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HOUSE
COMMITTEE REPORT

4/2

(9)

Date referred: 2/17/86

FURTHER REFERRALS: FINANCE

DATE: April 2ND, 1986

The RESOURCES Committee has considered HB 651

"An Act relating to management of mental health land."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
- _____ new title

and recommends _____

further referral to the _____ Committee

and attaches:

- letter of intent
- first fiscal note *Sup 106*
- new fiscal note
- zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Shultz *[Signature]*

Sund *[Signature]*

Cato *Bates, Cato*

Miller(NP) *M.W. Miller*

Wallis *F. Kay Wallis*

Jenkins *[Signature]*

[Signature] *NO REC*

[Signature] *NO REC*

[Signature]

[Signature] *[Signature]*

Co-Chairman Shultz

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

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

OFFICE OF THE COMMISSIONER

April 1, 1986

The Honorable Richard Shultz
The Honorable Adelheid Herrmann
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representatives Shultz and Herrmann:

I am writing to provide comments and a fiscal note on HB 651, relating to management of mental health land, which will be heard in your committee on Wednesday, April 2, 1986. This bill would establish a mental health land commission in the Department of Natural Resources to oversee and approve all actions on mental health land taken by the commissioner. The intent of HB 651 is similar to CSSSHB 128 which passed your committee a week ago.

Before suggesting several amendments, I wish to note that the enclosed fiscal note reflects two significant differences between the two bills. First, unlike CSSSHB 128, HB 651 does not require the detailed reports which, according to the Department of Law, are additionally required by the Supreme Court decision in Weiss v. Alaska. For instance, HB 651 does not include the \$300,000 for required appraisals which is included in our fiscal note for CSSSHB 128. In addition, HB 651 would create a continuing commission with necessary support costs extending through FY 91.

I would like to suggest the following annotated amendments to HB 651 which could improve the effectiveness of the bill. While the department favors creation of an interim legislative committee, as contained in HCR 50, to devise long term public policy for mental health lands, adoption of these suggested amendments would provide for an interim commission to which the department would not object.

Amendment One

Section one of the bill should contain procedural requirements which set out how and when the commission will meet so that applicants have some assurance of timeframe

associated with undertaking a project on mental health land. Our suggestion is that regular monthly meetings be required. This could be accomplished as follows:

AS 38.05.510 is amended by adding a new subsection (d) as follows and renumbering the existing subsection (d) as (e).

(d) In carrying out its duties, the commission shall convene at least monthly. To effect orderly development of mental health lands the commission may meet more frequently by teleconference.

Amendment Two

To clearly establish that the commission serves an oversight function to the department's management of mental health land we suggest that AS 38.05.515 be amended as follows:

Insert the following language on page 1, line 27, after the word for:

prior approval of actions taken by the commissioner of natural resources in

Amendment Three

Since there is substantial disagreement about the meaning of the Supreme Court's decision, the Attorney General will be seeking clarification of that decision by the Superior Court. One of the questions that will be posed is whether the state has an affirmative obligation to manage mental health lands for maximum revenue generation. In order to avoid prejudging this issue, we suggest the following change to AS 38.05.515:

On lines 1 and 2 of page 2, strike the existing language following the word shall and replace with:

deny or approve actions consistent with the terms of the trust established by the Alaska Mental Health Enabling Act.

Amendment Four

I suggest that, like CSS&HB 128, this bill provide a sunset date. We are hopeful that some other long term solution to

Hon. Rep. Shultz
Hon. Rep. Herrmann

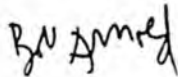
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April 1, 1986

the mental health lands issue can be achieved through continuing negotiations and eventual implementation by the Legislature.

Please let me know if you require further information.

Sincerely,



Robert D. Arnold
Deputy Commissioner

cc: The Honorable M. Mike Miller
The Honorable Marco Pignalberi
The Honorable Max Gruenberg
Tom Koester
Tom Hawkins

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : HB 651
Title : Management of Mental Health Land

Sponsor : M. M. Miller and Pignalberi
Requestor : House Resources
Date of Request : 4-1-86

FISCAL DETAIL

Agency Affected : Natural Resources
BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		160.6	160.6	160.6	160.6	160.6
TRAVEL		24.0	24.0	24.0	24.0	24.0
CONTRACTUAL		17.8	17.8	17.8	17.8	17.8
SUPPLIES		1.4	1.4	1.4	1.4	1.4
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		203.8	203.8	203.8	203.8	203.8

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		203.8	203.8	203.8	203.8	203.8
FEDERAL FUNDS						
OTHER						
TOTAL		203.8	203.8	203.8	203.8	203.8

POSITIONS :

FULL-TIME		4	4	4	4	4
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mik: Vediner Phone : 465-2400
Division : Commissioner's Office Date : 4-1-86

Approved by Commissioner : Mr. D. Amodei, Deputy Date : 4/1/86
Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
4-1-86
HB 651
Fiscal Note Addendum

Analysis

Continuing support for the commission within the department would require both ongoing management oversight for transactions on mental health land and administrative support for the commission.

