

SB

83

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/10/97

REPORTED OUT OF
FURTHER: SEC 4/3/97

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3 April 1997

Finance Committee considered SENATE BILL NO. 83

"An Act making an appropriation for management fees for the constitutional budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska); and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 83 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s) _____
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Red E. [Signature]</i>	✓	<i>W. [Signature]</i>			✓
<i>Alan R. [Signature]</i>	✓				
<i>Ge [Signature]</i>	X				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair:		Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

**Senate Bill 83/House Bill 113
FY 97 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)**

DEPT.	BRU/ COMPONENT	DESCRIPTION	Sen Sec #	CS for Senate Bill 83(Fin)							Hsc Sec #	CS for House Bill 113(Fin)							Governor's Request					Total Funds	
				Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Federal		GF	GF/ Prgm	GF/ Match	Other	Total Funds	Gov's Sec #	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		
1	DOA	Leasing	1 (a)		993.7					993.7	1 (a)		23.6			309.8	333.4	1 (a)		993.7					993.7
2	DOA	Office of Public Advocacy	1 (b)		210.5					210.5	1 (b)		210.5				210.5	1 (b)		247.8					247.8
3	DOA	Public Defender	1 (c)		100.0					100.0	1 (c)		268.9				268.9	1 (c)		268.9					268.9
4	DOA	EPORS	1 (d)		65.6					65.6	1 (d)		65.6				65.6	1 (d)		65.6					65.6
5	DOA	Leasing	1 (e)		243.3					243.3	1 (e)		243.3				243.3	1 (e)		243.3					243.3
6	DOA	Leasing	1 (f)		104.0					104.0	1 (f)		104.0				104.0	1 (f)		104.0					104.0
7	CED	AK Science and Technology (AST) Foundation	2 (a)								2 (a)							New (a)							
8	CED	AK Aerospace Development Corp.	2 (b)	18,000.0				10,000.0	28,000.0	28,000.0	2 (b)	18,000.0				10,000.0	28,000.0	New (b)	18,000.0				10,000.0	28,000.0	
9	CED	Exec Admin & D:z/ Commissioner's Ofc	Deny								3		60.0				60.0	New		60.0					60.0
10	CED	Measurement Standards	3			4.3			4.3	4.3								New			4.3				4.3
11	CRA	Rural Energy Program - Energy Operations/PCE	Deny								4 (a)		1,500.0				1,500.0	New (a)		1,500.0					1,500.0
12	CRA	Rural Energy Program - Energy Operations/PCE	4 (a)					1,500.0	1,500.0	1,500.0	4 (b)				1,500.0	1,500.0	1,500.0	New (b)					1,500.0	1,500.0	
13	CRA	Child Assistance/ Head Start	4 (b)	50.0					50.0	50.0	4 (c)	50.0					50.0	New	50.0						50.0

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14	DOC	Com Correct/CRC and Inst/Out-of-State Contractual	New inmate beds: CRC and out-of-state beds w/extended lapse date to June 30, 1998	5	1,000.0					1,000.0															
15	DMV	Disaster Relief Fund	General Fund appropriation to capitalize the fund	6		415.0				415.0	5		415.0				415.0	3		1,000.0					1,000.0
16	DOE	Teaching & Learning Support/Special & Suppl Svcs	RPL 05-7-0626 New and carryforward funds for Title I and Migrant Education programs	7 (a)	3,750.0					3,750.0	6 (a)	3,750.0					3,750.0	New	3,750.0						3,750.0
17	DOE	Voc Rehab/Client Services	RPL 05-7-0680 New and carryforward funds for client services programs	7 (b)	600.0					600.0	6 (b)	600.0					600.0	New	600.0						600.0
18	DOE	Voc Rehab/Administration	RPL 05-7-0681 New and carryforward for administration and oversight of direct services	7 (c)	150.0					150.0	6 (c)	150.0					150.0	New	150.0						150.0
19	DOE	Teaching & Learning Support	RPL 05-7-0700 Carryforward funds for the School to Work program	7 (d)	1,080.0					1,080.0	6 (d)	1,080.0					1,080.0	New	1,080.0						1,080.0
20	DOE	AK State Library/Library Operations	RPL 05-7-0738 Computer and software upgrades	7 (e)			30.0			30.0	6 (e)			30.0			30.0	New			30.0				30.0
21	DOE	Mt. Edgecumb Boarding School	RPL 05-7-0748 Summer programs in FY97	7 (f)			22.0			22.0	6 (f)			22.0			22.0	New			22.0				22.0
22	DOC	Fairbanks Correctional Center	Capital project - Replace boiler system	8 (a)		632.0				632.0	7 (a)		632.0				632.0	4 (a)		632.0					632.0
23	DMV	Disaster Planning & Control.	Capital project - Radio equipmen	8 (b)		100.0				100.0	7 (b)		100.0				100.0	4 (d)		100.0					100.0
24	DNR	Parks Management	Capital project - Emergency repairs to Perseverance Trail	Deny							7 (c)		120.0				120.0	4 (c)		200.0					200.0
25	DFG	Wildlife Conservation	RPL 11-7-0234 New and carryforward federal funds for projects.	9	430.0					430.0	8 (a)	430.0					430.0	New	430.0						430.0
26	DFG	Com Fish Mgmt & Dev/Fisheries Mgmt	On-going litigation costs for the fiscal year ending June 30, 1997.	Deny							8 (b)		115.0				115.0	3/19/97		115.0					115.0

**Senate Bill 83/House Bill 113
FY 97 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)**

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					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other		
27	HSS	Aide to Families with Dependent Children	Delete	10	(a)		(800.0)					(800.0)													
28	HSS	Adult Public Assistance	Add for Estimated FY97 costs	10	(b)		800.0				9	(a)		939.0				939.0	5	(a)					939.0
29	HSS	Med Assist./ Indian Health Services (IHS)	Increased IHS Medicaid reimbursement rates	10	(c)	10,000.0					9	(b)	10,000.0					10,000.0	5	(b)	10,000.0				10,000.0
30	HSS	Family and Youth Services/ Foster Care	Costs for children in state custody (revised)	10	(d)		750.0				9	(c)		750.0				750.0	5	(c)					750.0
31	HSS	State Health Services	RPL 06-7-0196 Indoor Radon Monitoring grant - \$78.0 & Tuberculosis Control & Elimination	10	(c)	99.3					9	(c)	99.3					99.3	New		99.3				99.3
32	HSS	Public Assist Admin/Eligibility Determination	Delete	10	(f-g)		(300.0)																		
33	HSS	Medical Assistance Admin/Claims Processing	Delete	10	(h-i)		(300.0)																		
34	HSS	Family and Youth Services/ McLaughlin Youth Center	Increased costs caused by youth facility population increases Add	10	(j)		600.0				9	(d)		685.0				685.0	5	(d)					685.0
35	HSS	Family and Youth Services/ Central Office	Capital project - Improved security at McLaughlin Youth Center and Fairbanks Youth Facility. Senate proposal funds McLaughlin security.	10	(k)		838.8												4	(b)				1,247.4	1,247.4

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36	LAW	Oil & Gas Litigation	Section 26(a), ch. 94, SLA 95. Source of funds: \$3,160.0 State Corporate Receipts, \$16,840.0 CBRF. Retroactive to July 1, 1996. Extend lapse to June 30, 1997. Withdrawn by Governor, approved by House. Senate proposal is to approve w/language change	11	(a)							10	(a)						6	(a)						
37	LAW	Legal Services Operations	Judgments and claims (revised)	11	(b)		1,347.5			16.0	1,363.5	10	(b)		701.0			16.0	717.0	6	(b)		1,347.6		16.0	1,363.6
38	LAW	Civil Division/ Medicaid Provider Fraud	Add GF/Match, delete GF/Program receipts for Medicaid Provider Fraud (revised)	11	(c-d)			(10.0)	10.0			19				(10.0)	10.0		New			(10.0)	10.0			
39	DMV	Disaster Planning & Control	Capital project - Emergency alert system. House and Governor have a lapse date extension to June 30, 1998.	12	(a)		220.0				220.0	11	(a)		200.0				200.0	7	(a)		220.0		220.0	
40	DMV	Disaster, Planning & Control	Appropriate general fund program receipts to the Disaster Relief Fund to allow for the receipt & payment of insurance premiums - with a lapse date extension of June 30, 1998.	12	(b)			17.2			17.2	11	(b)			17.2			17.2	New	(b)		17.2		17.2	
41	DMV	Disaster, Planning & Control	Appropriate from the Disaster Relief Fund p'ment of premium p'ments for flood - with a lapse date extension of June 30, 1998.	12	(c)					17.2	17.2	11	(c)					17.2	17.2							
42	DMV		Capital project (1 yr) - Fairbanks Armory Expansion	12	(d)					700.0	700.0															
43	DMV	AK Nat'l Guard/Youth Corps	Youth Corps Program	12	(e)		186.4				186.4															
44	DOA	Admin Services	Misc claims, stale date warrants (revised from \$27.3)	13			37.3				37.3	12			33.4				33.4	8			37.3		37.3	
45	DOC	Admin Services	Misc claims, stale date warrants (revised from \$8.3)	13			9.3				9.3	12			9.3				9.3	8			9.3		9.3	
46	DFG	Admin Services	Misc claims, stale date warrants	13			1.3				1.3	12			1.3				1.3	New			1.3		1.3	

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47	HSS	Admin Services	13		30.3					12		22.2				22.2	8		30.3					30.3	
48	LAW	Admin Services	13		0.6					12		0.6				0.6	New		0.6					0.6	
49	DPS	Admin Services	13		4.3					12		4.3				4.3	8		4.3					4.3	
50	DOT	Admin Services	13		0.9					12		0.9				0.9	8		0.9					0.9	
51	CRA		14		360.0																				
52	DNR	Fire Suppression	15	(a)	3,668.3					13	(a)	3,788.3				3,788.3	9	(a)	3,788.3					3,788.3	
53	DNR	Resource Dev/Land Development	15	(b)	360.0					13	(b)	280.0				280.0	9	(b)	300.0					300.0	
54	DNR	Resource Dev/Land Development								13	(c)	20.0				20.0									
55	DNR	Resource Dev/Land Development		Deny						13	(d)	100.0				100.0	9	(c)	100.0					100.0	
56	DNR	Natural Resources	15	(c)				698.0	698.0	13	(c)				977.0	977.0						977.0	977.0		
57	DOR	Alaska Mental Health Trust Authority	15	(d)				150.0	150.0	13	(f)				150.0	150.0									
58	DNR	Resource Dev/Mining Development	15	(c)	800.0				800.0								5/28/97		800.0					800.0	
59	DNR		15	(f)		650.0			650.0																
60	DNR		15	(g)		630.0			630.0																

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78	CTS	Commission on Judicial Conduct	Increased operating costs and mandatory salary increases	20	(b)		30.4				30.4	18	(b)		30.4			30.4							23.0				23.0
79	LEG	Budget & Audit Committee/Leg Audit	L&A study of state employee salary and benefits with a lapse date extension of June 30, 1998	21	(n)		500.0				500.0																		
80			Intent for (a), study overseen by a steering committee of appointees by the Legislature & Governor	21	(b)																								
81	DOC	Office of the Commissioner	Capital project - Partial funding to provide additional women's correctional facilities to satisfy fines from FY95 to FY97 levied by the Superior Court in Cleary, et al v. Smith		Deny														2						2,300.0			2,300.0	
82	HSS	Community Health/EMS Services.	Capital project - Emergency communications equipment		Deny														4	(c)					200.0			200.0	
83	LAW	Civil	Advocating the state's legal position on the sovereign powers of Native tribal governments in the state - with a lapse date extension to June 30, 1998.																6	(c)					485.0			485.0	
84	LAW	CSSB 74 (Fin) Am H contains \$1.0 million for this purpose																	6	(c)					(485.0)			(485.0)	
85	DOR	Treasury Management	Purpose of sec (a) is to pay management fees and intent for FY98 to appropriate GF for new asset allocation.		Deny														12	(b)									
86	HSS	Institutions & Admin	RPL 06-7-0144 Alaska Psychiatric Institute		Deny														New						200.0			200.0	
87	DPS	Training Academy	Capital project - Training academy construction of a women's addition, improvements, & shooting range.		Deny														3/11/97								2,104.4	2,104.4	

moved Sen. Tolgerson
w/o objection adopted

SENATE FINANCE
COMMITTEE

Amendment Number: 2

Bill Number: SB 83

Sponsor: _____ Date: 3 April 97

Logged In By: J. Soltani

AMMENDMENT TO SUPPLEMENTAL

Section 15j

Sen. Tolgerson

Timber sales on the Kenai Peninsula

DELETE: Central Plateau

INSERT: Kalgin Island II \$110.0

Caribou Hills \$100.0

S. Ninilchik-Dome View \$150.0

South Ninilchik Block 2,600 acres 20MMBF \$208.00

Kalgin Island II 1,500 acres 10MMBF \$110.0

Caribou Hills 2,000 acres 10MMBF \$100.0

S Ninilchik Dome 600 acres 3.5MMBF \$150.00

DELETE: \$557,100.00

INSERT: \$568,000.00

AMMENDMENT TO SUPPLEMENTAL

Section 15j

Sen. Torgerson

Timber sales on the Kenai Peninsula

DELETE: Central Plateau

INSERT: Kalgin Island II \$110.0

Caribou Hills \$100.0

S. Ninilchik-Dome View \$150.0

South Ninilchik Block 2,600 acres 20MMBF \$208.00

Kalgin Island II 1,500 acres 10MMBF \$110.0

Caribou Hills 2,000 acres 10MMBF \$100.0

S Ninilchik Dome 600 acres 3.5MMBF \$150.00

DELETE: \$557,100.00

INSERT: \$568,000.00

Senate Finance
 FY 97 Supplemental Appropriation
 (000 omitted)

New requests								
	DEPT.	DESCRIPTION	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
1	DMVA	Capital Project (1 yr)-- Fairbanks Armory Expansion				700.0		700.0
2	DNR	Capital Project (2 yr) --Airborne Geophysical /Geological Mineral Inventory.		650.0				650.0
3	DNR	Capital Project (2 yr) -- Timber sales in Tok, Delta & Kantishna.		630.0				630.0
4	DNR	Capital Project -- Timber sales in Southeast.		150.0				150.0
5	DPS	Capital Project (2 yr) -- Automated victim notification system.		250.0				250.0
6	DNR	Appraisal of Public School Lands.					432.5	432.5
7	DNR	Capital Project -- Timber sales in Kenai Peninsula.		557.1				557.1
8	CRA	Capital Project -- Repair or replace Unalakleet main water line. (Option: use AHFC capital money.)		360.0				360.0
9	DMVA	Youth Corps program.		250.0				250.0
10	LEGIS	LB&A study of state employee salary and benefits.		500.0				500.0
11	COR	New inmate beds: CRC and out-of-state.	1,000.0					1,000.0
12	LAW	Various ratifications.						
		Totals of new requests	1,000.0	3,347.1	0.0	700.0	432.5	5,479.6
			Federal	GF	GF/ Prgm	GF/ Match	Other	Total Fund
		Tota federal funding request	1,000.0					
		Total GF funding request	4,047.1					
		Total Other funding request	432.5					
		Total funding request	5,479.6					

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1	DOA	Leasing	1 (a)		23.6			309.8	333.4	1 (a)		993.7				993.7
2	DOA	Office of Public Advocacy	1 (b)		210.5				210.5	1 (b)		247.8				247.8
3	DOA	Public Defender	1 (c)		268.9				268.9	1 (c)		268.9				268.9
4	DOA	EPORS	1 (d)		65.6				65.6	1 (d)		65.6				65.6
5	DOA	Leasing	1 (e)		243.3				243.3	1 (e)		243.3				243.3
6	DOA	Leasing	1 (f)		104.0				104.0	1 (f)		104.0				104.0
7	CED	AK Science and Technology (AST) Foundation	2 (a)							New (a)						
8	CED	AK Aerospace Development Corp.	2 (b)	18,000.0				10,000.0	28,000.0	New (b)	18,000.0				10,000.0	28,000.0
9	CED	Exec Admin & Dev/ Commissioner's Ofc	3		60.0				60.0	New		60.0				60.0
10	CRA	Rural Energy Program - Energy Operations/PCE	4 (a)		1,500.0				1,500.0	New (a)		1,500.0				1,500.0
11	CRA	Rural Energy Program - Energy Operations/PCE	4 (b)					1,500.0	1,500.0	New (b)					1,500.0	1,500.0
12	CRA	Child Assistance/ Head Start	4 (c)	50.0					50.0	New	50.0					50.0
13	DMV	Disaster Relief Fund	5		415.0				415.0	3		1,000.0				1,000.0

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16	DOE	Voc Rehab/ Administration	RPL 05-7-0681 New and carryforward for administration and oversight of direct services	6	(c)	150.0					150.0	New		150.0				150.0
17	DOE	Teaching & Learning Support	RPL 05-7-0700 Carryforward funds for the School to Work program	6	(d)	1,080.0					1,080.0	New		1,080.0				1,080.0
18	DOE	AK State Library/Library Operations	RPL 05-7-0734 Computer and software upgrades	6	(e)						30.0	New			30.0			30.0
19	DOE	Mt. Edgecumb Boarding School	RPL 05-7-0748 Summer programs in FY97	6	(f)						22.0	New			22.0			22.0
20	DOC	Fairbanks Correctional Center	Capital project - Replace boiler system	7	(a)		632.0				632.0	4	(a)		632.0			632.0
21	DMV	Disaster Planning & Control	Capital project - Radio equipment	7	(b)		100.0				100.0	4	(d)		100.0			100.0
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23	DFG	Wildlife Conservation	RPL 11-7-0234 New and carryforward federal funds for projects.	8	(a)	430.0					430.0	New		430.0				430.0
24	DFG	Com Fish Mgmt & Dev/Fisheries Mgmt	On-going litigation costs for the fiscal year ending June 30, 1997.	8	(b)		115.0				115.0	3/19/97						
25	DFG	Com Fish Mgmt & Dev/Fisheries Mgmt	Sec. 47, ch. 94, SLA 95, pg 31, In 20. Extend lapse to June 30, 1997 - Governor's request.									New						
26	HSS	Adult Public Assistance	Estimated FY97 costs	9	(a)		939.0				939.0	5	(a)		939.0			939.0

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28	HSS	Family and Youth Services/ Foster Care	9	(c)		750.0				750.0	5	(c)	750.0				750.0
29	HSS	Family and Youth Services/ McLaughlin Youth Center	9	(d)		685.0				685.0	5	(d)	685.0				685.0
30	HSS	State Health Services	9	(e)	99.3					99.3	New		99.3				99.3
31	LAW	Oil & Gas Litigation															
31	LAW	Legal Services Operations	10	(a)							6	(a)					
32	LAW	Legal Services Operations	10	(b)		701.0			16.0	717.0	6	(b)	869.7			16.0	885.7
33	DMV	Disaster Planning & Control	11	(a)		200.0				200.0	7	(a)	220.0				220.0
34	DMV	Disaster, Planning & Control	11	(b)						17.2	New	(b)	17.2				17.2

