

HB

414

HFIN

FILE

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
2	FAST TRACK SUPPLEMENTAL								
3	1	Court System	Judicial Conduct	Legal fees in excess of FY2001 supplemental. Actual amount is \$6829.77.	6.8				6.8
4	2(a)	Comm & Ec Dev	Alaska Science & Technology Foundation	Idaho National Engineering and Environmental Laboratory Grant Contract for Alaska Business Research. Funds are available March 1, 2002.			25.0	Statutory Designated Prog Rcpts	25.0
5	2(b)	Comm & Ec Dev	International Trade & Business Development	International Trade and Business Endowment - replace unrealized FY02 Investment Earnings - Fund Source Change	230.4		-230.4	Internat'l Trade and Dev. Fund Earnings Reserve	0.0
6	3	Corrections	Palmer Correctional Center	New well including pump and wellhouse as primary water well has failed and is nonrepairable. Statutory designated program receipts (SDPR) are from interest earnings of Northern Tobacco Securitization Corporation (NTSC).			172.2	Statutory Designated Prog Rcpts	172.2
7	4(a)	Health & Soc Svcs	Medicaid Services	Medicaid Services - Projected to run out April 16. \$4.57m GF is for FY2001 bills paid in FY2002; 1.8m GF is from underfunding last year below low case scenario; 6.34m GF is for caseload at mid-case range and cost increases, particularly for seniors and disabled.	12,712.5	106,618.0	23,903.3	Statutory Designated Prog Rcpts	143,233.8
8	4(b)	Health & Soc Svcs	Subsidized Adoptions & Guardianship	Formula program caseload growth	2,529.6				2,529.6
9	5	Transportation	Marine Highway Stabilization Fund	Marine Highway Stabilization Fund FY02 deficit due to Columbia fire and fuel cost increases. If not funded, Spring/Summer service would need to be drastically cut, reducing revenues during highest revenue season. Ships would be put into lay-up status for extended periods.	2,876.9				2,876.9
10	6	Military & Vets	Disaster Planning & Control	Costs to maintain 24-hour State Emergency Coordination Center (SECC), the agency that coordinates all federal, state and local jurisdictional responses associated with any disaster or event.	100.0				100.0
11	7	Natural Resources	CIP	Scope change for SLA97, CH50, Sec 15(k), P9, L13 - from prepare and administer the Kalgin Island II, Caribou Hills, S. Ninilchik-Dome View, South Ninilchik Black timber sales in Kenai Peninsula to Kenai Peninsula to reduce risks from wildfire.					0.0
12	8	Governor	Elections	Costs for printing and mailing a Primary Election Voter Education Guide in time to explain the new law (shifted from FY2003 budget which will be amended)	25.0				25.0
13	9(a)	Comm & Ec Dev	Power Cost Equalization & Rural Electrification Fund	Technical correction to add the inadvertently omitted FY02 appropriation from the Power Cost Equalization Endowment fund to the Power Cost Equalization and Rural Electfication Fund			7,062.2	PCE EF	7,062.2