FY 87

1. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$142,700.

Statewide trust management oversight can be provided by a Natural Resource Manager II with support from a Natural Resource Officer I. That manager would be expected to review a large number of transactions, with research assistance from a subordinate, to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

Accounting functions can be broken into two parts: ongoing accounting services, and an independent audit. An accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by DNR annually that should be assigned to the mental health accounts.

Line items in this total are: 124.0 personal services; 6.0 travel; 11.3 contractual; and, 1.4 commodities.

2. Provide administrative support to the commission.
Estimated costs: \$53,600.

The department would need to provide administrative support to the commission which includes arranging meetings, preparing briefing packets, documenting meeting results, and clerical support. The Natural Resource Officer I listed in item 1 above could assist with the details of action review and a Clerk Typist III would be needed to assist with typing and organization of meetings. Contractual monies would cover duplication costs, phone charges, postage, etc. Travel and per diem funding is for meetings of the commission. Commodities money is to cover routine supplies and maps (27.1 personal services; 18.0 travel; 6.0 contractual; 2.5 commodities).

FY 88 - FY 91

The department would continue to provide the oversight function described in item 1 for FY 87 with annual costs of 124.0 personal services, 6.0 travel, 11.3 contractual, and 1.4 commodities.

Annual administrative support for the commission will include 3 months of an NRO I, the clerk typist III, and similar support costs (36.6 personal services; 18.0 travel; 6.5 contractual; 2.7 commodities).

Department of Natural Resources
 Current Land Status Estimates
 Mental Health Grant Land
 March, 1986

The figures in section I are approximate and subject to agreement of federal and state land title records. Although the state and federal audits of these records are essentially complete, some of the mental health acreage figures have yet to be reconciled. State and federal auditors expect to reach agreement sometime this spring.

I. Land Base:

A.	Total grant:	1,000,000 acres
B.	Patented to the State:	829,250 acres
C.	Approved for patent to the State: (subject to survey)	176,634 acres
D.	Remaining entitlement:	0 - 19,116 acres*
E.	Land under Mental Health grant selection:	136,000 acres
F.	Estimated reconveyance liability (e.g. erroneously conveyed Native allotments, meanderable waters)	25,000 acres

The figures in sections II and III are very rough estimates. Please keep in mind that these figures are meant only to be used as working estimates and have not been audited. Accurate figures will not be available until a full audit of current mental health land status is completed several months from now.

II. Conveyed out of state ownership:

A.	Full conveyances (excluding subsurface)	
1)	Land disposals:	46,000 acres
2)	Municipal conveyances:	
	Patented:	18,895 acres
	Approved:	18,932 acres
		37,827 acres
3)	Litigation Settlements:	29,000 acres
	(some of these conveyances include the subsurface)	
	Total conveyed:	112,827 acres
B.	Partial conveyances:**	
1)	Land leases:	16,900 acres
2)	Oil and gas leases:	92,900 acres
3)	Coal leases:	54,570 acres
	Total partially conveyed:	164,370 acres

**NOTE: We do not yet have estimates of such partial conveyances as mining claims, timber sales, and material sales.

III. Retained in state ownership with encumbrances:

A.	Interagency Land Management Assignments:	3,700 acres
B.	Park Management Units:	150,576 acres
C.	Fish and Game Management Units:	85,709 acres

The department believes that the above 239,985 acres of land will likely be treated as disposals under the court action.

D.	State Forest:	131,955 acres
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IV. <u>Summary:</u>	Total land conveyed to the state:	980,884 - 1,005,884 acres*
	Total land conveyed from the state:	-112,327 acres
	Total land encumbered:	-239,985 acres
	Remaining acreage:	628,072 - 653,072 acres*

* Current records show an overconveyance. However, the estimated reconveyance liability (I.F.) may produce an underconveyance.



DEPARTMENT OF NATURAL RESOURCES
Mental Health Land Within Legislatively Designated Parks, Fish and Game Units and State Parks

This report is part of the Department of Natural Resources' inventory of mental health lands produced following the Supreme Court decision of October 4, 1985 (Weiss v. State) concerning mental health trust lands. It consists of legislatively designated state park units, state forests and state fish and game units. Administrative designations (Interagency Land Management Assignments) for park, forestry or fish and game purposes are addressed in a separate report. The data in this report was compiled from the Alaska Statutes creating the units, agency publications and state status plats. In most cases the designated lands are unsurveyed and the acreages are approximate.