Senate Bill 83/House Bill 113
FY 97 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)

	DEPT.	BRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)						Governor's Request					Total Funds		
					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Gov's Sec #	Federal	GF	GF/ Prgm	GF/ Match		Other	
35	DMV	Disaster, Planning & Control	Appropriate from the Disaster Relief Fund p'ment of premium p'ments for flood - with a lapse date extension of June 30, 1998.	11	(c)					17.2	17.2							
36	DOA	Admin Services	Misc claims, stale date warrants (revised from \$27.3)	12							33.4	8			33.4		33.4	
37	DOC	Admin Services	Misc claims, stale date warrants (revised from \$8.3)	12							9.3	8			9.3		9.3	
38	DFG	Admin Services	Misc claims, stale date warrants	12							1.3	New			1.3		1.3	
39	HSS	Admin Services	Misc claims, stale date warrants	12							22.2	8			22.2		22.2	
40	LAW	Admin Services	Misc claims, stale date warrants	12							0.6	New			0.6		0.6	
41	DPS	Admin Services	Misc claims, stale date warrants	12							4.3	8			4.3		4.3	
42	DOT	Admin Services	Misc claims, stale date warrants	12							0.9	8			0.9		0.9	
43	DNR	Fire Suppression	Funding for fixed costs and fire suppression activities from January - June 1997.	13	(a)						3,788.3	9	(a)		3,788.3		3,788.3	
44	DNR	Resource Dev/Land Development	Refunds owed by the veterans' land discount program (AS 38 05.940)	13	(b)						280.0	9	(b)		300.0		300.0	
45	DNR	Resource Dev/Land Development	Costs of administering the refunds owed by the veterans' land discount program	13	(c)						20.0							
46	DNR	Resource Dev/Land Development	Removal of existing buildings and other associated facilities at the Old Eagle School site	13	(d)						100.0	9	(c)		100.0		100.0	
47	DNR	Natural Resources	Capital project - Purchase of Roberts parcel - \$698.0, Overlook Park parcel - \$279.0, with EVOSS	13	(c)												977.0	977.0
48	DOR	Alaska Mental Health Trust Authority	Capital project - Activities to plan for a new Alaska Psychiatric Institute - with a lapse date extension to June 30, 1998. MITAAR is the funding source	13	(f)												150.0	150.0

Senate Bill 83/House Bill 113
FY 97 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)

	DEPT.	BRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)						Gov's Sec #	Governor's Request					Total Funds
					Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other	
49	DPS	Village Public Safety Officer/Contracts	Section 30, ch. 117, SLA 96, pg 43, ln 32 and allocated on line 34 (VPSO, Contracts \$4,965.5 GF). Extend lapse to June 30, 1998	14	(a)						10						
50	DPS	Council on Domestic Violence and Sexual Assault	RPL 12-7-0124 Implement federal Domestic Violence Prevention & Victim Protection Act of 1996	14	(b)	205.5				205.5	New	205.5				205.5	
51	DOA	Various	Ratify overexpenditures: \$47.8	15							11						
52	DOL	Various	Ratify overexpenditures: \$25.2	15							11						
53	HSS	Various	Ratify overexpenditures: \$259.4	15							11						
54	DNR	Various	Ratify overexpenditures: \$458.3	15							11						
55	DMV	Various	Ratify overexpenditures: \$41.9	15							New						
56	DOR	Treasury Management	Investment management fees for the CBRF	16	(a)		25.0			25.0	12	(a)	31.0			31.0	
57	DOR	Permanent Fund Dividend	Payment of permanent fund dividends. House includes extended lapse date to June 30, 1998. Withdrawn by Governor.	16	(b)						12	(c)					
58	DOT	Alaska Marine Highway Stabilization Fund	Increased fuel costs	17	(a)		130.0			130.0	13		391.4			391.4	
59	DOT	Office of the Commissioner	Capital project - to implement the Copper River consent decree.	17	(b)		444.5			444.5	New		444.5			444.5	
60	CTS	Trial Courts	State welfare reform legislation (revised from \$44.5 initial projection)	18	(a)		32.2			32.2	14		32.2			32.2	
61	CTS	Commission on Judicial Conduct	Increased operating costs and mandatory salary increases	18	(b)		30.4			30.4			23.0			23.0	
62	LAW	Civil Division/ Medicaid Provider Fraud	Add GF/Match, delete GF/Program receipts for Medicaid Provider Fraud (revised)	19			(10.0)	10.0			New		(10.0)	10.0			

**Senate Bill 83/House Bill 113
FY 97 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)**

DEPT.	LRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)						Governor's Request					Total Funds		
				Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds	Gov's Sec #	Federal	GF	GF/ Prgm	GF/ Match		Other	
63	DOC	Office of the Commissioner									2		2,300.0				2,300.0
64	HSS	Family and Youth Services/ Central Office									4	(b)	1,247.4				1,247.4
65	HSS	Community Health/EMS Services									4	(c)	200.0				200.0
66	LAW	Civil									6	(c)	485.0				485.0
67	LAW	CSSB 74 (Fin) Am H contains \$1.0 million for this purpose									6	(c)	(485.0)				(485.0)
68	DOR	Treasury Management									12	(b)					
69	HSS	Institutions & Admin									New		200.0				200.0
70	CED	Measurement Standards									New		4.3				4.3
71	DPS	Training Academy									3/11/97					2,104.4	2,104.4

Senate Bill 83/House Bill 113
FY 97 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)

DEPT.	BRU/ COMPONENT	DESCRIPTION	Hse Sec #	CS for House Bill 113(Fin)						Gov's Sec #	Governor's Request					Total Funds
				Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other	
72	DPS	Training Academy														
73		Capital project - Training academy. Repeal/reapprop. Statewide Deferred Building. Sec 10, ch. 4, FSSLA 94, pg 12, ln 24 \$60.0 GF														
74				<u>34,364.8</u>	<u>12,055.3</u>	<u>59.2</u>	<u>10.0</u>	<u>12,970.0</u>	<u>59,459.3</u>		<u>34,364.8</u>	<u>17,808.8</u>	<u>263.5</u>	<u>10.0</u>	<u>14,597.4</u>	<u>67,044.5</u>
75	AGENCY SUMMARY			Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds		Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
76	DOA	Administration			949.3			309.8	1,259.1			1,956.7				1,956.7
77	CED	Commerce and Economic Development		18,000.0	60.0			10,000.0	28,060.0		18,000.0	60.0	4.3		10,000.0	28,064.3
78	CRA	Community and Regional Affairs		50.0	1,500.0			1,500.0	3,050.0		50.0	1,500.0			1,500.0	3,050.0
79	DOC	Corrections			641.3				641.3			2,941.3				2,941.3
80	DOE	Education		5,580.0		52.0			5,632.0		5,580.0		52.0			5,632.0
81	DFG	Fish and Game		430.0	116.3				546.3		430.0	1.3				431.3
82	HSS	Health and Social Services		10,099.3	2,396.2				12,495.5		10,099.3	3,843.6	200.0			14,142.9
83	LAW	Law			701.6	(10.0)	10.0	16.0	717.6			870.3	(10.0)	10.0	16.0	886.3
84	DMV	Military and Veterans Affairs			715.0	17.2		17.2	749.4			1,320.0	17.2			1,337.2
85	DNR	Natural Resources			4,308.3			977.0	5,285.3			4,388.3			977.0	5,365.3
86	DPS	Public Safety		205.5	4.3				209.8		205.5	4.3			2,104.4	2,314.2
87	DOR	Revenue			25.0			150.0	175.0			31.0				31.0
88	DOT	Transportation and Public Facilities			575.4				575.4			836.8				836.8
89	CTS	Courts			62.6				62.6			55.2				55.2
90		Total		<u>34,364.8</u>	<u>12,055.3</u>	<u>59.2</u>	<u>10.0</u>	<u>12,970.0</u>	<u>59,459.3</u>		<u>34,364.8</u>	<u>17,808.8</u>	<u>263.5</u>	<u>10.0</u>	<u>14,597.4</u>	<u>67,044.5</u>
91																
92	GF				12,055.3				12,055.3			17,808.8				17,808.8
93	GF/Program Receipts					59.2			59.2				263.5			263.5
94	GF Match						10.0		10.0					10.0		10.0
95	CSSB 74 (Fin) Am II (Venetic case - approved by the Governor).				1,000.0				1,000.0			1,000.0				1,000.0
96								GF Total	<u>13,124.5</u>						GF Total	<u>19,082.3</u>
97																

SENATOR BERT SHARP

FY 97 SUPPLEMENTAL APPROPRIATIONS RECOMMENDATIONS

As of March 25, 1997

New - Sen Sharp's Request

<u>Requested Add-ins</u>	
CIP - Fairbanks Armory Expansion (Gov's FY 98)	700.0
CIP - Geophysical Mapping (Gov's FY 98 + Portion of Gov FY 99)	650.0
CIP - Value Added Timber Sale - Interior (Gov's FY 98 + FY 99)	630.0
CIP - Value Added Timber Sale - Southeast (Gov's FY 98 + FY 99)	<u>150.0</u>
Total	<u><u>2,130.0</u></u>

#1

Project Title: FAIRBANKS ARMORY EXPANSION Location: FAIRBANKS
 Category: Administration of Justice Prog. Priority: Election District: 60
 Project Type: PLANNING/CONSTRUCTION Agy Priority: 2 AP/AL: AP Completion Date (mmyr): 12/99

FUNDING	FY98 Capital Request	Annual State Operating / Maintenance	FY98 New State PFT	CAPITAL REQUESTS					Total Req. FY97-FY02
				FY99	FY00	FY01	FY02	FY03	
1002 Federal Receipts									0.0
1003 General Fund Match	700.0	0.0	0	0.0	0.0	0.0	0.0	0.0	700.0
1004 General Fund									0.0
1005 GF Program Receipt									0.0
1037 GF/ Mental Health									0.0
									0.0
									0.0
TOTAL:	700.0	0.0	0	0.0	0.0	0.0	0.0	0.0	700.0

BRIEF PROJECT SUMMARY:
 FAIRBANKS ARMORY EXPANSION

DETAIL PROJECT DESCRIPTION AND JUSTIFICATION:	Does capital project:	Yes	No
<p>DESCRIPTION: This project will provide an expansion to the Fairbanks Armory. The expansion will include an approximately 15,093 square foot addition, alterations to the existing building of 13,312 square feet, and a partial replacement of the existing obsolete mechanical system.</p> <p>JUSTIFICATION: The Army Guard in Fairbanks currently has four units. They are Company B, 1st Battalion, 297th Infantry; Detachment 1, Company B, 297th Support Battalion; Detachment 1, Company A, 207th Aviation Regiment; and Detachment 4, HHC GP 297th Infantry. These units have an actual strength of 154. They were reorganized in FY95. The reorganization caused this facility to be severely overcrowded. The original structure was constructed in 1962. The existing armory was designed and constructed to support only one unit and about 60 people.</p>	1) Meet state constitutional or statutory responsibility?		X
	2) Address life, health or safety issue?	X	
	3) Reduce state operating costs?		X
	4) Leverage private sector or local funds?		X
	5) Create ongoing private sector jobs?		X
	6) Facilitate transfer of responsibility to local or private sector?		X

**CAPITAL PROJECTS
 DESCRIPTION**
 FORM CP1
 Revised 9/29/95

Page 1 of 2
 Revised Date:

FY 98 - FY03

AGENCY: MILITARY & VETERANS AFFAIRS

CONTINUATION OF FORM: FAIRBANKS ARMORY EXPANSION

DETAIL PROJECT DESCRIPTION AND JUSTIFICATION:

PROJECT JUSTIFICATION: (Continued)

The design is currently in progress through DOT&PF for this project. \$450,000 was appropriated in the FY-92 legislative session and the additional \$100,000 was appropriated in FY-94 to accomplish the design of this project. The design will be completed by August 1997 and will be ready for construction at that time, if construction funds are appropriated. In FFY97, \$4.995 million in federal funds for construction and construction management were appropriated. 82 percent of the project is being federally funded. State matching funds for the remaining 18 percent are required to complete the construction of the addition and alteration.

CAPITAL COSTS: Capital costs for this project are based on other recent Army National Guard projects of the same type. It is also based on the amount of space the National Guard Bureau normally supports for these types of units and facilities.

OPERATING COSTS: The additional operating costs of \$36,000 are calculated based on DMVA experience in the cost per square foot of operating similar facilities.

ALTERNATIVES CONSIDERED: The only alternative to the project is to do nothing. This will result in a loss of \$4,995 million in federal funds and leaves the existing operation to continue in an undersized facility and unable to adequately perform unit training or accomplish organizational goals.

**CAPITAL PROJECTS
DESCRIPTION**
FORM CP1
Revised 11/28/95

AGENCY MILITARY & VETERANS AFFAIRS

Page 2 of 2

Revised Date:

FY 98 - FY03

Project Title: Airborne Geophysical/Geological Mineral Inventory Location: Statewide
 Category: Development Prog. Priority: Election District: 99
 Project Type: Planning/Health & Safety Agy Priority: 5 AP/AL: AP Completion Date (mmyr): 12/31/99

FUNDING	FY98 Capital Request	Annual State Operating / Maintenance	FY98 New State PFT	CAPITAL REQUESTS					Total Req. FY98-FY03
				FY99	FY00	FY01	FY02	FY03	
1002 Federal Receipts									
1004 General Fund			0						
1005 GF Program Receipts									
1037 GF/ Mental Health									
1022 AIDEA Fund	400.0		0	800.0					1,200.0
1019 Reforestation									
1021 ARLF									
TOTAL:	400.0		0	800.0					1,200.0

BRIEF PROJECT SUMMARY: The Airborne Geophysical/Geological Mineral Inventory project is a special multi-year investment to expand the knowledge base of Alaska's mineral resources and catalyze private-sector mineral development. The project seeks to delineate mineral zones on Alaska state lands that: 1) have major economic value, 2) can be developed in the short term to provide high quality jobs for Alaska, and 3) will provide economic diversification to help offset the loss of Prudhoe Bay oil revenue. Started in 1992, the project was originally designed to systematically acquire geophysical, and where necessary, geological data for about 40 million acres of state-owned uplands having high perceived mineral potential. Funding restrictions have led to decreasing the annual scope of the project, but the purpose and goals have not changed.

DETAIL PROJECT DESCRIPTION AND JUSTIFICATION: Public release of the geophysical and geological data collected from these surveys has had a rapid and profoundly positive effect on private-sector exploration investments in the Nome, Circle, and Fairbanks areas. Millions of dollars of venture capital have been spent in the local economies of these districts in direct response to the new geologic knowledge provided by the surveys. This rate of investment will continue for years. We anticipate exploration activities in the Rampart, Manley, Tofty, Upper Chulitna, and Peteraville districts will accelerate as the recently-completed geophysical surveys and the geological data needed to interpret the new geophysical surveys for these areas becomes available.

Although mineral development is a high risk enterprise, there is a good probability that several of the prospects identified with the help of data generated by this project will become major mines and thus return the amount of the state's data generation investments a hundred fold. Clearly, the Airborne Geophysical/Geological Mineral Inventory Project has been successful in catalyzing private sector investment and job generation at a level that far surpasses the cost of conducting the surveys. A similar investment in geologic knowledge in 1982

Does capital project:	Yes	No
1) Meet state constitutional or statutory responsibility?	X	
2) Address life, health or safety issue?		X
3) Reduce state operating costs?		X
4) Leverage private sector or local funds?	X	
5) Create ongoing private sector jobs?	X	
6) Facilitate transfer of responsibility to local or private sector?	X	

--- Continued on following page ---

**CAPITAL PROJECTS
DESCRIPTION**
FORM CP1
Revised 10/14/96

Page 1 of 8
Revised Date:

FY98 - FY03

AGENCY: NATURAL RESOURCES

CONTINUATION FORM

PROJECT TITLE: Airborne Geophysical/Geological Mineral Inventory

contributed to the ultimate development of the Fort Knox gold mine that is currently adding several hundred million dollars of capital to the state's economic base.

Candidate lands for this project have been identified on the basis of existing geologic knowledge, land ownership, and responses to annual solicitations for nominations from Alaska's mineral industry and Native Regional Corporations. As of September 1996, field work has been completed for the following geophysical and geological surveys:

Location	Area	Products
Nome District western core area	494 sq. miles	Airborne geophysical mapping (including aeromagnetic, electromagnetic, and VLF mapping)/ground-truth geologic mapping
Nyac District core area	183 sq. miles	Airborne aeromagnetic mapping only
Circle District core area	338 sq. miles	Airborne geophysical mapping/ground-truth geologic mapping
Valdez Creek District	75 sq. miles	Airborne geophysical mapping
Fairbanks District	626 sq. miles	Airborne geophysical mapping/ground-truth geologic mapping
Richardson District	137 sq. miles	Airborne geophysical mapping/ground-truth geologic mapping (pending)
Rampart/Manley-	687 sq. miles	Airborne geophysical mapping/ground-truth geologic mapping (in progress)
Upper Chulitna District	364 sq. miles	Airborne geophysical mapping/ground-truth geologic mapping (pending FY98 and FY99)
Petersville-Collinsville District	415 sq. miles	Airborne geophysical mapping/ground-truth geologic mapping (pending FY99)

Three surveys (western Nome District, Nyac, and parts of the Rampart/Manley District) were conducted in cooperation with the Bering Straits Native Corporation, Sitnasuak Village Corporation, Calista Native Corporation and Doyon Native Corporation, respectively. As owners of large tracts of land intermingled with State lands, they contributed various combinations of services, private geoscience data files, and funding to support the surveys.

Numerous major mining companies have been active in the Nome, Circle, and Fairbanks areas following release of the geophysical surveys. Several million dollars were spent in exploration, and approximately 150 new claims were located on State lands in the Nome area. The renewed corporate interest in the Nome area continues to this day and additional geophysical and geological surveys would further increase the probability of establishing a major mine in the district. Likewise, the Circle district has received new attention from major mining companies. Immediately following the release of the Fairbanks district airborne geophysical maps, over 100 square miles of mineral claims were staked and subsequent exploration activity has been intense. Progress has been made in locating a second major lode gold deposit, and continued exploration involving a growing number of major mining companies proceeds unabated. Many of the immediate exploration expenditures are made locally, and if mineral production results, scores of additional high-quality jobs will be created for local residents.

