the Craig-Klawock electrical intertie.

18 * Sec. 10. The appropriations made by sec.s. 1 - 7 of this Act are for
19 the capitalization of loan and grant funds and do not lapse in accordance
20 with AS 37.25.010.

21 * Sec. 11. This Act takes effect immediately in accordance with AS 01.-
22 10.070(c).

Offered: 3/22/84
Referred: Finance

Original sponsor: House Special Committee
on State Loans

Funding Information

General Fund	\$152,000,000
Other Funds	500,000
	<u>\$152,500,000</u>

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 650 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for certain
7 state loan and grant programs; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$16,000,000 is appropriated from the general
11 fund to the Alaska housing finance revolving fund (AS 18.56.082).

12 * Sec. 2. The sum of \$45,000,000 is appropriated from the general fund
13 to the housing assistance loan fund in the Department of Community and
14 Regional Affairs for non-conforming, rural, and non-owner occupied housing
15 loans (AS 44.47.360 - 44.47.560) and loans that are subsidized from the
16 home ownership assistance fund (AS 44.47.382).

17 * Sec. 3. The sum of \$2,000,000 is appropriated from the general fund
18 to the division of housing assistance in the Department of Community and
19 Regional Affairs for a grant from the senior citizens' housing development
20 fund for the Chugach View Senior Citizen Facility.

21 * Sec. 4. The sum of \$2,000,000 is appropriated from the general fund
22 to the division of housing assistance in the Department of Community and
23 Regional Affairs for a grant from the senior citizens' housing development
24 fund for the Norton Sound Health Corporation Senior Citizen Facility at
25 Nome.

26 * Sec. 5. The sum of \$7,000,000 is appropriated from the general fund
27 to the division of housing assistance in the Department of Community and
28 Regional Affairs for grants from the senior citizens' housing development
29 fund.

1 * Sec. 6. The sum of \$9,500,000 is appropriated from the general fund
2 to the division of investments, Department of Commerce and Economic Devel-
3 opment, for the following purposes in the following amounts:

4	alternative technology and energy loan	
5	program (AS 45.88)	\$1,000,000
6	commercial fishing loan program (AS 16.10.-	
7	300 - 16.10.370)	3,500,000
8	fisheries enhancement loan program	
9	(AS 16.10.500 - 16.10.620)	5,000,000

10 * Sec. 7. The sum of \$5,000,000 is appropriated from the general fund
11 to the Department of Natural Resources for loans from the agricultural
12 revolving loan fund (AS 03.10.040).

13 * Sec. 8. The sum of \$500,000 is appropriated from the general fund to
14 the Alaska grain reserve loan fund (AS 03.12.040).

15 * Sec. 9. The sum of \$60,000,000 is appropriated from the general fund
16 to the scholarship revolving loan fund (AS 14.40.751) for the student loan
17 program.

18 * Sec. 10. The sum of \$500,000 in federal program receipts for student
19 loans and scholarships is appropriated to the scholarship revolving loan
20 fund (AS 14.40.751) for the student loan program.

21 * Sec. 11. The sum of \$5,000,000 is appropriated from the general fund
22 to the Department of Community and Regional Affairs for grants from the low
23 cost and low income multiple family housing development fund (AS 44.47.-
24 635).

25 * Sec. 12. The appropriations made by this Act are for the capitaliza-
26 tion of loan and grant funds and do not lapse in accordance with AS 37.-
27 25.010.

28 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

5/30/84

SES CSHB 650 (Fin)

AHFC	16.0	(Sec. 1 - loans bill)
C&RA	50.0 ^{45.0} *	(Sec. 2 - loans) (Sec. 1 - resources bill)
Chuyuck	2.0	(Sec. 3 - loans)
Wortex Sound	2.0	(Sec. 4 - loans)
C&RA	7.0	(Sec. 5 - loans)
Commerce	9.5	(Sec. 6 - loans) including \$5 fisheries enhancement
Agri Loans	5.0	(Sec. 7 - loans)
Crain Reserve	.5	(Sec. 8 - loans)
Student Loans	60.0	(Sec. 9 - loans)
" "	.5 (Fed. Receipts)	(Sec. 10 - loans)

*-1
Add C&RA \$5 million (Sec. 11 - loans)

Add - 2.0 DNR Gold Recovery (Sec. 3 - Resources)
 " 2.0 DEC Pollution control (Sec. 4 - Resources)
Total 2.2

Add 1.2 C&RA (Sec. 5 - Resources)
 1.0 C&RA (Sec. 6 - Resources)
 1.1 APA (Sec. 9 - Resources)

Total 157.0

House Passed 152.5

Questioned Areas -

Commerce 9.5 differs from 5 Res. 10.0 Fisheries
Agri Loans 5.0 House Sen Res 10.0 /

Adding \$5 million for each of these
would produce new total 167.0

* Die Fischer - more to add
C+RA \$5 million (Sec. 11 - loans)

* Reduce C+RA \$30.0 to \$45.0

Sackett Fisheries \$5.0 (Sec. 6 - loans)

Falks Agri \$5.0 (Sec. 7 - loans)

Saved \$5 million on each —

New total \$157.5

(+300.0 exp. -)

End total \$158.3