The report is in sections by management agency. Each of these sections is further divided by meridians. The columns on each chart show:

- 1) The name of the unit and the statute creating it;
- 2) The total acreage of the unit;
- 3) The total mental health acreage within the unit;
- 4) The year of the original designation and of each additional designation made to the unit which contained mental health land;
- 5) The amount of mental health acreage originally designated and added to the unit (by year);
- 6) The legal description of mental health lands in the original designation and each addition.

For further information contact the department's Mental Health Land Officer.

MENTAL HEALTH LANDS WITHIN LEGISLATIVELY DESIGNATED STATE PARK UNITS

Park Unit	Total Acreage	Total Mental Health Acreage	Year of Designation	Designated Mental Health Acreage	Seward Meridian
					===== Township/Range/Section (Mental Health Land Only)
Chugach State Park AS 41.21.121	495,000.00	14,028.00	1970	14,028.00	T.14N., R.2W., S.M., Sec. 13 T.16N., R.2E., S.M., Secs. 1, 2, 9, 10, 12, 16-17, 19-28 30-31, 33-36,
Kachemak Bay State Park AS 41.21.140	328,290.00	5,622.00	1970	5,622.00	T.7S., R.13W., S.M., Secs. 25-26, 35-36, T.8S., R.13W., S.M., Secs. 1, 2, 11-14, 23, 24,
Nancy Lake State Recreation Area AS 41.21.455	22,685.00	1,709.93	1970	14.93	T 17N R 4W SM Sec 6 Lot 2,3,5.
			----- 1969	----- 1,695.00	----- T 17N R 4W SM Sec 5-8
Kenai River Special Management Area AS 41.21.502	2,693.45	806.66	1984	806.66	Within: T.5N., R.8W., S.M., Secs. 21, 26, 29 T.5N., R.9W., S.M., Secs. 28, 33, T.5N., R.10W., S.M., Secs. 6, 7, 18, 19, 30-34, (Includes Bings Landing State Recreation Site formerly ILMA 206382, Kenai River Islands State Recreation Site formerly ILMA 206379 and former ILMA 206381)

MENTAL HEALTH LANDS WITHIN LEGISLATIVELY DESIGNATED STATE PARK UNITS

Park Unit	Total Acreage	Total Mental Health Acreage	Year of Designation	Designated Mental Health Acreage	Fairbanks Meridian
					Township/Range/Section (Mental Health Land Only)
Chena River State Recreation Area AS 41.21.475	254,080.00	92,083.42	1967	15,057.61	T.2N., R.7E., F.M. Sec 12, 13, 24, 25, 35, 36 T.1N., R.7E., F.M., Sec 1-3, 8-12, 15-17, 19-21 T.2N., R. 8E., F.M. Sec 6, 7, 18 T.2N., R.6E., F.M. Sec 24 T.1N., R.6E., F.M. Tract A excluding Sec 24
			1975	77,025.81	T.2N., R.6E., F.M. E1/2 Township T.1N., R.7E., F.M., Sec 4-7, 13-14, 18, 22-36 T.2N., R.7E., F.M., Tract A, Sec 1-11, 14-23, 26-33 T.2N., R.8E., F.M., Sec 8-17; T.3N., R.7E, F.M. Sec 25-27, 34-36

March, 1986

Park Unit	Total Acreage	Total Mental Health Acreage	Year of Designation	Designated Mental Health Acreage	Copper River Meridian
					Township/Range/Section (Mental Health Land Only)
Chilkat State Park AS 41.21.111	6,045.45	3,270.18	1970	761.35	T.31S., R.59E., C.R.M., Sec 1 T.31S., R.60E., C.R.M., Sec 6-8, 17-19
			1975	2,508.83	T.31S., R.60E., C.R.M., Sec 31-32 T.32S., R.60E., C.R.M., Sec 5-9, 15-17, 21-22
Alaska Chilkat Bald Eagle Preserve* AS 41.21.611	49,000.00	33,056.16	1982	33,056.16	T.26S., R.55E., C.R.M., Secs. 12-13, 23-26, 33-36 T.26S., R.56E., C.R.M., Secs. 7-8, 17-19, 30 T.27S., R.55E., C.R.M., Secs. 2-4, 8-10, 15-17, 21-22, 27-28, 33-36, T.28S., R.56E., C.R.M., Secs. 7, 17-20, 30, T.28S., R.55E., C.R.M., Secs. 1-4, 10-13, 15, 24-36, 29, 35 T.28S., R.56E., C.R.M., Sec. 31 T.29S., R.57E., C.R.M., Secs. 4-10, 15-18, 20-23, 25-28, 34-36 T.29S., R.56E., C.R.M., Secs. 5-6, 8-17, 22-23 T.29S., R.55E., C.R.M., Sec. 1 T.30S., R.58E., C.R.M., Secs. 6-8, 17 T.30S., R.57E., C.R.M., Secs. 1-3, 12
*The following is a breakdown of the acreage overlap between the Chilkat Bald Eagle Preserve (BEP), Haines Forest and the Chilkat River Critical Habitat Area (CHA): Chilkat BEP/Haines Forest, 23,261.26; Chilkat BEP/Haines Forest/(CHA), 2,480.48; Chilkat BEP/(CHA), 974.64					