The Geophysical/Geological Mineral Inventory CIP project is designed to coordinate the generation of airborne geophysical data with ground-based geologic surveys. The geophysical data are of limited effectiveness unless good geologic maps are available to permit analysis and interpretation of the geophysics. If existing geologic data are inadequate, the required geologic surveys are most effective when they follow generation of the final geophysical maps. Thus, unless good quality 1:63,360-scale geologic maps already exist, at least one additional year of ground-based field studies is needed to complete a project after an area has been surveyed with airborne geophysical sensors. Post-geophysical survey ground-truth mapping is now being conducted in the Rampart-Manley-Tofty districts tract flown in FY96 and FY97. Results of geological work done in the Summer of 1996 will be released in the Spring of 1997. Ground-truth geologic mapping in the Rampart-Manley-Tofty districts was planned

**CAPITAL PROJECTS
DESCRIPTION**
FORM CP1 - CONTINUATION
Revised 10/14/96

Page 2 of 8
Revised Date:

FY98 - FY03

CONTINUATION FORM

PROJECT TITLE: Airborne Geophysical/Geological Mineral Inventory

for completion in two field seasons. In FY97, however, additional geophysical survey tracts were added to the Rampart project. If these new tracts are also geologically surveyed, an additional year of ground-truth work will be needed to finish inventorying the combined survey tracts. A two-year ground-truth geological survey of the Upper Chulitna mineral district will start in July 1997 (FY98) and is scheduled for completion in FY99. Previously authorized CIP funds are designated to support these geological ground truth activities. Unless additional funds are appropriated to initiate airborne-geophysical/geological mineral surveys elsewhere, no new high mineral potential tracts will be geophysically surveyed in FY98.

For FY98, DGGS has identified three survey tracts: 1) Upper Goodpaster, interior Alaska; 2) Iron Creek, southcentral Alaska; and 3) northern Solomon district, Seward Peninsula, that have good potential for the discovery and near-term development of a major mineral deposit. Contingent upon funding available we will initiate an airborne-geophysical/geological ground-truth mineral survey on one or more of these three tracts. Cost of the surveys varies depending on each tract's size, location, and bid responses from geophysical services vendors, but in the past geophysical/geological surveys of single minimal but reasonably sized tracts has required about \$400.0 in CIP funds, augmented by Federal Receipts and General Funds.

WHY IS THE PROJECT NEEDED?

Geologic resources comprise a major part of Alaska's economic assets. The location and magnitude of these resources are largely unknown, yet that knowledge is the key to orderly development of the state and to the maintenance of a stable economy. Experienced mineral exploration managers have characterized Alaska's present state of mineral development as analogous to that of the entire group of states west of the Rocky Mountains in the late 1800s. At that time a few major ore bodies had been found and prospectors had located hundreds of prospects but none of the scores of subsequent world-class mines had been discovered. Alaska is like that. We, however, have the opportunity, capital, and technology to expedite some of those discoveries if we so choose.

Alaskans cannot manage or develop assets that are unknown and unquantified. The present lack of geologic knowledge is a formidable impediment to long-range planning for both industry and the state. The lack of knowledge discourages private-sector investment in Alaska, and instead favors capital allocation to other areas of the world where comprehensive assessments exist or are being actively generated. Major mining companies rely on government-supplied exploration scale (1:63,360) geological, geophysical, and geochemical maps to design and implement their programs. They expect at least this level of effort from any government that seriously desires a mineral industry. Alaska is in competition with every other country, state, and province for investment dollars. Many of those competitors' lands have far less potential than Alaska, are just as remote, have been more explored, or exist in a much less stable political climate than Alaska but they are more successful than Alaska in sustaining a robust mining industry because of their extensive geologic information base or because of the pace at which they are generating such a base of new information.

Applications of a thorough resource information base include:

1. Enhancing community and local government economies and revenue opportunities. Resource development in these areas can provide local sources of wages, tax revenue, and royalty income that are necessary for local infrastructure and essential services.
2. Stimulating private-sector exploration and competitive development of Alaska's mineral resources. The present lack of geologic resource knowledge is a formidable impediment to long range planning for both industry and the state. The lack of resource knowledge discourages private-sector investment in Alaska, and instead favors capital allocation to other areas of the world where comprehensive assessments exist.

**CAPITAL PROJECTS
DESCRIPTION**

FORM CP1 - CONTINUATION

Revised 10/14/96

Page 3 of 8

Revised Date:

FY98 - FY03

AGENCY: NATURAL RESOURCES

CONTINUATION FORM**PROJECT TITLE:** Airborne Geophysical/Geological Mineral Inventory**ALTERNATIVE FINANCING CONSIDERED**

1. Financing the project through voluntary consortia of private-sector firms. Rejected because of inherent conflict-of-interest concerns between the state, contributing firms, non-contributing firms, and the public at large; the timeliness of executing such a financing approach; and the lack of continuity inherent in such a funding mechanism.
2. Funding the project through the operating budget was considered and rejected because of the significant increase to the base budget.

SUPPORT TO THE OPERATING BUDGET

This project complements the DGGs operating/policy budget. Most of the core geological activities, contract management, and support functions are carried out by existing staff and are partially funded by the base operating budget. Geophysical investigations will be done mainly through private-sector contracts funded by this CIP project.

DESCRIPTION OF WORK TO BE DONE

Contingent upon funding, in FY98 DGGs proposes to conduct airborne geophysical surveys in one or more areas in southcentral Alaska, interior Alaska, northwestern Alaska, or southwestern Alaska. During the course of the airborne-geophysical/geological mineral inventory project, 48 candidate areas have been nominated by Alaskans for mineral surveys. To date the highest mineral potential tracts within nine of these nominated mining districts have been subjected to airborne geophysical surveys.

Following is a more detailed description of the work being proposed for FY98.

Area 1: Iron Creek, Talkeetna Mountains

Although there is no historic mineral production from this region, the area includes the recently discovered Toklat massive sulfide deposit as well as other extensive iron oxide anomalies that may be indicative of economically viable mineralization. There are also known occurrences of copper, gold, and silver of unknown significance. The area has a potential for harboring mineable massive sulfide base metal deposits in upper Paleozoic volcanic rocks as well as gold stockwork veins within younger intrusive and volcanic rocks. Lateral extensions of Jurassic (144-208 million year old) volcanic-arc rocks that host the Johnson River gold deposit southwest of the proposed survey tract may occur in the area. A combined airborne-geophysical survey and ground-truth geological mapping would be effective in catalyzing more detailed exploration in this region. Located 35 miles east of the Parks Highway and 60 miles north of Wasilla, if new mineral exploration and mine development were successful, the Wasilla-Palmer area would experience a significant expansion of long-term employment opportunities for the local residents.

Products resulting from these surveys would include:

1. 1:63,360-scale aeromagnetic and airborne-electromagnetic maps
2. 1:63,360-scale bedrock and surficial geologic maps

**CAPITAL PROJECTS
DESCRIPTION**
FORM CP1 - CONTINUATION
Revised 10/14/96

Page 5 of 8

Revised Date:

FY98 - FY03

AGENCY: NATURAL RESOURCES

CONTINUATION FORM**PROJECT TITLE:** Airborne Geophysical/Geological Mineral Inventory

3. 1:63,360-scale mineral occurrence maps
4. 1:63,360-scale land status map
5. Various other geological, geochemical, and geophysical data compilations

Area 2: Upper Goodpaster, Yukon-Tanana Uplands

Located 38 miles northeast of Delta Junction, the Goodpaster district has produced only modest amounts of gold—about 2350 ounces. However, recent mineral industry exploration has indicated a new and potentially important gold-polymetallic mineralized trend in part of the historical district. Proposed as a geophysical survey tract it is entirely within the upper Goodpaster River valley, a northern tributary of the Tanana River that drains the southern Yukon-Tanana uplands. More than 95 percent of the lands in question are owned and managed by the state of Alaska.

The tract is underlain by regionally metamorphosed rocks of the Yukon-Tanana terrane, a large group of rocks exposed in east-central Alaska and central Yukon, Canada, and by younger intrusive and volcanic rocks. The intrusive rocks are the same age and have chemical compositions very similar to the intrusive rock that hosts the Fort Knox gold deposit in the Fairbanks district. Recently discovered gold-bismuth-arsenic-antimony mineralization is also similar to many mineralized prospects that surround the Fort Knox ore deposit. These similarities to a relatively nearby world-class mining district suggest a good probability of locating a major mineral deposit in the Goodpaster tract. The district's proximity to Delta Junction means that mineral development in the proposed survey area, if successful, would offer scores of employment opportunities to the local residents.

Products resulting from these surveys would include:

1. 1:63,360-scale aeromagnetic and airborne-electromagnetic maps
2. 1:63,360-scale bedrock and surficial geologic maps
3. 1:63,360-scale mineral occurrence maps
4. 1:63,360-scale land status map
5. Various other geological, geochemical, and geophysical data compilations

Area 3: Northern Solomon District, Seward Peninsula

In 1993, DGGs conducted airborne-geophysical and ground-truth geological mineral surveys in the western half of the Nome mining district. The entire eastern half of the district also has high mineral potential but has not been geophysically or geologically inventoried. Our long-term objective is to acquire airborne geophysical and ground-truth geological data for the entire eastern Nome mining district. Because funding is often limited, however, we have subdivided the eastern Nome district into four potential survey tracts: northern Solomon, southern Solomon, Bluff, and Council. Contingent on available funding, we propose to geophysically survey the northern Solomon district in FY98 and commence ground-truth geological mapping of that tract in FY99.

The eastern Nome district encompasses the smaller Solomon, Bluff, and Council districts which have collectively produced 5,921,000 ounces of gold (18 percent of total historical Alaskan output) from 1898-1995. The region is drained by Iron Creek, tributary to the Pilgrim and Kuzitrin Rivers. The proposed tract contains a mixture of Native, state, and federal lands. The eastern Nome district is underlain by metamorphic rocks of the Nome Group which have been subdivided by DGGs and industry

CAPITAL PROJECTS**DESCRIPTION**

FORM CP1 - CONTINUATION

Revised 10/14/96

Page 6 of 8

Revised Date:

FY98 - FY03

AGENCY: NATURAL RESOURCES

CONTINUATION FORM**PROJECT TITLE:** Airborne Geophysical/Geological Mineral Inventory

geologists during recent past geological and mineral surveys in the western Nome district. The Nome Group rocks contain several important mineral deposit types including low-sulfide gold quartz veins and zinc-silver-lead-gold massive sulfide deposits. Heavy mineral gold placer deposits have accounted for nearly all the past gold production. A combined airborne geophysical and geological ground-truth survey will allow industry to conduct more efficient detailed mineral exploration in the Nome area. If successful in catalyzing the development of a major year-round mining operation, the Alaska citizens living on the Seward Peninsula will have a significantly expanded opportunity for local employment.

Products resulting from these surveys would include:

1. 1:63,360-scale aeromagnetic and airborne-electromagnetic maps
2. 1:63,360-scale bedrock and surficial geologic maps
3. 1:63,360-scale mineral occurrence maps
4. 1:63,360-scale land status map
5. Various other geological, geochemical, and geophysical data compilations

Area 4: Iditarod mining district, southwestern Alaska

Located in southwestern Alaska and accessible via the Kuskokwim River, the Iditarod-Flat (Flat) and Iditarod-Donlin (Donlin) districts have produced approximately 1,490,000 ounces of gold worth \$558 million, about 46 percent of all the gold mined from the greater Kuskokwim Mineral Belt, of which the Iditarod district is a part. Both the Flat and Donlin districts contain unique types of mineralization. Acquiring airborne-geophysical signatures for the type of mineralization found in both districts, along with geophysical data for the greater Kuskokwim Mineral Belt as a whole would be a significant aid in advancing successful mineral exploration and development in this part of rural Alaska.

The principal mineral deposits consist of: 1) copper-gold stockwork in 70 million year old intrusive rocks (Flat area); 2) complex gold-polymetallic deposits associated with dike swarms of quartz-rich igneous rocks (Donlin area); and 3) heavy-mineral placer deposits (both Flat and Donlin areas). Obtaining geophysical signatures for both lode deposit types in the Flat and Donlin districts as part of an airborne-geophysical/geological ground-truth survey of the entire Iditarod mining district would assist in identifying and delineating other as yet unrecognized mineral deposits in southwestern Alaska.

Products resulting from these surveys would include:

1. 1:63,360-scale aeromagnetic and airborne-electromagnetic maps
2. 1:63,360-scale mineral occurrence maps
3. 1:63,360-scale land status map
4. Various other geological, geochemical, and geophysical data compilations

CAPITAL PROJECTS**DESCRIPTION**

FORM CP1 - CONTINUATION

Revised 10/14/96

Page 7 of 8

Revised Date:

FY98 - FY03AGENCY: NATURAL RESOURCES

CONTINUATION FORM**PROJECT TITLE:** Airborne Geophysical/Geological Mineral Inventory**SPECIFIC PURCHASES BY LINE ITEM**

	Line Item	FY98
Salary: Existing DGGS staff to accomplish ground geological work and contract monitoring	100	50.0
Travel (mainly logistical field travel)	200	2.0
Geophysical contract, geochemical analyses, helicopter access	300	338.0
Commodities and GIS, office, and field supplies	400	10.0
Equipment	500	0.0
	Total	400.0

ECONOMIC DEVELOPMENT

A primary objective of this project is the stimulation of the state's mineral-based economy by delineating the location of mineral zones within the state's most prospective mineral districts. This information will encourage the investment of millions of dollars in private mineral exploration funds in the short term and lead to long-term job and revenue creation as discovered mineral deposits are brought into production.

PROJECT STAGING

This project is staged over the period 1997-1999.

CAPITAL PROJECTS**DESCRIPTION**

FORM CP1 - CONTINUATION

Revised 10/14/96

Page 8 of 8

Revised Date:

FY98 - FY03AGENCY: NATURAL RESOURCES

#3

Project Title: Value Added Timber Sales - Interior Location: Tok, Delta, Kantishna
 Category: Development Prog. Priority: Election District: 36
 Project Type: Planning and Sales Agy Priority: 15 AP/AL: AP Completion Date (mmyr): 12/00

FUNDING	FY98 Capital Request	Annual State Operating / Maintenance	FY98 New State PFT	CAPITAL REQUESTS					Total Req. FY98-FY03
				FY99	FY00	FY01	FY02	FY03	
1002 Federal Receipts									0.0
1004 General Fund	230.0			400.0					630.0
1005 GF Program Receipts									0.0
1037 GF/ Mental Health									0.0
1052 Response Fund									0.0
1019 Reforestation									0.0
1021 ARLF									0.0
TOTAL:	230.0	0.0	0	400.0	0.0	0.0	0.0	0.0	630.0

BRIEF PROJECT SUMMARY:
 Provide timber for value-added processing operation at Tok, Delta and Kantishna.

DETAIL PROJECT DESCRIPTION AND JUSTIFICATION: <u>Why is the Project Needed:</u>	Does capital project:	
	Yes	No
<p>The 1996 legislature passed a value-added timber sale bill incorporated into statute as 38.05.123. To meet the intent of this legislation, funding is required to prepare and administer a timber sale. Several requests have been received varying from 5 MMBF to 100 MMBF. This CIP is based on a specific request for 21 MMBF by Young's Timber, Inc. but could be utilized to satisfy other operators.</p> <p>The requesting company proposes to expand their business volume as well as their product line consistent with the requirements of 38.05.123. The company is currently harvesting on private and state-owned land and has indicated they intend to continue this mix of suppliers. The need for the longer term negotiated sale is to allow equipment upgrades necessary to expand their value-added product line.</p>	1) Meet state constitutional or statutory responsibility	X
	2) Address life, health or safety issue?	X
	3) Reduce state operating costs?	X
	4) Leverage private sector or local funds?	X
	5) Create ongoing private sector jobs?	X
	6) Facilitate transfer of responsibility to local or private sector?	X

CAPITAL PROJECTS DESCRIPTION
 FORM CP1
 Revised 9/29/95

Page 1 of 3
 Revised Date:

FY 98 - FY03

CONTINUATION FORM

PROJECT TITLE: Value Added Timber Sales - Interior

The Tok Area Office proposes to provide the above timber volume as two separate sales from state-owned lands in the vicinity of Tok and Dot Lake. The specific design of sale units will vary based on site conditions. This includes unit sizes as well as harvest intensity. Reforestation will be a contractual responsibility of the purchaser. The proposed sale would quadruple the annual volume currently sold in the Tok area.

Goals:

Provide additional full time and seasonal employment opportunities by expanding both harvesting and value-added processing of our timber resources.

Increase the capabilities of existing operators to manufacture value-added products by providing sufficient raw material volumes to justify equipment diversification and upgrade.

Increase the diversity of forest age classes to provide young stands required by some species such as moose, for browse.

Increase the diversity of forest age classes to provide young stands that are generally more resistant to insects and disease due to vigor.

Project Support and Opposition:

The public has been generally supportive of increased timber harvesting and processing in the Tok Area. Opposition has been concerned about access development and its impact. DNR provides for meaningful public participation throughout the timber sale process.

The Department of Fish and Game is generally supportive of increasing the acreage of younger stands of vegetation. A close working relationship during sale location and design can reduce concerns about sensitive areas used by both fish and terrestrial species.

This proposal will draw some opposition from individuals and groups concerned about increased timber harvest since it will expand operations on state-owned lands.

DNR provides for meaningful public participation throughout the timber sale process. The DOF prepares a Five Year Schedule of Timber Sales (FYSTS) for each Area every year. The schedule provides an overview of state proposals for timber harvest, reforestation, and transportation. A Forest Land Use Plan (FLUP) is prepared for each sale over 10 acres. Schedules and plans are subject to review by agencies and the public.

The two proposed sales for the requested 21 MMBF are included in the current draft FYSTS with the indication that additional funding is required. If sales are in other Areas, they will be in accordance with an approved FYSTS.

CAPITAL PROJECTS

DESCRIPTION

FORM CP1 - CONTINUATION

Revised 9/29/95

Page 2 of 3

Revised Date:

FY 98 - FY03

AGENCY: NATURAL RESOURCES

CONTINUATION FORM

PROJECT TITLE: Value Added Timber Sales - Interior

Public Benefits:

Increased access for both summer and winter recreation activities.
At least 13 new year-around jobs are estimated, plus additional seasonal jobs.

Projected Revenues for the State:

21 MMBF at an estimated \$40.00/MBF is a gross amount of \$840,000. Estimated cost of \$630,000 would yield a potential net of \$210,000 to the general fund. The estimated purchase price could be much lower depending on the species and products concerned.

Consequences if not Funded:

Limited sale of timber resources will continue at a level below that required to allow expansion of facilities and equipment necessary to increase value-added processing.

Specific Description of what will be Purchased:

The FY98 CIP funds are planned to pay for design, layout, review, and administration of a timber sale of approximately 6 MMBF. Administration will include contract oversight for harvesting, road construction, and maintenance, as well as reforestation. These activities are required of the sale operator under the contract.

Economic Development:

There should be a minimum of 13 year-around jobs directly attributable to harvesting, manufacturing, and transportation. The establishment of these new year-around jobs, in an area that is generally dependent on seasonal employment, is highly significant. The number of jobs may vary for other operations.