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1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
14	9(b)	Comm & Ec Dev	Power Cost Equalization & Rural Electrification Fund	Fully fund the statutory formula in the PCE statute. Cost increase is due to higher fuel costs.	1,100.0				1,100.0
15	9(c)	Comm & Ec Dev	Power Cost Equalization	Fully fund PCE statute. Increase due to higher fuel costs.			1,100.0	PCE	1,100.0
16	9(d)(1)	Comm & Ec Dev	Power Cost Equalization	Delete sufficient authorization from FY02 to pay FY01 late bills			-56.8	PCE	-56.8
17	9(d)(2)	Comm & Ec Dev	Power Cost Equalization	Add authorization to pay power cost equalization program FY01 late bills			56.8	PCE	56.8
18	10(a)(1)	Transportation	Northern Region Highways & Aviation	Chandalar (James Dalton Hwy) Maintenance Station Replacement- Temporary rental and other costs of vacating the maintenance station due to imminent structural failure.	127.8				127.8
19	10(a)(2)	Transportation	Central Region Highways & Aviation	East Fork (Parks Hwy- S of Cantwell) Maintenance Station Replacement- Temporary rental and other costs of vacating the maintenance station due to imminent structural failure.	21.9				21.9
20	10(a)(3)	Transportation	Central Region Highways & Aviation	Willow (Parks Hwy) Maintenance Station Replacement- Temporary rental and other costs of vacating the maintenance station due to imminent structural failure.	45.5				45.5
21	10(a)(4)	Transportation	Northern Region Highways & Aviation	Nome Maintenance Station Imminent Structural Failure - Temporary rental and other costs of vacating the maintenance station to due imminent failure.	72.0				72.0
22	10(b)	Transportation	Northern Region CIP	Chandalar Maintenance Station Replacement Design Costs (SDPR from NTSC - see line 6)			456.8	Statutory Designated Prog Rcpts	456.8
23	10(c)	Transportation	Southeast Region CIP	Title change from West Douglas Highway Extension to Gastineau Channel Second Crossing to match federal project name change					0.0
24	11(a)	University	Systemwide Small Planning, Design and Construction	Funding authority needed in excess of the FY02 small project non-gf receipt authority for Lena Point fisheries and ocean sciences facility for simultaneous excavation with NOAA to prevent disruption and damage to the facility at a later date.			800.0	UA Rcpts	800.0
25	11(b)	University	CIP	Scope Change for Sec 3, Ch 61, SLA 2001 to include UAA Heating, Ventilation, and Air Conditioning Piping Replacement Phases 1-4					
26	12			Lapse Provisions					
27	13			Retroactivity					
28	14			Effective Date					
29				FAST TRACK BILL TOTAL	19,848.4	106,618.0	33,289.1	0.0	159,755.5
30									
31									
32	REGULAR SUPPLEMENTALS								
33	1(a)(1)	Administration	Finance	Contractual costs for maintenance of the State payroll system (AKPAY) core database	150.0				150.0
34	1(a)(2)	Administration	General Relief	Shortfunding for projected caseload	273.0				273.0
35	1(a)(3)	Administration	Leasing	Shortfunding of the amount required to pay leases with the private sector	1,300.0				1,300.0
36	1(a)(4)	Administration	Leasing	FY02 appropriation for the Anchorage Jail lease is short \$4,784.38	4.8				4.8

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1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
37	1(a)(5)	Administration	Office of Public Advocacy	Shortfunding of current year exacerbated by increased costs	1,865.0				1,865.0
38	1(a)(6)	Administration	Public Defender	Shortfunding of current year need and fiscal notes	600.0				600.0
39	1(a)(7)	Administration	Public Defender	Mental Health Court attorney approved by the Mental Health Trust			73.0	MHTAAR	73.0
40	1(b) & (c)	Administration	Senior Services	Senior Services Employment Program hold harmless – Federal regulations not promulgated so funds not needed.	-120.0				-120.0
41	2(a)	Comm & Ec Dev	Alaska Aerospace Development Corporation	Replace \$311.9 of unrealized FY02 Alaska Science & Technology Foundation Investment Earnings with AADC receipts.			0.0		0.0
42	2(a)	Comm & Ec Dev	Alaska Aerospace Development Corporation Facilities Maintenance	Replace \$69.2 of unrealized Alaska Science & Technology Foundation FY02 Investment Earnings with AADC receipts.			0.0		0.0
43	2(b)	Comm & Ec Dev	Power Project Fund	Denali Commission Appropriation to the Power Project Fund		4,900.0			4,900.0
44	2(c)	Comm & Ec Dev	Alaska Aerospace Development Corporation	Grant from the U.S. Department of Defense for Kodiak Launch Complex Improvements- Infrastructure Safety Upgrades, Range Safety System, and Road Improvements		20,000.0			20,000.0
45	3(a)	Corrections	Facility-Capital Improvement Unit	The \$160.5 general fund fiscal note funding Ch. 32, SLA 2001 (HB 149 Private Prison in Kenai) is no longer needed since Kenai voters rejected the proposal. Funds are reappropriated to Inmate Health Care.					0.0
46	3(b)	Corrections	Inmate Health Care	Shortfunding in health care costs resulting from continued inflation of pharmacy costs, staff salaries (includes \$676.0 for health care worker/nurses salary costs), contract physician costs and hospital care.	1,839.5				1,839.5
47	3(c)	Corrections	Parole Board	Shortfunding in operations due to increased prisoner hearings and Parole Board activity Chg to 85 ltr 2/28	85.0				85.0
48	3(d)	Corrections	CIP	Offender Tracking Information System Development		762.0			762.0
49	4	Military & Veterans' Affairs	Disaster Relief Fund	The Disaster Relief Fund directly funds the core services of the Division of Emergency Services, 10 full-time positions and the match for another 10 positions. Fund capitalization to cover the core services costs has been done in the supplemental for several years.	680.0				680.0
50	5(a)(1)	Education	Pupil Transportation	Cost for new bus routes approved in current year	541.6				541.6
51	5(a)(2)	Education	Schools for the Handicapped	Education costs for children in state custody who require out-of-state placement	165.5				165.5
52	5(b)	Education	Foundation	Use balance in foundation program resulting from the October student count to fund supplemental needs.	-1,975.9				-1,975.9
53	5(c)	Education	CIP	Federal School Renovation, Individuals with Disabilities Education Act (IDEA) and Technology grants for local school districts		5,400.0			5,400.0
54	5(d)(1)-(2)	Education		Along with a reappropriation of \$198.6 from the Department of Law, this will fund the McGraw-Hill assessment contract increase of \$498.9.	300.3				300.3