Name	Total Acreage	Total Mental Health Acreage	Year of Designation	Designated Mental Health Acreage	Township/Range/Section (Mental Health Land Only)
Tanana Valley State Forest	1,786,000	31,955	1983	31,955	Within: T.1S., R.3E., F.M. T.1S., R.4E., F.M. T.1S., R.5W., F.M. T.3S., R.4W., F.M. T.4S., R.7W., F.M. T.5S., R.4E., F.M. T.6S., R.4E., F.M.
Haines State Forest	247,000	100,000	1982	100,000	Within: T.30S., R.56E., C.R.M. T.28S., R.55E., C.R.M. T.27S., R.56E., C.R.M. T.30S., R.57E., C.R.M. T.28S., R.54E., C.R.M. T.28S., R.56E., C.R.M. T.28S., R.53E., C.R.M. T.29S., R.55E., C.R.M. T.29S., R.54E., C.R.M. T.29S., R.56E., C.R.M. T.26S., R.54E., C.R.M. T.27S., R.55E., C.R.M. T.27S., R.54E., C.R.M. T.26S., R.56E., C.R.M. T.30S., R.58E., C.R.M. T.29S., R.57E., C.R.M.

March, 1986

Fish & Game Unit	Total Acreage	Total Mental Health Acreage	Year of Designation	Designated Mental Health Acreage	Seward Meridian
					Township/Range/Section (Mental Health Land Only)
Goose Bay State Game Refuge AS 16.20.030	10,880.00	453.05	1975	453.05	T.15N., R.3W., S.M., Secs. 18-19
Potter Point State Game Refuge AS 16.20.030	39,360.00	740.50	1971	740.50	T.11N., R.3W., S.M., Sec. 10 T.12N., R.3W., S.M., Secs. 30-31 T.12N., R.4W., S.M., Sec. 15, 22-23, 25
Susitna Flats State Game Refuge AS 16.20.036	300,800.00	38,846.52	1976	38,846.52	T.14N., R.4W., S.M., Sec. 31 T.14N., R.5W., S.M. T.14N., R.6W., S.M. T.15N., R.4W., S.M. T.15N., R.5W., S.M. T.15N., R.6W., S.M. USS 3942 excl ASLS 80-11
Trading Bay State Game Refuge AS 16.20.038	160,960.00	3,840.00	1976	3,840.00	T.12N., R.13W., S.M., Secs. 19, 29-33
Matanuska Valley Moose Range AS 16.20.340	132,500.00	38,035.00	1984	38,035.00	T19N, R1E T19N, R3E T19N, R5E T18N, R1E T19N, R4E T18N, R2E T20N, R5E T19N, R2E T20N, R6E

Fish & Game Unit	Total Acreage	Total Mental Health Acreage	Year of Designation	Designated Mental Health Acreage	Copper River Meridian
					Township/Range/Section (MH Land Only)
Chilkat River Critical Habitat Area* AS 16.20.230	4,800.00	3,647.21	1972	3,647.21	T.29S., R.56E., C.R.M., Secs. 1, 12, T.29S., R.57E., C.R.M., Secs. 5-9, 16-17, 20-21,
Mendenhall W.clands State Game Refuge AS 16.20.034	3,789.00	144.83	1976	144.83	T.41S., R.66E., C.R.M., Secs. 1-2, 10,

*See page 4 for acreage overlaps.

Fish & Game Unit	Total Acreage	Total Mental Health Acreage	Year of Designation	Designated Mental Health Acreage	Fairbanks Meridian
					Township/Range/Section (Mental Health Land Only)
Creaner's Field State Game Refuge AS 16.20.039	1,520.00	2.5	1979	2.5	T1N., R1W., F.M., Sec. 29

Summary of Mental Health Land
 Within Legislatively Designated Parks, Fish & Game Units and State Forests

Management Agency	Total Acres	Mental Health Acres
Department of Natural Resources, Division of Parks and Outdoor Recreation (State Rec. Areas, State Recreational Sites, State Parks, Bald Eagle Preserve)	1,157,193.80	150,576.41
Department of Fish & Game (State Game Refuges, Moose Range, Critical Habitat Areas)	654,609.00	85,709.61
Department of Natural Resources, Division of Forestry (State Forests)	2,033,000.00	131,955.00
Total	3,844,802.80	368,241.02

March, 1986