Cost Benefit Analysis:

Direct revenue to the general fund is expected to be approximately \$840,000 for a net income of \$210,000. Some road construction and reforestation that improves stocking levels will benefit the state in future harvest cycles. This is estimated based on the specific request and may vary for other operations.

Line Item Description:

200 \$ 10.0 Travel for sale preparation and administration of contractual requirements including harvesting, construction, restoration, and reforestation.
300 \$220.0 Funding for contracting, personnel, and vehicle costs to plan, layout, and administer the harvest of 6 MMBF. This includes required field work as well as public and agency review.

This is funded in two phases. Phase I requested in FY98 will cover the first 6 MMBF. Phase II proposed in FY99 will cover the remaining 1 MMBF requested. Both phases are required to provide the total sale volume requested.

**CAPITAL PROJECTS
DESCRIPTION
FORM CP1 - CONTINUATION
Revised 9/29/95**

Page 3 of 3

Revised Date:

1998 - FY03

AGENCY: NATURAL RESOURCES

#5

Project Title: Value Added Timber Sales-Southeast Location: Southeast
 Category: Development Prog. Priority: Election District: 91
 Project Type: Planning and Sales Agy Priority: 16 AP/AL: AP Completion Date (mmyr): 12/00

FUNDING	FY98 Capital Request	Annual State Operating / Maintenance	FY98 New State PFT	CAPITAL REQUESTS					Total Req. FY98-FY03
				FY99	FY00	FY01	FY02	FY03	
1002 Federal Receipts									0.0
1004 General Fund									0.0
1005 GF Program Receipts									0.0
1037 GF/ Mental Health									0.0
1022 AIDEA Fund	75.0			75.0					150.0
1019 Reforestation									0.0
1021 ARLF									0.0
TOTAL:	75.0	0.0	0	75.0	0.0	0.0	0.0	0.0	150.0

BRIEF PROJECT SUMMARY:
 Provide timber for value-added processing operation at Wrangell and Ketchikan.

DETAIL PROJECT DESCRIPTION AND JUSTIFICATION:	Does capital project:	
	Yes	No
Why is the Project Needed: The 1996 legislature passed a value-added timber sale bill incorporated into Statute AS 38.05.123. To meet the intent of this legislation, funding is required to prepare and administer timber sales. This CIP is based on requests for 5-10 MMBF in Wrangell, and 2-4 MMBF in Ketchikan. The request proposes to expand volume as well as product line consistent with the requirements of 38.05.123. The need for the longer term negotiated sale is to allow equipment upgrades necessary to expand their value-added product line.	X	
1) Meet state constitutional or statutory responsibility		
2) Address life, health or safety issue?		X
3) Reduce state operating costs?		X
4) Leverage private sector or local funds?		X
5) Create ongoing private sector jobs?	X	
6) Facilitate transfer of responsibility to local or private sector?	X	

**CAPITAL PROJECTS
 DESCRIPTION**
 FORM CP1
 Revised 9/29/95

Page 1 of 3
 Revised Date:

FY 98 - FY03

CONTINUATION FORM

PROJECT TITLE: Value Added Timber Sales-Southeast

The Coastal Regional Office proposes to provide the above timber volume as separate sales from state-owned lands in the vicinity of Wrangell and Ketchikan. The specific design of sale units will vary based on site conditions. This includes unit sizes as well as harvest intensity. Reforestation will be a contractual responsibility of the purchaser.

Goals:

Provide additional full time and seasonal employment opportunities by expanding both harvesting and value-added processing of our timber resources.

Increase the capabilities of existing operators to manufacture value-added products by providing sufficient raw material volumes to justify equipment diversification and upgrade.

Increase the diversity of forest age classes to include young, vigorous stands.

Increase the diversity of forest age classes to provide young stands that are generally more resistant to insects and disease due to vigor.

Project Support and Opposition:

The public has been generally supportive of increased timber harvesting and processing in the Wrangell Area. Opposition has been concerned about access development and its impact. DNR provides for meaningful public participation throughout the timber sale process.

The Department of Fish and Game is generally supportive. A close working relationship during sale location and design can reduce concerns about sensitive areas used by both fish and terrestrial species.

This proposal will draw some opposition from individuals and groups concerned about increased timber harvest since it will expand operations on state-owned lands and extend road access on Wrangell Island.

DNR provides for meaningful public participation throughout the timber sale process. The DOF prepares a Five Year Schedule of Timber Sales (FYSTS) for each Area every year. The schedule provides an overview of state proposals for timber harvest, reforestation, and transportation. A Forest Land Use Plan (FLUP) is prepared for each sale over 10 acres. Schedules and plans are subject to review by agencies and the public.

CAPITAL PROJECTS

DESCRIPTION

FORM CP1 - CONTINUATION

Revised 9/29/95

Page 2 of 3

Revised Date:

FY 98 - FY03

AGENCY: NATURAL RESOURCES

CONTINUATION FORM

PROJECT TITLE: Value Added Timber Sales-Southeast

Public Benefits:

Increased access for both summer and winter recreation activities.
At least 13 new year-around jobs are estimated, plus additional seasonal jobs.

Projected Revenues for the State:

10-14 MMBF at an estimated \$40.00/thousand BF is a gross revenue of \$40.0/MMBF. Estimated cost of \$20.0/thousand BF, the sale would yield a potential net of \$200.0 - \$300.0 to the general fund. The estimated purchase price could be much lower depending on the species and products concerned.

Consequences if not Funded:

Limited sale of timber resources will continue at a level below that required to allow expansion of facilities and equipment necessary to increase value-added processing.

Specific Description of what will be Purchased:

The FY98 CIP funds are planned to pay for design, layout, review, and administration of a timber sale of approximately 5-7 MMBF. Administration will include contract oversight for harvesting, road construction, and maintenance, as well as reforestation. These activities are required of the sale operator under the contract.

Economic Development:

There should be a minimum of 10-15 year-around jobs directly attributable to harvesting, manufacturing, and transportation. The establishment of these new year around jobs, in an area that is generally dependent on seasonal employment, is highly significant.

Cost Benefit Analysis:

Direct revenue to the general fund is expected to be approximately \$200.0 for a net income of \$50.0. Some road construction and reforestation that improves stocking levels will benefit the state in future harvest cycles. This is estimated based on the specific request and may vary for other operations.

Line Item Description:

200 \$37.5 Travel for sale preparation and administration of contractual requirements including harvesting, construction, restoration, and reforestation.

300 \$37.5 Funding for personnel and travel costs to plan, lay out, and administer the harvest of 5-10 MMBF in Wrangell and 2-4 MMBF in Ketchikan. This includes required field work as well as public and agency review.

FY98 will cover the first 5-7 MMBF. FY99 will cover the remaining 5-7 MMBF requested. Two years are required to provide the total sale volume requested.

**CAPITAL PROJECTS
DESCRIPTION
FORM CP1 - CONTINUATION
Revised 9/29/95**

Page 3 of 3

Revised Date:

FY98 - FY03

AGENCY: NATURAL RESOURCES

AMENDMENT

Offered in the Senate Finance Committee
To: Senate Bill 83 - Supplemental

By: Senator Donley

Department of Corrections
Administration and Support
Administrative Services

INSERT:

Purpose:

General Funds:

Statewide Automated Victim Notification Service

\$250,000

ALASKA STATE LEGISLATURE

Senate Health, Education and
Social Services Committee

Senate Judiciary Committee

Department of Health and Social
Services Budget Subcommittee

Department of Law
Budget Subcommittee



While in Session
State Capitol, Rm. 9
Juneau, Alaska 99801
(907) 465-3704
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While in Anchorage:
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Anchorage, Alaska 99501
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SENATOR JOHNNY ELLIS

March 22, 1997

Senator Dave Donley
Room 508
State Capitol
Juneau, Alaska 99801-1182

WHAT IS V.I.N.E. AND WHAT DOES IT MEAN TO ALASKA?

Dear Senator Donley;

Thank you for your interest in Senate Bills 25 and 26, legislation authorizing and funding an automated victim notification system called Victim Information and Notification Everyday (V.I.N.E.). Implementing V.I.N.E. will increase state compliance with the Victims' Bill of Rights, overwhelmingly passed by the people of Alaska in 1994.

WHAT IS V.I.N.E.?

In order to keep crime victims informed of inmate activity, a state-of-the-art computer system called Victim Information and Notification Everyday (V.I.N.E.) was developed. V.I.N.E. provides two important services which enhance the vital link of communication between the justice system and victims of crime.

- First, the system provides automatic notification calls to crime victims when an inmate's status changes. If an inmate is released, transferred, posts bail or escapes, V.I.N.E. places automated telephone calls to all registered victims within 10 minutes of a change in the offender's status. V.I.N.E. continues to call the victims for 24 hours or until a successful notification is verified by the victim.
- Second, V.I.N.E. provides critical inmate information 24 hours a day, 7 days a week through the automated telephone system. V.I.N.E. allows for a confidential exchange of information. Victims may access information on a prisoner through the use of a personal identification number, and they may easily enter new contact numbers.

HOW DOES IT WORK?

- At the crime scene, a police officer provides the victim with information about how to register with the system and obtain instant information about the perpetrator.
- The victim contacts V.I.N.E. and registers at no cost, creating a personal identification number that, when entered into the system, qualifies her or him to be notified about inmate release or status.

- When the status of the perpetrator changes, the registered victim is called promptly, and until contact is validated.

WHY DOES ALASKA NEED V.I.N.E.?

Proper and timely notification to victims about the release or escape of their attackers is a serious problem, both nationally and in Alaska. In November 1996, Alaska's prisons and pre-trial facilities housed 2,990 inmates, 49% of whom are considered violent. Each day, over 600 concerned Alaskans call our state institutions seeking information on inmates.

V.I.N.E. will provide state compliance with the Victims' Bill of Rights provision for victim notification. In addition, the burden placed on corrections staff charged with the responsibility of notifying the often transient crime victims is significantly reduced.

HOW MUCH WILL IT COST?

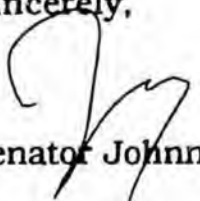
In order to implement V.I.N.E., the current corrections information system, OBSCIS, is interfaced with the V.I.N.E. national call center in Louisville, Kentucky through a local server. The estimated total cost for bringing V.I.N.E. on-line in Alaska is \$250,000 for fiscal years 1997 and 1998. This sum includes a one-time charge to interface data systems, monthly operational fees, system monitoring and staff training for the state's prison facilities, halfway houses and District Attorney offices.

WHO SUPPORTS IT?

Early in the preparation of the legislation, the Alaska Peace Officers Association and victims rights groups announced their support of V.I.N.E. technology. In Anchorage, Victims for Justice, Standing Together Against Rape (STAR), the Alaska Women's Resource Center (AWRC) and AWAIC endorsed the legislation.

Thank you for your attention to this matter. For victims of domestic violence and sexual assault, the successful passage of this legislation may mean the difference between life and death.

Sincerely,


Senator Johnny Ellis

Senate Finance Committee Amendment

To: SB 83

By: Senator Pearce

Include the following language:

Sec. ___ DEPARTMENT OF NATURAL RESOURCES. The sum of \$432,525 is appropriated from the Public School Fund (AS 37.14.110) to the Department of Natural Resources for an appraisal of Public School Lands to determine the fair market value of the school trust land at the time the land was redesignated as general grant land in 1978. To be completed by December 31, 1997.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
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legaudit@legis.state.ak.us

MEMORANDUM

TO: Krag Johnson, Legislative Assistant
to Senator Pearce

FROM: Randy S. Welker *Randy*
Legislative Auditor

DATE: February 26, 1997

RE: Public School Fund

You have asked for a financial analysis of the balance in the Public School Fund (PSF). This memorandum and the accompanying schedule is intended to provide that financial analysis. We have also included other various memorandum that address pertinent issues involving the financial condition and potential uses of this fund.

First a little history of the fund. The school land trust began with reservation of federal land "for the support of common schools." The school land trust was created when Alaska became a State in 1959. The Alaska Legislature made major changes to the school trust land in Ch. 182, SLA 1978. Sec. 2 of that act redesignated all school trust land as general grant land which removed it from the trust. In Sec. 4 the commission of the Department of Revenue was directed to deposit one half of one percent derived from the management of state land, including amounts paid to the state as proceeds of sale or annual rent of surface rights, mineral lease rentals, royalties, royalty sale proceeds, and federal mineral revenue-sharing payments or bonuses into the Public School Fund.

The current Public School Fund is comprised of a principal portion and an income portion. The revenue sources for the principal portion come from; 1) one half of one percent of state land revenues, and 2) capital gains and losses realized on the principal. The principal portion is intended to provide a pool of financial assets from which interest and investment income can be produced to provide financial support for educational programs. The principal portion had a balance at the end of FY 96 of \$ 139 million of which just over \$111 million comes from state land revenues.

The income portion of the fund is used to track the interest and investment income (excluding any capital gains or losses) and the distribution of these earnings to the Department of Education (DOE) for education programs and to the Department of Revenue (DOR) to pay for investment expenses. The balance of the income portion of the PSF at the end of FY 96 is over \$13 million.

The following table summarized the additions and reductions in the Public School Fund from FY 89 through FY 96. The information is segregated into the principal and income portions.

	Principal Portion	Income Portion
<u>Balance July 1, 1988</u>	<u>\$ 74,705,000</u>	<u>\$ 11,431,000</u>
<i>Additions</i>		
Land Revenues	45,523,000	
Capital Gains/Losses	18,732,000	
Interest & Investment Income		61,950,000
<i>Deductions</i>		
DOE Education Programs		(59,333,000)
DOR Operating Expenses		(1,011,000)
<u>Balance June 30, 1996</u>	<u>\$ 138,960,000</u>	<u>\$ 13,037,000</u>

The accompanying schedule identifies by fiscal year the additions to the principal portion of the fund through land revenues and capital gains and losses, and the interest and investment income that accrues to the income portion of the fund. Additionally, the amounts spent by DOE on education programs and by DOR for investment expenses from the income portion of the fund have also been identified.

If you or the Senator would like to discuss the Public School Fund further, please feel free to call at any time.

Attachments

8 Year Analysis of Public School Fund
Additions and Deductions

	Principal Portion	Income Portion
Balance July 1, 1988	\$ 74,705,000	\$ 11,431,000
<i>Additions</i>		
Land Revenues	4,333,000	
Capital Gains/Losses	1,157,000	
Interest & Investment Income		6,934,000
<i>Deductions</i>		
DOE Education Programs		(8,831,000)
DOR Operating Expenses		(160,000)
Balance June 30, 1989	<u>\$ 80,195,000</u>	<u>\$ 9,374,000</u>
<i>Additions</i>		
Land Revenues	5,208,000	
Capital Gains/Losses	1,492,000	
Interest & Investment Income		7,202,000
<i>Deductions</i>		
DOE Education Programs		(7,015,000)
DOR Operating Expenses		(174,000)
Balance June 30, 1990	<u>\$ 86,895,000</u>	<u>\$ 9,387,000</u>
<i>Additions</i>		
Land Revenues	8,331,000	
Capital Gains/Losses	495,000	
Interest & Investment Income		8,041,000
<i>Deductions</i>		
DOE Education Programs		(7,015,000)
DOR Operating Expenses		(87,000)
Balance June 30, 1991	<u>\$ 95,721,000</u>	<u>\$ 10,326,000</u>
<i>Additions</i>		
Land Revenues	6,637,000	
Capital Gains/Losses	8,399,000	
Interest & Investment Income		7,599,000
<i>Deductions</i>		
DOE Education Programs		(7,499,000)
DOR Operating Expenses		(259,000)
Balance June 30, 1992	<u>\$ 110,757,000</u>	<u>\$ 10,167,000</u>

8 Year Analysis of Public School Fund
Additions and Deductions

	Principal Portion	Income Portion
<i>Additions</i>		
Land Revenues	5,748,000	
Capital Gains/Losses	1,074,000	
Interest & Investment Income		6,897,000
<i>Deductions</i>		
DOE Education Programs		(8,309,000)
DOR Operating Expenses		(85,000)
Balance June 30, 1993	<u>\$ 117,579,000</u>	<u>\$ 8,670,000</u>
<i>Additions</i>		
Land Revenues	3,866,000	
Capital Gains/Losses	121,000	
Interest & Investment Income		7,201,000
<i>Deductions</i>		
DOE Education Programs		(8,453,000)
DOR Operating Expenses		(80,000)
Balance June 30, 1994	<u>\$ 121,566,000</u>	<u>\$ 7,338,000</u>
<i>Additions</i>		
Land Revenues	6,177,000	
Capital Gains/Losses	4,471,000	
Interest & Investment Income		9,564,000
<i>Deductions</i>		
DOE Education Programs		(6,816,000)
DOR Operating Expenses		(81,000)
Balance June 30, 1995	<u>\$ 132,214,000</u>	<u>\$ 10,005,000</u>
<i>Additions</i>		
Land Revenues	5,223,000	
Capital Gains/Losses	1,523,000	
Interest & Investment Income		8,512,000
<i>Deductions</i>		
DOE Education Programs		(5,395,000)
DOR Operating Expenses		(85,000)
Balance June 30, 1996	<u>\$ 138,960,000</u>	<u>\$ 13,037,000</u>

School Lands Appraisal Project

Description	Personnel Services (100)	Travel (200)	Contractual Services (300)	Supplies (400)
Title				
NRO II (PCN 10-1757) 16D - 1.5 months	\$7,890			
College intern (20 hrs/week at \$8.50/hr) \$170/week x 30 weeks	\$5,100			
NRO II 16D (1 year)	\$63,120			
NRO II 16D (1 year)	\$63,120			
Administrative Clerk (part-time) 8D	\$20,450			
Pens, paper, & miscellaneous supplies				\$2,800
Travel and per diem to Juneau archives		\$1,660		
2 computers (hardware, software, & networking)			\$9,000	
3 desks & chairs @ \$1,500			\$4,500	
Archive fees (Anchorage & Juneau)			\$2,500	--
Sub-total Title	\$159,680	\$1,660	\$16,000	\$2,800
Appraisals				
NRM I (PCN 10-1157) 18L (10 months)	\$62,500			
Cartographer (PCN 10-1362) 15K (80 hours)	\$2,600			
USGS maps, cartography supplies, color reproduction, paper, & miscellaneous office supplies				\$1,800
Initiate Fairbanks panel (NRM I)		\$400		
Aerial photograph			\$19,000	
Private appraisers 220 parcels @ \$175			\$38,500	
Private appraiser travel & per diem 8 trips @ \$300 and 32 days @ \$100		\$5,600		
Computer rental with hardware, software, and networking 2 @ \$1,500 & 1 @ \$500			\$3,500	
Sub-total Appraisal	\$65,100	\$6,000	\$61,000	\$1,800
Support Services				
RSA to repair existing DNR appraisal subsystem & set up rental computers	\$5,000			
Sub-total Support Services	\$5,000	\$0	\$0	\$0
Mining				
DGGS Geologist (6 months)	\$25,000	\$2,500		
Sub-total Mining	\$25,000	\$2,500	\$0	\$0