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1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
55	6	Environ Cons		Amend the FY02 appropriation made by Sec. 89, Ch. 61 for Implementation of the cruise ship bill to correct the fund source from statutory designated program receipts to the Commercial Passenger Vessel Environmental Compliance Fund.					0.0
56	7	Natural Resources	Fire Suppression	Fixed costs and fire suppression costs incurred to date. Updated costs for spring fire suppression will be provided as needed.	7,235.0				7,235.0
57	8(a) - (b)	Fish & Game	CIP	Change fund source on \$28.2 due to shortfall in Commercial Fisheries Limited Entry Commission (CFEC) collections - Dock replacement in King Salmon. (SDPR from NTSC - see line 6)				Rcpt Supp Svcs to Statutory Designated Prog Rcpts	0.0
58	8(a) - (b)	Fish & Game	CIP	Change fund source on \$78.8 due to CFEC shortfall - Statewide facilities repair & maintenance. (SDPR from NTSC - see line 6)				same	0.0
59	8(a) - (b)	Fish & Game	CIP	Change fund source on \$145.0 due to CFEC shortfall - Upper Cook Inlet and Kuskokwim River Coho projects. (SDPR from NTSC - see line 6)				same	0.0
60	8(a) - (b)	Fish & Game	CIP	Change fund source on \$63.0 on FY01 CIP project due to CFEC shortfall - Copper River (Miles Lake) Sonar. (SDPR from NTSC - see line 6)				same	0.0
61	8(a) - (b)	Fish & Game	CIP	Change fund source on \$88.5 due to CFEC shortfall - Mariculture development program. (SDPR from NTSC - see line 6)				same	0.0
62	8(a) - (b)	Fish & Game	CIP	Change fund source on \$200.0 due to CFEC shortfall - Vessel and aircraft repair and maintenance. (SDPR from NTSC - see line 6)				same	0.0
63	9(a)	Governor	Elections	Redistricting: add carryforward language for the remaining balance of the \$947.4 appropriation made in Sec. 20, Ch. 60, SLA 2001					0.0
64	9(b)	Governor		Correct a drafting error in Sec. 36(c), Ch. 61 by adding reference to fiscal year 2001.					0.0
65	9(c)	Governor	Governmental Coordination	Change RPL 01-2-8022 Coastal Impact Assistance Program from Operating to Capital					0.0
66	9(d)	Governor	CIP Governmental Coordination	Additional authorization for the Coastal Impact Assistance Program			3,335.7		3,335.7
67	10(a)(1)	Health & Soc Svcs	Adult Public Assistance	Formula program caseload growth	541.0				541.0
68	10(a)(2)	Health & Soc Svcs	Board on Alcohol & Drug Abuse	Cost of co-locating with AK Mental Health Board			40.9	MHTAAR	40.9
69	10(a)(3)	Health & Soc Svcs	Bureau of Vital Statistics	Increased receipt supported services authority so general funds can be transferred to Community Health/Emergency Medical Services for two-way radio costs			75.0	Rcpt Supp Svcs	75.0
70	10(a)(4)	Health & Soc Svcs	Foster Care Special Needs	Shortfunding of formula program from caseload growth projections	304.6				304.6
71	10(a)(5)	Health & Soc Svcs	General Relief Assistance	Formula program growth	190.7				190.7
72	10(b)	Health & Soc Svcs	Comm Health/EMS	Correct HB 228 Sale of Tobacco Products fiscal note fund source from Tobacco Settlement to Tobacco Use Cessation and Education Fund	-487.9		487.9	Tobacco Use Cessation & Ed Fund	0.0
73	11	Law		Judgments and Claims \$816,486.85	631.5		185.0	PERS Fund	816.5