School Lands Appraisal Project				
Description	Personnel Services (100)	Travel (200)	Contractual Services (300)	Supplies (400)
<i>Oil and Gas</i>				
Evaluation to be done by in-house personnel.	\$25,000			
Sub-total Oil and Gas	\$25,000	\$0	\$0	\$0
<i>Forestry</i>				
Photographic analysis & evaluation			\$20,000	
Division of Forestry personnel	\$20,000			
Sub-total Forestry	\$20,000	\$0	\$20,000	\$0
<i>DNR</i>				
Departmental 7% indirect cost personnel services	\$20,985			
Sub-total DNR	\$20,985	\$0	\$0	\$0
Total				
	\$320,765	\$10,160	\$97,000	\$4,600
Project Total \$432,525				

To: Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

From: G. Thomas Koester

Date: November 27, 1995

Re: Public School Trust Fund (AS 37.14.110)

You asked several questions relating to the public school trust fund, AS 37.14.110. The questions you asked and the short answers are:

1. Does the state have enough information at this time to stop paying the one-half of one percent of state land revenues to the public school trust fund as required by AS 37.14.150? No.
2. If not, what does it still need to know? The state needs to know two things: (1) the fair market value of the school trust land at the time the land was redesignated as general grant land in 1978; and (2) whether the state's payments to the public school trust fund exceed that amount.
3. Should the payments of one-half of one percent of state land revenues to the public school trust fund be considered as including both a contribution to the principal of the fund and a payment of interest on the unpaid balance until the full fair market value has been paid? No. All of the money paid was deposited to the principal of the public school trust fund to be retained in perpetuity and invested to generate income. Interest on the unpaid balance of the fair market value of the school trust land redesignated as general grant land in 1978 would be considered income to the trust available for expenditure for public education. Any state liability to the trust for interest would be subject to a set-off for state expenditures on public education. To the extent state expenditures on public education since 1978 do not equal the amount the trust would have earned on the unpaid balance, the state owes a debt to the trust which, when paid, should be considered income available for appropriation by the legislature for public education in the future.
4. If too much money has been paid to the public school trust fund to compensate the school land trust for the 1978 redesignation of school trust land as general grant land, can the overpayment be recovered and returned to the general fund? Yes.
5. Is the current method of calculating income available for expenditure from the public school trust fund's investments in domestic equity pools, under which increases in share values attributable to dividends are treated as income and increases (or decreases) attributable to capital gains (or losses) are credited (or debited) to principal, consistent with the state's public school trust obligation and the statutes governing administration of the fund? Yes. While perhaps not the

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 2

only permissible method of calculating the fund's income available for expenditure for public education, it is certainly a permissible method.

6. What options does the state have for dealing with public school trust fund earnings that exceed projected earnings and, as a consequence, have not been appropriated for school purposes by the legislature? Public school trust fund earnings available for expenditure do not lose that status even though they were not appropriated by the legislature for expenditure in the year in which they were received. They accordingly remain available for expenditure as a matter of trust law, needing only to be appropriated by the legislature for school purposes in a subsequent year.

L Factual background.

The school land trust began with a reservation of federal land "for the support of common schools" while Alaska was still a Territory. As relevant here, section 1 of the Act of March 4, 1915, 38 Stat. 1214, 43 U.S.C. 353, did four things: (1) it reserved from disposal sections 16 and 36 in the Territory of Alaska; (2) it authorized the Territorial legislature to "provide for leasing" -- but not selling -- the reserved land; (3) it provided that all income and proceeds from the land were "appropriated and set apart as separate and permanent funds in the Territorial treasury, to be invested;" and (4) it required that all of the investment income "be expended only for the exclusive use and benefit of the public schools of Alaska."

Several aspects of the 1915 Act are worth noting. First, it did not actually create a trust. Instead, the land was simply reserved for, and the revenues from the land statutorily dedicated to, school purposes. Neither the reservation of the land nor the dedication of the revenues was made irrevocable, and both could be (and at statehood were) changed by a subsequent Congress. Second, only leasing of the land was authorized; sale was not. Third, unlike a trust where revenues are allocated either to principal which must be preserved or income which may be expended for trust purposes, all income from the land was dedicated to a permanent fund and invested with only the investment earnings available for expenditure.

A public school permanent fund was created in the territorial treasury to which \$153.04 had been deposited by December 31, 1918.¹ The first investment was a \$500.00 U.S. Savings Bond paying 4 1/2 percent interest purchased on January 10, 1923. On June 30, 1958, shortly before the Alaska Statehood Act was enacted on July 7, 1958, there was \$161,700.03 in the public school permanent fund.

The school land trust was created when Alaska became a state in 1959. The public school

¹ The information in this paragraph is taken from E.D. Coon, "The Alaska Public School Fund: A Permanent Fund for Education" (1984) (hereafter "The Alaska Public School Fund"), a paper presented to the American Education Finance Association.

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 3

permanent fund was transferred to the new state under section 5 of the Alaska Statehood Act, P.L. 8-508, 72 Stat. 339, 340, which provided that the new state would succeed to the Territory's title to real and personal property. Section 6(k) of the Alaska Statehood Act, 72 Stat. at 343, repealed section 1 of the Act of March 4, 1915, and provided for the conveyance to the new state of the reserved land "for the purposes for which they were reserved" under the 1915 Act - i.e., "for the support of common schools."

In *Wessells v. State, Dept. of Highways*, 562 P.2d 1042, 1051 n. 34 (Alaska 1977) (citations omitted; emphasis added), the Alaska Supreme Court summarized how this created the school land trust:

Two sections in each township of Alaska were reserved for the support of schools by Congressional act. The Alaska Statehood Act provided that those lands were granted to the State of Alaska "for the purposes for which they were reserved." The people of Alaska consented to the terms and conditions of the federal act by art. XII, sec. 13 of the Constitution of the State of Alaska. The grant and its acceptance created a trust.

The Alaska Land Act, AS 38.05, enacted by the First Alaska Legislature in 1959, provided for management and disposal of school trust land (as well as other state land), including for the first time authorizing the sale of that land.² Although no state statute required it, state officials apparently interpreted the requirement in section 6(k) of the Alaska Statehood Act that the lands

² It might be argued that sale of the land was beyond the new state's power in light of the provision in the Alaska Statehood Act that the lands were granted to Alaska "for the purposes for which they were reserved" since the purpose for which they were reserved was to generate income for deposit to a permanent fund and sale was not authorized. That would seem to defeat Congress' intent, since without exception the school land grants to states have included the power of sale and there is no indication that Congress intended a different result for Alaska. A challenge to the sale provision at this late date, moreover, would probably be barred under the doctrine of laches. Finally, as set out below, courts consistently have held that states can take school trust land for their own use by compensating the school land trust for the fair market value of the land taken. In light of the 1978 legislation redesignating school trust land as general grant land, discussed below, any challenge to the 1959 legislation authorizing disposal and sale of school trust land would now be moot. It accordingly is extremely unlikely that a court would hold that the state was precluded from disposing of school land simply because sale of the land was not authorized in section 1 of the Act of March 4, 1915, a section repealed in the Alaska Statehood Act. The better interpretation is that the repeal of that section and the conveyance of the land to the new state included the same powers of administration given to other states as trustees of school trust land, including the power of disposal and sale, subject only to the requirement that the trust be compensated for the fair market value of the land. That is what the 1959 state legislation provided.

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 4

were granted to the state "for the purposes for which they were reserved" as mandating that all revenues from school land continue to be deposited in the public school permanent fund, for (with only minor exceptions subsequently determined to be possible improper) all receipts from sales of the land as well as from leases and rentals and the sale of timber and materials were deposited in the fund.³

The Alaska Legislature made major changes to the school land trust in ch. 182, SLA 1978.⁴ First, sec. 2 of that act redesignated all school trust land as general grant land, thereby removing the land from the trust. Second, sec. 4 of that act enacted a comprehensive statutory scheme for the trust, codified at AS 37.14.110-37.14.170. The public school trust fund was statutorily established in AS 37.14.110,⁵ to consist of (1) the balance of what had been the public school permanent fund as of July 1, 1978 (the effective date of the relevant sections of ch. 182), and (2) additional payments to the new fund under AS 37.14.150 of one-half of one percent of all state land revenues (including federal mineral revenue sharing payments) to compensate the trust for the land removed from it.

A number of 1988 amendments established the current administrative requirements for the fund. Under AS 37.14.160, the commissioner of revenue is the treasurer of the fund and must,

- (1) in carrying out investment duties under this section, exercise the same powers and duties established for the Alaska State Pension Investment Board in AS 14.25.180(c);
- (2) deposit the principal and income from investments in separate principal and income accounts for the fund;
- (3) invest and maintain accounting records that distinguish between the principal and income of the fund; and
- (4) provide reports to the board established under AS 37.14.120[*] on the

³ "The Alaska Public School Fund," *n. 1 supra*, at 6-8.

⁴ *Id.* at 8-9.

⁵ The 1978 law established the public school fund as a separate fund; that fund was characterized as an "endowment trust" fund and the word "trust" was added to its name in sec. 21 of ch. 141, SLA 1988.

⁶ The Public School Fund Advisory Board was created in AS 37.14.120 as part of the 1978 legislation. As a result of the 1988 amendments, its primary responsibility now is to "have prepared an annual accounting of the principal and interest of the fund. AS 37.14.130(2).

Bruce M. Botelho, Attorney General
Wilson L. Conover, Commissioner of Revenue

November 27, 1995
Page 5

condition and investment performance of the fund.

AS 37.14.170 provides that the commissioner is the "fiduciary" of the fund and establishes additional investment guidelines. AS 37.14.110(c) provides:

(c) The commissioner of revenue shall determine the net income of the fund in accordance with investment accounting principles and in a manner that preserves the distinction between principal and income and that excludes capital gains or losses realized on principal. The principal of the fund and the capital gains or losses realized on principal shall be perpetually retained in the fund for investment purposes.

II. Analysis

Before turning to your specific questions, it may be helpful to address several more basic legal questions raised by the facts surrounding the conversion of the school land trust to a monetary trust. Many cases hold that, while states can take public trust lands for non-trust purposes, the trust must be compensated for the full fair market value of the lands under principles similar to those governing private trusts.⁷

When the state takes land from private parties for its own use, it generally pays the full fair market value at that time. See, e.g., AS 09.55.360 (court "shall" set aside and annul

⁷ See, e.g., *Lassen v. Arizona ex rel. Arizona Highway Dept.*, 385 U.S. 458, 465-70 (1967); *State v. Weiss*, 706 P.2d 681, 683 (Alaska 1985); *State v. University of Alaska*, 624 P.2d 807, 813-14 (Alaska 1981). Courts increasingly are recognizing, however, that public trust obligations must be accommodated with other public interests. See, e.g., *National Parks and Conservation Association v. Board of State Lands*, 869 P.2d 909, 920-921 (Utah 1993) (state may consider non-economic factors in management of public trust lands); *id.* at 923 (Durham, J., concurring) (same); *Colorado State Board of Land Commissioners v. Colorado Mined Land Reclamation Board*, 809 P.2d 974, 987 (Colorado 1991) (same); *Price v. State of Hawaii*, 921 F.2d 950, 955-56 (9th Cir. 1990) (same). The United States Supreme Court has made clear in the context of the United States' trust relationship with Native Americans that governmental trust obligations must be accommodated with other governmental obligations. *Nevada v. United States*, 463 U.S. 110, 128 and 141-43 (1983). And it is clear that not all private trust principles apply to public land trusts. For example, general private trust law principles flatly prohibit a private trustee from purchasing trust land. See *Restatement (Second) of Trusts* § 170 comment b (1959) (a trustee "is under a duty not to sell [trust property] to himself either by private sale or at auction" and "[i]t is immaterial that the trustee acts in good faith in purchasing trust property for himself, and that he pays fair consideration"). *Lassen* and numerous other cases make clear that a state as trustee of a public land trust may permissibly sell land to itself as long as it pays fair market value.

Bruce M. Hotelio, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 6

condemnation proceeding and restore possession to private landowner if money to compensate landowner not obtained). In AS 37.14.150, however, the legislature took a different approach to compensating the school land trust for redesignating school land as general grant land. AS 37.14.150 requires that one-half of one percent of all state land revenues (including federal mineral revenue-sharing payments) be deposited in the public school trust fund annually — i.e., the legislature chose to compensate the school land trust over time instead of with a single lump sum payment. In *Lassen*, n. 6 *supra*, the Court stated that "deferred payment arrangements" could be made when a state takes school trust land. 385 U.S. at 461 n. 21. There accordingly is no legal problem under public land trust law with the legislature choosing to compensate the school land over time instead of with a single lump-sum payment. There accordingly is no legal problem under public land trust law with the 1978 legislation that redesignated the school trust land as general grant land.⁸

AS 37.14.150 is a statute of indefinite duration. In other words, it remains in effect until amended or repealed. As a result, payments to the public school trust fund either have exceeded, or at some point in the future will exceed, the fair market value of the land removed from the school land trust by the 1978 redesignation legislation.

The certainty that the public school trust fund either has or will receive more money under AS 37.14.150 than is required to compensate the trust for the fair market value of the school trust land redesignated as general grant land presents a legal problem under the Alaska Constitution's prohibition on dedicated funds.⁹ The problem was summarized in 1985 Inf. Op. Atty Gen.

⁸ The same 1978 legislation also redesignated mental health trust land as general grant land and provided that the mental health trust would be compensated by dedicating one and one-half percent of state land revenue to a mental health fund. Unlike the statutory dedication to the public school trust fund, however, the statutory dedication to the mental health fund was made "subject to legislative appropriation of sufficient funds." AS 37.14.050, enacted as part of sec. 4, ch. 182, SLA 1978. The legislature never appropriated any funds to the mental health fund, and the Alaska Supreme Court held that the portion of the 1978 legislation redesignating mental health trust land as general grant land without compensation was a breach of the federally-created trust and invalid, and directed that the mental health land trust be reconstituted. *State v. Weiss*, 706 P.2d 681, 683-84 (Alaska 1985). Because the school land trust is automatically compensated through the statutory dedication of one-half of one percent of state land revenues with no requirement that the legislature appropriate the funds, the Department of Law has concluded that "there are no legal problems [with the redesignation of school trust land] similar to those raised in the mental health lands litigation." 1988 Inf. Op. Atty Gen. (April 28; file no. 663-88-0306) at 1.

⁹ Article IX, sec. 7 of the Alaska Constitution provides:

Dedicated Funds. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in Section 15 of this article [the Alaska

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995

Page 7

(August 13; file no. 366-403-85), at 3-4 (footnote omitted):

Under AS 37.14.150, the commissioner of the Department of Revenue is to transfer one-half of one percent of state land revenues, as well as federal mineral revenue-sharing payments, to the public school fund. This has been construed by your department as authorizing the transfer without appropriation by the legislature. 2/ This is a clear example of a dedicated fund. Dedicated funds are unconstitutional under article IX, section 7, of the Alaska Constitution unless "required by the federal government for state participation in federal programs" or in the event "the dedication for special purposes exist[ed] upon the date of ratification of this section by the people of Alaska."

Here, the legislature has removed the lands from a federally-created trust and substituted a monetary fund. We believe the exceptions to the prohibition on dedicated funds contained in article IX, section 7, of the Alaska Constitution -- i.e., for dedicated funds "required by the federal government" or "existing upon the date of ratification of this section by the people of Alaska" -- authorize the dedication of revenues to the public school fund, since the dedication of revenues is an alternate form to the pre-statehood federal dedication of lands. However, the dedication is authorized only to the extent it is necessary to fully compensate the trust for the fair market value of the lands removed. Any continued dedication of funds over and above the fair market value of the lands removed would go beyond the requirements of federal law and would exceed the dedication existing at the time the constitution was ratified (i.e., the dedication of the lands).

Accordingly, the proper approach is to assess the fair market value of the lands as of 1978. That amount could then be paid over time by the automatic deposit of revenue as provided in AS 37.14.150. At the time the debt is completely retired, the automatic deposit under AS 37.14.150 should cease. Additional deposits beyond that point would conflict with the dedicated fund prohibition in that they no longer would be required by federal law as compensation for the pre-existing dedication of lands.

In short, the dedication is permissible until the amount deposited in the public school fund equals the fair market value of the lands.

This brings us to your questions.

Permanent Fund provision] or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section b the people of Alaska.

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 8

Question 1: Does the state have enough information at this time to stop paying the one-half of one percent of state land revenues to the public school trust fund as required by AS 37.14.150?

No. As stated in 1985 Inf. Op. Atty Gen. (August 13; file no. 366-403-85) at 4,

the proper approach is to assess the fair market value of the lands as of 1978. That amount could then be paid over time by the automatic deposit of revenue as provided in AS 37.14.150. At the time the debt is completely retired, the automatic deposit under AS 37.14.150 should cease.

(Footnote omitted.) As the fair market value of the land as of 1978 has not been determined and Department of Revenue staff advises that there is some remaining question about how much has been paid to the public school fund, the state does not have enough information at this time to stop paying the one-half of one percent of state land revenues to the public school trust fund.

Question 2. If not, what does it still need to know?

The state needs to know two things before stopping payments to the public school fund: (1) the fair market value of the school trust land at the time the land was redesignated as general grant land in 1978; and (2) whether payments to the public school fund equal or exceed that amount.

The background materials that your staff provided include two memoranda from Department of Natural Resources staff outlining three options for making that determination through procedures similar to those used to value mental health trust land. All three approaches described in those memoranda would seem to comply with basic legal requirements for such determinations under *Lassen v. Arizona ex rel. Arizona Highway Dept.*, 385 U.S. 458 (1967). At issue in *Lassen* was a school land trust established in the Arizona and New Mexico Enabling Act, 36 Stat. 557, the Act admitting those states to the Union. The Act specified that school trust land be sold or leased only to "the highest and best bidder at public auction." Despite that restriction, the Court held that Arizona did not have to follow that procedure when taking the land for its own use. Because Arizona could condemn the land through its power of eminent domain even if the land were first sold at auction, the Court recognized that requiring it to follow the auction procedure "would sanction an empty formality." 385 U.S. at 464. The Court concluded:

The trust will be protected, and its purposes entirely satisfied, if the State is required to provide full compensation for the land it uses. We hold, therefore, that Arizona need not offer public notice or conduct a public sale when it seeks trust lands for its highway program. The State may instead employ the procedures established in the Commissioner's rules, or any other procedures reasonably calculated to assure the integrity of the trust and to prevent misapplication of its

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 9

lands and funds.

385 U.S. at 465. Accordingly, the state may use any valuation procedures "reasonably calculated to assure the integrity of the trust and to prevent misapplication of its lands and funds." The procedures outlined in the Department of Natural Resources' memoranda appear to meet those criteria.

The state also will need to determine whether the total payments to the public school fund equal or exceed the fair market value of the land. Department of Revenue staff is in the process of determining precisely how much has been paid to the public school fund since the 1978 redesignation legislation.

If it is determined that amounts paid to the public school fund equal or exceed the fair market value of the school trust land redesignated as general grant land by the 1978 legislation, it would be legally permissible as a matter of trust law to stop payment of the one-half of one percent of state land revenues to the public school fund under AS 37.14.150. And, for the reasons set out in 1985 Inf. Op. Atty Gen. (August 13; file no. 366-403-85), stopping payment of the one-half of one percent of state land revenues to the public school fund under AS 37.14.150 is required under art. IX, sec. 7 of the Alaska Constitution if amounts paid to the fund equal or exceed the fair market value of the school trust land redesignated as general grant land in 1978.

Question 3: Should the payments of one-half of one percent of state land revenues to the public school trust fund be considered as including both a contribution to the principal of the fund and a payment of interest on the unpaid balance until the full fair market value has been paid?

No. Under AS 37.14.110(b)(2), all of the money transferred to the public school fund under AS 37.14.150 was deposited to the principal of the fund which, under AS 37.14.110(c), must be "perpetually retained in the fund for investment purposes."

That is not to say, of course, that the trust was not entitled to interest on the unpaid balance. Indeed, that was the conclusion in 1985 Inf. Op. Atty Gen. (August 13; file no. 366-403-85) at 4, n. 3:

3/ Under Lassen, 385 U.S. at 469 n.21, "deferred payment arrangements" would seem to be permissible. However, general principles regarding trust management - e.g., the duty to preserve the trust property (see Restatement (Second) of Trusts § 176 (1959)) and the duty to make the trust property productive (see Restatement (Second) of Trusts § 181 (1959)) - would seem to require that the public school fund also receive an amount equal to what the unpaid balance would have earned, probably calculated at the same rate at which the general fund earns income (since otherwise the general fund would benefit from earnings properly attributable to the

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 10

public school fund).

In this context, it also is worth noting that "[t]he trustee is accountable for any profit made by him through or arising out of the administration of the trust, although the profit does not result from a breach of trust." *Restatement (Second) of Trusts* § 203 (1959) at 455.

Under the facts here, however, it is unlikely that the state has any current liability for such amounts because of the state's large annual appropriations for public education. Generally speaking, "interest on debts payable on demand" is considered income to a trust, and therefore available for expenditure for trust purposes, and not principal to be retained for investment. *Restatement (Second) of Trusts* § 235, comment a (1959) at 568. AS 13.38.020(a)(2) similarly provides that "interest on money lent" is considered trust income and not principal. Interest on the unpaid balance of the fair market value of the school trust land redesignated as general grant land in 1978 accordingly would be considered income to the trust which, if paid, would be available for expenditure for public education.¹⁰

Any determination of state liability to the trust for failure to pay interest that would then have been available for expenditure for public education, however, would take into account the substantial state expenditures for public education during the same period. Indeed, under *State v. Weiss*, 706 P.2d 681 (Alaska 1985), and *Southwest Region School District v. Department of Education*, 723 P.2d 636 (Alaska 1986), the state would be entitled to set off money it has appropriated for public education against any liability it might have for interest owed on the unpaid balance to the public school fund. *Weiss* held that the state was entitled to a set-off for mental health expenditures when calculating the state's liability to the mental health trust for mental health trust land that it had sold where the federal law creating the trust required the state

¹⁰ As noted above, under AS 37.14.110(c) the commissioner of revenue "shall determine the net income of the [public school trust fund] in accordance with investment accounting principles and in a manner that preserves the distinction between principal and income and that excludes capital gains or losses realized on principal." Department of Revenue staff advise that there are no general "investment accounting principles" governing that determination. In determining net income in a manner that "preserves the distinction between principal and income," accordingly, it is entirely appropriate to look to general trust law principles as found in the *Restatement (Second) of Trusts* and the state statutes defining principal and income for the purpose of administering trusts. See *State v. Weiss*, 706 P.2d 681, 683 n. 3 (Alaska 1985) ("reliance on basic trust law principles finds ample support in the precedents of this court and the United States Supreme Court"). While that statement must be taken with some caution, see n. 7 *supra*, such reliance is appropriate here in the absence of specific "investment accounting principles" for making the required determination.

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 11

to spend sale proceeds for mental health purposes.¹¹ 706 P.2d at 684. In *Southwest Region School District*, the Court relied on *Weiss* to hold that the state could assert public school expenditures as an offset against any liability it might have to a school district for failing to pay over funds as required by law during a given year. 723 P.2d at 637.

Thus, to the extent that amounts spent on public education in any given year since 1978 equal or exceed the amount the public school fund would have earned during that year on the unpaid balance owed the public school fund, the state has no liability to the trust for unpaid interest. It is my understanding that state public school expenditures since 1978 have been so large that it is extremely unlikely, regardless of what the 1978 fair market value of the school trust land ultimately is determined to be, that the state would have any liability to the trust for unpaid interest. To the extent amounts spent on public education in any given year since 1978 do not exceed the amount that the fund would have earned on the unpaid balance owed the trust, however, the state owes a debt to the trust which, when paid, should be considered income available for appropriation by the legislature for public education in the future.

Question 4. If too much money has been paid to the public school trust fund to compensate the school land trust for the 1978 redesignation of the school trust land as general grant land, can the overpayment be recovered and returned to the general fund?

Yes. A similar situation arose in the 1980s with the improper deposit in the public school trust fund of a portion of federal mineral revenue sharing payments from oil and gas leasing in the National Petroleum Reserve - Alaska ("NPR"). In *Barrow v. State*, 1JU-85-2634 CI (Alaska Super., March 18, 1986), the Court concluded that the deposit of federal mineral revenue sharing payments from NPR in the public school trust fund was improper because the federal statute under which the state received the funds, 42 U.S.C. § 6508, required that the state in allocating those funds "give priority" to the use by political subdivisions impacted by NPR leasing before using them for any other purpose. See 1986 Inf. Op. Atty Gen. (May 28; file no. 883-86-0126) at

¹¹ Unlike the school land trust where either the land or its monetary equivalent must be retained in perpetuity with only the income spent for public school purposes, sec. 202(e) of the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709 (1956), required that sale proceeds as well as income from the land "first be applied to meet the necessary expenses of the mental health program of Alaska." It was apparently for that reason that the Court authorized a set-off of state mental health expenditures against liability to the trust for mental health land that had been sold and thus could not be returned to trust status. Because there is no authorization in federal law for the state to spend the proceeds from the sale of school trust land, *Weiss* provides no authority for the state to set off state public education expenditures against liability to the school trust for the fair market value of school trust land redesignated as general grant land in 1978. It does, however, provide authority for the state to set off state public education expenditures against liability to the trust for interest which, if paid, would have been considered income available for expenditure for that purpose.

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 12

2-4. In a series of memoranda, the Department of Law advised that such allocation errors may be corrected administratively. See 1986 Inf. Op. Atty Gen. (August 8; file no. 663-87-0003) at 4-5; 1987 Inf. Op. Atty Gen. (June 22; file no. 663-87-0003) at 5-7 (cautioning, however, that "the safest approach, both legally and politically, is to seek explicit legislative authority (through an appropriation) when dealing with state funds"); 1990 Inf. Op. Atty Gen. (September 6; file no. 663-90-0175) at 2. Such an administrative approach to correcting any over-allocation to the public school trust fund may be followed here.¹²

Question 5: Is the current method of calculating income available for expenditure from the public school trust fund's investments in domestic equity pools, under which increases in share values attributable to ordinary dividends are treated as income and increases (or decreases) attributable to capital gains (or losses) are credited (or debited) to principal, consistent with the state's public school trust obligation and the statutes governing administration of the fund?

Yes. At the outset, it should be noted that under private trust law principles there is no fixed definition of "income" that cannot be changed: "[T]he gift of 'income' does not confer a... right that the definition of the term be immutably fixed as that which existed under the law at the testator's death." *Manufacturers Hanover Trust Co. v. Bartram*, 255 A.2d 828, 833 (Conn. 1969). Defining income available for expenditure, as a matter of general trust law, accordingly requires only that the state act consistently with its basic obligation to preserve the principal of the trust and use the earnings from the trust solely for public education. The current method of allocating increases in share values to both principal and income is certainly consistent with that obligation as it balances the duty to preserve the principal of the trust¹³ with the goal of generating income to be expended to support public schools.

It also seems consistent with the statutes governing administration of the fund. Under AS 37.14.110(c), "[t]he commissioner of revenue shall determine the net income of the fund in accordance with investment accounting principles and in a manner that preserves the distinction between principal and income and that excludes capital gains or losses realized on principal." There are rather detailed provisions in general trust law for allocating corporate distributions of stock or cash. See *Restatement (Second) of Trusts* § 236 (1959) and AS 13.38.050. They are not particularly helpful here because the domestic equity pools under discussion do not make actual

¹² For reasons set out in the Conclusion below, however, you may wish to consult with various individuals or groups or seek judicial guidance before taking unilateral action administratively.

¹³ In *Weiss*, the Court made clear that the state has a duty "to preserve the corpus" of a public land trust. "Corpus" is Latin for "body" or "substance," and as used here means "[t]he principal or capital, as distinguished from the interest or income, as of a fund or estate." *The American Heritage Dictionary of the English Language* (3d Ed. 1992) at 421.

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 13

distributions. Instead, receipts from the pools' domestic equity holdings -- whether they would be attributable to principal or income under general trust law -- are simply credited to the value of the shares in the pools. According to Department of Revenue staff, there are no published "investment accounting principles" governing this situation, and there are no cases directly on point.

Under AS 37.14.110(c), however, the procedure currently being followed is a reasonable approach to implementing the dual goals of generating income to support the state's public education program while preserving the principal of the public school trust fund. Were the domestic equity pools' investment earnings distributed similarly to mutual fund earnings -- i.e., as dividends and short- and long-term capital gains -- the dividends would be ordinary income and the capital gains would be principal under AS 13.38.050(c).¹⁴ It would elevate form over substance to conclude that the manner in which the domestic equity pools handle investment earnings -- both ordinary dividends and long- and short-term capital gains -- governs the determination of the fund's net income.

Indeed, attributing all of the increase in share values to principal without considering the source of the increase (i.e., whether the underlying source of the increase was attributable to principal or income under general trust law) might be found to violate the requirement in AS 37.14.110(c) that the commissioner of revenue determine the net income of the public school trust fund "in a manner that preserves the distinction between principal and income and that excludes capital gains or losses realized on principal." Failing to consider the source of the increases in share values, it could be argued, would not preserve the required "distinction" between principal and income. It might also be found to violate the requirement in AS 37.14.170 that the commissioner "invest the fund to provide increasing net income over long-term periods to the fund's income beneficiaries."

At the same time, the provisions of AS 37.14.110(c) and 37.14.170 give the commissioner considerable flexibility in investing and determining net income from the fund, and treating increases in the share values of domestic equity pools in other ways might be legally permissible. Suffice it to say that, in light of that considerable flexibility, it appears consistent with the statutes governing the public school trust fund to treat as income increases in the share values of the fund's investments in domestic equity pools that are attributable to dividends and to credit (or debit) increases (or decreases) in share values that are attributable to capital gains (or losses) to principal.

Question 6: What options does the state have for dealing with public school trust fund income that exceeds projected income and, as a consequence, has not been appropriated

¹⁴ Under AS 13.38.050(e), the trustee "may rely upon a statement of the distributing corporation as to a fact relevant under a provision of this chapter concerning the source or character of dividends or distributions of corporate assets."

Bruce M. Botelho, Attorney General
Wilson L. Condon, Commissioner of Revenue

November 27, 1995
Page 14

for school purposes by the legislature?

Public school trust fund earnings that are available for expenditure do not lose that status even though they were not appropriated by the legislature. It accordingly remains available for appropriation for public school purposes. That result follows directly from AS 37.14.140, which provides in part that "[t]he commissioner of revenue shall invest realized net income that has not been appropriated or that has been appropriated but not expended until the income is appropriated and expended."

In the event it is determined that state public education expenditures do not exceed whatever interest the state may have owed the trust as a result of compensating the school land trust over time (see question 4 above), any payments now made would be considered income and therefore would be available for appropriation by the legislature for public education purposes.

III. Conclusion

I hope the foregoing answers your questions. In light of the controversy that arose over the mental health land trust, however, it might be prudent to discuss the foregoing and any actions you contemplate as a result with the Public School Fund Advisory Board created under AS 37.14.120, the state Board of Education, and members of the legislature. To the extent you find that actions you would like to take encounter opposition, AS 13.36.035(a)(3) authorizes the courts to "determine any question arising in the administration or distribution of any trust including questions of construction of trust instruments, instruct trustees, and determine the existence or nonexistence of any immunity, power, privilege, duty or right." An appropriate action could be filed to determine the permissibility of any action you would like to take.

Please contact me at your convenience if I can be of any further assistance.



Circle DE Pacific Corporation

6239 B Street, Suite 201, Anchorage, Alaska 99518
(907) 561-5600 • FAX (907) 563-3634

copy
DATE March 19, 1997 *11*

Number of pages including cover sheet

FAX

TO *Senator Loren Leman*
Alaska State Capitol

Phone (907) 465-2095
Fax Phone (907) 465-3810

CC:

FROM: *Terry Nininger*
Circle DE Pacific
Corporation
6239 B Street, Suite 201
Anchorage, Alaska 99518

Phone 907-561-5600
Fax Phone 907-563-3634

REMARKS: Urgent For your review Reply ASAP Please Comment

Dear Senator Leman,

As a follow up to our meeting a couple of weeks ago, Circle DE Pacific Corporation is continuing to promote a State of Alaska Timber Sale on the Kenai Peninsula to finally utilize the beetle infested and dead timber.

Please take a couple of minutes and review the bullet/d highlights of this project on the attached memo.

We would like to see this timber sale funded through as a supplemental budget item. This project has great support on the Kenai Peninsula. Anything you can do to assist this project getting funded would be greatly appreciated.

Please don't hesitate to give me a call in Anchorage or contact Thyes Shaub (463-5118) in Juneau, for any questions you may have.

Thanks,

Terry

New - Timber Sale - Request by Sen. Leman
A Reasonable Request

78

MEMO

Date: 03/14/97

To:

CC:

From:

RE: KENAI PENINSULA TIMBER SALE (South Ninilchik Block & Center Plateau Block)

The following information is bulleted as key data to the Kenai Peninsula Timber Sale:

- The proposed sale represents 60,000,000 board feet (60,000 MBF) of spruce bark beetle infested and beetle dead white spruce.
- Total acreage: 8,300 acres
- Gross revenues to the state: \$ 900,000.00
- Cost to State: 557,100.00
(to include contract administration)
- Net Proceeds to GF: \$ 342,900.00**
- The successful bidder will be responsible for complete reforestation of harvested lands, as per the State of Alaska Forest Practices Act.
- The Project will create 60-80 new-full time jobs (contract duration-60 months)
- Improvements to public lands: \$ 1,245,000.00 (seedling planting at \$ 150/acre)
- Value of product returned to local economy: \$ 19,200,000.00
(Based on sale value of \$ 320.00 per MBF)
- Over 50% of the Kenai Peninsula has beetle infestation, with the infested areas having 60-90% mortality rate.

03/02/97

MEMO

2

KENAI PENINSULA TIMBER SALE

- This sale will not effect the existing small operator timber sale program.
- In many areas of the Kenai Peninsula there will be no trees left alive within the next 36 months for natural regeneration

The Objectives of this sale are:

- To provide wood for commercial and personal use, and provide jobs from the timber harvest and processing.
- To maintain opportunities for diverse recreational activities.
- To protect and enhance fish and wildlife habitat.
- To protect water quality.
- To accelerate reforestation of areas killed by spruce bark beetle by harvesting and replanting.

Alaska State Legislature



Official Business

Senator Al Adams

March 25, 1997

WHILE IN SESSION
State Capitol
Juneau, Alaska 99801-1182
(907) 465-3707
Fax 465-4821

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3880

TO: Senator Pearce, Chair
Senate Finance Committee

FROM: Senator Al Adams *AAA*

RE: Supplemental Request

The sum of \$360,000 is appropriated from the general fund to the City of Unalakleet for repair or replacement of the Power Creek water transmission line.

Under AS 26.23.900 (2) the definition of a disaster includes, "...the occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property from a natural or man-made cause including..... (c) equipment failure, if the failure is not a predictably frequent or recurring event or preventable by adequate equipment maintenance or operation. Today the decision came down that this was not a disaster.

In the 1970's the Public Health Service installed a shallow bury PVC water transmission line in Unalakleet, which has served the City pretty well for nearly two decades. In January of this year the City of Unalakleet's water flow from Powers Creek experienced a dramatic drop. This caused the transmission line to freeze in several places. The City, Public Health Service, DEC-VSW and ADES combined efforts to plan for the recovery and repair of the system.

Besides three 24 hour per day crews to locate/repair the breaks, the plan also put into place a temporary water line from another water source up river of the community. PHS contributed \$16,000 in emergency funds and allowed materials to be shipped from their existing stock to avoid shipping delays.

New Request by Sen. Adams - Unalakleet water line

The community worked around the clock for weeks to try to recover their water system. Coordination between the City, VSW, PHS and ADES occurred on a daily basis. By mid-January the alternate water source solution was not working and due to lack of water, the City had to pump brackish water into the system to keep the whole line from freezing up. (The City put out a "boil water" notice so that no one would get ill from ingesting city water.)

To make a long story short, the City was finally able to get the water transmission line back in operating order. The line had frozen in several places, brackish water from the river was used to salvage the potable water lines, return loops, and waste water system and through a difficult but well coordinated effort they saved a multimillion dollar water system. The system is limping along right now, until funds can be secured for permanent repairs/replacement during summer months.

Problem:

The total cost of this effort to the City was approximately \$320,000, of which \$16,000 came from the PHS emergency funds. The other state and federal parties involved with the daily teleconferences facilitated the City's efforts in acquiring necessary equipment, material and experienced personnel to take timely and remedial action to solve the immediate problem. The City had an open grant with VSW to make repairs to corroded lines/pipe replacement etc. in the water treatment plant. The money needed for immediate repairs to the transmission line was reallocated from this project.

Repair Costs to Avoid same problem next year:

Attached is the cost estimate of the necessary repairs in order to avoid recurrence of this problem next year.

This near disaster occurred in January, long after the application period ended for consideration of VSW funding in Governor's capital budget. These repairs need to occur this summer. If we wait until the FY 97 capital budget is approved, they will not be able to take advantage of getting necessary materials ordered and barged to the community.