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1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
74	12(a)	Law		Law Office Assistant reclassification costs		1.7	129.4	Inter-Agency Rcpts	131.1
75	12(b)	Law		Fund the \$214.4 general fund portion of the Law Office Assistant reclassification costs with the reappropriation of funds within the Department of Law					
76	13	Military & Vets	Army Guard Facilities Maintenance	Federal funds for increased telecommunications costs for the Distance Learning project		350.0			350.0
77	14(1)	Natural Resources	Geological Development	Federal grant awards for geological projects		493.4			493.4
78	14(2)	Natural Resources	Parks Mgmt	Increased fuel costs	20.2				20.2
79	14(3)	Natural Resources	Parks Mgmt	Increased costs for two-way radio circuits	40.7				40.7
80	14(4)	Natural Resources	Recorder's Office	Costs of title records for new title companies. Title insurance laws require companies to have duplicate records for the past 25 years.			300.0	Statutory Designated Prog Rcpts	300.0
81	14(4)	Natural Resources	Recorder's Office	Assume recording duties in Valdez, Glennallen, and Seward that were previously done by the Courts System without charge. Increased costs to process heavy volume of mortgage refinance activity and implement completed classification study.			235.0	Rcpt Supp Svcs	235.0
82	15(a)(1)	Public Safety	AST	Increased fuel costs	106.1				106.1
83	15(a)(2)	Public Safety	AST- Prisoner Transport	Increased prisoner transports based on higher volume of cases	172.9				172.9
84	15(a)(3)	Public Safety	AST Detachments	Increased fuel costs	125.3				125.3
85	15(a)(4)	Public Safety	AST Detachments	Recruitment Academy Training	81.0				81.0
86	15(a)(5)	Public Safety	AST Detachments	Standby pay due to heightened security	67.5				67.5
87	15(a)(6)	Public Safety	AST	Standby pay due to heightened security	15.7				15.7
88	15(a)(7)	Public Safety	VPSO	Standby pay due to heightened security	11.8				11.8
89	15(a)(8)	Public Safety	AST Detachments	Emergency guard hires needed to guard offenders in areas with no jails.	59.0				59.0
90	15(a)(9)	Public Safety	AST Detachments	Medical examination costs for sexual assault/abuse cases 87.5 (tr 2/28)	87.5				87.5
91	15(a)(10)	Public Safety	AST Detachments	Increased costs for two-way radio circuits	102.4				102.4
92	15(a)(11)	Public Safety	Fish & Wildlife	Increased fuel costs	247.4				247.4
93	15(b)	Public Safety	Batterers Intervention Program	Fund source change to correct the overallocation of PFD felon funds in FY2002.	63.9		63.9	PFD Fund	0.0
94	16(a)(1)	Revenue	Alcohol Beverage Control Board	Contractual costs for a hearing officers to conduct formal hearings on liquor licenses	20.0			General Fund Program Rcpts	20.0
95	16(a)(2)	Revenue	Permanent Fund Dividend Division	Legal costs awarded by state Supreme Court in a class-action suit filed on behalf of applicants denied dividends.			89.9	PFD Fund	89.9
96	16(a)(3)	Revenue	Permanent Fund Dividend Division	Overtime costs to resolve eligibility review and appeal case backlog.			31.9	PFD Fund	31.9