Your consideration of this request is greatly appreciated.

For further details contact:

Nancy Cannington, City Manager, Unalakleet 624-3531
Joe White, Project Engineer 783-3178
Greg Capito, VSW 465-5137

3531

City of Unalakleet
Post Office Box 28
Unalakleet, Alaska 99684
Phone: (907) 624-3123
Facsimile: (907) 624-3123

783-3178

March 6, 1997

Post-It™ brand fax transmittal memo 7571		# of pages
To	From	
Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

Ms. Nancy Cannington
City Manager
City of Unalakleet
Post Office Box 28
Unalakleet, Alaska 99684

Subject: Water Transmission Repair Cost Estimate

Nancy
Ms. Cannington,

Attached is the cost estimate for repairing the water transmission line from the WTP to Powers Creek. It also includes an estimate for replacement of pipe North of the Lockwood estate to Powers Creek. This the area that failed and initiated the pipe freezing. It is also the area that had been a problem for the Utility for quite some time. That pipe should be bedded with gravel in the areas of surface and subsurface water flows which cause the pipe to separate this time and has been reported by several of the City's previous plant operators to have done it before.

I have faxed a copy to Clyde and called him this morning, twice but have not yet heard back from him for his review of the estimate. I would of coarse like to do that before presenting this to Jim Paterson, ADES, or anyone else.

I have a meeting in Anchorage early this afternoon but would be glad to discuss this with at any time. Sorry for the delay.

Joseph E. White
Joseph E. White
MES

cc: Clyde Christman, PWD

MES Estimate

Unalakleet Water Transmission Line Repairs
 Project Cost Estimate Total Cost \$ 358,815.11

1. Pressure Testing and Repair of Damaged Pipe WTP to Land Fill Road

Labor	Materials	Equipment	Freight	Engineering	Admin	Sub total	Contingency	Total
\$ 23,793.27	\$ 8,864.00	\$ 6,432.75	\$ 993.00	\$ 500.00	\$ 3,022.80	\$ 43,605.22	\$ 8,540.75	\$ 52,147.18

2. Pressure Testing and Replacement of Broken Pipe Land Fill Road to Lockwood Estate

Labor	Materials	Equipment	Freight	Engineering	Admin	Sub total	Contingency	Total
\$ 31,724.96	\$ 7,940.00	\$ 6,677.00	\$ 300.00	\$ 1,000.00	\$ 4,050.14	\$ 51,692.10	\$ 10,336.75	\$ 62,028.85

3. A. Repair of Pipe from Lockwood to Powers Creek Water Plant

Labor	Materials	Equipment	Freight	Engineering	Admin	Sub total	Contingency	Total
\$ 15,882.18	\$ 31,800.00	\$ 4,288.50	\$ 2,700.00	\$ 3,000.00	\$ 2,015.07	\$ 59,685.75	\$ 11,937.25	\$ 71,623.00

3. B. Replacement of A Portion Pipe from Lockwood to Powers Creek Water Plant

Labor	Materials	Equipment	Freight	Engineering	Admin	Sub total	Contingency	Total
\$ 31,724.96	\$ 75,400.00	\$ 20,277.00	\$ 6,500.00	\$ 18,048.16	\$ 5,200.14	\$ 156,150.26	\$ 31,230.15	\$ 187,380.41

\$ 358,815.11

CREW COSTS

Rate	80 hr supply	W/burden
Foreman \$ 45.00 per hour	\$ 4,747.00	
Operator \$ 28.00 per hour	\$ 1,960.32	
Laborer \$ 18.50 per hour	\$ 1,214.00	
Laborer \$ 18.50 per hour	\$ 1,214.00	\$ 10,574.78
Equipment	8 DAY RENT	
Back hoe \$ 250.00 per day	\$ 1,500.00	
ply Truck \$ 50.00 per day	\$ 300.00	
Compressor \$ 40.00 per day	\$ 240.00	
Generator \$ 50.00 per day	\$ 300.00	
Hand tools \$ 25.00 per day	\$ 150.00	
Misc \$ 12.00 per day	\$ 72.00	
FUEL \$ 48.00 per day	\$ 287.00	\$ 2,688.00
Diesel \$ 300.00 per day	\$ 1,800.00	
Loader \$ 250.00 per day	\$ 1,500.00	\$ 8,758.00

1. Test & Repair Pipe from WTP to Land Fill Road

Materials

Pipe Bands	48	each	\$ 120.00	\$ 5,760.00
Waxman	4	each	\$ 28.00	\$ 112.00
Iron	1000	pounds	\$ 2.38	\$ 2,380.00
Test Plugs	4	each	\$ 94.00	\$ 376.00
Buckara	8	each	\$ 7.00	\$ 56.00
			Sub total	\$ 8,684.00

2. Test & Replace Pipe North of Lockwood Estate

Materials

Repair Sand	18	each	\$ 110.00	\$ 1,320.00
Pipe Bands	8	each	\$ 120.00	\$ 720.00
MEA repair	5	each	\$ 80.00	\$ 4,000.00
misc	1	each	\$ 1,500.00	\$ 1,500.00
			Sub total	\$ 7,540.00

3. A. Repair Pipe North of Lockwood Estate

Materials

Arctic Pipe	400	LL	\$ 48.00	\$ 19,200.00
	0		\$	\$
Gravel	800	cy	\$ 21.00	\$ 16,800.00
Fabric	300	cy	\$ 4.00	\$ 1,200.00
			Sub total	\$31,800.00

3. B. Replace Pipe North of Lockwood Estate

Materials

Arctic Pipe	1100	LL	\$ 38.00	\$ 41,800.00
Arctic Pipe etc	4	each	\$ 250.00	\$ 1,000.00
Gravel	1400	cy	\$ 21.00	\$ 29,400.00
Fabric	700	cy	\$ 4.00	\$ 2,800.00
			Sub total	\$75,400.00

COPY



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS
SENATE DISTRICT L

SESSION
State Capitol
Juneau, AK 99801
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Memorandum

TO: Senator Drue Pearce, CoChair
Senate Finance Committee

FROM: Senator Randy Phillips, Chair ^{REP}
Senate Finance Subcommittee, Department of Military and
Veterans' Affairs

DATE: March 25, 1997

RE: Department of Military and Veterans' Affairs
Youth Corps Supplemental Funding

I am requesting that the Senate Finance Committee consider the attached amendment to Senate Bill 83.

It has been brought to my attention that the Youth Corps' federal funding is not sufficient to complete the class that started in March 1997 and will be completed in August 1997. On January 13, 1997 the U. S. Department of Defense withdrew 10% of the funding for this program. In the absence of state general fund support, either in the FY 97 supplemental or the FY 98 budget, the Youth Corps will have to drop students from the current class.

Amendment

TO: SB 83

by R. Phillips

Page __, Line ____

Add a new section to read:

Sec__ The sum of \$250,000 is appropriated from the general fund to the Department of Military and Veteran's Affairs, Alaska National Guard, Youth Corps, for the fiscal year ending ending June 30, 1997.

Senate Finance Committee Amendment

To: SB 83

By: Senator Pearce

Include the following language:

Sec. ___ LEGISLATIVE BUDGET AND AUDIT. The sum of \$500,000 is appropriated from the general fund to the Legislative Budget and Audit Committee, for a study that compares the salaries and benefits of state employees to the appropriate public and private markets in Alaska and the Pacific Northwest. The study, including the request for proposals, bid award, and final work product is to be overseen by a steering committee consisting of equal members appointed by the legislature and governor.

Alaska State Legislature

JERRY WARD



Senate

State Capitol
Juneau, AK 99801-1182
Phone (907) 465-4941
Fax (907) 465-3766

716 W. 4th Ave., Ste. 450
Anchorage, AK 99501-2233
Phone (907) 255-6163
Fax (907) 258-4820

145 Main Street Loun
Kenai, AK 99611
Phone (907) 283-7996
Fax (907) 283-3075

Memorandum

To: Senator Drue Pearce
Senator Bert Sharp

From: Senator Jerry Ward *JW*
Craig Johnson Staff

Re: Governor's Supplemental Budget

Date: March 24, 1997

There should not be any supplemental appropriations for Corrections as requested by the Governor, with the exception of a new boiler.

However, I recommend an appropriation of one million dollars of federal money to new CRC beds and out of state contracts.

The money has already been applied for and received by the Corrections Department. This appropriation would eliminate the discussion on supplanting state funds with federal funds which has been brought up by the Department. Many of the beds have been contracted for, but no money was budgeted for their purchase.

I do not think supplanting is an issue in any case. By spending federal dollars in this years budget, we should remove it as an issue in next years budget at any rate. Once a program has been started with federal money it can be continued.

Revised - Submitted by Sen Ward

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

TONY KNOWLES, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-4660
FAX: (907) 465-3008

March 25, 1997

The Honorable Drue Pearce
The Honorable Bert Sharp
The Honorable Mark Hanley
The Honorable Gene Therriault
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

As you continue your review of appropriations bills, please consider the accounting system ratifications described below as a supplemental appropriation. As we have discussed before, we will continue to make you aware of this type of supplemental appropriation need throughout the remainder of the session. If these frequent updates are confusing, we will work with you to set up a different schedule.

Accounting system ratifications:

Department of Law

(A) 13604-94 General Legal Services	\$500,604.50
(B) 13814-94 Clean Air Act	65.10
(C) 13852-94 General Services and Supply	1,036.20
(D) 13993-94 AHFC - MGIC Claims	0.01
(E) 13868-95 Admin - GAPP	280.00

We continue to look for areas where we can offer delete-add appropriations to finance supplemental needs at no net cost to the state. As I noted in my letter of March 13 (FY 98 Operating Budget Amendments), the FY 97 appropriation for longevity bonus grants can be reduced about \$1.5 million; this is enough to cover the cost of the Leasing and Disaster Relief Fund supplemental requests. There is

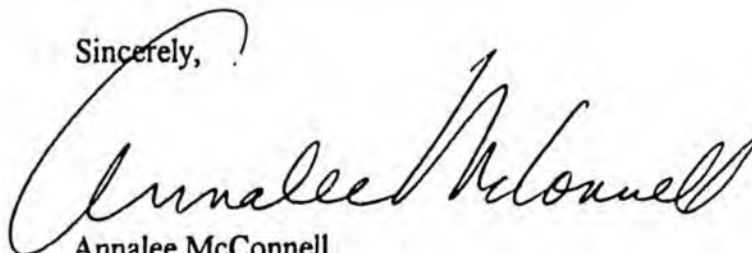
New-Dept of Law

March 25, 1997

still about \$2.5 million of FY 97 AHFC receipts available, under the cap set last year, that can be used to fund the Sitka training academy or other worthwhile projects.

If you have any questions, please call me or our chief budget analyst, Dan Spencer.

Sincerely,

A handwritten signature in cursive script that reads "Annalee McConnell". The signature is written in black ink and is positioned above the printed name and title.

Annalee McConnell
Director

Attachments

cc Mike Greany, Legislative Finance

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 83

1 Page 1, line 2, following ",":

2 Insert "making a special appropriation;"

3 Page 1, following line 8:

4 Insert a new bill section to read:

5 **"* Sec. 2. (a)** Subject to (b) of this section, the sum of \$150,000 is appropriated from the
6 general fund to the Department of Corrections for a statewide automated victim notification
7 telephone system. The appropriation in this subsection is conditioned on the Department of
8 Corrections exploring and acting on other options for funding, including appropriate federal
9 grants, within 120 days after the effective date of this section.

10 (b) If the department is awarded a grant for the statewide automated victim
11 notification telephone system within 120 days after the effective date of this section, the
12 amount of the grant is appropriated to the department for the system, and the amount of the
13 appropriation made by (a) of this section is reduced by the amount of the grant awarded to
14 the department.

15 (c) The appropriations made by this section are for a capital project and lapse under
16 AS 37.25.020."

17 Renumber the following bill section accordingly.

18 Adjust the funding information accordingly.

STATE OF ALASKA /

DEPARTMENT OF CORRECTIONS

MEMORANDUM

Division of Administrative Services
 Section: Data and Word Processing
 P.O. Box 112000
 Juneau, Alaska 99811-2000
 Phone (907) Fax (907)

TO: Robert L. Cole, Director
 Division of Administrative Services

DATE: March 25, 1997

FROM: Annette G.E. Smith, DP Manager

PHONE: 465-3313

SUBJECT: VINE cost estimates

We estimate short term costs of VINE implementation at \$150,000, as follows :

Cost Type	Total Cost	Cost description
One time	\$22,750	Implement VINE interface w/OBSCIS for 13 institutions, 13 Probation/Parole Offices, 15 Local Jails, and 13 Community Residential Centers. Includes software, phone lines, etc.
One Time	\$3,000	Redundant PC Interface (allows the system to operate from a 2nd PC if the main interface is down).
One Time	\$7,000	Implementation of Jail Line (Victim call in compatibility)
One Time	\$1,250	Hookup 1 port for each of the 15 Local Jails & 1 port for each 10 Community Residential Centers to access OBSCIS - DOA/DIS charge (\$50 * 25 ports)
Monthly \$5,700	\$68,400	Monthly operational fees to VINE (phone charges, VINE maintenance and support)
Monthly \$1,875	\$22,500	Monthly port fees for Local Jails - DOA/DIS charge - (breakdown \$75/mo per port * 25 Jails/CRC = \$1,875 for one month DOA/DIS charges).
One Time	\$8,000	Educating Victims how to use the system (brochures, etc.)
One Time	\$11,200	Contract programming time to work with VINE designing, creating, and testing OBSCIS/VINE interface files (estimated at \$70/hr * 160 hr = \$11,200),
One Time	\$3,000	Software/Hardware to automatically call network staff when State of AK network is down
Annual	\$3,000	Staff costs for being on stand-by in case there is a failure of the hardware or software
Total	\$150,100	

ALASKA STATE LEGISLATURE

Interim:

600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session

State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
Fax (907) 465-3805

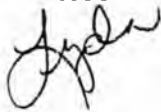
SENATOR LYDA GREEN

SENATE DISTRICT N

MEMORANDUM

DATE: March 25, 1997

TO: Senator Drue Pearce, Co-Chair
Senate Finance Committee

FROM: Senator Lyda Green 

RE: SB 83 Amendment
Mat-Su Harvest Access Program

I respectfully request the attached amendment be included in CSSB 83 (FIN). It relates to timber sales. This program would improve access to timber for local operators in the Mat-Su Valley, as well as provide timber for the personal use of residents. It would also provide opportunities for local employment.

Your appreciation of this request is appreciated.

Amendment

Department of Natural Resources
Division of Forestry
Mat-Su Harvest Access Program **\$43,900**

Access improvement would begin at Mile 59 on the Parks Highway.

These funds would be used to upgrade a road currently used for harvesting and would better facilitate timber sale disposal. There are 11 million board feet of allowable harvest in this area. About one half million board feet are being harvested. With the current condition of the road, access has become more limited. This would not only improve access, but allow for earlier access in the season.

Public hearings last fall received strong support for this program.

This provides employment for local people and a more adequate supply of timber for local value-added operators as well as individuals' personal use. Most of the harvested timber is locally used.

Cost breakdown:

*Widen and re-align right-of-way, cut and fill with D-7 Dozer, 50 hours x \$80/hours=	\$ 4,000
*Replace bridge with 48-inch culvert culvert price=	\$ 1,000
backhoe contract; 10 hours x \$100/hour=	\$ 1,000
*Replace culvert at Milepost 2.2 culvert price=	\$ 1,400
backhoe contract; 30 hours x \$130/hour=	\$ 3,900
*Purchase 2000 cubic yards pit run gravel delivered price; 2000 yards x \$10/yard=	\$20,000
*Purchase 3090 lineal feet of fabric mat 4000 lf x \$1.90/lf=	\$ 7,600
*Hire surveyor=	\$ 5,000
TOTAL	\$43,900

The State would receive payment for the sale of the timber.

DEPARTMENT OF NATURAL RESOURCES

SUPPORT SERVICES DIVISION

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2406
FAX: (907) 465-2492

March 24, 1997

The Honorable Mark Hanley
State Capitol - Room 507
Juneau, AK 99801-1182

Dear Representative Hanley,

I received a call from Mike Greany, Director of Legislative Finance, with the question whether our \$150.0 FY98 Operating amendment for the First National Bank of Anchorage non-performing land contracts could be an FY97 Supplemental budget item. The answer is yes. In accordance with our Land Sales Contract as part of the Mental Health Settlement agreement we are to maintain a balance in an Agency Fund account within AKSAS per an agreed-to schedule (Exhibit F). As of June, 1996 this Agency Fund account was roughly \$122.0 below the required amount and as of June 30, 1997, we project the account to be short \$150.0, hence our FY98 amendment. I have attached the necessary back-up to support our request.

If you choose to fund our request as an FY97 Supplemental we would transfer this amount in full into our Agency Fund account in AKSAS and keep it available for future non-performing contracts that the FNBA will return to the State. Our current balance in the Agency Fund account is roughly \$148.0 and the pattern of non-performing land contracts is very difficult to project.

I hope this clarifies the issue for you and either way we will need to receive the authorization to make sure we can meet our contractual requirements with the FNBA.

If you have any questions please feel free to call me at 465-2406.