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97	16(b)	Revenue	Child Support Enforcement	Recover cost of increased number of paternity testings required by court orders.	43.0				43.0
98	16(c)	Revenue	Child Support Enforcement	Appropriation of interest earned on reserve account balance	60.0				60.0
99	16(d)	Revenue	Treasury Division	Correct fund source for Ch 60, SLA 2000 PCE Fund/Sale of 4 Dam Pool/Energy (HB 446) fiscal note.					0.0
100	16(e)	Revenue	Treasury Division	Repeal fiscal note funding for Ch. 32, SLA 2001 (HB 149 Kenai Private Prison) since Kenai voters did not approve the private prison development.	-20.0				-20.0
101	17(a)	Transportation	Central Region Highways & Aviation	Whittier Tunnel Maintenance and Operations for June 7-30 (current contract expires)			178.0	Rcpt Supp Svcs	178.0
102	17(b)(1)	Transportation	Central Region Facilities	Fuel and Utility Cost Increases	240.9				240.9
103	17(b)(2)	Transportation	Northern Region Facilities	Fuel and Utility Cost Increases	230.6				230.6
104	17(b)(3)	Transportation	Southeast Region Facilities	Fuel and Utility Cost Increases	140.3				140.3
105	17(b)(4)	Transportation	Central Region Highways & Aviation	Fuel and Utility Cost Increases	381.0				381.0
106	17(b)(5)	Transportation	Northern Region Highways & Aviation	Fuel Cost Increases	569.2				569.2
107	17(b)(6)	Transportation	Southeast Region Highways & Aviation	Fuel Cost Increases	39.2				39.2
108	17(c)(1)	Transportation	Ted Stevens Anchorage International Airport (TSAIA) Administration	Utility Cost Increases			10.0	Internat'l Airports Rev Fund	10.0
109	17(c)(2)	Transportation	TSAIA Facilities	Utility Cost Increases			467.0	Internat'l Airports Rev Fund	467.0
110	17(c)(3)	Transportation	TSAIA Field & Equipment Maintenance	Utility Cost Increases			60.0	Internat'l Airports Rev Fund	60.0
111	17(c)(4)	Transportation	TSAIA Safety	Utility Cost Increases			8.0	Internat'l Airports Rev Fund	8.0
112	17(d)	Transportation	State Equipment Fleet Administration	Add authority for increased usage of fuel credit card system			250.0	Highway Working Capital Fund	250.0
113	17(e)(1)	Transportation		Glenn Highway Rut Repair from McCarrey St. to Highland Rd.		6,000.0			6,000.0
114	17(e)(2)	Transportation		Dimond Boulevard Rut Repair		6,000.0			6,000.0

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115	17(e)(3)	Transportation		Hillcrest (Anchorage) Bridge Repair- 3rd party repayment for damages. (l/r 2/28)	0.0			General Fund Program Rcpts	0.0
116	17(e)(4)	Transportation		Northern Region Materials Lab Worker Safety Compliance Upgrade. (SDPR from NTSC - see line 6)			600.0	Statutory Designated Prog Rcpts	600.0
117	18(a)-(d)	University	CIP	Eliminate federal receipts since funding source was changed to university receipts via RPL 45-2-0007 for Arctic Supercomputer purchase.		-32,000.0			-32,000.0
118	18 (e)	University		Replace unrealized investment earnings from the Alaska Science and Technology Foundation	1,753.3		-1,753.3	ASTF	0.0
119	19	Misc Claims	Administration	Miscellaneous Claims: -0-, State-dated warrants: 23,744.07	23.7				23.7
120	19	Misc Claims	Corrections	Miscellaneous claims: \$3,204.11	3.2				3.2
121	19	Misc Claims	Fish & Game	Miscellaneous claims: \$3,761.00	3.8				3.8
122	19	Misc Claims	Health & Soc Svcs	Miscellaneous claims: \$21,499.91	21.5				21.5
123	19	Misc Claims	Law	Miscellaneous claims: \$27,060.49	27.1				27.1
124	19	Misc Claims	Military & Veterans' Affairs	Miscellaneous claims: \$274.00	0.3				0.3
125	19	Misc Claims	Public Safety	Miscellaneous claims: \$293.88	0.3				0.3
126	19	Misc Claims	Transportation	Miscellaneous claims: \$32.96					0.0
127	REGULAR SUPPLEMENTAL BILL TOTAL				18,862.5	15,242.8	1,403.8		35,509.1
128									
129	TOTAL FOR BOTH BILLS MINUS THE \$16.5m GF PLACEHOLDER IN FISCAL SUMMARY				22,210.9	121,860.8	34,692.9		178,764.5
130									
131	Ratifications:								
132	20(a)(1)	Transportation		AR 61669-2001 Reimburse Authority	165,066.62				
133	20(a)(2)	Transportation		AR 64790-2015 Reimbursable Authority	34,614.23				
134	20(a)(3)	Transportation		AR 58904-2001 Reimbursable Proj.	96,773.16				
135	20(b)	Natural Resources	Fire Suppression	FY2001 Fire suppression costs AR 37313-01 Fire Suppression	4,730,000.00				
136	21			Lapse Provisions					
137	22			Retroactivity					
138	23			Effective Dates					
139	24			Immediate Effective Date					

Sec. 1

Subject: Fast Track Supplemental

Date: Tue, 26 Feb 2002 19:32:53 -0500

From: "Marla N. Greenstein" <75471.1003@compuserve.com>

To: "Denny Dewitt, House Finance" <Denny_DeWitt@legis.state.ak.us>

CC: Chris Christensen <cchristensen@courts.state.ak.us>,
Mary Sutton <Mary_Sutton@gov.state.ak.us>

Denny:

Chris will be in Anchorage on Friday and unable to attend the hearing.
This e-mail explains our request:

The primary constitutional responsibility of the Alaska Commission on Judicial Conduct is to recommend discipline for judicial ethics violations to the Alaska Supreme Court. In exercising this constitutional responsibility we incurred appellate costs in FY 01. Last year we sought and received supplemental funding in anticipation of the costs through June 30th. Unfortunately, my conservative assessment of the funds we would require to fulfill these responsibilities was under our actual expenses. Our request of \$6829.77 is the balance owed under our professional services obligation to pursue this matter through the supreme court. Oral argument before the court took place in July and we are awaiting a final decision.

As always, if you or any member of the Committee have any questions, I would be happy to provide additional information.

Thank you,
Marla Greenstein
Executive Director
Alaska Commission on Judicial Conduct

Subject: thought I sent this, but maybe not

Date: Tue, 26 Feb 2002 11:19:11 -0900

From: David Teal <David_Teal@legis.state.ak.us>

Organization: Legislative Finance, State of Alaska

To: Denny DeWitt <Denny_DeWitt@legis.state.ak.us>,
Deb Davidson <Deb_Davidson@legis.state.ak.us>

Sections 3 and 10(b) of the fast track supplemental bill use interest earnings of the Northern Tobacco Securitization Corporation (NTSC) to pay for capital projects. I suggest avoiding use of this money because appropriations of NTSC earnings may jeopardize the legal separation of the NTSC from AHFC and the State.

The reason for creating NTSC as an independent corporate entity was to sell the risk associated with potential reductions in the stream of Tobacco Settlement money to be received by the State. If future Tobacco Settlement cash flow is insufficient to pay debt service on the bonds issued by the NTSC, bondholders may point to appropriations of NTSC earnings as evidence that NTSC is not truly an independent entity. The State could then wind up paying NTSC debt service with GF.

If the legislature determines that the risk to the State is small, or wishes to use the NTSC earnings for any other reason, I suggest that the fund source be changed from Statutory Designated Program Receipts to Miscellaneous Earnings. The NTSC earnings do not appear to pass our test for classification as SDPR.

The preferred alternative—painful as it may be in the short-run—is to leave the earnings with the corporation to be used for debt service and to pay for the projects with general funds (if you chose to fund them). The earnings won't vanish if we don't use them immediately. I'd feel better about spending the earnings if we had a legal opinion saying it would not pierce the corporate veil.

There are several items in the regular supplemental bill that appear every year. We all know that these items—disaster relief fund capitalization and the fixed costs of fire suppression, for example—were shifted to the supplemental in order to make past budgets appear smaller. This approach doesn't help win the "overspent" versus "underfunded" battle with the executive branch. It seems this issue is a lot like the spending limit of SJR 23; a clear limit on expenditures has value because expenditures tend to rise to meet the amount available to spend. Putting the money in the normal operating budget would increase accountability because the legislature would set a limit on expenditures instead of approving whatever costs have been incurred. Obviously, adding to the operating bill is painful, but it would not be a true increase in spending and is cleaner budgeting with potential benefits. Are we ready to attack this? Should we be looking at the supplemental bills when setting spending goals?

There are a few items in the regular supplemental that are questionable, but they can wait. You should probably figure out what you want to do about the unfunded AHFC capital projects, but they can wait for the regular supplemental also.