Sincerely,

Nico Bus for NICO BUS

Nico Bus
Chief of Financial Operations

Attachments

cc: Joan Brown, OMB
Carol Carroll, DNR
Mike Greany, Legislative Finance
Jim Hauck, Legislative Finance

Record of Recourse Refunds

To Record Recourse Refunds Issued to First National Bank Per Purchase and Sale Agreement

DNR ADL #	FNBA Loan #	Warrant Number	Warrant Date	Reason for Refund R=Relinquishment D=Delinquency	Warrant Amount	Interest Portion	Principal Portion	Agency Trust Fund Balance	Total Value
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204405	300531-6	13678	03/05/96	D - Pmt Due 11/21/95	1,655.25	0.00	1,655.25	259,753.35	3,700.00
208211	300896-3	13764	03/22/96	D - Pmt Due 02/06/95 (BR)	13,937.13	0.00	13,937.13	245,816.22	19,350.00
216732	301520-8	13784	03/22/96	D - Pmt Due 12/15/95	6,448.66	0.00	6,448.66	239,367.56	10,000.00
216737	301524-0	13764	03/22/96	D - Pmt Due 12/15/95	4,595.41	0.00	4,595.41	234,772.15	8,500.00
216481	301464-9	13895	04/18/96	D - Pmt Due 01/01/96	5,415.95	0.00	5,415.95	229,356.20	8,500.00
410597	302723-7	13895	04/18/96	D - Pmt Due 11/16/95	9,272.72	0.00	9,272.72	220,083.48	10,100.00
205028	300626-4	14117	06/07/96	D - Pmt Due 02/26/96	1,786.70	0.00	1,786.70	218,296.78	7,500.00
221212	301816-0	14117	08/07/96	R - 05/30/96	6,693.08	0.00	6,693.08	211,603.70	9,300.00
224200	301942-4	14236	07/12/96	D - Pmt Due 03/01/96	8,119.65	0.00	8,119.65	205,484.05	9,550.00
222949	301903-6	14363	08/08/96	D - Pmt Due 04/15/96	14,960.59	0.00	14,960.59	190,523.46	19,700.00
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218008	301625-5	14470	08/23/96	D - Pmt Due 05-15-96	4,844.61	0.00	4,844.61	179,400.39	6,500.00
204413	300536.5	14523	09/13/96	D - Pmt Due 05-21-96	1,836.33	0.00	1,836.33	177,564.06	4,000.00
407321	302426-7	14523	09/13/96	D - Pmt Due 05-28-96	3,391.92	0.00	3,391.92	174,182.14	15,500.00
410489	302716-1	14523	09/13/96	D - Pmt Due 04-26-96	2,941.54	0.00	2,941.54	171,240.60	5,100.00
214151	301251-0	15153	01/15/97	D - Pmt Due 09-20-96	2,648.59	0.00	2,648.59	168,592.01	3,399.00
411120	302759-1	15153	01/15/97	R - 12-04-96	9,742.62	0.00	9,742.62	158,849.39	14,500.00
205027	300625-6	15184	01/23/97	D - Pmt Due 10-01-96	3,524.05	0.00	3,524.05	155,325.34	4,100.00
406542	302311-1	15308	02/19/97	D - Pmt Due 10-19-96	969.47	0.00	969.47	154,355.87	3,200.00
205393	300711-4	15387	03/04/97	D - Pmt Due 10-27-96	3,127.35	0.00	3,127.35	151,228.52	5,700.00
	<i>New</i>		<i>3/25/97</i>		<i>2,500.00</i>			<i>148,728.52</i>	
	<i>NOTIFICATION</i>		<i>6/30/97</i>	<i>PROCEEDURE</i>				<i>106,000</i>	
	<i>ADL # 405976</i>				<u>359,169.26</u>	<u>10,397.75</u>	<u>348,771.48</u>		<u>574,109.89</u>

#NSA
Contract
Requirements
2/12/97
6/30

233.0
\$222
1500
400

2500

Requested
'98
Amount
\$ 500

EXHIBIT F

TIMELINE / AGENCY FUND ACCOUNT BALANCE

DATE		Agency Fund Account Balance
06/30/95		\$415,000
06/30/96		333,000
06/30/97		256,000
06/30/98		186,000
06/30/99		146,000
06/30/00		116,000
06/30/01		91,000
06/30/02		71,000
06/30/03		56,000
06/30/04		43,000
06/30/05		32,000
06/30/06		23,000
06/30/07		15,000
06/30/08		8,500
06/30/09		8,500
06/30/10		8,500
06/30/11		8,500
06/30/12		8,500
06/30/13		8,500
06/30/14		8,500

TIMELINE

From Sales Contract

(i) Seller shall deposit \$500,000 of the Purchase Price paid pursuant to Section 2.2(a)(ii) above into an Agency Fund account within AKSAS.

(ii) When Seller's obligation to make a recourse refund arises, Seller shall make the recourse refund from the Agency Fund account within AKSAS to the extent any amounts remain in that account within a reasonable time after Purchaser completes all undertakings necessary for Seller's obligation to make a recourse refund to arise. A "reasonable time" for Seller to satisfy the recourse refund shall, in any event, be within 30 days. If Seller disputes that Purchaser has completed all necessary undertakings, Seller shall satisfy the recourse refund within a reasonable time after the dispute is resolved.

(iii) If Seller disputes that Purchaser is entitled to a recourse refund, Seller shall provide Purchaser with notice of such dispute within 30 days after Purchaser delivers demand for the recourse refund pursuant to Section 2.5(c)(iii)(1) above. Any such dispute shall be resolved either by mutual agreement of Purchaser and Seller or pursuant to the administrative procedures provided in 11 AAC 02.010 - 11 AAC 02.080. For purposes of such administrative procedures, Seller's notice of the dispute regarding Purchaser's entitlement to the recourse refund shall be deemed to be the decision from which an administrative appeal may arise.

(iv) At the end of each of Seller's fiscal year (June 30), Seller will compare the balance in the Agency Fund account with the estimated balance listed on Exhibit F. If the balance in this account drops below \$100,000 or the level shown on Exhibit F, whichever is the lesser, Seller will request a legislative appropriation to restore the Agency Fund account balance to the level shown on Exhibit F. The following are two examples. First, if the balance in the account is \$90,000 on June 30, 2000, Seller will request the Legislature for a \$26,000 (\$116,000 - \$90,000) appropriation during the 2001 legislative session. Second, if the balance in the account is \$20,000 on June 30, 2005, Seller will only request an appropriation of \$12,000 (\$32,000 - \$20,000).

(v) In the event that all funds in the Agency Fund account within AKSAS are expended, Seller shall pay any additional recourse refunds within a reasonable time after Seller's obligation arises, subject to legislative appropriations for that purpose.


(vi) At any time that the balance in the Agency Fund account within AKSAS exceeds the aggregate outstanding principal balance of the remaining ADL Contracts being administered by Purchaser, Seller shall be entitled to withdraw such excess out of the Agency Fund account. Seller shall give 30 days notice to

TO: Joan Brown
OMB - Budget Review
Office of the Governor

DATE: February 18, 1997

FILE NO: fnbaescr.doc

TELEPHONE NO.: 465-2406


FROM: Nico Bus
Chief, Financial Services

SUBJECT: FNBA Escrow Account
Funding Request

"FRONT"

The Department of Natural Resources requests \$150,000 general fund authorization be included in the front section of the FY98 operating budget bill to fund the land sale escrow account for the First National Bank of Anchorage.

The Department of Natural Resources (DNR), through competitive bid in December 1994, sold 2,856 land sale contracts to the First National Bank of Anchorage (FNBA) for \$15,000,222.

To maximize the return to the State, the contracts were sold with recourse; the State agreed to reimburse FNBA for the principal balance of any contract returned due to delinquency. The State set aside in an escrow account \$500,000 of the sale proceeds for this purpose.

In the first year after the sale, 34 contracts were returned to the State. During the same period in 1996, only 24 contracts were returned. In the six weeks since December 1996, four contracts have been returned. The current balance of the escrow account is \$154,356.

Because the contracts range in value from \$970 to \$74,119, it is difficult to estimate the amount that will be required for refund annually. Over the first two years, the escrow account has been reduced at an average of \$15,000 per month. DNR estimates that a renewable appropriation of \$150,000 annually is a reasonable request at this time. Historically, as customers build equity in their land purchases, the default rate decreases. By 2001, due to the buildup of equity, DNR expects to see a major reduction in the amount of contracts being returned. At that time, the balance in the current escrow account should be sufficient to carry the contracts to term.

An analysis of the trend and status of accounts returned from FNBA to DNR is attached. If you have any questions, please call me.

Attachment

cc: Jean Davis, Budget Analyst II, Financial Services

ANALYSIS OF TREND AND STATUS OF ACCOUNTS RETURNED FROM FIRST NATIONAL BANK OF ANCHORAGE

Trend:

The first contract was returned in February 1995. From February through December 1995, thirty-four contracts were returned to the State. During the same period in 1996, only twenty-four contracts were returned.

The Agency Trust Fund's beginning balance was \$500,000. The total amount refunded to date is \$356,042. Of this amount, \$10,398 is accrued interest which is not refunded out of the Agency Trust Fund. The principal portion, which is refunded out of the fund, is \$345,644. The current balance of the fund is \$154,356.

The Agency Trust Fund has been reduced at an average of \$15,000 per month. At this rate, the fund will be depleted by the end of October 1997. If the fund is replenished to \$500,000 and the average return remains constant at \$15,000 per month, the fund would be depleted by the end of October 1999. Since historical information indicates the number of returned contracts decreases relative to the age of the portfolio, we expect the life of the Agency Trust Fund to extend significantly beyond October 1999.

Status:

Fifty-eight accounts have been returned to the State. Following is a breakdown of their status:

No. of Accounts		Dollar Amount		Resale Value of Land	
Qty	%	\$	%		
9	16%	\$ 64,633	19%	\$ 86,450	Were returned due to relinquishment, currently in the disposal pool.
11	19%	64,457	19%	119,796	Relinquished after returning to the State, currently in the disposal pool.
2	3%	13,950	4%	5,900	Foreclosed for non-payment; ADL 405593 is available for resale.
9	16%	50,959	15%		Terminated - will be foreclosed if payment isn't received
9	16%	42,262	12%		Default - Many of these historically go into default periodically; most have made payments and are in default for subsequent installments; two are in bankruptcy.
17	29%	98,498	28%		Current
1	2%	10,885	3%		Paid off
58	100%	\$ 345,644	100%	\$ 212,146	

DEPARTMENT OF NATURAL RESOURCES

Record of Refunds

To Record Recourse Refunds Issued to First National Bank Per Purchase and Sale Agreement

DNR ADL #	FNBA Loan #	Warrant Number	Warrant Date	Reason for Refund R=Relinquishment D=Delinquency	Warrant Amount	Interest Portion	Principal Portion	Agency Trust Fund Balance	Total Value
				Beginning Balance:				\$500,000.00	
205128	300651 2	11707	02/23/95	R - 12/31/94	\$17,906.46	\$1,925.49	\$15,980.97	484,019.03	\$22,100.00
224202	301944 0	11917	03/07/95	R - 02/28/95	7,375.28	760.29	6,614.99	477,404.04	9,550.00
213358	301185 0	11942	03/14/95	R - 02/02/95	2,938.33	326.39	2,609.94	474,794.10	4,000.00
104462	300374 1	12083	04/14/95	D - Pmt Due 12/27/94	11,287.08	212.39	11,054.69	463,739.41	13,900.00
224828	301950 7	12083	04/14/95	D - Pmt Due 01/05/95	7,924.27	197.72	7,726.55	458,012.86	8,400.00
403758	302408 3	12083	04/14/95	D - Pmt Due 12/15/94	11,245.05	359.94	10,885.11	445,127.75	12,000.00
405091	302082 8	12083	04/14/95	D - Pmt Due 12/05/94	2,821.70	238.54	2,583.16	442,544.59	7,050.00
405281	302109 9	12083	04/14/95	D - Pmt Due 11/28/94	2,926.99	335.70	2,591.29	439,953.30	5,000.00
406760	302314 5	12083	04/14/95	D - Pmt Due 10/30/94	2,278.89	266.32	2,012.57	437,940.73	4,900.00
408406	302526 4	12083	04/14/95	D - Pmt Due 12/15/94	4,893.35	150.72	4,742.63	433,198.10	5,300.00
411874	302772 4	12083	04/14/95	D - Pmt Due 11/15/94	3,841.65	534.85	3,306.80	429,891.30	4,000.00
49057	300016 8	12278	05/25/95	D - Pmt Due 02/07/95	33,598.06	1,165.78	32,432.28	397,459.02	35,200.00
411071	302757 5	12276	05/25/95	D - Pmt Due 02/15/95	3,682.11	163.43	3,518.68	393,940.34	5,300.00
103904	300280 0	12369	06/13/95	D - Pmt Due 03/15/95	9,389.00	809.15	8,579.85	385,360.49	12,000.00
205375	300706 4	12549	07/19/95	D - Pmt Due 03/24/95	1,178.56	55.51	1,123.05	384,237.44	5,000.00
405084	302078 6	12549	07/19/95	D - Pmt Due 04/04/95	3,870.91	312.37	3,558.54	380,678.90	10,400.00
405104	302089 3	12549	07/19/95	D - Pmt Due 04/01/95	5,580.70	450.35	5,130.35	375,548.55	30,000.00
217556	301591 9	12628	08/09/95	R - 07-06-95	5,803.23	0.00	5,803.23	369,745.32	6,900.00
204206	300525 8	12870	09/18/95	D - Pmt Due 05/10/95	2,930.19	213.52	2,716.67	367,028.65	10,200.00
205839	300867 4	12870	09/18/95	D - Pmt Due 04/29/95	2,495.34	148.16	2,347.18	364,681.47	7,000.00
210685	301016 7	12870	09/18/95	D - Pmt Due 05/16/95	1,882.11	155.71	1,726.40	362,905.07	10,200.00
216172	301437 5	12870	09/18/95	D - Pmt Due 07/15/95	5,273.98	283.99	5,009.99	357,895.08	7,300.00
209530	300917 7	12999	10/25/95	D - Pmt Due 07/07/95	17,438.91	0.00	17,438.91	340,456.17	18,595.89
215431	301376 5	13004	10/25/95	D - Pmt Due 05/22/95	6,495.94	0.00	6,495.94	333,960.23	14,200.00
405593	302188 3	13004	10/25/95	D - Pmt Due 05/16/95	4,328.09	315.82	4,012.27	329,947.98	5,900.00
409041	302552 0	13004	10/25/95	D - Pmt Due 05/26/95	6,779.35	0.00	6,779.35	323,168.61	20,500.00
214344	301293 2	13023	11/09/95	D - Pmt Due 08/16/95	4,501.40	0.00	4,501.40	318,667.21	5,500.00
204438	300542 3	13033	11/16/95	R - 11/07/95	3,584.93	149.18	3,435.75	315,231.46	4,400.00
402814	302019 0	13150	11/22/95	D - Pmt Due 08/15/95	4,812.08	0.00	4,812.08	310,419.38	7,200.00
214479	301341 9	13150	11/22/95	D - Pmt Due 08/18/95	2,415.35	0.00	2,415.35	308,004.03	9,500.00
204437	300541 5	13320	12/11/95	R - 11/15/95	3,573.95	148.72	3,425.23	304,578.80	4,300.00
408454	302533 0	13384	12/28/95	D - Pmt Due 08/31/95	1,125.78	24.13	1,101.66	303,477.14	1,365.00
410425	302713 8	13384	12/28/95	D - Pmt Due 09/01/95	2,596.56	72.84	2,523.72	300,953.42	13,900.00
410516	302719 5	13518	01/26/96	R - 12/22/95	10,518.92	191.56	10,327.36	290,626.08	11,400.00
210660	301012 6	13590	02/16/96	D - Pmt Due 10/17/95	8,358.30	175.76	8,182.54	282,443.52	11,400.00
211589	301089 4	13590	02/16/96	D - Pmt Due 11/15/95	1,720.54	0.00	1,720.54	280,722.98	5,500.00
224184	303034 8	13590	02/16/96	D - Pmt Due 09/16/95	5,878.00	86.46	5,791.54	274,931.44	6,500.00
406831	302339 2	13590	02/16/96	D - Pmt Due 10/20/95	10,170.94	233.46	9,937.48	264,993.96	15,600.00

DEPARTMENT OF NATURAL RESOURCES
Record of First National Bank Recourse Refunds

To Record Recourse Refunds Issued to First National Bank Per Purchase and Sale Agreement

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206211	300896-3	13764	03/22/96	D - Pmt Due	02/06/95 (BR)	13,937.13	0.00	13,937.13	245,816.22	19,350.00
216732	301520-8	13764	03/22/96	D - Pmt Due	12/15/95	6,448.66	0.00	6,448.66	239,367.56	10,000.00
216737	301524-0	13764	03/22/96	D - Pmt Due	12/15/95	4,595.41	0.00	4,595.41	234,772.15	6,500.00
216461	301464-9	13895	04/18/96	D - Pmt Due	01/01/96	5,415.95	0.00	5,415.95	229,356.20	6,500.00
410597	302723-7	13895	04/18/96	D - Pmt Due	11/16/95	9,272.72	0.00	9,272.72	220,083.48	10,100.00
205028	300626-4	14117	06/07/96	D - Pmt Due	02/26/96	1,786.70	0.00	1,786.70	218,296.78	7,500.00
221212	301816-0	14117	06/07/96	R -	05/30/96	6,693.08	0.00	6,693.08	211,603.70	9,300.00
224200	301942-4	14236	07/12/96	D - Pmt Due	03/01/96	6,119.65	0.00	6,119.65	205,484.05	9,550.00
222949	301903-6	14363	08/08/96	D - Pmt Due	04/15/96	14,960.59	0.00	14,960.59	190,523.46	19,700.00
216547	301491-2	14470	08/23/96	D - Pmt Due	05/15/96	6,278.46	0.00	6,278.46	184,245.00	10,600.00
218008	301625-5	14470	08/23/96	D - Pmt Due	05-15-96	4,844.61	0.00	4,844.61	179,400.39	6,500.00
204413	300536.5	14523	09/13/96	D - Pmt Due	05-21-96	1,836.33	0.00	1,836.33	177,564.06	4,000.00
407321	302426-7	14523	09/13/96	D - Pmt Due	05-28-96	3,381.92	0.00	3,381.92	174,182.14	15,500.00
410489	302716-1	14523	09/13/96	D - Pmt Due	04-26-96	2,941.54	0.00	2,941.54	171,240.60	5,100.00
214151	301251-0	15153	01/15/97	D - Pmt Due	09-20-96	2,648.59	0.00	2,648.59	168,592.01	3,399.00
411120	302759-1	15153	01/15/97	R -	12-04-96	9,742.62	0.00	9,742.62	158,849.39	14,500.00
205027	300625-6	15184	01/23/97	D - Pmt Due		3,524.05	0.00	3,524.05	155,325.34	4,100.00
						<u>355,072.44</u>	<u>10,397.78</u>	<u>344,674.66</u>		<u>565,209.89</u>

**Senate Finance Supplemental Amendments
March 26, 1997**

<u>Amendments</u>	<u>Submitted by</u>
1 - 4	Sharp
5	Donley/Ellis (revised in new section)
6	Pearce
7	Leman
8	Adams
9	Phillips
10	Pearce
11	Ward
12	OMB
 <u>New section</u>	
13	DNR/OMB
14	Green

Senate Finance
 FY 97 Supplemental Appropriation
 (000 omitted)

New requests							
DEPT.	DESCRIPTION	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
1	DMVA				700.0		700.0
2	DNR		650.0				650.0
3	DNR		630.0				630.0
4	DNR		150.0				150.0
5	DPS		150.1				150.1
6	DNR					432.5	432.5
7	DNR		557.1				557.1
8	CRA		360.0				360.0
9	DMVA		250.0				250.0
10	LEGIS		500.0				500.0
11	COR	1,000.0					1,000.0
12	LAW						
13	DNR		150.0				
14	DNR		43.9				

Senate Finance
 FY 97 Supplemental Appropriation
 (000 omitted)

New requests							
DEPT.	DESCRIPTION	Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
	Totals of new requests	1,000.0	3,247.2	0.0	700.0	432.5	5,379.7
		Federal	GF	GF/ Prgm	GF/ Match	Other	Total Funds
	Tota federal funding request	1,000.0					
	Total GF funding request	3,947.2					
	Total Other funding request	432.5					
	Total funding request	5,379.7					