Sec. 9

**Session 2002 – Fast Track Supplemental Budget Issues
For AEA**

#	ISSUE	COMMENTS	UP-DATED
1	PCE FY 2002 – Endowment \$7,062 million FAST TRACK Section 9 (a)	In SLA 2000, Chapter 60 was passed which dealt with various energy funds and the sale of the 4 Dam pool. Sec 14 provided for funding to be appropriated from the newly created Power Cost Equalization Endowment Fund. However, this was inadvertently missed during the FY 2002 budget process. The capitalization of the fund is required to support the FY2002 PCE program's appropriation, and this supplemental request corrects that oversight. Failure to pass this supplemental request will result in a shortfall in the PCE fund and the program's inability to fully meet its remaining FY 2002 obligations estimated to be \$8.7 million. This supplemental needs an immediate effective date because of the pending fund shortfall.	2/27/02
2	PCE FY 2002 – \$1.1 million FAST TRACK Section 9 (b) Capitalizes the fund Section 9 (c) Authorizes payments	With the continued high cost of fuel in rural areas, the Power Cost Equalization Program has been unable to fully meet its obligations throughout FY 2002. As a result, the PCE program has prorated its obligations to the utilities. This appropriation to the fund, combined with the request for increased authorization, will allow the program to fully meet the anticipated FY 2002 obligations for the period of March to June 2002. Failure to pass this supplemental request will result in continued proration of the program for the remainder of FY 2002. This supplemental needs a March 1, 2002, effective date in order to prevent proration to continue from March to June.	2/27/02
3	PCE FY 2001 - \$56,751.06 FAST TRACK Section 9(d) 1&2	Due the increased cost of fuel oil during FY2001, AEA estimated a pro rata reduction of the Power Cost Equalization Program. Based on this estimate, a 26% reduction was enacted in June of 2001; however, AEA was unable to make payment on \$56,751 worth of grant obligations. This request will allow the program to make payment on its final FY2001 obligations. Failure to pass this supplemental request means that AEA will not meet its FY2001 obligations. AEA's pro rata reduction for FY2002 accounts for this FY2001 requirement, but without approval of this supplemental the required obligations for FY2001 will remain unpaid. This supplemental needs an immediate effective date in order to resolve the inequity.	2/27/02

FY01 Power Cost Equalization Statistical Information as of 2/13/02

Population of Participating Utilities	79,609
Residential Customers	25,089
Commercial Customers	6,513
Community Facilities	1,726
Misc Customers	1,629
Total Number of Customers	<u>34,957</u>
Total Number of Eligible Customers (Res & CF)	26,815
% of Total Customer Base Eligible for PCE	76.71%
Eligible kWh's Residential	87,461,338
Eligible kWh's Community Facilities	33,024,391
Eligible kWh's Total	<u>120,485,729</u>
Total kWh's Sold	403,291,947
% of Total kWh's Sold Eligible for PCE	29.88%

FY01 Total Disbursements To Date: 17,033,000.00

Utility Name	Count	Amount	Percentage
Tanana Power Company	1	113,252.94	0.66%
Napaklak Irclinraq Power Company	1	117,865.74	0.69%
Gwitchyaa Zhoee Utilities (Fl. Yukon)	1	129,292.67	0.76%
Unalakleet Valley Electric Cooperative	1	133,347.56	0.78%
St. Paul Municipal Electric Utility	1	136,182.30	0.80%
Yakutat, City of	1	148,196.73	0.87%
Middle Kuskokwim Electric Cooperative	5	172,471.79	1.01%
McGrath Light & Power	1	198,261.61	1.16%
Aniak Light & Power Company	1	202,840.03	1.19%
Nome Joint Utility System	1	224,360.69	1.32%
Naknek Electric Association, Inc.	1	238,368.36	1.40%
Unalaska Electric Utility	1	240,806.84	1.41%
Gustavus Electric Company	1	248,114.56	1.46%
I-N-N Electric Cooperative	3	267,604.84	1.57%
Sand Point Electric, Inc.	1	329,734.02	1.94%
Nushagak Electric Cooperative, Inc.	2	371,056.52	2.18%
Kotzebue Electric Association, Inc.	1	452,439.13	2.66%
Cordova Electric Cooperative, Inc.	1	592,326.61	3.48%
Bethel Utilities Corporation, Inc.	2	884,008.41	5.19%
Tlingit-Haida Regional Electric Authority	7	1,083,175.74	6.36%
Alaska Power Company	25	1,388,056.54	8.15%
Alaska Village Electric Cooperative	51	6,387,674.00	37.50%
22 Utilities Receiving Over \$100K Annually:	110	14,059,439.63	82.54%
*73 Utilities Receiving Less Than \$100K Annually:	82	2,973,560.37	17.46%
Totals:	192	17,033,000.00	100.00%

Remaining FY01 Disbursement:

Thome Bay	17,175.83
False Pass	11,696.60
Buckland	5,963.84
Akhiok	15,502.63
Umnak	6,411.96
	<u>56,751.06</u>

	Average Rates for Anchorage, Fairbanks, and Juneau	Average Rate for PCE Residential Customers	Straight Average PCE Level	Average Rate PCE customers pay after PCE is applied
6/1/1999	9.9	38.09	14.51	23.58 (reduced level of 73.5%)
6/1/2000	9.9	39.21	20.01	19.20 (100% level)
6/1/2001	9.9	39.91	15.98	23.93 (reduced level of 74.0%)
7/1/2001	9.9	39.91	19.54	20.37 (reduced level of 92.0%)
2/1/2002	9.9	39.01	16.99	22.92 (reduced level of 80.0%)
Est 3/1/02	9.9	39.91	21.24	18.67 (100% projected level)

POWER COST EQUALIZATION
FY 2000 - 2008
(\$ Thousands)

	Fiscal Year Actuals		Fiscal Year Projections						
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Endowment Fund									
Beginning Balance ⁽¹⁾		101,727	95,654	175,779	176,101	176,028	175,927	175,824	175,721
Four Dam Pool Debt Service			9,533						
Four Dam Pool Sale (1/31/02)			80,000						
January Power Sales (8/1/02)				863					
7% Mkt Value Increase (loss) ⁽²⁾	(6,049)		(2,260)	12,355	12,327	12,322	12,315	12,308	12,300
Agency Transfer - Mgmt Fee	(23)		(86)	(96)	(96)	(96)	(96)	(96)	(96)
7% Transfer to PCE Fund ⁽³⁾	0		(7,062)	(12,800)	(12,305)	(12,327)	(12,322)	(12,315)	(12,308)
Balance -- End of Fiscal Year		95,654	175,779	176,101	176,028	175,927	175,824	175,721	175,618
PCE Fund									
Beginning Balance	3,106	17,111	2,527	829	0	0	0	0	0
<u>Revenue</u>									
Fast Track Supplemental	3,600								
Four Dam Pool Debt Service	5,516								
Four Dam Pool Interest	10,378								
Ch 61 SLA 01, section 13			6,854						
Transfer from Endowment Fund			7,062	12,800	12,305	12,327	12,322	12,315	12,308
2% Earnings -- PCE Fund ⁽⁴⁾	227	1,026	86	273	246	247	246	246	246
NPR-A	9,163								
Recovery of Prior Year Outlays	1	7							
Other Funds ⁽⁵⁾			1,100	4,553	6,841	7,385	8,189	9,027	9,898
Total Revenue	28,884	1,033	15,102	17,625	19,192	19,959	20,757	21,588	22,451
Total Revenue and Beginning Balance			17,629	18,453	19,192	19,959	20,757	21,588	22,451
<u>Expenditures</u>									
Appropriation for PCE payments		15,700							
Encumbrance from PCE AR		(34)							
FY00 Reversal of accrual		(222)							
FY00 Outlay in FY01		120							
Est. Total PCE Outlay ⁽⁵⁾	14,783	15,565	15,700	18,453	19,191	19,959	20,757	21,588	22,451
Rural Electric Grants	96	53							
Supplemental Outlay ⁽⁵⁾			1,100						
Total Fund Expenditures	14,879	15,617	16,800	18,453	19,191	19,959	20,757	21,588	22,451
Balance -- End of Fiscal Year	17,111	2,527	829	0	0	0	0	0	0

(1) FY01 CBR Transfer + Interest

(2) Actual loss as of 1/31/02 for FY02; AS 42.45.080 (a)(2) requires the fund to be invested in a manner likely to achieve at least a 7% nominal return over time.

(3) 7% of MV of fund on 2/1/01 for FY02; 2/1/02 for FY03; Monthly average MV for previous 3 years (excluding months prior to 4DP Sale) As determined on 7/1 of prior fiscal year for FY04 and beyond.

(4) Actual interest postings through 1/16/02 for FY02; AEA estimate of earnings for future years.

(5) FY02 PCE Fund revenue and outlays include the Governor's Supplemental Budget request. FY03 - FY08 estimates include a 4% inflation adjustment.